

## Management Report for Second Fiscal Quarter 2025

Hsinchu, Taiwan, August 15<sup>th</sup>, 2025 – eMemory Technology Inc. (TPE: 3529) reported financial results for its fiscal quarter, which ended June 30<sup>th</sup>, 2025.

### Executive Summary

- Q2 2025 revenue was NT\$ 936.54 million, up 2.7% sequentially and up 4.9% year-over-year. Operating Margin was 58.3%, up 1 ppt QoQ and up 2.8 ppts YoY. Impacted by a foreign exchange loss of NT\$ 89.93 million, our net income was NT\$ 400 million, a decrease of 13.4% sequentially and a decrease of 15.8% year-over-year.
- We anticipate that licensing revenue will continue its growing momentum due to very strong demand from both foundries and fabless customers for our IPs.
- We expect royalty revenue to continue its growth trend as the accumulated tape outs in the pipeline that are moving into production. Particularly, we have started receiving PUF royalties which will accelerate our royalties growth momentum in the future.

### Financial Results

(Amounts in thousands of NT\$)

	Q2 2025	Q1 2025	QoQ	Q2 2024	YoY	H1 2025	H1 2024	YoY
Revenue	936,535	911,734	2.7%	893,010	4.9%	1,848,269	1,695,774	9.0%
Gross Margin	100%	100%	-	100%	-	100%	100%	-
Operating Expenses	390,644	389,387	0.3%	397,829	-1.8%	780,031	779,972	0.0%
Operating Income	545,891	522,347	4.5%	495,181	10.2%	1,068,238	915,802	16.6%
Operating Margin	58.3%	57.3%	1.0ppt	55.5%	2.8ppts	57.8%	54.0%	3.8ppts
*Net Income	399,995	461,706	-13.4%	475,096	-15.8%	861,701	905,673	-4.9%
Net Margin	42.5%	49.8%	-7.3ppts	53.0%	-10.5ppts	46.1%	52.8%	-6.7ppts
EPS (NT\$)	5.36	6.18	-13.3%	6.36	-15.7%	11.54	12.13	-4.9%
ROE	50.4%	48.7%	1.7ppts	67.3%	-16.9ppts	54.3%	64.1%	-9.8ppts

\*Net income attributable to Shareholders of the Company

## Revenue Analysis

(Amounts in thousands of NT\$)

	Q2 2025	Q1 2025	QoQ	Q2 2024	YoY	H1 2025	H1 2024	YoY
<b>Licensing</b>	317,976	240,217	32.4%	299,711	6.1%	558,193	528,040	5.7%
<b>Royalty</b>	618,559	671,517	-7.9%	593,299	4.3%	1,290,076	1,167,734	10.5%
<b>Total</b>	936,535	911,734	2.7%	893,010	4.9%	1,848,269	1,695,774	9.0%

(Amounts in thousands of US\$)

	Q2 2025	Q1 2025	QoQ	Q2 2024	YoY	H1 2025	H1 2024	YoY
<b>Licensing</b>	10,274	7,347	39.8%	9,340	10.0%	17,621	16,646	5.9%
<b>Royalty</b>	19,440	20,386	-4.6%	18,356	5.9%	39,826	36,754	8.4%
<b>Total</b>	29,714	27,733	7.1%	27,696	7.3%	57,447	53,400	7.6%

## Revenue analysis by technology

(Amounts in thousands of NT\$)

Technology	Q2 2025								
	Total Revenue			Licensing Revenue			Royalty Revenue		
	% of Q2 Revenue	QoQ	YoY	% of Q2 Licensing	QoQ	YoY	% of Q2 Royalty	QoQ	YoY
<b>NeoBit</b>	23.8%	-1.9%	-3.7%	18.8%	5.6%	-18.6%	26.4%	-4.3%	3.3%
<b>NeoFuse</b>	60.0%	-7.0%	8.2%	39.4%	6.3%	25.5%	70.5%	-10.3%	4.1%
<b>PUF-Based</b>	5.0%	169.5%	25.7%	14.7%	176.3%	24.7%	0.1%	-5.0%	238.0%
<b>MTP</b>	11.2%	66.4%	-0.4%	27.1%	77.0%	-3.1%	3.0%	30.4%	15.0%

Technology	H1 2025					
	Total Revenue		Licensing Revenue		Royalty Revenue	
	% of H1 Revenue	YoY	% of H1 Licensing	YoY	% of H1 Royalty	YoY
<b>NeoBit</b>	24.4%	6.9%	20.9%	-3.9%	25.9%	11.3%
<b>NeoFuse</b>	63.0%	10.3%	43.5%	10.7%	71.5%	10.2%
<b>PUF-Based</b>	3.5%	15.9%	11.4%	14.2%	0.1%	346.5%
<b>MTP</b>	9.1%	3.5%	24.2%	2.7%	2.5%	7.2%

(Amounts in thousands of US\$)

Technology	Q2 2025								
	Total Revenue			Licensing Revenue			Royalty Revenue		
	% of Q2 Revenue	QoQ	YoY	% of Q2 Licensing	QoQ	YoY	% of Q2 Royalty	QoQ	YoY
NeoBit	23.6%	1.2%	-2.6%	18.6%	10.6%	-16.5%	26.1%	-1.9%	3.9%
NeoFuse	59.9%	-3.0%	10.8%	39.5%	12.1%	29.8%	70.8%	-6.8%	6.2%
PUF-Based	5.2%	191.9%	33.4%	15.0%	199.0%	32.4%	0.1%	0.0%	216.7%
MTP	11.3%	74.5%	2.6%	26.9%	86.2%	0.1%	3.0%	34.4%	16.2%

Technology	H1 2025					
	Total Revenue		Licensing Revenue		Royalty Revenue	
	% of H1 Revenue	YoY	% of H1 Licensing	YoY	% of H1 Royalty	YoY
NeoBit	24.2%	4.8%	20.7%	-4.6%	25.8%	8.6%
NeoFuse	63.0%	8.7%	43.5%	10.1%	71.6%	8.3%
PUF-Based	3.6%	19.3%	11.7%	17.7%	0.1%	322.2%
MTP	9.2%	3.7%	24.1%	3.3%	2.5%	5.4%

- NeoBit : OTP technology covers from 0.5um to 55nm.
- NeoFuse : OTP technology covers mainly from 0.18um to 2nm.
- PUF-Based : PUF technology covers mainly from 0.13um to 3nm.
- MTP : MTP technology covers from 0.15um to 12nm, 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	Q2 2025			H1 2025	
	% of Q2	QoQ	YoY	% of H1	YoY
8-inch	40.0%	-13.4%	-2.0%	41.3%	7.0%
12-inch	60.0%	-3.8%	8.8%	58.7%	13.1%

## Key Business Developments

### Licensing

- Technology License
  - ✓ 17 licensing contracts were signed during this quarter.
  - ✓ As of June 30<sup>th</sup>, 2025, we have technologies under development for the adoption of 226 different process platforms, ranging from 0.25um to 2nm.

## Development of Key Technologies

	2nm	3nm	4/5nm	6/7nm	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
<b>Qualified</b>	0	2	6	4	14	65	26	62	44	116	270	42	53	11	715
<b>Developing</b>	4	2	2	2	13	46	21	31	21	38	43	2	0	1	226

- Design License

- ✓ A total of 160 product tape-outs occurred in the second quarter of 2025.
  - 1 tape-out at 5nm for SSD controller.
  - 1 tape-out at 7nm for AI SoC.
  - 4 tape-outs at 12nm/14nm/16nm for MCU, OLED Driver, Network IC and SSD controller.
  - 26 tape-outs at 22nm/28nm for MCU, OLED Driver, MultiMedia, AI SoC, HDMI, Network IC, T-con, USB and Others.
  - 12 tape-outs at 40nm for MCU, OLED Driver, Sensor-related, TDDI and HDMI.
  - 15 tape-outs at 55nm/65nm for PMIC, LCD Driver, MCU, OLED Driver, MultiMedia, TDDI and Others.
  - 11 tape-outs at 80nm/90nm for PMIC, LCD Driver, TDDI and Others.
  - 20 tape-outs at 0.13um for PMIC, LCD Driver, MCU, Sensor-related and Others.
  - 68 tape-outs at 0.18um for PMIC, LCD Driver, MCU, OLED Driver, Sensor-related, MultiMedia, Clock, Fingerprint and Others.
  - 1 tape-out at 0.25um for PMIC.
  - 1 tape-out for DRAM.
- ✓ As of June 30<sup>th</sup>, 2025, eMemory's cumulative number of design licenses has increased to 8,057—a direct result of our ongoing effort in expanding and diversifying our technologies for adoption in a wide range of applications.

## Future Growth Drivers

### Licensing:

- We anticipate that licensing revenue will continue its growing momentum due to very strong demand from both foundries and fabless customers for our IPs.

### Royalties:

- We expect royalty revenue to continue its growth trend as the accumulated tape outs in the pipeline that are moving into production. Particularly, we have started receiving PUF royalties which will accelerate our royalties growth momentum in the future.

## New IP Technology and Business Development

- New IP Technologies:

- ✓ Our new Post-Quantum Cryptography has been fully developed and certified under NIST's CAVP program, covering the published FIPS 203 (ML-KEM) and FIPS 204 (ML-DSA) standards. This marks the official launch of our full-stack PUF<sub>PQC</sub> architecture.

- ✓ On TSMC's N3P process, our NeoFuse OTP, NeoPUF, and PUF-based Root of Trust have been qualified, enabling secure PUF-based solutions for advanced AI, HPC chips, and chiplet designs. We're also advancing development on N3C and N3A processes to serve value-tier products and automotive applications.
- ✓ In partnership with leading foundries, we are advancing the development of 2nm technologies.

## **Financial Review**

### Gross margin

The gross margin remained at 100%.

### Operating expenses

The total operating expenses in Q2 2025 were NT\$ 390.64 million and represented 41.7% of the total revenue. The operating expenses were up 0.3% QoQ but down 1.8% YoY, mainly due to lower personnel expenses.

### Non-operating items and income tax expense

- Non-operating loss for the quarter was NT\$ 73.60 million, mainly due to a foreign exchange loss of NT\$ 89.93 million and interest income of NT\$ 16.01 million.
- H1 2025 effective tax rate was 16.7%.

### Net Income and EPS

- Net income attributable to shareholders of the company for the quarter was NT\$ 400 million, a decrease of 13.4% sequentially and a decrease of 15.8% year-over-year.
- Earnings per share was NT\$ 5.36 in Q2 2025.

### Current assets and current liabilities

- As of June 30<sup>th</sup>, 2025, cash increased by NT\$ 497.50 million from March 31<sup>st</sup>, 2025, to NT\$ 4,285.47 million.
- Total current assets including cash totaled NT\$ 4,566.51 million, with an increase of NT\$ 465.89 million from March 31<sup>st</sup>, 2025.
- Total current liabilities increased by NT\$ 1,748.41 million from March 31<sup>st</sup>, 2025, to NT\$ 2,688.79 million.
- The net working capital was NT\$ 1,877.72 million and the current ratio was 1.7x.

### Cash flows

- As of June 30<sup>th</sup>, 2025, net cash generated from operating activities totaled NT\$ 1,173.22 million, including NT\$ 1,022.21 million from income before income tax, NT\$ 85.87 million from depreciation and amortization, and NT\$ 65.14 million generated from other operating activities.
- Net cash used in investing activities was NT\$ 195.48 million in H1 2025, primarily due to an increase in capital expenditures.

- Net cash generated from financing activities was NT\$ 21.68 million in H1 2025, because of an increase in short-term borrowings during the quarter.
- As a result, total cash increased from NT\$ 3,307.75 million to NT\$ 4,285.47 million from December 31<sup>st</sup>, 2024, to June 30<sup>th</sup>, 2025.

### Employee

- As of June 30<sup>th</sup>, 2025, eMemory has 313 full-time employees, including 221 R&D engineers. Our subsidiaries, PUFsecurity has 45 full-time employees, including 28 R&D engineers, and eMemory Japan has 2 full-time employees.

### **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 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 Subsidiaries

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024			June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>ASSETS</b>							<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash	\$4,285,466	78	\$3,307,749	74	\$3,752,371	76	Short-term loans	\$ 20,000	-	\$ -	-	\$ -	-
Accounts receivable - net	246,658	5	300,961	7	293,221	6	Contract liabilities - current	100,526	2	73,423	2	89,453	2
Other receivables	2,752	-	1,516	-	2,412	-	Other payables	192,871	4	217,868	5	207,710	4
Prepayments	25,002	-	20,287	1	24,832	1	Other payables - related parties	80	-	55	-	20	-
Other current assets	6,635	-	6,271	-	5,240	-	Bonuses payable to employees and directors	539,553	10	429,284	9	460,945	9
Total current assets	<u>4,566,513</u>	<u>83</u>	<u>3,636,784</u>	<u>82</u>	<u>4,078,076</u>	<u>83</u>	Payables on equipment	7,758	-	7,400	-	4,694	-
							Dividends payable	1,642,608	30	-	-	1,306,409	27
<b>NON-CURRENT ASSETS</b>							Current tax liabilities	179,144	3	124,483	3	168,502	4
Financial assets at fair value through other comprehensive income - noncurrent	2,687	-	4,620	-	5,051	-	Lease liabilities - current	4,158	-	5,351	-	3,184	-
Financial assets at amortized cost - noncurrent	120	-	120	-	118	-	Other current liabilities	2,091	-	2,039	-	2,539	-
Investment accounted for using the equity method	6,526	-	8,681	-	10,531	-	Total current liabilities	<u>2,688,789</u>	<u>49</u>	<u>859,903</u>	<u>19</u>	<u>2,243,456</u>	<u>46</u>
Property, plant and equipment	484,144	9	482,569	11	465,232	10	<b>NON-CURRENT LIABILITIES</b>						
Right-of-use assets	8,826	-	11,269	-	8,582	-	Deferred tax liabilities	-	-	941	-	647	-
Intangible assets	126,758	2	84,839	2	115,119	2	Lease liabilities - noncurrent	4,943	-	6,202	-	5,531	-
Deferred tax assets	5,765	-	3,276	-	2,331	-	Net defined benefit liabilities - noncurrent	6,463	-	6,817	-	12,673	-
Prepayments for equipment	293,996	6	224,714	5	225,114	5	Guarantee deposits received	20	-	10	-	10	-
Refundable deposits	1,610	-	1,680	-	1,546	-	Total non-current liabilities	<u>11,426</u>	<u>-</u>	<u>13,970</u>	<u>-</u>	<u>18,861</u>	<u>-</u>
Total non-current assets	<u>930,432</u>	<u>17</u>	<u>821,768</u>	<u>18</u>	<u>833,624</u>	<u>17</u>	Total liabilities	<u>2,700,215</u>	<u>49</u>	<u>873,873</u>	<u>19</u>	<u>2,262,317</u>	<u>46</u>
							<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>						
							Ordinary shares	<u>746,738</u>	<u>14</u>	<u>746,633</u>	<u>17</u>	<u>746,563</u>	<u>15</u>
							Capital surplus	<u>127,075</u>	<u>2</u>	<u>122,218</u>	<u>3</u>	<u>119,329</u>	<u>3</u>
							Retained earnings						
							Legal reserve	945,823	17	761,844	17	761,844	16
							Special reserve	5,728	-	5,170	-	5,170	-
							Unappropriated earnings	<u>968,627</u>	<u>18</u>	<u>1,934,071</u>	<u>43</u>	<u>999,958</u>	<u>20</u>
							Total retained earnings	<u>1,920,178</u>	<u>35</u>	<u>2,701,085</u>	<u>60</u>	<u>1,766,972</u>	<u>36</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	( 628)	-	251	-	( 89)	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	( 7,913)	-	( 5,980)	-	( 5,549)	-
							Total other equity	( 8,541)	-	( 5,729)	-	( 5,638)	-
							Total equity attributable to shareholders of the Company	2,785,450	51	3,564,207	80	2,627,226	54
							<b>NON-CONTROLLING INTERESTS</b>	<u>11,280</u>	<u>-</u>	<u>20,472</u>	<u>1</u>	<u>22,157</u>	<u>-</u>
							Total equity	<u>2,796,730</u>	<u>51</u>	<u>3,584,679</u>	<u>81</u>	<u>2,649,383</u>	<u>54</u>
<b>TOTAL</b>	<u>\$5,496,945</u>	<u>100</u>	<u>\$4,458,552</u>	<u>100</u>	<u>\$4,911,700</u>	<u>100</u>	<b>TOTAL</b>	<u>\$5,496,945</u>	<u>100</u>	<u>\$4,458,552</u>	<u>100</u>	<u>\$4,911,700</u>	<u>100</u>

Notice to Readers: The consolidated financial statements have been translated into English from the original Chinese version. If there is any conflict between the English version and the original Chinese version, the Chinese-language consolidated financial statements shall prevail.

# eMemory Technology Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 936,535	100	\$ 893,010	100	\$ 1,848,269	100	\$ 1,695,774	100
OPERATING COSTS	-	-	-	-	-	-	-	-
GROSS PROFIT	<u>936,535</u>	<u>100</u>	<u>893,010</u>	<u>100</u>	<u>1,848,269</u>	<u>100</u>	<u>1,695,774</u>	<u>100</u>
OPERATING EXPENSES								
Selling and marketing expenses	58,798	6	73,294	8	122,736	6	137,123	8
General and administrative expenses	80,692	9	79,358	9	163,601	9	155,683	9
Research and development expenses	251,794	27	243,704	28	494,687	27	485,585	29
Expected credit (reversal) loss	( 640)	-	1,473	-	( 993)	-	1,581	-
Total operating expenses	<u>390,644</u>	<u>42</u>	<u>397,829</u>	<u>45</u>	<u>780,031</u>	<u>42</u>	<u>779,972</u>	<u>46</u>
OPERATING INCOME	<u>545,891</u>	<u>58</u>	<u>495,181</u>	<u>55</u>	<u>1,068,238</u>	<u>58</u>	<u>915,802</u>	<u>54</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	16,012	2	17,484	2	32,143	1	39,554	2
Other income	308	-	372	-	607	-	745	-
Other gains and losses	( 88,743)	( 10)	24,009	3	( 76,104)	( 4)	93,566	6
Finance costs	( 108)	-	( 109)	-	( 237)	-	( 373)	-
Share of loss of associates	( 1,072)	-	( 760)	-	( 2,433)	-	( 1,618)	-
Total non-operating income and expenses	<u>( 73,603)</u>	<u>( 8)</u>	<u>40,996</u>	<u>5</u>	<u>( 46,024)</u>	<u>( 3)</u>	<u>131,874</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	472,288	50	536,177	60	1,022,214	55	1,047,676	62
INCOME TAX EXPENSE	<u>74,398</u>	<u>8</u>	<u>63,035</u>	<u>7</u>	<u>170,373</u>	<u>9</u>	<u>151,479</u>	<u>9</u>
NET PROFIT	<u>397,890</u>	<u>42</u>	<u>473,142</u>	<u>53</u>	<u>851,841</u>	<u>46</u>	<u>896,197</u>	<u>53</u>

(Continued)

# eMemory Technology Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive loss	(\$ 1,467)	-	(\$ 328)	-	(\$ 1,933)	-	(\$ 318)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	( 1,874)	-	( 195)	-	( 1,322)	-	( 23)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	149	-	( 5)	-	138	-	( 15)	-
Other comprehensive loss	( 3,192)	-	( 528)	-	( 3,117)	-	( 356)	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>\$ 394,698</u></b>	<b><u>42</u></b>	<b><u>\$ 472,614</u></b>	<b><u>53</u></b>	<b><u>\$ 848,724</u></b>	<b><u>46</u></b>	<b><u>\$ 895,841</u></b>	<b><u>53</u></b>
NET PROFIT (LOSS)								
ATTRIBUTABLE TO:								
Shareholders of the Company	\$ 399,995	42	\$ 475,096	53	\$ 861,701	47	\$ 905,673	53
Non-controlling interests	( 2,105)	-	( 1,954)	-	( 9,860)	( 1)	( 9,476)	-
	<b><u>\$ 397,890</u></b>	<b><u>42</u></b>	<b><u>\$ 473,142</u></b>	<b><u>53</u></b>	<b><u>\$ 851,841</u></b>	<b><u>46</u></b>	<b><u>\$ 896,197</u></b>	<b><u>53</u></b>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	\$ 397,163	42	\$ 474,536	53	\$ 858,889	47	\$ 905,205	53
Non-controlling interests	( 2,465)	-	( 1,922)	-	( 10,165)	( 1)	( 9,364)	-
	<b><u>\$ 394,698</u></b>	<b><u>42</u></b>	<b><u>\$ 472,614</u></b>	<b><u>53</u></b>	<b><u>\$ 848,724</u></b>	<b><u>46</u></b>	<b><u>\$ 895,841</u></b>	<b><u>53</u></b>
EARNINGS PER SHARE								
Basic	<u>\$ 5.36</u>		<u>\$ 6.36</u>		<u>\$ 11.54</u>		<u>\$ 12.13</u>	
Diluted	<u>\$ 5.35</u>		<u>\$ 6.36</u>		<u>\$ 11.52</u>		<u>\$ 12.11</u>	

(Concluded)

# eMemory Technology Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company							Other Equity		Total	Non-Controlling Interests	Total Equity
	Ordinary Shares		Capital Surplus	Legal Reserve	Retained Earnings		Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Loss				
	Number of Shares (In Thousands)	Amount			Special Reserve	Unappropriated Earnings			Total			
BALANCE, JANUARY 1, 2024	74,643	\$ 746,423	\$ 114,313	\$ 761,844	\$ 4,980	\$1,400,884	\$2,167,708	\$ 61	( \$ 5,231 )	\$3,023,274	\$ 30,504	\$3,053,778
Appropriation of 2023 earnings												
Reversal of special reserve	-	-	-	-	190	( 190 )	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	( 1,306,409 )	( 1,306,409 )	-	-	( 1,306,409 )	-	( 1,306,409 )
Changes in percentage of ownership interests in subsidiaries	-	-	582	-	-	-	-	-	-	582	( 582 )	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	101	-	-	-	-	-	-	101	-	101
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	-	905,673	905,673	-	-	905,673	( 9,476 )	896,197
Other comprehensive loss for the six months ended June 30, 2024	-	-	-	-	-	-	-	( 150 )	( 318 )	( 468 )	112	( 356 )
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	905,673	905,673	( 150 )	( 318 )	905,205	( 9,364 )	895,841
Issuance of ordinary shares under employee share options	14	140	4,333	-	-	-	-	-	-	4,473	225	4,698
Share-based payments	-	-	-	-	-	-	-	-	-	-	1,374	1,374
BALANCE, JUNE 30, 2024	<u>74,657</u>	<u>\$ 746,563</u>	<u>\$ 119,329</u>	<u>\$ 761,844</u>	<u>\$ 5,170</u>	<u>\$ 999,958</u>	<u>\$1,766,972</u>	<u>( \$ 89 )</u>	<u>( \$ 5,549 )</u>	<u>\$2,627,226</u>	<u>\$ 22,157</u>	<u>\$2,649,383</u>
BALANCE, JANUARY 1, 2025	74,664	\$ 746,633	\$ 122,218	\$ 761,844	\$ 5,170	\$1,934,071	\$2,701,085	\$ 251	( \$ 5,980 )	\$3,564,207	\$ 20,472	\$3,584,679
Appropriation of 2024 earnings												
Legal reserve	-	-	-	183,979	-	( 183,979 )	-	-	-	-	-	-
Special reserve	-	-	-	-	558	( 558 )	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	( 1,642,608 )	( 1,642,608 )	-	-	( 1,642,608 )	-	( 1,642,608 )
Changes in percentage of ownership interests in subsidiaries	-	-	1,479	-	-	-	-	-	-	1,479	( 1,479 )	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	140	-	-	-	-	-	-	140	-	140
Net profit (loss) for the six months ended June 30, 2025	-	-	-	-	-	861,701	861,701	-	-	861,701	( 9,860 )	851,841
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	-	-	( 879 )	( 1,933 )	( 2,812 )	( 305 )	( 3,117 )
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	861,701	861,701	( 879 )	( 1,933 )	858,889	( 10,165 )	848,724
Issuance of ordinary shares under employee share options	10	105	3,238	-	-	-	-	-	-	3,343	1,285	4,628
Share-based payments	-	-	-	-	-	-	-	-	-	-	1,167	1,167
BALANCE, JUNE 30, 2025	<u>74,674</u>	<u>\$ 746,738</u>	<u>\$ 127,075</u>	<u>\$ 945,823</u>	<u>\$ 5,728</u>	<u>\$ 968,627</u>	<u>\$1,920,178</u>	<u>( \$ 628 )</u>	<u>( \$ 7,913 )</u>	<u>\$2,785,450</u>	<u>\$ 11,280</u>	<u>\$2,796,730</u>

## eMemory Technology Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<b>Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,022,214	\$ 1,047,676
Adjustments for:		
Depreciation expenses	26,872	22,881
Amortization expenses	58,997	50,199
Expected credit (reversal) loss	( 993)	1,581
Finance costs	237	373
Interest income	( 32,143)	( 39,554)
Share-based payments	1,167	1,374
Share of loss of associates	2,433	1,618
Net loss (gain) on foreign currency exchange	36,919	( 85,333)
Intangible assets transferred to expenses	-	344
Changes in operating assets and liabilities		
Accounts receivable	38,732	( 90,609)
Other receivable	( 300)	-
Prepayments	( 2,939)	( 600)
Other current assets	( 364)	( 266)
Contract liabilities	27,103	12,185
Other payables	( 24,997)	32,977
Other payables- related parties	25	20
Other current liabilities	52	60
Net defined benefit liabilities	( 354)	( 337)
Bonuses payable to employees and directors	110,269	111,914
Cash generated from operations	1,262,930	1,066,503
Interest received	31,352	40,108
Income tax paid	( 121,063)	( 29,440)
Net cash generated from operating activities	<u>1,173,219</u>	<u>1,077,171</u>

(Continued)

# eMemory Technology Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(\$ 23,405)	(\$ 17,259)
Increase in refundable deposits	-	( 852)
Decrease in refundable deposits	70	-
Acquisition of intangible assets	( 102,866)	( 86,363)
Increase in prepayments for equipment	( 69,282)	( 400)
Net cash used in investing activities	<u>( 195,483)</u>	<u>( 104,874)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	20,000	-
Decrease in short-term loans	-	( 30,000)
Increase in deposits received	10	-
Repayment of the principal portion of lease liabilities	( 2,726)	( 1,987)
Exercise of employee share options	4,628	4,698
Interest paid	( 232)	( 393)
Net cash generated from (used in) financing activities	<u>21,680</u>	<u>( 27,682)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>( 21,699)</u>	<u>76,232</u>
<b>NET INCREASE IN CASH</b>	977,717	1,020,847
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<u>3,307,749</u>	<u>2,731,524</u>
<b>CASH AT THE END OF THE PERIOD</b>	<u>\$ 4,285,466</u>	<u>\$ 3,752,371</u>

(Concluded)