Management Report for Second Fiscal Quarter 2026

Hsinchu, Taiwan, August 14th, 2026 – eMemory Technology Inc. (TPE: 3529) reported financial results for its fiscal quarter, which ended June 30th, 2026.

Executive Summary

- Q2 2026 revenue was NT$ 1,096.63 million, up 0.2% sequentially and up 17.1% year-over-year. Operating Margin was 60.7%, up 0.2 ppt QoQ and up 2.4 ppts YoY. Net income was NT$ 579.79 million, a decrease of 2.8% sequentially but an increase of 44.9% year-over-year.
- Licensing will continue its strong momentum due to robust demand for our technologies from leading edge to legacy process node, security, and next-generation Flash technologies.
- Royalty Revenue growth is expected to accelerate, driven by higher ASPs from new advanced-node applications, new application ramps, expanding PUF royalty contributions, and a growing mix of higher-royalty rate MTP related applications.

Financial Results

(Amounts in thousands of NT$)

	Q2 2026	Q1 2026	QoQ	Q2 2025	YoY	H1 2026	H1 2025	YoY
Revenue	1,096,627	1,093,993	0.2%	936,535	17.1%	2,190,620	1,848,269	18.5%
Gross Margin	100.0%	100.0%	-	100.0%	-	100.0%	100.0%	-
Operating Expenses	430,520	431,616	-0.3%	390,644	10.2%	862,136	780,031	10.5%
Operating Income	666,107	662,377	0.6%	545,891	22.0%	1,328,484	1,068,238	24.4%
Operating Margin	60.7%	60.5%	0.2ppt	58.3%	2.4ppts	60.6%	57.8%	2.8ppts
*Net Income	579,791	596,250	-2.8%	399,995	44.9%	1,176,041	861,701	36.5%
Net Margin	54.3%	56.3%	-2.0ppts	42.5%	11.8ppts	55.3%	46.1%	9.2ppts
EPS (NT$)	7.77	7.98	-2.6%	5.36	45.0%	15.75	11.54	36.5%
ROE	63.3%	57.6%	5.7ppts	50.4%	12.9ppts	64.2%	54.3%	9.9ppts

*Net income attributable to Shareholders of the Company

Revenue Analysis

(Amounts in thousands of NT$)

	Q2 2026	Q1 2026	QoQ	Q2 2025	YoY	H1 2026	H1 2025	YoY
Licensing	429,640	381,035	12.8%	317,976	35.1%	810,675	558,193	45.2%
Royalty	666,987	712,958	-6.4%	618,559	7.8%	1,379,945	1,290,076	7.0%
Total	1,096,627	1,093,993	0.2%	936,535	17.1%	2,190,620	1,848,269	18.5%

Revenue analysis by technology

(Amounts in thousands of NT$)

	Q2 2026								
	Total Revenue			Licensing Revenue			Royalty Revenue		
	% of Q2 Revenue	QoQ	YoY	% of Q2 Licensing	QoQ	YoY	% of Q2 Royalty	QoQ	YoY
NeoBit	21.9%	9.6%	7.3%	14.3%	11.2%	-22.4%	26.8%	9.0%	9.2%
NeoFuse	56.6%	-5.6%	10.6%	38.5%	24.8%	55.6%	68.2%	-13.3%	4.4%
PUF-Based	10.9%	-7.6%	153.8%	25.3%	-13.8%	133.5%	1.7%	213.9%	1676.7%
MTP	10.6%	32.4%	11.0%	21.9%	40.2%	9.3%	3.3%	7.2%	19.2%

	H1 2026					
	Total Revenue		Licensing Revenue		Royalty Revenue	
	% of Revenue	YoY	% of Licensing	YoY	% of Royalty	YoY
NeoBit	20.9%	-3.9%	14.3%	-18.5%	24.8%	2.4%
NeoFuse	58.2%	12.0%	36.8%	37.9%	70.8%	6.0%
PUF-Based	11.6%	285.1%	29.0%	264.6%	1.3%	1317.8%
MTP	9.3%	21.7%	19.9%	19.6%	3.1%	30.4%

- 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)

(Amounts in thousands of NT$)

	Q2 2026			H1 2026	
	% of Royalty	QoQ	YoY	% of Royalty	YoY
8-Inch	37.5%	4.2%	1.2%	35.5%	-8.0%
12-Inch	62.5%	-11.9%	12.3%	64.5%	17.5%

Key Business Developments

Licensing

- Technology License
  - ✓ 20 licensing contracts were signed during this quarter.
  - ✓ As of June 30th, 2026, we have technologies under development for the adoption of 233 different process platforms, ranging from 0.25um to 2nm.

Development of Key Technologies

	2nm	3nm	4/5nm	6/7nm	12/16/ 17nm	22/28 nm	40nm	55/65 nm	80/90 nm	0.11/ 0.13 um	0.15~ 0.18 um	0.25/ 0.28 um	0.3/ 0.35 um	0.4/0.5 um	Total
Qualified	0	2	10	4	16	79	34	69	47	123	282	42	52	12	772
Developing	4	4	2	4	17	46	22	33	26	35	38	2	0	0	233

- Design License
  - ✓ A total of 156 license product tape-outs occurred in the second quarter of 2026.
    - 3 tape-outs at 3nm for CPU, SSD Controller and Others.
    - 1 tape-out at 5nm for CXL.
    - 4 tape-outs at 7nm for ASIC, SSD Controller and Bluetooth IC.
    - 7 tape-outs at 12nm/14nm/16nm for DDI, SoC, Ethernet IC, ISP, SSD Controller and Others.
    - 20 tape-outs at 22nm/28nm for DDI, PMIC/PMU, ASIC, SoC, CIS, Ethernet IC, Bluetooth IC, ISP, MPU, T-Con and Others.
    - 8 tape-outs at 40nm for DDI, TDDI, MCU, Embedded Controller and Others.
    - 24 tape-outs at 55nm/65nm for DDI, TDDI, ASIC, MCU, CIS, Bluetooth IC, Touch Controller and Audio IC.
    - 13 tape-outs at 80nm/90nm for DDI, PMIC/PMU, TDDI, ASIC and Oscillator.
    - 23 tape-outs at 0.13um for DDI, PMIC/PMU, TDDI, Sensor IC, ASIC, Controller, Fingerprint Controller and Others.
    - 50 tape-outs at 0.18um for DDI, PMIC/PMU, TDDI, Sensor IC, ASIC, MCU, CIS, Controller, Motor Driver IC, Clock, LED Controller, USB Device Controller and Others.
    - 3 tape-outs at 0.25um for Sensor IC.
  - ✓ As of June 30th, 2026, eMemory's cumulative number of design licenses has increased to 8,726—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 will continue its strong momentum due to robust demand for our technologies from leading edge to legacy process node, security, and next-generation Flash technologies.

Royalty Growth

Royalty Revenue growth is expected to accelerate, driven by higher ASPs from new advanced-node applications, new application ramps, expanding PUF royalty contributions, and a growing mix of higher-royalty rate MTP related applications.

New IP Technologies

1. **Advanced-Node OTP and PUF-based Hardware Security:** Continuing to develop and qualify next-generation OTP and PUF-based hardware security solutions for 2nm GAA and sub-2nm nodes, meeting growing customer demand in device identity, key protection, Secure Boot, and hardware Root of Trust.

2. **Next-Generation 1T Flash:** Our 1T NeoFlash technology is advancing across embedded and standalone applications. Its logic-process-compatible architecture offers greater scalability, lower process complexity, and better cost efficiency.

<u>Business Development Platforms</u>

1. **Chiplet Security Platform:** We continue to work with ecosystem partners on an end-to-end security framework for Chiplet-based systems—covering supply-chain traceability, identity and authentication, secure provisioning, die-to-die communication, key management, and hardware Root of Trust—addressing the increasingly complex security challenges of AI, advanced packaging, and heterogeneous integration amid today's geopolitical environment.
2. **Data Center Security and Caliptra Platform:** Targeting data centers and AI servers, we continue to upsell—expanding PUFrt from a hardware Root of Trust solution into a Caliptra-compatible Security Subsystem and integration services that reduce integration complexity and accelerate customer deployment.
3. **AI Compute and Root of Trust Platform:** We are extending collaboration across CPU, AI accelerator, and AI ASIC ecosystems to integrate chip-level Root of Trust, Secure Boot, device identity, and secure key protection into next-generation AI computing platforms—strengthening trust and security from silicon to system.
4. **HSM Edge Server and SECaaS Platform:** The PUF-based HSM Edge Server combines device identity, key and certificate management, secure OTA updates, signature verification, privacy protection, and Post-Quantum Cryptography migration. Early opportunities are progressing in automotive OTA, PKI, and HSM integration, with potential to expand into industrial control, Edge AI, smart devices, medical, and data centers.
5. **Post-Quantum Security Platform:** We continue to strengthen our PUF-PQC portfolio with attack-resistant hardware security, including side-channel protection, to support the transition to post-quantum security standards.

Financial Review

<u>Gross margin</u>

The gross margin remained at 100%.

<u>Operating expenses</u>

The total operating expenses in Q2 2026 were NT$ 430.52 million and represented 39.3% of the total revenue. The operating expenses were down 0.3% QoQ but up 10.2% YoY.

<u>Non-operating items and income tax expense</u>

- Non-operating gain for the quarter was NT$ 25.38 million, mainly due to a foreign exchange gain of NT$ 0.51 million and interest income of NT$ 15.75 million.
- H1 2026 effective tax rate was 12.7%.

<u>Net Income and EPS</u>

- Net income attributable to shareholders of the company for the quarter was NT$ 579.79 million, a decrease of 2.8% sequentially but an increase of 44.9% year-over-year.
- Earnings per share was NT$ 7.77 in Q2 2026.

Current assets and current liabilities

- As of June 30^{th}, 2026, cash increased by NT$ 1,218.86 million from December 31^{st}, 2025, to NT$ 4,750.92 million.
- Total current assets including cash totaled NT$ 5,229.76 million, with an increase of NT$ 1,428.54 million from December 31^{st}, 2025.
- Total current liabilities increased by NT$ 1,802.20 million from December 31^{st}, 2025, to NT$ 2,682.12 million.
- The net working capital was NT$ 2,547.64 million and the current ratio was 1.9x.

Cash flows

- As of June 30th, 2026, net cash generated from operating activities totaled NT$ 1,376.57 million, including NT$ 1,386.94 million from income before income tax, NT$ 92.57 million from depreciation and amortization, and NT$ 102.94 million used in other operating activities.
- Net cash used in investing activities was NT$ 158.53 million in H1 2026.
- Net cash used in financing activities was NT$ 1.00 million in H1 2026.
- As a result, total cash increased from NT$ 3,532.06 million to NT$ 4,750.92 million from December 31^{st}, 2025, to June 30^{th}, 2026.

Employee

- As of June 30^{th}, 2026, eMemory has 339 full-time employees, including 247 R&D engineers, representing 72.9% 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)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash	$4,750,919	76	$3,532,058	74	$4,285,466	78
Accounts receivable – net	439,726	7	238,942	5	246,658	5
Receivables from related parties	-	-	5,375	-	-	-
Other receivables	9,133	-	999	-	2,606	-
Current tax assets	3,595	-	811	-	3,125	-
Prepayments	19,637	1	16,051	1	22,023	-
Other current assets	6,753	-	6,983	-	6,635	-
Total current assets	5,229,763	84	3,801,219	80	4,566,513	83
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent	1,240	-	1,215	-	2,687	-
Financial assets at amortized cost - noncurrent	122	-	122	-	120	-
Investment accounted for using the equity method	4,642	-	5,721	-	6,526	-
Property, plant and equipment	472,148	8	492,565	10	484,144	9
Right-of-use assets	11,712	-	7,390	-	8,826	-
Intangible assets	125,757	2	83,798	2	126,758	2
Deferred tax assets	2,979	-	3,898	-	5,765	-
Prepayments for equipment	397,571	6	363,000	8	293,996	6
Refundable deposits	1,921	-	1,642	-	1,610	-
Total non-current assets	1,018,092	16	959,351	20	930,432	17
TOTAL	$6,247,855	100	$4,760,570	100	$5,496,945	100

	June 30, 2026		December 31, 2025		June 30, 2025	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term loans	$ -	-	$ -	-	$ 20,000	-
Contract liabilities - current	128,926	2	$ 74,193	2	100,526	2
Other payables	294,234	5	220,494	5	192,871	4
Other payables - related parties	145	-	170	-	80	-
Bonuses payable to employees and directors	500,032	8	455,623	10	539,553	10
Payables on equipment	347	-	12,524	-	7,758	-
Dividends payable	1,531,073	24	-	-	1,642,608	30
Current tax liabilities	219,793	4	104,292	2	179,144	3
Lease liabilities - current	5,097	-	3,429	-	4,158	-
Other current liabilities	2,476	-	9,197	-	2,091	-
Total current liabilities	2,682,123	43	879,922	19	2,688,789	49
NON-CURRENT LIABILITIES						
Deferred tax liabilities	997	-	1,073	-	-	-
Lease liabilities – noncurrent	7,112	-	4,097	-	4,943	-
Net defined benefit liabilities - noncurrent	3,737	-	4,084	-	6,463	-
Guarantee deposits received	10	-	20	-	20	-
Total non-current liabilities	11,856	-	9,274	-	11,426	-
Total liabilities	2,693,979	43	889,196	19	2,700,215	49
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY						
Ordinary shares	746,865	12	746,865	16	746,738	14
Capital surplus	133,213	2	132,279	3	127,075	2
Retained earnings						
Legal reserve	1,137,211	18	945,823	20	945,823	17
Special reserve	9,639	-	5,728	-	5,728	-
Unappropriated earnings	1,470,479	24	2,020,810	42	968,627	18
Total retained earnings	2,617,329	42	2,972,361	62	1,920,178	35
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	(154)	-	(255)	-	(628)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(9,360)	-	(9,385)	-	(7,913)	-
Total other equity	(9,514)	-	(9,640)	-	(8,541)	-
Total equity attributable to shareholders of the Company	3,487,893	56	3,841,865	81	2,785,450	51
NON-CONTROLLING INTERESTS	65,983	1	29,509	-	11,280	-
Total equity	3,553,876	57	3,871,374	81	2,796,730	51
TOTAL	$6,247,855	100	$4,760,570	100	$5,496,945	100

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			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	$1,096,627	100	$ 936,535	100	$ 2,190,620	100	$ 1,848,269	100
OPERATING COSTS	-	-	-	-	-	-	-	-
GROSS PROFIT	1,096,627	100	936,535	100	2,190,620	100	1,848,269	100
OPERATING EXPENSES								
Selling and marketing expenses	60,750	6	58,798	6	119,934	5	122,736	6
General and administrative expenses	82,542	7	80,692	9	165,073	7	163,601	9
Research and development expenses	275,661	25	251,794	27	559,654	26	494,687	27
Expected credit (reversal) loss	11,567	1	(640)	-	17,475	1	(993)	-
Total operating expenses	430,520	39	390,644	42	862,136	39	780,031	42
OPERATING INCOME	666,107	61	545,891	58	1,328,484	61	1,068,238	58
NON-OPERATING INCOME AND EXPENSES								
Interest income	15,753	1	16,012	2	29,045	1	32,143	1
Other income	177	-	308	-	363	-	607	-
Other gains and losses	9,943	1	(88,743)	(10)	30,621	1	(76,104)	(4)
Finance costs	(152)	-	(108)	-	(322)	-	(237)	-
Share of loss of associates	(341)	-	(1,072)	-	(1,253)	-	(2,433)	-
Total non-operating income and expenses	25,380	2	(73,603)	(8)	58,454	2	(46,024)	(3)
PROFIT BEFORE INCOME TAX	691,487	63	472,288	50	1,386,938	63	1,022,214	55
INCOME TAX EXPENSE	96,330	9	74,398	8	176,030	8	170,373	9
NET PROFIT	595,157	54	397,890	42	1,210,908	55	851,841	46

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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			
	2026		2025		2026		2025	
	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	$ 7	-	($ 1,467)	-	$ 25	-	($ 1,933)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	(90)	-	(1,874)	-	218	-	(1,322)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(6)	-	149	-	(17)	-	138	-
Other comprehensive (loss) income	(89)	-	(3,192)	-	226	-	(3,117)	-
TOTAL COMPREHENSIVE INCOME	$ 595,068	54	$ 394,698	42	$1,211,134	55	$ 848,724	46
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	$ 579,791	53	$ 399,995	42	$1,176,041	54	$ 861,701	47
Non-controlling interests	15,366	1	(2,105)	-	34,867	1	(9,860)	(1)
	$ 595,157	54	$ 397,890	42	$1,210,908	55	$ 851,841	46
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the Company	$ 579,684	53	$ 397,163	42	$1,176,167	54	$ 858,889	47
Non-controlling interests	15,384	1	(2,465)	-	34,967	1	(10,165)	(1)
	$ 595,068	54	$ 394,698	42	$1,211,134	55	$ 848,724	46
EARNINGS PER SHARE								
Basic	$ 7.77		$ 5.36		$ 15.75		$ 11.54	
Diluted	$ 7.75		$ 5.35		$ 15.72		$ 11.52	

(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				
	Ordinary Shares			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(Loss)			Statements
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total			Total	Non-Controlling Interests	Total Equity
BALANCE, ON 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, ON JUNE 30, 2025	74,674	$ 746,738	$ 127,075	$ 945,823	$ 5,728	$ 968,627	$ 1,920,178	($ 628)	($ 7,913)	$ 2,785,450	$ 11,280	$ 2,796,730
BALANCE, ON 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
Appropriation of 2025 earnings												
Legal reserve	-	-	-	191,388	-	(191,388)	-	-	-	-	-	-
Special reserve	-	-	-	-	3,911	(3,911)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,531,073)	(1,531,073)	-	-	(1,531,073)	-	(1,531,073)
Changes in percentage of ownership interests in subsidiaries	-	-	743	-	-	-	-	-	-	743	(743)	-
Change in capital surplus from investments in associates accounted for using the equity method	-	-	191	-	-	-	-	-	-	191	-	191
Net profit for the six months ended June 30, 2026	-	-	-	-	-	1,176,041	1,176,041	-	-	1,176,041	34,867	1,210,908
Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	-	-	101	25	126	100	226
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	1,176,041	1,176,041	101	25	1,176,167	34,967	1,211,134
Issuance of ordinary shares under employee share options	-	-	-	-	-	-	-	-	-	-	1,639	1,639
Share-based payments	-	-	-	-	-	-	-	-	-	-	611	611
BALANCE, ON JUNE 30, 2026	74,687	$ 746,865	$ 133,213	$ 1,137,211	$ 9,639	$ 1,470,479	$ 2,617,329	($ 154)	($ 9,360)	$ 3,487,893	$ 65,983	$ 3,553,876

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EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

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

	Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,386,938	$ 1,022,214
Adjustments for:		
Depreciation expenses	30,581	26,872
Amortization expenses	61,987	58,997
Expected credit loss (reversal)	17,475	(993)
Finance costs	322	237
Interest income	(29,045)	(32,143)
Share-based payments	611	1,167
Share of loss of associates	1,253	2,433
Loss on disposal of intangible assets	92	-
Net (gain) loss on foreign currency exchange	(6,887)	36,919
Changes in operating assets and liabilities		
Accounts receivable	(212,877)	38,732
Accounts receivable - related parties	5,337	-
Other receivable	(7,354)	(300)
Prepayments	(3,586)	(2,939)
Other current assets	230	(364)
Contract liabilities	54,733	27,103
Other payables	73,645	(24,997)
Other payables- related parties	(25)	25
Other current liabilities	(6,721)	52
Net defined benefit liabilities	(347)	(354)
Bonuses payable to employees and directors	44,409	110,269
Cash generated from operations	1,410,771	1,262,930
Interest received	28,411	31,352
Income tax paid	(62,616)	(121,063)
Net cash generated from operating activities	1,376,566	1,173,219

(Continued)

EMEMORY TECHNOLOGY INC. AND SUBSIDIARIES

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

	Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	($ 19,644)	($ 23,405)
Increase in refundable deposits	(279)	-
Decrease in refundable deposits	-	70
Acquisition of intangible assets	(104,038)	(102,866)
Increase in prepayments for equipment	(34,571)	(69,282)
Net cash used in investing activities	(158,532)	(195,483)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	20,000
Increase in deposits received	-	10
Decrease in deposits received	(10)	-
Repayment of the principal portion of lease liabilities	(2,309)	(2,726)
Exercise of employee share options	1,639	4,628
Interest paid	(322)	(232)
Net cash (used in) generated from financing activities	(1,002)	21,680
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	1,829	(21,699)
NET INCREASE IN CASH	1,218,861	977,717
CASH AT THE BEGINNING OF THE PERIOD	3,532,058	3,307,749
CASH AT THE END OF THE PERIOD	$ 4,750,919	$ 4,285,466

(Concluded)