HTC CORPORATION

1Q25 RESULTS SUMMARY

DISCLAIMER STATEMENT

- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.

- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.

- The forward-looking statements in this release reflect the current belief of HTC as of the date of this release. HTC undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

EXECUTIVE SUMMARY

1Q25 Financial Highlights:

- Quarterly revenue of NT$0.71 billion with a gross margin of 37.6%.
- Quarterly operating loss of NT$1.14 billion with an operating margin of -161.5%.
- Quarterly net income attributable to owners of the parent was NT$4.05 billion, or an EPS of NT$4.86.

EXECUTIVE SUMMARY

1Q25 Business Update:

- HTC and Google completed a US$250 million definitive agreement in Q1 under which certain HTC’s XR R&D team joined Google and Google was granted a non-exclusive license to HTC’s XR intellectual property (IP). This agreement strengthens HTC's ongoing strategy to develop the XR ecosystem, build the VIVE brand, streamline its product portfolio, and focus on long-term plans for future platforms, enhanced operational efficiency, and greater financial flexibility.
- At MWC 2025, HTC showcased its latest XR innovations, including VIVE Mars CamTrack, a lightweight virtual production solution with AI-powered dynamic interaction for precise camera tracking and real-time engagement in virtual environments. VIVE also introduced VIVE Host, a seamless solution for managing multiple VR headsets, redefining immersive training, education, and enterprise experiences. Partnering with global players, HTC demonstrated XR applications across industrial training, mental health, and business use cases, advancing a more open, diverse, and intelligent internet for both enterprises and consumers.

EXECUTIVE SUMMARY

1Q25 Business Update:

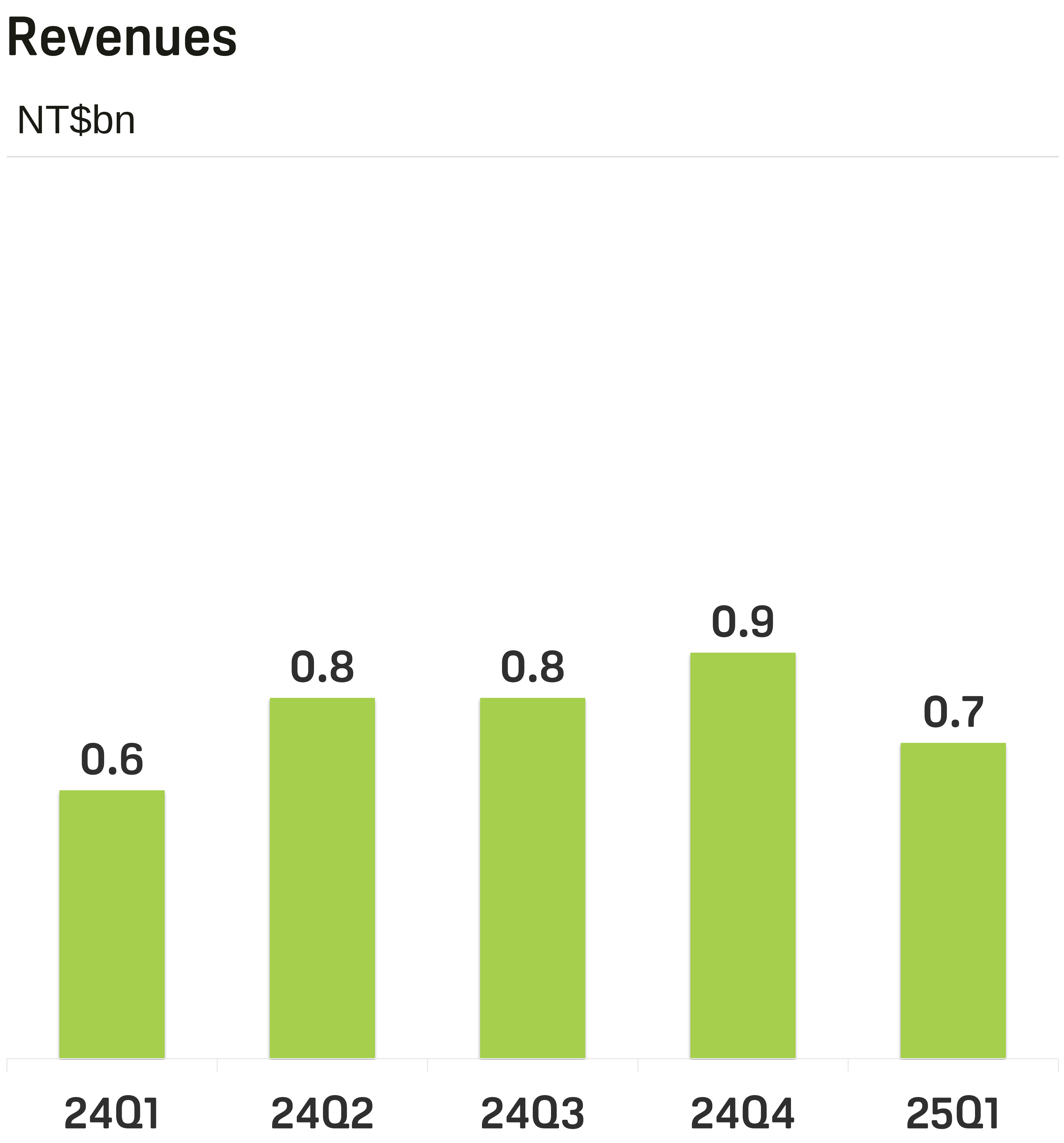
- VIVERSE unveiled VIVERSE Create, a no-code 3D creation platform, and VIVERSE Worlds, a new hub for hosting and sharing 3D content at MWC 2025. Powered by an AI-driven 3D engine and an open, interoperable framework, users can instantly convert 2D assets into 3D models and access millions of free assets via the Sketchfab library, lowering barriers to 3D content creation and accelerating the development of 3D Internet. With Polygon Streaming, the platform delivers high-fidelity visuals in real time, even under low bandwidth conditions.
- G REIGNS introduced AI-enabled smart factory solutions at MWC 2025, including autonomous mobile robots (AGVs), AI security monitoring, and drone inspection technologies. These innovations advance Industrial 5.0, unmanned warehousing, and remote management applications, helping enterprises enhance efficiency and safety. G REIGNS also partnered with MediaTek to showcase 6G Hybrid Computing technologies, exploring future blueprints and potential applications for 6G networks.

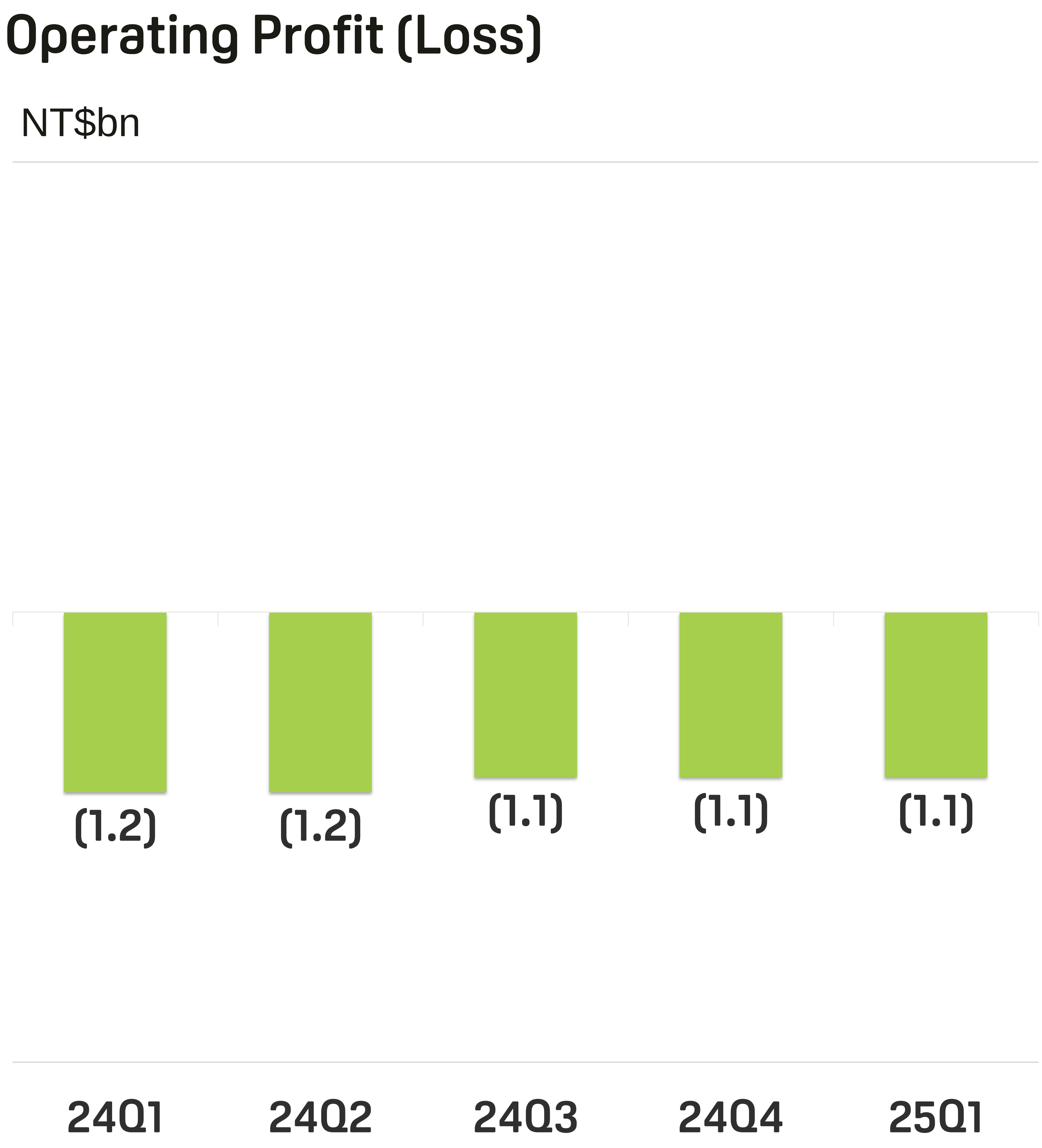
EXECUTIVE SUMMARY

1Q25 Business Update:

- G REIGNS deployed Private 5G Network and Edge Cloud VR Solution at Nissan Motor Co., Ltd., providing a stable, high-speed, low-latency immersive collaboration environment. This initiative ensures secure team collaboration while showcasing advanced 5G wireless VR applications in industrial design, enabling real-time, high-precision teamwork that accelerates product development cycles, enhances decision-making quality, and brings breakthroughs to design processes.
- VIVE Arts partnered with Château de Versailles and launched a landmark immersive VR experience, *Versailles: The Lost Gardens of the Sun King*. Through HTC VIVE's location-based entertainment (LBE) technology and VIVE Focus Vision headsets, visitors are transported into three emblematic sites — the Royal Menagerie, the Labyrinth Grove, and the Grotto of Tethys — to closely explore lost royal history and Louis XIV's legacy, vividly bringing the splendor of 17th-century France back to life.

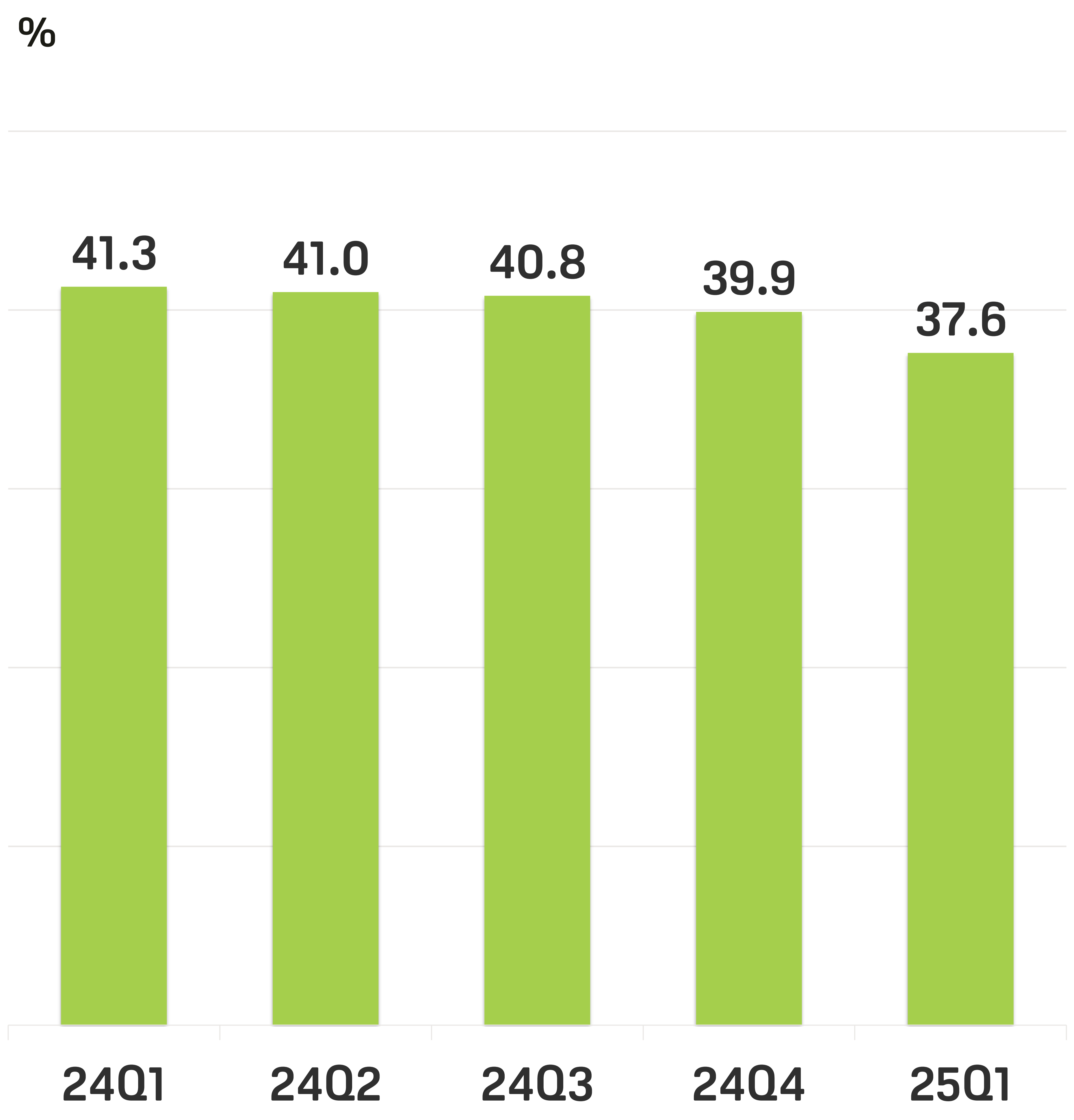
REVENUES AND OPERATING PROFIT



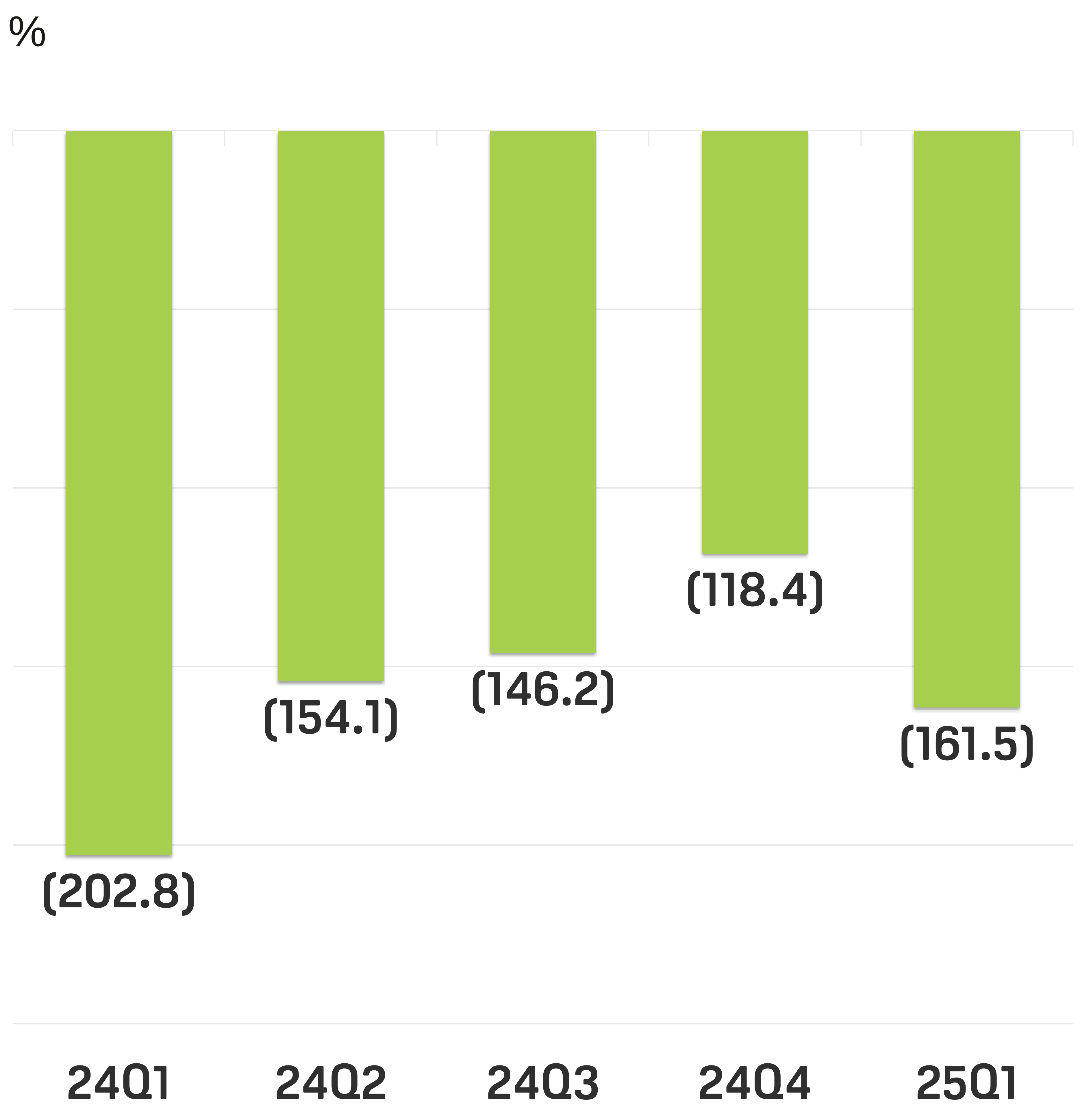


GROSS AND OPERATING MARGINS

Gross Margin



Operating Margin



1Q 2025 P&L (CONSOLIDATED)

NT$bn	1Q24	4Q24	1Q25
REVENUES	0.6	0.9	**0.7**
GROSS PROFIT	0.2	0.4	**0.3**
OPERATING EXPENSE	1.5	1.5	**1.4**
SALES MKTING.	0.5	0.6	**0.5**
RESEARCH DEV.	0.7	0.6	**0.3**
GENERAL ADM.	0.3	0.3	**0.6**
OPERATING PROFIT (LOSS)	-1.2	-1.1	**-1.1**
NPBT	-0.9	-0.8	**6.2**
NPAT[1]	-0.9	-0.8	**4.1**
GROSS MARGIN (%)	41.3%	39.9%	**37.6%**
OPERATING MARGIN (%)	-202.8%	-118.4%	**-161.5%**
EPS[2] (NT$)	-1.08	-0.98	**4.86**

1 Attributable to stockholders of parent company, excluding minority interest.
2 EPS was calculated based on number of outstanding shares at that time.

1Q 2025 BALANCE SHEET (CONSOLIDATED)

NT$bn	Mar 31, 24	Dec 31, 24	Mar 31, 25
TOTAL ASSETS	46.4	46.2	**51.0**
Cash[1]	24.8	24.6	**31.3**
AR	0.2	0.5	**0.6**
INVENTORY	1.2	0.9	**0.6**
OTHER ASSETS	20.2	20.2	**18.5**
TOTAL LIABILITIES	23.2	24.8	**25.1**
TOTAL EQUITY[2]	23.2	21.4	**25.9**

1. Includes time deposits with original maturities more than 3 months
2. Attributable to stockholders of parent company, excluding minority interest.

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HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 27,590,939	54	$ 14,239,209	31	$ 10,560,807	23
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	7,136	-	47,620	-	86,707	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	279,299	1	327,194	1	434,104	1
Notes and trade receivables (Notes 10 and 24)	561,504	1	497,008	1	234,495	-
Other receivables (Note 10)	93,112	-	115,617	-	155,983	-
Current tax assets	208,027	-	198,952	-	259,665	1
Inventories (Note 11)	589,345	1	870,049	2	1,249,342	3
Prepayments (Note 12)	290,026	1	405,868	1	321,289	1
Other current financial assets (Notes 9 and 32)	3,533,730	7	10,265,324	22	14,156,962	30
Other current assets	20,259	-	29,908	-	632	-
Total current assets	33,173,377	65	26,996,749	58	27,459,986	59
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	308,268	1	346,342	1	355,157	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	4,809,512	9	4,425,214	10	4,345,577	9
Investments accounted for using equity method (Note 14)	1,027,174	2	998,315	2	1,043,291	2
Property, plant and equipment (Notes 15 and 32)	6,589,467	13	6,609,865	14	6,703,417	15
Right-of-use assets (Note 16)	60,929	-	67,012	-	92,303	-
Investment properties, net (Notes 17 and 32)	2,528,003	5	2,725,278	6	2,693,047	6
Intangible assets (Note 18)	293,698	1	326,394	1	192,982	1
Deferred tax assets	1,129,649	2	2,684,316	6	2,830,816	6
Refundable deposits (Note 33)	370,120	1	365,625	1	20,695	-
Net defined benefit assets - non-current	562,287	1	560,464	1	509,739	1
Other non-current financial assets (Notes 9 and 32)	150,618	-	124,473	-	99,426	-
Other non-current assets (Note 12)	3,672	-	1,423	-	20,132	-
Total non-current assets	17,833,397	35	19,234,721	42	18,906,582	41
TOTAL	$ 51,006,774	100	$ 46,231,470	100	$ 46,366,568	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 3,600,000	7	$ 3,400,000	8	$ 3,700,000	8
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	68,753	-	91,224	-	85,233	-
Notes and trade payables (Notes 20 and 31)	5,203,210	10	5,188,610	11	5,192,629	11
Other payables (Notes 21 and 31)	3,202,422	6	3,087,289	7	2,944,655	7
Current tax liabilities	67,090	-	110,189	-	73,993	-
Provisions - current (Note 22)	351,753	1	383,925	1	599,826	1
Lease liabilities - current (Notes 16 and 31)	25,532	-	27,928	-	30,839	-
Other current liabilities (Notes 21 and 24)	430,116	1	450,191	1	279,854	1
Total current liabilities	12,948,876	25	12,739,356	28	12,907,029	28
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	11,900,000	24	11,800,000	26	10,000,000	22
Deferred tax liabilities	41,470	-	69,907	-	43,508	-
Lease liabilities - non-current (Notes 16 and 31)	38,580	-	41,820	-	62,915	-
Guarantee deposits received	152,316	-	152,118	-	152,201	-
Total non-current liabilities	12,132,366	24	12,063,845	26	10,258,624	22
Total liabilities	25,081,242	49	24,803,201	54	23,165,653	50
EQUITY (Note 23)						
Share capital - ordinary shares	8,351,955	17	8,335,340	18	8,323,191	18
Capital surplus	16,319,644	32	16,277,565	35	16,277,693	35
Retained earnings						
Legal reserve	2,490,682	5	2,490,682	5	5,828,987	12
Special reserve	3,080,480	6	3,080,480	7	3,080,480	7
Accumulated deficits	(2,405,554)	(5)	(6,365,177)	(14)	(7,516,203)	(16)
Total retained earnings	3,165,608	6	(794,015)	(2)	1,393,264	3
Other equity	(1,911,675)	(4)	(2,390,621)	(5)	(2,793,233)	(6)
Total equity	25,925,532	51	21,428,269	46	23,200,915	50
TOTAL	$ 51,006,774	100	$ 46,231,470	100	$ 46,366,568	100

The accompanying notes are an integral part of the consolidated financial statements.

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	$ 708,312	100	$ 594,930	100
OPERATING COSTS (Notes 11, 25 and 31)	441,906	63	348,986	59
GROSS PROFIT	266,406	37	245,944	41
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing	508,661	72	531,058	89
General and administrative	313,906	44	282,105	47
Research and development	587,978	83	639,595	108
Total operating expenses	1,410,545	199	1,452,758	244
OPERATING LOSS	(1,144,139)	(162)	(1,206,814)	(203)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	218,272	31	216,962	37
Other income (Notes 25 and 31)	206,748	29	236,554	40
Other gains and losses (Note 25)	7,081,203	1,000	(116,429)	(20)
Finance costs (Notes 25 and 31)	(91,673)	(13)	(74,165)	(12)
Share of profit or loss of associates and joint ventures (Note 14)	(101,262)	(14)	44,394	7
Total non-operating income and expenses	7,313,288	1,033	307,316	52
INCOME (LOSS) BEFORE INCOME TAX	6,169,149	871	(899,498)	(151)
INCOME TAX EXPENSE (Note 26)	(2,114,620)	(298)	(444)	-
INCOME (LOSS) FOR THE PERIOD	4,054,529	573	(899,942)	(151)

(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS, NET OF INCOME TAX				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	$ (281,673)	(40)	$ 412,932	69
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	665,713	94	872,929	147
Other comprehensive income for the period, net of income tax	384,040	54	1,285,861	216
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 4,438,569	627	$ 385,919	65
EARNINGS (LOSS) PER SHARE (Note 27)				
Basic	$ 4.86		$ (1.08)	
Diluted	$ 4.82		$ (1.08)	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Share Capital		Retained Earnings			Other Equity		
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Accumulated Deficits	Exchange Differences on Translating Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE, JANUARY 1, 2024	$ 8,320,380	$ 16,270,636	$ 5,828,987	$ 3,080,480	$ (7,338,305)	$ (2,408,195)	$ (948,855)	$ 22,805,128
Net loss for the three months ended March 31, 2024	-	-	-	-	(899,942)	-	-	(899,942)
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	872,929	412,932	1,285,861
Total comprehensive income and loss for the three months ended March 31, 2024	-	-	-	-	(899,942)	872,929	412,932	385,919
Issuance of shares due to exercise of employee share options	2,811	7,057	-	-	-	-	-	9,868
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	722,044	-	(722,044)	-
BALANCE, MARCH 31, 2024	$ 8,323,191	$ 16,277,693	$ 5,828,987	$ 3,080,480	$ (7,516,203)	$ (1,535,266)	$ (1,257,967)	$ 23,200,915
BALANCE, JANUARY 1, 2025	$ 8,335,340	$ 16,277,565	$ 2,490,682	$ 3,080,480	$ (6,365,177)	$ (920,620)	$ (1,470,001)	$ 21,428,269
Net income for the three months ended March 31, 2025	-	-	-	-	4,054,529	-	-	4,054,529
Other comprehensive income and loss for the three months ended March 31, 2025	-	-	-	-	-	665,713	(281,673)	384,040
Total comprehensive income and loss for the three months ended March 31, 2025	-	-	-	-	4,054,529	665,713	(281,673)	4,438,569
Issuance of shares due to exercise of employee share options	16,615	42,079	-	-	-	-	-	58,694
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(94,906)	-	94,906	-
BALANCE, MARCH 31, 2025	$ 8,351,955	$ 16,319,644	$ 2,490,682	$ 3,080,480	$ (2,405,554)	$ (254,907)	$ (1,656,768)	$ 25,925,532

The accompanying notes are an integral part of the consolidated financial statements.

HTC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 6,169,149	$ (899,498)
Adjustments for:		
Depreciation expense	56,825	59,350
Amortization expense	1,837	4,895
Expected credit loss reversed on trade receivables	(206)	(8,000)
Loss on financial assets at fair value through profit or loss	75,597	4,437
Finance costs	91,673	74,165
Interest income	(218,272)	(216,962)
Dividend income	(1,482)	(257)
Share of the loss (profit) of associates and joint ventures accounted for using the equity method	101,262	(44,394)
Net gain on disposal of property, plant and equipment	-	(1)
Net gain on disposal of assets and licensing income (Note 25)	(8,045,926)	-
Impairment loss on non-financial assets	558,061	105,568
Gain from lease modifications	(1)	-
Changes in operating assets and liabilities		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	18,013	(47,424)
(Increase) decrease in notes and trade receivables	(64,290)	564,369
Decrease in other receivables	4,856	4,092
Increase in inventories	(33,376)	(189,498)
Decrease in prepayments	115,842	82,524
Decrease in other current assets	9,649	2,333
Increase in other non-current assets	(4,313)	(400)
Decrease in notes and trade payables	(42,400)	(24,278)
Increase (decrease) in other payables	134,785	(385,479)
Decrease in provisions	(32,172)	(35,741)
Decrease in other current liabilities	(20,075)	(60,646)
Cash used in operations	(1,124,964)	(1,010,845)
Interest received	235,921	204,823
Interest paid	(103,339)	(69,457)
Income tax (paid) received	(582,591)	39,935
Net cash used in operating activities	(1,574,973)	(835,544)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(573,325)	(44,611)
Proceeds from disposal of financial assets at fair value through other comprehensive income	434	809,850
Purchase of financial assets at fair value through profit or loss	(39,390)	(84,825)
Acquisition of investments accounted for using equity method	(109,356)	-

(Continued)

HTC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	**2024**
Payments for property, plant and equipment	$ (10,717)	$ (10,436)
Proceeds from disposal of property, plant and equipment	-	12
Increase in refundable deposits	(4,495)	(676)
Payments for intangible assets	-	(11,939)
Payments for investment properties	(833)	(1,532)
Increase in other financial assets	-	(3,310,397)
Decrease in other financial assets	6,705,449	-
Dividends received	1,482	257
Proceeds from disposal of assets and licensing income (Note 25)	8,045,926	-
Net cash generated from (used in) investing activities	14,015,175	(2,654,297)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	200,000	-
Increase in long-term borrowings	100,000	1,000,000
Increase in guarantee deposits received	198	2,135
Repayment of the principal portion of lease liabilities	(6,974)	(7,385)
Employee share options executed	58,694	9,868
Net cash generated from financing activities	351,918	1,004,618
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	559,610	606,667
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,351,730	(1,878,556)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	14,239,209	12,439,363
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 27,590,939	$ 10,560,807

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)