

The background of the slide is a light gray color with a pattern of white 3D cubes. The cubes are arranged in a way that creates a sense of depth and movement, with some cubes appearing to be in the foreground and others receding into the background. The cubes are scattered across the entire slide, with a higher density in the lower right quadrant.

emory

2015 Q3 Investor Conference

Nov. 13th, 2015

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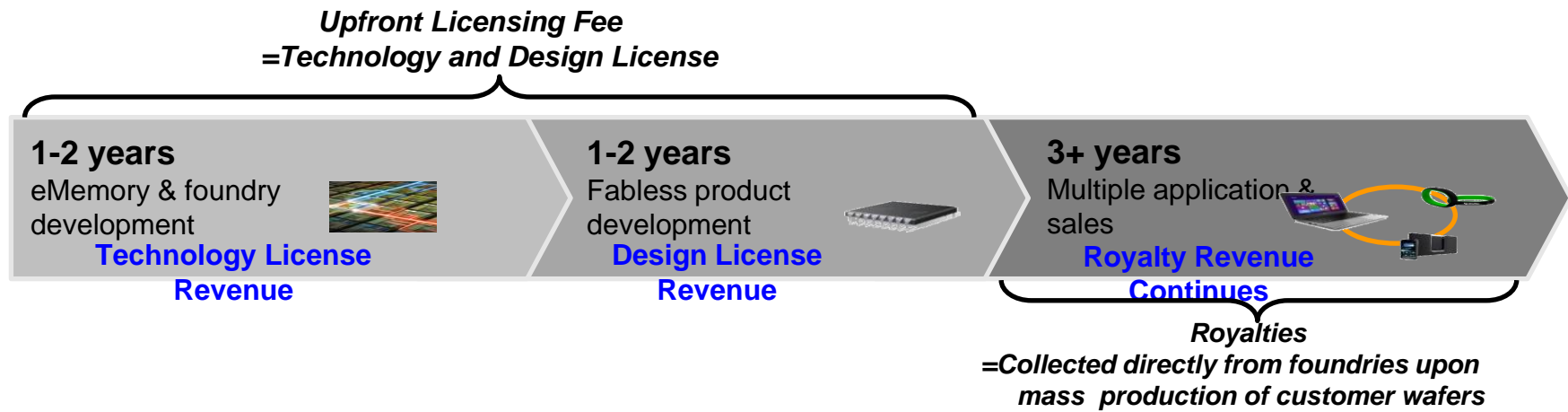
This presentation contains forward-looking statements, which are subject to risk factors associated with semiconductor and intellectual property business. It is believed that the expectations reflected in these statements are reasonable. But they may be affected by a variety of variables, many of which 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 of 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. Except as 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.

Outline

- **Business Model**
- **Review of Operations for Q315**
- **Growth Opportunity and Future Outlook**
- **Q & A**

Business Model

- Founded in 2000. First customer engaged in 2002. Achieved profitability in 2005 and IPO in 2011. The largest logic non-volatile memory IP company, 224 employees (155 R&D)*.
- Since its IPO, the company initiated no new fund raising or bank debt, and has distributed in excess of 100% of earnings in cash dividends.
- **Growth Indices:** 1) No. of ongoing technology platforms
2) No. of design licenses
3) Royalty



Note*: As of Oct. 31th, 2015

Worldwide Customers



Foundry



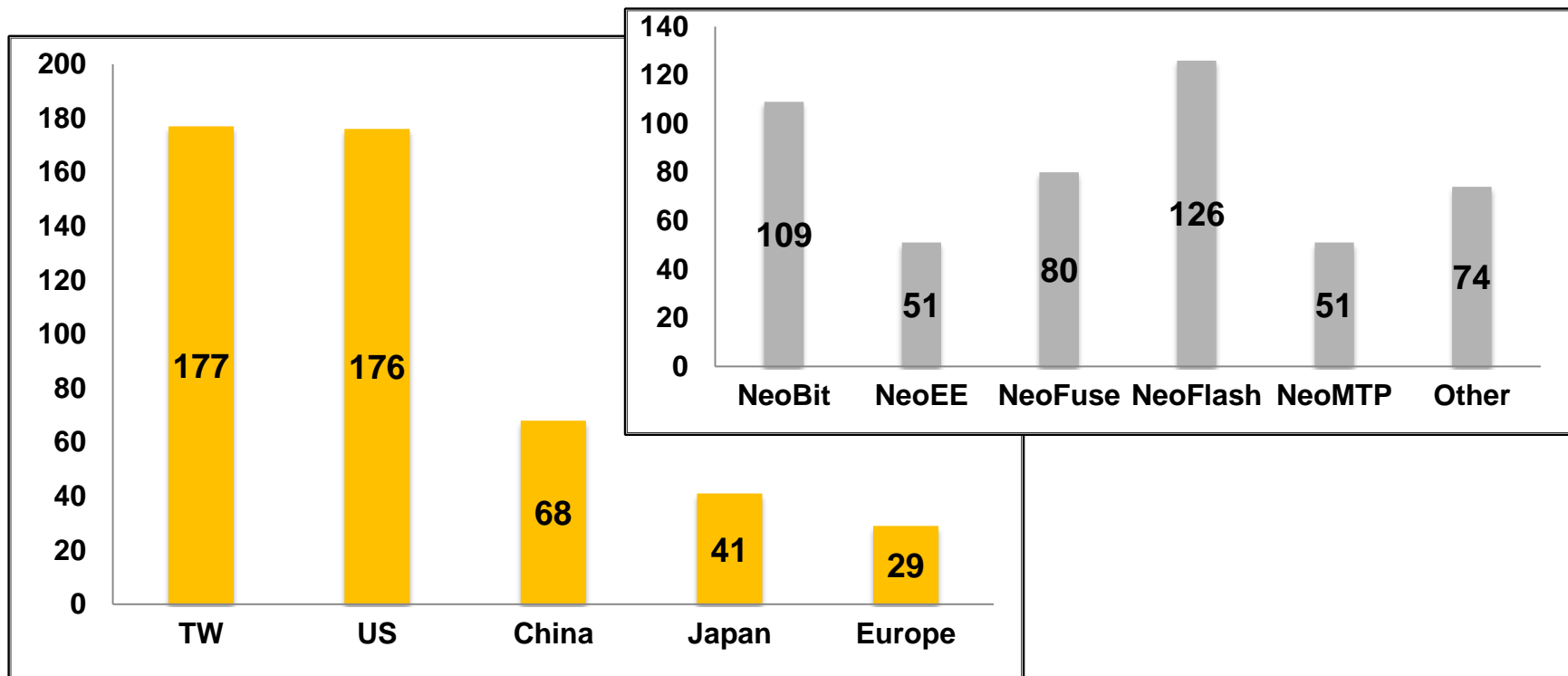
IDM



	Taiwan	China	Korea	Japan	North America	Europe	Others
Foundry	5	7	3	2	1	1	1
IDM	0	0	0	8	2	1	0
Fabless	237	351	51	36	181	94	40

Patent Portfolio

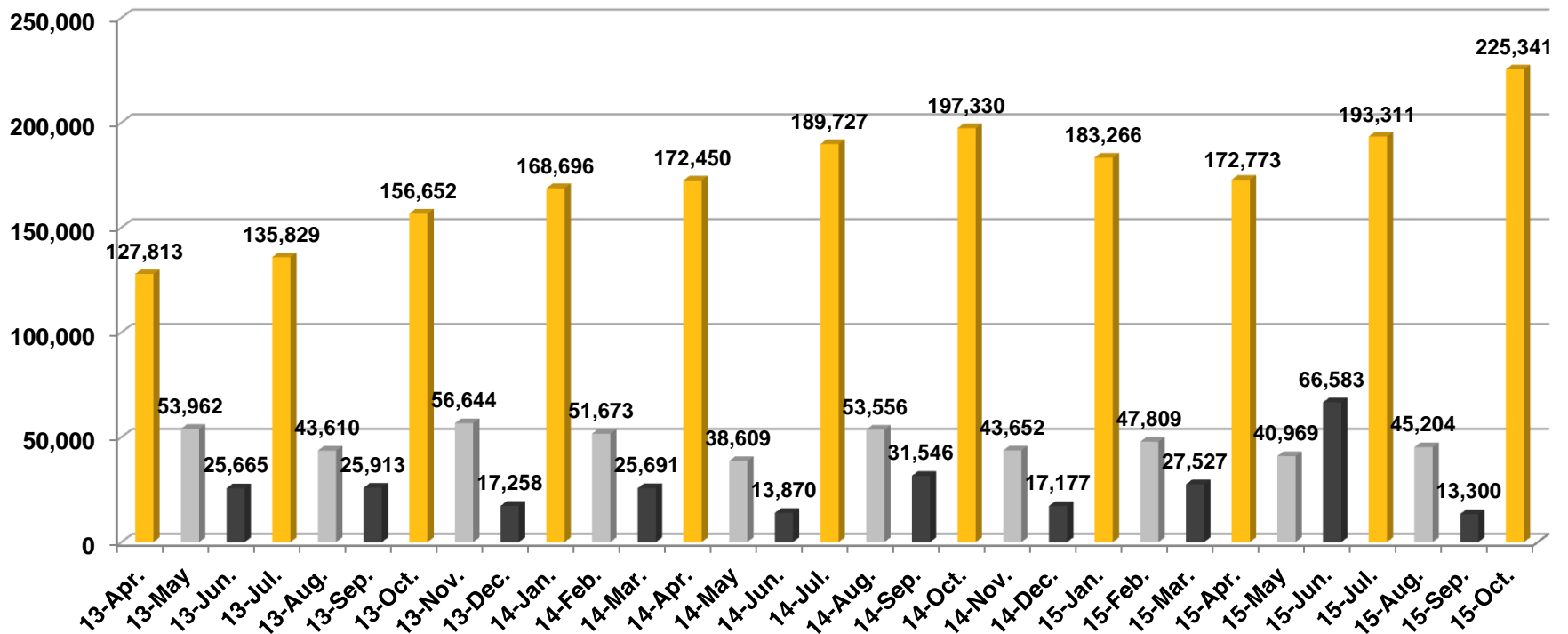
	Q215	Q315	Diff.
Pending	181	187	+6
Issued	287	304	+17
Total	468	491	+23



Quarterly Revenue Pattern*

- The quarterly royalty from most of foundries are collected at first month of each quarter and from some other foundries are collected at second month, and none at third month.

Unit : NTD Thousands



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Q3 Revenue Breakdown

Unit: NTD thousands

	Q315	Q215	% change	Q314	% change	2015Q1-Q3	2014Q1-Q3	% change
Licensing	38,167	95,982	-60.24%	61,981	-38.42%	198,205	194,224	2.05%
Royalty	213,648	184,343	15.90%	212,848	0.38%	592,537	551,594	7.42%
Total	251,815	280,325	-10.17%	274,829	-8.37%	790,742	745,818	6.02%

Unit: Number of contracts

	Q315	Q215	2014	2013
Technology Licenses	4	8	21	19
Design Licenses	NRE	10	17	51
	Usage	76	87	342

Financial Income Statement

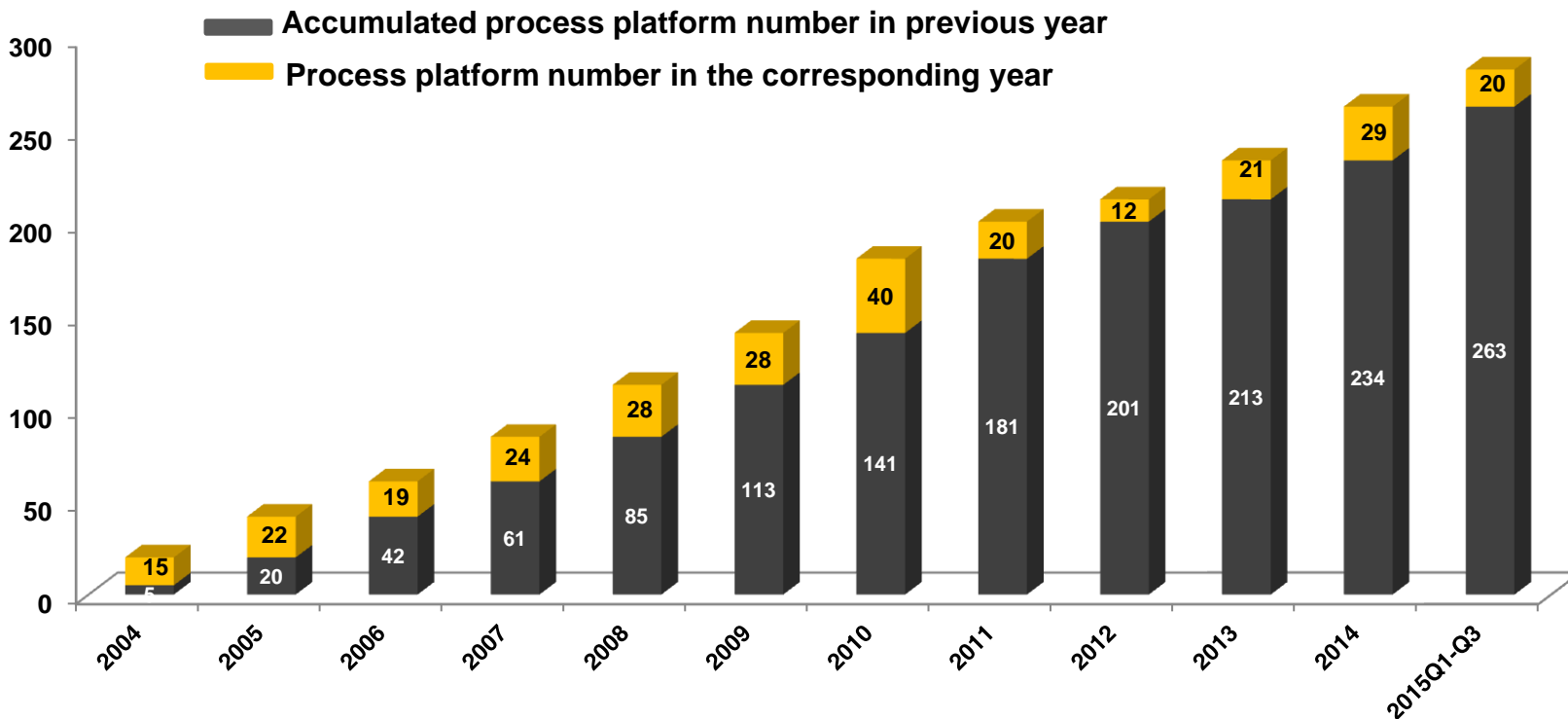
(Unit: NTD thousands)	Q315	Q215	% change	Q314	% change
Revenue	251,815	280,325	-10.17%	274,829	-8.37%
Gross Margin	100%	100%	-	100%	-
Operating Expenses	143,776	141,435	1.66%	135,695	5.96%
Operating Margin	42.9%	49.5%	-6.6ppts	50.6%	-7.7ppts
Net Income	106,301	130,297	-18.42%	124,352	-14.52%
Net Margin	42.2%	46.5%	-4.3ppts	45.2%	-3.0ppts
EPS (Unit: NTD)	1.40	1.72	-18.60%	1.64	-14.63%
ROE	24.5%	30.9%	-6.4ppts	29.7%	-5.2ppts

Technology License

Unit: Number of contract

Year	2013	2014	2015Q1-Q3
License number	19	21	17

Note: The terms (including number of process platforms and licensing fees) for each technology license are set contractually. Payments are made according to set milestones, and there are no particular seasonal factors involved.



Current Technology Development Platforms

- Total (As of Sep.) : **83***
- **17** for NeoBit, **28** for NeoFuse, **23** for NeoEE, and **15** for NeoMTP.

	14/16nm	28nm	40nm	55/65nm	80/90nm	0.11~ 0.13um	0.15~ 0.18um	>0.25 um	Total
NeoBit	-	-	-	-	-	5	11	1	17
NeoFuse	2	6	4	8	2	4	2	-	28
NeoFlash	-	-	-	-	-	-	-	-	-
NeoEE	-	-	2	-	1	6	14	-	23
NeoMTP	-	-	1	1	2	3	8	-	15

Note*: 5 platforms qualified in Q3, 4 platforms kicked off in Q3

Current Technology Development Platforms

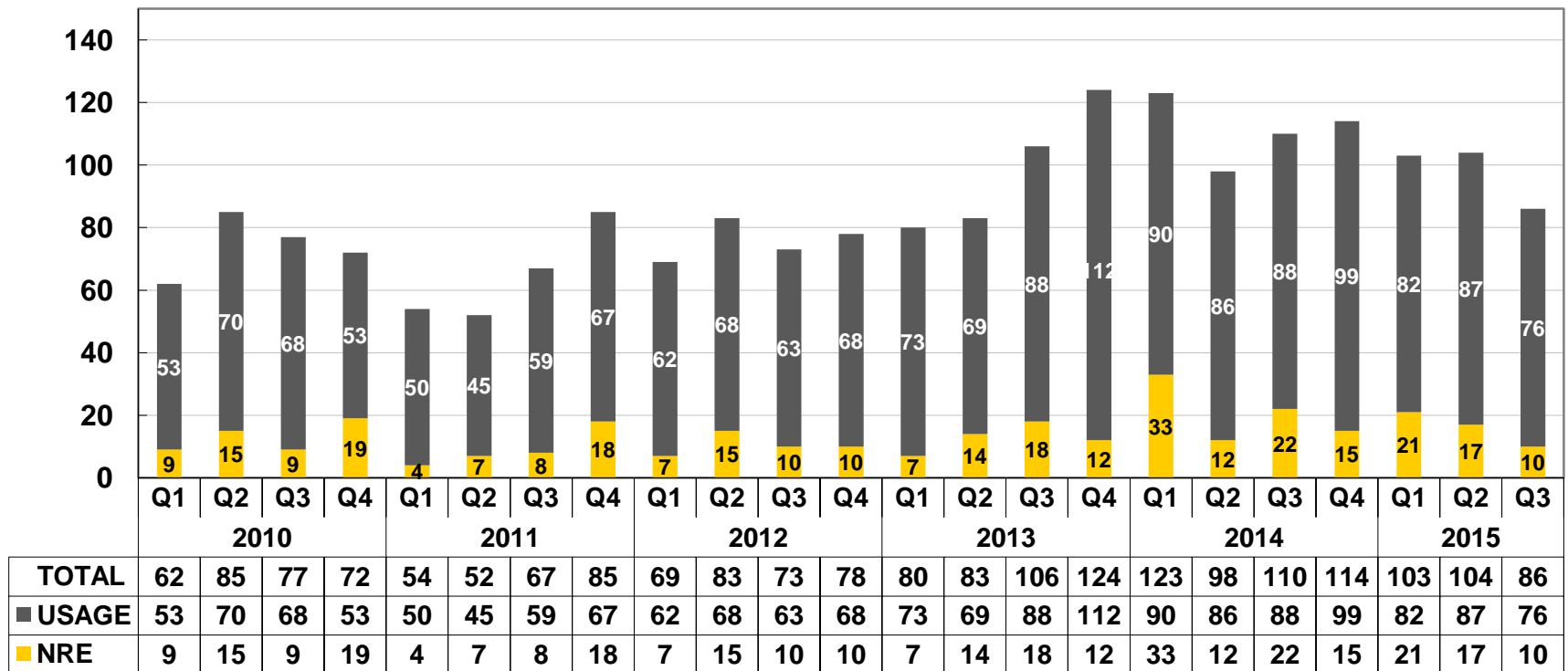
12" Fabs	Production	Development	NVM Type	Process Type
16nm	0	2	OTP	FF+
28nm	4	6	OTP	LP/HPM, HLP/HPM, LPS
40nm	2	7	OTP, MTP	HV-DDI, LP
55/65nm	10	9	OTP, MTP, Flash	LP, HV-DDI, HV-OLED, DRAM, CIS
80/90nm	5	5	OTP, MTP	HV-DDI, HV-OLED, LP
0.13/0.11um	6	4	OTP, Flash	HV-DDI, BCD, Generic
0.18um	1	0	OTP	BCD

8" Fabs	Development	NVM Type	Process Type
0.13/0.11um	14	OTP, MTP, Flash	HV-DDI, BCD, LP, RF, CIS, LL
0.18/0.16/0.152um	35	OTP, MTP	Generic, LP, LL, MR, HV, Green, BCD
0.25um	1	OTP, MTP	BCD
0.35um	0	OTP	UHV

*As of Sep. 30, 2015

Quarterly Design Licensing (New Tape Out)

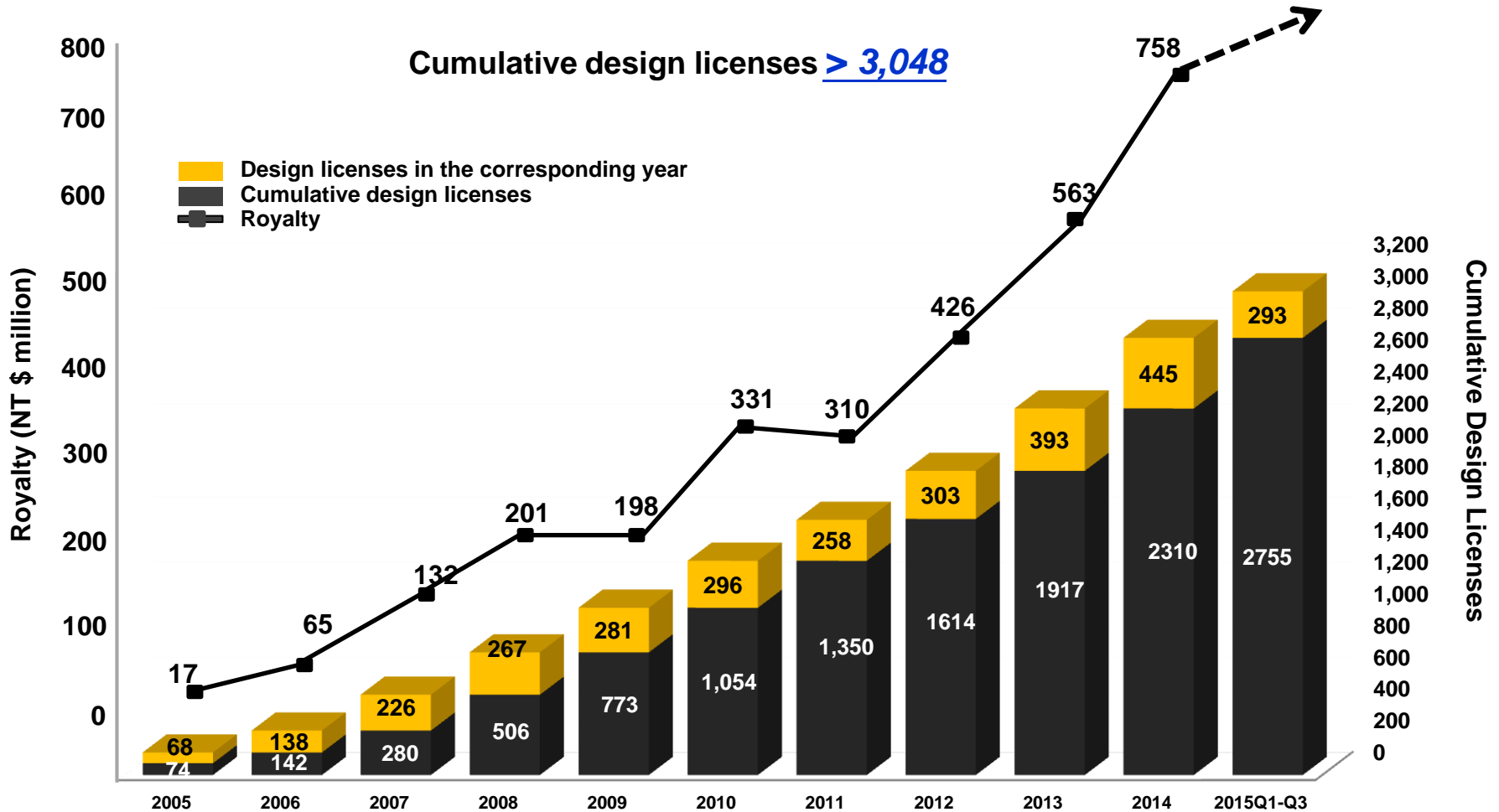
- Total **293** NTO as of Q3 2015 (**445**@2014 **393**@2013, **303**@2012, **258**@2011)



Usage : Usage of pre-qualified and verified IP (charged by per product tape out or annual package), the cycle time from design implementation to royalty payments for mass production is faster, typically less than one year.

NRE: NRE covers the customization of IP that must undergo new verification or qualification. It typically requires 1 to 1.5 years before resulting in royalty revenue.

Cumulative Licenses Drive Future Royalties

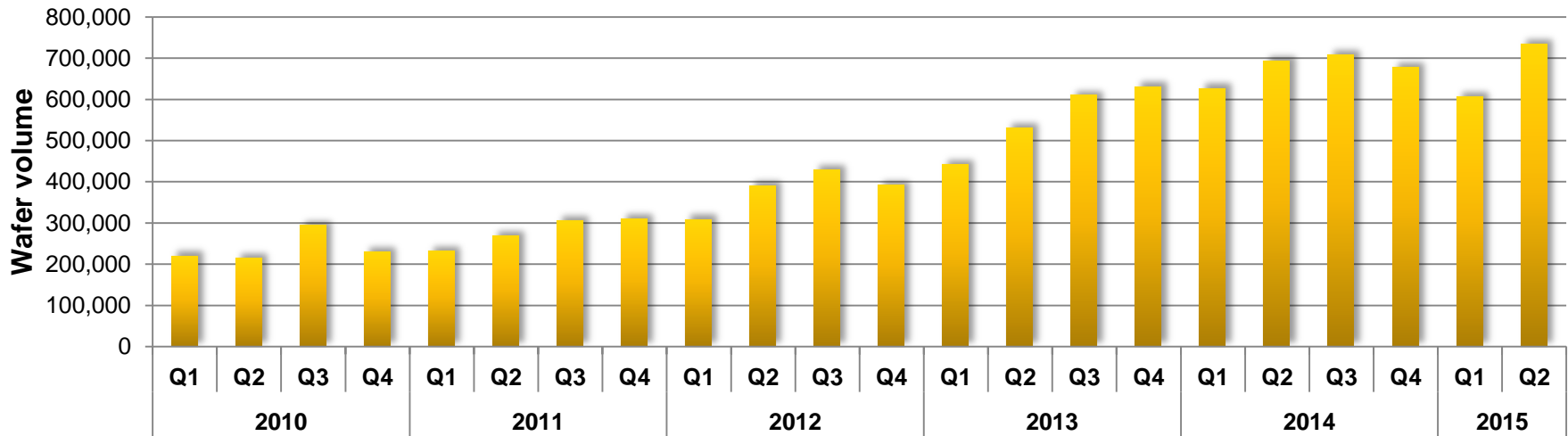


note 1: Due to the 2009 recession, royalty income was down annually 1.5%.

note 2: Pre-payment of royalty fees by a single customer contributed to 2010 annual growth of 67%, causing a drop of 6.3% in the following year, 2011.

note 3: CAGR for 2009-2013 was 30%.

Wafer Production Volume



embedded eMemory IP in T Company (\$revenue); * % of Process node in T company total revenue in Q315

	Process node	*% of T	Q315	Q215	2014	2013
8"	0.25/0.35	4%	38.2%	34.4%	30.5%	27.3%
	0.15/0.18	12%	7.9%	8.9%	11.9%	10.7%
	0.11/0.13	2%	30.9%	17.0%	20.8%	19.1%
12"	90nm	8%	21.8%	19.2%	16.3%	4.8%
	65nm	11%	0.9%	0.4%	0%	0%
	40/45nm	14%	0%	0%	0%	0%
	28nm	27%	0.02%	0.01%	0%	0%
	16/20nm	21%	0%	0%	0%	0%
8"		19%	16.3%	14.5%	15.6%	14.2%
12"		81%	2.3%	1.8%	1.4%	0.69%
Total		100%	5.0%	4.5%	4.5%	4.1%

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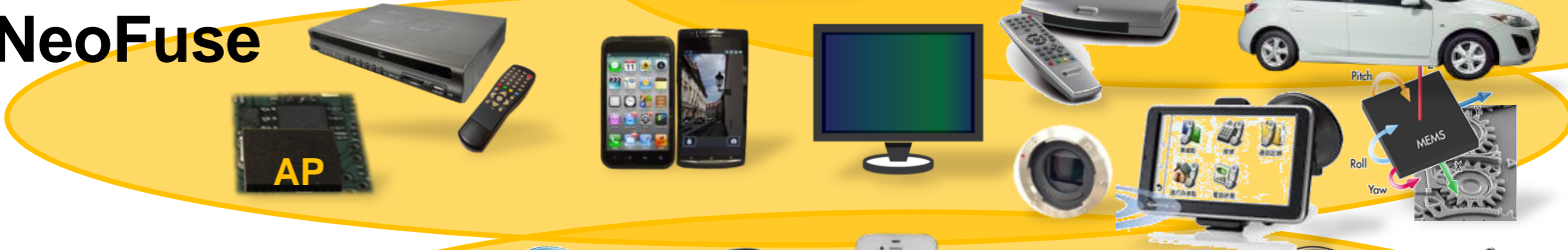
Applications by Technology

12"			8"					
16/20nm	28nm	40nm	55/65nm	80/90nm	110/130nm	160/180nm	250nm	350nm

NeoBit



NeoFuse



NeoFlash



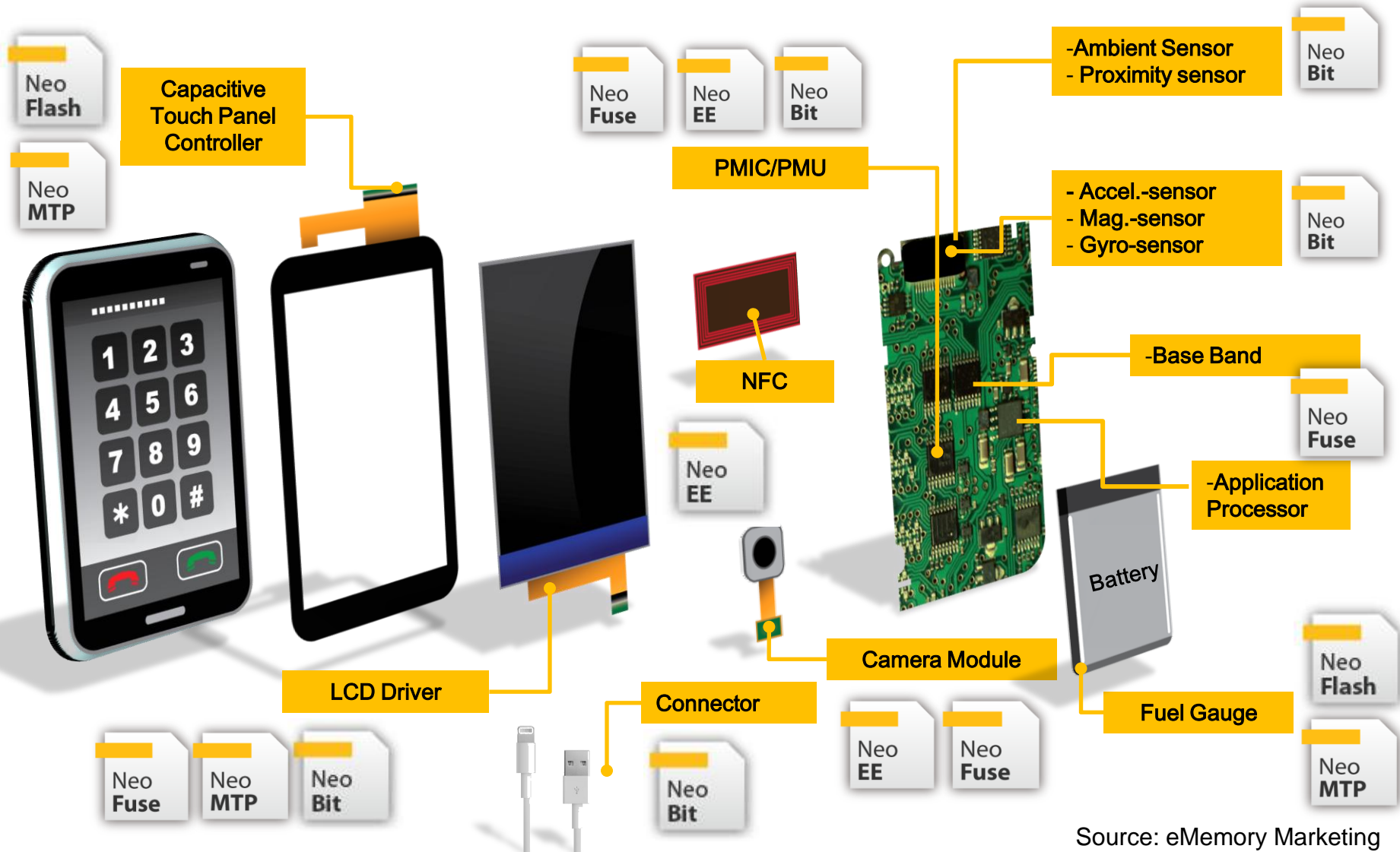
NeoEE



NeoMTP



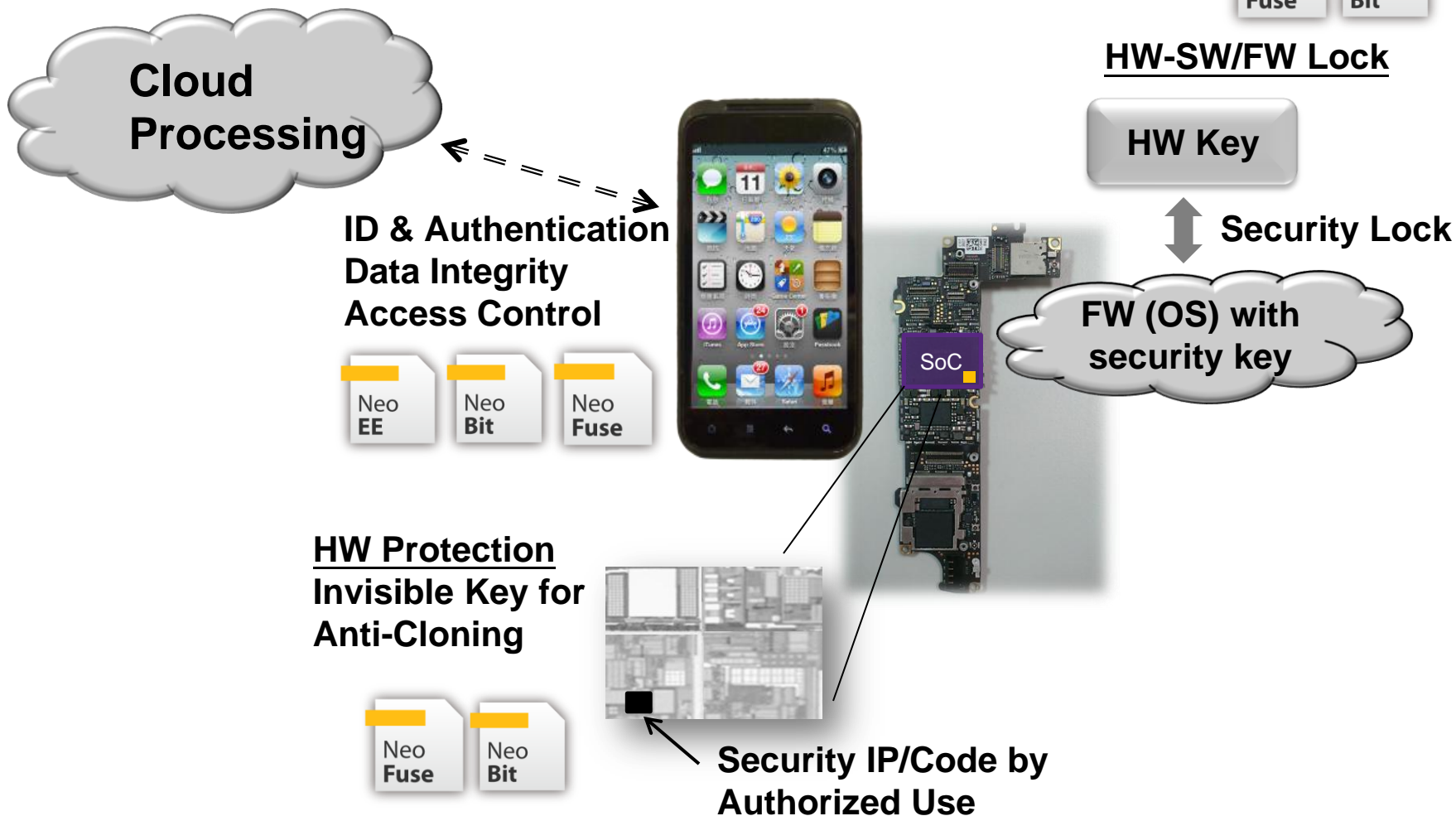
eMemory IP in Smartphone



Source: eMemory Marketing

Security with eMemory IPs

Security for System Service



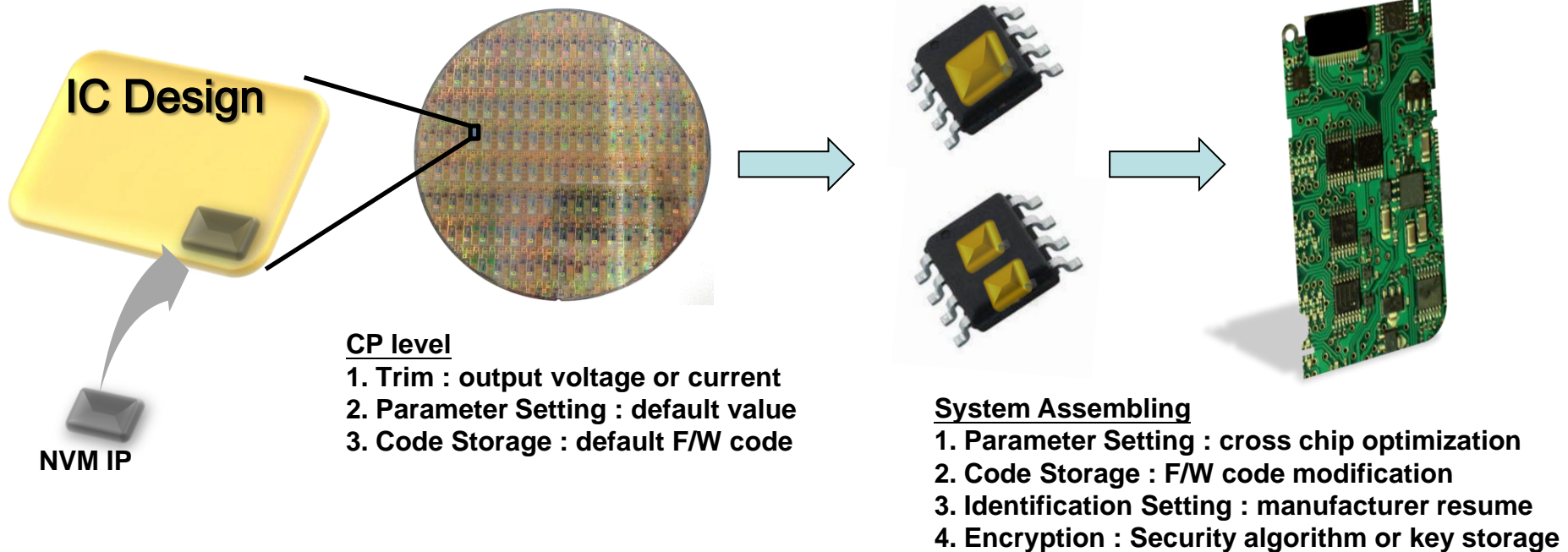
Benefits from Using eMemory IPs

Design-in for

1. Trimming
2. Parameter Setting
3. Code Storage
4. Identification Setting
5. Encryption
6. Function Selection

Package/FT level

1. Trim : SPEC shift
2. Parameter Setting : cross chip optimization
3. Identification Setting : manufacturer resume
4. Function Selection : setting for target market



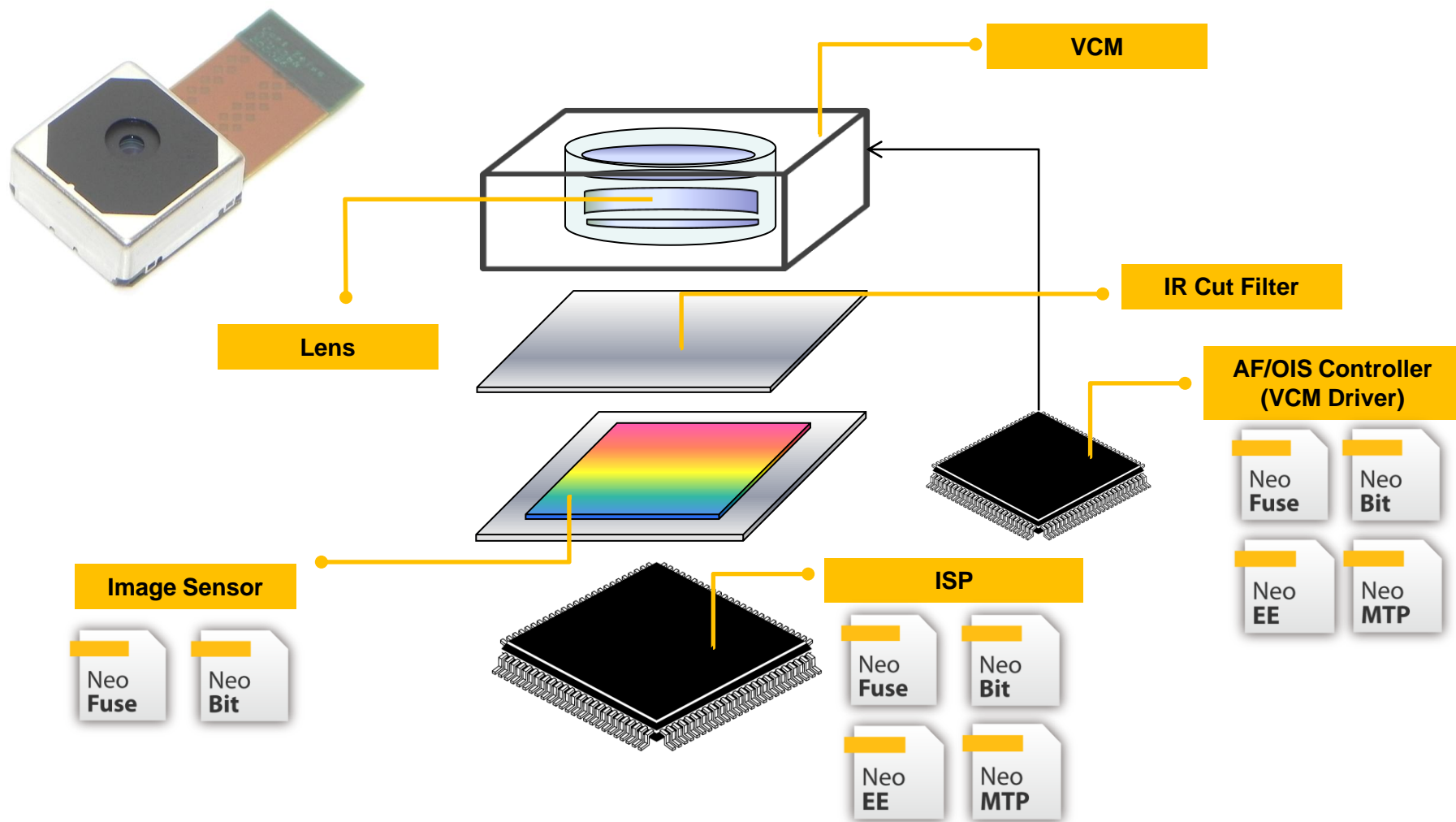
CP level

1. Trim : output voltage or current
2. Parameter Setting : default value
3. Code Storage : default F/W code

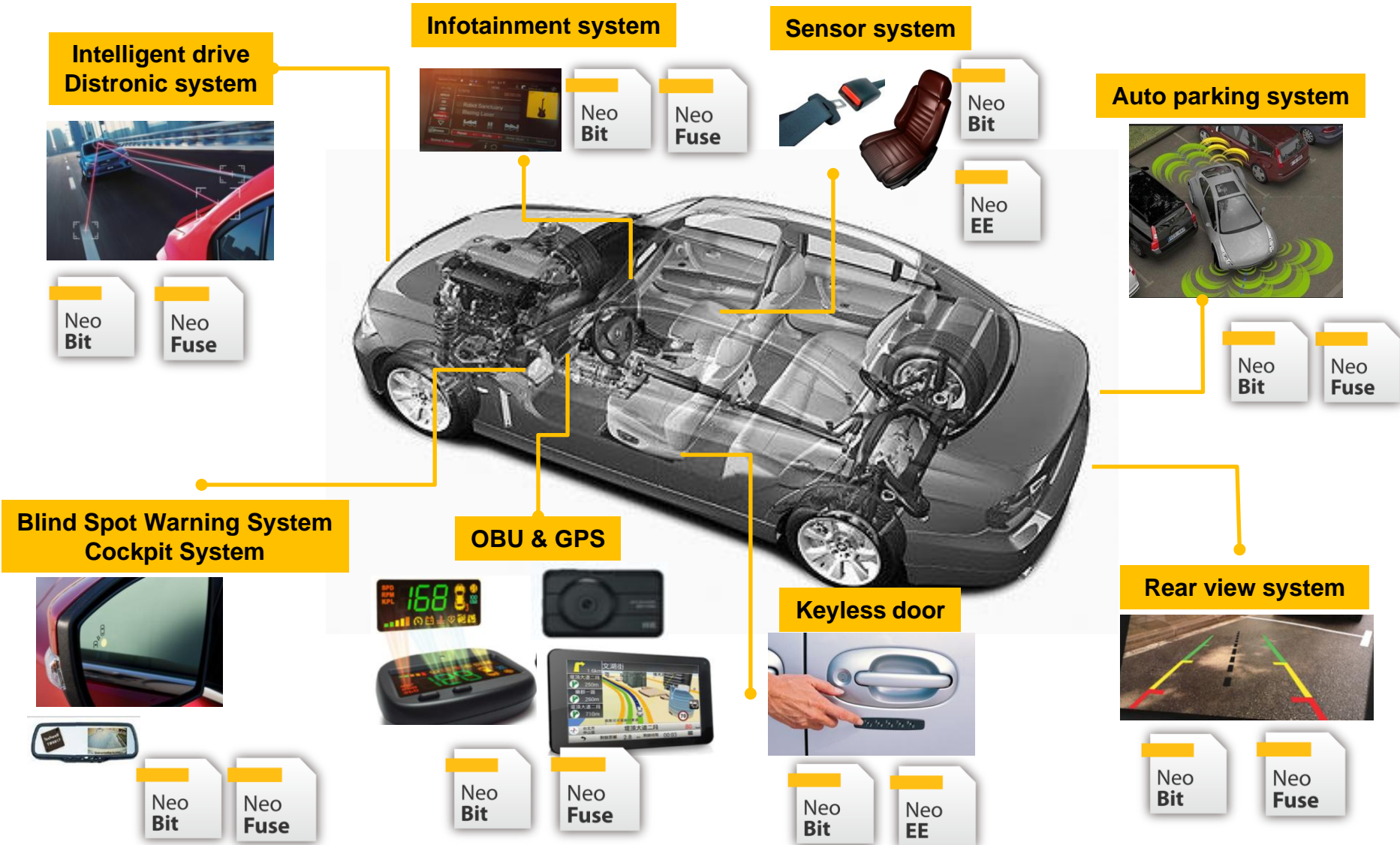
System Assembling

1. Parameter Setting : cross chip optimization
2. Code Storage : F/W code modification
3. Identification Setting : manufacturer resume
4. Encryption : Security algorithm or key storage

Imager Module with eMemory IPs



Autotronics with eMemory IPs



Outlook for Q4 and Beyond

- **Several licensing agreements are in final negotiations, and will make a significant contribution to revenue growth.**
- **Production of PMIC for multiple American and Chinese handset applications continues to expand, and penetrate into other non-handset related applications.**
- **Advanced 55nm DDI production continues to expand, and new products development begin in 40nm.**
- **28nm setup box processors have successfully entered volume production. We are also seeing other customers starting to engage with this technology.**

Outlook for Q4 and Beyond

- **Customers for fingerprint and CIS continue to tape out. We expect production royalties to grow next year as our customers release upgraded product lines.**
- **16nm FF+ qualification has been successful, and we are in the stages of reliability qualification. We expect customers to tape-out in the first half of 2016.**
- **European automotive electronics-related products have already taped-out. We are also engaging with Japanese automotive electronics leaders.**

Key Growth Drivers

Growth in application 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 advanced technology

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

Great IoT era

- Embedded Logic NVM will be a must.

Q & A

The background of the slide is a light gray color with a pattern of 3D cubes. The cubes are arranged in a way that creates a sense of depth and perspective, with some cubes appearing to be stacked or overlapping. The cubes are rendered in a simple, wireframe style with light gray outlines.

eMemory

Embedded Wisely, Embedded Widely