HTC CORPORATION

2Q26 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

2Q26 Financial Highlights:

- Quarterly revenue of NT$0.61 billion with a gross margin of 42.6%.
- Quarterly operating loss of NT$0.57 billion with an operating margin of -93.2%.
- Quarterly net loss attributable to owners of the parent was NT$0.28 billion, or an EPS of -NT$0.33.

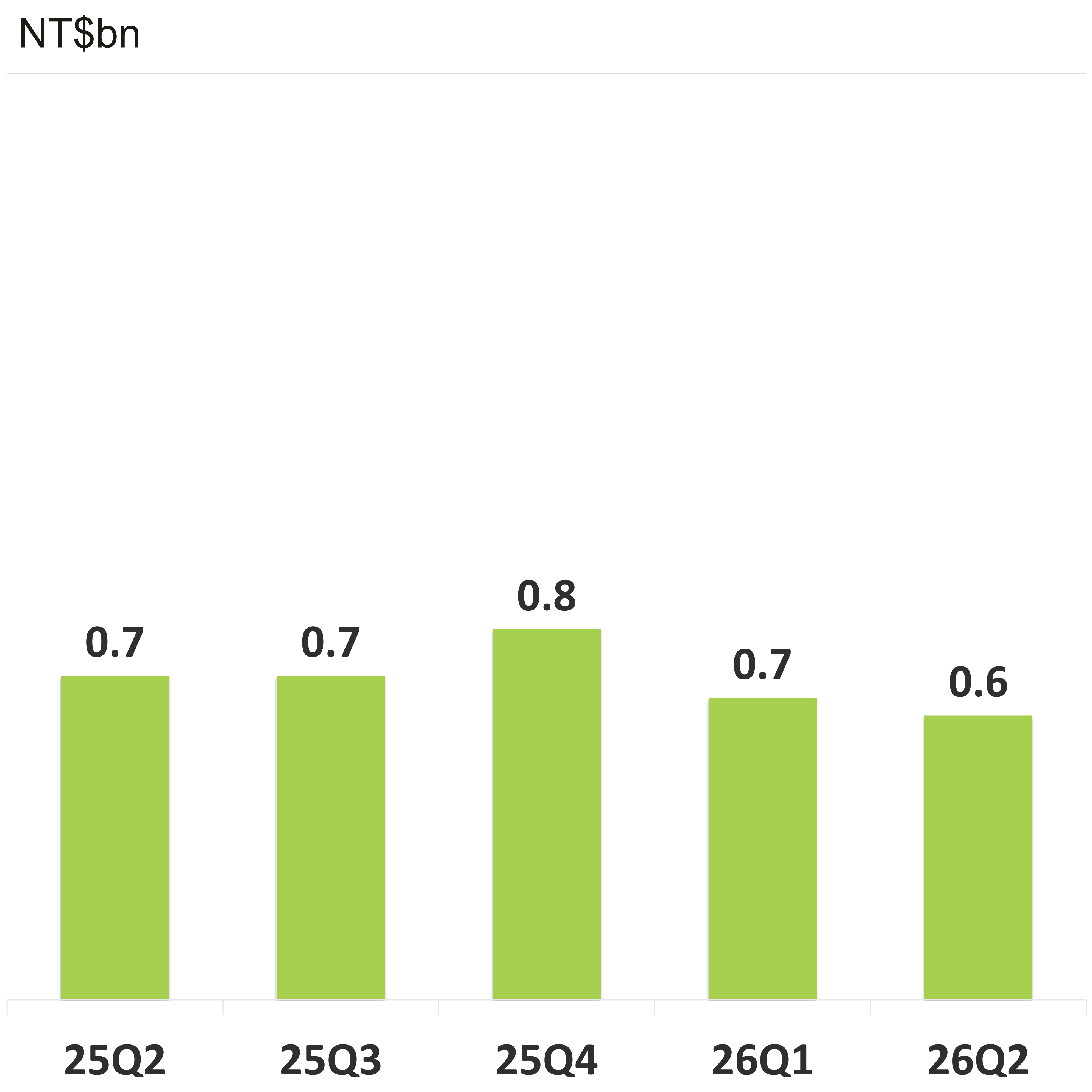
EXECUTIVE SUMMARY

2Q26 Business Update:

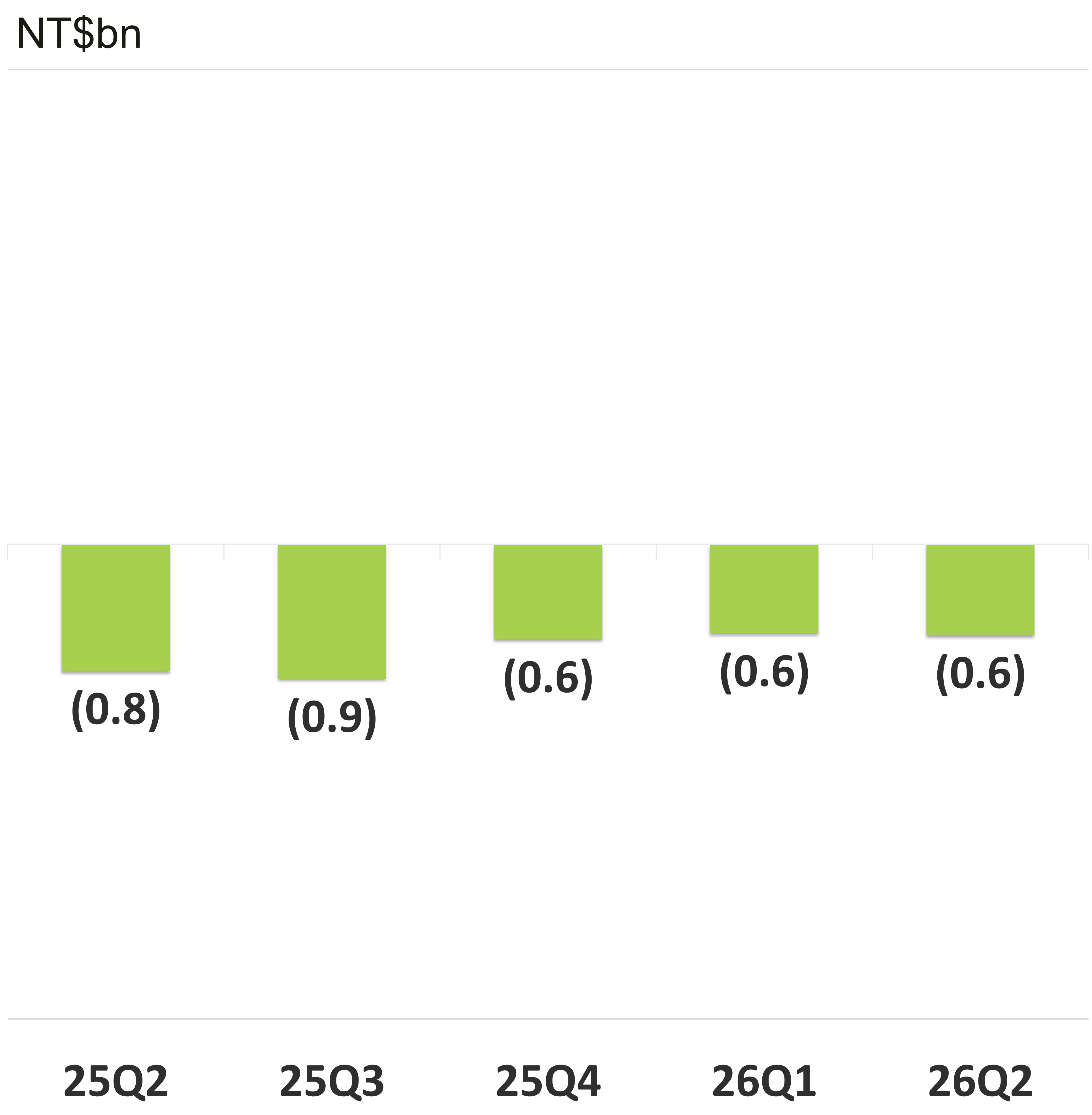
- HTC has announced that its AI smart glasses, VIVE Eagle, has partnered with Japan's KDDI to officially enter the Japanese market. VIVE Eagle is now officially launched in Japan through au +1 collection, and start sales and display experiences at KDDI and Okinawa Cellular directly operated stores, au Online Shop, and designated channels, further expanding HTC's presence in Japan's AI wearable market.
- VIVE Arts has collaborated with the Musée national Picasso-Paris and French immersive content production company Lucid Realities to launch a new XR experience of “The Metamorphoses of Guernica”. This immersive experience is exhibited at the Musée National Picasso-Paris, using immersive technology to guide audiences into the creative background, historical context, and significance of Picasso's iconic masterpiece Guernica.
- VIVERSE has collaborated with Taiwan‘s Ministry of Culture and international immersive content studio, Wevr, to launch the multi-user free-roam XR experience “The Blu: Expedition Taiwan“. Taking the ocean surrounding Taiwan as the starting point for the global ocean-themed immersive content project, and through large-scale free-roam XR technology to lead the audience to experience the deep and real connection between Taiwan and the ocean, creating an immersive experience that combines cultural content, marine education, and location-based entertainment.
- G REIGNS, in collaboration with Taiwan-based communications technology provider Microelectronics Technology Inc. and Alaska-based U.S. communications service provider Microcom, successfully completed the system integration and laboratory validation of an end-to-end Open RAN solution, marking a key milestone for future expansion into the U.S. market and communications deployment in remote areas.

REVENUES AND OPERATING PROFIT

Revenues

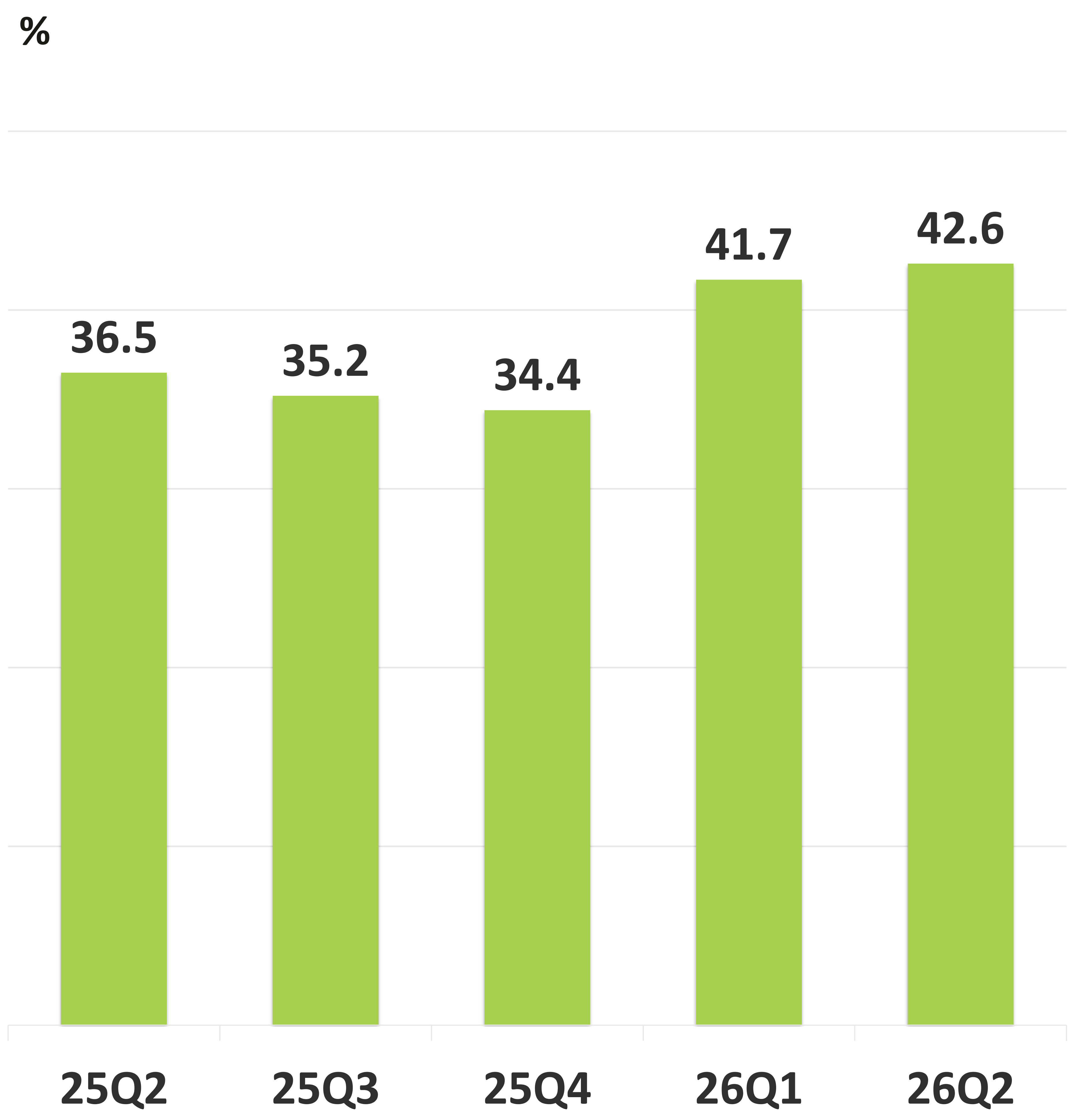


Operating Profit (Loss)

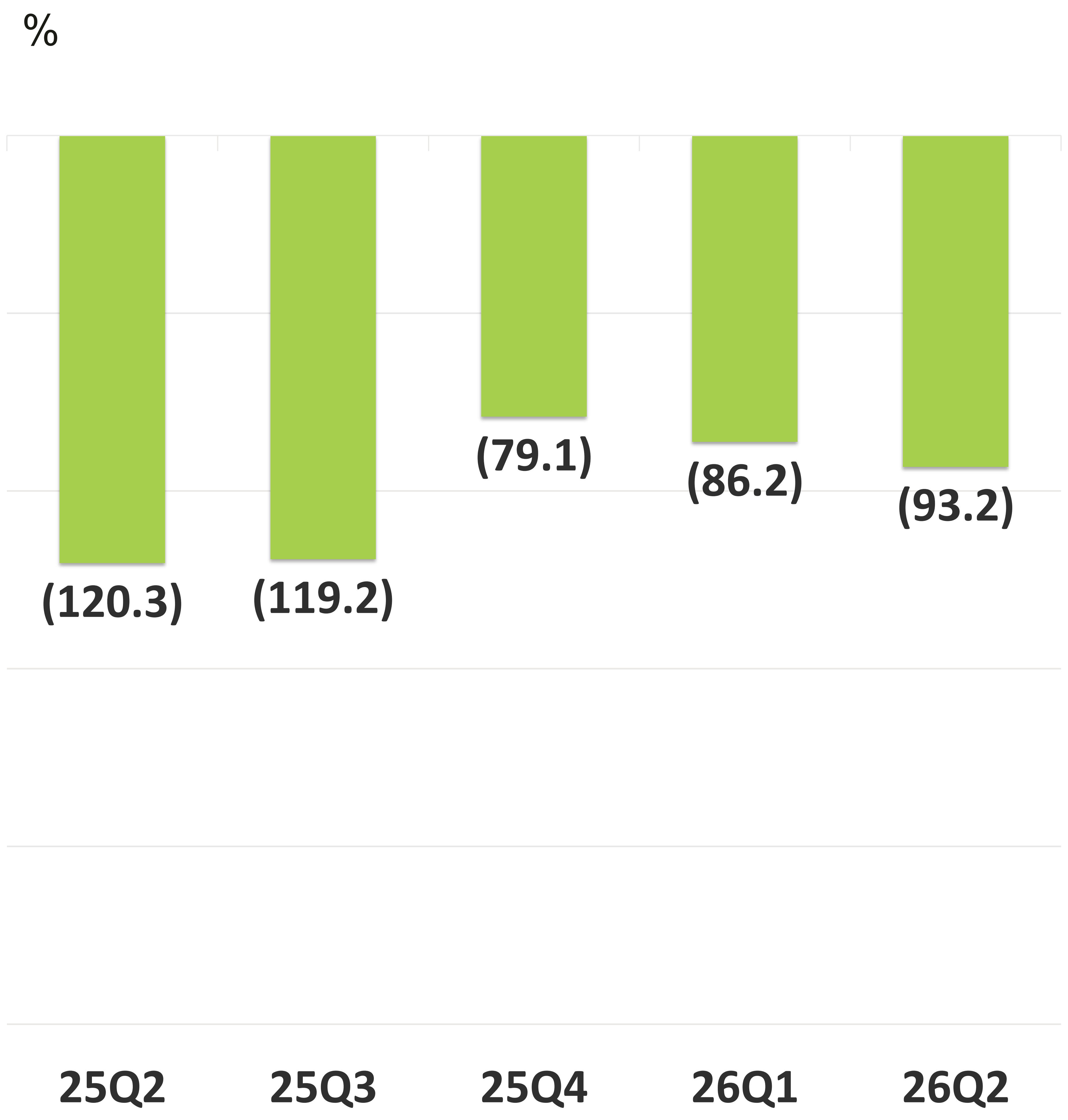


GROSS AND OPERATING MARGINS

Gross Margin



Operating Margin



2Q 2026 P&L (CONSOLIDATED)

NT$bn	2Q25	1Q26	2Q26
REVENUES	0.7	0.7	**0.6**
GROSS PROFIT	0.3	0.3	**0.3**
OPERATING EXPENSE	1.1	0.9	**0.9**
SALES MKTING.	0.4	0.4	**0.4**
RESEARCH DEV.	0.4	0.2	**0.2**
GENERAL ADM.	0.3	0.3	**0.3**
OPERATING PROFIT (LOSS)	-0.8	-0.6	**-0.6**
NPBT	-0.7	-0.2	**-0.3**
NPAT[1]	-0.7	-0.2	**-0.3**
GROSS MARGIN (%)	36.5%	41.7%	**42.6%**
OPERATING MARGIN (%)	-120.3%	-86.2%	**-93.2%**
EPS[2] (NT$)	-0.86	-0.29	**-0.33**

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

2Q 2026 BALANCE SHEET (CONSOLIDATED)

NT$bn	2025/06/30	2026/03/31	2026/06/30
TOTAL ASSETS	39.0	39.0	**38.9**
Cash[1]	12.7	3.2	**2.7**
AR	0.5	0.4	**0.5**
INVENTORY	0.5	0.5	**0.5**
OTHER ASSETS	25.3	34.9	**35.2**
TOTAL LIABILITIES	16.6	11.9	**12.7**
TOTAL EQUITY[2]	22.4	27.1	**26.2**

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

htc

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 2,195,693	6	$ 2,909,535	8	$ 12,410,525	32
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	14,976,642	39	12,826,683	33	6,773,421	17
Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	146,607	-	206,397	1	291,145	1
Notes and trade receivables (Notes 10 and 24)	468,743	1	506,730	1	526,575	1
Other receivables (Note 10)	97,723	-	2,604,460	7	19,213	-
Current tax assets	161,595	-	191,124	-	214,717	1
Inventories (Note 11)	501,943	1	450,243	1	510,736	1
Prepayments (Note 12)	182,373	1	193,044	1	258,023	1
Other current financial assets (Notes 9 and 32)	435,630	1	113,036	-	109,357	-
Other current assets	36,263	-	30,371	-	37,185	-
Total current assets	19,203,212	49	20,031,623	52	21,150,897	54
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	3,313,623	9	2,216,058	6	465,832	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	5,152,367	13	4,731,637	12	4,549,598	12
Investments accounted for using equity method (Note 14)	857,226	2	862,292	2	890,235	2
Property, plant and equipment (Notes 15 and 32)	6,288,307	16	6,326,356	17	6,797,990	18
Right-of-use assets (Note 16)	35,931	-	38,545	-	47,888	-
Investment properties, net (Notes 17 and 32)	1,509,122	4	1,539,993	4	2,435,163	6
Intangible assets (Note 18)	375,674	1	414,134	1	418,150	1
Deferred tax assets	1,061,248	3	1,067,262	3	1,136,057	3
Refundable deposits	350,179	1	345,162	1	327,959	1
Net defined benefit assets - non-current	643,920	2	640,113	2	564,103	2
Other non-current financial assets (Notes 9 and 32)	75,876	-	121,338	-	139,343	-
Other non-current assets (Note 12)	2,614	-	1,659	-	2,682	-
Total non-current assets	19,666,087	51	18,304,549	48	17,775,000	46
TOTAL	$ 38,869,299	100	$ 38,336,172	100	$ 38,925,897	100

LIABILITIES AND EQUITY	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 500,000	2	$ 1,000,000	3	$ 600,000	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 30)	13,933	-	9,441	-	94,616	-
Notes and trade payables (Notes 20 and 31)	4,639,080	12	4,783,207	13	4,703,341	12
Other payables (Notes 21 and 31)	2,739,453	7	2,716,734	7	2,578,952	7
Current tax liabilities	67,047	-	54,240	-	52,088	-
Provisions - current (Note 22)	251,596	1	285,207	1	323,787	1
Lease liabilities - current (Notes 16 and 31)	19,920	-	15,930	-	20,187	-
Other current liabilities (Notes 21 and 24)	490,181	1	480,261	1	400,346	1
Total current liabilities	8,721,210	23	9,345,020	25	8,773,317	22
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	3,750,000	10	2,200,000	6	7,500,000	19
Deferred tax liabilities	99,401	-	104,435	-	56,246	-
Lease liabilities - non-current (Notes 16 and 31)	19,462	-	26,000	-	30,790	-
Guarantee deposits received	65,693	-	64,026	-	150,044	1
Total non-current liabilities	3,934,556	10	2,394,461	6	7,737,080	20
Total liabilities	12,655,766	33	11,739,481	31	16,510,397	42
EQUITY (Note 23)						
Share capital - ordinary shares	8,360,971	21	8,360,211	22	8,353,400	22
Capital surplus	16,342,365	42	16,340,444	43	16,323,321	42
Retained earnings						
Legal reserve	1,012,760	3	815,365	2	815,365	2
Special reserve	3,283,907	8	2,390,621	6	2,390,621	6
(Accumulated deficits) unappropriated earnings	(42,581)	-	1,973,957	5	(755,956)	(2)
Total retained earnings	4,254,086	11	5,179,943	13	2,450,030	6
Other equity	(2,743,889)	(7)	(3,283,907)	(9)	(4,711,251)	(12)
Total equity	26,213,533	67	26,596,691	69	22,415,500	58
TOTAL	$ 38,869,299	100	$ 38,336,172	100	$ 38,925,897	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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	$ 614,205	100	$ 695,012	100	$ 1,266,828	100	$ 1,403,324	100
OPERATING COSTS (Notes 11, 25 and 31)	352,355	57	441,629	64	732,807	58	883,535	63
GROSS PROFIT	261,850	43	253,383	36	534,021	42	519,789	37
OPERATING EXPENSES (Notes 25 and 31)								
Selling and marketing	342,534	56	418,851	60	690,279	54	927,512	66
General and administrative	258,421	42	292,084	42	509,302	40	605,990	43
Research and development	233,541	38	378,284	55	469,863	37	966,262	69
Total operating expenses	834,496	136	1,089,219	157	1,669,444	131	2,499,764	178
OPERATING LOSS	(572,646)	(94)	(835,836)	(120)	(1,135,423)	(89)	(1,979,975)	(141)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 25)	10,488	2	163,151	23	22,479	2	381,423	27
Other income (Notes 25 and 31)	238,128	39	300,538	43	413,809	33	507,286	36
Other gains and losses (Note 25)	111,178	18	(213,979)	(31)	283,236	22	6,867,224	490
Finance costs (Notes 25 and 31)	(22,982)	(4)	(77,973)	(11)	(43,019)	(4)	(169,646)	(12)
Share of profit or loss of associates and joint ventures (Note 14)	(24,229)	(4)	(50,989)	(7)	(29,626)	(2)	(152,251)	(11)
Total non-operating income and expenses	312,583	51	120,748	17	646,879	51	7,434,036	530
(LOSS) INCOME BEFORE INCOME TAX	(260,063)	(43)	(715,088)	(103)	(488,544)	(38)	5,454,061	389
INCOME TAX EXPENSE (Note 26)	(19,400)	(3)	(490)	-	(32,593)	(3)	(2,115,110)	(151)
(LOSS) INCOME FOR THE PERIOD	(279,463)	(46)	(715,578)	(103)	(521,137)	(41)	3,338,951	238

(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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	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	$ (79,057)	(13)	$ 110,825	16	$ 280,378	22	$ (170,848)	(12)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	(93,142)	(15)	(2,910,401)	(419)	272,953	22	(2,244,688)	(160)
Other comprehensive (loss) income for the period, net of income tax	(172,199)	(28)	(2,799,576)	(403)	553,331	44	(2,415,536)	(172)
TOTAL COMPREHENSIVE INCOME AND LOSS FOR THE PERIOD	$ (451,662)	(74)	$ (3,515,154)	(506)	$ 32,194	3	$ 923,415	66
(LOSS) EARNINGS PER SHARE (Note 27)								
Basic	$ (0.33)		$ (0.86)		$ (0.62)		$ 4.00	
Diluted	$ (0.33)		$ (0.85)		$ (0.62)		$ 3.97	

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

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS 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) Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
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
Legal reserve in covering accumulated deficits	-	-	(1,675,317)	-	1,675,317	-	-	-
Reversal of special reserve	-	-	-	(689,859)	689,859	-	-	-
Net income for the six months ended June 30, 2025	-	-	-	-	3,338,951	-	-	3,338,951
Other comprehensive income and loss for the six months ended June 30, 2025	-	-	-	-	-	(2,244,688)	(170,848)	(2,415,536)
Total comprehensive income and loss for the six months ended June 30, 2025	-	-	-	-	3,338,951	(2,244,688)	(170,848)	923,415
Issuance of shares due to exercise of employee share options	18,060	45,756	-	-	-	-	-	63,816
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(94,906)	-	94,906	-
BALANCE, JUNE 30, 2025	$ 8,353,400	$ 16,323,321	$ 815,365	$ 2,390,621	$ (755,956)	$ (3,165,308)	$ (1,545,943)	$ 22,415,500
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
Legal reserve	-	-	197,395	-	(197,395)	-	-	-
Special reserve	-	-	-	893,286	(893,286)	-	-	-
Cash dividends	-	-	-	-	(418,033)	-	-	(418,033)
Net loss for the six months ended June 30, 2026	-	-	-	-	(521,137)	-	-	(521,137)
Other comprehensive income and loss for the six months ended June 30, 2026	-	-	-	-	-	272,953	280,378	553,331
Total comprehensive income and loss for the six months ended June 30, 2026	-	-	-	-	(521,137)	272,953	280,378	32,194
Issuance of shares due to exercise of employee share options	760	1,921	-	-	-	-	-	2,681
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	13,313	-	(13,313)	-
BALANCE, JUNE 30, 2026	$ 8,360,971	$ 16,342,365	$ 1,012,760	$ 3,283,907	$ (42,581)	$ (998,270)	$ (1,745,619)	$ 26,213,533

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 Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	$ (488,544)	$ 5,454,061
Adjustments for:		
Depreciation expense	90,837	112,681
Amortization expense	8,888	8,563
Expected credit loss recognized on trade receivables	-	908
(Gain) loss on financial assets at fair value through profit or loss	(352,811)	66,219
Finance costs	43,019	169,646
Interest income	(22,479)	(381,423)
Dividend income	(221,561)	(4,095)
Share of the loss of associates and joint ventures accounted for using the equity method	29,626	152,251
Net (gain) loss on disposal of property, plant and equipment	(1,301)	3,149
Net gain on disposal of assets and licensing income (Note 25)	-	(8,045,926)
Impairment (reversal gain) loss on non-financial assets	(8,288)	557,619
Gain from lease modifications	(7)	(1)
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	(16,520)	(50,819)
Decrease (increase) in notes and trade receivables	37,987	(30,475)
Decrease in other receivables	16,195	4,223
(Increase) decrease in inventories	(14,567)	45,665
Decrease in prepayments	10,671	147,845
Increase in other current assets	(5,892)	(7,277)
Increase in other non-current assets	(4,762)	(5,346)
Decrease in notes and trade payables	(75,842)	(605,264)
Decrease in other payables	(396,601)	(479,851)
Decrease in provisions	(33,611)	(60,138)
Increase (decrease) in other current liabilities	9,920	(49,845)
Cash used in operations	(1,395,643)	(2,997,630)
Interest received	21,206	473,604
Interest paid	(41,992)	(188,692)
Income tax paid	(56,919)	(541,847)
Net cash used in operating activities	(1,473,348)	(3,254,565)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(108,812)	(813,316)
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	(11,725,007)	(7,446,726)

(Continued)

HTC CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30 2026	For the Six Months Ended June 30 2025
Proceeds from disposal of financial assets at fair value through profit or loss	$ 9,075,566	$ 165,978
Acquisition of investments accounted for using equity method	(9,299)	(134,658)
Payments for property, plant and equipment	(11,756)	(282,911)
Proceeds from disposal of property, plant and equipment	4,307	1,558
Increase in refundable deposits	(5,017)	-
Decrease in refundable deposits	-	37,666
Decrease in other receivables from disposal of investments	2,543,117	-
Payments for intangible assets	-	(134,738)
Proceeds from disposal of intangible assets	8	-
Payments for investment properties	-	(833)
Increase in other financial assets	(277,132)	-
Decrease in other financial assets	-	10,141,097
Dividends received	166,671	4,095
Proceeds from disposal of assets and licensing income (Note 25)	-	8,045,926
Net cash (used in) generated from investing activities	(304,280)	9,583,572
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(500,000)	(2,800,000)
Repayments of long-term borrowings	-	(4,300,000)
Increase in long-term borrowings	1,550,000	-
Increase in guarantee deposits received	1,667	-
Decrease in guarantee deposits received	-	(2,074)
Repayments of the principal portion of lease liabilities	(11,095)	(13,469)
Employee share options executed	2,681	63,816
Net cash generated from (used in) financing activities	1,043,253	(7,051,727)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	20,533	(1,105,964)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(713,842)	(1,828,684)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,909,535	14,239,209
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,195,693	$ 12,410,525

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