TATUNG

2026 H1 Investor Conference

Forward Electronics Co., Ltd.

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Key Highlights 2026 H1

Consolidated Revenue

320.2 NT$ million

NT$320,218 thousand YoY -0.7%, essentially flat

Net Loss Narrowed

33.6 %

-NT$65,583 thousand vs -NT$98,699 thousand in 2025 H1

Operating Cash Flow

+93 NT$ million

Turned positive (2025 H1: -NT$62 million)

Book Value / Share

NT$8.26

Current Ratio 520% Debt Ratio 54%

Loss Per Share: NT$0.24

Improved from -NT$0.71 to -NT$0.47

Ending Cash: NT$823 million

Up NT$155 million from year-end 2025

H2 New Business Growth

Military and optical transceiver module components, with global military personal protection equipment having already passed overseas customer factory audits.

Flat revenue, narrowing losses, positive cash flow: fundamentals are improving.

01 ╱ FINANCIAL REVIEW

Financial Performance

Income Statement | Revenue & Margin Trends | Balance Sheet | Financial Strength & Efficiency | Cash Flow

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Income Statement

2026 H1 vs 2025 H1

Item (NT$ thousand)	2026 H1	2025 H1	YoY
Revenue	320,218	322,410	–0.7%
Cost of Revenue	305,998	298,938	+2.4%
Gross Profit	14,220	23,472	–39.4%
Operating Expenses	69,096	54,998	+25.6%
Operating Loss	–54,876	–31,526	Loss widened 74.1%
Non-Operating Items	–10,380	–66,038	–84.3%
Pre-Tax Net Loss	–65,256	–97,564	–33.1%
Net Loss	–65,583	–98,699	–33.6%
Loss Per Share (NT$)	–0.47	–0.71	Narrowed by NT$0.24

Profitability

Gross Margin 4.4%
2025 H1 7.3%

Operating Margin –17.1%
2025 H1 –9.8%

Net Margin –20.5%
2025 H1 –30.6%

* Improvement in non-operating items mainly reflects reduced financial-asset revaluation losses and recognized FX gains.

Core margin remains under pressure, but non-operating gains narrowed the net loss by 33.6% and EPS loss by NT$0.24.

Balance Sheet Summary 2026.6 vs 2025.12

Assets

Total Assets **NT$2,512,307** thousand (Dec 2025: NT$2,668,178)

Current Assets 1,331,964	53%	Non-Current Assets 1,180,343	47%

Bottom bar: Dec 2025 structure (51% / 49%)

Liabilities & Equity

Total Liabilities **NT$1,356,663** Total Equity **NT$1,155,644** thousand

Current Liab. 10%	Non-Current Liab. 1,100,497	44%	Total Equity 1,155,644	46%

Bottom bar: Dec 2025 structure (9% / 44% / 47%)

Book Value / Share (BVPS)

NT$8.26

Equity vs. Year-End 2025

-105,595

The decrease was mainly due to financial-asset revaluation losses and the net loss for the period.

Assets and liabilities remained broadly stable vs. 2025 year-end, with a sound 46% equity ratio.

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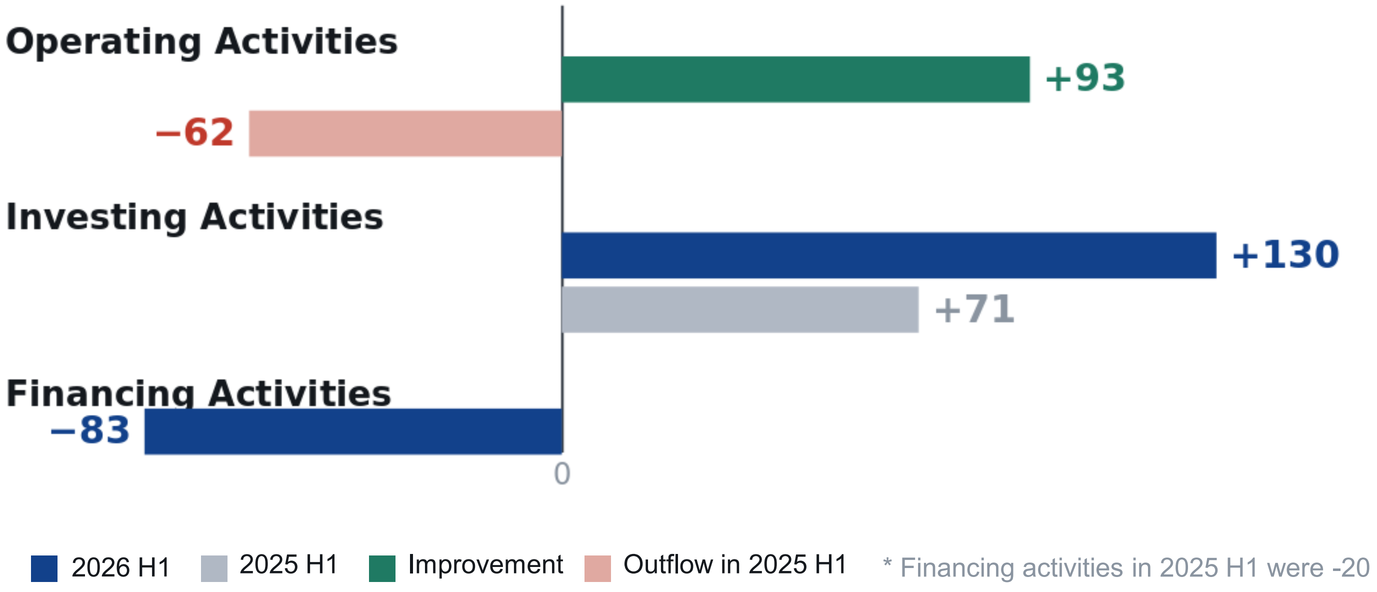
Cash Flow Turned Positive

NT$ million



Operating Cash Inflow: NT$93 million

A significant improvement from an outflow of NT$62 million in 2025 H1, driven by AR collection, inventory reduction, and pension account recovery.

Ending cash and equivalents (incl. assets held for sale)

822,897 NT$ thousand

Dec 2025: NT$668,015 thousand

Cash increased by **NT$154,882 thousand** this period, including a positive FX impact of NT$14,254 thousand.

Operating cash flow swung from -NT$62 million to +NT$93 million, signaling a recovery.

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Financial Strength & Operating Efficiency

520%
Current Ratio

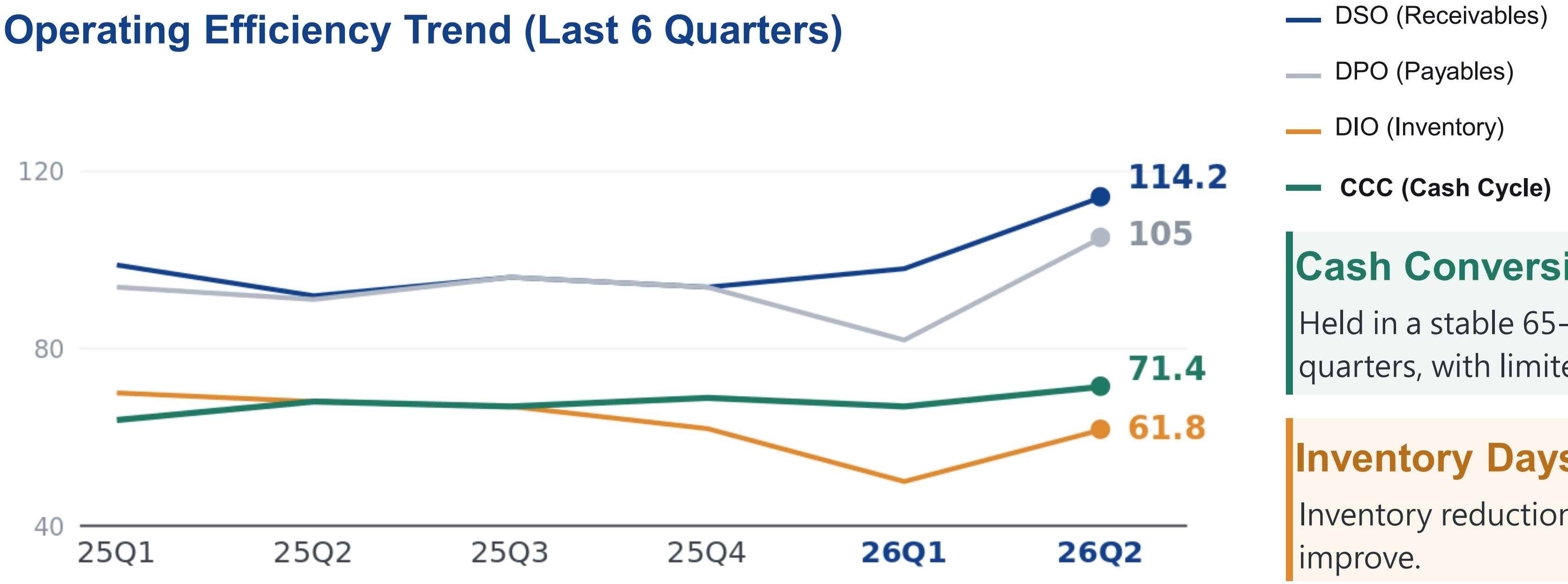
440%
Quick Ratio

54%
Debt Ratio

NT$1.08 billion
Working Capital

NT$8.26
Book Value / Share
BVPS

Operating Efficiency Trend (Last 6 Quarters)



Cash Conversion Cycle: 71.4 days

Held in a stable 65-71 day range over the last 6 quarters, with limited overall volatility.

Inventory Days Down to 61.8

Inventory reduction efficiency continues to improve.

02 / BUSINESS REVIEW

Business Review & Outlook

H1 Core Business Customer & Market Structure

H2 Opportunities: Military Products & Optical Communication Module Components

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Customer & Market Structure

Customer & Application Mix

Customer Type Distribution

68% Distributors	18% End Customers	14% OEMs

Application Market Distribution

50% Audio Control	15% Lighting Control	10% Gaming	10% Medical Devices	15% Automotive / Home Appliance / Industrial Control

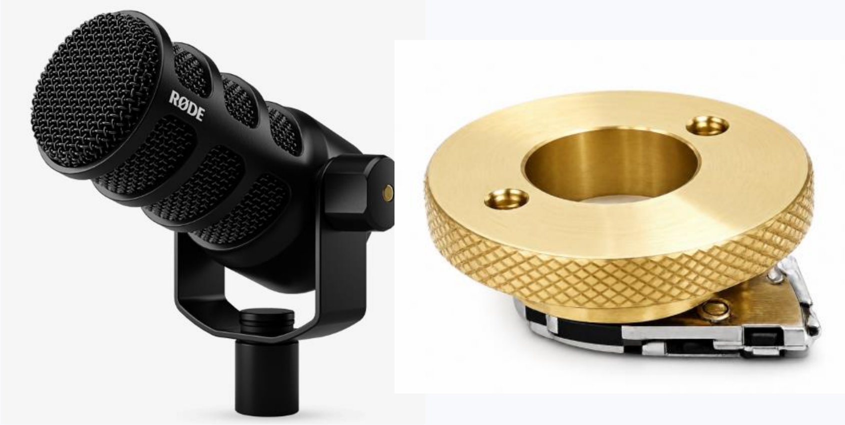
A diversified customer base and application mix keep single-customer and single-market risk well contained.

H1 Core Business: AVC Components

Audio / Video Control Components

Brand Integration

RODE Partnership



- Applied RODE's gold-dot brand mark
- Proprietary gold metal knob
- Reinforces brand identity

Hall-Effect Sensing: Japan-Certified

Japan OEM Certified

- Reduced drift
- Extended service life
- More stable, precise output

Entering the international audio brand supply chain with Hall-effect sensing and brand-grade housing components.

H2 Business Highlights

Hearing Protection & Communication

Advancing in the Military Sector

Partnering with a leading domestic brand on MIT tactical headset modules. Passed overseas factory audit.

Ships Oct

01 Armored Vehicle Crew

02 Infantry

03 Range Shooting

Optical Transceiver Modules

With a leading Taiwan component maker

Ships Dec

Two new product lines ship in October and December, driving growth momentum for H2 and 2027.

Conclusion

Summary

01

Sound Fundamentals

Current Ratio 520%
Debt Ratio 54%

02

Losses Narrowing

Net loss narrowed 33.6%, EPS improved from -NT$0.71 to -NT$0.47

03

Cash Turned Positive

Operating cash flow +NT$93 million, ending cash NT$823 million

04

Strong H2 Momentum

Military Communication Headset Modules
AI Optical Communication

Rising Gross Margin - Positive Cash Flow - Turning the Corner to Profitability

Forward Electronics continues to strengthen its operating fundamentals, advancing steadily toward improved profitability.