eMemory 3Q25 Earnings Call Q&A Transcript

November 14th, 2025, 16:00-17:00 Taiwan Time

Q&A Transcript

1. **The company just shared the application of PUF technology in the defense sector. Will this successful case create opportunities to further expand into other high-end markets?**
   >> Yes. As a unique ID and secret key seed, PUF has a wide range of applications in the field of security. Currently, we are collaborating with partners on the following projects:
   1. **Chiplets:** Enhancing supply chain security by enabling authentication for each chip within a chiplet.
   2. **Caliptra for Data Centers:** Establishing a root of trust with unique IDs, key storage, and random number generation.
   3. **PUFido:** Developing a passwordless authentication solution for secure identity verification.
   4. **Bitcoin Custody Services:** Protecting cryptocurrency private keys to ensure asset security.
   5. **Decentralized Identity (DID):** Safeguarding patient medical data privacy through decentralized identity verification.

2. **The company previously mentioned that NVIDIA had reached out for potential collaboration, but since our 4–5nm process had not yet been qualified at that time, the project did not move forward. Are we still in discussions with NVIDIA? If so, will it be based on the 3nm process, or could 4–5nm be adopted now that it has been qualified? Investors are also hoping to see the company enter the ecosystems of both NVIDIA and AMD.**
   >>We continue to engage actively and closely monitor the development of advanced processes such as 3nm, 4nm and 5nm. Our technology and products have matured significantly, allowing us to play an increasingly important role in advancing AI and data center platforms. As our cooperation deepens, we are confident in our ability to further integrate into these ecosystems.

3. **Have you observed customers shifting their manufacturing to the U.S.? What would be the actual impact on the company?**
   >>Our technology has already been licensed to all major U.S. foundries, so regardless of where customers choose to manufacture, it has no impact on us.

4. **Beyond efforts with NVIDIA, are there active discussions with the major cloud service providers regarding their in-house AI ASIC chip development?**
   >> Collaborations are already underway with several leading companies in DPU and CPU applications, and communication with the major CSPs remains close and ongoing. These engagements highlight the strategic value of the technology in enabling next-generation AI and data center platforms. While specific customers cannot be disclosed, these efforts represent meaningful long-term growth opportunities.

5. **Do we have customers using our PQC IP, and are there customers for our HSM solutions yet?**
   >>We already have two chip customers adopting PQC (Post-Quantum Cryptography). For HSM, one customer has signed a contract, and two more are currently in progress.

6. **In previous earning calls, it was mentioned that BMC chips would adopt related IP. What is the current penetration rate in this segment? Given that ASPEED holds the largest global market share in BMC, is there a customer relationship in place? If not, would this affect future penetration?**
>> Mainstream BMC chip vendors have already adopted our security IP solutions. With a complete Root of Trust portfolio—including OTP, PUF, and TRNG technologies—these solutions address the demanding security and reliability requirements of BMC applications. As the need for stronger hardware-based protection grows, there are clear opportunities to further expand market penetration across the ecosystem.

7. **Has the recent AI-driven shift in the memory sector had a positive impact on the company?**
>> Our direct memory applications are with Taiwanese customers for DDR4 and DDR5 DRAM repair. Royalties from this segment are expected to grow as customers expand their production lines and adopt more customized and specialized memory applications, and we are also actively broadening our customer base.

In addition, our Korean customers will begin mass production of DDR5 modules in Q1 next year, which will incorporate NeoEE's SPD hub and PMIC, contributing to royalty revenue. In the Flash application segment, our PUF technology has already been adopted in over 20 SSD controllers across the U.S., Taiwan, and China. Some of these applications are driven by Caliptra security requirements for AI and enterprise servers, where PUF is used for Flash memory protection and integrated into customer-developed HBF solutions. Since these are produced in 12nm to 5nm process nodes, with a large number of customers and tape-outs, this segment will make a significant contribution to royalties.

Furthermore, these developments are creating a structural growth driver for our expertise in embedded memory technologies, leading to strong demand from major customers for embedded ReRAM and NeoFlash.

8. **Has the pricing for mature-node foundry processes continued to decline?**
>> Since the beginning of this year, mature-node foundry pricing has largely stabilized. For certain memory products, such as NOR Flash—which can be manufactured using logic processes—and with HBM base dies also shifting to production at foundries, we've even heard from customers that there is a possibility of price increases.

9. **What is the current progress for 3nm, 4nm, and 5nm tape-outs or production? Are there new customer projects being introduced? When are royalties from advanced nodes expected to start contributing meaningfully?**
>> Currently, the company has accumulated over 60 design wins in advanced process nodes below 7nm. Notably, in the fourth quarter, we have secured more than 20 tape-outs at 3nm, marking a major breakthrough for the company in mainstream advanced processes.

The 7nm and 6nm nodes have already started contributing royalty revenue, while 5nm, 4nm, and 3nm will follow. We are very confident in the future contribution from these advanced process nodes.

10. **What's your progress with ARM?**
>> We are accelerating our collaboration with Arm to explore new areas. In addition to having entered Arm CSS servers used by CSP customers, we are also participating in automotive and industrial product developments. Through Arm, our technology is reaching end customers with our 3nm PUF HRoT. This year, we have already initiated 2–3 new customer projects.

Beyond positioning our PUF IP as the root of trust within Arm CSS product lines as a standard, we are also actively working with Arm, its ecosystem partners, and end customers on higher-level software integration

and PQC IP development. Arm has shown confidence in our 3nm PUFrt — we are currently the only provider with a silicon design-proven security IP at 3nm.

Together with Arm's CSA architecture and its future focus on AI design, we are continuously collaborating with Arm on chiplet security designs for SoC implementations.

11. Have the organizational changes helped enhance operational agility or cross-team efficiency?

>> In terms of strengthening organizational resilience and operational efficiency, we have already seen meaningful progress this year through AI adoption and organizational optimization.

1. **R&D efficiency:** By applying AI to parameter tuning and automated testing in IP development and verification, we are shortening design cycles and improving productivity.
2. **Customer support:** AI-assisted automation in design-kit generation and version control enables us to respond faster to design-in cases, reduce error rates, and accelerate customers' design adoption timelines.
3. **Operational processes:** Through organizational streamlining combined with AI and data-driven process improvements, we have enhanced collaboration efficiency and transparency, and further reduced manual workload through automation.

Overall, AI adoption has delivered tangible results in R&D automation, customer service efficiency, and operational cost management, which in turn strengthens our organizational resilience and competitiveness.

Our internal reform, focused on system-level improvements, has moved faster than expected. We're already seeing clear progress in employee attitudes and efficiency, which will enhance the company's long-term competitiveness.

12. How does management view the current market sentiment and investor confidence?

>> We have noticed the recent volatility in the market, which we believe largely reflects investor sentiment and external concerns rather than changes in our fundamentals.

From an operational perspective, our R&D progress, customer engagement, and AI-related initiatives are all moving forward steadily. Both royalty revenue and design-in activities continue to grow. The company's financial position remains healthy, and we will continue to focus on strengthening our technology and customer value. We will also keep communicating our business progress to help the market better understand our long-term potential and resilience.

Over the years, we have been moving forward steadily along our established business path. There are no shortcuts in our business—every dollar we earn is the result of long-term effort and accumulation. At the same time, this business model, built upon strong patent portfolios and deep integration with leading foundry ecosystems, will not be changed by fluctuations in the capital market. We will continue to strengthen our communication with investors so that the market can better recognize our true value.