

Management Report for First Fiscal Quarter 2026

Hsinchu, Taiwan, May 8th, 2026 – eMemory Technology Inc. (TPE: 3529) reported financial results for its fiscal quarter, which ended March 31st, 2026.

Executive Summary

- Q1 2026 revenue was NT\$ 1,093.99 million, up 4.4% sequentially and up 20% year-over-year. Operating Margin was 60.5%, down 0.1 ppt QoQ but up 3.2 ppts YoY. Net income was NT\$ 596.25 million, an increase of 5.9% sequentially and an increase of 29.1% year-over-year.
- Licensing revenue is driven by an increase in the number of licenses from both foundries and fabless customers, as well as higher average selling prices (ASP) per license. Demand remains strong for advanced-node technologies, AI-related applications, security-related solutions, and next-generation Flash technologies.
- Royalty revenue continued to accelerate, driven by upgrades of existing products, higher ASPs from new advanced-node applications, expanding PUF royalty contributions, and a growing mix of higher-royalty-rate MTP products.

Financial Results

(Amounts in thousands of NT\$)

	Q1 2026	Q4 2025	QoQ	Q1 2025	YoY
Revenue	1,093,993	1,048,362	4.4%	911,734	20.0%
Gross Margin	100.0%	100.0%	-	100.0%	-
Operating Expenses	431,616	412,617	4.6%	389,387	10.8%
Operating Income	662,377	635,745	4.2%	522,347	26.8%
Operating Margin	60.5%	60.6%	-0.1ppt	57.3%	3.2ppts
*Net Income	596,250	563,013	5.9%	461,706	29.1%
Net Margin	56.3%	55.2%	1.1ppts	49.8%	6.5ppts
EPS (NT\$)	7.98	7.54	5.8%	6.18	29.1%
ROE	57.6%	60.8%	-3.2ppts	48.7%	8.9ppts

*Net income attributable to Shareholders of the Company

Revenue Analysis

(Amounts in thousands of NT\$)

	Q1 2026	Q4 2025	QoQ	Q1 2025	YoY
Licensing	381,035	346,572	9.9%	240,217	58.6%
Royalty	712,958	701,790	1.6%	671,517	6.2%
Total	1,093,993	1,048,362	4.4%	911,734	20.0%

(Amounts in thousands of US\$)

	Q1 2026	Q4 2025	QoQ	Q1 2025	YoY
Licensing	12,080	11,209	7.8%	7,347	64.4%
Royalty	22,630	22,896	-1.2%	20,386	11.0%
Total	34,710	34,105	1.8%	27,733	25.2%

Revenue analysis by technology

(Amounts in thousands of NT\$)

	Q1 2026								
	Total Revenue			Licensing Revenue			Royalty Revenue		
	% of Q1 Revenue	QoQ	YoY	% of Q1 Licensing	QoQ	YoY	% of Q1 Royalty	QoQ	YoY
NeoBit	20.0%	-7.2%	-6.8%	14.5%	-28.4%	-13.7%	23.0%	3.1%	-4.2%
NeoFuse	59.8%	6.6%	9.8%	34.8%	39.8%	20.7%	73.1%	0.5%	7.4%
PUF-Based	12.2%	25.1%	620.0%	33.1%	21.5%	606.9%	1.0%	159.6%	976.9%
MTP	8.0%	-4.9%	39.5%	17.6%	-5.5%	37.9%	2.9%	-3.1%	45.0%

(Amounts in thousands of US\$)

	Q1 2026								
	Total Revenue			Licensing Revenue			Royalty Revenue		
	% of Q1 Revenue	QoQ	YoY	% of Q1 Licensing	QoQ	YoY	% of Q1 Royalty	QoQ	YoY
NeoBit	20.0%	-9.5%	-2.7%	14.5%	-29.8%	-10.4%	22.9%	0.2%	0.2%
NeoFuse	59.8%	3.8%	14.6%	34.8%	37.2%	24.8%	73.2%	-2.2%	12.2%
PUF-Based	12.2%	22.1%	648.2%	33.1%	18.7%	633.2%	1.0%	151.7%	1078.9%
MTP	8.0%	-6.6%	45.5%	17.6%	-6.9%	43.8%	2.9%	-5.8%	51.3%

- 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 2nm.
- 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)

(Amounts in thousands of NT\$)

	Q1 2026		
	% of Royalty	QoQ	YoY
8-Inch	33.7%	-5.5%	-15.9%
12-Inch	66.3%	5.6%	22.5%

(Amounts in thousands of US\$)

	Q1 2026		
	% of Royalty	QoQ	YoY
8-Inch	33.6%	-8.2%	-12.0%
12-Inch	66.4%	2.8%	28.0%

Key Business Developments

Licensing

- Technology License
 - ✓ 13 licensing contracts were signed during this quarter.
 - ✓ As of March 31st, 2026, we have technologies under development for the adoption of 237 different process platforms, ranging from 0.25um to 2nm.

Development of Key Technologies

	2nm	3nm	4/5nm	6/7nm	12/16/ 17nm	22/ 28nm	40nm	55/ 65nm	80/ 90nm	0.11/ 0.13 um	0.15~ 0.18 um	0.25/ 0.28 um	0.3/ 0.35 um	0.4/ 0.5um	Total
Qualified	0	2	8	4	16	75	34	67	45	120	278	42	53	12	756
Developing	4	3	2	2	15	46	17	32	26	42	46	2	0	0	237

- Design License
 - ✓ A total of 139 licensed product tape-outs occurred in the first quarter of 2026.
 - 4 tape-outs licensed at 3nm for defense-related application and AI SoC.
 - 3 tape-outs licensed at 5nm for ADAS, SSD Controller and Network IC.
 - 2 tape-outs licensed at 7nm for ADAS and Video IC.
 - 6 tape-outs licensed at 12nm/14nm/16nm for SSD Controller, Network IC, OLED Driver and DRAM.
 - 21 tape-outs licensed at 22nm/28nm for Sensor-related IC, ISP, OLED Driver, FPGA, HDMI and Others.
 - 8 tape-outs licensed at 40nm for Sensor-related IC, OLED Driver, LCD Driver and TDDI.
 - 18 tape-outs licensed at 55nm/65nm for PMIC, Sensor-related IC, OLED Driver, TDDI, LED Driver and Others.
 - 6 tape-outs licensed at 80nm/90nm for PMIC, LCD Driver, MCU and Oscillator.
 - 12 tape-outs licensed at 0.13um for PMIC, LCD Driver and OLED Driver.
 - 59 tape-outs licensed at 0.18um for PMIC, Sensor-related, MCU, LED Driver, Motor Driver and Others.

- ✓ As of March 31st, 2026, eMemory's cumulative number of design licenses has increased to 8,570—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 Growth

Licensing revenue is driven by an increase in the number of licenses from both foundries and fabless customers, as well as higher average selling prices (ASP) per license. Demand remains strong for advanced-node technologies, AI-related applications, security-related solutions, and next-generation Flash technologies.

Royalty Growth

Royalty revenue continued to accelerate, driven by upgrades of existing products, higher ASPs from new advanced-node applications, expanding PUF royalty contributions, and a growing mix of higher-royalty-rate MTP products.

New IP Technologies

- Continued development of next-generation OTP and PUF-based hardware security solutions targeting sub-2nm process nodes.
- NeoFlash is expanding into both embedded and standalone 1T Flash applications, leveraging logic-process-based architectures for improved scalability and cost efficiency.

Business Development Platforms

- **Chiplet Security Platform**

The company is collaborating with ecosystem partners to develop end-to-end Chiplet security solutions, covering key technologies including supply chain security, Chiplet authentication, secure communication, and hardware root of trust. These solutions are designed to address the increasing security requirements driven by AI and heterogeneous integration architectures.

- **Data Center Caliptra Platform**

Targeting data center and AI server applications, we are developing a comprehensive IP platform that combines PUFrt (PUF-based Root of Trust) with a Security Subsystem architecture. This platform enables customers to accelerate the adoption and mass production of hardware security solutions compliant with the Caliptra framework and future data center security standards.

- **Root of Trust / CPU Platform Collaboration**

Our hardware security technologies have been successfully integrated into the latest-generation AI/AGI CPU platforms of major CPU vendors, providing chip-level Root of Trust, Secure Boot, device identity, and secure key protection capabilities. These technologies enhance trustworthiness and security across AI systems from chip to system level.

- **HSM Edge Server Platform**

Our PUF-based HSM Edge Server is positioned as a key infrastructure component for future Security as a Service (SECaaS) platforms. The platform supports critical applications including secure OTA updates, privacy protection, device identity management, and Post-Quantum Cryptography (PQC) migration for automotive, medical, industrial control, Edge AI, and other high-security systems, helping customers build sustainable next-generation security architectures.

Financial Review

Gross margin

The gross margin remained at 100%.

Operating expenses

The total operating expenses in Q1 2026 were NT\$ 431.62 million and represented 39.5% of the total revenue. The operating expenses were up 4.6% QoQ and up 10.8% YoY.

Non-operating items and income tax expense

- Non-operating gain for the quarter was NT\$ 33.07 million, mainly due to a foreign exchange gain of NT\$ 13.10 million and interest income of NT\$ 13.29 million.
- Q1 2026 effective tax rate was 11.5%.

Net Income and EPS

- Net income attributable to shareholders of the company for the quarter was NT\$ 596.25 million, an increase of 5.9% sequentially and an increase of 29.1% year-over-year.
- Earnings per share was NT\$ 7.98 in Q1 2026.

Current assets and current liabilities

- As of March 31st, 2026, cash increased by NT\$ 594.72 million from December 31st, 2025, to NT\$ 4,126.78 million.
- Total current assets including cash totaled NT\$ 4,568.06 million, with an increase of NT\$ 766.84 million from December 31st, 2025.
- Total current liabilities increased by NT\$ 203.10 million from December 31st, 2025, to NT\$ 1,083.02 million.
- The net working capital was NT\$ 3,485.04 million and the current ratio was 4.2x.

Cash flows

- As of March 31st, 2026, net cash generated from operating activities totaled NT\$ 695.80 million, including NT\$ 695.45 million from income before income tax, NT\$ 46.16 million from depreciation and amortization, and NT\$ 45.81 million used in other operating activities.
- Net cash used in investing activities was NT\$ 102.64 million in Q1 2026.
- Net cash used in financing activities was NT\$ 0.16 million in Q1 2026.
- As a result, total cash increased from NT\$ 3,532.06 million to NT\$ 4,126.78 million from December 31st, 2025, to March 31st, 2026.

Employee

- As of March 31st, 2026, eMemory has 338 full-time employees, including 244 R&D engineers, representing 72.2% of the workforce.

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)

	March 31, 2026		December 31, 2025		March 31, 2025			March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
ASSETS							LIABILITIES AND EQUITY						
CURRENT ASSETS							CURRENT LIABILITIES						
Cash	\$4,126,775	74	\$3,532,058	74	\$3,787,967	76	Contract liabilities - current	\$ 100,437	2	\$ 74,193	2	\$ 106,225	2
Notes receivable - net	-	-	-	-	235	-	Other payables	201,450	4	220,494	5	162,258	4
Accounts receivable - net	413,922	8	238,942	5	279,770	6	Other payables - related parties	130	-	170	-	70	-
Receivables from related parties	-	-	5,375	-	-	-	Bonuses payable to employees and directors	583,750	11	455,623	10	446,401	9
Other receivables	3,402	-	999	-	2,866	-	Payables on equipment	9,915	-	12,524	-	17,623	-
Current tax assets	1,804	-	811	-	2,502	-	Current tax liabilities	179,479	3	104,292	2	200,679	4
Prepayments	14,906	-	16,051	1	22,195	-	Lease liabilities - current	5,178	-	3,429	-	5,016	-
Other current assets	7,253	-	6,983	-	5,090	-	Other current liabilities	2,686	-	9,197	-	2,110	-
Total current assets	<u>4,568,062</u>	<u>82</u>	<u>3,801,219</u>	<u>80</u>	<u>4,100,625</u>	<u>82</u>	Total current liabilities	<u>1,083,025</u>	<u>20</u>	<u>879,922</u>	<u>19</u>	<u>940,382</u>	<u>19</u>
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income - noncurrent	1,233	-	1,215	-	4,154	-	Deferred tax liabilities	1,796	-	1,073	-	428	-
Financial assets at amortized cost - noncurrent	122	-	122	-	120	-	Lease liabilities - noncurrent	8,390	-	4,097	-	5,687	-
Investment accounted for using the equity method	4,866	-	5,721	-	7,313	-	Net defined benefit liabilities - noncurrent	3,907	-	4,084	-	6,640	-
Property, plant and equipment	484,253	9	492,565	10	474,844	10	Guarantee deposits received	20	-	20	-	20	-
Right-of-use assets	13,106	-	7,390	-	10,371	-	Total non-current liabilities	<u>14,113</u>	<u>-</u>	<u>9,274</u>	<u>-</u>	<u>12,775</u>	<u>-</u>
Intangible assets	112,343	2	83,798	2	126,238	3	Total liabilities	<u>1,097,138</u>	<u>20</u>	<u>889,196</u>	<u>19</u>	<u>953,157</u>	<u>19</u>
Deferred tax assets	2,398	-	3,898	-	2,078	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY						
Prepayments for equipment	397,571	7	363,000	8	265,794	5	Ordinary shares	746,865	13	746,865	16	746,650	15
Refundable deposits	1,974	-	1,642	-	1,608	-	Capital surplus	132,918	2	132,279	3	123,103	3
Total non-current assets	<u>1,017,866</u>	<u>18</u>	<u>959,351</u>	<u>20</u>	<u>892,520</u>	<u>18</u>	Retained earnings						
							Legal reserve	945,823	17	945,823	20	761,844	15
							Special reserve	5,728	-	5,728	-	5,170	-
							Unappropriated earnings	2,617,060	47	2,020,810	42	2,395,777	48
							Total retained earnings	<u>3,568,611</u>	<u>64</u>	<u>2,972,361</u>	<u>62</u>	<u>3,162,791</u>	<u>63</u>
							Other equity						
							Exchange differences on the translation of the financial statements of foreign operations	(40)	-	(255)	-	737	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(9,367)	-	(9,385)	-	(6,446)	-
							Total other equity	(9,407)	-	(9,640)	-	(5,709)	-
							Total equity attributable to shareholders of the Company	4,438,987	79	3,841,865	81	4,026,835	81
							NON-CONTROLLING INTERESTS						
								49,803	1	29,509	-	13,153	-
							Total equity	<u>4,488,790</u>	<u>80</u>	<u>3,871,374</u>	<u>81</u>	<u>4,039,988</u>	<u>81</u>
TOTAL	<u>\$5,585,928</u>	<u>100</u>	<u>\$4,760,570</u>	<u>100</u>	<u>\$4,993,145</u>	<u>100</u>	TOTAL	<u>\$5,585,928</u>	<u>100</u>	<u>\$4,760,570</u>	<u>100</u>	<u>\$4,993,145</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)

	Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 1,093,993	100	\$ 911,734	100
OPERATING COSTS	-	-	-	-
GROSS PROFIT	<u>1,093,993</u>	<u>100</u>	<u>911,734</u>	<u>100</u>
OPERATING EXPENSES				
Selling and marketing expenses	59,184	5	63,938	7
General and administrative expenses	82,531	8	82,909	9
Research and development expenses	283,993	26	242,893	27
Expected credit loss (reversal)	<u>5,908</u>	<u>-</u>	<u>(353)</u>	<u>-</u>
Total operating expenses	<u>431,616</u>	<u>39</u>	<u>389,387</u>	<u>43</u>
OPERATING INCOME	<u>662,377</u>	<u>61</u>	<u>522,347</u>	<u>57</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	13,292	1	16,131	2
Other income	186	-	299	-
Other gains and losses	20,678	2	12,639	1
Finance costs	(170)	-	(129)	-
Share of loss of associates	<u>(912)</u>	<u>-</u>	<u>(1,361)</u>	<u>-</u>
Total non-operating income and expenses	<u>33,074</u>	<u>3</u>	<u>27,579</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	695,451	64	549,926	60
INCOME TAX EXPENSE	<u>79,700</u>	<u>8</u>	<u>95,975</u>	<u>10</u>
NET PROFIT FOR THE PERIOD	<u>615,751</u>	<u>56</u>	<u>453,951</u>	<u>50</u>

(Continued)

eMemory Technology Inc. and Subsidiaries

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

	Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
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	\$ 18	-	(\$ 466)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	308	-	552	-
Share of the other comprehensive loss of associates accounted for using the equity method	(11)	-	(11)	-
Other comprehensive income	<u>315</u>	<u>-</u>	<u>75</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 616,066</u>	<u>56</u>	<u>\$ 454,026</u>	<u>50</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 596,250	54	\$ 461,706	51
Non-controlling interests	<u>19,501</u>	<u>2</u>	<u>(7,755)</u>	<u>(1)</u>
	<u>\$ 615,751</u>	<u>56</u>	<u>\$ 453,951</u>	<u>50</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 596,483	54	\$ 461,726	51
Non-controlling interests	<u>19,583</u>	<u>2</u>	<u>(7,700)</u>	<u>(1)</u>
	<u>\$ 616,066</u>	<u>56</u>	<u>\$ 454,026</u>	<u>50</u>
EARNINGS PER SHARE				
Basic	<u>\$ 7.98</u>		<u>\$ 6.18</u>	
Diluted	<u>\$ 7.97</u>		<u>\$ 6.17</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	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings			Total			
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
Changes in percentage of ownership interests in subsidiaries	-	-	341	-	-	-	-	-	-	341	(341)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	4	-	-	-	-	-	-	4	-	4
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	-	461,706	461,706	-	-	461,706	(7,755)	453,951
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	-	486	(466)	20	55	75
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	461,706	461,706	486	(466)	461,726	(7,700)	454,026
Issuance of ordinary shares under employee share options	2	17	540	-	-	-	-	-	-	557	33	590
Share-based payments	-	-	-	-	-	-	-	-	-	-	689	689
BALANCE, MARCH 31, 2025	<u>74,666</u>	<u>\$ 746,650</u>	<u>\$ 123,103</u>	<u>\$ 761,844</u>	<u>\$ 5,170</u>	<u>\$2,395,777</u>	<u>\$3,162,791</u>	<u>\$ 737</u>	<u>(\$ 6,446)</u>	<u>\$4,026,835</u>	<u>\$ 13,153</u>	<u>\$4,039,988</u>
BALANCE, JANUARY 1, 2026	74,687	\$ 746,865	\$ 132,279	\$ 945,823	\$ 5,728	\$2,020,810	\$2,972,361	(\$ 255)	(\$ 9,385)	\$3,841,865	\$ 29,509	\$3,871,374
Changes in percentage of ownership interests in subsidiaries	-	-	571	-	-	-	-	-	-	571	(571)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	68	-	-	-	-	-	-	68	-	68
Net profit for the three months ended March 31, 2026	-	-	-	-	-	596,250	596,250	-	-	596,250	19,501	615,751
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	215	18	233	82	315
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	596,250	596,250	215	18	596,483	19,583	616,066
Issuance of ordinary shares under employee share options	-	-	-	-	-	-	-	-	-	-	1,019	1,019
Share-based payments	-	-	-	-	-	-	-	-	-	-	263	263
BALANCE, MARCH 31, 2026	<u>74,687</u>	<u>\$ 746,865</u>	<u>\$ 132,918</u>	<u>\$ 945,823</u>	<u>\$ 5,728</u>	<u>\$2,617,060</u>	<u>\$3,568,611</u>	<u>(\$ 40)</u>	<u>(\$ 9,367)</u>	<u>\$4,438,987</u>	<u>\$ 49,803</u>	<u>\$4,488,790</u>

eMemory Technology Inc. and Subsidiaries

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

	Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 695,451	\$ 549,926
Adjustments for:		
Depreciation expenses	15,403	13,242
Amortization expenses	30,758	28,609
Expected credit loss (reversal)	5,908	(353)
Finance costs	170	129
Interest income	(13,292)	(16,131)
Share-based payments	263	689
Share of loss of associates	912	1,361
Loss on disposal of intangible assets	32	-
Net gain on foreign currency exchange	(7,684)	(9,664)
Changes in operating assets and liabilities		
Notes receivable	-	(235)
Accounts receivable	(174,500)	24,207
Accounts receivable - related parties	5,337	-
Other receivables	(968)	-
Prepayments	1,145	(3,111)
Other current assets	(270)	1,181
Contract liabilities	26,244	32,802
Other payables	(19,080)	(55,613)
Other payables- related parties	(40)	15
Other current liabilities	(6,511)	71
Net defined benefit liabilities	(177)	(177)
Bonuses payable to employees and directors	128,127	17,117
Cash generated from operations	687,228	584,065
Interest received	11,857	15,284
Income tax paid	(3,283)	(20,896)
Net cash generated from operating activities	<u>695,802</u>	<u>578,453</u>

(Continued)

eMemory Technology Inc. and Subsidiaries

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

	Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 8,402)	(\$ 5,914)
Increase in refundable deposits	(332)	-
Decrease in refundable deposits	-	72
Acquisition of intangible assets	(59,335)	(58,092)
Increase in prepayments for equipment	(34,571)	(41,080)
Net cash used in investing activities	(102,640)	(105,014)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits received	-	10
Repayment of the principal portion of lease liabilities	(1,010)	(1,331)
Exercise of employee share options	1,019	590
Interest paid	(170)	(129)
Net cash used in financing activities	(161)	(860)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	1,716	7,639
NET INCREASE IN CASH	594,717	480,218
CASH AT THE BEGINNING OF THE PERIOD	3,532,058	3,307,749
CASH AT THE END OF THE PERIOD	<u>\$ 4,126,775</u>	<u>\$ 3,787,967</u>

(Concluded)