Issued by: M31 Technology Corporation
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Advanced-Node Licensing Fees and Royalties Grow in Tandem; M31 Reports Q3 EPS of NT$0.35

M31 Technology Corporation (M31) held its investor conference today (Nov. 6) to report third-quarter 2026 results. Consolidated revenue reached NT$495 million, while net profit after tax was approximately NT$14.76 million and earnings per share (EPS) was NT$0.35.

Key North American Advanced-Node Project Recognition Lifts Q3 Revenue by 39.6% YoY

Compared with the previous quarter, revenue in the third quarter of 2026 increased 17.4%, mainly driven by the recognition in the quarter of a major advanced-node project for a key North American enterprise that had been deferred from the prior quarter. Compared with the same period last year, revenue in the third quarter of 2026 increased 39.6%. All financial figures above are presented on a consolidated basis and were prepared in accordance with IFRS as endorsed by Taiwan's Financial Supervisory Commission (TIFRS).

On a U.S. dollar basis, revenue for the third quarter of 2026 was approximately US$15.46 million, representing a 31.0% increase year over year and a 16.2% increase quarter over quarter. In terms of profitability, third-quarter net profit after tax was approximately NT$14.76 million and EPS was NT$0.35, with quarterly results turning from a loss to a profit. Net profit margin rebounded to 3.0%, improving significantly versus both the same period last year and the previous quarter, and returning to positive territory.

In terms of operating margin, the third quarter came in at 1.5%, an improvement of 5.5 percentage points from the previous quarter, mainly driven by a rebound in revenue that allowed operating leverage to take effect. Operating expenses in the third quarter totaled NT$488 million, up 11.2% from the previous quarter and up 21.1% year over year, primarily due to timing differences in the payout of employee incentive-related compensation. This reflects the Company's continued efforts to attract and retain top talent through a competitive compensation program, supporting its R&D capabilities and long-term development needs.

Licensing Fees Up Nearly 20% QoQ; Royalties from 16nm and Below More Than Double YoY

Looking at the revenue mix for the third quarter of 2026, 2–8nm nodes accounted for 40.3% of licensing fee revenue in the quarter; 12–16nm contributed 38.8%; and 22–28nm accounted for 19.7%. Overall, advanced nodes (including 16nm and below) remained the primary source of licensing fee revenue, representing 79.1% of total licensing fee revenue for the quarter. The second-largest contributor was the 22–28nm node segment, indicating continued strong customer demand for high-end IP.

By revenue mix, licensing fees accounted for 82.0% of total third-quarter revenue, while royalty revenue contributed 18.0%. The royalty share increased by 0.2 percentage points from the previous quarter, and the absolute royalty amount grew 19.1%. In particular, royalty revenue from process nodes at 16nm and below more than doubled year over year. Cumulative royalty revenue for the first three quarters of this year has reached 87.4% of last year's full-year total, reflecting the gradual mass-production ramp-up at advanced nodes.

By region, North America accounted for 41.4% of third-quarter revenue, China 31.6%, Taiwan 19.8%, and other regions 7.2%. By customer type, fabless customers contributed 72.1% of third-quarter revenue, while foundry customers accounted for 27.9%.

Advanced-Node Progress Gains Traction; M31 Continues to Deepen Global Partnerships

M31 CEO Scott Chang stated, "Over the years, M31 has invested in advanced-node IP development and foundry platform deployments, and these efforts are now gradually being reflected in growth in both licensing fees and royalties. Advanced-node collaborations in North America, China, and Korea continue to expand, spanning fabless companies, IDMs, and foundries, as well as emerging applications such as automotive and humanoid robots. The Company expects to see more tangible results starting in the first quarter of next year. As customers ramp up mass production, royalty contributions from advanced nodes at 16nm and below are expected to continue increasing, further driving the commercialization of the Company's R&D achievements and enhancing overall profitability."

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円星科技 2026 年第三季合併財務報表營收獲利情形:

M31's 2026 third quarter consolidated results:

(Unit: NT$ thousands, except for EPS)

	3Q26 Amount[a]	3Q25 Amount	YoY Change (%)	2Q26 Amount	QoQ Change (%)
Net revenue	495,222	354,672	+39.6%	421,850	+17.4%
Gross margin	100%	100%		100%	
Operating expenses	(487,913)	(402,882)	+21.1%	(438,685)	+11.2%
Operating margin	1.5%	-13.6%	+15.1 ppt	-4.0%	+5.5 ppt
Net income	14,763	(7,475)	+22,238	(2,738)	+175,001
Net profit margin	3.0%	-2.1%	+5.1 ppt	-0.6%	+3.6 ppt
EPS (NT$)	0.35 [b]	(0.18) [c]	+0.53	(0.06) [d]	+0.41

a: 3Q2026 figures have been approved by Board of Directors

b: Based on 42,073 thousand weighted average outstanding shares

c: Based on 41,790 thousand weighted average outstanding shares

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