



HTC CORPORATION

1Q26 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

1Q26 Financial Highlights:

- Quarterly revenue of NT\$0.65 billion with a gross margin of 41.7%.
- Quarterly operating loss of NT\$0.56 billion with an operating margin of -86.2%.
- Quarterly net loss attributable to owners of the parent was NT\$0.24 billion, or an EPS of -NT\$0.29.

EXECUTIVE SUMMARY

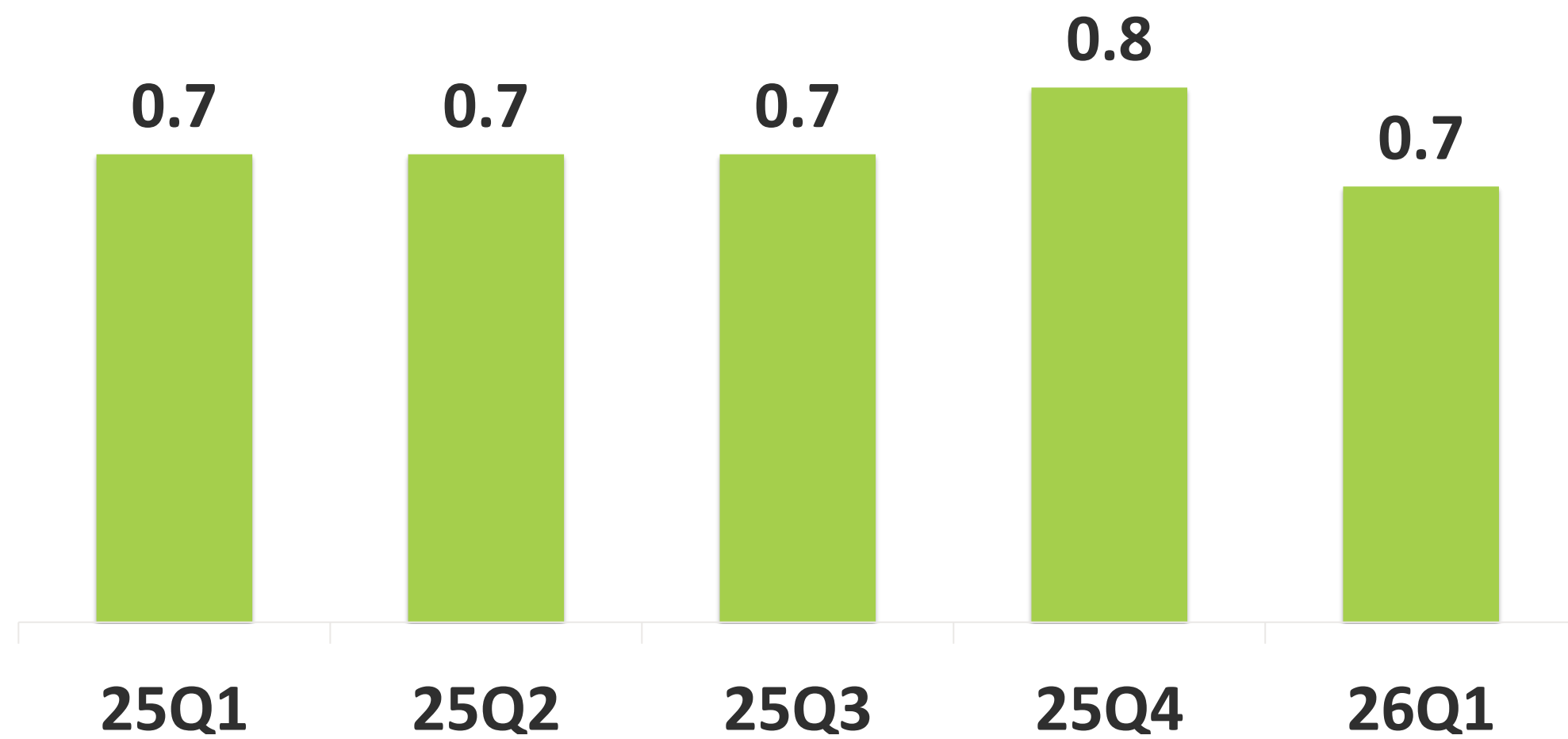
1Q26 Business Update:

- HTC has continued to expand its overseas AI wearable footprint. VIVE Eagle has officially launched in Singapore partnering with Singtel, and debuted a localized update in Hong Kong featuring a new Cantonese voice function. The product has integrated an AI assistant, voice interaction, smart photography, and image translation supporting 70+ languages. Addressing the increasing attention on security and privacy issues surrounding AI wearables, VIVE Eagle has employed de-identification measures to ensure privacy protection. Simultaneously, it has passed ISO 27001 and ISO 27701 dual international certifications, reinforcing high standard information security and privacy design.
- HTC G REIGNS has been invited by LITEON Technology to participate in their exhibit at MWC 2026, Showcasing the results of both parties' successful commercial deployment of 5G private networks in Germany. The exhibition has focused on the integration of 5G SA private networks with XR and edge computing, demonstrating the ability to maintain low latency, high stability, and high-bandwidth transmission even under multi-terminal synchronization and heavy traffic loads. Through the support of high-performance 5G RU technology, both parties have further checked the potential for scalable deployment in enterprise immersive application scenarios and have provided telecommunications operators and corporate clients with more comprehensive integrated private network solutions.
- HTC has partnered with NHK, NHK Promotions, and NTT DOCOMO Studio & Live to launch a large-scale immersive cultural entertainment experience, “Samurai's Dream: The Ghost of Osaka Castle”, and created the world’s first 'Osaka Castle Reconstruction' Free Roam XR experience. This collaboration has combined the historical content and video production capabilities of Japanese public media with the XR technology and immersive platform capabilities of VIVERSE. It has transformed cultural heritage into scalable and exportable LBE content, and has demonstrated the application potential of XR technology in cultural storytelling and live entertainment.

REVENUES AND OPERATING PROFIT

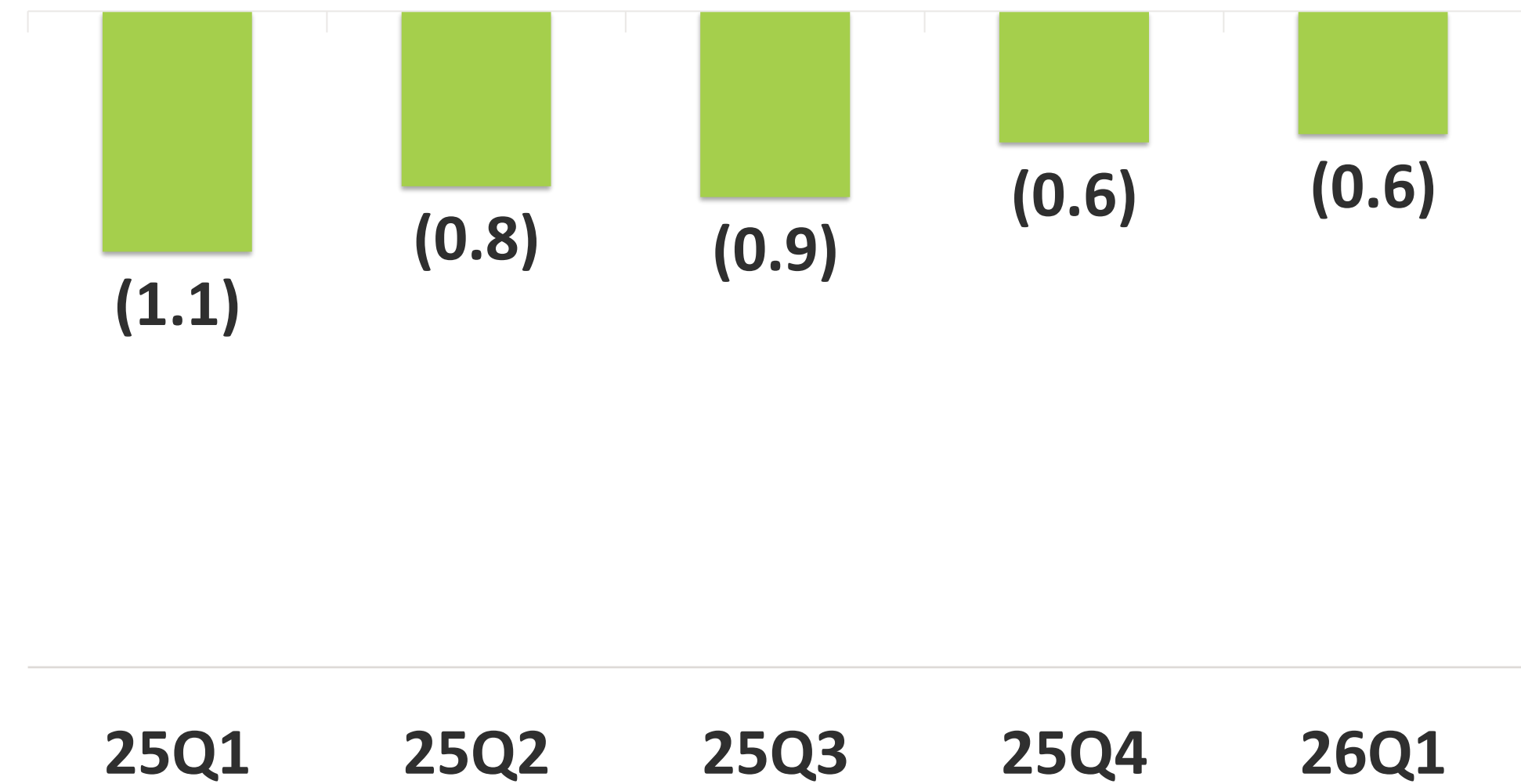
Revenues

NT\$bn



Operating Profit (Loss)

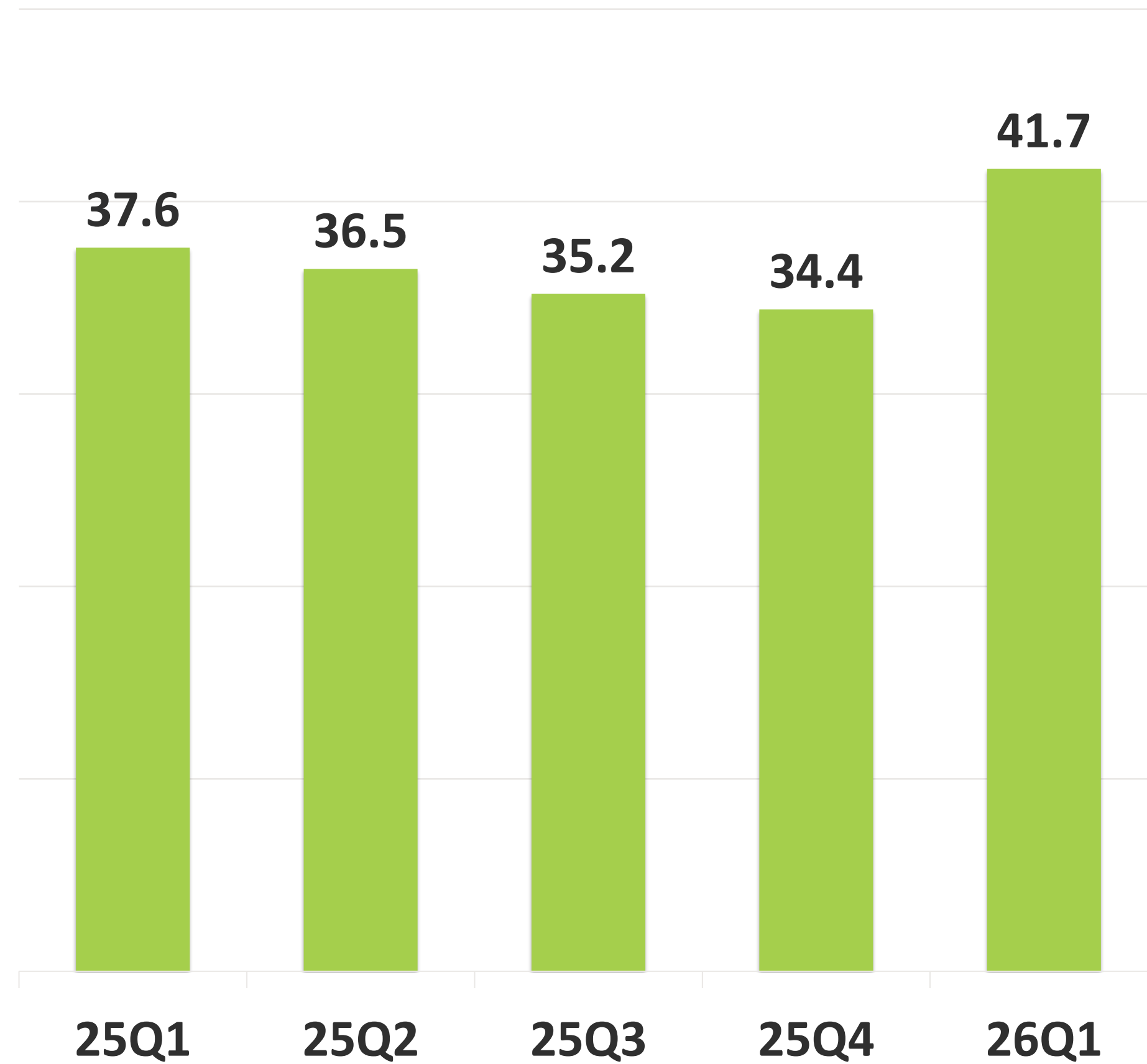
NT\$bn



GROSS AND OPERATING MARGINS

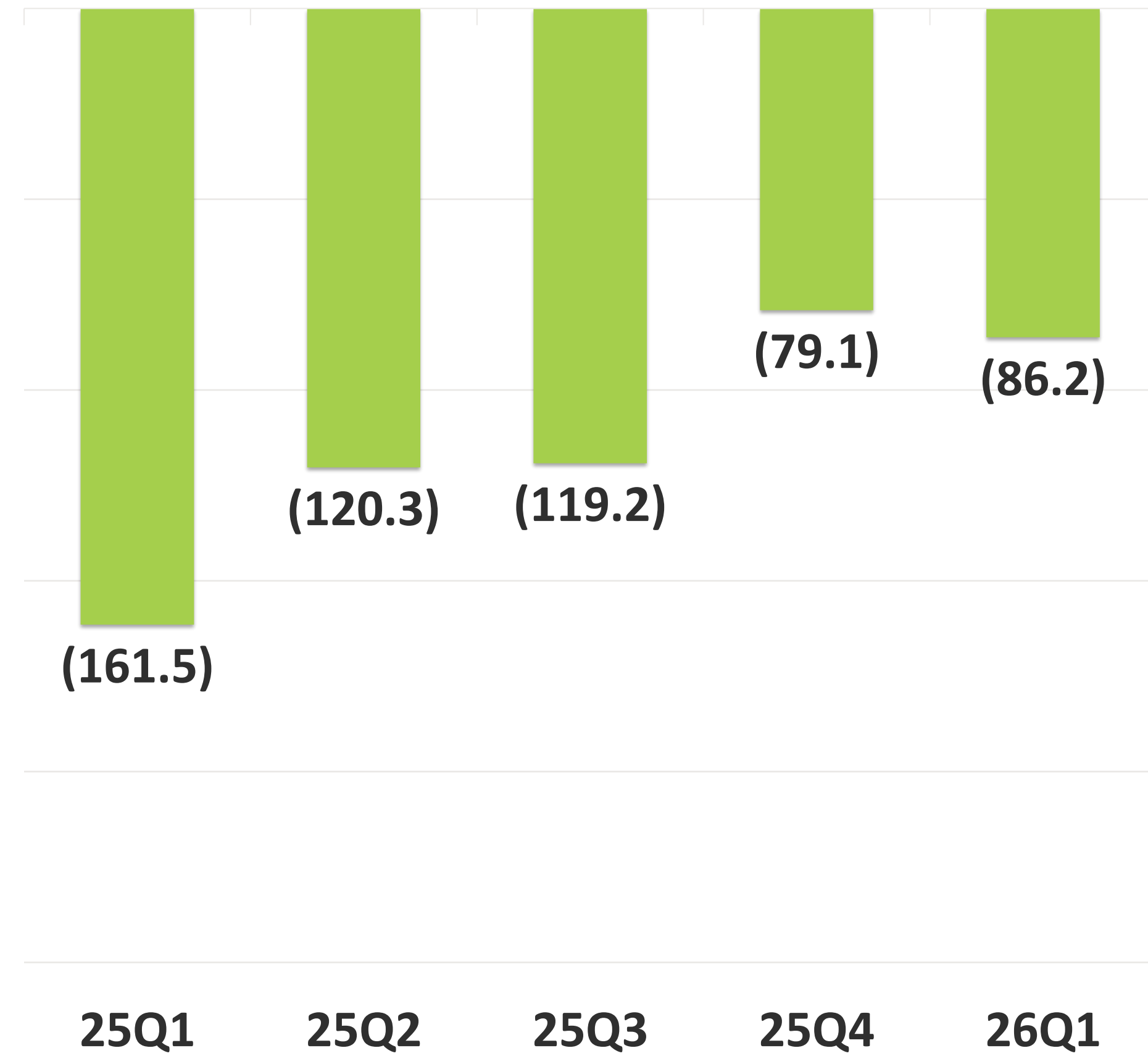
Gross Margin

%



Operating Margin

%



1Q 2026 P&L (CONSOLIDATED)

NT\$bn	1Q25	4Q25	1Q26
REVENUES	0.7	0.8	0.7
GROSS PROFIT	0.3	0.3	0.3
OPERATING EXPENSE	<u>1.4</u>	<u>0.9</u>	<u>0.9</u>
SALES MKTING.	0.5	0.4	0.4
RESEARCH DEV.	0.6	0.3	0.2
GENERAL ADM.	0.3	0.2	0.3
OPERATING PROFIT (LOSS)	-1.1	-0.6	-0.6
NPBT	6.2	-0.5	-0.2
NPAT ¹	4.1	-0.6	-0.2
GROSS MARGIN (%)	37.6%	34.4%	41.7%
OPERATING MARGIN (%)	-161.5%	-79.1%	-86.2%
EPS ² (NT\$)	4.86	-0.67	-0.29

1Q 2026 BALANCE SHEET (CONSOLIDATED)

NT\$bn	2025/03/31	2025/12/31	2026/03/31
TOTAL ASSETS	51.0	38.5	39.0
Cash ¹	31.3	3.1	3.2
AR	0.6	0.5	0.4
INVENTORY	0.6	0.5	0.5
OTHER ASSETS	18.5	34.4	34.9
TOTAL LIABILITIES	25.1	11.9	11.9
TOTAL EQUITY ²	25.9	26.6	27.1

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)

ASSETS	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,751,079	7	\$ 2,909,535	8	\$ 27,590,939	54
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	15,311,783	39	12,826,683	33	7,136	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	165,325	-	206,397	1	279,299	1
Notes and trade receivables (Notes 10 and 24)	427,679	1	506,730	1	561,504	1
Other receivables (Note 10)	176,854	1	2,604,460	7	93,112	-
Current tax assets	309,574	1	309,661	1	208,027	-
Inventories (Note 11)	491,924	1	450,243	1	589,345	1
Prepayments (Note 12)	173,886	1	193,044	-	290,026	1
Other current financial assets (Notes 9 and 32)	338,511	1	113,036	-	3,533,730	7
Other current assets	33,707	-	30,371	-	20,259	-
Total current assets	20,180,322	52	20,150,160	52	33,173,377	65
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	2,398,835	6	2,216,058	6	308,268	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	5,099,317	13	4,731,637	12	4,809,512	9
Investments accounted for using equity method (Note 14)	873,053	2	862,292	2	1,027,174	2
Property, plant and equipment (Notes 15 and 32)	6,308,740	16	6,326,356	17	6,589,467	13
Right-of-use assets (Note 16)	41,331	-	38,545	-	60,929	-
Investment properties, net (Notes 17 and 32)	1,529,226	4	1,539,993	4	2,528,003	5
Intangible assets (Note 18)	403,341	1	414,134	1	293,698	1
Deferred tax assets	1,060,567	3	1,067,262	3	1,129,649	2
Refundable deposits (Note 33)	351,105	1	345,162	1	370,120	1
Net defined benefit assets - non-current	642,016	2	640,113	2	562,287	1
Other non-current financial assets (Notes 9 and 32)	122,489	-	121,338	-	150,618	-
Other non-current assets (Note 12)	3,534	-	1,659	-	3,672	-
Total non-current assets	18,833,554	48	18,304,549	48	17,833,397	35
TOTAL	\$ 39,013,876	100	\$ 38,454,709	100	\$ 51,006,774	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	\$ 1,000,000	3	\$ 1,000,000	3	\$ 3,600,000	7
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	10,644	-	9,441	-	68,753	-
Notes and trade payables (Notes 20 and 31)	4,685,992	12	4,783,207	12	5,203,210	10
Other payables (Notes 21 and 31)	2,391,236	6	2,716,734	7	3,202,422	6
Current tax liabilities	171,566	-	172,777	1	67,090	-
Provisions - current (Note 22)	268,964	1	285,207	1	351,753	1
Lease liabilities - current (Notes 16 and 31)	21,849	-	15,930	-	25,532	-
Other current liabilities (Notes 21 and 24)	496,251	1	480,261	1	430,116	1
Total current liabilities	9,046,502	23	9,463,557	25	12,948,876	25
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	2,700,000	7	2,200,000	6	11,900,000	24
Deferred tax liabilities	97,514	1	104,435	-	41,470	-
Lease liabilities - non-current (Notes 16 and 31)	22,968	-	26,000	-	38,580	-
Guarantee deposits received	64,800	-	64,026	-	152,316	-
Total non-current liabilities	2,885,282	8	2,394,461	6	12,132,366	24
Total liabilities	11,931,784	31	11,858,018	31	25,081,242	49
EQUITY (Note 23)						
Share capital - ordinary shares	8,360,651	21	8,360,211	22	8,351,955	17
Capital surplus	16,341,549	42	16,340,444	43	16,319,644	32
Retained earnings						
Legal reserve	815,365	2	815,365	2	2,490,682	5
Special reserve	2,390,621	6	2,390,621	6	3,080,480	6
Unappropriated earnings (accumulated deficits)	1,745,596	5	1,973,957	5	(2,405,554)	(5)
Total retained earnings	4,951,582	13	5,179,943	13	3,165,608	6
Other equity	(2,571,690)	(7)	(3,283,907)	(9)	(1,911,675)	(4)
Total equity	27,082,092	69	26,596,691	69	25,925,532	51
TOTAL	\$ 39,013,876	100	\$ 38,454,709	100	\$ 51,006,774	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 (Loss) Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	\$ 652,623	100	\$ 708,312	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>380,452</u>	<u>58</u>	<u>441,906</u>	<u>63</u>
GROSS PROFIT	<u>272,171</u>	<u>42</u>	<u>266,406</u>	<u>37</u>
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing	347,745	53	508,661	72
General and administrative	250,881	39	313,906	44
Research and development	<u>236,322</u>	<u>36</u>	<u>587,978</u>	<u>83</u>
Total operating expenses	<u>834,948</u>	<u>128</u>	<u>1,410,545</u>	<u>199</u>
OPERATING LOSS	<u>(562,777)</u>	<u>(86)</u>	<u>(1,144,139)</u>	<u>(162)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	11,991	2	218,272	31
Other income (Notes 25 and 31)	175,681	27	206,748	29
Other gains and losses (Note 25)	172,058	26	7,081,203	1,000
Finance costs (Notes 25 and 31)	(20,037)	(3)	(91,673)	(13)
Share of profit or loss of associates and joint ventures (Note 14)	<u>(5,397)</u>	<u>(1)</u>	<u>(101,262)</u>	<u>(14)</u>
Total non-operating income and expenses	<u>334,296</u>	<u>51</u>	<u>7,313,288</u>	<u>1,033</u>
(LOSS) INCOME BEFORE INCOME TAX	(228,481)	(35)	6,169,149	871
INCOME TAX EXPENSE (Note 26)	<u>(13,193)</u>	<u>(2)</u>	<u>(2,114,620)</u>	<u>(298)</u>
(LOSS) INCOME FOR THE PERIOD	<u>(241,674)</u>	<u>(37)</u>	<u>4,054,529</u>	<u>573</u>

(Continued)

HTC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS, NET OF INCOME TAX				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	\$ 359,435	55	\$ (281,673)	(40)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>366,095</u>	<u>56</u>	<u>665,713</u>	<u>94</u>
Other comprehensive income for the period, net of income tax	<u>725,530</u>	<u>111</u>	<u>384,040</u>	<u>54</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 483,856</u>	<u>74</u>	<u>\$ 4,438,569</u>	<u>627</u>
(LOSS) EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ (0.29)</u>		<u>\$ 4.86</u>	
Diluted	<u>\$ (0.29)</u>		<u>\$ 4.82</u>	

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 Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	
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	<u>\$ 8,351,955</u>	<u>\$ 16,319,644</u>	<u>\$ 2,490,682</u>	<u>\$ 3,080,480</u>	<u>\$ (2,405,554)</u>	<u>\$ (254,907)</u>	<u>\$ (1,656,768)</u>	<u>\$ 25,925,532</u>
BALANCE, JANUARY 1, 2026	\$ 8,360,211	\$ 16,340,444	\$ 815,365	\$ 2,390,621	\$ 1,973,957	\$ (1,271,223)	\$ (2,012,684)	\$ 26,596,691
Net loss for the three months ended March 31, 2026	-	-	-	-	(241,674)	-	-	(241,674)
Other comprehensive income and loss for the three months ended March 31, 2026	-	-	-	-	-	366,095	359,435	725,530
Total comprehensive income and loss for the three months ended March 31, 2026	-	-	-	-	(241,674)	366,095	359,435	483,856
Issuance of shares due to exercise of employee share options	440	1,105	-	-	-	-	-	1,545
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	13,313	-	(13,313)	-
BALANCE, MARCH 31, 2026	<u>\$ 8,360,651</u>	<u>\$ 16,341,549</u>	<u>\$ 815,365</u>	<u>\$ 2,390,621</u>	<u>\$ 1,745,596</u>	<u>\$ (905,128)</u>	<u>\$ (1,666,562)</u>	<u>\$ 27,082,092</u>

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	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (228,481)	\$ 6,169,149
Adjustments for:		
Depreciation expense	45,028	56,825
Amortization expense	4,453	1,837
Expected credit loss reversed on trade receivables	-	(206)
(Gain) loss on financial assets at fair value through profit or loss	(157,349)	75,597
Finance costs	20,037	91,673
Interest income	(11,991)	(218,272)
Dividend income	(76,783)	(1,482)
Share of the loss of associates and joint ventures accounted for using the equity method	5,397	101,262
Net gain on disposal of property, plant and equipment	(1,301)	-
Net gain on disposal of assets and licensing income (Note 25)	-	(8,045,926)
Impairment loss (reversal gain) on non-financial assets	(51,267)	558,061
Gain from lease modifications	(7)	(1)
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	15,079	18,013
Decrease (increase) in notes and trade receivables	79,051	(64,290)
Decrease in other receivables	13,648	4,856
Decrease (increase) in inventories	15,737	(33,376)
Decrease in prepayments	19,158	115,842
(Increase) decrease in other current assets	(3,336)	9,649
Increase in other non-current assets	(3,778)	(4,313)
Decrease in notes and trade payables	(70,467)	(42,400)
(Decrease) increase in other payables	(327,392)	134,785
Decrease in provisions	(16,243)	(32,172)
Increase (decrease) in other current liabilities	15,990	(20,075)
Cash used in operations	(714,817)	(1,124,964)
Interest received	10,234	235,921
Interest paid	(19,452)	(103,339)
Income tax paid	(40,306)	(582,591)
Net cash used in operating activities	(764,341)	(1,574,973)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(4,730)	(573,325)
Proceeds from disposal of financial assets at fair value through other comprehensive income	43,074	434
Purchase of financial assets at fair value through profit or loss	(7,499,005)	(39,390)

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HTC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 5,282,193	\$ -
Acquisition of investments accounted for using equity method	-	(109,356)
Payments for property, plant and equipment	(2,624)	(10,717)
Proceeds from disposal of property, plant and equipment	2,047	-
Increase in refundable deposits	(5,943)	(4,495)
Decrease in other receivables	2,415,715	-
Proceeds from disposal of intangible assets	8	-
Payments for investment properties	-	(833)
Increase in other financial assets	(226,626)	-
Decrease in other financial assets	-	6,705,449
Dividends received	76,783	1,482
Proceeds from disposal of assets and licensing income (Note 25)	<u>-</u>	<u>8,045,926</u>
Net cash generated from investing activities	<u>80,892</u>	<u>14,015,175</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	200,000
Increase in long-term borrowings	500,000	100,000
Increase in guarantee deposits received	774	198
Repayments of the principal portion of lease liabilities	(5,158)	(6,974)
Employee share options executed	<u>1,545</u>	<u>58,694</u>
Net cash generated from financing activities	<u>497,161</u>	<u>351,918</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>27,832</u>	<u>559,610</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(158,456)	13,351,730
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,909,535</u>	<u>14,239,209</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,751,079</u>	<u>\$ 27,590,939</u>

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

(Concluded)