

The background of the slide is filled with a pattern of white, 3D-outlined cubes. These cubes are arranged in a way that creates a sense of depth and perspective, with some cubes appearing closer and larger, while others are further away and smaller. The cubes are scattered across the entire slide, creating a textured, architectural feel.

ememory

A Leading Logic NVM Company

Li-Jeng Chen

May 12, 2014

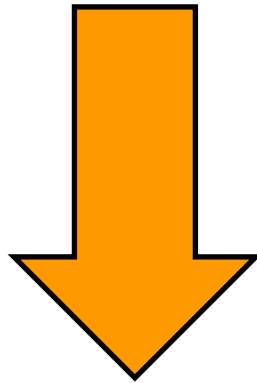
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What's Logic Non-Volatile Memory (NVM)

Embedded NVM = LOGIC + 10 Masks

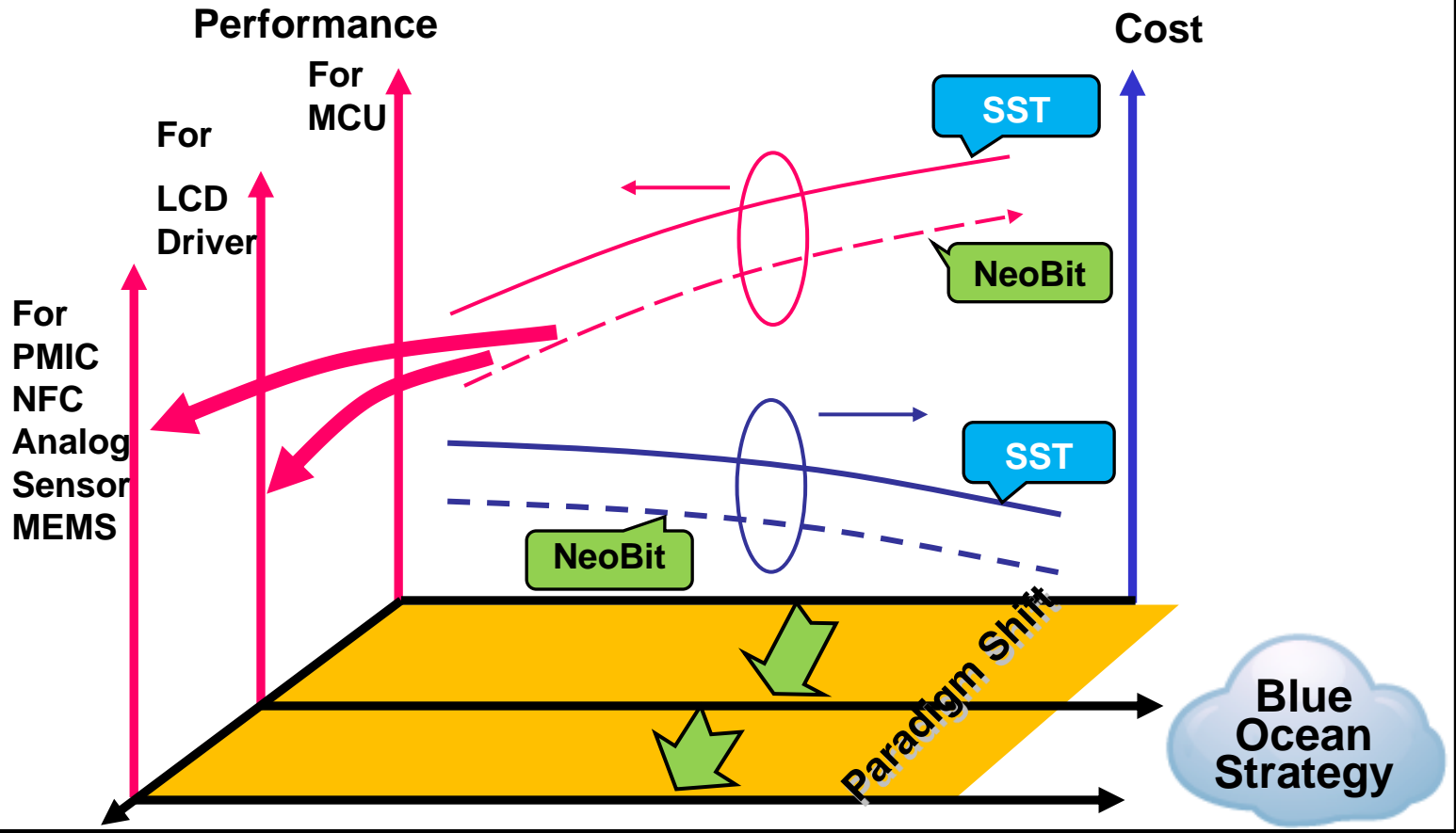


*30% more
cost reduction*

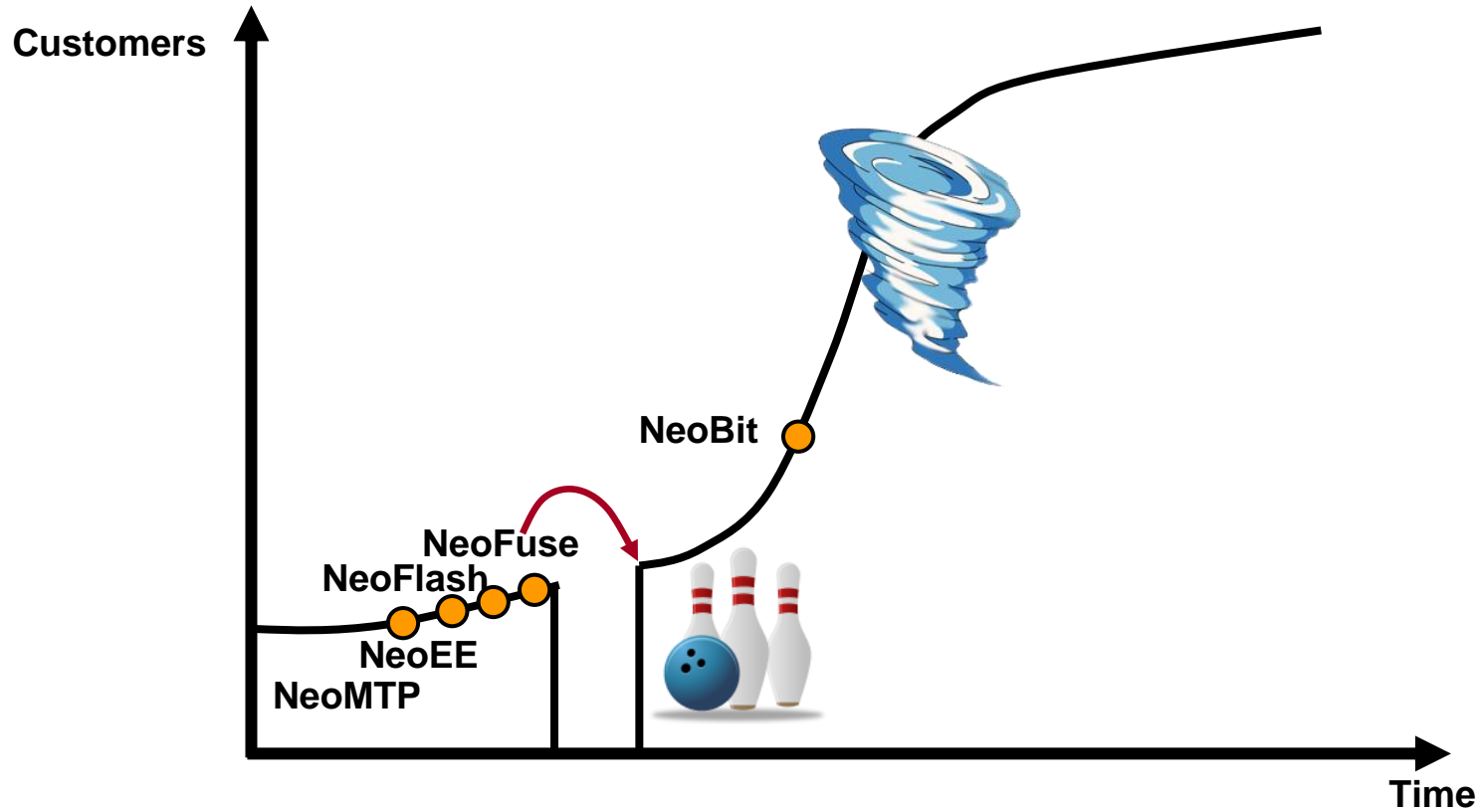
Embedded LOGIC NVM = LOGIC

What We Have Done

● *Innovation, Innovation, and Innovation !*



Crossing the Chasm



Our Position

- Global leader of logic non-volatile memory (NVM) Technology
- Received TSMC's best IP partner award for 4 consecutive years (2009-2013), on par with ARM and Synopsys
- Innovative business model leads to high profit margin
 - Upfront license fee + Running royalties



- Over 2500 technology & design licenses
 - Growing by 400+ every year
- 700+ potential royalty payers
- Industry's largest talent pool
 - More than 70% of employees on R&D teams

Unique Business Model

No capex needed to drive organic growth

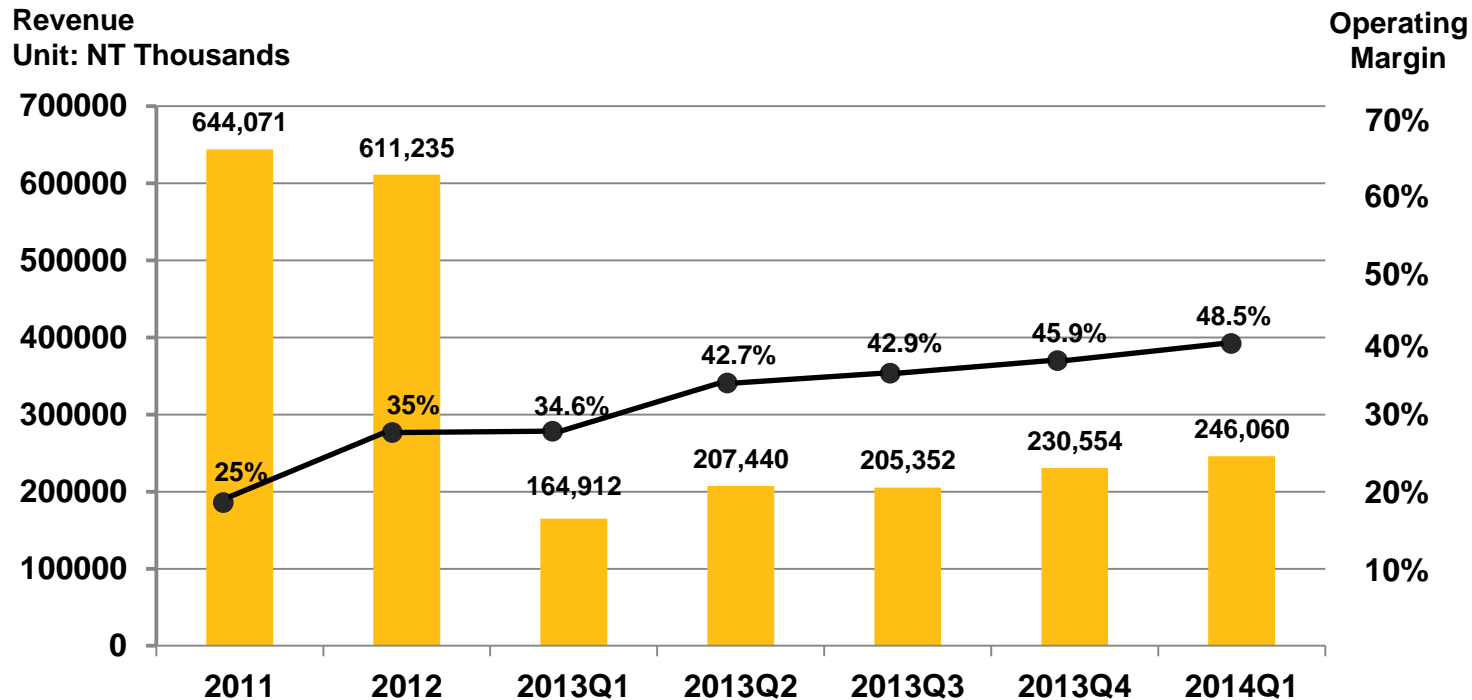
- Only investment is R&D personnel. Dedicated team moves from fab to fab to finish process development and qualification. All costs (mask, QD) incurred are absorbed by foundry.

Competitive upfront fee structure and accumulated royalty backlog, hard for new comer to catch up

Able to enter the right technology node at the right time to maximize ROI.

Returns 100% cash to shareholder

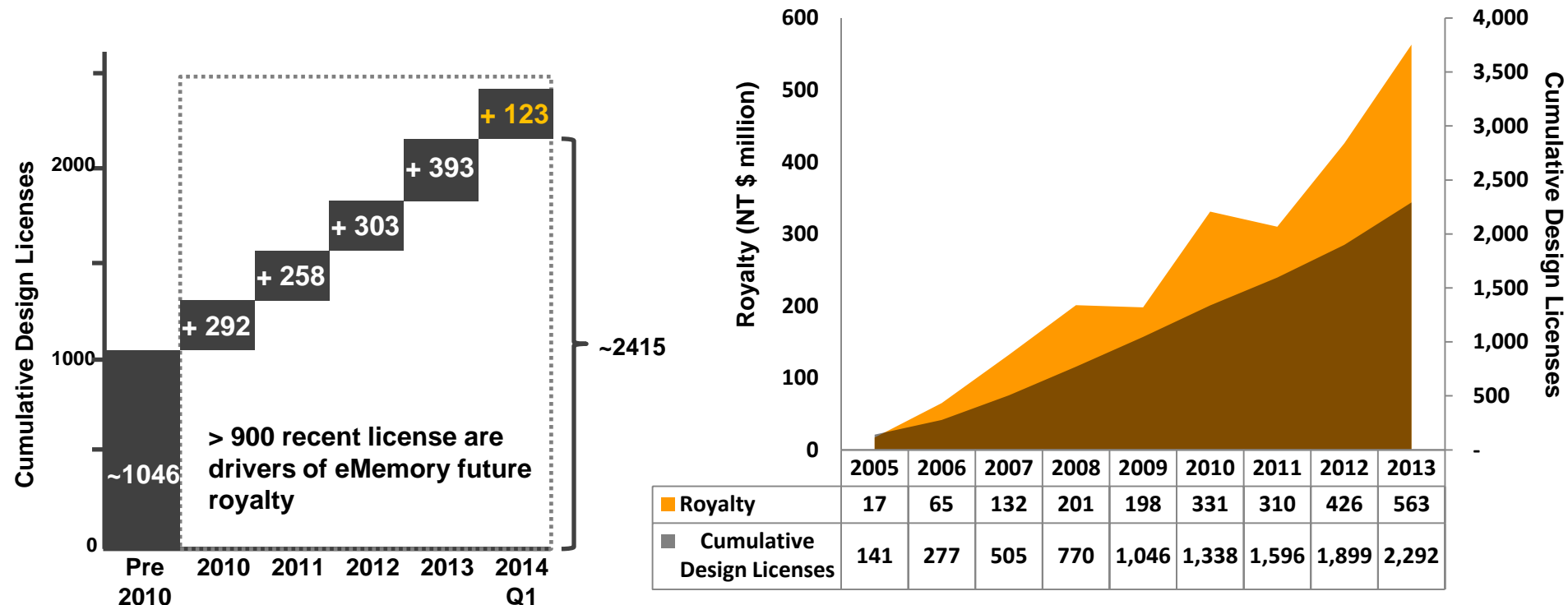
High Operating Leverage



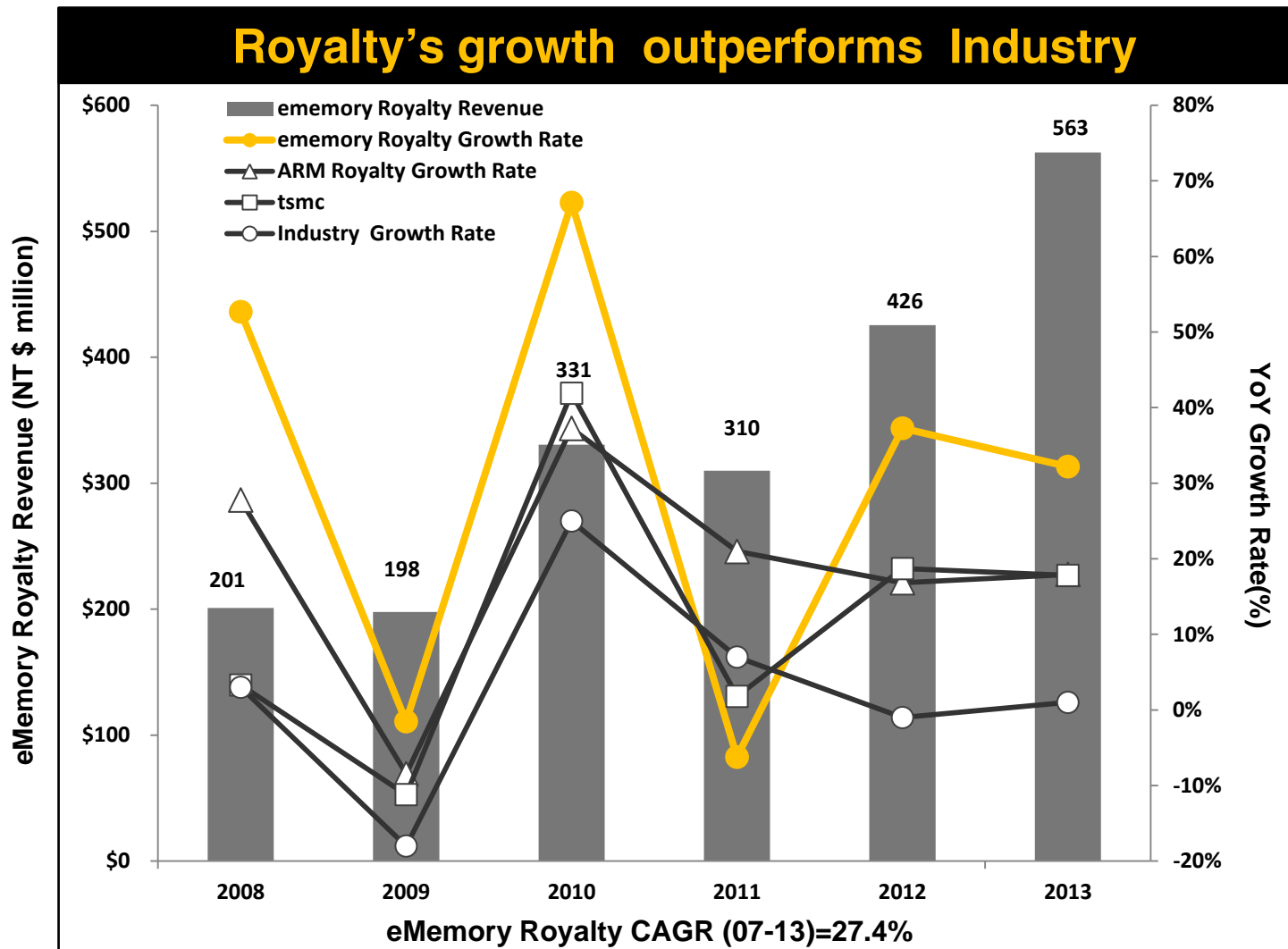
- Upfront fee (Licensing) covers most of operating expense.
- Royalty payments contribute to bottom line earnings.
- 2013 revenue grows 32.23%(YoY), ESP up 80% (YoY)
- 2014Q1 revenue grows 49.21%(YoY), EPS up 108.57% (YoY)

Licensing Drives Future Royalties

- 20 technology and 393 design licenses were signed in 2013
- 5 technology and 123 design licenses were signed in 2014Q1
- Current royalty revenues are derived from design licenses signed many years ago
- Growing license base leads to royalty revenues over long period



eMemory Outperforms Industry



Increasing penetration rate

We believe TAM is equal to total world-wide foundry capacity.

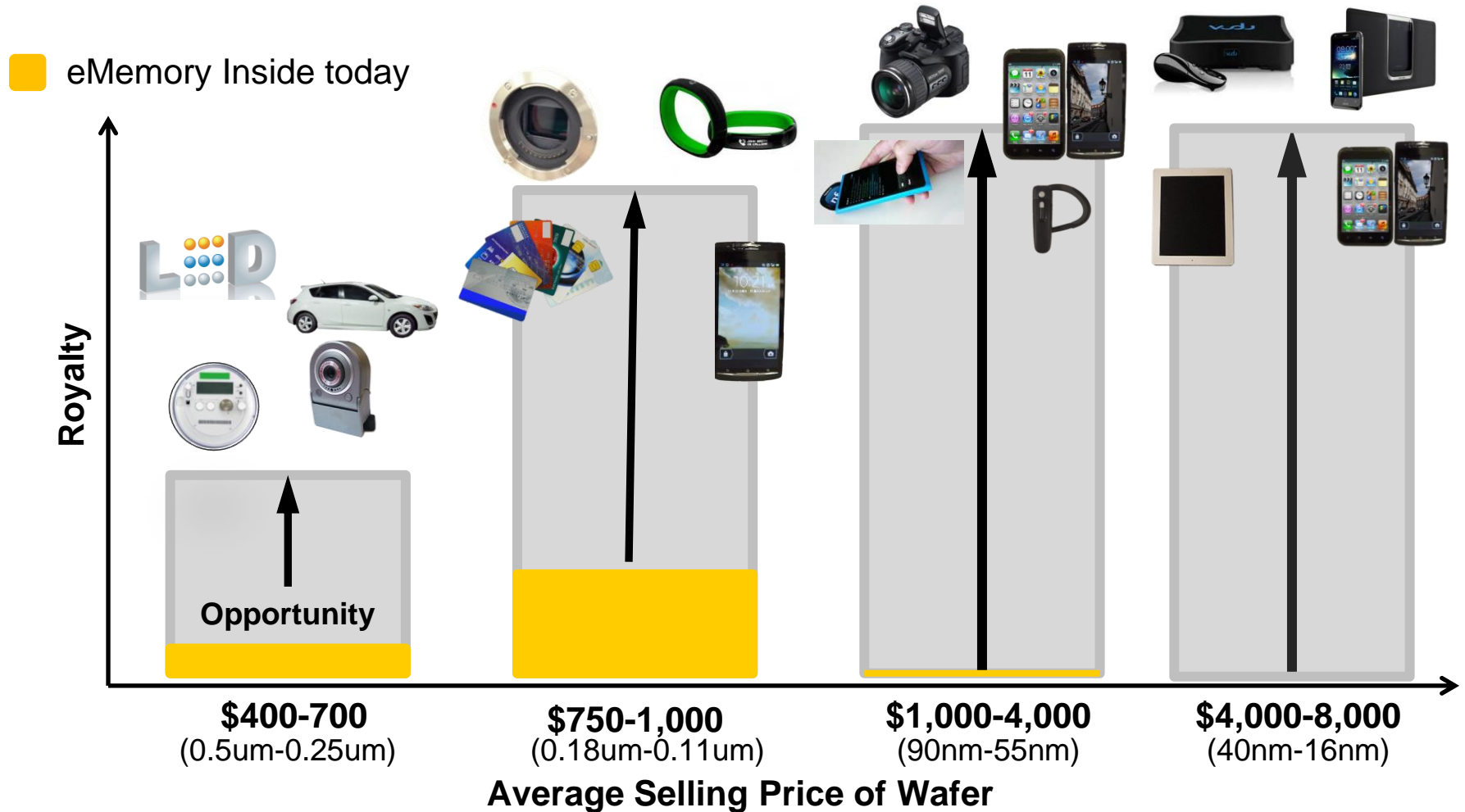
In 2013, the numbers of wafers embedded with eMemory IP totaled 2.2 mil. Total world wide foundry capacity is 43 mil 8" equiv. wafers. Our current penetration share is only around 5%.

TSMC was the main driving force for the last 3 yrs. Our penetration rate in TSMC increased from 3% in 2010 Q4 to 10% in 2013 Q4, and quarterly royalty revenue from TSMC increased 385% accordingly.

Apple products related chip suppliers' contribution went from less than 15% of total royalty payments in 2013 to 25% in Q1 2014 . Expect the number to further increase in H2 of 2014.

Penetrates into PMIC chip suppliers among Chinese smart phone vendors (used to dominate mainly on DDI chip solution) .

Opportunity at all Price Points



Applications with eMemory IP

12"

8"

16/20nm

28nm

40nm

55/65nm

80/90nm

110/130nm

160/180nm

250nm

350nm

NeoBit

NeoFuse

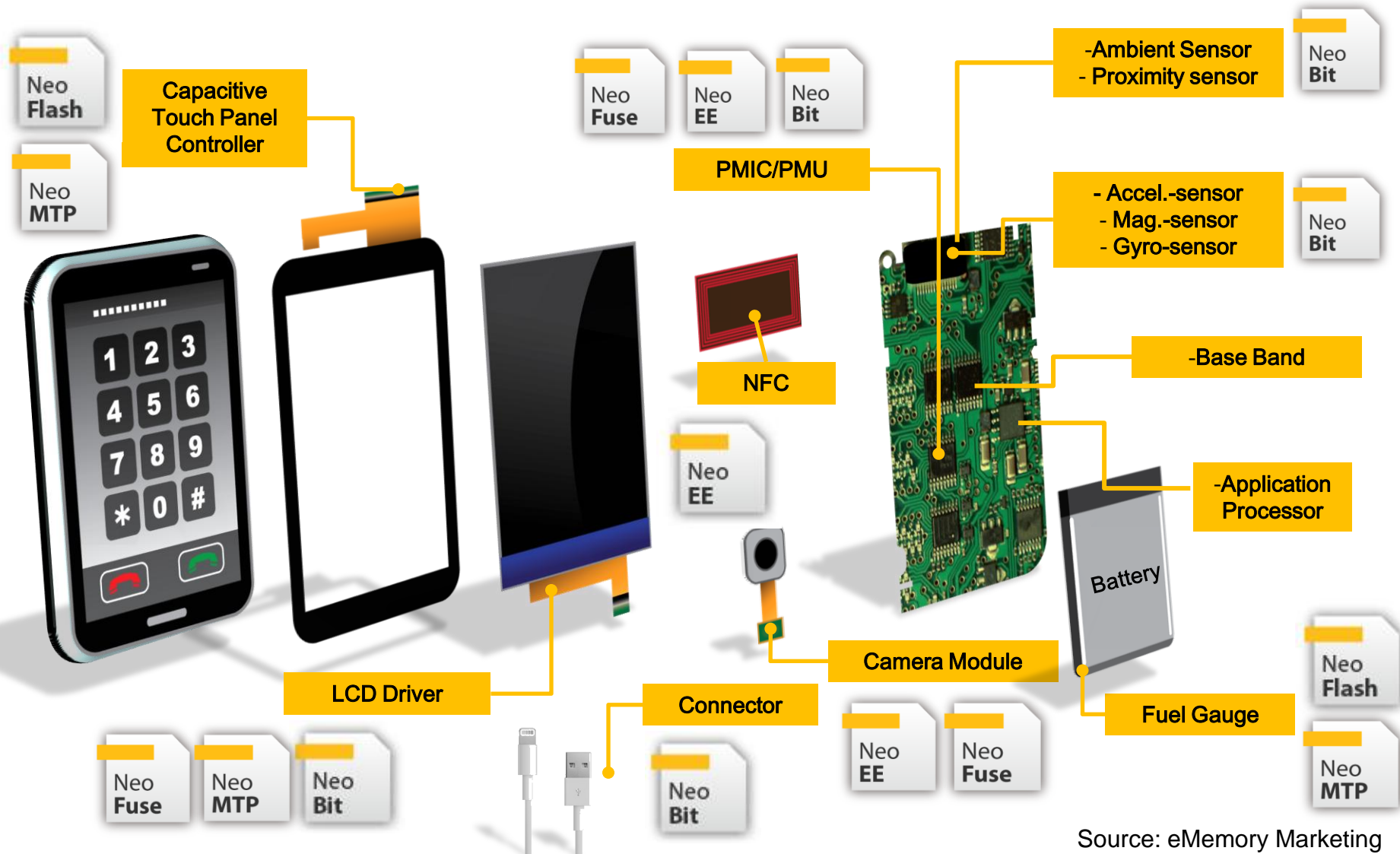
NeoFlash

NeoEE

NeoMTP

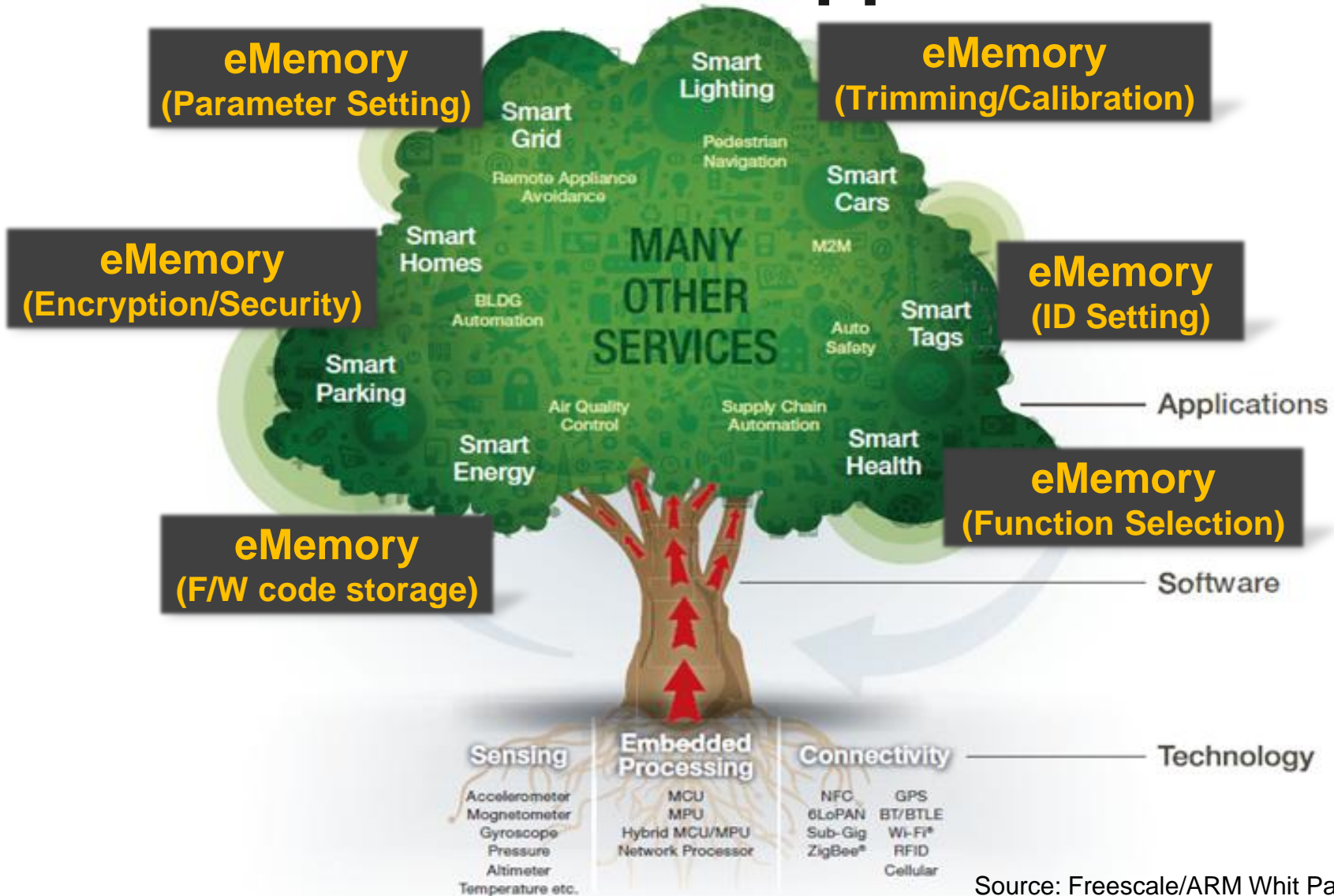


eMemory IP in Smart Phone



Source: eMemory Marketing

MCU & NVM in IoT Applications

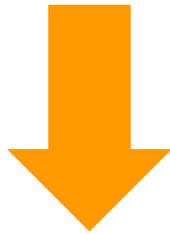


Source: Freescale/ARM Whit Paper 2013

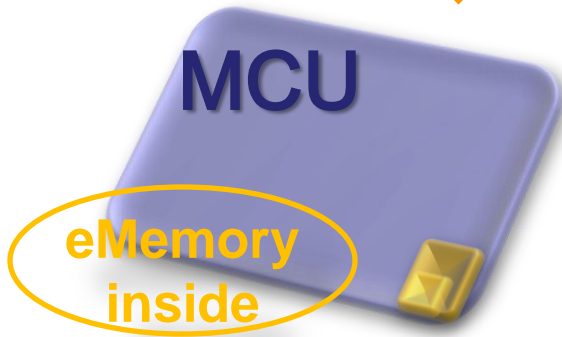
Replacement of Embedded Flash for Competitiveness Improvement



product design & manufacturing by
embedded Flash
Logic Process + 10 Masks



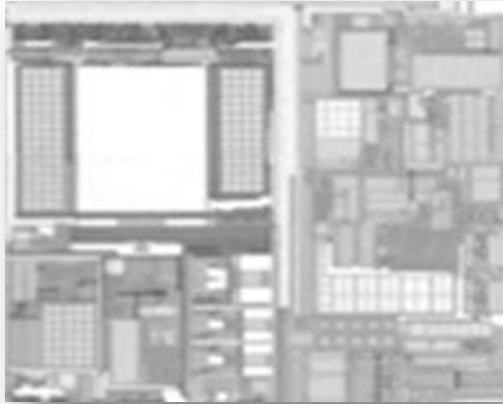
**30% more
cost reduction** ⎵ *wafer cost &
testing time*



product design & manufacturing by
Embedded Logic NVM (OTP/MTP)
Logic Process

Security & Protection

Authorized Product



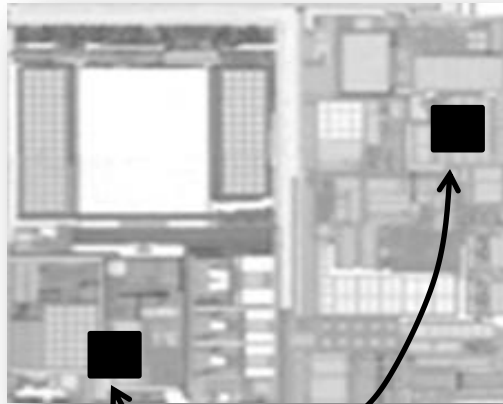
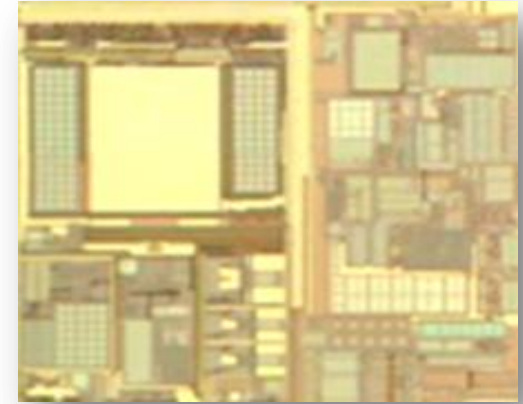
reverse
copy

re-produce



without protection

Fake Product

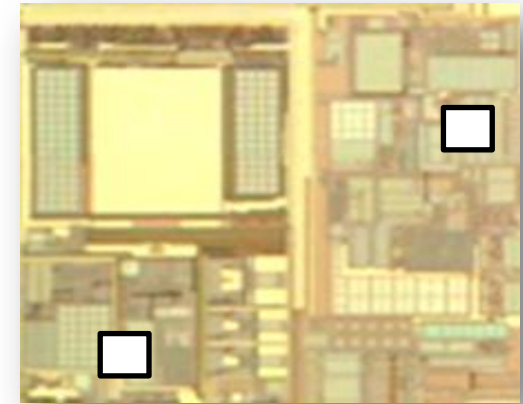


reverse
copy

re-produce



with protection



**Security IP/Code by
Authorized Use**

**Can NOT Work w/o
Security IP/Code**

Future Prospect

over 30% CAGR for the next 5 yrs

Key growth drivers:

Growth in value per mobile devices

- More chip applications per smartphone/tablet product

Growth into more markets

- From consumer electronics and mobile devices to wearable devices
- Adding new NVM product lines further enable more product applications

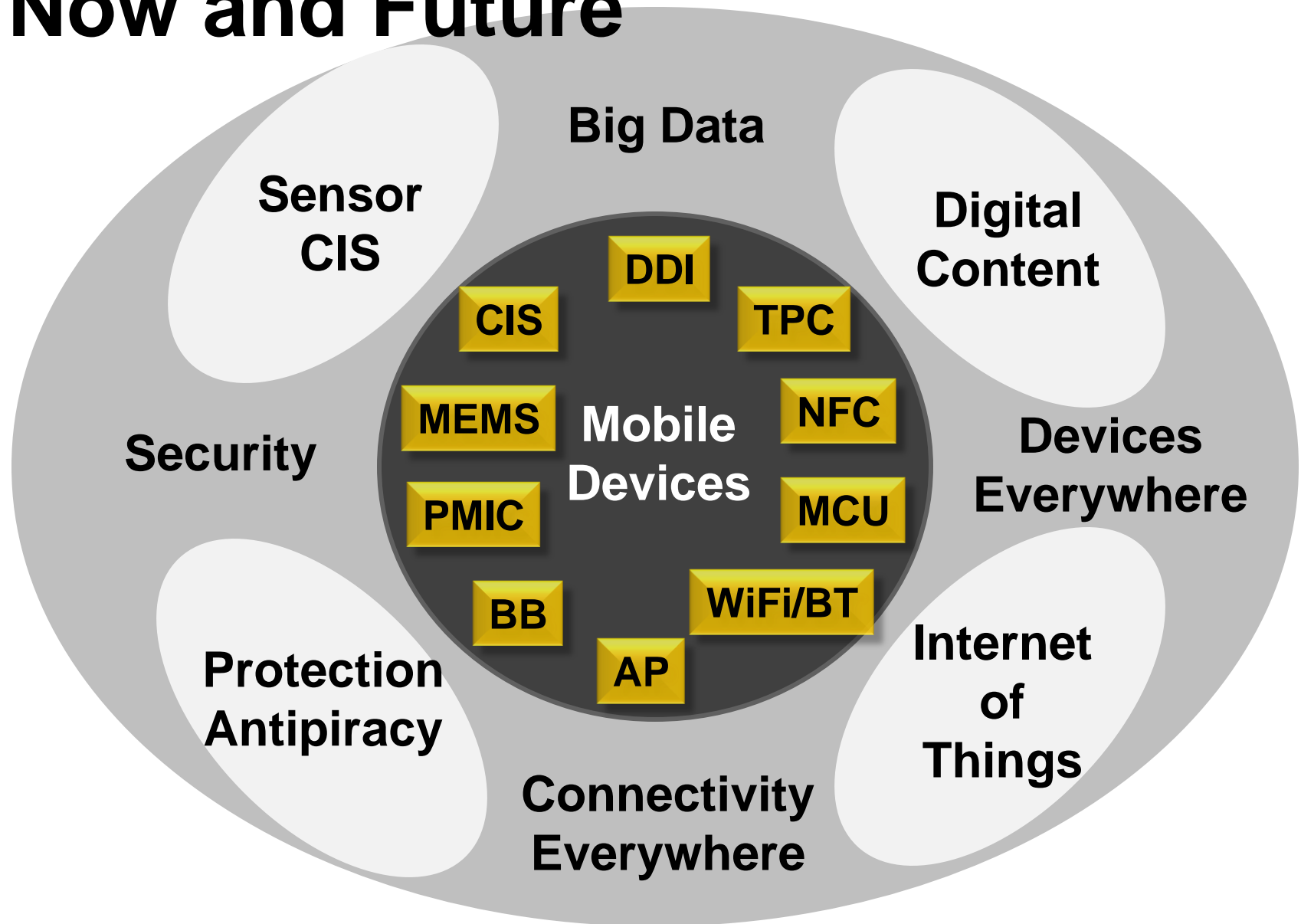
Growth in more advanced technology

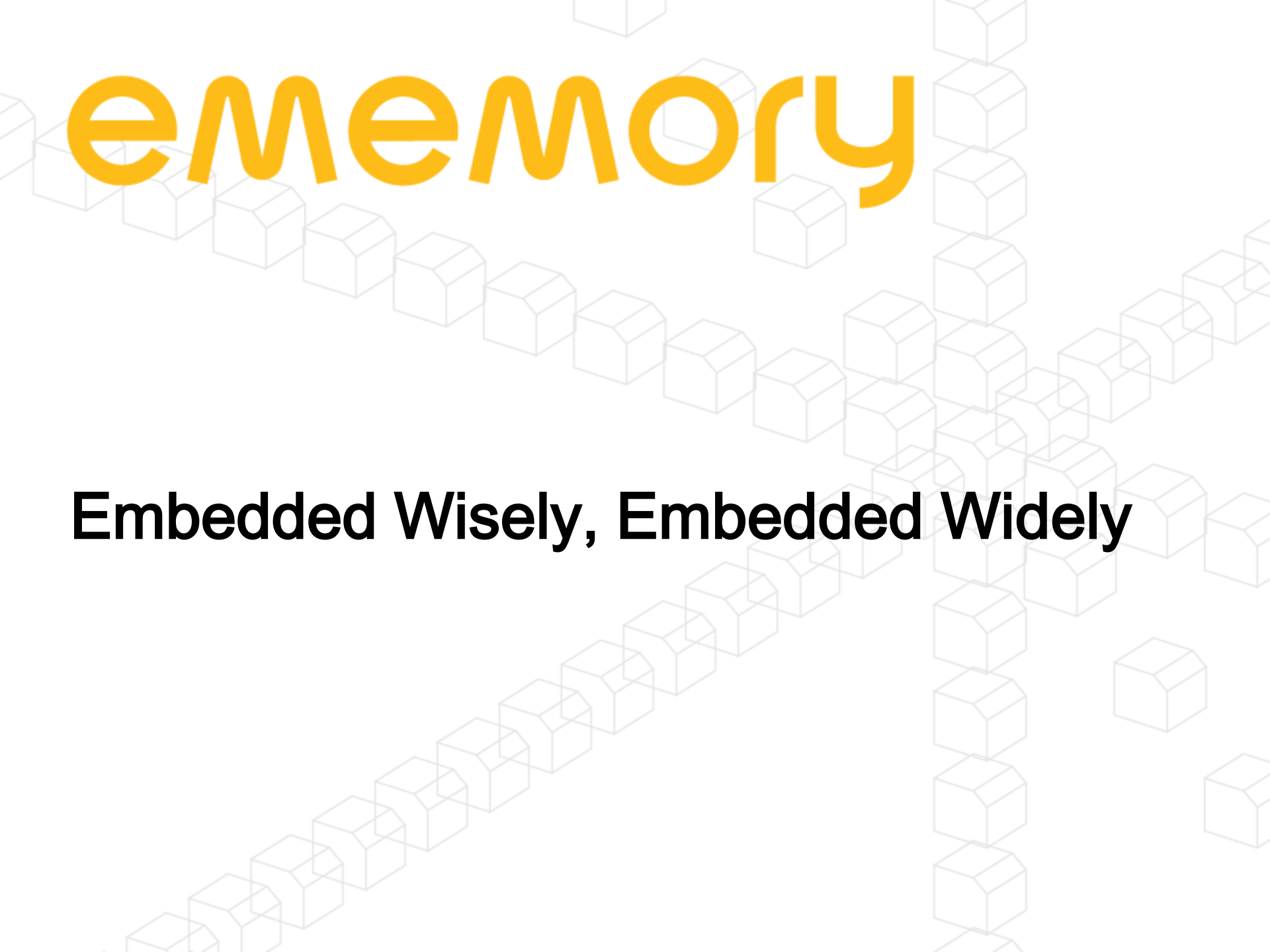
- Higher royalty per wafer is contributed from more advanced technology nodes.

IOT great era

- Embedded Logic NVM will be a must.

Now and Future





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Embedded Wisely, Embedded Widely