

Wellell Inc. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report

For the Nine Months Ended September 30, 2025 and 2024

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

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Independent Auditors' Review Report

Wellell Inc. and Subsidiaries:

Introduction

We have reviewed the consolidated balance sheet of Wellell Inc. and its subsidiaries prepared on September 30, 2025 and 2024, the consolidated comprehensive income statement covering the periods of April 1 to September 30, 2025 and 2024, and January 1 to September 30, 2025 and 2024, the consolidated statements of change in equity, the consolidated statements of cash flows, and the notes to the consolidated financial statements (including a summary of significant accounting policies) covering the periods of 2025 and 2024 as of September 30 of the respective fiscal year. It is the management's responsibility to prepare consolidated financial statements that are present fairly pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to make a conclusion on the consolidated financial statements according to our review results.

Scope

We performed the review pursuant to the TWSRE 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". When reviewing consolidated financial statements, we have made inquiries, primarily of persons responsible for financial and accounting matters, and performed analytical and other review procedures. The review is substantially less in scope than an audit and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit and that accordingly no audit opinion is expressed.

Conclusion

According to our review results, we are not aware of any material respects in which the aforementioned consolidated financial statements were not prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission that are not able to present fairly the consolidated financial position of Wellell Inc. and its subsidiaries as of September 30, 2025 and 2024, and the results of the consolidated financial performance for the period of July 1 to September 30, 2025 and 2024, and the period of January 1 to September 30, 2025 and 2024, and the consolidated cash flows for the period of January 1 to September 30, 2025 and 2024.

KPMG. Taipei, Taiwan, R.O.C.

Certified Public Accountants:

Certified and Approved No. of the : Tai Tsai Certified No. 0930106739

Securities Competent Authority Jin-Guan-Cheng-Shen-Zi No. 1140131922

November 7, 2025

Notes to Readers

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

Unit: New Taiwan Dollars in thousands

(For details please refer to the attached consolidated balance sheets notes)

Chairman of the Board: Li, Yung Chuan Manager: Li, Wen-Te Accounting Director: Chen, Shih-He

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of June 30, 2025 and 2024
Wellell Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

July 1 - September 30, 2025 and 2024, and January 1 - September 30, 2025 and 2024

Unit: New Taiwan Dollars in thousands

		July to September, 2025		July to September, 2024		January to September, 2025		January to September, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Sales Revenue (Note 6 (15) and 7)	\$ 619,090	100	541,946	100	1,779,851	100	1,772,986	100
5000	Operating Costs (Note 6 (5), (11) and (16))	329,929	53	307,484	57	957,003	54	979,831	55
	Gross Margin	289,161	47	234,462	43	822,848	46	793,155	45
6000	Operating Expenses (Note 6 (3), (11), (16) and 7):								
6100	Selling Expenses	92,805	15	99,749	18	290,218	16	294,871	17
6200	General and Administrative Expenses	104,008	17	88,855	16	295,138	17	286,048	16
6300	Research & Development Expenses	39,081	6	41,587	8	112,901	6	125,218	7
6450	Expected Credit Impairment Losses (Reversal)	(2,411)	-	2,458	-	7,704	-	7,723	1
	Total Operating Expenses	233,483	38	232,649	42	705,961	39	713,860	41
6900	Net Operating Profit	55,678	9	1,813	1	116,887	7	79,295	4
	Non-operating income and expenditures (Note 6 (6), (17) and 7):								
7100	Interest Income	1,297	-	3,410	1	4,759	-	5,894	1
7010	Other Income	72	-	86	-	213	-	307	-
7020	Other Profits and Losses	12,629	2	11,434	2	19,853	1	18,548	1
7050	Financial Costs	(3,981)	-	(3,021)	(1)	(10,586)	(1)	(10,345)	(1)
7060	Share of profit or loss of affiliated companies under the equity method	(88)	-	(811)	-	(401)	-	(1,409)	-
	Total non-operating income and expenses	9,929	2	11,098	2	13,838	-	12,995	1
	Profit before Tax	65,607	11	12,911	3	130,725	7	92,290	5
7950	Less: Income Tax Expenses (Note 6 (12))	18,200	3	5,032	1	37,543	2	23,384	1
	Net Income Current Period	47,407	8	7,879	2	93,182	5	68,906	4
8300	Other comprehensive income:								
8310	Items not to be reclassified into profit or loss								
8316	Unrealized Evaluation Profit and Loss on Equity Instruments	1,235	-	(521)	-	(2,318)	-	(2,773)	-
	Investments Measured at Fair Value Through Other								
	Comprehensive Income								
8349	Less: Income tax related to items not reclassified	-	-	-	-	-	-	-	-
	Total items not to be reclassified into profit or loss	1,235	-	(521)	-	(2,318)	-	(2,773)	-
8360	Items that may be subsequently reclassified into profit or loss								
8361	Financial statements translation differences of foreign operations	56,106	9	34,300	6	14,715	1	86,302	5
8399	Less: Income tax relating to items that may be reclassified	-	-	-	-	-	-	-	-
	subsequently								
	Total Items that may be subsequently reclassified into profit	56,106	9	34,300	6	14,715	1	86,302	5
	or loss								
8300	Other comprehensive Income Current Period	57,341	9	33,779	6	12,397	1	83,529	5
8500	Total Comprehensive Income Current Period	<u>\$ 104,748</u>	<u>17</u>	<u>41,658</u>	<u>8</u>	<u>105,579</u>	<u>6</u>	<u>152,435</u>	<u>9</u>
	Net Income attributed to:								
8610	Owner of the parent company	\$ 46,709	8	7,783	2	92,515	5	69,039	4
8620	Non-controlling interests	698	-	96	-	667	-	(133)	-
		<u>\$ 47,407</u>	<u>8</u>	<u>7,879</u>	<u>2</u>	<u>93,182</u>	<u>5</u>	<u>68,906</u>	<u>4</u>
	Comprehensive Income attributed to:								
8710	Owner of the parent company	\$ 103,818	17	41,032	8	105,004	6	152,120	9
8720	Non-controlling interests	930	-	626	-	575	-	315	-
		<u>\$ 104,748</u>	<u>17</u>	<u>41,658</u>	<u>8</u>	<u>105,579</u>	<u>6</u>	<u>152,435</u>	<u>9</u>
9750	Basic EPS (Unit: NT\$) (Note 6 (14))	<u>\$ 0.46</u>		<u>0.08</u>		<u>0.92</u>		<u>0.68</u>	
9850	Diluted EPS (Unit: NT\$) (Note 6 (14))	<u>\$ 0.46</u>		<u>0.08</u>		<u>0.91</u>		<u>0.68</u>	

(For details please refer to the attached consolidated balance sheets notes)

Chairman of the Board: Li, Yung Chuan Manager: Li, Wen-Te

Accounting Director: Chen, Shih-He

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of June 30, 2025 and 2024
Wellell Inc. and Subsidiaries
Consolidated Statement of Change in Equity
From January 1 to September 30, 2025 and 2024

Unit: New Taiwan Dollars in thousands

	Equity attributable to owners of the parent company											
	Retained Earnings						Total Other Equities			Total equity attributable to owners of the parent company	Non-controlli ng interests	Total equity
							Financial statements translation differences of foreign operations	Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income	Total			
	Capital	Capital Reserve	Statutory reserves	Special reserves	Undistribute d earnings	Total						
Balance as of January 1, 2024	\$ 1,009,116	345,635	311,210	252,634	569,448	1,133,292	(163,076)	11,013	(152,063)	2,335,980	4,889	2,340,869
Net Income Current Period	-	-	-	-	69,039	69,039	-	-	-	69,039	(133)	68,906
Other comprehensive Income Current Period	-	-	-	-	-	-	85,854	(2,773)	83,081	83,081	448	83,529
Total Comprehensive Income Current Period	-	-	-	-	69,039	69,039	85,854	(2,773)	83,081	152,120	315	152,435
Earnings appropriation and distribution:												
Provision of statutory reserves	-	-	15,260	-	(15,260)	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(80,729)	(80,729)	-	-	-	(80,729)	-	(80,729)
Balance as of September 30, 2024	\$ 1,009,116	345,635	326,470	252,634	542,498	1,121,602	(77,222)	8,240	(68,982)	2,407,371	5,204	2,412,575
Balance as of January 1, 2025	\$ 1,009,116	345,736	326,470	252,634	591,196	1,170,300	(117,526)	10,375	(107,151)	2,418,001	5,650	2,423,651
Net Income Current Period	-	-	-	-	92,515	92,515	-	-	-	92,515	667	93,182
Other comprehensive Income Current Period	-	-	-	-	-	-	14,807	(2,318)	12,489	12,489	(92)	12,397
Total Comprehensive Income Current Period	-	-	-	-	92,515	92,515	14,807	(2,318)	12,489	105,004	575	105,579
Earnings appropriation and distribution:												
Provision of statutory reserves	-	-	11,774	-	(11,774)	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(80,729)	(80,729)	-	-	-	(80,729)	-	(80,729)
Balance as of September 30, 2025	\$ 1,009,116	345,736	338,244	252,634	591,208	1,182,086	(102,719)	8,057	(94,662)	2,442,276	6,225	2,448,501

(For details please refer to the attached consolidated balance sheets notes)

Chairman of the Board: Li, Yung Chuan

Manager: Li, Wen-Te

Accounting Director: Chen, Shih-He

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of June 30, 2025 and 2024

Wellell Inc. and Subsidiaries
Consolidated Statement of Cash Flow
From January 1 to September 30, 2025 and 2024
Unit: New Taiwan Dollars in thousands

	January to September, 2025	January to September, 2024
Cash flow from operating activities:		
Profit before Tax current period	\$ 130,725	92,290
Adjustment items:		
Income and expenses item		
Depreciation	63,193	56,692
Amortization	14,214	14,402
Expected Credit Impairment Losses	7,704	7,723
Interest Expense	10,586	10,345
Interest Income	(4,759)	(5,894)
Dividend Income	(20)	(34)
Share of profit or loss of affiliated companies under the equity method	401	1,409
(Gain) loss from disposal and obsolesce of real estate properties, plants and equipment	(300)	842
Property, plants and equipment reclassified as expenses	-	43
Total Incomes and Expenses	91,019	85,528
Changes of assets and liabilities relating to operating activities:		
Notes receivable	(3,110)	6,140
Accounts Receivable	(33,578)	104,919
Account Receivable - Related Party	(2,995)	(5,685)
Other Receivables (including related parties)	4,502	15,457
Inventories	(61,983)	(28,407)
Prepayments	11,959	(6,252)
Other Current Assets	(2,242)	(1,443)
Other non-current Assets	(30)	(1)
Total Net changes of assets relating to operating activities	(87,477)	84,728
Notes Payable	(34)	(37)
Accounts Payable	(5,359)	(61,108)
Other Payables (including related parties)	(12,846)	(32,551)
Other current liabilities (including related parties)	(3,436)	8,831
Net defined benefit liabilities	9	42
Other Non-current Liabilities	(1,552)	(33,836)
Total Net changes of liabilities relating to operating activities	(23,218)	(118,659)
Total Net changes of assets and liabilities relating to operating activities	(110,695)	(33,931)
Total adjustments	(19,676)	51,597

(For details please refer to the attached consolidated balance sheets notes)

Chairman of the Board:
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Accounting Director:
Chen, Shih-He

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of June 30, 2025 and 2024

Wellell Inc. and Subsidiaries
Consolidated Statement of Cash Flow (continued)
From January 1 to September 30, 2025 and 2024

Unit: New Taiwan Dollars in thousands

	January to September, 2025	January to September, 2024
Cash inflow from operating	\$ 111,049	143,887
Interest received	4,793	6,147
Dividends received	20	34
Interest paid	(10,535)	(10,370)
Income Taxes Paid	(27,898)	(48,969)
Net Cash inflow from operating activities	<u>77,429</u>	<u>90,729</u>
Cash flow from investing activities:		
Disposal of Financial assets at amortized cost	54,156	3,290
Investment in properties, plants and equipment	(49,161)	(34,919)
Disposal of property, plants and equipment	715	1,733
Increase of refundable deposits	(476)	(592)
Investment in intangible assets	(4,056)	(2,464)
Cash inflow (outflow) from investing activities	<u>1,178</u>	<u>(32,952)</u>
Cash flow from financing activities:		
Application for short-term borrowings	557,630	631,793
Repayment of short-term borrowings	(532,551)	(609,222)
Repayment of long-term borrowings	(7,511)	(4,381)
Repayment of principal portion of the lease	(16,889)	(14,886)
Cash dividends paid	(80,729)	(80,729)
Net cash outflow from financing activities	<u>(80,050)</u>	<u>(77,425)</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent	16,207	36,579
Increase of cash and cash equivalents current period	14,764	16,931
Cash and cash equivalents at beginning of year	666,440	648,379
Cash and cash equivalents at the end of year	<u><u>\$ 681,204</u></u>	<u><u>665,310</u></u>

(For details please refer to the attached consolidated balance sheets notes)

Chairman of the Board:
Li, Yung Chuan

Manager:
Li, Wen-Te

Accounting Director:
Chen, Shih-He

Wellell Inc. and Subsidiaries
Notes to the Consolidated financial statements
For the Nine Months Ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, except as otherwise indicated)

I. Company History

Wellell Inc. (referred as “the Company” hereafter) was authorized to set up by the Ministry of Economic Affairs in March 1990, and merged with Ya-Tai Industrial Limited on August 31, 1998. The Company was approved to be listed in TPEx in August, 2001 and traded in January, 2002 by the Securities and Futures Commission, Ministry of Finance (name changed to the Securities and Futures Bureau of the Financial Supervisory Commission, abbreviated as Securities and Futures Bureau). The Company was approved by the Securities and Futures Bureau to be listed on TWSE in October, 2004. The Company and its subsidiaries (referred as “the consolidated company” hereafter) are primarily engaged in the business of manufacturing and sale of medical supplies, import, and export as well as agency services.

II. Financial Statements Authorization Date and Authorization Process

The consolidated financial reports were approved for release by the Board of Directors on November 7 2025.

III. Application of new standards, amendments, and interpretations

- (I) The impact from adopting new standards and Interpretations as approved by FSC for release and amendment

The application of the newly revised amendments to the IFRSs into effect by the consolidated company with an effective date starting from January 1, 2025 did not significantly influence the consolidated financial statement.

- Amendment to IAS No. 21 “Lack of Exchangeability”

- (II) Impact on not adopting the IFRSs endorsed by the FSC

The company has assessed that the newly revised amendments to the IFRSs with an effective date starting from January 1, 2026 will not significantly influence the consolidated financial statement.

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

- (III) Standards and interpretations newly issued and amended but not yet endorsed by the FSC

The standards and interpretations issued and amended by the International Accounting Standards Board (IASB) but not been advised by the FSC may affected to the Consolidated Company:

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

Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

Newly announced or amended standards	Major amendments	Effective date of IASB announcement
IFRS No. 18 “Presentation and Disclosures in Financial Statements”	The new standard introduces three types of income and expense, two income statement subtotals, and a single note on management's performance measurement. These three amendments and enhanced guidance on how information are divided into financial statements have laid the foundation for better and more consistent information provided to users, and will affect all companies. • More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of “operating income”, and stipulates that all income, expenses and losses are classified into three new different categories based on the company's main operating activities. • Management Performance Measurement (MPMs): Under the new standards, companies will be required to disclose information about management-defined performance measures in a single note to the financial statements, why each measure provides useful information about the company's performance, how it is calculated, and how the measure is reconciled to the amounts recognized under the IFRSs. • Detailed information: The new standard includes guidance on how to strengthen the grouping of information in the financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in notes.	January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will align with IFRS 18 starting from the 2028 financial year. If the Company has a need for early adoption, it may choose to do so upon approval by the FSC.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

The consolidated company continues to assess the impact of the above standards and interpretations on its financial position and result of operation. The relevant impact will be disclosed after completion of the assessment.

The consolidated company expected that the following new publish and amendment to the standards would not cause significant influence to the consolidated financial statement.

- Amendments to IFRS 10 and IAS 28 on “Sale or Contribution of assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 19 “Subsidiaries without public Accountability: Disclosures” and the amendments to IFRS 19

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Preparation Guidelines”) and the IAS 34, “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission. The accompanying consolidated financial statements do not include all required information that should be disclosed in annual consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as IFRSs, IASs, IFRICs, SIC, and announcements (hereinafter referred to as the “IFRSs” endorsed by FSC) endorsed and issued into effect by FSC.

Except as described below, the significant accounting policies adopted in the consolidated financial statements are the same as those used in the consolidated financial statements for the year 2024. Please refer to Note 4 to the 2024 Consolidated Financial Statements for related information.

(II) Basis of Consolidation

1. Subsidiaries included in the consolidated financial statements.

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

Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership			Description
			2025.9.30	2024.12.31	2024.9.30	
The Company	Apex Global Investment Ltd.	Investment on businesses engaging in manufacturing	100%	100%	100%	
"	Wellell America Corp.	Sales of medical supplies	100%	100%	100%	
"	Wellell IBERIA S.L.	Sales of medical supplies	100%	100%	100%	(Note 2)
"	Sturdy Industrial Co., Ltd	Manufacturing and Sales of medical supplies	100%	100%	100%	
"	Wellell India Private Limited	Sales of medical supplies	99.82%	99.82%	99.82%	(Note 1)
"	Wellell (Thailand) Ltd.	Sales of medical supplies	49%	49%	49%	
"	Apex Medical Respiratory Ltd.	Investment on businesses engaging in manufacturing	100%	100%	100%	
"	Wellell Germany GmbH	Investments in various production businesses and leasing business	100%	100%	100%	
"	APEX MEDICAL CORP.	Sales of medical supplies	100%	100%	100%	
"	Wellell Taiwan Corp.	Sales of medical supplies	100%	100%	100%	
Apex Global Investment Ltd.	ComfortPro Investment Corp.	Investment on businesses engaging in manufacturing	100%	100%	100%	
"	Max Delight Holding Limited.	Investment on businesses engaging in manufacturing	100%	100%	100%	
"	Wellell India Private Limited	Sales of medical supplies	0.18%	0.18%	0.18%	(Note 1)
ComfortPro Investment Corp.	Apex (Kunshan) Medical Corp.	Manufacturing and Sales of medical supplies	100%	100%	100%	
Max Delight Holdings Limited	Wellell (Kunshan) Co., Ltd.	Sales of medical supplies	100%	100%	100%	
Apex Medical Respiratory Ltd.	Wellell UK Limited	Sales of medical supplies	100%	100%	100%	
"	SLK Vertriebs GmbH	Sales and leasing of medical supplies	100%	100%	100%	
"	SLK Medical GmbH	Sales and leasing of medical supplies	100%	100%	100%	
"	Wellell France S.A.S.	Sales of medical supplies	100%	100%	100%	
Wellell UK Limited	Westmeria Healthcare Ltd.	Sales and leasing of medical supplies	100%	100%	100%	

Note 1: The Company directly and indirectly holds 100% equity interests in Wellell India Private Limited.

Note 2: Apex Medical SL changed its name to Wellell IBERIA S.L. in 2024 in line with the Group's branding strategy.

2. Subsidiaries not included in the consolidated financial statements: None.

(III) Employee benefit

The “defined benefit plan - pension” for the interim period is calculated using the actuarially determined pension cost rate as of the prior year's reporting date, based on the beginning to the end of the current period, adjusted for significant market fluctuations, significant reductions, repayments, or other significant one-time events after that reporting date.

(IV) Income Taxes

The consolidated company measures and discloses the income tax expenses for the interim period in accordance with the Appendix B12 of IAS 34, “Interim Financial Reporting”.

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

Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

The income tax expenses is measured at the profit before income tax for the interim reporting period multiplying the management's best estimate of the effective tax rate for the full year.

Income tax expense recognized directly in equity or other comprehensive income is measured at the tax rates that are expected to apply when the related assets and liabilities are realized or settled, based on the temporary differences between their carrying amounts for financial reporting purposes and their tax bases.

V. Significant accounting judgments, estimations, assumptions and sources of estimation uncertainty

The preparation of the consolidated financial statements shall be in conformity with the preparation guidelines and the IAS 34. Management must make future (including climate-related risks and opportunities) judgments, estimates and assumptions that will affect the adoption of accounting policies and the reporting amounts of assets, liabilities, gains and expenses. Actual results may differ from the estimates.

Critical judgements made by the management for adopting accounting policies when preparing the consolidated financial statements and key sources of estimation uncertainty are the same as Note 5 to the 2024 Consolidated Financial Statements.

VI. Details of significant accounting items

Except as described below, there are no material differences between the description of critical accounts and those in the consolidated financial statements for the year 2024. Please refer to Note 6 to the 2024 Consolidated Financial Statements for related information.

(I) Cash and cash equivalents

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Cash on hand	\$ 1,109	1,126	1,199
Checks and demand deposits	579,429	575,524	554,931
Time Deposit	95,664	89,790	108,018
Cash in transit	<u>5,002</u>	<u>-</u>	<u>1,162</u>
Cash and cash equivalents listed on the Consolidated Statements of Cash Flows	<u>\$ 681,204</u>	<u>666,440</u>	<u>665,310</u>

As of September 30, 2025, December 31, 2024, and September 30, 2024, the cash and cash equivalent of the consolidated company were not provided as loan guarantee or litigation collateral to a financial institute or court.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(II) Financial assets measured with amortized cost

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
<u>Current</u>			
Domestic investment			
Time deposit with original maturity \$	43,000	80,500	80,500
date for more than 3 months			
Pledged time deposit certificate	-	15,000	15,000
Foreign investment			
Time deposit with original maturity	34,171	35,827	27,137
date for more than 3 months			
Total	<u><u>\$ 77,171</u></u>	<u><u>131,327</u></u>	<u><u>122,637</u></u>

The consolidated company assessed the holding of these assets to maturity to collect contract cash-flow and the cash-flow from the financial asset is all for principal payment and outstanding principal generated interest. Thus they were reported as financial assets measured at amortized cost.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the amortized cost financial assets of the consolidated company had been provided to financial institutions as collateral for guarantees, please refer to Note 8.

(III) Notes receivable and accounts receivable (including related parties)

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Notes receivable	\$ 12,585	9,475	12,523
Accounts Receivable	417,332	383,804	373,719
Related Party -of Account Receivable	13,052	10,057	5,685
Less: Loss Allowance	(29,435)	(21,483)	(14,752)
	<u><u>\$ 413,534</u></u>	<u><u>381,853</u></u>	<u><u>377,175</u></u>

The consolidated company adopted the simplified method to estimate credit loss of all notes and accounts receivable, e.g. adopting the lifetime expected credit loss measurement method. For measurement purposes, the notes and accounts receivable are classified per the common credit risk characteristic of customers' ability to pay the total amount due under contract terms and included as prospective information. The analysis for expected credit loss on notes and accounts receivable of the Company is as below:

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

	2025.9.30		
	Carrying Amount of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Rate	Loss Allowance Lifetime Expected Credit Loss
Not Overdue	\$ 64,516	0.19%	123
Overdue Less Than 60 Days	3,848	3.82%	147
Over 91~180 days	8,771	36.56%	3,207
Over 181-365 Days	21,948	43.18%	9,477
Over 366 days	9,253	100%	9,253
Total	<u>\$ 108,336</u>		<u>22,207</u>
	2024.12.31		
	Carrying Amount of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Rate	Loss Allowance Lifetime Expected Credit Loss
Not Overdue	\$ 106,166	0.66%	706
Overdue Less Than 60 Days	3,643	13.70%	499
Over 61~90 days	7,290	26.69%	1,946
Over 91-180 Days	10,932	34.34%	3,754
Over 181-365 Days	13,556	50.00%	6,778
Total	<u>\$ 141,587</u>		<u>13,683</u>
	2024.9.30		
	Carrying Amount of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Rate	Loss Allowance Lifetime Expected Credit Loss
Not Overdue	\$ 88,957	0.69%	611
Overdue Less Than 60 Days	11,553	7.59%	877
Over 61~90 days	7,352	22.50%	1,654
Over 91-180 Days	17,705	33.84%	5,992
Total	<u>\$ 125,567</u>		<u>9,134</u>

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

The consolidated company analysis for expected credit loss on notes and accounts receivable other than the Company is as below:

Credit Rating Grade	2025.9.30		
	Carrying Amount of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Rate	Loss Allowance Lifetime Expected Credit Loss
Low Risk	\$ 327,405	-	-
Those Who Have Financial Difficulties	<u>7,228</u>	100%	<u>7,228</u>
Total	<u>\$ 334,633</u>		<u>7,228</u>
Credit Rating Grade	2024.12.31		
	Carrying Amount of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Rate	Loss Allowance Lifetime Expected Credit Loss
Low Risk	\$ 253,949	-	-
Those Who Have Financial Difficulties	<u>7,800</u>	100%	<u>7,800</u>
Total	<u>\$ 261,749</u>		<u>7,800</u>
Credit Rating Grade	2024.9.30		
	Carrying Amount of Notes Receivable and Accounts Receivable	Weighted Average Expected Credit Loss Rate	Loss Allowance Lifetime Expected Credit Loss
Low Risk	\$ 260,742	-	-
Those Who Have Financial Difficulties	<u>5,618</u>	100%	<u>5,618</u>
Total	<u>\$ 266,360</u>		<u>5,618</u>

The consolidated company's aging analysis for notes and accounts receivable other than the Company is as below:

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

	2025.9.30	2024.12.31	2024.9.30
Not Overdue	\$ 318,678	240,897	245,733
Overdue Less Than 60 Days	9,886	11,605	14,635
Over 61~90 days	835	3,679	1,497
Over 91-180 Days	1,086	2,917	2,623
Over 181-365 Days	573	1,517	613
Over 366 days	3,575	1,134	1,259
	<u>\$ 334,633</u>	<u>261,749</u>	<u>266,360</u>

The consolidated company changes to the statement of loss allowance for notes and accounts receivable are as below:

	January to September, 2025	January to September, 2024
Beginning balance	\$ 21,483	6,838
Recognized Impairment Loss	7,704	7,723
Amount Written off due to amount not recovered	(50)	(139)
Recovered amount of written-off accounts	-	70
Foreign exchange translation gain and loss	298	260
Ending balance	<u>\$ 29,435</u>	<u>14,752</u>

As of September 30, 2025, December 31, 2024, and September 30, 2024, no notes receivable and accounts receivable of the consolidated company pledged as collateral.

As of September 30, 2025, information on the collateral obtained by the consolidated company from a certain customer is provided in Note 6(19).

(IV) Other Receivables (including related parties)

	2025.9.30	2024.12.31	2024.9.30
Other Receivable	\$ 12,810	16,604	13,497
Other Receivable - Related Party	20	57	24
	<u>\$ 12,830</u>	<u>16,661</u>	<u>13,521</u>

Please refer to Note 6 (18) for information on other credit risks.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(V) Inventories

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Finished goods	\$ 19,695	10,779	16,725
Work in Process	56,579	39,531	54,658
Raw materials	70,798	53,114	62,697
Merchandise	330,709	312,374	314,616
	<u>\$ 477,781</u>	<u>415,798</u>	<u>448,696</u>

Gain from inventory price recovery recognized when measuring the inventory at lower of cost or net realizable value for the period from January 1 to September 30, 2025 and 2024, are NT\$(3,118) thousand and NT\$(9,196) thousand.

On September 30, 2025, December 31, 2024, and September 30, 2024, no inventory of the consolidated company is pledged as collateral.

(VI) Investment accounted for using the equity method

The investments of the consolidated companies accounted for using the equity method at the reporting date are as follows:

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Associate - Wellell Japan Ltd.	<u>\$ 1,179</u>	<u>1,621</u>	<u>1,460</u>
	<u>July to September, 2025</u>	<u>July to September, 2024</u>	<u>January to September, 2025</u>
Shares attributed to the consolidated company:			<u>January to September, 2024</u>
Net loss Current Period	\$ (88)	(811)	(401)
Other comprehensive income	11	182	(41)
Total Comprehensive Income	<u>\$ (77)</u>	<u>(629)</u>	<u>(442)</u>
			<u>(1,417)</u>

As of September 30, 2025, December 31, 2024, and September 30, 2024, no investments accounted for using the equity method of the consolidated company were pledged as collateral.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(VII) Property, plants and equipment

	Land	Buildings and constructions	Machinery Equipment	Others assets	Total
Carrying amount:					
September 30, 2025	<u>\$ 281,787</u>	<u>325,187</u>	<u>32,558</u>	<u>92,088</u>	<u>731,620</u>
December 31, 2024	<u>\$ 280,561</u>	<u>325,247</u>	<u>34,019</u>	<u>76,393</u>	<u>716,220</u>
September 30, 2024	<u>\$ 281,494</u>	<u>339,501</u>	<u>29,887</u>	<u>66,433</u>	<u>717,315</u>

There is not any significant purchase, disposal, impairment recognition, or reversal in the property, plant, and equipment of the consolidated company for the period from January 1 to September 30, 2025 and 2024. For depreciation in current period, please refer to Note 12. Other related information please refer to Note 6 (7) to the 2024 Consolidated Financial Statements.

2. As of September 30, 2025, December 31, 2024, and September 30, 2024, details of the consolidated company's property, plant and equipment pledged as collateral for loans and financing facilities, please refer to Note 8.

(VIII) Intangible Assets

	Goodwill	Computer Software	Other intangible assets	Total
Carrying amount:				
September 30, 2025	<u>\$ 529,304</u>	<u>9,822</u>	<u>106,054</u>	<u>645,180</u>
December 31, 2024	<u>\$ 531,209</u>	<u>8,422</u>	<u>117,932</u>	<u>657,563</u>
September 30, 2024	<u>\$ 541,945</u>	<u>8,451</u>	<u>125,170</u>	<u>675,566</u>

There is not any significant purchase, disposal, impairment recognition or reversal in the intangible assets of the consolidated company for the period from January 1 to September 30, 2025 and 2024. For amortization in current period, please refer to Note 12. Other related information please refer to Note 6 (8) to the 2024 Consolidated Financial Statements.

(IX) Short-term notes

The detail of short-term borrowings of the consolidated company is as follows:

	2025.9.30	2024.12.31	2024.9.30
Unsecured bank borrowings	\$ 175,178	156,347	193,988
Secured bank borrowings	7,916	-	26,644
Total	<u>\$ 183,094</u>	<u>156,347</u>	<u>220,632</u>
Unused credit term	<u>\$ 941,904</u>	<u>975,999</u>	<u>898,660</u>
Interest rate range	<u>1.95%~5.42%</u>	<u>1.95%~6.11%</u>	<u>1.95%~6.46%</u>

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

1. New borrowings and repayments

For the period from January 1 to September 30, 2025 and 2024, new borrowings amounted to NT\$557,630 thousand and NT\$631,793 thousand, respectively, and repayments amounted to NT\$532,551 thousand and NT\$609,222 thousand, respectively. Please refer to Note 6 (17) for the interest expense.

2. Collaterals for bank loans

For detail on assets used by the consolidated company as mortgage to guarantee borrowing from the bank or as the funding credit to the bank please refer to Note 8.

(X) Long-term borrowings

The detail of long-term borrowings of the consolidated company is as follows:

2025.9.30				
	Currency	Interest rate range	Maturity Date	Amount
Secured bank borrowings	EUR	2.35%~2.75%	2025.10.1~2040.1.28	\$ 111,940
Less: Mature Within One Year				(10,212)
Total				\$ 101,728
Unused credit term				\$ -
2024.12.31				
	Currency	Interest rate range	Maturity Date	Amount
Secured bank borrowings	EUR	1.97%~2.75%	2025.1.1~2040.1.28	\$ 114,196
Less: Mature Within One Year				(11,191)
Total				\$ 103,005
Unused credit term				\$ -
2024.9.30				
	Currency	Interest rate range	Maturity Date	Amount
Secured bank borrowings	EUR	2%~2.75%	2024.10.1~2040.1.28	\$ 120,571
Less: Mature Within One Year				(9,851)
Total				\$ 110,720
Unused credit term				\$ -

1. Please refer to Note 6 (21) for details on the repayment of long-term loans.
2. For detail on assets used by the consolidated company as mortgage to guarantee borrowing from the bank or as the funding credit to the bank please refer to Note 8.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XI) Employee benefit

1. Defined benefit plan

Since there has not been any significant market fluctuations, significant reductions, repayments, or other significant one-time events after the prior year's reporting date, the consolidated company adopted the actuarially determined pension costs as of December 31, 2024 and 2023 to measure and disclose the pension costs for the interim period.

Detail of pensions reported as expenses by the consolidated company were as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Operating expenses	\$ 3	14	9	42

2. Defined contribution plans

The Consolidated Company's pension costs and expenses under the Defined Pension Contribution Plan were as follows and were contributed to the Bureau of Labor Insurance:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Operating costs	\$ 2,449	2,179	6,253	6,802
Operating expenses	7,147	6,907	21,606	21,867
	\$ 9,596	9,086	27,859	28,669

(XII) Income Taxes

1. Detail of the consolidated company's income tax expenses is as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Tax expenses in current period	\$ 16,762	4,474	41,192	26,132
Deferred income tax benefits	1,438	558	(3,649)	(2,748)
Income tax expenses	\$ 18,200	5,032	37,543	23,384

2. The profit-seeking enterprise income tax returns of the Company and its subsidiaries, Sturdy Industrial Co., Ltd and Wellell Taiwan Corp., have been assessed and approved by the tax authorities up to 2023. The profit-seeking enterprise income tax return of the subsidiary Apex Medical Corp. has been assessed and approved up to 2022.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XIII) Capital and other equity interests

For the period from January 1 to September 30, 2025 and 2024, there is not any material changes in consolidated company's in capital and capital surplus. Please refer to Note 6 (13) to the 2024 Consolidated Financial Statements for related information.

1. Retained Earnings

Under the Articles of Incorporation of the company, the earnings, if any, shall be distributed after close of the year as follows:

- (1) Pay for income taxes.
- (2) Restore cumulative losses.
- (3) Set aside 10% as a legal reserve, except if the statutory reserve has reached the amount as capital of the Company then it is not bound by this statute.
- (4) Have the special reserve appropriated or reversed in accordance with applicable laws and regulations or competent authority.
- (5) The Board of Directors should add the remainder with the accumulated undistributed earnings from previous years and submit a proposal to the shareholders' meeting for them to agree the distribution of earnings.

If the above distribution of shareholders' bonus is made in the form of cash payment, the Board of Directors shall be authorized to make the proposal with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and report to the shareholders' meeting.

Dividend policy of the Company is as follows:

Dividend policy of the Company, set up by the Board of Directors, is to match with the development of business scale, investment plan while taking into account the capital expenditure and internal and external environmental changes of the Company. The Board of Directors initiated the earning distribution plan and submitted it to the shareholders' meeting for their resolution to distribute the earnings. Dividends may be distributed in the form of cash or shares, provided, however, that shares dividends distributed in respect of any fiscal year shall not exceed 50 percent of earnings distributed.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

2. Earnings Distribution

The Board of Directors resolved the cash dividends for the 2024 and 2023 earnings distribution on March 13, 2025 and March 13, 2024, respectively. The dividends distributed to the owners were as follows:

	2024		2023	
	Allotment rate (dollar)	Amount	Allotment rate (dollar)	Amount
Cash	\$ 0.80	<u>80,729</u>	0.80	<u>80,729</u>

3. Other equity (net of tax)

	Financial statements translation differences of foreign operations	Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2025	\$ (117,526)	10,375	(107,151)
Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	(2,318)	(2,318)
Share of translation difference of associates for using equity method	14,848	-	14,848
Share of translation difference of associates for using equity method	<u>(41)</u>	<u>-</u>	<u>(41)</u>
Balance as of September 30, 2025	<u>\$ (102,719)</u>	<u>8,057</u>	<u>(94,662)</u>
Balance as of January 1, 2024	\$ (163,076)	11,013	(152,063)
Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	(2,773)	(2,773)
Share of translation difference of associates for using equity method	85,862	-	85,862
Share of translation difference of associates for using equity method	<u>(8)</u>	<u>-</u>	<u>(8)</u>
Balance as of September 30, 2024	<u>\$ (77,222)</u>	<u>8,240</u>	<u>(68,982)</u>

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XIV) Earnings per share

The consolidated company's basic EPS and diluted EPS are calculated as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Basic earnings per share				
Net income attributable to common stock shareholders of the Company	\$ 46,709	7,783	92,515	69,039
Weighted average number of common stock shares outstanding	100,912	100,912	100,912	100,912
Basic EPS (Dollars)	\$ 0.46	0.08	0.92	0.68
	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Diluted earnings per share				
Net income attributable to common stock shareholders of the Company (Basic)	\$ 46,709	7,783	92,515	69,039
Net income attributable to common stock shareholders of the Company (diluted)	\$ 46,709	7,783	92,515	69,039
Weighted average number of common shares outstanding (basic)	100,912	100,912	100,912	100,912
Impact of potential diluted common shares				
Impact of employee stock compensation	377	232	487	375
Weighted average number of common stock shares outstanding (After the adjustment of potential diluted shares)	101,289	101,144	101,399	101,287
Diluted EPS (Dollars)	\$ 0.46	0.08	0.91	0.68

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XV) Revenue from Contracts with Customers

1. Details of Revenue

		July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Major Market:					
Spain	\$	106,396	114,595	388,932	437,465
USA		32,033	23,209	91,159	123,268
UK		26,585	23,667	86,187	70,553
Taiwan		32,612	30,626	86,226	83,958
Germany		169,617	144,090	475,943	426,050
Japan		55,130	36,839	120,544	100,696
France		50,503	48,446	159,131	136,469
Other Country		146,214	120,474	371,729	394,527
	\$	619,090	541,946	1,779,851	1,772,986
Major Product:					
Support Surface	\$	276,152	254,824	781,421	798,790
Systems					
Respiratory		89,444	88,394	345,492	392,578
Therapy					
Devices					
Others		253,494	198,728	652,938	581,618
	\$	619,090	541,946	1,779,851	1,772,986

2. Contract Balance

		2025.9.30	2024.12.31	2024.9.30
Notes receivable	\$	12,585	9,475	12,523
Accounts Receivable		417,332	383,804	373,719
Account Receivable - Related Party		13,052	10,057	5,685
Less: Loss Allowance		(29,435)	(21,483)	(14,752)
Total	\$	413,534	381,853	377,175

Please refer to Note 6 (3) for the disclosure of notes and accounts receivable (including related parties) and their impairment.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XVI) Remuneration to employees and the Directors

On June 24, 2025, the Company's Shareholders' Meeting resolved to amend its Articles of Incorporation. According to the Article of Incorporation after the amendments, if the Company has profits, it shall appropriate 5% ~ 15% as remuneration to employees and no more than 2% as remuneration to the directors. Recipients entitled to receive shares or cash distributed as employee remunerations include employees of controlled companies and subordinate companies meeting certain requirements. In addition, 1% ~ 2% of the profit shall be allocated for salary adjustments or bonus distribution to entry-level employees. Eligible recipients may include employees of the company's parents or subsidiaries meeting specific requirements. If the company has accumulated losses, the profit shall first be reserved to offset those losses before being allocated according to the aforementioned ratio. According to the Article of Incorporation before amendments, if the Company has profits, it shall appropriate 5% ~ 15% as remuneration to employees and not more than 2% as remuneration to the directors. If the company has accumulated losses, the profit earned shall be reserved to make up the losses. Recipients entitled to receive shares or cash distributed as employee remunerations include employees of associates meeting certain requirements.

The Company's remuneration to employees and Directors are estimated using the profit before tax and before netting of the remuneration in each period to multiply a designated percentage specified in the Article of Incorporation. The distribution would be recorded as operating costs or operating expenses of each period. Any difference between amount actually distributed and the estimate is treated as change of accounting estimate, and is recognized as profit or loss in the next year.

Detail of the abovementioned estimations are as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Remuneration to employee	\$ 4,363	500	8,338	6,050
Remuneration to Directors	982	100	1,876	1,367
	\$ 5,345	600	10,214	7,417

For the years 2024 and 2023, the Company appropriated NT\$10,369 thousand and NT\$15,425 thousand for employees' remuneration and NT\$2,333 thousand and NT\$3,486 thousand for directors' remuneration, respectively, which were not different from the actual distribution amounts. The relevant information can be found on the MOPS.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XVII) Non-operating income and expenditures

1. Interest Income

Details of interest income of the consolidated company as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Bank deposits interest	\$ 908	974	3,318	2,715
other interest Income	389	2,436	1,441	3,179
Interest Income	<u>\$ 1,297</u>	<u>3,410</u>	<u>4,759</u>	<u>5,894</u>

2. Other Income

Details of other income of the consolidated company as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Dividend Income	\$ -	-	20	34
Rental income	-	-	11	11
Commission income	72	86	182	262
Other Income	<u>\$ 72</u>	<u>86</u>	<u>213</u>	<u>307</u>

3. Other Profits and Losses

Details of other profits and losses of the consolidated company, as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Loss or Profit on Disposal of Real Estate Property, Plant and Equipment	\$ (3)	(15)	300	(842)
Foreign exchange (loss) gain	9,271	(522)	9,191	(984)
Others	3,361	11,971	10,362	20,374
Net of Other Gains and Losses	<u>\$ 12,629</u>	<u>11,434</u>	<u>19,853</u>	<u>18,548</u>

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

4. Financial Costs

Details of financial costs of the consolidated company as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Interest amortized from				
lease liabilities	\$ (110)	(193)	(397)	(590)
Interest on bank loans	(1,062)	(2,813)	(7,357)	(9,740)
Other financial expenses	(2,809)	(15)	(2,832)	(15)
Financial Costs	<u><u>\$ (3,981)</u></u>	<u><u>(3,021)</u></u>	<u><u>(10,586)</u></u>	<u><u>(10,345)</u></u>

(XVIII) Financial Instruments

Except for the following, there were no significant changes in the fair value of and the exposure to credit risk, liquidity risk, and market risk due to the consolidated company's financial instruments. For related information, please refer to Note 6 (18) to the 2024 Consolidated Financial Statements.

1. Foreign exchange risk

(1) Risk Exposure of Exchange Rate Risk

Financial assets and liabilities of the consolidated company that are exposed to significant foreign currency exchange rate risk are as follows:

	2025.9.30		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary item</u>			
USD	\$	2,997	30.4450
EUR		2,313	35.7700
Japanese Yen		63,723	0.2058
<u>Financial liability</u>			
<u>Monetary item</u>			
USD		2,037	30.4450
EUR		1,359	35.7700
GBP		580	40.9700

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

2024.12.31			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary item</u>			
USD	\$	2,315	75,897
EUR		2,709	92,485
Japanese Yen		48,494	10,179
<u>Financial liability</u>			
<u>Monetary item</u>			
USD		1,076	35,277
EUR		1,475	50,357
GBP		192	7,908

2024.9.30			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary item</u>			
USD	\$	1,802	57,033
EUR		3,292	116,471
Japanese Yen		25,882	5,754
GBP		15	636
RMB		416	1,882
<u>Financial liability</u>			
<u>Monetary item</u>			
USD		778	24,624
EUR		1,858	65,736
GBP		265	11,244

The consolidated company's exchange rate risk is mainly from cash and cash equivalents, accounts receivable and other receivables, short-term borrowings, accounts payable and other payables denominated in foreign currency and the foreign exchange gain or loss upon translation to NTD. On September 30, 2025 and 2024, when NTD depreciated against USD, Euro and GBP by 2% and on the condition that all other factors remained the same, the net income before tax for the period from January 1 to September 30, 2025 and 2024, of the consolidated company would increase or decrease

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by NT\$1,054 thousand and NT\$1,603 thousand, respectively. Analyses of these two periods adopted the same basis.

Since the consolidated company has a wide variety of functional currencies, it adopts the aggregated exposures of the exchange gains and losses information of the monetary items. The gain (losses) on foreign currency exchange (including realized and unrealized) for the period from January 1 to September 30, 2025 and 2024, were NT\$9,191 thousand and NT\$ (984) thousand, respectively.

2. Information on fair value

(1) Category and fair value of the financial instruments

The consolidated company through the financial assets measured at fair value and Financial Assets Measured at fair value through other comprehensive income as measured at fair value on a recurring basis. All kinds of carrying value and fair value of financial assets and liabilities (Including information on the level of fair value, financial instruments not measured by fair value but with carrying value reasonably approximates to the fair value, as well as the rental liability, so no fair value information is required to be disclosed in accordance of rules) are listed as follows:

	Carrying value	2025.9.30 Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets Through Other Comprehensive Income measured at Fair Value					
Equity Instrument Measured at Fair Value Without Quoted Market Price	\$ 18,164	-	-	18,164	18,164
Financial assets measured with amortized cost					
Cash and cash equivalents	681,204	-	-	-	-
Financial assets measured with amortized cost - certificate of time deposit	77,171	-	-	-	-
Notes receivable and accounts receivable (including related parties)	413,534	-	-	-	-
Other Receivables (including related parties)	12,830	-	-	-	-
Sub total	1,184,739	-	-	-	-
Total	\$ 1,202,903	-	-	18,164	18,164

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		2025.9.30				
		Carrying value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured with						
amortized cost						
Short-Term borrowings	\$	183,094	-	-	-	-
Long-term Borrowings		111,940	-	-	-	-
(including the long-term						
borrowings maturing within						
one year)						
Accounts Payable		128,911	-	-	-	-
Other Payables		193,580	-	-	-	-
(including related parties)						
Lease Liabilities – Non-Current		33,827	-	-	-	-
Total	\$	651,352	-	-	-	-

		2024.12.31				
		Carrying value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial Assets Through Other						
Comprehensive Income						
measured at Fair Value						
Equity Instrument Measured at	\$	20,482	-	-	20,482	20,482
Fair Value Without Quoted						
Market Price						
Financial assets measured with						
amortized cost						
Cash and cash equivalents		666,440	-	-	-	-
Financial assets measured with		131,327	-	-	-	-
amortized cost - certificate						
of time deposit						
Notes receivable and accounts		381,853	-	-	-	-
receivable (including related						
parties)						
Other Receivables		16,661	-	-	-	-
(including related parties)						
Sub total		1,196,281	-	-	-	-
Total	\$	1,216,763	-	-	20,482	20,482

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		2024.12.31				
		Carrying value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured						
with amortized cost						
Short-Term borrowings	\$	156,347	-	-	-	-
Long-term Borrowings		114,196	-	-	-	-
(including the long-term borrowings maturing within one year)						
Notes payable and accounts payable		134,304	-	-	-	-
Other Payables		206,375	-	-	-	-
(including related parties)						
Lease Liabilities – Non-Current		37,690	-	-	-	-
Total	\$	648,912	-	-	-	-

		2024.9.30				
		Carrying value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets Through Other Comprehensive Income measured at Fair Value						
Equity Instrument Measured at Fair Value Without Quoted Market Price	\$	18,347	-	-	18,347	18,347
Financial assets measured with amortized cost						
Cash and cash equivalents		665,310	-	-	-	-
Financial assets measured with amortized cost - certificate of time deposit		122,637	-	-	-	-
Notes receivable and accounts receivable (including related parties)		377,175	-	-	-	-
Other Receivables (including related parties)		13,521	-	-	-	-
Sub total		1,178,643	-	-	-	-
Total	\$	1,196,990	-	-	18,347	18,347

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

	Carrying value	2024.9.30			
		Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured					
with amortized cost					
Short-Term borrowings	\$ 220,632	-	-	-	-
Long-term Borrowings	120,571	-	-	-	-
(including the long-term borrowings maturing within one year)					
Notes payable and accounts payable	117,830	-	-	-	-
Other Payables	191,098	-	-	-	-
(including related parties)					
Lease Liabilities – Non-Current	42,528	-	-	-	-
Total	<u>\$ 692,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (2) Knowhow to measure fair value of financial instruments that are not measured with fair value.

The methodology and assumptions the consolidated company uses to estimate the financial instruments not measured at fair value are as follows:

Financial liabilities measured with amortized cost

If there is a closing report or quotation to make the deal available, the price for the transaction just closed recently and the quotation price can be used as a basis to estimate the fair value. If there is no market price for reference, the valuation method shall be used for the estimate. The estimate and assumption used for valuation is the fair value estimated by present value of cash flow.

- (3) Know how to evaluate the fair value for financial instruments measured at fair value.

(3.1) Non-derivative financial instruments

If quoted prices in active markets are available, they are used as fair value. Market prices announced by major exchanges are bases for fair value of the equity instruments listed in the market.

For financial instruments held by the consolidated company, if quoted prices in active market are available, their fair values are listed in accordance with categories they belong to and their natures as follows:

As mutual fund beneficiary certificates are financial assets with standard terms and conditions and traded in an active market, their fair value is determined referencing the quoted price in the active market.

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Except for the above-mentioned financial instruments with an active market, the fair value of the remaining financial instruments is obtained by the valuation techniques. Fair value obtained through the valuation techniques may be referenced to the current available fair value, discount cash flow method or valuation techniques of other financial instruments of similar natures and features, including value obtained through market information calculation model on the consolidated balance sheet.

(3.2) Derivative Financial Instruments

Valuated according to the valuation model widely accepted by the market users. The structured interest rate derivative financial instruments are based on appropriate pricing models or other valuation methods.

(4) Quantitative Information of Fair Value Measurement for the Significant Unobservable Inputs (the third level)

The consolidated company fair value measurement classified as the third level is financial assets measured at fair value through other comprehensive income – equity security investment.

The consolidated company's fair value is classified as the third level provided with single significant unobservable input. The equity instrument investment without an active market only is provided with multiple significant unobservable inputs. The significant unobservable inputs of equity instrument investments without an active market are independent from each other, so no interrelationship exists.

The quantitative information of the significant unobservable inputs is listed as below:

Item	Technique Valuation	Significant Unobservable Inputs	Relationship Between Significant Unobservable Input and Fair Value
Financial Assets Measured at Fair Value Through Other Comprehensive Income - Equity Instrument Investment Without an Active Market	Analogy Listed and Over-the-counter Company Law	• Discount for lack of marketability (25% as of 114.9.30 and 113.9.30)	• The higher the discount for lack of marketability is, the lower the fair value is.

(5) From January 1 to September 30, 2025 and January 1 to September 30, 2024, there is no transfer in the fair value hierarchy of the financial assets.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(XIX) Financial risk management

Except for the following, the consolidated company's financial risk management objectives and policies are not significantly different from those disclosed in Note 6 (19) to the 2024 Consolidated Financial Statements.

As of September 30, 2025, the consolidated company's accounts receivable from a certain customer amounted to EUR 1,232 thousand. The customer provided a property located in Italy as collateral and granted the consolidated company first-ranking mortgage rights. The appraised value of the property was approximately EUR 1,824 thousand. The Company has assessed the credit risk of the receivable using the expected credit loss model and recognized an appropriate loss allowance. The Company will continue to evaluate its recoverability based on the subsequent collection status and the realization of the collateral.

(XX) Capital Management

The consolidated company's capital management objectives, policies, and procedures are the same as those disclosed in the 2024 Consolidated Financial Statements. In addition, there were no significant changes to the aggregate quantitative information of the capital management items from those disclosed in the 2024 consolidated financial statements. Relevant information please refer to Notes 6 (20) in the 2024 consolidated financial statements.

(XXI) Non-cash investments and financing activities

	2025.1.1	Cash flow	Changes in non-cash Increase	2025.9.30
Short-Term borrowings	\$ 156,347	25,079	1,668	183,094
Lease liabilities	37,690	(16,889)	13,026	33,827
Long-term borrowings	114,196	(7,511)	5,255	111,940
Total liabilities from financing activities	<u>\$ 308,233</u>	<u>679</u>	<u>19,949</u>	<u>328,861</u>

	2024.1.1	Cash flow	Changes in non-cash Increase	2024.9.30
Short-Term borrowings	\$ 195,761	22,571	2,300	220,632
Lease liabilities	43,802	(14,886)	13,612	42,528
Long-term borrowings	124,952	(4,381)	-	120,571
Total liabilities from financing activities	<u>\$ 364,515</u>	<u>3,304</u>	<u>15,912</u>	<u>383,731</u>

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

VII. Related Party Transactions

(I) Names and relationships of related parties

The related parties who are involved in the transactions with the consolidated company during the period covered by these consolidated financial statements are as follows:

<u>Names of related parties</u>	<u>Relation with the consolidated company</u>
Wen Chuan Investment Development Co., Ltd	Its President is the spouse of the Chairman of the Company
Li, Chao Yi	The individual and the Chairman of the Company are first-degree relatives
Li, Wen-Te	Key management personnel of the consolidated company
Wellell Japan Ltd.	The Company's associates

(II) Significant transactions with the related parties

1. Revenue

The amount of major sales of the consolidated company to related parties is as follows:

	<u>July to September, 2025</u>	<u>July to September, 2024</u>	<u>January to September, 2025</u>	<u>January to September, 2024</u>
Associate - Wellell Japan Ltd.	\$ <u>13,145</u>	<u>5,424</u>	<u>26,536</u>	<u>5,424</u>

There is no significant difference between the prices and conditions of the consolidated company's sales to the affiliated company and the general customer.

2. Balance of accounts receivable from related parties

The details of the consolidated company's accounts receivable from related parties:

<u>Items listed in the account</u>	<u>Category of the related parties</u>	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Account Receivable -	Associate - Wellell			
Related Party	Japan Ltd.	\$ <u>13,052</u>	<u>10,057</u>	<u>5,685</u>
Other Receivable -	Associate - Wellell			
Related Party	Japan Ltd.	\$ <u>20</u>	<u>57</u>	<u>24</u>

The Company does not hold any collateral on the receivables with the related parties. After the evaluation, no provisions for impairment loss will be necessary.

3. Accounts payable from related parties

The details of the consolidated company's accounts payable from the related parties is as follows:

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Items listed in the account	Category of the related parties	2025.9.30	2024.12.31	2024.9.30
Other Payable - Related Party	Other related party - Li, Chao Yi	\$ 35	43	62

4. Property Transactions

The price summary of the consolidated company acquired real estate property, plants, and equipment from related parties is as below:

	Acquisition price			
	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Key management personnel of the consolidated company	\$ -	-	1,648	-

5. Other transactions

	Operating expenses				Other Income (Listed as Other Profits and Losses)			
	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Other related parties	\$ 132	158	411	429	-	-	11	11
Associate	-	-	-	-	3	6	3	6
Other related parties	\$ 132	158	411	429	3	6	14	17

	Advance Receipt (Listed as Other Current Liabilities)		
	2025.9.30	2024.12.31	2024.9.30
Other related parties	\$ 11	23	-

(III) Transactions regarding key management

Remuneration to Key management includes:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Short term employee benefits	\$ 5,892	5,089	15,817	15,068
Benefits after resignation	81	68	243	259
	\$ 5,973	5,157	16,060	15,327

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VIII. Pledged Assets

The book value of the pledged assets of the consolidated company is as follows:

Assets	Objectives of the pledged assets	2025.9.30	2024.12.31	2024.9.30
Time deposit certificate (financial assets measured with amortized cost)	Export bill negotiation facility	\$ -	15,000	15,000
Land	Bank Borrowings	281,787	280,561	281,494
Building and construction, net	Bank Borrowings	150,913	151,338	155,467
Transportation vehicles, net	Bank Borrowings	2,379	3,488	3,971
		<u>\$ 435,079</u>	<u>450,387</u>	<u>455,932</u>

IX. Significant contingent liabilities and unrecognized contract commitments

As of September 30, 2025, December 31, and September 30, 2024, the credit card guarantee applied by the consolidated company to the bank for the use of credit cards in its operation amounted to NTD 2,500 thousand, NTD 1,500 thousand, and NTD 1,500 thousand, respectively.

X. Significant Disaster Loss: None.

XI. Significant events after the balance sheet date: None.

XII. Others

Employee benefits, depreciation, depletion and amortization expenses are summarized by their functions in the table below:

By nature	July to September, 2025			July to September, 2024		
	Attributed to operating costs	Attributed to operating expenses	Total	Attributed to operating costs	Attributed to operating expenses	Total
Employee Benefit Expenses						
Salary Expenses	33,935	112,013	145,948	43,967	107,869	151,836
Labor Insurance and Health Insurance Expenses	2,533	11,758	14,291	3,312	12,673	15,985
Pension Fund Expenses	2,449	7,150	9,599	2,179	6,921	9,100
Remuneration to Directors	-	2,057	2,057	-	1,077	1,077
Other Employee Benefit Expenses	2,297	3,940	6,237	2,604	3,917	6,521
Depreciation	9,124	13,143	22,267	9,397	10,120	19,517
Amortization	-	4,705	4,705	3	4,908	4,911

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By nature	January to September, 2025			January to September, 2024		
	Attributed to operating costs	Attributed to operating expenses	Total	Attributed to operating costs	Attributed to operating expenses	Total
Employee Benefit Expenses						
Salary Expenses	110,835	326,094	436,929	128,924	333,018	461,942
Labor Insurance and Health Insurance Expenses	9,859	37,196	47,055	10,712	37,363	48,075
Pension Fund Expenses	6,253	21,615	27,868	6,802	21,909	28,711
Remuneration to Directors	-	5,090	5,090	-	4,280	4,280
Other Employee Benefit Expenses	7,878	11,526	19,404	9,919	13,946	23,865
Depreciation	28,267	34,926	63,193	27,707	28,985	56,692
Amortization	-	14,214	14,214	8	14,394	14,402

XIII. Additional Disclosure

(I) Information on significant transactions

Consolidated company as required by Regulations Governing the Preparation of Financial Reports by Securities Issuers of January 1 to September 30, 2025, information of significant transaction that should be disclosed is as follows:

1. Loan to others:

Unit: New Taiwan Dollars in thousands

No.	Company making the loan	Borrower	General Ledger account	Related Party	Maximum balance during the period	Ending balance	Actual amount drawn down	Interest rate range	Nature of the loan (Note 5)	Amount of transactions with the borrowers	Reason for short term business financing	Provision for Loss Allowance	Collateral		Collateral	Maximum limit of fund financing
													Name	Value		
1	ComfortPro Investment Corp.	Wellell France S.A.S	Other Receivable	Yes	12,740 (EUR350)	12,520 (EUR350)	12,520 (EUR350)	-	2	-	Operation turnover	-	No	-	121,316	242,632
2	Apex Medical Respiratory Ltd.	Wellell Germany GmbH	Other Receivable	Yes	30,940 (EUR850)	30,405 (EUR850)	27,543 (EUR770)	1	2	-	Operation turnover	-	No	-	429,051	858,101
2	Apex Medical Respiratory Ltd.	Wellell France S.A.S	Other Receivable	Yes	21,840 (EUR600)	21,462 (EUR600)	21,462 (EUR600)	-	2	-	Operation turnover	-	No	-	429,051	858,101
2	Apex Medical Respiratory Ltd.	Wellell America Corp.	Other Receivable	Yes	16,603 (USD500)	15,223 (USD500)	15,223 (USD500)	2	2	-	Operation turnover	-	No	-	429,051	858,101
3	Apex Global Investment Ltd.	Wellell France S.A.S	Other Receivable	Yes	18,200 (EUR500)	17,885 (EUR500)	17,885 (EUR500)	-	2	-	Operation turnover	-	No	-	160,040	320,079
3	Apex Global Investment Ltd.	Wellell UK Limited	Other Receivable	Yes	21,525 (GBP500)	20,485 (GBP500)	20,485 (GBP500)	-	2	-	Operation turnover	-	No	-	160,040	320,079
3	Apex Global Investment Ltd.	Wellell America Corp.	Other Receivable	Yes	9,177 (USD300)	9,134 (USD300)	9,134 (USD300)	2	2	-	Operation turnover	-	No	-	160,040	320,079
4	SLK Vertriebs GmbH	Wellell Germany GmbH	Other Receivable	Yes	17,472 (EUR480)	17,170 (EUR480)	17,170 (EUR480)	1	2	-	Operation turnover	-	No	-	150,563	301,126

Note 1: ComfortPro Investment Corp. according to the “operating procedures for lending to others”, the amount of loans to a 100%-owned subsidiary of the Group shall not exceed 100% of the net worth of the company; also the amount of each loan should not exceed 50% of the net worth of the company.

Note 2: Apex Medical Respiratory Ltd. according to the “Operation procedures for lending to others,” when providing loans to the wholly-owned subsidiary of the Group, the amount of such financing facility shall

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not exceed 100% of the amount of the net worth of the lending enterprise; also the amount lent to each individual should not exceed 50% of the net worth of the company.

Note 3: Apex Global Investment Limited according to the “Operation procedures for lending to others,” when providing loans to the wholly-owned subsidiary of the Group, the amount of such financing facility shall not exceed 100% of the amount of the net worth of the lending enterprise; also the amount lent to each individual should not exceed 50% of the net worth of the company.

Note 4: SLK Vertriebs GmbH, according to the “Operation procedures for lending to others,” when providing loans to the wholly-owned subsidiary of the Group, the amount of such financing facility shall not exceed 100% of the amount of the net worth of the lending enterprise; also the amount lent to each individual should not exceed 50% of the net worth of the company.

Note 5: 1. Transaction with others. 2. Short-term financing facility is necessary.

Note 6: The above transactions were eliminated when the consolidated financial reports were prepared.

2. Endorsement/guarantee provided for others:

Unit: New Taiwan Dollars in thousands

No.	Name of Company Provided Endorsement/ Guarantee	Endorsed/ Guaranteed Party		Endorsed/ Guaranteed Party	Maximum Endorsement/ Guarantee Balance of Current Period	Endorsement/ Guarantee Balance at Period End	Actual amount drawn down	Endorsement/ guarantee with property pledged as collateral	Percentage of Accumulated Endorsement/ Guarantee Amount to the most recent Net Financial Statement	Maximum Endorsement/ Guarantee Amount	Endorsement/ Guarantee Attributable to the Parent Company Provided to the Subsidiary	Endorsement/ Guarantee Attributable to the Subsidiary Provided to the Parent Company	Attributed to the Endorsement/ Guarantee for the China Area
		Name of the Company	Relationship (Note 4)										
0	Wellell Inc.	Wellell Germany GmbH	2	1,221,138	223,496 (EUR6,140)	219,628 (EUR6,140)	135,770 (EUR3,796)	-	8.99%	1,221,138	Y	N	N
0	Wellell Inc.	Wellell America Corp.	2	1,221,138	49,808 (USD1,500)	45,668 (USD1,500)	7,002 (USD 230)	-	1.87%	1,221,138	Y	N	N

Note 1: The endorsement/guarantee for outsiders cannot exceed 50% of the net worth of the period. The endorsement/guarantee for a single enterprise cannot exceed 25% of the net worth of the period. But the endorsement/guarantee for the Company directly or indirectly hold 100% voting shares cannot exceed 50% of the net worth of the period.

Note 2: The Board of Directors approved the Company providing endorsement/guarantee to the 100% held subsidiary, Wellell Germany GmbH GmbH, within 6.14 million euros.

Note 3: The Board of Directors approved the Company providing endorsement/guarantee to the 100 % held subsidiary, Wellell America Corp., within 15 million US dollars.

Note 4: There are 7 types of relationships between guarantor and guarantee as below. Marking the type is sufficient:

1. Business related companies.
2. Over 50% voting shares directly or indirectly held by the Company.
3. Companies directly or indirectly have more than 50% of the voting shares.
4. Over 90% voting shares directly or indirectly held by the Company.
5. Mutual guarantee by peers or mutual builders per contract term based on contract constructions.
6. Company endorsed/guaranteed by all shareholders per share proportions for a mutual investment relationship.
7. Escrow joint guarantee between peers for pre-sold house contract under Consumer Protection Act.

3. Major securities held at the end of the period (excluding the portions by the invested subsidiaries, associates and joint ventures):

Unit: New Taiwan Dollars in thousands / thousand shares

Holding company	Category and name of securities	Relationship with the issuers	General Ledger Accounts	End of period				End of period	End of period
				Numbers of shares	Carrying value	% of shares held	Fair Value		
Wellell Inc.	G Innings Medical Ltd.	No	Financial Assets through Other Comprehensive Income measured at Fair Value - Non-current	900	17,838	18.95%	17,838	18.95%	
Wellell Inc.	MAGnet	No	Financial Assets through Other Comprehensive Income measured at Fair Value - Non-current	0.07	326	5.00%	326	5.00%	

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4. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital:

Unit: New Taiwan Dollars in thousands

Purchaser (seller)	Name of counterparty	Relationship	Status of transaction				Differences in transaction terms compared to third party transactions		Notes receivable and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	Percentage of total purchases (sales)	Credit Terms	Unit Price	Credit Terms	balance	Percentage of total notes receivable and accounts receivable (payable)	
Wellell Inc.	Wellell IBERIA S.L.	Parent and subsidiary	(Sales)	(109,967)	15.61%	Net 180 days	The sales price is comparatively lower than general customers because the sales volumes are larger.	Longer than general customers	14,992	6.35%	No
Wellell IBERIA S.L.	Wellell Inc.	Parent and subsidiary	Purchase	109,967	35.30%	Net 180 days	The purchase price is comparatively lower than the general customer because the purchase volumes are larger.	Longer than general customers	(15,013)	34.68%	No
Wellell Inc.	Apex (Kunshan) Medical Corp.	Parent and subsidiary	Purchase	156,195	38.17%	Net 45 days	The purchase price is comparatively lower than the general customer because the purchase volumes are larger.	The same as those provided to the non-related parties	(22,584)	39.49%	No
Apex (Kunshan) Medical Corp.	Wellell Inc.	Parent and subsidiary	(Sales)	(156,629)	95.18%	Net 45 days	The sales price is comparatively lower than general customers because the sales volumes are larger.	The same as those provided to the non-related parties	22,659	97.95%	No

Note: Eliminated when preparing consolidated financial statements

5. Accounts receivable from related parties of at least NT\$100 million or 20% of the paid-in capital: None.

6. Business relationship between the parent and subsidiaries and status of the important transactions:

Unit: New Taiwan Dollars in thousands

No.	Name of counterparty	Party transacted with	Related Party Relationship	Status of transactions			
				Account	Amount	Terms of transactions	% of total consolidated revenues or total assets
0	Wellell Inc.	Wellell IBERIA S.L.	1	Sales revenues	109,967	The sales price is comparatively lower than the general customers due to larger sales volumes.	6.18%
0	Wellell Inc.	Wellell France S.A.S.	1	Sales revenues	75,779	The same as those provided to the non-related parties	4.26%
0	Wellell Inc.	Wellell UK Limited	1	Sales revenues	49,533	The same as those provided to the non-related parties	2.78%
0	Wellell Inc.	Wellell Taiwan Corp.	1	Sales revenues	42,256	The same as those provided to the non-related parties	2.37%
0	Wellell Inc.	SLK Vertriebs GmbH	1	Sales revenues	31,602	The same as those provided to the non-related parties	1.78%
0	Wellell Inc.	Wellell America Corp.	1	Sales revenues	26,754	The same as those provided to the non-related parties	1.50%
1	Apex (Kunshan) Medical Corp.	Wellell Inc.	2	Sales revenues	156,629	The sales price is comparatively lower than the general customers due to larger sales volumes.	8.80%
0	Wellell Inc.	Wellell France S.A.S.	1	Accounts Receivable	36,776	The payment term is 180 days after bill of lading date.	1.16%
0	Wellell Inc.	Wellell UK Limited	1	Accounts Receivable	35,908	The payment term is 180 days after bill of lading date.	1.13%

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

Note 1. The number is filled out as follows:

1. 0 Representing Parent Company.
2. The subsidiary is numbered in the sequence of Arabic numerals starting from 1.

Note 2: The category of relationship with counterparty is marked as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3: For business relationships between the parent company and the subsidiary, only information of sales and accounts receivable are disclosed. The corresponding purchases and accounts payable are not addressed again.

Note 4: The above transactions were eliminated when the consolidated financial reports were eliminated.

(II) Information on investees:

The information of reinvestment business of the consolidated company for January 1 to September 30, 2025 is as follows (not including investment to Mainland China):

Unit: NTD in thousand/USD in thousand

Name of investor	Name of the investee	Location	Major operating items	Initial investment amount		Shares held as at the end of period			Maximum shares held or investment in this period	Net income of investee for this period	Investment income (loss) recognized by the company for the period	Remark
				End of current period	End of last year	Shares (thousand)	Percentage	Carrying value				
The Company	Apex Global Investment Ltd.	British Virgin Islands, Tortola	Investment on businesses engaging in manufacturing	354,319	354,319	10,534	100%	319,747	100%	(7,030)	(7,030)	Note 1
"	Wellell America Corp.	U.S.A., California, Orange	Sales of medical supplies	16,564	16,564	50	100%	(19,276)	100%	(2,406)	(2,406)	"
"	Wellell IBERIA S.L.	Spain, Vizcaya	Sales of medical supplies	4,855	4,855	-	100%	404,609	100%	28,590	28,590	"
"	Sturdy Industrial Co., Ltd	Taiwan	Manufacturing and sales of medical supplies	268,294	328,294	4,000	100%	247,473	100%	7,886	7,886	"
"	Wellell India Private Limited	India, Delhi	Sales of medical supplies	27,741	27,741	6,458	99.82%	615	99.82%	-	-	"
"	Wellell (Thailand) Ltd.	Thailand	Sales of medical supplies	2,271	2,271	245	49%	5,629	49%	1,309	641	"
"	Apex Medical Respiratory Ltd.	United Kingdom	Investment on businesses engaging in manufacturing	792,510	792,510	7,905	100%	817,578	100%	48,649	48,649	"
"	Wellell Germany GmbH	Germany Dortmund	Investments in various production businesses and leasing business	92,610	92,610	25	100%	82,778	100%	5,618	5,618	"
"	APEX MEDICAL CORP.	Taiwan	Sales of medical supplies	1,000	1,000	100	100%	3,526	100%	97	97	"
"	Wellell Taiwan Corp.	Taiwan	Sales of medical supplies	30,000	30,000	3,000	100%	27,119	100%	1,154	1,154	"
"	Wellell Japan Ltd.	Japan	Sales of medical supplies	3,208	3,208	-	49%	1,179	49%	(819)	(401)	Note 2
Apex Global Investment Ltd.	ComfortPro Investment Corp.	Republic of Mauritius, Port Louis	Investment on businesses engaging in manufacturing	297,731	297,731	9,100	100%	242,632	100%	(705)	(705)	Note 1
"	Max Delight Holding Limited	Apia, Samoa	Investment on businesses engaging in manufacturing	8,686	8,686	270	100%	19,078	100%	(6,369)	(6,369)	"
"	Wellell India Private Limited	India, Delhi	Sales of medical supplies	55	55	12	0.18%	1	0.18%	-	-	"
Apex Medical Respiratory Ltd.	Wellell UK Limited	United Kingdom	Sales of medical supplies	767,718	767,718	-	100%	244,750	100%	(5,327)	(5,327)	"
"	SLK-Vertriebs	Germany Dortmund	Sales and leasing of medical supplies	391,891	391,891	1,048	100%	499,069	100%	54,577	44,029	"
"	SLK-Medical	Germany Dortmund	Sales and leasing of medical supplies	22,549	22,549	25	100%	33,755	100%	(142)	(667)	"
"	Wellell France S.A.S.	France, Ecouflant	Sales of medical supplies	394	394	14	100%	7,149	100%	8,752	8,752	"

Note 1: A subsidiary completely eliminated when the consolidated financial statements were prepared.

Note 2: Associate.

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

(III) Information on investment in Mainland China:

1. Information on investment in Mainland China:

Unit: NTD in thousand/USD in thousand

Name of the investee in Mainland China	Major operating items	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan for the beginning of this period	Amount remitted or investment amount remitted back for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of the end of the period	Net income of investee for this period	Ownership held by the Company (direct or indirect)	Maximum shares held or investment in this period	Investment income (loss) recognized by the company for the period (Note 2)	Book value of investments as of the end of the period	Accumulated amount of investment income remitted back as of the end of the period
					Remitting to	Remitting back							
Apex Medical (Shanghai) Corp.	Manufacturing and Sales of medical supplies	23,352	(I)	23,239 (USD710)	-	-	23,239 (USD710)	- (Note1)	-% (Note1)	-% (Note1)	- (Note1)	- (Note1)	-
Apex (Kunshan) Medical Corp.	Manufacturing and Sales of medical supplies	231,103	(I)	231,103 (USD7,100)	-	-	231,103 (USD7,100)	(2,182)	100.00%	100.00%	(1,926)	190,684	-
Kunshan Co Wei Plastic Product Corp.	Manufacturing and sales of plastic products	25,316	(I)	25,487 (USD842)	-	-	25,487 (USD842)	- (Note 1)	-% (Note 1)	-% (Note 1)	- (Note 1)	- (Note 1)	-
Wellell (Kunshan) Co., Ltd.	Sales of medical supplies	8,041	(I)	8,041 (USD250)	-	-	8,041 (USD250)	(6,324)	100.00%	100.00%	(6,324)	18,304	-

Note: Investment methods can be classified as follows:

(I): Investment by 100% owned subsidiary set up in the third area.

Note 1: Shanghai Apex was liquidated in February 2013; Kunshan Kewei was liquidated in February 2016.

Note 2: The investment gains and losses are recognized based on the financial statements reviewed by the parent company's CPAs.

Note 3: The above transactions were eliminated when the consolidated financial reports were prepared.

2. Maximum amount to invest in Mainland China:

Accumulated amount of Remittance from Taiwan to Mainland China as of the end of the period	Investment Amounts approved by Investment Commission, MOEA	Limit of the Investment Commission, MOEA to invest in Mainland China
287,870 (US\$8,902 thousand)	287,870 (US\$8,902 thousand)	1,465,366

3. Significant transactions with the invested companies in Mainland China:

For the significant transactions conducted with investees in Mainland China directly or indirectly for January 1 to September 30, 2025 (eliminated when preparing consolidated statements). Please refer to the explanations in “relevant information of the significant transactions” in the consolidated financial statements.

XIV. Segment Information

The consolidated company is mainly engaged in the manufacture, import, export as well as sales of medical supplies. The company is operating in just one industry and all sales department of the medical supplies and associated activities were used as a whole as basis for decision making and performance evaluation. As a consequence, the operating segments and reportable segments are divided by regions:

The consolidated company operating departments and adjustment are listed below:

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

July to September, 2025					
	Europe	America	Asia	Adjustment and elimination	Total
Revenue:					
Revenue from outside customers	\$ 386,399	57,245	175,446	-	619,090
Revenues between segments	86,369	1,707	63,816	(151,892)	-
Total revenue	<u>\$ 472,768</u>	<u>58,952</u>	<u>239,262</u>	<u>(151,892)</u>	<u>619,090</u>
Profit and loss from reportable segment	<u>\$ 57,375</u>	<u>8,669</u>	<u>37,454</u>	<u>(37,891)</u>	<u>65,607</u>
July to September, 2024					
	Europe	America	Asia	Adjustment and elimination	Total
Revenue:					
Revenue from outside customers	\$ 380,608	31,621	129,717	-	541,946
Revenues between segments	83,267	5,080	80,715	(169,062)	-
Total revenue	<u>\$ 463,875</u>	<u>36,701</u>	<u>210,432</u>	<u>(169,062)</u>	<u>541,946</u>
Profit and loss from reportable segment	<u>\$ 28,889</u>	<u>(7,000)</u>	<u>(11,627)</u>	<u>2,649</u>	<u>12,911</u>
January to September, 2025					
	Europe	America	Asia	Adjustment and elimination	Total
Revenue:					
Revenue from outside customers	\$ 1,237,817	118,351	423,683	-	1,779,851
Revenues between segments	315,510	26,754	234,848	(577,112)	-
Total revenue	<u>\$ 1,553,327</u>	<u>145,105</u>	<u>658,531</u>	<u>(577,112)</u>	<u>1,779,851</u>
Profit and loss from reportable segment	<u>\$ 145,630</u>	<u>6,758</u>	<u>72,354</u>	<u>(94,017)</u>	<u>130,725</u>
January to September, 2024					
	Europe	America	Asia	Adjustment and elimination	Total
Revenue:					
Revenue from outside customers	\$ 1,194,362	149,563	429,061	-	1,772,986
Revenues between segments	308,895	23,523	300,179	(632,597)	-
Total revenue	<u>\$ 1,503,257</u>	<u>173,086</u>	<u>729,240</u>	<u>(632,597)</u>	<u>1,772,986</u>
Profit and loss from reportable segment	<u>\$ 103,902</u>	<u>6,247</u>	<u>38,901</u>	<u>(56,760)</u>	<u>92,290</u>

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Wellell Inc. and Subsidiaries Consolidated financial statement Notes (continued)

As the assets/liabilities measures of the consolidated company's reportable segments were not provided for operational decision making, the measures of assets/liabilities were not disclosed.