

Stock Code:6612

ICARES MEDICUS, INC. AND SUBSIDIARIES**Consolidated Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

Address: 4F., No. 16, Sec. 2, Shengyi Rd., Zhubei City, Hsinchu County
Telephone: (03)657-9530

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Representation Letter	3
4. Independent Auditors' Report	4
5. Consolidated Balance Sheets	5
6. Consolidated Statements of Comprehensive Income	6
7. Consolidated Statements of Changes in Equity	7
8. Consolidated Statements of Cash Flows	8
9. Notes to the Consolidated Financial Statements	
(1) Company history	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards, amendments and interpretations adopted	9~10
(4) Summary of significant accounting policies	11~25
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	25~26
(6) Explanation of significant accounts	27~63
(7) Related-party transactions	64~68
(8) Pledged assets	68
(9) Significant Commitments and Contingencies	68
(10) Losses Due to Major Disasters	68
(11) Subsequent events	68
(12) Other	69
(13) Other disclosures	
(a) Information on significant transactions	69~71
(b) Information on investees	72
(c) Information on investment in mainland China	72~73
(14) Segment information	73~74

Representation Letter

The entities that are required to be included in the combined financial statements of ICARES MEDICUS, INC. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, “Consolidated and Separate Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, ICARES MEDICUS, INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: ICARES MEDICUS, INC.

Chairman: Ih-Houng Loh

Date: March 11, 2026

Independent Auditors' Report

To the Board of Directors of ICARES MEDICUS, INC.:

Opinion

We have audited the consolidated financial statements of ICARES MEDICUS, INC. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

The financial statements of subsidiaries included in the consolidated financial statements of the Group and those of ACME TOOLING TECHNOLOGY CO., LTD. were audited by another auditor. Therefore, the amount regarding the financial statements of ACME TOOLING TECHNOLOGY CO., LTD. Co. were based on another auditor's independent report in our opinion of the aforementioned the consolidated financial statements of the Group. As of December 31, 2025 and 2024, the total assets of the aforementioned subsidiary accounted for 7.30% and 7.74% of the consolidated total assets, and the net operating revenue for the year ended December 31, 2025 and 2024, accounted for 19.17% and 14.40% of the consolidated net operating revenue, respectively. The "Share of profit of subsidiaries accounted for using equity method" amount of ACME TOOLING TECHNOLOGY CO., LTD. of profit before income tax accounts for (1.34) % for the year ended December 31, 2024.

Notes to Readers

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

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

ICARES MEDICUS, INC. has prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion with other matter and an unmodified opinion, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, key audit matters to be communicated in the independent auditors' report are listed below:

Impairment of goodwill

Please refer to note 4(m) "Impairment – non-financial assets", note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and note 6(l) "Intangible assets" of the consolidated financial statements.

Description of key audit matter:

ICARES MEDICUS, INC. indirectly obtained 66.67% shares of Maxus Medical Co., Ltd. which was controlled by the company through its subsidiary, ICARES Medicus (Hong Kong) Limited, in 2019. It was identified the goodwill through the transaction. Since the evaluation and testing requires management to make judgments, estimates, and assumptions, the impairment of the intangible assets due to the above-mentioned cases are the key judgmental areas for our audit.

How the matter was addressed in our audit:

1. Obtaining the impairment assessment reports prepared by the appraisers appointed by the Company and evaluating the reasonableness of approaches, the appraisal procedure for determining the recoverable amount and significant assumption.
2. Performing sensitivity analysis on the test results.
3. Reviewing the appropriate disclosure of information regarding impairment assessment.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or

Notes to Readers

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

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

has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Notes to Readers

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hung-Wen Fu and Shin-Kang Hung.

KPMG

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

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(u) and 7)	\$ 1,130,986	100	859,793	100
5000	Operating costs (notes 6(f), (o), (p), (s), (v), 7 and 12)	462,809	41	260,064	30
	Gross profit from operations	668,177	59	599,729	70
	Operating expenses (notes 6(d), (e), (o), (p), (s), (v), 7 and 12):				
6100	Selling expenses	43,792	4	51,448	6
6200	Administrative expenses	337,026	30	226,522	26
6300	Research and development expenses	158,936	14	192,701	23
6450	Expected credit losses	(159)	-	5,806	1
		539,595	48	476,477	56
	Net operating income	128,582	11	123,252	14
	Non-operating income and expenses:				
7000	Interest income (note 6(w))	18,029	2	32,311	4
7010	Other income (note 6(w))	16,234	1	17,318	2
7020	Other gains and losses, net (note 6(g) and (w))	(74,591)	(6)	7,468	1
7050	Finance costs, net (note 6(o), (w) and note 7)	(24,190)	(2)	(18,330)	(2)
7060	Share of profit of associates accounted for using equity method (note 6(g))	3,661	-	2,384	-
	Total non-operating income and expenses	(60,857)	(5)	41,151	5
7900	Profit before income tax	67,725	6	164,403	19
7950	Less: Income tax expenses (note 6(q))	64,655	6	109,890	13
	Profit	3,070	-	54,513	6
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	-	(4,429)	-
8349	Income tax expenses related to items that may not be reclassified to profit or loss (note 6(q))	-	-	886	-
	Total items that may not be reclassified subsequently to profit or loss	-	-	(3,543)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(48,687)	(4)	61,721	7
8399	Income tax expenses related to items that may be reclassified to profit or loss (note 6(q))	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(48,687)	(4)	61,721	7
8300	Other comprehensive income	(48,687)	(4)	58,178	7
8500	Comprehensive income	\$ (45,617)	(4)	112,691	13
	Profit, attributable to:				
	Owners of parent	\$ 51,231	4	103,122	12
	Non-controlling interests (note 6(i))	(48,161)	(4)	(48,609)	(6)
		\$ 3,070	-	54,513	6
	Comprehensive income attributable to:				
	Owners of parent	\$ (5,867)	-	157,264	18
	Non-controlling interests (note 6(i))	(39,750)	(4)	(44,573)	(5)
		\$ (45,617)	(4)	112,691	13
	Basic earnings per share (note 6(t))				
9750	Basic earnings per share	\$ 1.09		2.19	
9850	Diluted earnings per share	\$ 1.08		2.18	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Exchange differences on translation of foreign financial statements	Total other equity		Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation cost				
Balance on January 1, 2024	\$ 391,604	754,545	42,213	3,545	370,791	52	19,638	(4,426)	-	1,577,962	90,897	1,668,859
Profit	-	-	-	-	103,122	-	-	-	-	103,122	(48,609)	54,513
Other comprehensive income	-	-	-	-	-	57,685	(3,543)	-	-	54,142	4,036	58,178
Comprehensive income	-	-	-	-	103,122	57,685	(3,543)	-	-	157,264	(44,573)	112,691
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	9,773	-	(9,773)	-	-	-	-	-	-	-
Special reserve	-	-	-	(3,545)	3,545	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(7,832)	-	-	-	-	(7,832)	-	(7,832)
Stock dividends	39,160	-	-	-	(39,160)	-	-	-	-	-	-	-
Acquisition of treasury shares by business combination	-	-	-	-	-	-	-	-	(86,902)	(86,902)	-	(86,902)
Compensation cost of share-based payments	-	11,003	-	-	-	-	-	3,267	-	14,270	-	14,270
Cash dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,674)	(2,674)
Changes in subsidiary's ownership	-	5,270	-	-	-	-	-	-	-	5,270	8,074	13,344
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,735	1,735
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	49,295	49,295
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	16,095	-	(16,095)	-	-	-	-	-
Balance on December 31, 2024	\$ 430,764	770,818	51,986	-	436,788	57,737	-	(1,159)	(86,902)	1,660,032	102,754	1,762,786
Profit	-	-	-	-	51,231	-	-	-	-	51,231	(48,161)	3,070
Other comprehensive income	-	-	-	-	-	(57,098)	-	-	-	(57,098)	8,411	(48,687)
Comprehensive income	-	-	-	-	51,231	(57,098)	-	-	-	(5,867)	(39,750)	(45,617)
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	11,922	-	(11,922)	-	-	-	-	-	-	-
Special reserve	-	-	-	23,632	(23,632)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,923)	-	-	-	-	(12,923)	-	(12,923)
Stock dividends	43,076	-	-	-	(43,076)	-	-	-	-	-	-	-
Disposal of treasury shares	-	-	-	-	(33,194)	-	-	-	86,902	53,708	-	53,708
Exercise of employee stock options	1,306	4,697	-	-	-	-	-	-	-	6,003	-	6,003
Compensation cost of share-based payments	-	12,719	-	-	-	-	-	1,228	-	13,947	-	13,947
Changes in subsidiary's ownership	-	119,891	-	-	-	-	-	-	-	119,891	(83,464)	36,427
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	153,986	153,986
Balance on December 31, 2025	\$ 475,146	908,125	63,908	23,632	363,272	639	-	69	-	1,834,791	133,526	1,968,317

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 67,725	164,403
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	108,580	70,495
Amortization	41,177	18,549
Expected credit loss / Provision for bad debt expense	(159)	5,806
Interest expense	24,190	18,330
Interest income	(18,029)	(32,311)
Dividends income	(711)	(12,137)
Share of profit of associates accounted for using equity method	(3,661)	(2,384)
Compensation cost of share-based payments	26,252	27,389
Disposal of loss of property, plant and equipment	26	947
Disposal of loss of associates accounted for using equity method	-	4,635
Net gains or loss on financial assets at fair value through profit or loss	9,349	(5,203)
Total adjustments to reconcile profit (loss)	187,014	94,116
Changes in operating assets and liabilities:		
Notes and accounts receivable	(94,793)	(11,494)
Inventories	(82,566)	(115,210)
Other current assets	(6,625)	52,423
Other assets	(20,102)	(33,342)
Current contract liabilities	2,867	(7,549)
Notes and accounts payable	9,593	(19,744)
Other payables	(13,808)	(128,854)
Other current liabilities	934	(442)
Other liabilities	(617)	2,472
Total adjustments	(18,103)	(167,624)
Cash inflow generated from operations	49,622	(3,221)
Interest received	17,410	32,229
Dividends received	711	12,500
Interest paid	(23,253)	(17,864)
Income taxes paid	(103,323)	(72,165)
Net cash flows from operating activities	(58,833)	(48,521)
Cash flows from (used in) investing activities:		
Business combination	-	(688,431)
Acquisition of financial assets at amortized cost	(923,438)	(1,178,006)
Proceeds from disposal of financial assets at amortized cost	930,040	1,180,665
Acquisition of financial assets at fair value through profit or loss	(9,699)	(73,610)
Proceeds from disposal of financial assets at fair value through profit or loss	6,689	68,709
Acquisition of Investments accounted for using equity method	-	(4,434)
Acquisition of property, plant and equipment	(38,323)	(58,090)
Disposal of property, plant and equipment	96	1,387
Increased in guarantee deposits paid	(635)	(162)
Increased in other receivables from related party	(15,150)	(7,183)
Acquisition of intangible assets	(3,957)	(7,747)
Decreased (Increased) in other financial assets	(25,144)	300,000
Increase in prepayment of equipment	(11,193)	(90,883)
Net cash flows from (used in) investing activities	(90,714)	(557,785)
Cash flows from (used in) financing activities:		
Increase in short term borrowings	250,786	316,319
Incurrence of long-term borrowings	454	505,435
Repayments of long-term borrowings	(241,669)	(150,000)
Increased in other payable—related party	5,877	22,515
Payment of lease liabilities	(37,302)	(27,992)
Cash dividends paid	(12,923)	(7,832)
Disposal of treasury shares	53,708	-
Exercise of employee stock options	6,003	-
Cash dividends paid by subsidiary to non-controlling interests	-	(2,674)
Contribution by non-controlling interests	153,986	1,735
Net cash flows from (used in) financing activities	178,920	657,506
Effect of exchange rate changes on cash and cash equivalents	(10,070)	7,321
Net increase (decrease) in cash and cash equivalents	19,303	58,521
Cash and cash equivalents at beginning of year	439,786	381,265
Cash and cash equivalents at end of year	\$ 459,089	439,786

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

ICARES MEDICUS, INC. (the “Company”) was incorporated and approved by the Hsinchu Science Park Bureau, Ministry of Science and Technology on July 14, 2011. The address of the Company’s registered office is 4F., No.16, Sec.2, Shengyi Rd., Zhubei City, Hsinchu County.

The main activities of the Company and its subsidiaries (“the Group”) include:

- (a) Provide high-grade nanomedical lubricious coatings and various surface treatments for implantable or interventional medical devices.
- (b) Design, development, manufacture and sale of intraocular lenses and nanomedical devices.

The Company’s ordinary shares were listed on the Taipei Exchange (TPEX) on July 18, 2018.

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

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

(3) New standards, amendments and interpretations adopted

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

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

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7.

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

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	<p>January 1, 2027</p> <p>Note : On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

(b) Basis of preparation

(i) Basis of measurement

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

- Financial instruments at fair value through profit or loss are measured at fair value;
- Financial assets at fair value through other comprehensive income are measured at fair value.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. Unless otherwise specified, all financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Percentage of shareholding		Description
			December 31, 2025	December 31, 2024	
The Company	AST PRODUCTS, INC. (ASTP)	Provide lubricious coatings and various surface treatments for implantable or interventional medical devices.	100.00%	100.00%	
The Company	AST VISIONCARE INC. (ASTVC-US)	Distribution of ophthalmic medical equipment	100.00%	100.00%	
The Company	ICARES MEDICUS (HONG KONG) LIMITED. (ICARES HK)	Investment holding	100.00%	100.00%	
The Company	ACME TOOLING TECHNOLOGY CO., LTD. (ACME)	Injection molding, mold design and development, and production of medical devices and electronic plastic products.	60.00%	60.00%	Note1
The Company & ASTVC	MILLENNIUM BIOMEDICAL, INC. (MBI)	Research and manufacture the products related to intraocular lenses	100.00%	100.00%	Note2
ASTVC US	AST VISIONCARE GmbH (ASTVC-DE)	Distribution of ophthalmic medical equipment	80.00%	80.00%	
ICARES HK	MAXUS MEDICAL CO., LTD. (MAXUS)	Research and manufacture the products related to intraocular lenses	55.99%	62.83%	Note3

Note1: The Company participated in ACME's cash capital increase which raised the Company's voting shareholding from 40% to 60%, making ACME a subsidiary of the Company June, 2024. Please refer to note6(g) and (h) for the details.

Note2: The Group gained control over MBI by cash acquisition on July, 2024, making MBI a subsidiary of the company. Please refer to note6(h) for the details.

Note3: MAXUS completed a cash capital increase in October 2025, April 2025 and June 2024, but the merged company did not subscribe in proportion to its shareholding, resulting in a shareholding reduction to 55.99%.

(d) Foreign currency transactions

(i) Foreign currency transactions

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Foreign operations

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

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

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

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

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It holds the asset primarily for the purpose of trading;
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, or has other restrictions.

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

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(f) Cash and cash equivalents

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

(g) Financial instruments

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

1. Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(i) Financial assets measured at amortized cost

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

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

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

(ii) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

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

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

(iii) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(iv) Impairment of financial assets

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

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

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

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 365 days past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

(v) Derecognition of financial assets

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2. Financial liabilities and equity instruments

(i) Classification of debt or equity

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

(ii) Equity instrument

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

(iii) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(iv) Financial liabilities

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

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

(v) Derecognition of financial liabilities

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

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

(vi) Offsetting of financial assets and liabilities

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(h) Inventories

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

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

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equal or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- 1) Buildings: 25 years
- 2) Machinery: 2~7 years
- 3) Others: 2~15 years

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

(k) Leases (Lessee)

(i) Identifying a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset throughout the period of use only if either:
 - (1) the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
 - (2) the relevant decisions about how and for what purpose the asset is used are predetermined and:
 - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
 - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(ii) As a leasee

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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

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

Other intangible assets, including computer software, patents and expertise, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

- 1) Computer Software 3 years
- 2) Patents 15~17 years
- 3) Expertise 12 years

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

(m) Impairment – non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

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

(n) Revenue from contracts with customers

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

(i) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

The advance payment receipts shall be recognized as contract liabilities under other current liabilities, and recognizes as revenue when products have been delivered.

(ii) Technical service revenue

The Group provides lubricious coatings and various surface treatments for implantable or interventional medical devices. Service revenue from providing services is recognized in the period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The customer pays the fixed amount based on the agreed payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Royalty revenue

The Group signs contracts with customers to authorize the Group's surface treatment technology to the customers. Since the authorization is distinguishable, the royalty revenue is determined on the nature of the authorization during the authorization period, or when the control of the rights is transferred to the customers. The collection of royalties between the Group and the customers are based on the customer's sales basis and recognized when the performance obligation has been met and the subsequent customer's sales actually occur.

(iv) Financing components

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

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(q) Income taxes

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

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

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

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

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

(r) **Business combination**

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

(s) Earnings per share

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

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are critical judgments made in applying the accounting policies that have significant effects on the amounts recognized in the consolidated financial statements.

Judgment of whether the Group has substantive control over its investee

The Group holds 48% of the outstanding voting shares of AST VISION CARE, S.L. (ASTVC-ES). The remaining outstanding voting share is held by another investee who takes the responsibility for the substantive management of ASTVC-ES. It is determined that the Group has only significant influence on ASTVC-ES.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group holds 46.5% of the outstanding voting shares of AST VISIONCARE France (ASTVC FR). The remaining outstanding voting share is held by another investee who takes the responsibility for the substantive management of ASTVC-FR. It is determined that the Group has only significant influence on ASTVC-FR.

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

(a) Business combination

The evaluation process of a corporate merger relies on the subjective judgment of the management, including the transfer consideration required for the transaction, the selection of valuation methods, the reasonableness of parameters and data, and the fair value assessment of the acquired target assets, among other evaluations and complex calculations. Any changes in estimates resulting from economic environment shifts or corporate strategy may lead to significant adjustments in the fair value of identifiable net assets.

(b) Impairment of goodwill

The process of goodwill impairment assessment relies on management's subjective judgment, which includes identifying cash-generating units (CGUs), allocating goodwill to the relevant CGUs, and determining the recoverable amounts of those CGUs. Any changes in estimates resulting from changes in the economic environment or The Company's strategies may lead to material impairment losses or the reversal of previously recognized impairment losses in the future.

Evaluation of financial assets

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Group recognizes the movement at the reporting date.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****(6) Explanation of significant accounts**

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 471	635
Demand and checking deposits	439,760	406,366
Times deposits	18,858	32,785
	<u>\$ 459,089</u>	<u>439,786</u>

(b) Financial assets at FVTPL — non-current

	December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss		
— current:		
Foreign open-end fund	<u>\$ 5,857</u>	<u>4,573</u>
Mandatorily measured at fair value through profit or loss		
— non-current:		
Foreign unlisted stock	<u>\$ 51,860</u>	<u>61,209</u>

As of December 31, 2025 and 2024, the aforementioned financial assets were not provided as collateral.

(c) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Foreign government bonds	<u>\$ 318,298</u>	<u>305,790</u>

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

(ii) As of December 31, 2025 and 2024, the aforementioned financial assets were not provided as collateral.

(d) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes and accounts receivable	\$ 363,887	269,803
Less: Loss allowance	(19,494)	(22,299)
	<u>\$ 344,393</u>	<u>247,504</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

	December 31, 2025		
	Gross carrying amount	Weighted-aver age loss rate	Loss allowance provision
Current to overdue 30 days	\$ 250,118	2.71%	6,767
Overdue 31 to 90 days	53,492	2.99%	1,598
Overdue 91 to 180 days	41,206	11.04%	4,547
Overdue 181 to 365 days	13,764	9.27%	1,275
Overdue more than 365 days	5,307	100.00%	5,307
	<u>\$ 363,887</u>		<u>19,494</u>

	December 31, 2024		
	Gross carrying amount	Weighted-aver age loss rate	Loss allowance provision
Current to overdue 30 days	\$ 179,181	3.22%	5,772
Overdue 31 to 90 days	38,843	6.94%	2,696
Overdue 91 to 180 days	29,587	13.81%	4,087
Overdue 181 to 365 days	13,521	7.94%	1,073
Overdue more than 365 days	8,671	100.00%	8,671
	<u>\$ 269,803</u>		<u>22,299</u>

- (ii) The movement in the allowance for notes and accounts receivable was as follows:

	For the years ended December 31,	
	2025	2024
Balance on January 1	\$ 22,299	12,851
Recognized impairment loss (reversal)	(1,159)	10,433
Amounts written off	(709)	(2,032)
Effects on exchange rate changes	(937)	1,047
Balance on December 31,	<u>\$ 19,494</u>	<u>22,299</u>

- (iii) As of December 31, 2025 and 2024, the aforementioned financial assets were not provided as collateral.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(e) Other receivables

	December 31, 2025	December 31, 2024
Other receivable	\$ 42,330	8,572
Less: Loss allowance	(12,200)	-
	<u>\$ 30,130</u>	<u>8,572</u>

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

	For the years ended December 31,	
	2025	2024
Balance on January 1	\$ -	4,424
Recognized impairment loss (reversal)	1,000	(4,627)
Recognized loss on investments	11,111	-
Effects on exchange rate changes	89	203
Balance on December 31,	<u>\$ 12,200</u>	<u>-</u>

(f) Inventories

	December 31, 2025	December 31, 2024
Finished goods and merchandises	\$ 163,590	150,344
Semi-finished goods and work in process	171,398	95,770
Raw materials	88,653	94,961
	<u>\$ 423,641</u>	<u>341,075</u>

The aforementioned inventory was not provided as collateral. In addition, the different between inventory cost and net realizable value was as follows:

	For the years ended December 31,	
	2025	2024
Losses (Gain) on inventory valuation	<u>(594)</u>	<u>200</u>

Inventory write-downs to net realizable value are included in cost of goods sold. Gains on reversal of inventory write-downs, resulting from sales or price recovery, are recognized as a reduction of cost of goods sold in the period in which the reversal occurs.

(g) Investments accounted for using equity method

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

	December 31, 2025	December 31, 2024
Associates	<u>\$ 20,841</u>	<u>9,145</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (i) The Group originally held 40% of the voting shares in ACME, which provided it with significant influence over the Group and was therefore accounted for using the equity method. On June 1, 2024 (the acquisition date), the Group participated in ACME's cash capital increase, amounting to \$50,000 thousand, which raised the Group's voting shareholding from 40% to 60%. As a result, the Group gained control over ACME and included it in the consolidated entity. For more detailed information, please refer to Note 6(h). On the acquisition date, the Company recognized a loss of \$4,635 thousand from the disposal of its equity method investment due to the remeasurement of the fair value of its 40% stake in ACME held before the acquisition, which was recorded under other gains and losses.
- (ii) The Group, in May 2024, jointly established ASTVC-FR with other investors through a cash investment and acquired a 46.50% equity interest, with an investment amount of 16 thousand (465 Euros). The transaction amount has been fully paid, and the statutory procedures have been completed.
- (iii) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	For the years ended December 31,	
	2025	2024
Attributable to the Group:		
Profit (loss)	\$ 3,661	2,384
Other comprehensive (loss) income	1,253	(80)
Comprehensive income	\$ 4,914	2,304

- (iv) As of December 31, 2025 and 2024, the Group did not provide investments accounted for using the equity method as collateral.
- (h) Business combination

Acquisition of subsidiary – ACME

- (i) The following table summarizes the acquisition date fair value of major class of consideration transferred

On June 1, 2024 (the acquisition date), the Group participated in ACME's cash capital increase, amounting to \$50,000 thousand, which raised the Group's voting shareholding from 40% to 60%. As a result, the Group gained control over ACME and included it as a subsidiary from the acquisition date. The transaction amount has been fully paid, and all legal procedures have been completed. ACME's main business involves the injection molding, mold design and development, and production of medical devices and electronic plastic products. The Company's acquisition of ACME was primarily aimed at enhancing the autonomy and completeness of its medical product supply chain to strengthen the group's market competitive edge.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (ii) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred:

Cash	\$	50,000
Fair value of pre-existing interest		30,768
Non-controlling interest in the acquiree		49,295

Less: Fair value of identifiable net assets

Cash and cash equivalents	\$	82,612	
Trade receivables		42,200	
Inventories		18,083	
Other assets — current		17,840	
Right-of-use assets		9,499	
Property, plant and equipment		58,876	
Intangible assets		270	
Other assets — non-current		2,742	
Short-term borrowing		(5,000)	
Trade payables		(25,697)	
Other liabilities — current		(33,689)	
Lease liabilities — current		(3,324)	
Long-term borrowing		(35,000)	
Lease liabilities — non-current		(6,175)	123,237

Goodwill \$ 6,826

- (iii) Goodwill

The goodwill primarily arises from the control premium over ACME, the synergies from the merger, future market development, and employee value. These benefits do not meet the recognition criteria for identifiable intangible assets and are therefore not recognized separately from goodwill. Additionally, the recognized goodwill is expected to have no income tax effect.

- (iv) Pro forma information on operating results

From the acquisition date to December 31, 2024, the operating results of ACME are consolidated into the Group's consolidated income statement, with contributions of operating revenue and net income after tax of \$123,830 thousand and \$12,068 thousand, respectively. If this acquisition had occurred on January 1, 2024, the pro forma operating revenue and net income after tax for the Group for the year ended December 31, 2024, would have been \$928,486 thousand and \$98,807 thousand, respectively.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Acquisition of subsidiary – MBI

- (i) The following table summarizes the acquisition date fair value of major class of consideration transferred

The Group originally held a 5% equity stake in MBI, and on July 15, 2024 (the acquisition date), it purchased 4,750 thousand common shares (95% equity) from MBI's original shareholders at a price of \$5.4 per share through its 100%-owned U.S. subsidiary, ASTVC-US. The total investment amount was \$835,549 thousand (USD 25,650 thousand), increasing the Group's stake in MBI from 5% to 100%. As a result, the Group gained control over MBI and, starting from the acquisition date, included it in the consolidated group. The transaction price has been fully paid, and all statutory procedures have been completed. MBI's main business is the design, development, and production of artificial intraocular lenses. The acquisition of MBI by the consolidated company was primarily aimed at enhancing the Group's product portfolio and competitiveness, as well as expanding its distribution network to align with future operational needs.

- (ii) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred:

Cash	\$	835,549
Fair value of pre-existing interest		33,571

Less: Fair value of identifiable net assets

Cash and cash equivalents	\$	114,506
Trade receivables		46,454
Inventories		78,099
Other assets – current		40,797
Financial assets at fair value through other comprehensive income – non-current		86,902
Right-of-use assets		51,991
Intangible assets		456,538
Other assets – non-current		521
Trade payables		(12,306)
Other payables		(91,582)
Lease liabilities – current		(6,817)
Other liabilities – current		(41)
Lease liabilities – non-current		(45,174)
Deferred tax liabilities		(167,126)
		<u>552,762</u>
Goodwill		<u>\$ 316,358</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Intangible assets

Intangible assets consist of customer relationships and specialized technology, which are amortized on a straight-line basis over their estimated economic benefit periods of 13.46 years and 12 years, respectively.

Goodwill mainly arises from the control premium over MBI, synergies from the merger, future market development, and employee value. These benefits do not meet the recognition criteria for identifiable intangible assets, so they are not separately recognized outside of goodwill. Additionally, the recognized goodwill is expected to have no income tax effect.

(iv) Pro forma information on operating results

From the acquisition date to December 31, 2024, the operating results of MBI are consolidated into the Group's consolidated income statement, with contributions of operating revenue and net income after tax of \$99,294 thousand and \$5,500 thousand, respectively. If this acquisition had occurred on January 1, 2024, the pro forma operating revenue and net income after tax for the Group for the year ended December 31, 2024, would have been \$1,021,394 thousand and \$162,740 thousand, respectively.

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests	
		December 31, 2025	December 31, 2024
MAXUS	China	44.01%	37.17%
ACME	Taiwan	40.00%	40.00%

MAXUS conducted cash capital increases in October 2025, April 2025, and June 2024, respectively. However, The Company and its subsidiaries (the consolidated company) did not participate in these capital increases, resulting in an increase in non-controlling interests to 44.01%. These changes in the net worth of the investment equity led to a decrease of \$4,688 thousand, an increase of \$88,152 thousand, and a decrease of \$2,223 thousand in capital surplus, respectively.

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

MAXUS's collective financial information

	December 31, 2025	December 31, 2024
Current assets	\$ 187,884	81,937
Non-current assets	298,622	331,913
Current liabilities	(186,068)	(129,558)
Non- current liabilities	(73,407)	(85,575)
Net assets	\$ 227,031	198,717
Non-controlling interests	\$ 63,303	44,255
	For the years ended December 31,	
	2025	2024
Sales revenue	\$ 11,310	16,012
Net income	\$ (140,532)	(149,485)
Other comprehensive income	2,554	10,652
Comprehensive income	\$ (137,978)	(138,833)
Profit, attributable to non-controlling interests	\$ (59,354)	(55,274)
Comprehensive income, attributable to non-controlling interests	\$ (51,474)	(51,272)
	For the years ended December 31,	
	2025	2024
Net cash flows from operating activities	\$ (179,350)	(132,047)
Net cash flows from investing activities	(3,325)	(55,771)
Net cash flows from financing activities	213,348	125,461
Effect of exchange rate changes on cash and cash equivalents	20,502	(929)
Net increase (loss) in cash and cash equivalents	\$ 51,175	(63,286)
Dividends paid to non-controlling interests	\$ -	-

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**ACME's collective financial information

	December 31, 2025	December 31, 2024
Current assets	\$ 139,008	139,734
Non-current assets	102,995	102,586
Current liabilities	(76,981)	(72,280)
Non-current liabilities	(5,429)	(25,766)
Net assets	\$ 159,593	144,274
Non-controlling interests	\$ 61,107	54,979
	For the years ended December	June 1 to
	31, 2025	December, 2024
Sales revenue	\$ 227,384	130,431
Net income	\$ 15,319	18,669
Other comprehensive income	-	-
Comprehensive income	\$ 15,319	18,669
Profit, attributable to non-controlling interests	\$ 6,128	7,468
Comprehensive income, attributable to non-controlling interests	\$ 6,128	7,468
	For the years ended December	June 1 to
	31, 2025	December, 2024
Net cash flows from operating activities	\$ 6,242	17,961
Net cash flows from investing activities	(18,147)	(28,008)
Net cash flows from financing activities	(17,840)	38,631
Net increase (loss) in cash and cash equivalents	\$ (29,745)	28,584
Dividends paid to non-controlling interests	\$ -	(2,674)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(j) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Leasehold Improvement</u>	<u>Others</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2025	\$ 17,858	48,905	257,986	145,644	58,465	528,858
Additions	-	-	22,258	9,945	6,558	38,761
Disposal	-	-	(1,885)	-	(16)	(1,901)
Reclassification	-	-	88,956	22,755	2,380	114,091
Effect of exchange rate changes	(738)	(1,997)	1,733	(353)	(352)	(1,707)
Balance on December 31, 2025	\$ 17,120	46,908	369,048	177,991	67,035	678,102
Balance on January 1, 2024	\$ 16,725	45,253	96,791	47,862	21,880	228,511
Business combination	-	587	99,293	9,605	28,752	138,237
Additions	-	-	43,708	1,205	7,058	51,971
Disposal	-	-	(4,349)	(279)	(263)	(4,891)
Reclassification	-	-	21,489	85,739	387	107,615
Effect of exchange rate changes	1,133	3,065	1,054	1,512	651	7,415
Balance on December 31, 2024	\$ 17,858	48,905	257,986	145,644	58,465	528,858
Accumulated depreciation:						
Balance on January 1, 2025	\$ -	10,591	148,357	34,501	33,731	227,180
Depreciation	-	1,958	39,452	20,988	8,236	70,634
Disposals and retirements	-	-	(1,763)	-	(16)	(1,779)
Effect of exchange rate changes	-	(414)	409	(21)	(169)	(195)
Balance on December 31, 2025	\$ -	12,135	186,455	55,468	41,782	295,840
Balance on January 1, 2024	\$ -	7,844	66,088	19,819	14,455	108,206
Business combination	-	205	64,039	1,801	13,316	79,361
Depreciation	-	1,971	19,523	12,539	5,819	39,852
Disposals and retirements	-	-	(1,997)	(279)	(259)	(2,535)
Effect of exchange rate changes	-	571	704	621	400	2,296
Balance on December 31, 2024	\$ -	10,591	148,357	34,501	33,731	227,180
Carry amount:						
Balance on December 31, 2025	\$ 17,120	34,773	182,593	122,523	25,253	382,262
Balance on December 31, 2024	\$ 17,858	38,314	109,629	111,143	24,734	301,678
Balance on January 1, 2024	\$ 16,725	37,409	30,703	28,043	7,425	120,305

(i) As of December 31, 2025, and 2024, the property, plant and equipment were not provided as collateral.

(ii) Please refer to note 6 (h) for more details regarding business combination.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(k) Right-of-use asset

Information about leases for which the Group as a lessee was presented below:

	Buildings
Cost:	
Balance at January 1, 2025	\$ 223,185
Additions	8,725
Effects of exchange rate changes	(2,099)
Balance at December 31, 2025	<u>\$ 229,811</u>
Balance at January 1, 2024	\$ 133,453
Business combination	61,490
Additions	24,591
Effect of exchange rate changes	3,651
Balance at December 31, 2024	<u>\$ 223,185</u>
Accumulated depreciation:	
Balance at January 1, 2025	\$ 47,052
Depreciation for the year	37,946
Effect of exchange rate changes	545
Balance at December 31, 2025	<u>\$ 85,543</u>
Balance at January 1, 2024	\$ 15,984
Depreciation for the year	30,643
Effect of exchange rate changes	425
Balance at December 31, 2024	<u>\$ 47,052</u>
Carrying amount:	
Balance on December 31, 2025	<u>\$ 144,268</u>
Balance on December 31, 2024	<u>\$ 176,133</u>
Balance on January 1, 2024	<u>\$ 117,469</u>

- (i) Please refer to note 6 (h) for more details regarding business combination.
- (ii) Please refer to note 7 for details regarding the leasing of a portion of factory buildings and offices by The Group from related parties.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(l) Intangible assets

Movements of the cost and accumulated amortization of the intangible assets of the Group, were as follows:

	Goodwill	Software and Patent	Customer relationships	Expertise and others	Total
Costs or deemed cost:					
Balance on January 1, 2025	\$ 417,869	36,367	307,392	183,071	944,699
Additions	-	3,957	-	-	3,957
Effect of exchange rate changes	(16,988)	(1,013)	(12,705)	(7,566)	(38,272)
Balance on December 31, 2025	\$ 400,881	39,311	294,687	175,505	910,384
Balance on January 1, 2024	\$ 86,768	19,937	-	29,016	135,721
Additions	-	7,747	-	-	7,747
Reclassification	-	7,031	-	-	7,031
Business combination	323,184	270	305,423	151,115	779,992
Effect of exchange rate changes	7,917	1,382	1,969	2,940	14,208
Balance on December 31, 2024	\$ 417,869	36,367	307,392	183,071	944,699
Accumulated amortization:					
Balance on January 1, 2025	\$ -	8,461	9,515	20,341	38,317
Amortization	-	4,949	21,719	14,509	41,177
Effect of exchange rate changes	-	(288)	(218)	(724)	(1,230)
Balance at December 31, 2025	\$ -	13,122	31,016	34,126	78,264
Balance on January 1, 2024	\$ -	6,532	-	11,687	18,219
Amortization	-	1,528	9,320	7,701	18,549
Effect of exchange rate changes	-	401	195	953	1,549
Balance at December 31, 2024	\$ -	8,461	9,515	20,341	38,317
Carrying amount:					
Balance on December 31, 2025	\$ 400,881	26,189	263,671	141,379	832,120
Balance on December 31, 2024	\$ 417,869	27,906	297,877	162,730	906,382
Balance on January 1, 2024	\$ 86,768	13,405	-	17,329	117,502

(i) Please refer to note 6 (h) for more details regarding business combination.

(ii) Impairment assessment of Goodwill

(1) The goodwill arising from the Group's acquisition of MAXUS was \$88,816 thousand and \$92,646 thousand as of December 31, 2025 and 2024, respectively. This was primarily due to the expected benefits from the growth of business revenue in the China region. MAXUS itself is a cash-generating unit that generates independent cash flows. Therefore, impairment of goodwill is assessed by calculating the recoverable amount of MAXUS and comparing it with the carrying value of its net assets to determine whether an impairment loss needs to be recognized. The recoverable amount of MAXUS is determined based on its value in use, which is estimated by the management using future cash flows from the financial projections of its operations. The discount rates applied on December 31, 2025 and 2024, were 14.49% and 14.30%, respectively.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (2) The goodwill arising from the Group's acquisition of ACME in June 2024 was \$6,826 thousand. This goodwill was mainly due to the expected benefits from the integration of the Group's industrial chain and business revenue brought about by the injection molding products, such as medical molds. ACME itself is a cash-generating unit that generates independent cash flows. Therefore, impairment of goodwill is assessed by calculating the recoverable amount of ACME and comparing it with the carrying value of its net assets to determine whether an impairment loss needs to be recognized. The recoverable amount of ACME is determined based on its value in use, which is estimated by the management using future cash flows from the financial projections of its operations. The discount rate applied on December 31, 2025 and 2024, were 12.70% and 11.40%, respectively.
- (3) The goodwill arising from the Group's acquisition of MBI in July 2024 was \$316,358 thousand. The goodwill was \$305,239 thousand and \$318,397 thousand as of December 31, 2025 and 2024, respectively. This goodwill was primarily due to the expected benefits from the growth of business revenue in the European and American regions, driven by the sales of artificial crystals and related medical materials. MBI itself is a cash-generating unit that generates independent cash flows. Therefore, impairment of goodwill is assessed by calculating the recoverable amount of MBI and comparing it with the carrying value of its net assets to determine whether an impairment loss needs to be recognized. The recoverable amount of MBI is determined based on its value in use, which is estimated by the management using future cash flows from the financial projections of its operations. The discount rates applied on December 31, 2025 and 2024, were 13.07% and 13.71%, respectively.

(iii) As of December 31, 2025, and 2024, the intangible assets were not provided as collateral.

(m) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 552,105	321,319
Secured bank loans	20,000	-
Total	\$ 572,105	321,319
Unused short-term credit lines	\$ 160,398	70,631
Range of interest rates	<u>1.84%~6.20%</u>	<u>1.94%~6.20%</u>

Please refer to note 7 for details on related parties of the Group acting as joint guarantors.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(n) Long-term borrowings

The details were as follows:

December 31, 2025				
	Currency	Interest Rate Range	Maturity	Amount
Unsecured bank loans	NTD	0.50%~2.22%	2027.02~2031.07	\$ 143,911
	USD	6.00%	2029.12	552
	CNY	3.60%	2027.12~2030.03	4,779
Less: current portion				(39,230)
Total				\$ 110,012
Unused long-term credit lines				\$ 152,029

December 31, 2024				
	Currency	Interest Rate Range	Maturity	Amount
Unsecured bank loans	NTD	0.50%~2.22%	2027.02~2031.07	\$ 385,000
	USD	6.00%	2029.12	624
	CNY	3.60%	2029.12	4,811
Less: current portion				(64,031)
Total				\$ 326,404
Unused long-term credit lines				\$ 501,295

- (i) Due to financial planning considerations, The Group has early repaid the long-term borrowings maturing in August 2027 in April 2025.
- (ii) A portion of The Group's long-term borrowings is secured by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (SMEG).
- (iii) Please refer to note 7 for details regarding related parties of The Group serving as joint guarantors.

(o) Lease liabilities

The amounts of lease liabilities were presented below:

	December 31, 2025	December 31, 2024
Current	\$ 32,194	33,789
Non-current financial assets	\$ 119,669	149,317

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Please refer to note 6(x), Financial Instruments, for the maturity analysis.

(ii) The amounts recognized in profit or loss was as follows:

	For the years ended December 31,	
	2025	2024
Interest on lease liabilities	\$ 7,396	6,272
Expenses relating to short-term leases	\$ 8,359	3,158

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

	For the years ended December 31,	
	2025	2024
Rental expense paid	\$ (8,359)	(3,158)
Interest paid	(7,396)	(6,272)
Payment of lease liabilities	(37,302)	(27,992)
Total cash outflow for leases	\$ (53,057)	(37,422)

(iv) As of December 31, 2025, and 2024, the Group leases buildings for its plant and office space. The leases typically run for 1 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(p) Employee benefits

(i) The Company's defined contribution plan is established in accordance with the Labor Pension Act. Under this plan, The Company contributes 6% of each employee's monthly wages to their individual labor pension accounts at the Bureau of Labor Insurance. After The Group has paid the fixed contributions to the Bureau of Labor Insurance, it has no further legal or constructive obligations to pay additional amounts. Subsidiaries other than The Company contribute to pension plans in accordance with the labor laws and regulations of their respective countries of incorporation.

(ii) The Group recognized its pension costs and recorded them as operating costs and operating expenses by its nature.

	For the years ended December 31,	
	2025	2024
Defined contribution plans	\$ 16,434	13,143

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Income tax

(i) Income tax expenses

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

	For the years ended December 31,	
	2025	2024
Current tax expenses	\$ 84,628	99,370
Deferred tax expenses (benefit)	(19,973)	10,520
Income tax expenses	\$ 64,655	109,890

The amount of income tax recognized directly in equity for 2024 and 2023 was as follows:

	For the years ended December 31,	
	2025	2024
Deferred tax benefit	\$ (24,424)	-

The amount of income tax recognized in other comprehensive income for 2024 and 2023 was as follows:

	For the years ended December 31,	
	2025	2024
Items that may not be reclassified subsequently to profit or loss:		
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	\$ -	(886)

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

	For the years ended December 31,	
	2025	2024
Profit before income tax	\$ 67,725	164,403
Income tax using each company's domestic tax rate	78,360	119,061
Shares of profit accounted for using equity method	(12,154)	(11,707)
Recognition of previously unrecognized investment tax credits	(2,025)	(5,253)
Permanent differences and others	474	7,789
	\$ 64,655	109,890

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

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

	December 31, 2025	December 31, 2024
Aggregate number of temporary differences related to investments in subsidiaries	\$ 71,960	61,644

2) Unrecognized deferred tax assets

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

	December 31, 2025	December 31, 2024
Investment tax credits	\$ 16,073	19,743

The Biotech and New Pharmaceutical Development Act allows research and development and personal training expenses, as examined by the tax authorities, to offset profit-seeking enterprise income tax payable since when profit-seeking enterprise income tax payable occurs.

As of December 31, 2025, the information of the Company's investment tax credits were recognized were as follows:

Year of deduction	Unused deduction	Expiry date
Research and development		
2022 (Examined)	\$ 3,003	2026
2023 (Examined)	6,183	2027
2024 (Examined)	6,887	2028
	\$ 16,073	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

Deferred Tax Liabilities:

	Unrealized investment income	Unrealized fair value valuation gain	Amortizati on of intangible assets and others	Unrealized exchange rate changes	Total
Balance on January 1, 2025	\$ 3,684	4,025	184,414	790	192,913
Recognized in profit or loss	-	-	(13,695)	(682)	(14,377)
Recognized in equity	-	-	(24,424)	-	(24,424)
Effect of exchange rate changes	-	-	(7,928)	-	(7,928)
Balance on December 31, 2025	<u>\$ 3,684</u>	<u>4,025</u>	<u>138,367</u>	<u>108</u>	<u>146,184</u>
Balance on January 1, 2024	\$ 3,684	4,911	4,332	-	12,927
Business combination	-	-	167,126	-	167,126
Recognized in profit or loss	-	-	11,347	790	12,137
Recognized in other comprehensive income	-	(886)	-	-	(886)
Effect of exchange rate changes	-	-	1,609	-	1,609
Balance on December 31, 2024	<u>\$ 3,684</u>	<u>4,025</u>	<u>184,414</u>	<u>790</u>	<u>192,913</u>

Deferred Tax Assets:

	Unrealized sales gains	The carry forward of unused tax losses	Allowance for inventory valuation	Others	Total
Balance on January 1, 2025	\$ (11,100)	(3,858)	(551)	(1,107)	(16,616)
Recognized in profit or loss	(3,874)	(1,870)	119	29	(5,596)
Balance on December 31, 2025	<u>\$ (14,974)</u>	<u>(5,728)</u>	<u>(432)</u>	<u>(1,078)</u>	<u>(22,212)</u>
Balance on January 1, 2024	\$ (8,619)	(4,899)	(511)	(812)	(14,841)
Business combination	-	-	-	(158)	(158)
Recognized in profit or loss	(2,481)	1,041	(40)	(137)	(1,617)
Balance on December 31, 2024	<u>\$ (11,100)</u>	<u>(3,858)</u>	<u>(551)</u>	<u>(1,107)</u>	<u>(16,616)</u>

- (iii) Assessment of tax

**Tax returns examined by the tax
authorities**

The Company	for the years through 2023
ACME	for the years through 2023

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(r) Capital and other equity

(i) Common stock

As of December 31, 2025, and 2024, The Company's authorized capital amounted to \$700,000 thousand and \$600,000 thousand, respectively, with a par value of \$10 per share, representing 70,000 thousand and 60,000 thousand shares. All of the aforementioned authorized capital consists of common shares, and the issued common shares were 47,515 thousand and 43,076 thousand shares, respectively. All payments for issued shares have been received.

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

	(Thousands of shares)	
	2025	2024
Balance on January 1	43,076	39,160
Capitalization retained earnings	4,308	3,916
Exercise of employee stock options	131	-
Balance on December 31	47,515	43,076

The Company's shareholders' meetings resolved on May 29, 2025, and May 31, 2024, to issue 4,308 thousand and 3,916 thousand new shares through the capitalization of retained earnings amounting to \$43,076 thousand and \$39,160 thousand, respectively. The capital increase base dates were set as August 30, 2025, and July 14, 2024, and the related registration changes have been completed.

In 2025, The Company issued 131 thousand new shares due to the exercise of employee stock options. The shares were issued at a subscription price of \$46 per share, for a total amount of \$6,003 thousand. With November 12, 2025, as the capital increase base date, the related registration changes have been completed.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Additional paid in capital	\$ 728,366	718,738
Difference arising from subsidiary's share price and it carrying value	198	198
Change in subsidiary's ownership	152,171	32,280
Restricted stocks to employees	-	4,931
Employee share options	27,390	14,671
	\$ 908,125	770,818

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, after paying income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve has equaled the total capital of the Company; then set aside a special reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the board of directors and submitted to the stockholders' meeting for approval.

The Company takes into consideration its operating environment, industry developments, future funding requirement, long-term financial plans, and the interests of stockholders. The Company distributes dividends more than 2% of undistributed earnings every year. Dividend can be paid by cash or shares. The cash dividends shall not be less than 10% of total dividends.

When The Company has no accumulated deficit, it may, by a resolution adopted by a majority of the directors present at a meeting of the board of directors attended by two-thirds or more of the total number of directors, distribute all or a portion of the legal reserve (for the portion exceeding 25% of the paid-in capital) and the capital reserve compliant with the Company Act to shareholders in the form of cash, and shall report such distribution to the most recent shareholders' meeting.

1) Legal reserve

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

2) Special reserve

In accordance with the regulations of the Financial Supervisory Commission (FSC), when distributing distributable earnings, The Company shall appropriate a special reserve from the current net income plus items other than current net income that are included in the current undistributed earnings and the prior-period undistributed earnings, in an amount equal to the net reduction of other shareholders' equity during the current year. For the accumulated amount of other shareholders' equity reductions from prior periods, a special reserve shall be appropriated from prior-period undistributed earnings and shall not be distributed. When the reduction of other shareholders' equity is subsequently reversed, the reversed portion may be distributed as earnings.

Furthermore, a special reserve of an equal amount, which shall not be distributed, shall be appropriated based on the shareholding percentage for the difference between the market value and the book value of The Company's shares held by subsidiaries when the market value is lower than the book value. If the market value subsequently recovers, the special reserve may be reversed based on the shareholding percentage up to the recovered amount.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2024 and 2023 had been approved during the board meeting on March 11, 2025 and March 14, 2024, respectively, as well as the shareholders' meeting on May 29, 2025 and May 31, 2024 respectively. The relevant dividend distributions to shareholders were as follows:

	<u>2024</u>	<u>2023</u>
Special reserve	\$ 23,632	(3,545)
Legal reserve	11,922	9,773
Stockholders' dividends – cash, NT\$ 0.3 and NT\$ 0.2 (dollars) per share, respectively.	12,923	7,832
Stockholders' dividends – shares, NT\$ 1 (dollars) per share.	<u>43,076</u>	<u>39,160</u>
	<u><u>\$ 91,553</u></u>	<u><u>53,220</u></u>

The amount of cash dividends on the 2025 earnings distribution, and the amount of shares dividends on 2025 earnings distribution, had been approved and proposed, respectively during the board meeting on March 11 2025, as follows:

	<u>2025</u>	
	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders		
Cash	\$ 0.3	14,254
Shares	1.0	<u>47,515</u>
Total		<u><u>\$ 61,769</u></u>

4) Treasury shares

In July 2024, the Company acquired shares of its own stock, totaling 508 thousand shares, through the merger with its subsidiary MBI. The book value per share was \$171, totaling \$86,902 thousand. The Company has fully disposed of the shares on August 20, 2025.

(s) Share-based payments

- (i) The Company was approved by the shareholders' meeting on May 31, 2023 to award 500 thousand new shares of employee share options to those full-time employees who meet the Company's requirements. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. on July 2023.

The Company resolved by the board of directors on August 9, 2023, to issue 333 thousand shares on September 1, 2023.

The Company resolved by the board of directors on January 7, 2025, to issue 142 thousand shares on January 20, 2025.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (ii) The shareholders' meetings of MAXUS, a subsidiary of The Group, resolved on August 7, 2025, and April 17, 2024, respectively, to implement employee stock ownership plans. The eligibility is limited to full-time employees of the subsidiary who meet specific criteria. Accordingly, 99 thousand units and 88 thousand units were issued on October 1, 2025, and June 1, 2024, respectively. Each unit entitles the holder to subscribe to USD 1 of the capital of MAXUS.
- (iii) As of December 31, 2025, the information of the Group's employee share options was as follows:

	<u>Employee share options 2nd Issuance</u>	<u>Employee share options 1st Issuance</u>
Grant date	2025.01.20	2023.09.01
Granted units (thousand)	142	333
Contract term (Years)	6	6
Vesting life (Years)	2~4 (Note1)	2~4 (Note1)

Note1 : The optionees may exercise the employee stock options at the cumulative proportions of 50%, 80%, and 100% after 2, 3, and 4 years, respectively, from the grant date of the options.

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

	<u>Employee stock options 2nd Issuance</u>		
	<u>Upon the expiration of 2 years</u>	<u>Upon the expiration of 3 years</u>	<u>Upon the expiration of 4 years</u>
Share price at grant date	117.50	117.50	117.50
Exercise price	57.00	57.00	57.00
Expected volatility (%)	42.22	40.82	41.64
Expected life (years)	4.00	4.50	5.00
Expected dividend	-	-	-
Risk-free interest rate (%)	1.49	1.51	1.52
Fair value at grant date	69.86	70.58	72.12

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

	Employee stock options 1st Issuance		
	Upon the expiration of 2 years	Upon the expiration of 3 years	Upon the expiration of 4 years
Share price at grant date	131.50	131.50	131.50
Exercise price	57.00	57.00	57.00
Expected volatility (%)	42.39	41.03	42.19
Expected life (years)	4.00	4.50	5.00
Expected dividend	-	-	-
Risk-free interest rate (%)	1.07	1.09	1.10
Fair value at grant date	82.16	82.82	84.41

- (iv) As of December 31, 2025, the information of the Group's employee stock ownership capital increase plan was as follows:

	Employee stock ownership capital increase plan 2	Employee stock ownership capital increase plan 1
Grant date	2025.10.01	2024.06.01
Granted units (thousand)	99	88
Contract term (Years)	None	None
Vesting life (Years)	Immediately	Immediately

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

	Employee stock ownership capital increase plan 2	Employee stock ownership capital increase plan 1
Share price at grant date	USD 5.08	USD 5.66
Exercise price	USD 1.00	USD 1.00
Expected volatility (%)	31.65	27.24
Expected life (days)	92	42
Expected dividend	-	-
Risk-free interest rate (%)	1.34	1.52
Fair value at grant date	USD 4.08	USD 4.66

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(v) Details of the restricted stock of the Group are as follows:

Restricted stock

(thousands)	<u>2025</u>	<u>2024</u>
Outstanding on January 1	69	120
Vested	(69)	(51)
Outstanding on December 31	<u>-</u>	<u>69</u>

Employee stock options

(in thousands)	<u>2025</u>		<u>2024</u>	
	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>
Outstanding at January 1	50.70	317	55.90	333
Granted during the year (number)	51.70	142	-	-
Exercised during the year (number)	46.00	(131)	-	-
Cancelled during the year (number)		<u>(11)</u>	-	<u>(16)</u>
Outstanding at December 31	48.55	<u>317</u>	50.70	<u>317</u>
Exercisable at December 31		<u>25</u>		<u>-</u>

Employee stock ownership capital increase plan

(in thousands)	<u>2025</u>		<u>2024</u>	
	<u>Weighted average exercise price</u>	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Number of options</u>
Outstanding at January 1	-	-	-	-
Granted during the year (number)	USD 1.00	99	USD 1.00	88
Exercised during the year (number)	USD 1.00	<u>(99)</u>	USD 1.00	<u>(88)</u>
Outstanding at December 31		<u>-</u>	-	<u>-</u>
Exercisable at December 31		<u>-</u>		<u>-</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(vi) Expense recognized in profit or loss

	<u>2025</u>	<u>2024</u>
Expenses resulting from restriction of employee stock options	\$ 1,228	3,267
Expenses resulting from granted employee share options	12,719	11,003
Expenses resulting from employee stock ownership capital increase plan	<u>12,305</u>	<u>13,119</u>
	<u><u>\$ 26,252</u></u>	<u><u>27,389</u></u>

(t) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share of years 2025 and 2024 based on the profit attributable to ordinary stockholders of the Company and the weighted-average number of ordinary shares outstanding was as follows:

	<u>2025</u>	<u>2024</u>
Profit of the Company for the year	<u>\$ 51,231</u>	<u>103,122</u>
Weighted-average number of ordinary shares (Basic/thousand shares)	<u>46,976</u>	<u>47,000</u>
Basic earnings per share (NT Dollars)	<u>\$ 1.09</u>	<u>2.19</u>

Weighted-average number of ordinary shares (thousand shares)

	<u>2025</u>	<u>2024</u>
Issued ordinary shares on 1 January	47,384	47,384
Effect of employee share options	18	-
Effect of treasury shares	(371)	(260)
Effect of ungranted of restricted stocks to employees	<u>(55)</u>	<u>(124)</u>
Weighted-average number of ordinary shares on 31 December	<u><u>46,976</u></u>	<u><u>47,000</u></u>

(ii) Diluted earnings per share

The calculation of diluted earnings per share of years 2025 and 2024 based on the profit attributable to ordinary stockholders of the Company and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares was as follows:

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company	<u>\$ 51,231</u>	<u>103,122</u>
Weighted-average number of ordinary shares (Diluted/thousand shares)	<u>47,255</u>	<u>47,240</u>
Diluted earnings per share (NT Dollars)	<u>\$ 1.08</u>	<u>2.18</u>

	<u>2025</u>	<u>2024</u>
Weighted-average number of ordinary shares (Basic/thousand shares)	46,976	47,000
Effect of restriction of employee stock option	49	100
Effect of employee stock remuneration	60	32
Effect of employee stock options	170	108
Weighted-average number of ordinary shares (Diluted/thousand shares)	<u>47,255</u>	<u>47,240</u>

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>			
	<u>Domestic operation department</u>	<u>China operation department</u>	<u>Europe and America operation department</u>	<u>Total</u>
Major products / service lines:				
Technical service revenue	\$ 24,980	267	185,926	211,173
Royalty revenue	-	-	226,139	226,139
Sales revenue	235,676	6,067	451,931	693,674
	<u>\$ 260,656</u>	<u>6,334</u>	<u>863,996</u>	<u>1,130,986</u>
	<u>2024</u>			
	<u>Domestic operation department</u>	<u>China operation department</u>	<u>Europe and America operation department</u>	<u>Total</u>
Major products / service lines:				
Technical service revenue	\$ 28,090	59	172,191	200,340
Royalty revenue	-	-	225,100	225,100
Sales revenue	144,447	15,683	274,223	434,353
	<u>\$ 172,537</u>	<u>15,742</u>	<u>671,514</u>	<u>859,793</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable	\$ 363,887	269,803	149,566
Less: Loss allowance	(19,494)	(22,299)	(12,851)
Total	<u>\$ 344,393</u>	<u>247,504</u>	<u>136,715</u>
Contract liability	<u>\$ 22,117</u>	<u>19,227</u>	<u>5,227</u>

For details on accounts receivable and loss allowance, please refer to note 6(d).

The amounts of the beginning balances of contract liabilities as of January 1, 2025, and 2024, recognized as revenue in 2025 and 2024, were \$12,676 thousand and \$5,227 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(v) Employee and directors' remuneration

On May 29, 2025, The Company's shareholders' meeting resolved to amend the Articles of Incorporation. According to the amended Articles, if The Company has a profit for the year, it shall appropriate no less than 2% as employees' compensation (with no less than 50% of the employees' compensation allocated to primary-level employees) and no more than 2% as directors' remuneration.

Prior to the amendment, the Articles provided that if The Company has a profit for the year, it shall appropriate no less than 2% as employees' compensation and no more than 2% as directors' remuneration. However, if The Company still has accumulated deficits, an amount shall be reserved in advance to offset the losses. Employees' compensation may be distributed in the form of shares or cash, and the recipients may include employees of affiliated companies meeting certain criteria.

For the years ended December 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$3,900 thousand and \$3,050 thousand, and directors' remuneration amounting to \$650 thousand and \$1,900 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses. The differences between the amounts distributed and those accrued in the financial statements, if any, are accounted for as changes in accounting estimate and recognized as profit or loss in the distribution year.

The actual amounts appropriated and the estimated amounts in the financial statements were the same in 2024. In 2023, the Company had accumulated deficits, so the Company didn't estimate employee and directors' remuneration. Information about employee and directors' remuneration can be accessed in the Market Observation Post System website.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(w) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>2025</u>	<u>2024</u>
Interest income from financial assets measured at amortized cost	\$ 10,837	12,849
Interest income from bank deposits	6,568	19,289
Other interest income	624	173
	<u>\$ 18,029</u>	<u>32,311</u>

(ii) Other income

The details of other income were as follows:

	<u>2025</u>	<u>2024</u>
Dividend income	\$ 711	12,137
Others	15,523	5,181
	<u>\$ 16,234</u>	<u>17,318</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Net gain (loss) on foreign exchanges	\$ (18,668)	8,642
Net loss on financial assets at fair value through profit or loss and	(9,349)	5,203
Losses on disposals of investments	-	(4,635)
Others (Note)	(46,574)	(1,742)
	<u>\$ (74,591)</u>	<u>7,468</u>

Note: In August 2025, MBI's board of directors resolved to distribute cash dividends. ASTVC-US was allocated \$1,425 thousand in cash dividends based on its shareholding percentage. However, a loss was incurred because MBI was misled by a fraudulent email sent under the name of ASTVC US, which provided a false bank account for the remittance, resulting in MBI remitting the funds to the incorrect account. For the year 2025, other losses amounting to \$44,431 thousand were recognized.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(iv) Finance costs

The details of finance costs were as follows:

	<u>2025</u>	<u>2024</u>
Interest expenses	\$ 16,794	12,058
Interest on lease liabilities	7,396	6,272
	<u>\$ 24,190</u>	<u>18,330</u>

(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

As of December 31, 2025, and 2024, 15% and 19%, respectively, of the ending balance of accounts receivable was accounted for by those sales to individual customers constituting over 10% of total revenue -for the years ended December 31, 2025 and 2024. In order to reduce credit risk, the Group assessed the financial status of the customers, and will require them to provide collateral if necessary. The Group assessed the possibility of collection of receivables on a regular basis, and recognized loss allowances.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities:

	<u>Carrying amount</u>	<u>Contractua l cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>5 years above</u>
December 31, 2025					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 572,105	574,992	574,992	-	-
Notes and accounts payable	33,586	33,586	33,586	-	-
Long-term borrowings (including current portion)	149,242	157,823	42,153	101,987	13,683
Other payables	123,773	123,773	123,773	-	-
Lease liabilities	151,863	172,607	38,396	106,539	27,672
	<u>\$ 1,030,569</u>	<u>1,062,781</u>	<u>812,900</u>	<u>208,526</u>	<u>41,355</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractua l cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>5 years above</u>
December 31, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 321,319	324,000	324,000	-	-
Notes and accounts payable	23,993	23,993	23,993	-	-
Long-term borrowings (including current portion)	390,435	416,219	71,944	270,032	74,243
Other payables	105,568	105,568	105,568	-	-
Lease liabilities	183,106	210,492	41,003	119,820	49,669
	\$ 1,024,421	1,080,272	566,508	389,852	123,912

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 10,348	31.430	325,227	10,345	32.785	339,167
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	165	31.430	5,199	894	32.785	29,322

2) Sensitivity analysis

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts measured in foreign currencies such as cash and cash equivalents, accounts receivable, and accounts payables. If the exchange rate of the foreign currencies against the NTD had depreciated or appreciated 1%, with other factors remaining constant, on the reporting date, profit before income tax would have increased or decreased by \$3,200 thousand and \$3,098 thousand for the years ended December 31, 2025 and 2024, respectively. Analysis of the two periods is based on the same standard.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Exchange gain and loss

The details of Group's exchange gain or loss (including realized and unrealized) on monetary items were as follows:

<u>Functional currency</u>	<u>2025</u>		<u>2024</u>	
	<u>Exchange gain (loss)</u>	<u>Average rate</u>	<u>Exchange gain (loss)</u>	<u>Average rate</u>
NTD	\$ (16,274)	1	8,144	1
CNY	(2,394)	4.3348	498	4.4544
	<u>\$ (18,668)</u>		<u>8,642</u>	

(iv) Interest rate analysis

Please refer to the note on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities. The mainly variable interest rates asset of the Group is bank savings. The Group evaluated that the cash flow risk arising from variable interest rates is not significant.

(v) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

<u>Prices of securities at the reporting date</u>	<u>For the years ended December 31,</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Other comprehensive income after tax</u>	<u>Net income</u>	<u>Other comprehensive income after tax</u>	<u>Net income</u>
Increasing 10%	\$ -	5,772	-	6,578
Decreasing 10%	\$ -	(5,772)	-	(6,578)

(vi) Fair value

1) Kinds of financial instruments and fair value

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

		December 31, 2025				
		Fair Value				
		Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at						
FVPL–non-current						
Foreign open-end fund	\$	5,857	5,857	-	-	5,857
Foreign unlisted stock		<u>51,860</u>	-	-	51,860	51,860
		<u>\$ 57,717</u>				
Financial assets						
measured at						
amortized cost:						
Foreign government bonds	\$	318,298				
Cash and cash equivalents		459,089				
Notes and accounts receivable		344,393				
Other receivables		30,130				
Other financial assets		25,144				
Guarantee deposits paid		<u>6,467</u>				
		<u>\$ 1,183,521</u>				
Financial liabilities						
measured at						
amortized cost						
Short-term and Long-term borrowings	\$	721,347				
Notes and accounts payable		33,586				
Other payables		123,773				
Lease liabilities		<u>151,863</u>				
		<u>\$ 1,030,569</u>				
		December 31, 2024				
		Fair Value				
		Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at						
FVPL–non-current						
Foreign open-end fund	\$	4,573	4,573	-	-	4,573
Foreign unlisted stock		<u>61,209</u>	-	-	61,209	61,209
		<u>\$ 65,782</u>				

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	December 31, 2024			
		Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
measured at					
amortized cost:					
Foreign government bonds	\$ 305,790				
Cash and cash equivalents	439,786				
Notes and accounts receivable	247,504				
Other receivables	8,572				
Guarantee deposits paid	<u>5,786</u>				
	<u>\$ 1,007,438</u>				
Financial liabilities					
measured at					
amortized cost					
Short-term and Long-term borrowings	\$ 711,754				
Notes and accounts payable	23,993				
Other payables	105,568				
Lease liabilities	<u>183,106</u>				
	<u>\$ 1,024,421</u>				

- 2) Valuation techniques for financial instruments measured at fair value

The Group has no financial assets quoted in the market, and the fair value of the remaining financial instruments is obtained by using the evaluation technology or reference to the counterparty. The fair value obtained through the evaluation technology can be calculated by reference to the current fair value of other financial instruments with similar characteristics, the discounted cash flow method or other evaluation techniques, including the market information utilization model available at the report date.

- 3) There were no Level 1 and Level 2 transferred for 2025 and 2024.
4) Changes in Level 3

	Financial assets at FVPL	Financial assets at FVOCI
Balance on January 1, 2025	\$ 61,209	-
Recognized in profits and losses	<u>(9,349)</u>	<u>-</u>
Balance on December 31, 2025	<u>\$ 51,860</u>	<u>-</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

	Financial assets at FVPL	Financial assets at FVOCI
Balance on January 1, 2024	\$ 56,000	38,000
Purchased/Disposal/Deemed		(33,571)
Recognized in profits and losses	5,203	
Recognized in other comprehensive income		(4,429)
Balance on December 31, 2024	<u>\$ 61,200</u>	<u></u>

The aforementioned total gains and losses that were included in “profits and losses” and “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	2025	2024
Total gains or losses		
In gains and losses	\$ (9,349)	5,203
In other comprehensive income (recognized in “unrealized gains from financial assets at fair value through other comprehensive income”)	-	(3,543)
	<u>\$ (9,349)</u>	<u>1,660</u>

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value were evaluated by the external valuation agency for the independent fair value verification. Use independent source data to bring the evaluation results close to the market, confirm that the data sources are independent, reliable, consistent with other resources, and represent executable prices, and regularly calibrate the evaluation model, perform back testing, update the input values and materials required for the evaluation model, and others. Any necessary fair value adjustments to ensure that the evaluation results are reasonable.

The quantitative information and sensitivity analysis about significant unobservable inputs were as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Financial assets at fair value through profit and loss – equity investments in inactive markets	Market comparable listed company approach	Discount for lack of marketability on December 31, 2025 and 2024 was 17.82% and 20.43%, respectively.	The fair value would decrease if the discount for lack of marketability were higher

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group chose evaluation parameter and evaluation model, cautiously. But using different evaluation models or parameters will cause different results. For financial instruments in Level 3, if the evaluation parameters had changed, the effects on other comprehensive income and loss would have been as follows:

	Inputs	Increase or decrease	Effects of changes in fair value on other comprehensive income and loss	
			Favorable change	Unfavorable change
December 31, 2024				
Financial assets at fair value through profit or loss – Equity investments	Discount of lack marketability	5%	\$ <u>562</u>	<u>(562)</u>
December 31, 2024				
Financial assets at fair value through profit or loss – Equity investments	Discount of lack marketability	5%	\$ <u>786</u>	<u>(786)</u>

- (y) Financial risk management

- (i) The Group is exposed to the following risks arising from financial instruments:

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

This note presents information on exposure to each of the above risks and on the objectives, policies, and processes for measuring and managing risk. For detailed information, please refer to the related notes on each risk.

- (ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors monitors management to ensure compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The board of directors is assisted in its oversight role by an internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Trade and other receivables

Before setting payment and delivery terms and conditions according to the credit policy, The Group must individually analyze the credit rating of each new customer. The Group's review includes external ratings and, in certain cases, bank references. Credit limits are established for each individual customer and are subject to regular reviews. Customers who do not meet The Group's standard credit rating can only transact with The Group on a prepayment basis.

2) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by The Group's finance department. Since The Group's counterparties and performance obligors are reputable banks and financial institutions with investment-grade ratings or higher, there are no significant concerns regarding performance, and thus, no significant credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(v) Market risk

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

1) Currency risk

The Group is exposed to foreign exchange risk arising from sales, procurement, and borrowing transactions denominated in currencies other than the functional currency. The primary currency for these transactions is the US dollar.

2) Interest rate risk

The floating-rate assets and liabilities mainly consist of bank deposits and borrowings. The Group assesses that the cash flow risk arising from changes in market interest rates is not significant.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

3) Other market price risk

The Group is exposed to equity price risk due to investments in unlisted foreign equity securities. These equity investments are not held for trading but are considered strategic investments. The Group does not actively trade these investments and monitors price risk regularly, with management assessing when to increase hedging positions to mitigate the associated risks.

(z) Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence. Capital includes ordinary shares, capital surplus, and retained earnings. As of December 31, 2025 and 2024, the debt ratios were 38% and 41%, respectively. There were no changes in the Group's capital management.

(aa) Financing activities not affecting current cash flow

The Group's non-cash investing and financing activities for the years 2025 and 2024 are as follows:

(i) Acquisition of right-of-use assets through leasing; please refer to note 6(k).

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

	January 1,2025	Cash flows	Non-cash changes	December 31,2025
Short-term borrowings	\$ 321,319	250,786	-	572,105
Long-term borrowings (including current portion)	390,435	(241,215)	22	149,242
Lease liabilities	183,106	(37,302)	6,059	151,863
Other payable-relative party	44,992	5,877	400	51,269
Total liabilities from financing activities	\$ 939,852	(21,854)	6,481	924,479

	January 1,2024	Cash flows	Non-cash changes	December 31,2024
Short-term borrowings	\$ -	316,319	5,000	321,319
Long-term borrowings (including current portion)	-	355,435	35,000	390,435
Lease liabilities	121,636	(27,992)	89,462	183,106
Other payable-relative party	21,872	22,515	605	44,992
Total liabilities from financing activities	\$ 143,508	666,277	130,067	939,852

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****(7) Related-party transactions****(a) Names and relationship with related parties**

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Applied Nano Technology Science, Inc. (ANTS)	The Company's chairman is a director of the entity
LOH TRUST HOLDINGS LLC	The representative of the said company and the Chairman of The Company are immediate family members.
AST VISION CARE, S.L. (ASTVC-ES)	Associates
AST VISIONCARE France (ASTVC-FR)	Associates (Note 1)
ACME TOOLING TECHNOLOGY CO., LTD. (ACME)	Associate (Note 2)
Ih-Houng Loh	The Company's chairman
Shih-Kai Chu	MAXUS's chairman
Cheng-Chun Pu	MAXUS's director
Kuo-Fang Wang	ACME's chairman

Note 1: The Group's associate since May, 2024.

Note 2: The Group participated in the cash capital increase of ACME in June 2024, increasing its shareholding from 40% to 60% and making ACME a subsidiary of The Group. Accordingly, the disclosure of related party transactions covers the period from January 1 to May 31, 2024.

(b) Significant related-party transactions**(i) Sales**

The amounts of sales by the Group to related parties and the outstanding balances were as follows:

	<u>Sales</u>		<u>Accounts receivables from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates :				
ASTVC-ES	\$ 94,551	75,419	45,196	58,739
Other related parties	2,629	1,638	3,010	1,114
Less: Loss allowance	-	-	(9,039)	(11,748)
	<u>\$ 97,180</u>	<u>77,057</u>	<u>39,167</u>	<u>48,105</u>

There were no significant differences in the selling prices and trading terms between related parties and other customers.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Purchase

The amounts of purchase by the Group from related parties and the outstanding balances were as follows:

	<u>Purchase</u>		<u>Accounts payables from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties:				
ACME	\$ -	3,260	-	-
ANTS	941	2,830	22	-
	<u>\$ 941</u>	<u>6,090</u>	<u>22</u>	<u>-</u>

The purchasing prices of related parties is not comparable to other similar transactions. There were no significant differences in the payment terms between the related parties and other vendors.

(iii) Leases

The Group leased a portion of factory buildings from ANTS, another related party. The rental prices were determined through mutual agreement, and the rent was paid at the beginning of each month. This lease agreement was terminated in November 2025. As the lease term was 12 months and contained no purchase option, it was accounted for as a short-term lease. The rental expenses and outstanding balances for The Group's lease of a portion of factory buildings from related parties are as follows:

	<u>Rental expenses</u>		<u>Other payables from related parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
ANTS	<u>\$ 312</u>	<u>372</u>	<u>-</u>	<u>33</u>

In July 2024, through the acquisition of the subsidiary MBI, The Group leased a portion of factory buildings and offices from the Chairman of The Company. The lease term is six years, with rental prices determined through mutual agreement and rent paid at the beginning of each month in accordance with the contract. The outstanding balances of The Group's lease of a portion of factory buildings and offices from related parties are as follows:

	<u>Interest expenses</u>		<u>Depreciation expenses</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
The Company's chairman	<u>\$ 2,714</u>	<u>1,287</u>	<u>7,756</u>	<u>3,328</u>

	<u>Right-of-use assets</u>		<u>Lease liabilities</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The Company's chairman	<u>\$ 39,088</u>	<u>48,928</u>	<u>40,724</u>	<u>49,519</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) Loans to Related Parties

As of December 31, 2025 and 2024, the details of loans to related party due to short-term financing listed as below:

		December 31, 2024	
		Ending balance	Range of interest rates during the period
		Loss allowance	
ASTVC-FR	\$	37,228	3.50%~5.50%
		11,200	
		December 31, 2024	
		Ending balance	Range of interest rates during the period
		Loss allowance	
ASTVC-FR	\$	7,190	3.50%
		-	

The interest income and year-end balances arising from loans to related parties are as follows; the interest receivable is reported under other receivables:

		Interest income		Interest receivable	
		2025	2024	December 31, 2025	December 31, 2024
ASTVC-FR	\$	586	140	727	143

(v) Borrowings from Related Parties

		December 31, 2025		
		Highest balance	Ending balance	Interest rates
The Company's chairman	\$	14,090	5,395	0.65%
MAXUS's director		45,730	44,960	1.50%
	\$	59,820	50,355	
		December 31, 2024		
		Highest balance	Ending balance	Interest rates
The Company's chairman		22,985	-	Note
MAXUS's director		44,870	44,780	1.50%
	\$	67,855	44,780	

Note: The Group's borrowings from the said related party bear interest at the average interest rate of the related party's short-term borrowings from financial institutions in the year the funds were disbursed, and all such borrowings are unsecured.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ICARES MEDICUS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

	<u>Interest expenses</u>		<u>Interest payables</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The Company's chairman	\$ -	1,682	-	-
MAXUS's chairman	59	-	26	-
MAXUS's director	650	212	888	212
	<u>\$ 709</u>	<u>1,894</u>	<u>914</u>	<u>212</u>

(vi) Miscellaneous transactions

In addition to the above transactions, the amounts of other significant transaction by the Group and the outstanding balances were as follows:

	<u>Revenue and income</u>		<u>Other receivables</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties	\$ -	7	-	-

	<u>Cost and expense</u>		<u>Other payables</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
ASTVC-Es	\$ 8,695	-	8,765	-
Other related parties	176	315	92	13
	<u>\$ 8,871</u>	<u>315</u>	<u>8,857</u>	<u>13</u>

(vii) Joint guarantor

As of December 31, 2025 and 2024, the Company's chairman, MAXUS's chairman and ACME's chairman acted as the joint guarantor for the loan from the financial institution.

(viii) Disposal of treasury shares

In August 2025, The Group fully disposed of its treasury shares to LOH TRUST HOLDINGS LLC for a total of \$53,708 thousand, resulting in a loss on disposal of \$33,194 thousand (reported as a reduction in undistributed earnings). As of December 31, 2025, the related proceeds have been fully received.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2025	2024
Short-term employee benefits	\$ 37,548	43,478
Post-employment benefits	1,138	1,089
Termination benefits	-	-
Other long-term benefits	-	-
Share based payments	8,001	8,873
	\$ 46,687	53,440

(8) Pledged assets:

The book values of The Group's assets pledged as collateral are as follows:

Asset Name	Pledged Collateral	December 31, 2025	December 31, 2024
Other financial assets	Short-term borrowings	\$ 25,144	-

(9) Significant Commitments and Contingencies:

The amounts of guaranteed promissory notes issued by The Group for credit facilities signed with financial institutions are as follows:

	December 31, 2025	December 31, 2024
Credit facilities	\$ 962,440	495,000

(10) Losses Due to Major Disasters: None

(11) Subsequent events:

On January 14, 2026, The Group's board of directors resolved to repurchase treasury shares from January 15 to March 13, 2026, for transfer to employees to motivate them and enhance employee commitment.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(12) Other

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

By item	By function	2025			2024		
		Operating costs	Operating Expenses	Total	Operating costs	Operating Expenses	Total
Employee benefits							
Salary		207,260	219,518	426,778	129,312	208,532	337,844
Labor and health insurance		22,525	15,524	38,049	14,017	14,347	28,364
Pension		6,481	9,953	16,434	3,416	9,727	13,143
Others		16,355	12,870	29,225	10,301	11,066	21,367
Depreciation		72,188	36,392	108,580	30,163	40,332	70,495
Amortization		3,007	38,170	41,177	66	18,483	18,549

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required to be disclosed by the Regulations for the Group:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Items	Value			
00	The Company	ASTVC-US	Other receivables	Yes	132,820	125,720	125,720	3.00%	Short-term financing	-	Short-term financing	-	-	-	550,437	733,916	Note 1
01	ASTP	ASTVC-US	"	"	645,330	330,015	330,015	- %	"	-	"	-	-	-	865,575	1,125,248	Note 2
02	ASTVC-US	ASTVC-FR	"	"	42,535	37,228	37,228	3.5%~5.5%	"	-	"	11,200	-	-	239,534	273,753	Note 3

Note 1: For short-term financing provided by The Company, the individual limit for loans to a single party is 30% of its net worth, and the aggregate limit is 40% of its net worth.

Note 2: Regarding the loans of funds by the subsidiary ASTP: for non-Taiwanese subsidiaries that are not the parent company or not 100% owned by the Group, the individual loan limit to a single party is capped at 35% of its net worth, and the aggregate limit is capped at 40% of its net worth. For non-Taiwanese subsidiaries that are the parent company or 100% owned by the Group, the individual loan limit to a single party is capped at 100% of its net worth, and the aggregate limit is capped at 130% of its net worth.

Note 3: Regarding the loans of funds by the subsidiary ASTVC-US: for non-Taiwanese subsidiaries that are not the parent company or not 100% owned by the Group, the individual loan limit to a single party is capped at 35% of its net worth, and the aggregate limit is capped at 40% of its net worth. For non-Taiwanese subsidiaries that are the parent company or 100% owned by the Group, the individual loan limit to a single party is capped at 60% of its net worth, and the aggregate limit is capped at 80% of its net worth.

Note 4: Related transactions have been eliminated in the preparation of the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	MAXUS	The Company's sub-subsidiary	917,396	68,595	67,440	67,440	-	3.68%	1,834,791	Y	N	Y

Note 1: The limit for endorsements and guarantees for a single enterprise is 50% of The Company's net worth as stated in its most recent financial statements.

Note 2: The aggregate amount of endorsements and guarantees shall not exceed 100% of The Company's net worth as stated in its most recent financial statements.

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			Maximum shareholding during the period		Note	
				Shares/Units	Carrying value	Percentage of ownership	Fair value	Shares/Units		Percentage of ownership
The Company	EXCEL-LENS, INC.	None	Financial assets measured at FVTPL – non-current	2,632	51,860	10.00%	51,860	2,632	10.00%	
ASTP	Dreyfus Government Cash Management Service Shares	"	Financial assets measured at FVTPL – current	186	5,857	- %	5,857	186	- %	Note
"	US Treasury Notes-912797SB4	"	Amortized cost financial assets. – current	2,600	80,233	- %	80,233	2,600	- %	"
"	US Treasury Notes-912797RK5	"	"	3,650	113,645	- %	113,645	3,650	- %	"
"	US Treasury Notes-912797PM3	"	"	2,000	62,299	- %	62,299	2,000	- %	"
"	US Treasury Notes-912797TG2	"	"	2,000	62,121	- %	62,121	2,000	- %	"
					318,298					

Note: Units instead of percentage of ownership.

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
The Company	ASTVC US	Parent Company and its subsidiary	Sales	215,684	19.07%	Due 60 days after the date of sales	Transaction at the price agreed by both parties	No significant differences	17,315	100.00%	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (v) Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Loss allowance	Note
					Amount	Action taken			
The Company	ASTVC-US	The Company's subsidiary	Other receivable: 127,201	-	-		-	-	-
ASTP	ASTVC-US	The ultimate parent company is the same parent company	Other receivable: 330,015	-	-		-	-	-

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

- (vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions, 2025			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	ASTVC-US	1	Sales revenues	215,684	Note 3	19.07%
"	"	"	1	Accounts receivable	17,315	60 days	0.54%
"	"	"	1	Other receivables	127,201	Note 6	4.00%
"	"	MAXUS	1	Sales revenues	4,014	Note 3	0.35%
1	ASTP	The Company	1	Sales revenues	14,857	Note 3	1.31%
"	ASTP	ASTVC-US	1	Other receivables	330,015	Note 6	10.38%
2	ASTVC-US	ASTVC-DE	2	Sales revenues	30,898	Note 3	2.73%
"	ASTVC-US	"	2	Accounts receivable	38,315	30 days	1.20%
3	ACME	The Company	3	Sales revenues	7,998	Note 3	0.71%
4	MBI	ASTP	3	Sales revenues	4,006	Note 3	0.35%
"	MBI	The Company	3	Sales revenues	12,226	Note 3	1.08%

Note 1: "0" represents the parent company, and the others represent the subsidiaries.

Note 2: "1" represents the transactions from parent company to subsidiary.

"2" represents the transactions from subsidiary to parent company.

"3" represents the transactions between subsidiaries.

Note 3: Research and development expenses are calculated and conditionally paid according to the agreed methods of the two parties, there are no other similar transactions can be compared.

Note 4: Transaction amounted above 300 billion should be disclosed.

Note 5: Related transactions have been eliminated when preparing consolidated financial statement.

Note 6: The receivables arising from the intercompany loan between the parent and subsidiary companies.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information on investees

The following is the information on investees for the year 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee (thousand)	Share of profits/losses of investee (thousand)	Highest balance during the year		Note
				December 31, 2025	December 31, 2024	Shares (thousand)	Percentage of ownership (%)	Carrying value			Shares (thousand)	Percentage of ownership (%)	
The Company	ASTP	U.S. A	Provide lubricious coatings and various surface treatments for implantable or interventional medical devices	300,000	300,000	2,329	100.00%	865,575	185,584	185,584	2,329	100.00%	Note1&3
The Company	ASTVC-US	U.S. A	Distribution of ophthalmic medical equipment	833,725	833,725	2,075	100.00%	609,910	(51,442)	(51,442)	2,075	100.00%	Note1&3
The Company	ICARES HK	Hong Kong	Equity investments	384,648	384,648	-	100.00%	166,352	(81,189)	(81,189)	-	100.00%	Note1&3
The Company	ACME	Taiwan	Molding manufacturing	90,000	90,000	2,400	60.00%	98,485	15,319	9,191	2,400	60.00%	Note1&3
The Company	MBI	U.S. A	Research and manufacture the products related to intraocular lenses	13,451	13,451	-	5.00%	28,860	3,252	(1,375)	-	5.00%	Note1&3
ASTVC-US	ASTVC-DE	Germany	Distribution of ophthalmic medical equipment	28,293	28,293	20	80.00%	36,468	25,326	20,261	20	80.00%	Note1&3
ASTVC-US	ASTVC-ES	Spain	Distribution of ophthalmic medical equipment	11,232	11,232	3	48.00%	20,841	25,822	14,512	3	48.00%	Note2
ASTVC-US	ASTVC-FR	France	Distribution of ophthalmic medical equipment	16	16	-	46.50%	-	(42,271)	(10,851)	-	46.50%	Note2
ASTVC-US	MBI	U.S. A	Research and manufacture the products related to intraocular lenses	835,549	835,549	5	95.00%	739,076	3,252	(26,128)	5	95.00%	Note1&3

Note1: The subsidiary.

Note2: The associate.

Note3: The above investments have been eliminated during the preparation of the consolidated financial statements.

(c) Information on investment in mainland China:

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

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Cumulative investment income remitted back as of the current period	HighestHighest balancebalance	
					Out-flow	Inflow							Accumulated outflow of investment from Taiwan	Percentage of ownership
Maxus	Research and manufacture the products related to intraocular lenses	295,399	Indirect investment through ICARES HK	258,305	-	-	258,305	(138,690)	55.99%	(81,178)	163,728	-	258,305	62.83%

Note: The above investments have been eliminated during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
258,305	401,015 (USD 12,759 thousand)	1,100,875

Note 1: Related amounts in New Taiwan Dollars were translated based on the spot exchange rates for RMB and USD as of December 31, 2025, which were 4.496 and 31.430, respectively, except for the investment income or loss recognized for the current period, which was translated at the average exchange rate for 2025, and the outward investment remittances, which were translated at the exchange rates at the time of remittance.

The investment income (loss) recognized in the current period was based on the financial statements that were audited by the parent company's CPA.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Significant transactions

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”

(14) Segment information

(a) Information about reportable segments

The Group’s operating segment information and reconciliation were as follows:

	2025				
	R.O.C	China	Europe and America	Reconciliation and elimination	Total
Operating revenues					
Sales to external customers	\$ 260,656	6,334	863,996	-	1,130,986
Sales among segments	230,228	4,976	65,484	(300,688)	-
Total	<u>\$ 490,884</u>	<u>11,310</u>	<u>929,480</u>	<u>(300,688)</u>	<u>1,130,986</u>
Reportable segment profit or loss	<u>\$ 5,781</u>	<u>(140,542)</u>	<u>137,831</u>	<u>-</u>	<u>3,070</u>
	2024				
	R.O.C	China	Europe and America	Reconciliation and elimination	Total
Operating revenues					
Sales to external customers	\$ 172,537	15,742	671,514	-	859,793
Sales among segments	239,274	270	51,971	(291,515)	-
Total	<u>\$ 411,811</u>	<u>16,012</u>	<u>723,485</u>	<u>(291,515)</u>	<u>859,793</u>
Reportable segment profit or loss	<u>\$ 61,043</u>	<u>(149,485)</u>	<u>142,955</u>	<u>-</u>	<u>54,513</u>

(b) Product and service information

The Group's revenue comes from sales income of intraocular lenses products, medical materials, and injection molding, as well as service income from providing coating patent technology services and royalty income. Please refer to note 6(u) for details.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ICARES MEDICUS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Geographic information

For the years ended December 31, 2025 and 2024, information on the basis of geography were as follows:

	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
United States	\$ 333,837	830,557	331,933	899,987
England	41,380	-	41,115	-
Japan	32,726	-	34,669	-
Spain	94,551	-	75,419	-
Taiwan	221,045	251,061	130,726	273,129
China	15,112	295,662	25,984	328,997
Germany	82,568	-	-	-
Other countries	309,767	-	219,947	-
	\$ 1,130,986	1,377,280	859,793	1,502,113

Non-current assets include property, plant and equipment, right-for use assets, intangible assets, and other assets, not including financial instruments and deferred tax assets (non-current)

(d) Major customers information

For the years ended December 31, 2025 and 2024, the Group's revenues from a single customer exceed 10% of operating sales in the consolidated statements of comprehensive income were as follows:

	2025		2024	
	Amount	%	Amount	%
Company A	\$ 230,224	20	233,373	27