

Stock Code : 6921

LeRain Technology Co., Ltd.
Financial Statements for the
Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report

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Independent Auditors' Review Report

The Board of Directors and Shareholders of LeRain Technology Co., Ltd.

Introduction

We have reviewed the accompanying balance sheets of LeRain Technology Co., Ltd. (the "Company") as of March 31, 2026 and 2025 and the related statements of comprehensive income, changes in equity, and cash flows for the three months ended March 31, 2026 and 2025, and the related notes to the financial statements, including a summary of significant accounting policies. The preparation and fair presentation of the financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission, is the responsibility of management. Our responsibility is to express a conclusion on the financial statements based on our review.

Scope of Review

We conducted our review in accordance with Statement of Review Standards No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of financial statements consists principally of inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and of its financial performance and cash flows for the three months then ended March 31, 2026 and 2025 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission.

The engagement partners on the review resulting in this independent auditors' review report are Tsai,Pei-Ju and Lee,Feng-Hui.

KPMG

Taipei, Taiwan (Republic of China)

May 12, 2026

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.

LeRain Technology Co., Ltd.

Balance Sheets

March 31, 2026, December 31, 2025 and March 31, 2025

Unit: NT\$ thousands

Assets		March 31, 2026		December 31, 2025		March 31, 2025		Liabilities and Equity		March 31, 2026		Decemrer 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current Assets :								Liabilities:							
1100	Cash and cash equivalents (Notes VI (1) and (17))	\$ 70,748	24	138,321	37	110,830	36	2100	Short-term borrowings (Notes VI (6) and (17))	\$ -	-	50,000	13	50,000	16
1170	Accounts receivable, net (Note VI (2))	16,660	6	31,461	8	34,895	11	2170	Notes payable (Note VI (17))	4,964	2	15,881	4	16,846	5
1181	Accounts receivable – related parties (Notes VI (2) and VII)	3,873	2	2,603	1	946	-	2200	Accounts payable (Note VI (17))	9,442	3	19,845	6	11,918	4
1200	Other receivables (Note VI (2))	638	-	116	-	1,246	-	2220	Other payables – related parties (Note VI (17))	-	-	-	-	15	-
1220	Current income tax assets	743	-	704	-	708	-	2300	Other current liabilities (Notes VI (7) and (17))	806	-	3,683	1	5,905	2
130X	Inventories (Note VI (3))	76,633	26	73,983	19	34,503	11	Total Liabilities		15,212	5	89,409	24	84,684	27
1410	Prepayments	1,164	-	2,705	1	1,632	1	Equity:							
		170,459	58	249,893	66	184,760	59	3100	Share capital (Note VI (11))	318,369	108	318,369	84	300,679	96
Non-current Assets :								3200	Capital surplus (Note VI (11))	43,026	15	42,915	11	1,029	-
1600	Property, plant and equipment (Note VI (4))	122,718	42	124,560	33	125,541	40	3300	Retained earnings (Note VI (11))	(81,694)	(28)	(73,113)	(19)	(73,043)	(23)
1780	Intangible assets (Note VI (5))	1,714	-	3,105	1	1,083	-	Total Equity		279,701	95	288,171	76	228,665	73
1900	Other non-current assets	22	-	22	-	1,965	1								
		124,454	42	127,687	34	128,589	41								
Total Assets		\$ 294,913	100	377,580	100	313,349	100	Total Liabilities and Equity		\$ 294,913	100	377,580	100	313,349	100

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG

Manager: GAO, MIAO-BIN

Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Statement of Comprehensive Income
Three Months Ended March 31, 2026 and 2025

Unit: NT\$ thousands

		Three Months Ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	Operating revenue (Notes VI (15) and VII)	\$ 28,453	100	60,687	100
5000	Operating costs (Notes VI (3) and XII)	<u>12,647</u>	<u>44</u>	<u>26,644</u>	<u>44</u>
	Gross Profit	<u>15,806</u>	<u>56</u>	<u>34,043</u>	<u>56</u>
	Operating Expenses (Notes VII and XII):				
6100	Selling expenses	1,318	5	1,200	2
6200	Administrative expenses	8,731	31	7,204	12
6300	Research and development expenses	<u>16,245</u>	<u>57</u>	<u>17,292</u>	<u>28</u>
	Total Operating Expenses	<u>26,294</u>	<u>93</u>	<u>25,696</u>	<u>42</u>
	Operating Income (Loss)	<u>(10,488)</u>	<u>(37)</u>	<u>8,347</u>	<u>14</u>
	Non-operating Income and Expenses (Notes VI (16))				
7100	Interest income	505	2	949	1
7010	Other income	-	-	27	-
7020	Other gains and losses	1,461	5	1,700	3
7050	Finance costs	<u>(59)</u>	<u>-</u>	<u>(260)</u>	<u>-</u>
	Total Non-operating Income and Expenses	<u>1,907</u>	<u>7</u>	<u>2,416</u>	<u>4</u>
7900	Profit (Loss) Before Income Tax	(8,581)	(30)	10,763	18
7950	Less: Income tax expense (Note VI (10))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200	Net Profit (Loss) for the period	<u>(8,581)</u>	<u>(30)</u>	<u>10,763</u>	<u>18</u>
8300	Other Comprehensive Income for the period (net of tax)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total Comprehensive Income (Loss) for the period	<u><u>\$ (8,581)</u></u>	<u><u>(30)</u></u>	<u><u>10,763</u></u>	<u><u>18</u></u>
9750	Earnings (Loss) per Share (NT\$) (Note VI (13))	<u><u>\$ (0.27)</u></u>		<u><u>0.36</u></u>	

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG
Manager: GAO, MIAO-BIN
Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Statement of Changes in Equity
Three Months Ended March 31, 2026 and 2025

Unit: NT\$ thousands

	<u>Share capital</u> <u>Ordinary</u> <u>share capital</u>	<u>Capital surplus</u>	<u>Retained earnings</u> <u>Accumulated</u> <u>deficits</u>	<u>Total equity</u>
Balance as of January 1, 2025	\$ 300,679	815	(83,806)	217,688
Total comprehensive income for the period (i.e., net profit for the period)	-	-	10,763	10,763
Changes in capital surplus:				
Compensation cost of employee stock options	-	214	-	214
Balance as of March 31, 2025	<u><u>\$ 300,679</u></u>	<u><u>1,029</u></u>	<u><u>(73,043)</u></u>	<u><u>228,665</u></u>
Balance as of January 1, 2026	\$ 318,369	42,915	(73,113)	288,171
Total comprehensive income (loss) for the period (i.e., net loss for the period)	-	-	(8,581)	(8,581)
Changes in capital surplus:				
Compensation cost of employee stock options	-	111	-	111
Balance as of March 31, 2026	<u><u>\$ 318,369</u></u>	<u><u>43,026</u></u>	<u><u>(81,694)</u></u>	<u><u>279,701</u></u>

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG

Manager: GAO, MIAO-BIN

Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Statement of Cash Flows
Three Months Ended March 31, 2026 and 2025

Unit: NT\$ thousands

	Three Months Ended March 31	
	2026	2025
Cash Flows from Operating Activities:		
Profit (Loss) before income tax	\$ (8,581)	10,763
Adjustments:		
Items affecting profit or loss:		
Depreciation expense	1,919	1,915
Amortization expense	1,391	1,086
Interest expense	59	260
Interest income	(505)	(949)
Loss on inventory write-down and obsolescence	3,358	1,442
Compensation cost of share-based payments	111	214
Total adjustments for items affecting profit or loss	6,333	3,968
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease (increase) in accounts receivable	13,531	(17,394)
Increase in other receivables	(537)	(1,022)
Increase in current income tax assets	(39)	(89)
Increase in inventories	(6,008)	(6,913)
Decrease in prepayments	1,541	81
Total net changes in operating assets	8,488	(25,337)
Net changes in operating liabilities:		
Decrease in notes payable	-	(263)
Increase (decrease) in accounts payable	(10,917)	9,797
Decrease in other payables	(10,357)	(3,985)
Decrease in other current liabilities	(2,877)	(3,337)
Total net changes in operating liabilities	(24,151)	2,212
Total net changes in operating assets and liabilities	(15,663)	(23,125)
Total adjustments	(9,330)	(19,157)
Net cash used in operations	(17,911)	(8,394)
Interest received	520	898
Interest paid	(105)	(309)
Net cash used in operating activities	(17,496)	(7,805)
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(77)	(2,592)
Increase in prepayments for equipment	-	(1,943)
Net cash used in investing activities	(77)	(4,535)
Cash Flows from Financing Activities:		
Decrease in short-term borrowings	(50,000)	-
Net cash used in financing activities	(50,000)	-
Net decrease in cash and cash equivalents	(67,573)	(12,340)
Cash and cash equivalents at beginning of period	138,321	123,170
Cash and cash equivalents at end of period	\$ 70,748	110,830

(Please refer to Notes to the Financial Statements)

Chairperson: CHU, TE-HSIANG

Manager: GAO, MIAO-BIN

Accounting Manager: CHEN, YUEH-CHING

LeRain Technology Co., Ltd.
Notes to the Financial Statements

Three Months Ended March 31, 2026 and 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company History

LeRain Technology Co., Ltd. (the “Company”) was incorporated on January 2, 2020, in accordance with the Company Act of the Republic of China (Taiwan), and was duly registered upon approval. The Company’s registered address is 5F.-2, No. 268, Liancheng Rd., Zhonghe Dist., New Taipei City, Taiwan. The Company’s shares have been listed and traded on the Taiwan Innovation Board of the Taiwan Stock Exchange since December 23, 2025. The Company is principally engaged in the design, development, production, manufacturing, and sale of high-speed signal transmission interfaces and high-speed analog circuits.

II. Approval Date and Procedures of the Financial Statements

These financial statements were approved for issuance by the Board of Directors on May 12, 2026.

III. Application of New and Revised Standards and Interpretations

(1) Effects of the Adoption of New and Revised Standards and Interpretations Endorsed by the Financial Supervisory Commission (FSC)

The Company has assessed the impact of the following new and amended IFRS Accounting Standards, which will become effective on January 1, 2026, and expects that their adoption will not have a material impact on the Company’s financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(2) New and Revised Standards and Interpretations Not Yet Endorsed by the FSC

Standards and interpretations issued or amended by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC, which may be relevant to the Company, are as follows:

New or Amended Standards	Summary of Amendments	Effective Date Issued by the IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two new subtotals in the statement of profit or loss, and a single note on management performance measures (MPMs). These changes, together with enhanced guidance on the disaggregation of information in financial statements, aim to provide users with more useful and consistent information and will affect all entities. • More structured statement of profit or loss: Under current standards, entities use different formats to present their financial performance, making it difficult for	January 1, 2027 Note: The FSC announced on September 25, 2025, that Taiwan will adopt IFRS 18 starting from the 2028 fiscal year. Early adoption is permitted upon approval by the FSC.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

investors to compare financial results across entities. The new standard introduces a more structured statement of profit or loss, including a newly defined “operating profit” subtotal, and requires all income and expenses to be classified into three distinct categories based on the entity’s main business activities.

- **Management Performance Measures (MPMs):** The new standard defines management performance measures and requires entities to disclose, in a single note to the financial statements, why each measure provides useful information, how it is calculated, and how it reconciles to amounts recognized in accordance with IFRS Accounting Standards.
- **More disaggregated information:** The new standard provides guidance on how entities should enhance the grouping and disaggregation of information in financial statements, including whether such information should be presented in the primary financial statements or further disclosed in the notes.

The Company is currently in the process of evaluating the impact of the aforementioned standards and interpretations on its financial position and financial performance. The related impact will be disclosed upon completion of the assessment.

The Company expects that the following other new and amended standards, which have not yet been endorsed, will not have a material impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Lack of Exchangeability for Translation into a Hyperinflationary Presentation Currency”

LeRain Technology Co., Ltd.
Notes to the Financial Statements

IV. Summary of Major Accounting Policies

(1) Statement of Compliance

These financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the “Regulations”) and International Accounting Standard 34 “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission (FSC). These financial statements do not include all the disclosures required in a complete set of annual financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations, and Interpretations issued and endorsed by the FSC (collectively, the “IFRSs endorsed by the FSC”).

Except as otherwise described below, the major accounting policies adopted in these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2025. For related information, please refer to Note IV of the 2025 financial statements.

(2) Income Tax

The Company measures and discloses income tax expense for the interim period in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting.”

Income tax expense is measured by applying the pre-tax net income of the interim reporting period to management's best estimate of the expected annual effective tax rate, and is recognized in its entirety as current income tax expense.

Income tax expense recognized directly in equity or other comprehensive income is measured based on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, using the tax rates that are expected to apply when the temporary differences reverse.

V. Primary Sources of Major Accounting Judgment, Estimate and Assumption Uncertainties

When preparing the financial statements in accordance with the Regulations and International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC), management is required to make judgments and estimates regarding the future (including climate-related risks and opportunities) that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from those estimates.

The significant judgments made in applying the accounting policies of the Company, and the key sources of estimation uncertainty, are consistent with those disclosed in Note V of the 2025 financial statements.

VI. Descriptions for Important Accounting Items

Except as described below, there are no significant differences in the descriptions of important accounting items in these financial statements compared to those disclosed in Note VI of the 2025 financial statements.

(1) Cash and Cash Equivalents

	<u>Mar.31, 2026</u>	<u>Dec.31, 2025</u>	<u>Mar.31,2025</u>
Demand deposits and checking accounts	\$ 17,317	85,833	27,817
Time deposits	53,431	52,488	83,013
Cash and cash equivalents as presented in the statement of cash flows	<u>\$ 70,748</u>	<u>138,321</u>	<u>110,830</u>

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(2) Accounts Receivable and Other Receivables

	<u>Mar.31, 2026</u>	<u>Dec.31, 2025</u>	<u>Mar.31, 2025</u>
Accounts receivable (including related parties)	\$ 20,533	34,064	35,841
Other receivables (including related parties)	638	116	1,246
	<u>\$ 21,171</u>	<u>34,180</u>	<u>37,087</u>

For the allowance for expected credit losses on accounts receivable as of March 31, 2026, December 31, 2025 and March 31, 2025, please refer to Note VI (17) Impairment Loss.

(3) Inventories

	<u>Mar.31, 2026</u>	<u>Dec.31, 2025</u>	<u>Mar.31, 2025</u>
Finished goods	\$ 29,811	29,079	18,559
Work in process	5,091	8,440	4,394
Raw materials	41,731	36,464	11,550
Total	<u>\$ 76,633</u>	<u>73,983</u>	<u>34,503</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, inventories included allowance for inventory write-downs of NT\$10,753 thousand, NT\$7,395 thousand and NT\$4,431 thousand, respectively.

The details of inventory-related expenses and losses recognized by the Company are as follows:

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Cost of goods sold	\$ 9,289	25,202
Loss on inventory write-down and obsolescence	3,358	1,442
Total	<u>\$ 12,647</u>	<u>26,644</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, none of the Company's inventories were pledged as collateral.

(4) Property, Plant and Equipment

The movements in cost, accumulated depreciation, and impairment losses of the Company's property, plant and equipment are as follows:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:					
Balance as of January 1, 2026	\$ 67,558	28,459	27,707	28,780	152,504
Additions	-	-	-	77	77
Balance as of March 31, 2026	<u>\$ 67,558</u>	<u>28,459</u>	<u>27,707</u>	<u>28,857</u>	<u>152,581</u>
Balance as of January 1, 2025	\$ 67,558	28,459	27,707	20,980	144,704
Additions	-	-	-	2,592	2,592
Balance as of March 31, 2025	<u>\$ 67,558</u>	<u>28,459</u>	<u>27,707</u>	<u>23,572</u>	<u>147,296</u>

LeRain Technology Co., Ltd.
Notes to the Financial Statements

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Accumulated depreciation and impairment losses:					
Balance as of January 1, 2026	\$ -	1,496	8,806	17,642	27,944
Depreciation for the year	-	140	649	1,130	1,919
Balance as of March 31, 2026	<u>\$ -</u>	<u>1,636</u>	<u>9,455</u>	<u>18,772</u>	<u>29,863</u>
Balance as of January 1, 2025	\$ -	938	6,212	12,690	19,840
Depreciation for the year	-	139	649	1,127	1,915
Balance as of March 31, 2025	<u>\$ -</u>	<u>1,077</u>	<u>6,861</u>	<u>13,817</u>	<u>21,755</u>
Carrying amount:					
January 1, 2026	<u>\$ 67,558</u>	<u>26,963</u>	<u>18,901</u>	<u>11,138</u>	<u>124,560</u>
March 31, 2026	<u>\$ 67,558</u>	<u>26,823</u>	<u>18,252</u>	<u>10,085</u>	<u>122,718</u>
January 1, 2025	<u>\$ 67,558</u>	<u>27,521</u>	<u>21,495</u>	<u>8,290</u>	<u>124,864</u>
March 31, 2025	<u>\$ 67,558</u>	<u>27,382</u>	<u>20,846</u>	<u>9,755</u>	<u>125,541</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, none of the property, plant and equipment were pledged as collateral.

(5) Intangible Assets

The movements in cost and accumulated amortization of the Company's intangible assets are as follows:

	<u>Computer software</u>
Cost :	
Balance as of January 1, 2026	\$ 6,864
Derecognitions	(1,297)
Balance as of March 31, 2026	<u>\$ 5,567</u>
Balance as of January 1, 2025	\$ 5,578
Derecognitions	(1,235)
Balance as of March 31, 2025	<u>\$ 4,343</u>
Amortization and impairment losses:	
Balance as of January 1, 2026	\$ 3,759
Amortization for the period	1,391
Derecognitions	(1,297)
Balance as of March 31, 2026	<u>\$ 3,853</u>
Balance as of January 1, 2025	\$ 3,409
Amortization for the period	1,086
Derecognitions	(1,235)
Balance as of March 31, 2025	<u>\$ 3,260</u>

LeRain Technology Co., Ltd.
Notes to the Financial Statements

Computer software

Carrying amount:

January 1, 2026	\$ <u>3,105</u>
March 31, 2026	\$ <u>1,714</u>
January 1, 2025	\$ <u>2,169</u>
March 31, 2025	\$ <u>1,083</u>

(6) Short-term Borrowings

Details of the Company's short-term borrowings are as follows:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Unsecured bank borrowings	\$ <u>-</u>	<u>50,000</u>	<u>50,000</u>
Unused credit facilities	\$ <u>180,000</u>	<u>130,000</u>	<u>130,000</u>
Interest rate range	<u>-</u>	<u>2.025%~2.142%</u>	<u>2.025%~2.1415%</u>

For details of guarantee notes issued by the Company in connection with bank borrowings and credit facilities, please refer to Note IX.

(7) Other Current Liabilities

Details of the Company's other current liabilities are as follows:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Refund liabilities	\$ 635	3,587	5,710
Others	<u>171</u>	<u>96</u>	<u>195</u>
	<u>\$ 806</u>	<u>3,683</u>	<u>5,905</u>

(8) Operating Leases

The amounts recognized in profit or loss relating to leases are as follows:

	<u>Three Months Ended March 31</u>	<u>Three Months Ended March 31</u>
	<u>2026</u>	<u>2025</u>
Expenses relating to short-term leases	\$ <u>74</u>	<u>57</u>
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	\$ <u>8</u>	<u>8</u>

The amounts recognized in the statement of cash flows relating to leases are as follows:

	<u>Three Months Ended March 31</u>	<u>Three Months Ended March 31</u>
	<u>2026</u>	<u>2025</u>
Total cash outflow for leases	\$ <u>82</u>	<u>65</u>

The Company leases office equipment and parking spaces with lease terms ranging from one to four years. For leases that qualify as short-term leases and leases of low-value assets, the Company elects to apply the recognition exemption and does not recognize the related right-of-use assets and lease liabilities.

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(9) Employee Benefits

Defined Contribution Plans

The Company's defined contribution plan is in accordance with the Labor Pension Act, under which contributions are made at a rate of 6% of employees' monthly wages to individual pension accounts maintained by the Bureau of Labor Insurance. Under this plan, the Company has no legal or constructive obligation to pay additional amounts once the fixed contributions have been made.

The Company recognized pension expenses under the defined contribution plan of NT\$442 thousand and NT\$383 thousand for the three months ended March 31, 2026 and 2025, respectively, which have been contributed to the Bureau of Labor Insurance.

(10) Income Taxes

1. Income Tax Expense

Details of the Company's income tax expense are as follows:

	Three Months Ended March 31	
	2026	2025
Income tax expense	\$ -	-

The Company's income tax returns have been assessed by the tax authorities up to the fiscal year 2024. Tax losses may be carried forward for ten years in accordance with the Income Tax Act and may be used to offset taxable income in the respective carryforward years upon approval by the tax authorities. As of March 31, 2026, the Company's tax losses available for carryforward are as follows:

Loss Year	Assessed Amount	Expiry Year
2021	\$ 14,561	2031
2022	120,986	2032
Q1 2026 estimates	9,240	2036
	\$ 144,787	

(11) Capital and Other Equity

On November 5, 2025, the Company's Board of Directors resolved to issue new shares through a cash capital increase prior to its initial listing on the Taiwan Innovation Board. A total of 1,769 thousand new shares were issued with a par value of NT\$10 per share, amounting to NT\$17,690 thousand. The capital increase was set with a capital increase record date of December 19, 2025, and the new shares were issued at a premium price of NT\$35 per share, resulting in total proceeds of NT\$61,915 thousand. Related issuance costs were deducted from share premium. The registration of the capital increase was completed on January 5, 2026, and the paid-in capital was increased to NT\$318,369 thousand.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Company's authorized share capital was NT\$500,000 thousand, with a par value of NT\$10 per share, and the issued share capital amounted to NT\$318,369 thousand, NT\$318,369 thousand and NT\$300,679 thousand, respectively.

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1. Capital Surplus

The components of the Company's capital surplus are as follows:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Share premium	\$ 41,235	41,235	-
Employee stock options	<u>1,791</u>	<u>1,680</u>	<u>1,029</u>
Total	<u>\$ 43,026</u>	<u>42,915</u>	<u>1,029</u>

In accordance with the Company Act, capital surplus shall first be used to offset accumulated deficits before it may be distributed to shareholders in proportion to their shareholdings, either in the form of new shares or cash, provided that such distribution is derived from realized capital surplus. The realized capital surplus referred to above includes the premium in excess of par value from the issuance of shares and amounts received as donations. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be capitalized each year shall not exceed 10% of the paid-in capital.

2. Retained Earnings

In accordance with the Company's Articles of Incorporation, if the Company has net income after tax for the year, it shall first offset accumulated deficits (including adjustments to unappropriated retained earnings), and then set aside 10% of the remaining amount as a legal reserve, unless the legal reserve has reached the total paid-in capital of the Company. Any remaining earnings, together with the beginning unappropriated retained earnings (including adjustments thereto), shall be distributed as dividends or bonuses to shareholders upon a resolution proposed by the Board of Directors and approved by the shareholders' meeting.

The Company is currently in a growth stage. Its dividend policy takes into consideration the Company's current and future development plans, investment environment, capital requirements, domestic and international competition, and capital budget. Each year, not less than 3% of distributable earnings shall be allocated for distribution to shareholders. Dividends may be distributed in the form of cash or shares, of which cash dividends shall not be less than 10% of the total dividends for the year. If the dividend per share calculated based on distributable earnings is less than NT\$0.5, no distribution shall be made.

(12) Share-based Payments

For the three months ended March 31, 2016 and 2025, there were no significant differences in share-based payments. For relevant information, please refer to Note VI (12) of the 2025 financial statements.

The share-based payment expenses incurred by the Company for the three-month periods ended March 31, 2026 and 2025 were NT\$111 thousand and NT\$214 thousand, respectively.

(13) Earnings (loss) per Share

The calculation of the Company's basic earnings (loss) per share is as follows:

	<u>Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
Net profit (loss) attributable to the Company	<u>\$ (8,581)</u>	<u>10,763</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>31,837</u>	<u>30,068</u>
Basic earnings (loss) per share (NT\$)	<u>\$ (0.27)</u>	<u>0.36</u>

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(14) Employees' and Directors' Compensation

On May 27, 2025, the Company's shareholders' meeting approved amendments to the Company's Articles of Incorporation. According to the amended Articles, if the Company has profits for the year, it shall allocate no less than 3% of such profits as employees' compensation (of which no less than 10% shall be used for salary adjustments or bonuses for non-executive employees) and no more than 3% as directors' compensation. However, if the Company has accumulated deficits (including adjustments to unappropriated retained earnings), such deficits shall be offset before any such allocations are made. Employees' compensation shall be distributed in the form of shares or cash as resolved by the Board of Directors. The recipients of such compensation may include employees of controlled or affiliated companies who meet certain conditions, which are to be determined by the Board of Directors; however, salary adjustments shall be limited to employees of the Company. The distribution of employees' and directors' compensation shall be reported to the shareholders' meeting. Under the Articles of Incorporation prior to the amendment, the Company was required to allocate no less than 3% of profits as employees' compensation and no more than 3% as directors' compensation, subject to the same condition that accumulated deficits must first be offset. Employees' compensation could be distributed in shares or cash as resolved by the Board of Directors, and recipients could include employees of controlled or affiliated companies meeting certain conditions determined by the Board of Directors. The distribution was also required to be reported to the shareholders' meeting.

For the three months ended March 31, 2026 and 2025, the Company had accumulated deficits; therefore, no employees' compensation or directors' compensation was accrued.

(15) Revenue from Contracts with Customers – Disaggregation of Revenue

	Three Months Ended March 31	
	2026	2025
Major geographical markets:		
Taiwan	\$ 23,397	58,047
Mainland China	4,172	2,640
Others	884	-
	\$ 28,453	60,687
Major products:		
Linear high-frequency signal equalizers	\$ 28,453	60,687

(16) Non-operating Income and Expenses

1. Interest Income and Other Income

Details of the Company's interest income and other income are as follows:

	Three Months Ended March 31	
	2026	2025
Interest income	\$ 505	949
Others	-	27
Total	\$ 505	976

LeRain Technology Co., Ltd.
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2. Other Gains and Losses

Details of the Company's other gains and losses are as follows:

	Three Months Ended March 31	
	2026	2025
Foreign exchange gains	\$ 1,461	1,700

3. Finance Costs

Details of the Company's finance costs are as follows:

	Three Months Ended March 31	
	2026	2025
Interest expense	\$ 59	260

(17) Financial Instruments

1. Credit Risk

(1) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum exposure to credit risk. As of March 31, 2026, December 31, 2025 and March 31, 2025, the maximum exposure to credit risk amounted to NT\$91,941 thousand, NT\$172,523 thousand and NT\$147,939 thousand, respectively.

(2) Concentration of Credit Risk

The Company's customers are concentrated in the high-tech and computer industry sectors. To mitigate credit risk associated with accounts receivable, the Company continuously evaluates the financial condition of its customers and, when necessary, adjusts the terms of transactions. As of March 31, 2026, December 31, 2025, and March 31, 2025, the number of individual customers whose accounts receivable balances exceeded 5% of the total accounts receivable was two, three, and two, respectively. The Company regularly assesses the recoverability of accounts receivable and recognizes loss allowances accordingly, and the total losses are within management's expectations.

(3) Impairment Loss

The aging analysis of accounts receivable as of the reporting date is as follows:

	Mar. 31, 2026		Dec. 31, 2025		Mar. 31, 2025	
	Total	Impairment	Total	Impairment	Total	Impairment
Not past due	\$ 20,533	-	33,435	-	35,517	-
Past due 1-30 days	-	-	629	-	-	-
Past due 31-60 days	-	-	-	-	324	-
	\$ 20,533	-	34,064	-	35,841	-

LeRain Technology Co., Ltd.

Notes to the Financial Statements

2. Liquidity Risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
March 31, 2026							
Non-derivative financial liabilities							
Accounts payable	\$ 4,964	4,964	4,964	-	-	-	-
Other payables	9,442	9,442	9,442	-	-	-	-
Other current liabilities	806	806	806	-	-	-	-
	<u>\$ 15,212</u>	<u>15,212</u>	<u>15,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 50,000	50,062	50,062	-	-	-	-
Accounts payable	15,881	15,881	15,881	-	-	-	-
Other payables	19,845	19,845	19,845	-	-	-	-
Other current liabilities	3,683	3,683	3,683	-	-	-	-
	<u>\$ 89,409</u>	<u>89,471</u>	<u>89,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 50,000	50,084	50,084	-	-	-	-
Accounts payable	16,846	16,846	16,846	-	-	-	-
Other payables	11,933	11,933	11,933	-	-	-	-
Other current liabilities	5,905	5,905	5,905	-	-	-	-
	<u>\$ 84,684</u>	<u>84,768</u>	<u>84,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company does not expect that the timing of the cash flows presented in the maturity analysis will occur significantly earlier, or that the actual amounts will differ significantly.

3. Market Risk – Foreign Currency Risk

(1) Exposure to Foreign Currency Risk

The Company's significant financial assets and liabilities exposed to foreign currency risk are as follows:

	Mar. 31, 2026			Dec. 31, 2025			Mar. 31, 2025		
	Foreign currency (in thousands)	Exchange rate	NT\$	Foreign currency (in thousands)	Exchange rate	NT\$	Foreign currency (in thousands)	Exchange rate	NT\$
Financial assets									
Monetary items									
USD	\$ 2,409	31.9950	77,081	3,094	31.4300	97,258	4,058	33.2050	134,748
Financial liabilities									
Monetary items									
USD	152	31.9950	4,867	442	31.4300	13,906	317	33.2050	10,525

(2) Sensitivity Analysis

The Company's exposure to foreign currency risk primarily arises from cash and cash equivalents, accounts receivable, accounts payable, other payables, and refund liabilities denominated in foreign currencies, resulting in foreign exchange gains or losses upon translation. As of March 31, 2026 and 2025, if the New Taiwan Dollar had depreciated or appreciated by 1% against the foreign currencies held by the Company, with all other variables held constant, profit or loss before tax for the three months ended March 31, 2026 and 2025 would have increased or decreased by NT\$722 thousand and NT\$1,242 thousand, respectively.

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4. Market Risk – Interest Rate Risk

The Company's exposure to interest rate risk primarily arises from floating-rate bank demand deposits and short-term borrowings. Therefore, changes in interest rates will affect the effective interest rates of these financial instruments and cause fluctuations in future cash flows.

The following sensitivity analysis is based on the interest rate exposure of financial instruments at the reporting date. For floating-rate liabilities, the analysis assumes that the amount outstanding at the reporting date remains outstanding for the entire year. The change in interest rate used in reporting to key management personnel is an increase or decrease of 1%, which represents management's assessment of a reasonably possible change in interest rates.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the financial assets with variable interest rates held by the Company were NT\$17,317 thousand, NT\$85,833 thousand and NT\$27,811 thousand, respectively, and the financial liabilities were NT\$0, NT\$50,000 thousand and NT\$50,000 thousand, respectively. If interest rates had increased by 1%, with all other variables held constant, the profit or loss before tax of the Company for the three months ended March 31, 2026 and 2025 would have increased or decreased by NT\$43 thousand and NT\$56 thousand, respectively.

5. Market Risk – Fair Value

The Company estimates the fair value of short-term financial instruments based on their carrying amounts in the balance sheet, as these instruments have short maturities and their carrying amounts are considered a reasonable approximation of fair value. This approach applies to cash and cash equivalents, notes receivable and payable, accounts receivable and payable, and refundable deposits.

(18) Financial Risk Management

There have been no significant changes in the Company's financial risk management objectives and policies from those disclosed in Note VI (18) to the 2025 financial statements.

(19) Capital Management

The Company's capital management objectives, policies, and procedures are consistent with those disclosed in the 2025 financial statements. In addition, the summary quantitative data of items managed as capital has no significant changes from that disclosed in the 2025 financial statements. Please refer to Note VI (19) to the 2025 financial statements for related information.

VII. Related Party Transactions

(1) Names of Related Parties and Relationships

The related parties that had transactions with the Company during the periods covered by these financial statements are as follows:

Name of Related Party	Relationship with the Company
Lotes Co., Ltd.	Entity with significant influence over the Company
Lintes Technology Co., Ltd.	Member of the group with significant influence over the Company
Lintes Technology (SuZhou) Co., Ltd.	Member of the group with significant influence over the Company
Swiss Good Enterprises Limited	Member of the group with significant influence over the Company
Key Managemen	Includes directors, managers, and their relatives and spouses

LeRain Technology Co., Ltd.
Notes to the Financial Statements

(2) Significant Transactions with Related Parties

1. Operating Revenue

The Company's significant sales to related parties are as follows:

	Three Months Ended March 31	
	2026	2025
Entities with significant influence over the Company	\$ 3,793	936

The prices of sales to related parties are not materially different from those of normal transactions.

2. Receivables from Related Parties

Details of receivables from related parties are as follows:

Account	Related Party	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Accounts receivable	Swiss Good	\$ 3,555	2,590	647
Accounts receivable	Lintes Technology (SuZhou)	288	-	299
Accounts receivable	Lintes Technology	30	-	-
Accounts receivable	Lotes	-	13	-
		\$ 3,873	2,603	946

3. Payables to Related Parties

Details of payables to related parties are as follows:

Account	Related Party	Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025
Other payables	Lotes	\$ -	-	15

4. Selling Expenses

	Three Months Ended March 31	
	2026	2025
Entities with significant influence over the Company	\$ 11	11

These mainly represent reimbursed freight insurance expenses.

5. Administrative Expenses

	Three Months Ended March 31	
	2026	2025
Entities with significant influence over the Company	\$ 11	25

The above administrative expenses include operating lease expenses. The lease terms are not materially different from those of general lease arrangements (market rates).

(3) Key Management Personnel Transactions

Compensation of key management personnel comprises:

	Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 5,611	4,536
Post-employment benefits	81	-
Share-based payments	22	-
Total	\$ 5,714	4,536

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Notes to the Financial Statements

VIII. Pledged Assets: None.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The Company has issued guarantee notes in connection with bank borrowings, credit facilities, and financial instrument transactions:

	<u>Mar. 31, 2026</u>	<u>Dec. 31, 2025</u>	<u>Mar. 31, 2025</u>
Guarantee notes	<u>\$ 186,399</u>	<u>186,286</u>	<u>186,641</u>

X. Significant Disaster Loss: None.

XI. Significant Post-Period Events: None.

XII. Others

(1) Summary of Employee Benefits, Depreciation, Depletion, and Amortization by Function

Function Nature	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries expense	146	11,925	12,071	297	12,292	12,589
Labor and health insurance expense	19	885	904	33	858	891
Pension expense	9	433	442	16	367	383
Directors' remuneration	-	720	720	-	725	725
Other employee benefits expense	9	372	381	16	348	364
Depreciation expense	338	1,581	1,919	490	1,425	1,915
Amortization expense	-	1,391	1,391	-	1,086	1,086

XIII. Disclosing Information

(1) Information on Major Transactions

For the three months ended March 31, 2026, the Company has disclosed additional information on significant transactions in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as follows:

1. Financings provided: None.
2. Endorsement/guarantee provided: None.
3. Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures): None.
4. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None.
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

(2) Information on Reinvestment Business: None.

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(3) Information on Investment in China: None.

1. The name of the investee in mainland China, the main businesses and products, and other information: None.

2. Limitation on investee in mainland China: None.

3. Significant transactions with the investee in mainland China: None.

XIV. Segment Information

General Information:

The Company is principally engaged in the design, development, production, manufacturing, and sale of high-speed signal transmission interfaces and high-speed analog circuits. The Company operates in a single industry, and key operating decisions are made based on the financial statements of the Company as a whole for performance evaluation and resource allocation. Accordingly, no separate reportable segment information is required.