

## **M31 Reports Q1 2026 EPS of NT\$-1.18; Momentum in Advanced Processes Remains Promising**

HSINCHU, Taiwan, R.O.C., May 6, 2026 – M31 (TWSE: 6643) today hosted an investor conference to report its operating results for the first quarter of 2026. Impacted by the timing of revenue recognition for certain large-scale projects, consolidated revenue was approximately NT\$395 million, with a net loss after tax of approximately NT\$49.25 million, and a net loss of NT\$1.18 per share.

### **Project Deferrals Impact Revenue; Operating Momentum Expected to Recover in Subsequent Quarters**

Compared to the same period last year, revenue in the first quarter of 2026 declined by 9.2%, with both net income and earnings per share turning negative. On a quarter-over-quarter basis, Q1 2026 revenue decreased by 27.5%. All financial figures mentioned above are based on consolidated financial statements prepared in accordance with Taiwan-International Financial Reporting Standards (TIFRS).

In US dollar terms, Q1 2026 revenue was approximately US\$12.5 million, representing a decrease of 6.8% year-over-year and 28.5% quarter-over-quarter.

The revenue decline in the first quarter was primarily due to the deferral of large-scale advanced process projects from certain leading North American companies. This primarily reflects timing differences in revenue recognition, and the deferred revenue is expected to be recognized in subsequent quarters.

In terms of profitability, the operating margin for Q1 2026 was -16.8%, and the net profit margin was -12.5%. The negative operating margin mainly reflects the contraction in revenue caused by project deferrals against relatively stable operating expenses. Meanwhile, the Company recognized a precautionary provision for expected credit losses in accordance with accounting standards, which does not reflect any deterioration in underlying customer credit quality but had a partial impact on net profit.

### **Advanced Processes Account for Nearly 60% of Revenue; Absolute Royalty Amount Shows Strong Growth Momentum**

In the first quarter, 2-8nm process accounted for 50.7% of total license revenue; 12-16nm process contributed 7.2% of total license revenue; 22-28nm process represented 30.2% of total license revenue. Overall, advanced nodes (including 16 nm and below) were the main contributors to license revenue,

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making up 57.9% of the total, followed by the 22-28nm process.

By revenue type, license fees accounted for 81.9% of Q1 revenue, while royalties accounted for 18.1%. Notably, the absolute amount of royalties grew by more than 17% quarter-over-quarter, exceeding 25% of last year's total. By region, China accounted for 46.4% of Q1 revenue, Taiwan 42.2%, North America 9.0% (impacted by project deferrals), and other regions 2.4%. By customer type, fabless customers contributed 47.5% of Q1 revenue, while foundry customers accounted for 52.5%.

### **CEO's Outlook: Capitalizing on the "AI Everywhere" Era with Advanced Nodes and Diversified Applications**

M31 Technology CEO Scott Chang stated: "Although first-quarter revenue fell short of expectations due to the deferral of certain projects, we remain optimistic about our growth momentum going forward.

Looking ahead to 2026, demand across all regions remains strong. In China, growth is driven by increasing demand from fabless customers for both mature and advanced process technologies. In North America, we continue to advance with key customers toward leading-edge nodes, while also expanding collaboration with startups and companies in high-end application segments. In addition, we expect to secure our first engagement with an international foundry in the second quarter. In other regions, we are further strengthening M31's presence through diversified partnerships and region-specific strategies."

Scott Chang further noted that in the era of "AI everywhere," the company is expanding its IP portfolio across a broad range of applications, not limited to high-performance computing. Its technologies have evolved from GPU-related IP to include high-speed interfaces and chiplet solutions, and are now being applied to emerging fields such as humanoid robotics and automotive sensors. The company maintains its double-digit growth target and will continue to enhance market penetration.

**M31's 2026 first quarter consolidated results:**

(Unit: NT\$ thousands, except for EPS)

	1Q26 Amount <sup>a</sup>	1Q25 Amount	YoY Inc. (Dec.) %	4Q25 Amount	QoQ Inc. (Dec.) %
Net revenue	394,748	434,525	-9.2%	544,250	-27.5%
Gross margin	100%	100%		100%	
Operating expenses	(461,015)	(426,883)	+8.0%	(449,683)	+2.5%
Operating margin	-16.8%	1.8%	-18.5 ppt	17.4%	-34.2 ppt
Net income	(49,247)	19,564	(68,811)	99,277	(148,524)
Net profit margin	-12.5%	4.5%	-17.0 ppt	18.2%	-30.8 ppt
EPS (NT\$)	(1.18) <sup>b</sup>	0.47 <sup>c</sup>	(1.65)	2.38 <sup>d</sup>	(3.56)

a: 1Q2026 figures have been approved by Board of Directors

b: Based on 41,791 thousand weighted average outstanding shares

c: Based on 41,755 thousand weighted average outstanding shares

d: Based on 41,791 thousand weighted average outstanding shares