



Management Report for First Fiscal Quarter 2022

Hsinchu, Taiwan, May 11th, 2022 – eMemory Technology Inc. (TPE: 3529) reported financial results for its fiscal quarter, which ended 31st March, 2022.

Executive Summary

- Q1 2022 revenue was NT\$ 727.11 million, up 15.2% sequentially, and 21.8% year-over-year. Operating income increased 24.6 % sequentially, and 22.4% year-over-year. EPS was NT\$ 4.91, and ROE at 55%.
- Licensing revenue will grow due to the continued strong demand for our IP, especially for NeoFuse and PUF-related solutions.
- Royalty revenue will continue its growth momentum for 8-inch and 12-inch as content and penetration rate increase for 5G, Automotive, and IoT-related applications.

Financial Results

(Amounts in thousands of NT\$)

	Q1 2022	Q4 2021	Change (QoQ)	Q1 2021	Change (YoY)
Revenue	727,107	631,398	15.2%	596,734	21.8%
Gross Margin	100%	100%	-	100%	-
Operating Expenses	313,846	299,677	4.7%	259,023	21.2%
Operating Income	413,261	331,721	24.6%	337,711	22.4%
Operating Margin	56.8%	52.5%	4.3ppts	56.6%	0.2ppt
*Net Income	366,019	287,263	27.4%	292,982	24.9%
Net Margin	49.8%	45.2%	4.6ppts	48.8%	1.0ppt
EPS (NT\$)	4.91	3.86	27.2%	3.93	24.9%
ROE	55.0%	51.4%	3.6ppts	54.6%	0.4ppt

*Net income attributable to Shareholders of the Company

Revenue Analysis

(Amounts in thousands of NT\$)

	Q1 2022	Q4 2021	Change (QoQ)	Q1 2021	Change (YoY)
Licensing	191,608	162,632	17.8%	176,993	8.3%
Royalty	535,499	468,766	14.2%	419,741	27.6%
Total	727,107	631,398	15.2%	596,734	21.8%

(Amounts in thousands of US\$)

	Q1 2022	Q4 2021	Change (QoQ)	Q1 2021	Change (YoY)
Licensing	6,875	5,855	17.4%	6,241	10.2%
Royalty	19,384	16,788	15.5%	14,788	31.1%
Total	26,259	22,643	16.0%	21,029	24.9%

Revenue analysis by technology

Technology	Q1 2022								
	Total Revenue			Licensing Revenue			Royalty Revenue		
	% of Q1 Revenue	Change (QoQ)	Change (YoY)	% of Q1 Licensing	Change (QoQ)	Change (YoY)	% of Q1 Royalty	Change (QoQ)	Change (YoY)
NeoBit	33.4%	9.3%	1.0%	18.3%	49.0%	28.2%	38.8%	4.6%	-2.5%
NeoFuse	59.2%	19.5%	50.1%	64.8%	20.4%	36.9%	57.2%	19.1%	56.2%
PUF-Based	1.0%	-61.3%	34.2%	3.6%	-63.4%	25.8%	0.1%	125.2%	100.0%
MTP	6.4%	55.6%	-27.5%	13.3%	49.3%	-52.5%	3.9%	64.0%	99.2%

* The royalty revenue of NeoFuse up 19.1% QoQ and up 56.2% YoY due to the increasing penetration rate of OLED, ISP, Network-related, DRAM and others.

* PUF-based revenue is expected to see significant growth in Q2 and H2.

* Royalty for MTP grew by 64.0% QoQ and 99.2% YoY for MCU, Wireless Charger and others.

- NeoBit : OTP technology covers from 0.5um to 55nm.
- NeoFuse : OTP technology covers mainly from 0.18um to 5nm.
- PUF-Based : PUF technology covers mainly from 55nm to 5nm.
- MTP : MTP technology covers from 0.35um to 22nm, offering high-density memory and allowing up to 100K rewritable times with zero additional masking layers.

Royalty revenue analysis by wafer size (8-inch vs 12-inch)

Wafer Size	Q1 2022		
	% of Q1	Change (QoQ)	Change (YoY)
8-inch	50.7%	15.0%	17.9%
12-inch	49.3%	13.4%	39.3%

* 8-inch wafers contributed 50.7% of royalty, up 15.0% sequentially and 17.9% YoY due to wafer shipment increase from PMIC, MCU, sensors and others.

* 12-inch wafers contributed 49.3% of royalty, up 13.4% QoQ and 39.3% YoY due to continuous production from OLED, networking, ISP, DTV, DRAM and others.

Key Business Developments

Licensing

- Technology License
 - ✓ 11 licensing contracts were signed during this quarter.
 - ✓ As of March 31st, 2022, we have technologies under development for the adoption of 111 different process platforms, ranging from 0.25um to 5nm.



Development of Key Technologies

	5/6nm	7/10nm	12/16nm	22/28nm	40nm	55/65nm	80/90nm	0.11/ 0.13um	0.152/0.16/ 0.18um	0.25um	0.3/ 0.35um	0.4/ 0.5um	Total
Qualified	2	2	6	42	21	33	31	95	220	42	53	11	558
Developing	2	1	6	11	4	20	11	21	34	1	0	0	111

- Design License
 - ✓ A total of 138 product tape-outs occurred in the first-quarter of 2022, remaining at a high level.
 - 2 tape-outs at 6nm/7nm for HPC.
 - 5 tape-outs at 14nm/16nm for Network IC, Multimedia, SSD Controller and others.
 - 14 tape-outs at 22nm/28nm for Sensor-related applications, OLED Driver, Network IC, HDMI and others.
 - 10 tape-outs at 40nm for Sensor-related applications, MCU, and OLED Driver.
 - 17 tape-outs at 55nm/63nm/65nm for PMIC, Sensor-related applications, MCU, OLED Driver, LCD Driver, TDDI, Network IC and Audio.
 - 11 tape-outs at 80nm/90nm for PMIC, LCD Driver, TDDI and LED Driver.
 - 12 tape-outs at 0.13um for PMIC, Sensor-related applications, Fingerprint, MCU, LCD Driver and Audio.
 - 63 tape-outs at 0.18um for PMIC, Sensor-related applications, Fingerprint, MCU, LCD Driver, Network IC, Clock, Motor Driver and others.
 - 3 tape-outs at 0.25um for PMIC and Sensor-related applications.
 - 1 tape-out for DRAM for LCOS.
 - ✓ As of March 31st, 2022, eMemory's cumulative number of design licenses has increased to 6,027—a direct result of our ongoing effort in expanding and diversifying our technologies for adoption in a wide range of applications.

Future Growth Drivers

License

- Licensing revenue will grow due to the continued strong demand for our IPs, especially NeoFuse and PUF-related solutions.

Royalty

- 8-inch royalties will continue their momentum due to the demand and content increase from the mass production for PMIC, MCU, Fingerprint, and Sensor-related in 5G, Automotive, and IoT-related applications.
- 12-inch royalties will have strong growth with increasing penetration rate in in OLED, ISP, DTV, STB, WiFi 6/6E, Network-related, DRAM and others. In addition, royalties for 12/16nm and 7nm FinFET continue to contribute in the first-quarter and are expected to be the next growth driver after 28nm.



New Business Development

- The focus of our new application development is in the field of security. Business activities for PUF-based security solutions are continuing to progress in IoT, Industrial IoT, AI, Blockchain, FPGA, Data Processor Unit (DPU), Mobile Storage (UFS) and Automotive applications.
- eMemory's OTP/PUFrt plays an important role as the root of trust in the Armv9 Confidential Computing Architecture (CCA). We provide the most fundamental security protection for the next decade of confidential computing. Furthermore, we have also started to license security IPs in Intel foundries.

New IP Technology Development

- N4 and N5 processes are on the verification stage with customers' request for adoption.
- ReRAM IP is being designed into AI applications.
- NeoFlash is being licensed to multiple foundries for specialty processes such as BCD.

Financial Review

Gross margin

The gross margin remained at 100%.

Operating expenses

- The total operating expenses in Q1 2022 were NT\$ 313.85 million and represented 43.2% of the total revenue. The operating expenses increased 21.2% from the prior year. The annual increase was mainly attributable to expenditure increases such as salary and other related human resource expenses such as bonuses and rewards.

Non-operating items and income tax expense

- Non-operating items for the quarter were NT\$ 14.84 million, which increased 1,790.4% sequentially. The increase in non-operating items were due to benefits derived from the depreciation of the Taiwan dollar this quarter.
- Q1 2022 effective tax rate was 15.4%.

Net Income and EPS

- Net income attributable to shareholders of the company for the quarter was NT\$ 366.02 million, an increase of 27.4% sequentially, and an increase of 24.9% year-over-year.
- Earnings per share were NT\$ 4.91 in Q1 2022. ROE was 55.0%.

Current assets and current liabilities

- As of March 31st, 2022, cash increased by NT\$ 797.63 million from March 31st, 2021 to NT\$ 2,876.21 million.
- Total current assets including cash were NT\$ 3,072.05 million, with an increase of NT\$ 822.62 million from March 31st, 2021. The increase was due to revenue and profit growth.



- Total current liabilities increased by NT\$ 224.09 million from March 31st, 2021 to NT\$ 719.79 million.
- The net working capital was NT\$ 2,352.26 million and the current ratio was 4.27x.

Cash flows

- As of March 31st, 2022, net cash generated from operating activities totaled NT\$ 399.63 million, including NT\$ 428.10 million from income before income tax, NT\$ 14.33 million from depreciation and amortization, and NT\$ 42.80 million used in other operating activities, which included tax payment of NT\$ 16.76 million.
- Net cash used in investing activities was NT\$ 12.28 million in Q1 2022, primarily related to the capital investment.
- Net cash generated from financing activities was NT\$ 0.41 million in Q1 2022, mainly attributable to the exercise of employee stock options.
- As a result, cash increased from NT\$ 2,078.58 million to NT\$ 2,876.21 million from March 31st, 2021 to March 31st, 2022.

Employee

- As of March 31st, 2022, eMemory has 272 full-time employees, including 191 R&D engineers. Our subsidiary, PUFsecurity has 33 full-time employees, including 20 R&D engineers

Cautionary Statement

This report contains forward-looking statements, which are subject to risk factors associated with the semiconductor and intellectual property business. We believe that the expectations reflected in these statements are reasonable. However, they may be affected by a variety of variables, many of which are beyond our control. These variables could cause actual results or trends to differ materially which include, but are not limited to: wafer price fluctuation, actual demand, rapid technology change, delays or failures in customers' tape-outs into wafer production, our ability to negotiate, monitor and enforce agreements for the determination and payment of royalties, any bug or fault in our technology which leads to significant damage to our technology and reputation, actual or potential litigation, semiconductor industry cycle and general economic conditions. Unless as required by law, eMemory undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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-Financial Statements to Follow-



eMemory Technology Inc. and Subsidiary

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)			March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
ASSETS							LIABILITIES AND EQUITY						
CURRENT ASSETS							CURRENT LIABILITIES						
Cash	\$2,876,212	79	\$2,482,765	78	\$2,078,580	74	Contract liabilities - current	\$ 95,801	3	\$ 76,943	3	\$ 59,669	2
Accounts receivable - net	131,380	4	102,669	3	89,004	3	Other payables	133,362	4	152,271	5	112,323	4
Accounts receivable - related parties	-	-	-	-	28,535	1	Other payables - related parties	15	-	-	-	-	-
Other receivables	5,277	-	5,271	-	4,641	-	Bonuses payable to employees and directors	290,660	8	254,989	8	196,081	7
Other receivables - related parties	-	-	-	-	425	-	Payables on equipment	6,698	-	9,763	-	503	-
Prepayments	51,691	2	27,260	1	45,087	2	Current tax liabilities	187,961	5	140,661	4	123,337	4
Other current assets	7,489	-	3,854	-	3,159	-	Lease liabilities - current	3,250	-	3,230	-	1,534	-
Total current assets	<u>3,072,049</u>	<u>85</u>	<u>2,621,819</u>	<u>82</u>	<u>2,249,431</u>	<u>80</u>	Other current liabilities	2,046	-	1,928	-	2,252	-
							Total current liabilities	<u>719,793</u>	<u>20</u>	<u>639,785</u>	<u>20</u>	<u>495,699</u>	<u>17</u>
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income - noncurrent	13,779	-	16,130	1	21,457	1	Lease liabilities - noncurrent	4,717	-	5,532	-	3,829	-
Financial assets at amortized cost - noncurrent	116	-	116	-	114	-	Net defined benefit liabilities - noncurrent	18,999	-	19,190	1	21,038	1
Investment accounted for using the equity method	2,402	-	3,083	-	4,707	-	Guarantee deposits received	10	-	10	-	530	-
Property, plant and equipment	458,663	13	460,310	15	461,318	16	Total non-current liabilities	<u>23,726</u>	<u>-</u>	<u>24,732</u>	<u>1</u>	<u>25,397</u>	<u>1</u>
Right-of-use assets	7,879	-	8,686	-	5,307	-	Total liabilities	<u>743,519</u>	<u>20</u>	<u>664,517</u>	<u>21</u>	<u>521,096</u>	<u>18</u>
Intangible assets	69,810	2	72,436	2	75,559	3							
Deferred tax assets	2,454	-	4,257	-	2,937	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY						
Prepayments for equipment	-	-	-	-	3,300	-	Ordinary shares	<u>761,272</u>	<u>21</u>	<u>761,235</u>	<u>24</u>	<u>760,778</u>	<u>27</u>
Refundable deposits	438	-	471	-	428	-	Capital surplus	<u>312,530</u>	<u>9</u>	<u>303,181</u>	<u>10</u>	<u>397,656</u>	<u>14</u>
Total non-current assets	<u>555,541</u>	<u>15</u>	<u>565,489</u>	<u>18</u>	<u>575,127</u>	<u>20</u>	Retained earnings						
							Legal reserve	526,270	14	526,270	16	455,518	16
							Special reserve	60,101	2	60,101	2	65,586	3
							Unappropriated earnings	<u>1,625,832</u>	<u>45</u>	<u>1,259,813</u>	<u>40</u>	<u>1,079,989</u>	<u>38</u>
							Total retained earnings	<u>2,212,203</u>	<u>61</u>	<u>1,846,184</u>	<u>58</u>	<u>1,601,093</u>	<u>57</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	(16)	-	(112)	-	(19)	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(33,225)	(1)	(30,874)	(1)	(59,655)	(2)
							Total other equity	(33,241)	(1)	(30,986)	(1)	(59,674)	(2)
							Treasury shares	(404,238)	(11)	(404,238)	(13)	(404,238)	(14)
							Total equity attributable to shareholders of the Company	2,848,526	79	2,475,376	78	2,295,615	82
							NON-CONTROLLING INTERESTS	35,545	1	47,415	1	7,847	-
							Total equity	<u>2,884,071</u>	<u>80</u>	<u>2,522,791</u>	<u>79</u>	<u>2,303,462</u>	<u>82</u>
TOTAL	<u>\$3,627,590</u>	<u>100</u>	<u>\$3,187,308</u>	<u>100</u>	<u>\$2,824,558</u>	<u>100</u>	TOTAL	<u>\$3,627,590</u>	<u>100</u>	<u>\$3,187,308</u>	<u>100</u>	<u>\$2,824,558</u>	<u>100</u>



eMemory Technology Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 727,107	100	\$ 596,734	100
OPERATING COSTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>727,107</u>	<u>100</u>	<u>596,734</u>	<u>100</u>
OPERATING EXPENSES				
Selling and marketing expenses	45,728	6	37,081	6
General and administrative expenses	71,335	10	63,303	10
Research and development expenses	197,917	27	165,995	28
Expected credit gain	(<u>1,134</u>)	<u>-</u>	(<u>7,356</u>)	(<u>1</u>)
Total operating expenses	<u>313,846</u>	<u>43</u>	<u>259,023</u>	<u>43</u>
OPERATING INCOME	<u>413,261</u>	<u>57</u>	<u>337,711</u>	<u>57</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,148	-	1,826	-
Other income	373	-	1,111	-
Other gains and losses	13,040	2	4,525	1
Finance costs	(<u>42</u>)	<u>-</u>	(<u>22</u>)	<u>-</u>
Share of loss of associates	(<u>679</u>)	<u>-</u>	(<u>810</u>)	<u>-</u>
Total non-operating income and expenses	<u>14,840</u>	<u>2</u>	<u>6,630</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	428,101	59	344,341	58
INCOME TAX EXPENSE	<u>65,863</u>	<u>9</u>	<u>52,907</u>	<u>9</u>
NET PROFIT	<u>362,238</u>	<u>50</u>	<u>291,434</u>	<u>49</u>

(Continued)



eMemory Technology Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(\$ 2,351)	-	\$ 420	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	122	-	8	-
Share of the other comprehensive loss of associates accounted for using the equity method	(2)	-	-	-
Other comprehensive (loss) income	(2,231)	-	428	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 360,007</u>	<u>50</u>	<u>\$ 291,862</u>	<u>49</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 366,019	50	\$ 292,982	49
Non-controlling interests	(3,781)	-	(1,548)	-
	<u>\$ 362,238</u>	<u>50</u>	<u>\$ 291,434</u>	<u>49</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 363,764	50	\$ 293,409	49
Non-controlling interests	(3,757)	-	(1,547)	-
	<u>\$ 360,007</u>	<u>50</u>	<u>\$ 291,862</u>	<u>49</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.91</u>		<u>\$ 3.93</u>	
Diluted	<u>\$ 4.89</u>		<u>\$ 3.92</u>	

(Concluded)



eMemory Technology Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Company												
	Ordinary Shares		Capital Surplus	Retained Earnings				Other Equity		Treasury Shares	Total	Non-Controlling Interests	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE, JANUARY 1, 2021	76,060	\$ 760,592	\$ 391,907	\$ 455,518	\$ 65,586	\$ 787,007	\$1,308,111	(\$ 26)	(\$ 60,075)	(\$ 404,238)	\$1,996,271	\$ 9,372	\$2,005,643
Changes in percentage of ownership interests in subsidiaries	-	-	5	-	-	-	-	-	-	-	5	(5)	-
Net profit (loss) for the three months ended March 31, 2021	-	-	-	-	-	292,982	292,982	-	-	-	292,982	(1,548)	291,434
Other comprehensive income for the three months ended March 31, 2021	-	-	-	-	-	-	-	7	420	-	427	1	428
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	292,982	292,982	7	420	-	293,409	(1,547)	291,862
Issuance of ordinary shares under employee share options	18	186	5,744	-	-	-	-	-	-	-	5,930	7	5,937
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	20	20
BALANCE, MARCH 31, 2021	76,078	\$ 760,778	\$ 397,656	\$ 455,518	\$ 65,586	\$1,079,989	\$1,601,093	(\$ 19)	(\$ 59,655)	(\$ 404,238)	\$2,295,615	\$ 7,847	\$2,303,462
BALANCE, JANUARY 1, 2022	76,124	\$ 761,235	\$ 303,181	\$ 526,270	\$ 60,101	\$1,259,813	\$1,846,184	(\$ 112)	(\$ 30,874)	(\$ 404,238)	\$2,475,376	\$ 47,415	\$2,522,791
Changes in percentage of ownership interests in subsidiaries	-	-	8,192	-	-	-	-	-	-	-	8,192	(8,192)	-
Net profit (loss) for the three months ended March 31, 2022	-	-	-	-	-	366,019	366,019	-	-	-	366,019	(3,781)	362,238
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	-	96	(2,351)	-	(2,255)	24	(2,231)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	366,019	366,019	96	(2,351)	-	363,764	(3,757)	360,007
Issuance of ordinary shares under employee share options	3	37	1,157	-	-	-	-	-	-	-	1,194	61	1,255
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	18	18
BALANCE, MARCH 31, 2022	76,127	\$ 761,272	\$ 312,530	\$ 526,270	\$ 60,101	\$1,625,832	\$2,212,203	(\$ 16)	(\$ 33,225)	(\$ 404,238)	\$2,848,526	\$ 35,545	\$2,884,071



eMemory Technology Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 428,101	\$ 344,341
Adjustments for:		
Depreciation expenses	9,556	10,351
Amortization expenses	4,774	4,446
Expected credit gain	(1,134)	(7,356)
Finance costs	42	22
Interest income	(2,148)	(1,826)
Share-based payments	18	20
Share of loss of associates	679	810
Net (gain) loss on foreign currency exchange	(9,523)	1,125
Changes in operating assets and liabilities		
Accounts receivable	(23,491)	34,588
Accounts receivable - related parties	-	(28,470)
Other receivables	-	(4,493)
Other receivables - related parties	-	(148)
Prepayments	(24,431)	(21,376)
Other current assets	(3,635)	103
Contract liabilities	18,858	8,867
Other payables	(19,033)	(24,391)
Other payables- related parties	15	-
Other current liabilities	118	118
Net defined benefit liabilities	(191)	(195)
Bonuses payable to employees and directors	<u>35,671</u>	<u>31,684</u>
Cash generated from operations	414,246	348,220
Interest received	2,142	1,783
Income tax paid	(<u>16,760</u>)	(<u>16,181</u>)
Net cash generated from operating activities	<u>399,628</u>	<u>333,822</u>

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eMemory Technology Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 10,160)	(\$ 8,203)
Increase in refundable deposits	-	(70)
Decrease in refundable deposits	33	-
Acquisition of intangible assets	(2,148)	(3,191)
Increase in prepayments for equipment	<u>-</u>	<u>(3,250)</u>
Net cash used in investing activities	<u>(12,275)</u>	<u>(14,714)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(802)	(709)
Exercise of employee share options	1,255	5,937
Interest paid	<u>(42)</u>	<u>(22)</u>
Net cash generated from financing activities	<u>411</u>	<u>5,206</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>5,683</u>	<u>155</u>
NET INCREASE IN CASH	393,447	324,469
CASH AT THE BEGINNING OF THE PERIOD	<u>2,482,765</u>	<u>1,754,111</u>
CASH AT THE END OF THE PERIOD	<u>\$2,876,212</u>	<u>\$2,078,580</u>

(Concluded)