UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _____________

Commission file number: **001-38273**

ACM Research, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**94-3290283**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
42307 Osgood Road, Suite I, Fremont, California	**94539**
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's telephone number, including area code: **(510) 445-3700**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Class A Common Stock, $0.0001 par value	**ACMR**	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data file required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value on June 30, 2025 (the last business day of the registrant's most recently completed second quarter) of the voting common equity held by non-affiliates of the registrant, computed by reference to the $25.90 closing price of the stock on that date, was $1,371.2 million. The registrant does not have non-voting common equity outstanding.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding
Class A Common Stock, $0.0001 par value	**60,705,783 shares outstanding as of February 25, 2026**
Class B Common Stock, $0.0001 par value	**5,021,811 shares outstanding as of February 25, 2026**

Documents Incorporated By Reference

The registrant intends to file a proxy statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended December 31, 2025. Portions of such proxy statement are incorporated by reference in Part III of this report.

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ACM Research, Inc., or ACM Research, is a Delaware corporation founded in California in 1998 to supply capital equipment developed for the global semiconductor industry. Since 2005, ACM Research has conducted its business operations principally through its subsidiary ACM Research (Shanghai), Inc., or ACM Shanghai, a limited liability corporation formed at the time by ACM Research in the People's Republic of China, or mainland China. The shares of ACM Shanghai currently trade under the symbol SSEC: 688082.SS on the Shanghai SciTech innovAtion boaRd, known as the STAR Market. Unless the context requires otherwise, references in this report to "our company," "our," "us," "we" and similar terms refer to ACM Research, Inc. and its subsidiaries, including ACM Shanghai, collectively.

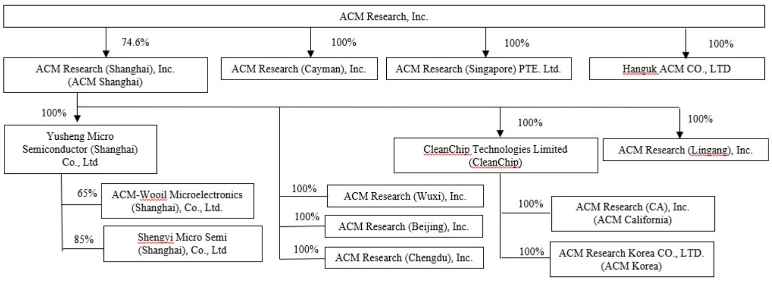
Our principal corporate office is located in Fremont, California. We conduct a substantial majority of our product development, manufacturing, support and services in mainland China through ACM Shanghai. We perform, through a subsidiary of ACM Shanghai, additional product development and subsystem production in Korea, and we conduct, through ACM Research, sales and marketing activities focused on sales of ACM Shanghai products in North America, Europe and certain regions in Asia outside mainland China.

ACM Research is not a mainland China operating company, and we do not conduct our operations in mainland China through the use of a variable interest entity, or VIE, or any other structure designed for the purpose of avoiding mainland China legal restrictions on direct foreign investments in mainland China-based companies. ACM Research has a direct ownership interest in ACM Shanghai as the result of its holding 74.6% of the outstanding shares of ACM Shanghai. Stockholders of ACM Research may never directly own equity interests in ACM Shanghai. We do not believe that our corporate structure or any other matters relating to our business operations require that we obtain any permissions or approvals from the China Securities Regulatory Commission, the Cyberspace Administration of China, or any other mainland China central government authority in order to continue to list shares of Class A common stock of ACM Research on the Nasdaq Global Market. This determination was based on the facts aforementioned and mainland China Company Law, mainland China Securities Law, cybersecurity regulations and other relevant laws, regulations and regulatory requirements in mainland China currently in effect. However, if this determination proves to be incorrect, then it could have a material adverse effect on ACM Research. See "Item IA. Risk Factors— Risks Related to International Aspects of Our Business—If any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operation of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless."

The business of ACM Shanghai is subject to complex laws and regulations in mainland China that can change quickly with little or no advance notice. To date, we have not experienced such intervention or influence by mainland China central government authorities or a change in those authorities' rules and regulations that have had a material impact on ACM Shanghai or ACM Research.

In addition, in the ordinary course of business, ACM Shanghai is required to obtain certain operating permits and licenses necessary for it to operate in mainland China, including business licenses, certifications relating to quality management standards, import and export-related qualifications from customs, as well as environmental and construction permits, licenses and approvals relating to construction projects. We believe ACM Shanghai has all such required permits and licenses. However, from time to time the mainland China government issues new regulations, which may require additional actions on the part of ACM Shanghai to comply. If ACM Shanghai does not, or is unable to, obtain any such additional permits or licenses, ACM Shanghai may be subjected to restrictions and penalties imposed by the relevant mainland China regulatory authorities, and it could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless.

The following chart depicts our corporate organization as of December 31, 2025:



A detailed description of how cash is transferred through our organization is set forth under "note 2 — Summary of Significant Accounting Policies - Cash and Cash Equivalents" to the Consolidated Financial Statements of this report.

The U.S. Holding Foreign Companies Accountable Act, or the HFCA Act, requires that the Public Company Accounting Oversight Board, or the PCAOB, determine whether it is unable to inspect or investigate completely registered public accounting firms located in a non-U.S. jurisdiction because of a position taken by one or more authorities in any non-U.S. jurisdiction. Ernst & Young Hua Ming LLP, or E&Y our independent registered public accounting firm for the fiscal year ended December 31, 2025, is based in mainland China. Should the PCAOB determine that is unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including E&Y, ACM Research could be transferred to the SEC's "Conclusive list of issuers identified under the HFCA," ("Conclusive List"). See "Item 1A. Risk Factors—Risks Related to International Aspects of Our Business—We could be adversely affected if we are unable to comply with recent and proposed legislation and regulations regarding improved access to audit and other information and audit inspections of accounting firms operating in mainland China" of this report for more information. Under current regulations, if ACM Research were to be included on Conclusive List for two consecutive years due to our independent auditor being located in a jurisdiction that does not allow for PCAOB inspections, the SEC would prohibit trading in our securities and this ultimately could cause our securities to be delisted in the U.S., and their value may significantly decline or become worthless.

Effective on December 2, 2024, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") promulgated a final rule naming a number of companies to the BIS Entity List (the "BIS Entity List"). Among the 140 companies added to the BIS Entity List were two subsidiaries of ACM Research, ACM Shanghai, located in the People's Republic of China, and ACM Korea, a direct subsidiary of ACM Shanghai, which is located in the Republic of Korea, and other related entities. In general terms, the new BIS Entity List designations prohibit any party worldwide from furnishing hardware, software, or technologies that are subject to U.S. export controls jurisdiction directly or indirectly to ACM Shanghai or ACM Korea without obtaining authorization. See "Item 1A. Risk Factors—Regulatory Risks—Our operations in mainland China and Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List" of this report for more information.

On November 15, 2024, the U.S. Department of the Treasury published a final rule implementing a framework for the regulation of outbound foreign investment from the United States. The new program, known as the Outbound Investment Security Program ("OISP") was codified in the United States Code of Federal Regulations at 31 C.F.R. Part 850, effective as of January 2, 2025. The OISP was amended by the Comprehensive Outbound Investment National Security Act ("COINS Act") which was signed into law on December 18, 2025, although the provisions of the COINS Act will not come into effect until the Department of the Treasury issues implementing regulations, which by law must occur by March 2027. The OISP marks a shift in U.S. economic policy, as historically the United States government declined to restrict outbound investment from the United States for national security reasons. Going forward, the investment activities of multinational companies, including ACM Research are subject to both CFIUS and OISP requirements, which together will limit cross-border investment opportunities, especially as they relate to China. The OISP regulations in effect today could be interpreted to restrict certain types of private investment in ACM Research in the United States, although these measures do not impact investment in ACM Research's publicly traded securities. The COINS Act reverses the possible application of the OISP to certain U.S. companies, including ACM Research, and therefore it appears ACM Research will not be subject to the OISP's private investment restrictions once the provisions of the COINS Act enter into force in 2026 or 2027. See "Item 1A. Risk Factors—Regulatory Risks—The U.S. Government has implemented an outbound investment review mechanism, which may prevent us from taking advantage of investment opportunities that could otherwise be advantageous to our stockholders" of this report for more information.

In addition to the matters discussed above, we are also subject to a number of legal and operational risks associated with our corporate structure, including as the result of a substantial portion of our operations being conducted in mainland China. Consequences of any of those risks could result in a material adverse change in our operations or cause the value of ACM Research Class A common stock to significantly decline in value or become worthless. Please carefully read the information included in "Item 1A. Risk Factors" of this report, in particular the risk factors addressing the following issues:

- If any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, or if we inadvertently conclude that such permissions or approvals are not required, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operation of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless.
- Mainland China central government authorities may intervene in, or influence, ACM Shanghai's mainland China-based operations at any time, and those authorities' rules and regulations in mainland China can change quickly with little or no advance notice.
- The mainland China central government may determine to exert additional control over offerings conducted overseas or foreign investment in mainland China-based issuers, which could result in a material change in operations of ACM Shanghai and cause significant declines in the value of ACM Research Class A common stock, or make them worthless.

Recent statements and regulatory actions by mainland China central government authorities with respect to the use of VIEs and to data security and anti-monopoly concerns have not affected our ability to conduct our business operations in China. For further information, see "Item 1A. Risk Factors—Risks Related to International Aspects of Our Business" of this report for more information.

For purposes of this report, certain amounts in Renminbi, or RMB, have been translated into U.S. dollars solely for the convenience of the reader. The translations have been made based on the conversion rates published by the State Administration of Foreign Exchange of the People's Republic of China.

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FORWARD-LOOKING STATEMENTS AND STATISTICAL DATA

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this report regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “might,” “will,” “objective,” “intend,” “should,” “could,” “can,” “would,” “expect,” “believe,” “anticipate,” “project,” “target,” “design,” “estimate,” “predict,” “potential,” “plan” or the negative of these terms, and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on our management’s belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors, including those described or incorporated by reference in “Item 1A. Risk Factors” of Part I of this report, that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

The information included under the heading “Item 1. Business,” of Part I of this report contains statistical data and estimates, including forecasts, that are based on information provided by Gartner, Inc. ("Gartner") in "Forecast: Semiconductor Capital Spending, Wafer Fab Equipment and Capacity, Worldwide, 4Q25 Update, Bob Johnson et al., December 23, 2025."

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While we are not aware of any misstatements in the Gartner Content, estimates, and in particular forecasts, involve numerous assumptions and are subject to risks and uncertainties, as well as change based on various factors, that could cause results to differ materially from those expressed in the data presented below.

Any forward-looking statement made by us in this report speaks only as of the date on which it is made. Except as required by law, we assume no obligation to update these statements publicly or to update the reasons actual results could differ materially from those anticipated in these statements, even if new information becomes available in the future.

You should read this report, and the documents that we reference in this report and have filed as exhibits to this report, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PART I

Item 1. Business

Overview

We supply advanced, innovative capital equipment developed for the global semiconductor industry.

Our products are designed to address yield-critical and performance-sensitive process steps that become increasingly difficult as semiconductor devices scale to smaller geometries and more complex structures. We focus on developing differentiated process solutions that enable effective particle removal, uniform material deposition, and reliable process control, while helping customers manage cost of ownership, throughput, and environmental considerations. We believe this approach has supported broader adoption of our tools across multiple technology nodes and device types.

Fabricators of advanced integrated circuits, or chips, can use our wet-cleaning, plating, furnace, PECVD, track, and other front-end processing equipment in numerous steps to improve product yield, even at increasingly advanced process nodes. We have designed these products for use in fabricating foundry, logic and memory chips, including dynamic random-access memory, or DRAM, and 3D NAND-flash memory chips. We also develop, manufacture and sell a range of advanced packaging equipment to wafer assembly and packaging customers.

Revenue from single wafer cleaning, Tahoe and semi-critical cleaning equipment totaled $626.0 million, or 69.5% of total revenue in 2025, $578.9 million, or 74.0% of total revenue in 2024, and $403.9 million, or 72.4% of total revenue in 2023. Revenue from ECP (front-end packaging), furnace and other technologies totaled $199.6 million, or 22.1% of total revenue in 2025, $151.1 million, or 19.3% of total revenue, in 2024, and $103.4 million, or 18.5% of total revenue in 2023. Revenue from advanced packaging (excluding ECP), services and spares totaled $75.8 million, or 8.4% of total revenue in 2025, $52.2 million, or 6.7% of total revenue in 2024, and $50.5 million, or 9.1% of total revenue in 2023. Selling prices for our tools generally range from $0.5 million to more than $5 million.

We estimate, based on third-party reports and on customer and other information, that our current product portfolio addresses approximately $21 billion of the 2025 global wafer fab equipment, or WFE, market. By product line, we estimate an approximately $7.3 billion market opportunity is addressed by our wafer cleaning equipment, $5.3 billion by our Plasma-Enhanced Chemical Vapor Deposition, or PECVD, equipment, $3.0 billion by our Track equipment, $2.6 billion by our furnace equipment, $1.5 billion by our electro-chemical plating, or ECP, equipment, and more than $1.2 billion by our stress-free polishing, advanced packaging, wafer processing, and other processing equipment.

Gartner estimates the total worldwide semiconductor WFE market grew by 11.0% from $111.6 billion in 2024 to $123.9 billion in 2025, and estimates will increase by 11.8% to $138.5 billion in 2026. Gartner estimates China WFE decreased by 1.7%, from $40.0 billion in 2024 to $39.3 billion in 2025, and is expected to decrease by 9.9% to $35.4 billion in 2026[1].

We have focused our selling efforts on establishing a referenceable base of leading foundry, logic and memory chip makers, whose use of our products can influence decisions by other manufacturers. We believe this customer base has helped us penetrate the mature chip manufacturing markets and build credibility with additional industry leaders. We have used a “demo-to-sales” process to place evaluation equipment, or “first tools,” with numerous selected customers.

To date, a substantial majority of our sales of semiconductor capital equipment have been to customers located in Asia, and we anticipate that a substantial majority of our revenue from these products will continue to come from customers located in this region for the foreseeable future. Our operation includes sales, marketing and services personnel in North America, Western Europe and Southeast Asia to expand and support major new customer initiatives for the products of ACM Shanghai to additional regions beyond mainland China.

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[1] The information contains statistical data and estimates, including forecasts, that are based on information provided by Gartner®, "Forecast: Semiconductor Capital Spending, Wafer Fab Equipment and Capacity, Worldwide, 4Q25 Update, Revenue Basis, Bob Johnson et al., 23 December 2025."

Our Technology and Product Offerings

Semiconductor manufacturing is becoming increasingly complex as device scaling, 3D architectures, advanced packaging, and power efficiency requirements place greater demands on yield-critical process steps. These trends increase the importance of differentiated process equipment capable of operating within tighter tolerances, supporting new materials, and integrating across multiple manufacturing stages.

We develop and deliver a broad portfolio of differentiated semiconductor process equipment that spans front-end wafer fabrication through advanced packaging. Our product platforms are built around proprietary process technologies and system architectures designed to address increasingly complex device structures, tighter process windows, and rising yield sensitivity at advanced nodes. Our current business mix is primarily from wet cleaning, plating, and advanced packaging. We have been investing in the development of new products for several adjacent front-end process steps—including furnace, PECVD, and track—leveraging common design principles, modular platforms, and deep process integration.This multi-product approach enables us to support customers across a larger portion of the manufacturing flow, deepen technical engagement, and is intended to create additional growth opportunities over time.

Wet Cleaning Equipment for Front End Production Processes

Wafer cleaning is a foundational process step in semiconductor manufacturing, directly impacting yield, reliability, and device performance across every major technology node. As device architectures have evolved toward smaller geometries, higher aspect ratios, and complex 3D structures, cleaning requirements have become increasingly demanding—requiring effective particle and residue removal while minimizing pattern damage and chemical consumption. Our wet cleaning portfolio is designed to address these challenges through proprietary process technologies, modular architectures, and application-specific configurations that support both advanced and mature nodes. Our solutions are deployed across multiple front-end process steps and are optimized to balance performance, yield, throughput, cost of ownership, and environmental considerations.

Our wet-cleaning platforms incorporate proprietary SAPS, TEBO, and Tahoe technologies, enabling effective removal of random particles while preserving delicate wafer features, even at increasingly advanced process nodes (the minimum line widths on a chip). The systems are built on a modular architecture that allows customers to tailor tool configurations to specific process requirements, while leveraging standardized chamber, electrical, chemical delivery, and control modules.

This approach supports rapid configuration, efficient qualification, and optimized chemical selection without sacrificing reliability or scalability. While our tools are primarily designed for 300mm silicon wafer manufacturing, we also offer solutions for 150mm and 200mm wafers, as well as non-standard substrates including compound semiconductors, quartz, sapphire, glass, and plastics.

- *Space Alternated Phase Shift, or SAPS, technology for flat and patterned (deep via or deep trench with stronger structure) wafer surfaces*. SAPS technology employs alternating phases of megasonic waves to deliver megasonic energy in a highly uniform manner on a microscopic level. We have shown SAPS technology to be more effective than conventional megasonic and jet spray technologies in removing random defects across an entire wafer, with increasing relative effectiveness at more advanced production nodes.
- *Timely Energized Bubble Oscillation, or TEBO, technology for patterned wafer surfaces at advanced process nodes*. TEBO technology has been developed to provide effective, damage-free cleaning for 2D and 3D patterned wafers with fine feature sizes. We have demonstrated the damage-free cleaning capabilities of TEBO technology on patterned wafers for feature nodes as small as 1xnm (16 to 19 nanometers, or nm), and we have shown TEBO technology can be applied in manufacturing processes for patterned chips with 3D architectures having aspect ratios as high as 60-to-1.
- *Tahoe technology for cost and environmental savings.* Tahoe technology delivers high cleaning performance using significantly less sulfuric acid and hydrogen peroxide than is typically consumed by conventional high-temperature single-wafer cleaning tools.
- *Semi-critical cleaning.* Our cleaning portfolio also comprises a suite of semi-critical cleaning products including single wafer back-side cleaning, scrubber, and auto bench.

ECP, Furnace, PECVD, and Track Platforms

Building on our core strengths in wet processing, ACM has expanded into several adjacent front-end process categories, including electrochemical plating (ECP), furnace, PECVD, and track platforms. Each of these product lines incorporates our differentiated approach to tool design, process control, and modular architecture, allowing us to apply proprietary technologies across multiple steps in the manufacturing flow. Our ECP portfolio addresses both front-end interconnect formation and back-end advanced packaging applications, while our furnace, PECVD, and track platforms are at earlier stages of customer evaluation and adoption, with meaningful long-term growth potential. Together, these platforms reflect our strategy to evolve into a broader, multi-product supplier supporting advanced logic, memory, power, and packaging applications.

- *ECP technology for advanced metal plating.* Our Ultra ECP ap, or Advanced Packaging, technology was developed for back-end assembly processes to deliver a more uniform metal layer at the notch area of wafers prior to packaging. Our Ultra ECP map, or Multi-Anode Partial Plating, technology was developed for front-end wafer fabrication processes to deliver advanced electrochemical copper plating for copper interconnect applications. Ultra ECP map offers improved gap-filling performance for ultra-thin seed layer applications, which is critical for advanced nodes at 28nm, 14nm and beyond.
- *Ultra fn Furnace.* Our Ultra fn Furnace is our first dry processing tool. Our Ultra fn vertical furnace features a proprietary quartz-based process chamber capable of operating at temperatures up to 1250°C while maintaining uniformity, a performance level that we believe is not currently achieved by other vertical furnace platforms.
- *Ultra Pmax™ PECVD tools*. Our Ultra Pmax™ PECVD products are equipped with a proprietary designed chamber, gas distribution unit and chuck, and is intended to provide better film uniformity, reduced film stress, and improved particle performance.
- *Ultra Track.* Our Ultra Track products include a 300mm process tool that delivers uniform air downflow, fast robot handling and configurable software to address specific customer requirements, and has multiple features that enhance performance across defectivity, throughput, and cost of ownership.

Advanced Packaging and other Back-End Processing Tools

We leverage our technology and expertise to provide a range of single-wafer products for back-end wafer assembly and packaging customers. We develop, manufacture and sell a wide range of advanced packaging equipment, such as coaters, developers, photoresist strippers, scrubbers, wet etchers and copper-plating equipment. We focus on providing custom-made, differentiated equipment that incorporates customer-requested features at a competitive price.

For example, our Ultra C Coater is used in applying photoresist, a light-sensitive material used in photolithography to transfer a pattern from a mask onto a wafer. Coaters typically provide input and output elevators, shuttle systems and other devices to handle and transport wafers during the coating process. Unlike most coaters, the Ultra C Coater is fully automated. Based on requests from customers, we developed and incorporated the special function of chamber auto-clean module into the Ultra C Coater, which further differentiates it from other products in the market by reducing or eliminating the cleaning of shroud in the coater which increases the tool's continuous production time. The Ultra C Coater is designed to deliver improved throughput and more efficient tool utilization while eliminating particle generation.

Our other advanced packaging products include: Ultra ECP ap, which delivers a uniform metal layer to finished wafers prior to packaging; Ultra C Developer, which applies liquid developer to selected parts of photoresist to resolve an image; Ultra C PR Megasonic-Assisted Stripper, which removes photoresist; Ultra C Scrubber, which scrubs and cleans wafers; Ultra C Thin Wafer Scrubber, which addresses a sub-market of cleaning very thin wafers for certain Asian assembly factories; and Ultra C Wet Etcher, which etches silicon wafers and copper and titanium interconnects.

Our Customers

To date, substantially all of our sales of equipment for semiconductor-manufacturing have been to customers located in mainland China, and we anticipate that a substantial majority of our revenue from these products will continue to come from customers located in this region for the foreseeable future. We have begun to add to our efforts to further address customers in North America, Western Europe and Southeast Asia, by expanding our direct sales teams and increasing our global marketing activities.

Since 2009 we have delivered more than 1,435 tools to our customers, more than 1,255 of which were repeat orders or acceptances upon contractual performance obligations having been met and thereby generated revenue to us. The balance of the delivered tools is subject to the customer's acceptance of the tool upon the tool's satisfaction of applicable contractual requirements or subject to the customer's subsequent discretionary commitment to purchase the tool.

Our equipment can generally be configured for use by manufacturers, or customer types, who in turn build a range of different semiconductor types. Our revenue by customer type was distributed as follows: Foundry/Logic/Other represented 59%, 71%, and 64% of total revenue in 2025, 2024, and 2023, respectively; Memory represented 27%, 22%, and 24%; and Advanced Packaging/Wafer Processing represented 14%, 7%, and 13% for the same periods. For information on our customer concentration risks with respect to revenue and accounts receivable, see note 2 to the consolidated financial statements included in this report.

Sales and Marketing

We market and sell our products worldwide using a combination of our direct sales force and third-party representatives. We employ direct sales teams in mainland China, the United States, Southeast Asia, and Europe. We also employ field application engineers, who are typically co-located with our direct sales teams, to provide technical pre- and post-sale support and other assistance to existing and potential customers throughout the customers' fab planning and production line qualification and fab expansion phases. Our field application engineers are organized by end markets as well as core competencies in hardware, control system, software and process development to support our customers.

To supplement our direct sales teams, we have contacts with several independent sales representatives in mainland China, Korea and Taiwan. We select these independent representatives based on their ability to provide effective field sales, marketing forecast and technical requirement updates for our products. In the case of representatives, our customers place purchase orders with us directly rather than with the representatives.

Our sales have historically been made using purchase orders with agreed technical specifications. Our sales terms and conditions are generally consistent with industry practice but may vary from customer to customer. We seek to obtain a purchase order four to six months ahead of the customer's desired delivery date. Consistent with industry practice, customers may delay delivery, adjust, or cancel orders prior to shipment subject to penalties.

Our marketing team focuses on our product strategy and technology road maps, product marketing, new product introduction processes, demand assessment and competitive analysis, customer requirement communication and public relations. Our marketing team also has the responsibility to conduct environmental scans, study industry trends and arrange our participation at major trade shows.

Manufacturing

We conduct a substantial majority of our product development, manufacturing, support and services in mainland China, with additional product development and subsystem production in Korea. Substantially all of our tools are built to order at our Lingang development and production center. See “Item 2. Properties,” of Part I of this report.

We purchase some of the components and assemblies that we subsequently integrate into our products from a range of suppliers, some of which are single-source suppliers, and/or U.S. based suppliers which can no longer supply ACM Shanghai, ACM Korea and related entities as a result of recently enacted regulations including designations on the BIS Entity List. We believe that we can obtain and qualify alternative sources to supply these components. Nevertheless, any delays or prolonged inability to obtain or to replace these components could have an adverse effect on our operating results and could unfavorably impact our customer relationships. Please see “Item 1A. Risk Factors—Risks Related to Our Business and Our Industry—We depend on a limited number of suppliers, including single source suppliers, for critical components and assemblies, and our business could be disrupted if they are unable to meet our needs.”

Research and Development

We believe that our success depends in part on our ability to develop and deliver breakthrough technologies and capabilities to meet our customers’ ever-more challenging technical requirements. For this reason, we devote significant financial and personnel resources to research and development. Our research and development team is comprised of highly skilled engineers and technologists with extensive experience across a range of technologies, cleaning processes and chemistry, mechanical design, and control system design.

Longer term, we are working on new proprietary process capabilities based on our existing tool hardware platforms. We are also working to integrate our tools with third-party tools in adjacent process areas in the chip manufacturing flow.

Intellectual Property

Our success and future revenue growth depend, in part, on our ability to protect our intellectual property. We control access to and use of our proprietary technologies, software and other confidential information through the use of internal and external controls, including contractual protections with employees, consultants, advisors, customers, partners and suppliers. We rely primarily on patent, copyright, trademark and trade secret laws, as well as confidentiality procedures, to protect our proprietary technologies and processes. All employees and consultants are required to execute confidentiality agreements in connection with their employment and consulting relationships with us. We also require them to agree to disclose and assign to us all inventions conceived or made in connection with the employment or consulting relationship.

We have aggressively pursued intellectual property since our founding in 1998. We focus our patent filing efforts in the United States, and, when justified by cost and strategic importance, we file corresponding foreign patent applications in strategic jurisdictions such as the European Union, mainland China, Japan, Singapore, Korea, and Taiwan. Our patent strategy is designed to provide a balance between the need for coverage in our strategic markets and the need to maintain costs at a reasonable level.

As of December 31, 2025, we have been issued more than 594 patents in the United States, mainland China, Japan, Korea, Singapore and Taiwan, including 82 issued patents, and 33 patents pending, in the United States. These patents carry expiration dates from 2027 through 2045. Many of the US patents and applications have also been filed internationally, including one or more of the European Union, Japan, mainland China, Singapore, Korea, and Taiwan. Specifically, we own patents in wafer cleaning, electro-polishing and plating, wafer preparation, and other semiconductor processing technologies.

We manufacture advanced single-wafer cleaning systems equipped with our SAPS, TEBO and Tahoe technologies. We have 66 patents granted internationally protecting our SAPS technologies, and we have filed 13 international patent applications for key TEBO technologies, and 8 for Tahoe, in accordance with the Patent Cooperation Treaty. In addition, we have patented technologies for SFP and ECP that are embedded in certain tools. We also have patented technologies in other semiconductor processing areas, including wafer preparation and several specific processing steps.

To date we have not granted licenses to third parties under the patents described above. Not all of these patents have been implemented in products. We may enter into licensing or cross-licensing arrangements with other companies in the future.

We cannot assure you that any patents will issue from any of our pending applications. Any rights granted under any of our existing or future patents may not provide meaningful protection or any commercial advantage to us. With respect to our other proprietary rights, it may be possible for third parties to copy or otherwise obtain and use our proprietary technology or marks without authorization or to develop similar technology independently.

The semiconductor equipment industry is characterized by vigorous protection and pursuit of intellectual property rights or positions, which have resulted in often protracted and expensive litigation. We may in the future initiate claims or litigation against third parties to determine the validity and scope of proprietary rights of others. In addition, we may in the future initiate litigation to enforce our intellectual property rights or the rights of our customers or to protect our trade secrets.

Our customers could become the target of litigation relating to the patent or other intellectual property rights of others. This could trigger technical support and indemnification obligations in some of our customer agreements. These obligations could result in substantial expenses, including the payment by us of costs and damages related to claims of patent infringement. In addition to the time and expense required for us to provide support or indemnification to our customers, any such litigation could disrupt the businesses of our customers, which in turn could hurt our relations with our customers and cause the sale of our products to decrease. We do not have any insurance coverage for intellectual property infringement claims for which we may be obligated to provide indemnification.

Additional information about the risks relating to our intellectual property is provided under "Item 1A. Risk Factors—Risks Related to Our Intellectual Property and Data Security."

Competition

The chip equipment industry is characterized by rapid change and is highly competitive throughout the world. We compete with semiconductor equipment companies located around the world, and we may also face competition from new and emerging companies, including new competitors from mainland China. We consider our principal competitors to be those companies that provide wafer cleaning, electrical plating and furnace products to the global market, including Lam Research Corporation, NAURA Technology Group Co., Ltd., SCREEN Holdings Co., Ltd., SEMES Co. Ltd., Tokyo Electron Ltd. and Kokusai Semiconductor Equipment Corporation. Principal competitors for our PECVD and Track products also include Lam Research Corporation, Applied Materials, Inc., and Suzhou Jingtuo Semiconductor Technology Co., Ltd. We also face additional competitors based in mainland China across multiple product lines due in part to the recent entrants of local equipment suppliers.

Compared to our company, our current and potential competitors may have:

- better established credibility and market reputations, longer operating histories, and broader product offerings;
- significantly greater financial, technical, marketing and other resources, which may allow them to pursue design, development, manufacturing, sales, marketing, distribution and service support of their products;
- more extensive customer and partner relationships, which may position them to identify and respond more successfully to market developments and changes in customer demands;
- multiple product offerings, which may enable them to offer bundled discounts for customers purchasing multiple products or other incentives that we cannot match or offer.

The principal competitive factors in our market include:

- performance of products, including particle removal efficiency, rate of damage to wafer structures, high temperature chemistry, throughput, tool uptime and reliability, safety, chemical waste treatment, and environmental impact;
- gap filling capability, the deposited film thickness uniformity within wafer and wafer to wafer, particle generated on the wafer during the processes;
- service support capability and spare parts delivery time; innovation and development of functionality and features that are must-haves for advanced fabrication nodes;
- ability to anticipate customer requirements, especially for advanced process nodes of less than 45nm; ability to identify new process applications;
- brand recognition and reputation; and
- skill and capability of personnel, including design engineers, manufacturing engineers and technicians, application engineers, and service engineers.

In addition, semiconductor manufacturers must make a substantial investment to qualify and integrate new equipment into semiconductor production lines. Once a semiconductor manufacturer has selected a particular supplier's equipment and qualified it for production, the manufacturer generally maintains that selection for that specific production application and technology node as long as the supplier's products demonstrate performance to specification in the installed base. Accordingly, we may experience difficulty in selling to a given manufacturer if that manufacturer has qualified a competitor's equipment. If, however, that cleaning equipment constrains chip yield, we expect, based on our experience to date, that the manufacturer will evaluate implementing new equipment that cleans more effectively.

Our People

As of December 31, 2025, we had 2,513 full-time equivalent employees, of whom 196 were in administration, 365 were in manufacturing, 1,228 were in research and development, and 724 were in sales and marketing and customer services. Of these employees, 2,357 were located in mainland China and the Taiwan region, 127 were located in Korea and 29 were based in the United States. We have never had a work stoppage, and none of our employees are represented by a labor organization or subject to any collective bargaining arrangements. We consider our employee relations to be good.

We compete in the highly competitive semiconductor equipment industry, with operations principally in mainland China. Attracting, developing, and retaining skilled and experienced employees in research and development, manufacturing, sales and marketing, and other positions is crucial to our ability to compete effectively. Our ability to recruit and retain such employees depends on a number of factors, including our corporate culture and work environment, informed by our values and behaviors, our corporate philosophy of talent development and career opportunities, and compensation and benefits.

To attract and retain qualified employees and key talent, we offer total compensation packages that are competitive with comparable companies, particularly in mainland China and, specifically, Shanghai.

We provide training and development programs to our employees, and we have trained many of our key engineers and managers for more than a decade. Retention of these key employees is critical to secure our future growth and technology development. To assist in employee retention and recruitment, we offer employee housing in the Lingang region of Shanghai nearby our new research and development and production center.

Environmental

Severe weather events, including earthquakes, fires, floods, heat waves, hurricanes and other environmental disasters, could pose a threat to our manufacturing and research and development activities through physical damage to our operating facilities or equipment or disruption of power supply or telecommunications infrastructure. The frequency and intensity of severe weather events are reportedly increasing throughout the world as part of broader climate changes. Global weather pattern changes may also pose long-term risks of physical impacts to our business. We maintain disaster recovery and business continuity plans that would be implemented to help us recover in the event of severe weather events that interrupt our business. See "Item 1A. Risk Factors—General—Our production facilities could be damaged or disrupted by a natural disaster, war, terrorist attacks or other catastrophic events."

Concerns about climate change have resulted in various laws and regulations that are intended to limit carbon emissions and address other environmental concerns. In recent years, mainland China, where our production facilities are located, has undertaken comprehensive sustainability initiatives that are requiring companies to meet new environmental standards and deal with higher energy and other production costs. Environmental laws and regulations may impose new or unexpected cost either directly through, for example, higher energy costs or indirectly through increased costs of compliance or of failing to comply with these laws and regulations. These laws and regulations might increase the cost of construction, maintenance and operation of our new research and development center and factory in the Lingang region of Shanghai.

We do not currently expect that existing or pending climate change laws and regulations will be material to our results of operations in the foreseeable future. Climate change could, however, have a direct effect on our customer base of semiconductor fabricators, whose operations typically require copious quantities of power and water and a number of chemicals. Chip fabrication operations often result in significant amounts of wastewater, which can contain a number of harmful contaminants, including antimony, arsenic, hydrofluoric acid and hydrogen peroxide, that historically have resulted in groundwater pollution and related violations of environmental laws. Moreover, water and chemical demands for semiconductor fabrication are expected to increase with the production of more advanced chips at smaller process nodes. As a result, some leading chip fabricators have begun to invest in conservation and treatment technologies for water and chemicals.

We have designed some of our tools to require significantly reduced levels of environmentally harmful chemicals, which helps customers face increased environmental laws and regulations. SAPS and TEBO technologies use environmentally friendly dilute chemicals, such as dilute hydrofluoric acid, RCA SC-1 solution, ozonated de-ionized water and functional de-ionized water with dissolved hydrogen. In interconnect and barrier metals applications based on SAPS technology, for example, these chemical solutions take the place of chemicals such as piranha solution, a high-temperature mixture of sulfuric acid and hydrogen peroxide used by conventional wet wafer cleaning processes. Similarly, Tahoe technology delivers high cleaning performance using significantly less sulfuric acid and hydrogen peroxide than is typically consumed by conventional high-temperature single-wafer cleaning tools. For additional information, see "—Our Technology and Product Offerings—Wet Cleaning Equipment for Front End Production Processes."

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission, or the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and amendments to those documents filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, are also available free of charge on our website at www.acmr.com as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC.

Investors should note that we announce material information to our investors and others using filings with the SEC, press releases, public conference calls, webcasts or our website (www.acmr.com), including news and announcements regarding our financial performance, key personnel, our brands and our business strategy. Information that we post on our corporate website could be deemed material to investors. We encourage investors to review the information we post on these channels. We may from time to time update the list of channels we will use to communicate information that could be deemed material and will post information about any such change on www.acmr.com. The information on our website is not, and shall not be deemed to be, a part hereof or incorporated into this or any of our other filings with the SEC.

Item 1A. Risk Factors

Investing in Class A common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information contained in this report, including the consolidated financial statements and related notes set forth in "Item 8. Financial Statements and Supplementary Data", before making an investment decision. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations or cash flows. In any such case, the trading price of Class A common stock could decline, and you may lose all or part of your investment. This report also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

Risk Factor Summary

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. The risks are discussed more fully below and include, but are not limited to, the risks summarized below.

Risks Related to International Aspects of Our Business

- if any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, or if we inadvertently conclude that permissions or approvals are not required, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operation of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless;

- mainland China central government authorities may intervene in, or influence, ACM Shanghai's mainland China-based operations at any time, and those authorities' rules and regulations in mainland China can change quickly with little or no advance notice;
- the mainland China central government may determine to exert additional control over offerings conducted overseas or foreign investment in mainland China-based issuers, which could result in a material change in operations of ACM Shanghai and cause significant declines in the value of ACM Research Class A common stock, or make them worthless;
- if we are unable to comply with recent and proposed legislation and regulations regarding improved access to audit and other information and audit inspections of accounting firms, including registered public accounting firms, such as our prior and current audit firms, operating in mainland China, we could be adversely affected;
- it may be difficult for overseas regulators to conduct investigations or collect evidence within mainland China;
- substantially all of our assets are located outside of the United States which may make it difficult for you to enforce your rights based on the U.S. federal securities laws;

Risks Related to Our Business and Our Industry

- our potential future needs for additional capital that may not be available at all or on terms acceptable to us;
- the cyclicality in the semiconductor industry that may lead to substantial variations in demand for our products;
- our dependence on a small number of customers for a substantial portion of our revenue;
- industry manufacturers of chips adopting our SAPS, TEBO, Tahoe, ECP, furnace and other technologies;
- our SAPS, TEBO, Tahoe, ECP, furnace and other technologies not achieving widespread market acceptance;
- our ability to continue to enhance our existing single-wafer wet cleaning tools and identifying and entering new product markets;
- our ability to establish and maintain a reputation for credibility and product quality;
- our ability to expand our customer base;
- our long and unpredictable sales cycle, including our deployment of significant expenses long before we can recognize revenue from new products, if at all;
- difficulties in forecasting demand for our tools;
- our reliance on third parties to manufacture significant portions of our tools and our ability to manage our relationships with these parties;
- any shortage of components or subassemblies, which could result in delayed delivery of products to us or in increased costs to us;
- our dependence on a limited number of suppliers, including single source suppliers, for critical components and subassemblies;
- our dependence on our Chief Executive Officer and President and other senior management and key employees;

Regulatory Risks

- regulatory actions limiting our ability and the broader industry's ability to export into China, as well as other specified countries, items, software, or technology sourced from the U.S. or otherwise subject to control under the U.S. Export Administration Regulations (EAR), or controls introduced by other countries including Japan and the Netherlands, thereby impacting our ability to sell our tools to customers in these jurisdictions, source certain services from these jurisdictions, and/or engage in R&D activities with our foreign affiliates;
- our operations in mainland China and Korea subsidiaries, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List;
- the U.S. Government has implemented an outbound investment review mechanism, which may prevent us from taking advantage of investment opportunities outside the United States and/or receiving capital from investors in the United States that could otherwise be advantageous to our stockholders;
- changes in government trade policies that could limit the demand for our tools and/or increase the cost of our tools;
- we may be subject to risks related to recent U.S. tariffs on the semiconductor industry;
- changes in political and economic policies with respect to mainland China; and
- mainland China's currency exchange control and government restrictions on investment repatriation may impact our ability to transfer funds outside of mainland China;

Risks Related to the STAR Listing of ACM Shanghai

- our ability to implement our strategy to expand our mainland China operations;

- our ability to achieve the results contemplated by our business strategy and our strategy for growth in mainland China and expectations related to the STAR Listing;
- the effect of ACM Shanghai's status as a publicly traded company that is controlled, but less than wholly owned, by ACM Research;
- our ability to manage potentially inconsistent accounting and disclosure requirements of ACM Research and ACM Shanghai as a result of the STAR Listing;

Risks Related to Our Intellectual Property and Data Security

- our ability to protect our intellectual property, including in mainland China;
- breaches of our cybersecurity systems;

Risks Related to Ownership of Class A Common Stock

- the volatility in the market price of Class A common stock;
- the difficulty to predict the effect of the STAR Listing on the Class A common stock;
- the dual class structure of common stock, which has the effect of concentrating voting control with our executive officers and directors; and
- manipulative short sellers of our stock, which may drive down the market price of our Class A common stock and could result in litigation;

Risks Related to International Aspects of Our Business

If any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, or if we inadvertently conclude that permissions or approvals are not required, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operation of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless.

Mainland China central government authorities have taken steps to preclude, or significantly discourage, certain mainland China companies from listing on U.S. and other exchanges outside mainland China. Investments activities in mainland China by non-mainland China investors are principally governed by the Encouraged Industries Catalog for Foreign Investment (2020 version) and the Special Administrative Measures for Foreign Investment Access (Negative List 2021), both of which were promulgated by mainland China's Ministry of Commerce, or MOFCOM, and National Development and Reform Commission. These regulations set forth the industries in which foreign investments are encouraged, restricted and prohibited.

Industries that are not listed in any of these three categories are generally open to foreign investment unless otherwise specifically restricted by other mainland China rules and regulations. We believe that our operations do not fall within any industry that is restricted or prohibited under these regulations and that the regulations therefore do not apply to us.

Mainland China-based companies that seek to list their shares in the United States but are subject to mainland China restrictions on investments by non-mainland China investors sometimes use a special purpose vehicle known as a VIE created in an off-shore jurisdiction such as the Cayman Islands. In these structures, a VIE enters into a series of contractual arrangements with mainland China-based operating company and its mainland China-based shareholders that afford those shareholders, rather than the shareholders of the VIE, effective control over the finances and operations of the operating company. The VIE, effectively a shell company, issues share that are listed for trading on a U.S. exchange, but the enterprise is controlled by the legacy mainland China-based shareholders and is subject to mainland China laws and regulations. ACM Research is not a VIE or other special purpose, or shell, company, and its relationship with ACM Shanghai does not involve the types of contractual arrangements existing between a VIE and a mainland China-based operating company. ACM Research is a Delaware corporation founded in California in 1998 that formed ACM Shanghai to conduct business operations in mainland China. ACM Research controls the operations of ACM Shanghai through its direct ownership of ACM Shanghai shares, and it also conducts sales and marketing activities focused on sales of ACM Shanghai products in North America, Europe and certain regions in Asia outside mainland China.

We do not believe that our corporate structure or any other matters relating to our business operations currently require that ACM Shanghai obtain any permissions or approvals from the China Securities Regulatory Commission, or CSRC, or any other mainland China central government authority in connection with ACM's listing, or offering for sale in the future, shares of our Class A common stock in the United States. We, including ACM Shanghai, therefore have never solicited any permission or approval from any mainland China central government authority, and thus no such permissions or approvals have been received or denied, in connection with ACM Research's seeking and maintaining the listing of our Class A common stock in the United States. In the event that we inadvertently conclude that permissions or approvals are not required, or either the CSRC or another mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue ACM Research's listing of Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, ACM Shanghai could be unable to obtain any such permission or approval or could be able to obtain such permission or approval only on terms and conditions that impose material new operating or other restrictions and limitations on ACM Shanghai. In such circumstances, it would materially and adversely affect the value of our Class A common stock, which may decline in value or become worthless. In addition, ACM Shanghai could face sanctions by the CSRC or other mainland China central government authorities or pressure from the mainland China government in various business matters for failure to obtain such permission or approval. Such potential sanctions or pressure may include fines and penalties on ACM Shanghai's operations in mainland China, limitations on its operating privileges in mainland China, delays in or restrictions on the transfer of proceeds from a public offering of ACM Research securities in the United States to ACM Shanghai, restrictions on or prohibition of the payments or remittance of dividends by ACM Shanghai to ACM Research, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of ACM Research Class A common stock, which could decline in value or become worthless.

Mainland China central government authorities may intervene in, or influence, ACM Shanghai's mainland China-based operations at any time, and those authorities' rules and regulations in mainland China can change quickly with little or no advance notice.

The business of ACM Shanghai is subject to complex laws and regulations in mainland China that can change quickly with little or no advance notice. We have not experienced such intervention or influence by mainland China central government authorities or a change in those authorities' rules and regulations that have had a material impact of ACM Shanghai or ACM Research. We cannot assure you, however, that future changes in mainland China laws and regulations will not materially and adversely affect our mainland China-based operations. For example:

- Intellectual Property. Our commercial success depends in part on our ability to obtain and maintain patent and trade secret protection for our intellectual property, including our SAPS, TEBO, Tahoe, ECP, furnace and other technologies and the design of our Ultra C equipment. See "—Risks Related to Our Intellectual Property and Data Security—*Our success depends on our ability to protect our intellectual property, including our SAPS, TEBO, Tahoe, ECP, furnace and other technologies*." in Item 1A, "Risk Factors" of Part I of this report. The significant majority of our intellectual property has been developed in mainland China and is owned by ACM Shanghai. Implementation and enforcement of intellectual property-related laws in mainland China have historically been lacking due primarily to ambiguities in mainland China intellectual property law. See "—Risks Related to Our Intellectual Property and Data Security—*We may not be able to protect our intellectual property rights throughout the world, including mainland China, which could materially, negatively affect our business*" in Item 1A, "Risk Factors" of Part I of this report. In the event mainland China central government authorities were to significantly revise or revamp the current scope and structure of intellectual property protection in mainland China, our ability to protect and enforce our intellectual property rights for our key proprietary technologies may be adversely impacted and competitors may be able to match our technologies and tools in order to compete with us.

- Data Security. The Standing Committee of the National People's Congress, or the Standing Committee, has promulgated the Cyber Security Law, which imposes requirements on entities who build and operate mainland China's internet architecture or provide services in mainland China over the internet, and the Data Security Law, which imposes data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law also provides for a national security review procedure for data activities that may affect national security and imposes export restrictions on certain data an information. ACM Shanghai is not subject to the existing restrictions imposed by the Cyber Security Law or the Data Security Law, in part because its business operations do not involve the collection, processing or use of data or information involving personal privacy or private information of customers. In addition, ACM Shanghai is subject to oversight by the Cyberspace Administration of China, or the CAC, regarding data security. ACM Shanghai does not collect or maintain personal information except for routine personal information necessary to process payroll payments and other benefits and emergency contact information, and as a result, ACM Shanghai is not currently subject to significant restrictions or limitations in addressing and managing data security issues and complying with CAC regulations. To date, ACM Shanghai has not been involved in any investigations on cybersecurity review initiated by the CAC or any related mainland China central government authority and has not received any inquiry, notice, warning, or sanction in such respect. However, cybersecurity is increasingly a focus of the mainland China central government. If the CAC or other mainland China central government authorities should in the future require ACM Shanghai to comply with these or additional, or more restrictive, mainland China cybersecurity regulations, it could require ACM Shanghai to make changes to its operations, and any failure to satisfy or delay in meeting such requirements may subject ACM Shanghai to restrictions and penalties imposed by the CAC or other mainland China regulatory authorities, which may include regulatory actions, fines and penalties on our operations in mainland China, which could materially harm our business, financial condition, results of operations, reputation and prospects.

- Anti-Monopoly. A number of mainland China laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time consuming and complex. These laws and regulations, which include the Anti-Monopoly Law and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, impose requirements that in some instances that MOFCOM be notified in advance of, for example, any change-of-control transaction in which a foreign investor takes control of a mainland China domestic enterprise. In addition, such Rules specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by MOFCOM. In February 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, which stipulate that any concentration of undertakings involving VIEs is subject to anti-monopoly review. Those Guidelines provide more stringent rules for Internet platform operators, including regulations on the use of data and algorithms, technology and platform to commit abusive acts. The Measures for the Security Review for Foreign Investment, which was promulgated jointly by National Development and Reform Commission and MOFCOM effective January 18, 2021, and the Standing Committee on Amending the Anti-Monopoly Law of the People’s Republic of China, which was promulgated by the Standing Committee effective August 1, 2022, delineated provisions concerning the security review procedures on foreign investment, including the types of investments subject to review and the scopes and procedures of the review. ACM Shanghai does not have the concentration of business operators stipulated in the Anti-Monopoly Law, and our operations and activities to date have not otherwise subjected us to restrictive provisions or limitations set forth in applicable mainland China laws and regulations govern merger and acquisition activities. Among other things, ACM Shanghai’s business operations do not constitute identified “national defense and security” concerns associated with the arms industry, any industry ancillary to the arms industry, or any other field related to national defense security. We cannot assure you, however, that future changes in mainland China laws and regulations governing mergers and acquisitions, including activities in mainland China by foreign investors, will not extend or otherwise modify existing requirements, which could materially and adversely affect our mainland China-based operations or our ability to expand by investments or acquisitions.

- Permits. In the ordinary course of business, ACM Shanghai has obtained all of the permits and licenses it believes are necessary for it to operate in mainland China. ACM Shanghai may be adversely affected, however, by the complexity, uncertainties and changes in mainland China laws and regulations applicable to, or otherwise affecting, the semiconductor equipment industry and related businesses, and any lack of requisite approvals, licenses or permits applicable to ACM Shanghai’s business may have a material adverse effect on its business and results of operations.

- Trade Policies. Since 2018, general trade tensions between the United States and mainland China have escalated. See “—Regulatory Risks—*Changes in government trade policies could limit the demand for our tools and increase the cost of our tools”* in Item 1A, “Risk Factors” of Part I of this report. The imposition of tariffs by the U.S. and mainland China governments and the surrounding economic uncertainty may negatively impact the semiconductor industry, including by reducing the demand of fabricators for capital equipment such as our tools. Further changes in trade policy, tariffs, additional taxes, restrictions on exports or other trade barriers, or restrictions on supplies, equipment, and raw materials including rare earth minerals, may limit the ability of our customers to manufacture or sell semiconductors or to make the manufacture or sale of semiconductors more expensive and less profitable, which could lead those customers to fabricate fewer semiconductors and to invest less in capital equipment such as our tools. In addition, if mainland China were to impose additional tariffs on raw materials, subsystems or other supplies that we source from the United States, our cost for those supplies would increase. As a result of any of the foregoing events, the imposition of new or additional tariffs may limit our ability to manufacture tools, increase our selling and/or manufacturing costs, decrease margins, or inhibit our ability to sell tools or to purchase necessary equipment and supplies, which could have a material adverse effect on our business, results of operations, or financial condition.

Moreover, by imposing industrial policies and other economic measures, such as control of foreign exchange, taxation and foreign investment, the mainland China central government exerts considerable direct and indirect influence on the development of the mainland China economy. Other political, economic and social factors may also lead to further legal and regulatory changes and reforms, which may adversely affect our operations and business development.

The mainland China central government may determine to exert additional control over offerings conducted overseas or foreign investment in mainland China-based issuers, which could result in a material change in operations of ACM Shanghai and cause significant declines in the value of ACM Research Class A common stock, or make them worthless.

The mainland China central government may determine to exert additional control over securities offerings conducted overseas and/or foreign investment in mainland China-based issuers, which could result in a material adverse change in operations of ACM Shanghai and cause the value of ACM Research Class A common stock to significantly decline or become worthless. See also "*—If any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operation of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless*" above.

We could be adversely affected if we are unable to comply with legislation and regulations regarding improved access to audit and other information and audit inspections of accounting firms, including registered public accounting firms, such as our prior and current audit firms, operating in mainland China.

The HFCA Act, which became law in December 2020, includes requirements for the SEC to identify issuers whose audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely because of a restriction imposed by a non-U.S. authority in any non-U.S. jurisdiction. Under current regulations, the HFCA Act also requires that, to the extent that the PCAOB has been unable to inspect an issuer's auditor for two consecutive years, the SEC shall prohibit the issuer's securities registered in the United States from being traded on any national securities exchange or over-the-counter market in the United States. Our current independent registered public accounting firm, E&Y, is a PCAOB-registered firm that is headquartered in mainland China. However, we do not believe that we will be impacted by the HFCA Act due favorable determinations made by the PCAOB on December 15, 2022 regarding its ability to inspect auditors in mainland China. It remains unclear, however, what further actions the SEC, the PCAOB or Nasdaq may take to address these issues and what impact those actions will have on U.S. companies, such as ours, that have significant operations in mainland China and have securities listed on a U.S. stock exchange. Any such actions could materially affect our operations and stock price, including by resulting in our being de-listed from Nasdaq or being required to engage a new audit firm, which would require significant expense and management time.

It may be difficult for overseas regulators to conduct investigations or collect evidence within mainland China.

Stockholder claims or regulatory investigations that are common in the United States generally are difficult to pursue as a matter of law or practicality in mainland China. For example, in mainland China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside of mainland China. Although the authorities in mainland China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the mainland China Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of mainland China. While detailed interpretation of or implementing rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within mainland China may further increase difficulties faced by you in protecting your interests.

Because substantially all of our assets are located outside of the United States and certain of our officers reside outside of the United States, it may be difficult for you to enforce your rights based on the U.S. federal securities laws against such assets or officers or to enforce a judgment of a United States court against assets or officers in mainland China.

While ACM Research is a Delaware corporation, certain of our officers are nonresidents of the United States, and certain of our assets are located in mainland China, and the operations of ACM Shanghai are conducted in mainland China. It may, therefore, not be possible to effect service of process on such persons in the United States, and it may be difficult to enforce any judgments rendered against them or any of our assets that are located overseas. Moreover, there is doubt whether courts in mainland China would enforce (a) judgments of United States courts against ACM Shanghai, our officers based on the civil liability provisions of the securities laws of the United States or any state, or (b) in original actions brought in mainland China, liabilities against us or any nonresidents based upon the securities laws of the United States or any state.

We conduct substantially all of our operations outside the United States and face risks associated with conducting business in foreign markets.

Substantially all of our sales in 2025, 2024, and 2023 were made to customers outside the United States. Our manufacturing center has been located in Shanghai since 2006 and substantially all of our operations are located in mainland China. We expect that all of our significant activities will remain outside the United States in the future. We are subject to a number of risks associated with our international business activities, including:

- the need to comply with the import laws and regulations of various foreign jurisdictions, including a range of U.S. import laws;
- potentially adverse tax consequences, including withholding tax rules that may limit the repatriation of our earnings, and higher effective income tax rates in foreign countries where we conduct business;
- competition from local suppliers with which potential customers may prefer to do business;
- seasonal reduction in business activity, such as during the Lunar New Year in parts of Asia and in other periods in various individual countries;
- increased exposure to foreign currency exchange rates;
- reduced protection for intellectual property;
- longer sales cycles and reliance on indirect sales in certain regions;
- increased length of time for shipping and acceptance of our products;
- greater difficulty in responding to customer requests for maintenance and spare parts on a timely basis;
- greater difficulty in enforcing contracts and accounts receivable collection and longer collection periods;
- difficulties in staffing and managing foreign operations and the increased travel, infrastructure and legal and compliance costs associated with multiple international locations;
- heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, our consolidated financial statements; and
- general economic conditions, geopolitical events or natural disasters in countries where we conduct our operations or where our customers are located, including political unrest, war, acts of terrorism or responses to such events.

In particular, the Asian market is extremely competitive, and chip manufacturers may be aggressive in seeking price concessions from suppliers, including chip equipment manufacturers.

We may not be successful in developing and implementing policies and strategies that will be effective in managing these risks in each country in which we do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition.

Fluctuation in foreign currency exchange rates may adversely affect our results of operations and financial position.

Our results of operations and financial position could be adversely affected as a result of fluctuations in foreign currency exchange rates. Although our financial statements are denominated in U.S. dollars, a sizable portion of our costs are denominated in other currencies, principally the Chinese Renminbi and, to a lesser extent, the Korean Won. Because many of our raw material purchases are denominated in Renminbi while the majority of the purchase orders we receive are denominated in U.S. dollars, exchange rates have a significant effect on our gross margin. We have not engaged in any foreign currency exchange hedging transactions to date, and any strategies that we may use in the future to reduce the adverse impact of fluctuations in foreign currency exchange rates may not be successful. Our foreign currency exposure with respect to assets and liabilities for which we do not have hedging arrangements could have a material impact on our results of operations in periods when the U.S. dollar significantly fluctuates in relation to unhedged non-U.S. currencies in which we transact business.

The exacerbation or further continuation of currently challenging global systemic economic and financial conditions could adversely affect our business, results of operations and financial condition.

Any prolonged slowdown in mainland China, United States or global economy may have a negative impact on our business, results of operations and financial condition. Financial and other markets in the United States and worldwide have experienced significant volatility reflecting uncertainty over, among other things, (a) the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and mainland China, (b) unrest in Ukraine, the Middle East and Africa, and (c) the rising level of inflation in major industrial countries, including the United States, and worries that efforts to curb inflation may result in an economic recession. General inflation, including rising energy prices, interest rates and wages, could adversely impact our business by increasing our operating and borrowing costs as well as limiting the amount of capital available for customers to purchase our products. This economic turmoil has had, and could continue to have, a number of repercussions on our business, including significant decreases in orders from our customers, business slowdowns or cessations at key suppliers resulting in delays in our product deliveries, increased raw material prices leading to increased production costs that we may not be able to pass onto customers, and business challenges at customers resulting in the inability to obtain credit to finance purchases of our products or even insolvency, and counterparty failures negatively impacting our operations and sales. Any systemic economic or financial crisis could cause revenues for the semiconductor industry as a whole to decline dramatically, which could materially and adversely affect our results of operations.

Risks Related to Our Business and Our Industry

We may require additional capital in the future and we cannot give any assurance that such capital will be available at all or available on terms acceptable to us and, if it is available, additional capital raised by us may dilute holders of Class A common stock.

We may need to raise funds in the future, depending on many factors, including:

- our sales growth;
- the costs of applying our existing technologies to new or enhanced products;
- the costs of developing new technologies and introducing new products;
- the costs associated with protecting our intellectual property;
- the costs associated with our expansion, including capital expenditures and Lingang-related land purchases and deposits, and with increasing our sales and marketing and service and support efforts, and with expanding our geographic operations;
- our ability to continue to obtain governmental subsidies for developmental projects in the future;
- future debt repayment obligations; and
- the number and timing of any future acquisitions.

To the extent that our existing sources of cash, together with any cash generated from operations, are insufficient to fund our activities, we may need to raise additional funds through public or private financings, strategic relationships, or other arrangements. Additional funding may not be available to us on acceptable terms or at all. If adequate funding is not available, we may be required to reduce expenditures, including curtailing our growth strategies and reducing our product development efforts, or to forego acquisition opportunities.

Proceeds received by ACM Shanghai from the initial placements of shares with mainland China investors, from the STAR IPO in connection with the STAR Listing of ACM Shanghai shares on the STAR Market, the Private Offering completed by ACM Shanghai during the twelve months ended December 31, 2025, and from future financing activities undertaken by ACM Shanghai (including follow-on offerings or private placements of shares with mainland China investors), will generally be used to grow and support our mainland China operations. Those proceeds generally are not available for distribution to ACM Research. Under existing mainland China laws and regulations, it may be difficult, if not impossible, for ACM Research to be able to receive dividends comprised of funds generated by ACM Shanghai and, even if such dividends can be paid from mainland China to the United States, any such dividends can be paid to ACM Research only if other holders of ACM Shanghai shares receive their pro rata dividends. As a result, it is unlikely that funds raised or generated by ACM Shanghai will be readily distributable to ACM Research.

If we succeed in raising additional funds through the issuance of equity or convertible securities, then the issuance could result in substantial dilution to existing stockholders. Furthermore, the holders of these new securities or debt may have rights, preferences and privileges senior to those of the holders of Class A common stock. In addition, any preferred equity issuance or debt financing that we may obtain in the future could have restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Our quarterly operating results can be difficult to predict and can fluctuate substantially, which could result in volatility in the price of Class A common stock.

Our quarterly revenue and other operating results have varied in the past and are likely to continue to vary significantly from quarter to quarter. Accordingly, you should not rely upon our past quarterly financial results as indicators of future performance. Any variations in our quarter-to-quarter performance may cause our stock price to fluctuate. Our financial results in any given quarter can be influenced by a variety of factors, including:

- the cyclicality of the semiconductor industry and the related impact on the purchase of equipment used in the manufacture of chips;
- the timing of purchases of our tools by chip fabricators, which order types of tools based on multi-year capital plans under which the number and dollar amount of tool purchases can vary significantly from year to year;
- the relatively high average selling price of our tools and our dependence on a limited number of customers for a substantial portion of our revenue in any period, whereby the timing and volume of purchase orders or cancellations from our customers could significantly reduce our revenue for that period;
- the significant expenditures required to configure our products often exceed the deposits received from our customers;
- the lead time required to manufacture our tools;
- the timing of recognizing revenue due to the timing of shipment and acceptance of our tools;
- our ability to sell additional tools to existing customers;
- the changes in customer specifications or requirements;
- the length of our product sales cycle;
- changes in our product mix, including the mix of systems, upgrades, spare parts and service;
- the timing of our product releases or upgrades or announcements of product releases or upgrades by us or our competitors, including changes in customer orders in anticipation of new products or product enhancements;
- our ability to enhance our tools with new and better functionality that meet customer requirements and changing industry trends;
- constraints on our suppliers' capacity;
- our ability to sell our tools to Chinese customers due to regulatory restrictions, including the addition of our customers to the Entity List;
- the ability of other suppliers to provide sufficient quantities of their tools to our Chinese customers which may indirectly impact the production plans of our customers and result in a reduction of demand for our tools;
- the timing of investments in research and development related to releasing new applications of our technologies and new products;
- delays in the development and manufacture of our new products and upgraded versions of our products and the market acceptance of these products when introduced;
- our ability to control costs, including operating expenses and the costs of the components and subassemblies used in our products;
- the costs related to the acquisition and integration of product lines, technologies or businesses; and
- the costs associated with protecting our intellectual property, including defending our intellectual property against third-party claims or litigation.

Seasonality has played an increasingly important role in the market for chip manufacturing tools. The period of November through February has been a particularly weak period historically for manufacturers of chip tools, in part because capital equipment needed to support manufacturing of chips for the December holidays usually needs to be in the supply chain by no later than October and chip makers in Asia often wait until after Chinese, or Lunar, New Year, which occurs in January or February, before implementing their capital acquisition plans. The timing of new product releases also has an impact on seasonality, with the acquisition of manufacturing equipment occurring six to nine months before a new release.

Many of these factors are beyond our control, and the occurrence of one or more of them could cause our operating results to vary widely. As a result, it is difficult for us to forecast our quarterly revenue accurately. Our results of operations for any quarter may not be indicative of results for future quarters and quarter-to-quarter comparisons of our operating results are not necessarily meaningful. Variability in our periodic operating results could lead to volatility in our stock price. Because a substantial proportion of our expenses are relatively fixed in the short term, our results of operations will suffer if revenue falls below our expectations in a particular quarter, which could cause the price of Class A common stock to decline. Moreover, as a result of any of the foregoing factors, our operating results might not meet our announced guidance or expectations of public market analysts or investors, in which case the price of Class A common stock could decrease significantly.

Cyclicality in the semiconductor industry is likely to lead to substantial variations in demand for our products, and as a result our operating results could be adversely affected.

The chip industry has historically been cyclic and is characterized by wide fluctuations in product supply and demand. From time to time, this industry has experienced significant downturns, often in connection with, or in anticipation of, maturing product and technology cycles, excess inventories and declines in general economic conditions. This cyclicality could cause our operating results to decline dramatically from one period to the next.

Our business depends upon the capital spending of chip manufacturers, which, in turn, depends upon the current and anticipated market demand for chips. During industry downturns, chip manufacturers often have excess manufacturing capacity and may experience reductions in profitability due to lower sales and increased pricing pressure for their products. As a result, chip manufacturers generally sharply curtail their spending during industry downturns and historically have lowered their spending more than the decline in their revenues. If we are unable to control our expenses adequately in response to lower revenue from our customers, our operating results will suffer and we could experience operating losses. We cannot reasonably estimate the duration or impact of such a downturn, and it could have a material adverse effect on our business and the value of our Class A common stock.

Conversely, during industry upturns we must successfully increase production output to meet expected customer demand. This may require us or our suppliers, including third-party contractors, to order additional inventory, hire additional employees and expand manufacturing capacity. If we are unable to respond to a rapid increase in demand for our tools on a timely basis, or if we misjudge the timing, duration or magnitude of such an increase in demand, we may lose business to our competitors or incur increased costs disproportionate to any gains in revenue, which could have a material adverse effect on our business, results of operations, financial condition or cash flows.

The mainland China government is implementing focused policies, including state-led investment initiatives, that aim to create and support an independent domestic semiconductor supply chain spanning from design to final system production. If these policies, which include loans and subsidies, result in lower demand for equipment than is expected by equipment manufacturers, the resulting overcapacity in the chip manufacturing equipment market could lead to excess inventory and price discounting that could have a material adverse effect on our business and operating results.

We depend on a small number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in orders from, one or more of our major customers could have a material adverse effect on our revenue and operating results. There are also a limited number of potential customers for our products.

The chip manufacturing industry is highly concentrated, and we derive most of our revenue from a limited number of customers. A total of four customers accounted for 52.2% of our revenue in 2025, four customers accounted for 52.2% of our revenue in 2024, and three customers accounted for 45.5% of our revenue in 2023.

As a consequence of the concentrated nature of our customer base, our revenue and results of operations may fluctuate from quarter to quarter and are difficult to estimate, and any cancellation of orders or any acceleration or delay in anticipated product purchases or the acceptance of shipped products by our larger customers could materially affect our revenue and results of operations in any quarterly period.

We may be unable to sustain or increase our revenue from our larger customers or offset the discontinuation of concentrated purchases by our larger customers with purchases by new or existing customers. We expect a small number of customers will continue to account for a high percentage of our revenue for the foreseeable future and that our results of operations may fluctuate materially as a result of such larger customers' buying patterns. Thus, our business success depends on our ability to maintain strong relationships with our customers. The loss of any of our key customers for any reason, or a change in our relationship with any of our key customers, including a significant delay or reduction in their purchases, may cause a significant decrease in our revenue, which we may not be able to recapture due to the limited number of potential customers.

We have seen, and may see in the future, consolidation of our customer base. Industry consolidation generally has negative implications for equipment suppliers, including a reduction in the number of potential customers, a decrease in aggregate capital spending and greater pricing leverage on the part of consumers over equipment suppliers. Continued consolidation of the chip industry could make it more difficult for us to grow our customer base, increase sales of our products and maintain adequate gross margins.

Our success will depend on industry chip manufacturers adopting our SAPS, TEBO, Tahoe, ECP, furnace and other technologies.

To date our strategy for commercializing our tools has been to place them with selected industry leaders in the manufacturing of memory and logic chips, the two largest chip categories, to enable those leading manufacturers to evaluate our technologies, and then leverage our reputation to gain broader market acceptance. In order for these industry leaders to adopt our tools, we need to establish our credibility by demonstrating the differentiated, innovative nature of our SAPS, TEBO, Tahoe, ECP, furnace and other technologies. If these leading manufacturers do not agree that our technologies add significant value over conventional technologies or do not otherwise accept and use our tools, we may need to spend a significant amount of time and resources to enhance our technologies or develop new technologies. Even if these leading manufacturers adopt our technologies, other manufacturers may not choose to accept and adopt our tools and our products may not achieve widespread adoption. Any of the above factors would have a material adverse effect on our business, results of operations and financial condition.

If our SAPS, TEBO, Tahoe, ECP, furnace and other technologies do not achieve widespread market acceptance, we will not be able to compete effectively.

The commercial success of our tools will depend, in part, on gaining substantial market acceptance by chip manufacturers. Our ability to gain acceptance for our products will depend upon a number of factors, including:

- our ability to demonstrate the differentiated, innovative nature of our SAPS, TEBO, Tahoe, ECP, furnace and other technologies and the advantages of our tools over those of our competitors;
- compatibility of our tools with existing or potential customers' manufacturing processes and products;
- the level of customer service available to support our products; and
- the experiences our customers have with our products.

In addition, obtaining orders from new customers may be difficult because many chip manufacturers have pre-existing relationships with our competitors. Chip manufacturers must make a substantial investment to qualify and integrate wet processing equipment into a chip production line. Due, in part, to the cost of manufacturing equipment and the investment necessary to integrate a particular manufacturing process, a chip manufacturer that has selected a particular supplier's equipment and qualified that equipment for production typically continues to use that equipment for the specific production application and process node, which is the minimum line width on a chip, as long as that equipment continues to meet performance specifications. Some of our potential and existing customers may prefer larger, more established vendors from which they can purchase equipment for a wider variety of process steps than our tools address. Further, because the cleaning process with our TEBO equipment can be up to five times longer than cleaning processes based on other technologies, we must convince chip manufacturers of the innovative, differentiated nature of our technologies and the benefits associated with using our tools. If we are unable to obtain new customers and continue to achieve widespread market acceptance of our tools, then our business, operations, financial results and growth prospects will be materially and adversely affected.

If we do not continue to enhance our existing tools and achieve market acceptance, we will not be able to compete effectively.

We operate in an industry that is subject to evolving standards, rapid technological changes and changes in customer demands. Additionally, if process nodes continue to shrink to ever-smaller dimensions and conventional two-dimensional chips reach their critical performance limitations, the technology associated with manufacturing chips may advance to a point where our Ultra C equipment based on SAPS, TEBO, Tahoe, ECP, furnace and other technologies becomes obsolete. Accordingly, the future of our business will depend in large part upon the continuing relevance of our technological capabilities, our ability to interpret customer and market requirements in advance of tool deliveries, and our ability to introduce in a timely manner new tools that address chip makers' requirements for cost-effective cleaning solutions. We expect to spend a significant amount of time and resources developing new tools and enhancing existing tools. Our ability to introduce and market successfully any new or enhanced cleaning equipment is subject to a wide variety of challenges during the tool's development, including the following:

- accurate anticipation of market requirements, changes in technology and evolving standards;
- the availability of qualified product designers and technologies needed to solve difficult design challenges in a cost-effective, reliable manner;
- our ability to design products that meet chip manufacturers' cost, size, acceptance and specification criteria, and performance requirements;
- the ability and availability of suppliers and third-party manufacturers to manufacture and deliver the critical components and subassemblies of our tools in a timely manner;
- market acceptance of our customers' products, and the lifecycle of those products; and
- our ability to deliver products in a timely manner within our customers' product planning and deployment cycle.

Certain enhancements to our products in future periods may reduce demand for our pre-existing tools. As we introduce new or enhanced cleaning tools, we must manage the transition from older tools in order to minimize disruptions in customers' ordering patterns, avoid excessive levels of older tool inventories and ensure timely delivery of sufficient supplies of new tools to meet customer demand. Furthermore, product introductions could delay purchases by customers awaiting arrival of our new products, which could cause us to fail to meet our expected level of production orders for pre-existing tools.

Our success will depend on our ability to identify and enter new product markets.

We expect to spend a significant amount of time and resources identifying new product markets in addition to the market for cleaning solutions and in developing new products for entry into these markets. Product development requires significant investments in engineering hours, third-party development costs, prototypes and sample materials, as well as sales and marketing expenses, which will not be recouped if the product launch is unsuccessful. We may fail to predict the needs of other markets accurately or develop new, innovative technologies to address those needs. Further, we may not be able to design and introduce new products in a timely or cost-efficient manner, and our new products may be more costly to develop, may fail to meet the requirements of the market, or may be adopted slower than we expect. If we are not able to introduce new products successfully, our inability to gain market share in new product markets could adversely affect our ability to sustain our revenue growth or maintain our current revenue levels.

If we fail to establish and maintain a reputation for credibility and product quality, our ability to expand our customer base will be impaired and our operating results may suffer.

We must develop and maintain a market reputation for innovative, differentiated technologies and high quality, reliable products in order to attract new customers and achieve widespread market acceptance of our products. Our market reputation is critical because we compete against several larger, more established competitors, many of which supply equipment for a larger number of process steps than we do to a broader customer base in an industry with a limited number of customers. In these circumstances, traditional marketing and branding efforts are of limited value, and our success depends on our ability to provide customers with reliable and technically sophisticated products. If the limited customer base does not perceive our products and services to be of high quality and effectiveness, our reputation could be harmed, which could adversely impact our ability to achieve our targeted growth.

We operate in a highly competitive industry and many of our competitors are larger, better-established, and have significantly greater operating and financial resources than we have.

The chip equipment industry is highly competitive, and we face substantial competition throughout the world in each of the markets we serve. Many of our current and potential competitors have, among other things:

- greater financial, technical, sales and marketing, manufacturing, distribution and other resources;
- established credibility and market reputations;
- longer operating histories;
- broader product offerings;
- more extensive service offerings, including the ability to have large inventories of spare parts available near, or even at, customer locations;
- local sales forces; and
- more extensive geographic coverage.

These competitors may also have the ability to offer their products at lower prices by subsidizing their losses in wet cleaning with profits from other lines of business in order to retain current or obtain new customers. Among other things, some competitors have the ability to offer bundled discounts for customers purchasing multiple products. Many of our competitors have more extensive customer and partner relationships than we do and may therefore be in a better position to identify and respond to market developments and changes in customer demands. Potential customers may prefer to purchase from their existing suppliers rather than a new supplier, regardless of product performance or features. If we are not able to compete successfully against existing or new competitors, our business, operating results and financial condition will be negatively affected.

Our customers do not generally enter into long-term purchase commitments, and they may decrease, cancel or delay their projected purchases at any time.

In accordance with industry practice, our sales are on a purchase order basis, which we seek to obtain three to four months in advance of the expected product delivery date. Until a purchase order is received, we do not have a binding purchase commitment. Our customers to date have provided us with non-binding one- to two-year forecasts of their anticipated demands, but those forecasts can be changed at any time, without any required notice to us. Because the lead-time needed to produce a tool configured to a customer's specifications can extend up to six months, we may need to begin production of tools based on non-binding forecasts, rather than waiting to receive a binding purchase order. No assurance can be made that a customer's forecast will result in a firm purchase order within the time period we expect, or at all.

If we do not accurately predict the amount and timing of a customer's future purchases, we risk expending time and resources on producing a specific configured tool that is not purchased by a particular customer, which may result in excess or unwanted inventory, or we may be unable to fulfill an order on the schedule required by a purchase order, which would result in foregone sales. Customers may place purchase orders that exceed forecasted amounts, which could result in delays in our delivery time and harm our reputation. In the future a customer may decide not to purchase our tools at all, may purchase fewer tools than it did in the past or may otherwise alter its purchasing patterns, and the impact of any such actions may be intensified given our dependence on a small number of large customers. Our customers make major purchases periodically as they add capacity or otherwise implement technology upgrades. If any significant customers cancel, delay or reduce orders, our operating results could suffer.

We may incur significant expenses long before we can recognize revenue from new products, if at all, due to the costs and length of research, development, manufacturing and customer evaluation process cycles.

We often incur significant research and development costs for products that are purchased by our customers only after much, or all, of the cost has been incurred or that may never be purchased. We allow some new customers, or existing customers considering new products, to evaluate products without any payment becoming due unless the product is ultimately accepted, which means we may invest a significant amount in manufacturing a tool that may never be accepted and purchased or may be purchased months or even years after production. In the past we have borrowed money in order to fund first-time purchase order equipment and next-generation evaluation equipment. When we deliver evaluation equipment, or a "first tool," we may not recognize revenue or receive payment for the tool for 24 months or longer. Even returning customers may take as long as six months to make any payments. If our sales efforts are unsuccessful after expending significant resources, or if we experience delays in completing sales, our future cash flow, revenue and profitability may fluctuate or be materially adversely affected.

Our sales cycle is long and unpredictable, which results in variability of our financial performance and may require us to incur high sales and marketing expenses with no assurance that a sale will result, all of which could adversely affect our profitability.

Our results of operations may fluctuate, in part, because of the resource-intensive nature of our sales efforts and the length and variability of our sales cycle. A sales cycle is the period between initial contact with a prospective customer and any sale of our tools. Our sales process involves educating customers about our tools, participating in extended tool evaluations and configuring our tools to customer-specific needs, after which customers may evaluate the tools. The length of our sales cycle, from initial contact with a customer to the execution of a purchase order, is generally 6 to 24 months. During the sales cycle, we expend significant time and money on sales and marketing activities and make investments in evaluation equipment, all of which lower our operating margins, particularly if no sale occurs or if the sale is delayed as a result of extended qualification processes or delays from our customers' customers.

The duration or ultimate success of our sales cycle depends on factors such as:

- efforts by our sales force;
- the complexity of our customers' manufacturing processes and the compatibility of our tools with those processes;
- our customers' internal technical capabilities and sophistication; and
- our customers' capital spending plans and processes, including budgetary constraints, internal approvals, extended negotiations or administrative delays.

It is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers. As a result, we may not recognize revenue from our sales efforts for extended periods of time, or at all. The loss or delay of one or more large transactions in a quarter could impact our results of operations for that quarter and any future quarters for which revenue from that transaction is lost or delayed. In addition, we believe that the length of the sales cycle and intensity of the evaluation process may increase for those current and potential customers that centralize their purchasing decisions.

Difficulties in forecasting demand for our tools may lead to periodic inventory shortages or excess spending on inventory items that may not be used.

We need to manage our inventory of components and production of tools effectively to meet changing customer requirements. Accurately forecasting customers' needs is difficult. Our tool demand forecasts are based on multiple assumptions, including non-binding forecasts received from our customers years in advance, each of which may introduce error into our estimates. Inventory levels for components necessary to build our tools in excess of customer demand may result in inventory write-downs and could have an adverse effect on our operating results and financial condition. Conversely, if we underestimate demand for our tools or if our manufacturing partners fail to supply components we require at the time we need them, we may experience inventory shortages. Such shortages might delay production or shipments to customers and may cause us to lose sales. These shortages may also harm our credibility, diminish the loyalty of our channel partners or customers.

A failure to prevent inventory shortages or accurately predict customers' needs could result in decreased revenue and gross margins and harm our business.

Some of our products and supplies may become obsolete or be deemed excess while in inventory due to changes in customer specifications, changes in product structure, components or bills of material as a result of engineering changes, or a decrease in customer demand. We also have exposure to contractual liabilities to our contract manufacturers for inventories purchased by them on our behalf, based on our forecasted requirements, which may become excess or obsolete. Our inventory balances also represent an investment of cash. To the extent our inventory turns are slower than we anticipate based on historical practice, our cash conversion cycle extends and more of our cash remains invested in working capital. If we are not able to manage our inventory effectively, we may need to write down the value of some of our existing inventory or write off non-saleable or obsolete inventory. Any such charges we incur in future periods could materially and adversely affect our results of operations.

The difficulty in forecasting demand also makes it difficult to estimate our future results of operations and financial condition from period to period. A failure to accurately predict the level of demand for our products could adversely affect our net revenue and net income, and we are unlikely to forecast such effects with any certainty in advance.

If our tools contain defects or do not meet customer specifications, we could lose customers and revenue.

Highly complex tools such as ours may develop defects during the manufacturing and assembly process. We may also experience difficulties in configuring our tools to meet customer specifications or detecting defects during the development and manufacturing of our tools. Some of these failures may not be discovered until we have expended significant resources in configuring our tools, or until our tools have been installed in our customers' production facilities. These quality problems could harm our reputation as well as our customer relationships in the following ways:

- our customers may delay or reject acceptance of our tools that contain defects or fail to meet their specifications;
- we may suffer customer dissatisfaction, negative publicity and reputational damage, resulting in reduced orders or otherwise damaging our ability to retain existing customers and attract new customers;
- we may incur substantial costs as a result of warranty claims or service obligations or in order to enhance the reliability of our tools;
- the attention of our technical and management resources may be diverted;
- we may be required to replace defective systems or invest significant capital to resolve these problems; and
- we may be required to write off inventory and other assets related to our tools.

In addition, defects in our tools or our inability to meet the needs of our customers could cause damage to our customers' products or manufacturing facilities, which could result in claims for product liability, tort or breach of warranty, including claims from our customers. The cost of defending such a lawsuit, regardless of its merit, could be substantial and could divert management's attention from our ongoing operations. In addition, if our business liability insurance coverage proves inadequate with respect to a claim or future coverage is unavailable on acceptable terms or at all, we may be liable for payment of substantial damages. Any or all of these potential consequences could have an adverse impact on our operating results and financial condition.

Warranty claims in excess of our estimates could adversely affect our business.

We have provided warranties against manufacturing defects of our tools that range from 12 to 36 months in duration. Our product warranty requires us to provide labor and parts necessary to repair defects. As of December 31, 2025, we had accrued $19.1 million in liability contingency for potential warranty claims. Warranty claims substantially in excess of our expectations, or significant unexpected costs associated with warranty claims, could harm our reputation and could cause customers to decline to place new or additional orders, which could have a material adverse effect on our business, results of operations and financial condition.

We rely on third parties to manufacture significant portions of our tools and our failure to manage our relationships with these parties could harm our relationships with our customers, increase our costs, decrease our sales and limit our growth.

Our tools are complex and require components and subassemblies having a high degree of reliability, accuracy and performance. We rely on third parties to manufacture most of the subassemblies and supply most of the components used in our tools. Accordingly, we cannot directly control our delivery schedules and quality assurance. This reliance on third parties and lack of control could result in shortages or quality assurance problems. See also "—Our supply chain may be materially adversely impacted due to global events, including public health issues and the armed conflict in Ukraine." These issues and our ability to manage increased demand could delay shipments of our tools, increase our testing or production costs or lead to costly failure claims.

We do not have long-term supply contracts with some of our suppliers, and those suppliers are not obligated to perform services or supply products to us for any specific period, in any specific quantities or at any specific price, except as may be provided in a particular purchase order. In addition, we attempt to dynamically adjust our inventory levels based on market demand, our assessment of supply chain continuity and other factors. There are significant risks associated with our reliance on these third-party suppliers, including:

- potential price increases;
- capacity shortages or other inability to meet any increase in demand for our products;
- reduced control over manufacturing process for components and subassemblies and delivery schedules;
- limited ability of some suppliers to manufacture and sell subassemblies or parts in the volumes we require and at acceptable quality levels and prices, due to the suppliers' relatively small operations and limited manufacturing resources;
- increased exposure to potential misappropriation of our intellectual property; and
- limited warranties on subassemblies and components supplied to us.

Any delays in the shipment of our products due to our reliance on third-party suppliers could harm our relationships with our customers. In addition, any increase in costs due to our suppliers increasing the price they charge us for subassemblies and components or arising from our need to replace our current suppliers that we are unable to pass on to our customers could negatively affect our operating results.

Our supply chain may be materially adversely impacted due to global events, including public health issues and the armed conflict in Ukraine.

We rely upon the facilities of our global suppliers with operations in mainland China, Japan, Taiwan and the United States to support our business. We source the substantial majority of our components from Asia, and as a result, our supply chain can be adversely affected by a variety of global events, including those related to public health issues and the armed conflict in Ukraine. Further, our subsidiaries ACM Shanghai and ACM Korea were recently added to the BIS Entity List, which prohibit any party worldwide from furnishing hardware, software, or technology that are subject to U.S. export controls jurisdiction to ACM Shanghai or ACM Korea and could adversely impact our supply chain. See "—Regulatory Risks—Our operations in mainland China and Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List."

As a result of these types of global events and resulting governmental regulations and business reactions, our suppliers may not have the materials, capacity, or capability to supply our components according to our schedule and specifications. Further, there may be logistics issues, including our ability and our supply chain's ability to quickly ramp up production, labor issues and transportation demands that may cause further delays. Supply chain constraints have intensified, which may further intensify due to other global events and government regulations, contributing to existing global shortages coupled with increased demand in the supply of semiconductors. The unavailability of any component or supplier could result in production delays, underutilized facilities, and loss of access to critical raw materials and parts for producing and supporting our tools, and could impact our ongoing capacity expansion and our ability to fulfill our product delivery obligations. If our suppliers' operations are curtailed, we may need to seek alternate sources of supply, which may be more expensive and may not be available to us at all due to government regulations. Alternate sources may not be available or may result in delays in shipments to us from our supply chain and subsequently to our customers, each of which would affect our results of operations. These types of disruptions and governmental restrictions may also result in the inability of our customers to obtain materials necessary for their full production, which could also result in reduced demand for our products. While certain disruptions and governmental restrictions, as well as related general limitations on movement around the world, may be temporary, the duration of the production and supply chain disruption, and related financial impact, cannot be estimated at this time. Should these distributions and restrictions continue for an extended period of time, the impact on our supply chain could have a material adverse effect on our results of operations and cash flows. Business disruptions could also negatively affect the sources and availability of components and materials that are essential to the operation of our business. Moreover, our customers source a range of production equipment, supplies and services from other suppliers with operations around the world, and any reduction in supply capacity at those customers' factories may reduce or even halt those customers' production and result in a decrease in the demand for our products.

Any shortage of components or subassemblies could result in delayed delivery of products to us or in increased costs to us, which could harm our business.

The ability of our manufacturers to supply our tools is dependent, in part, upon the availability of certain components and subassemblies. Our manufacturers may experience shortages in the availability of such components or subassemblies, which could result in delayed delivery of products to us or in increased costs to us. Any shortage of components or subassemblies or any inability to control costs associated with manufacturing could increase the costs for our products or impair our ability to ship orders in a timely cost-efficient manner. As a result, we could experience cancellation of orders, refusal to accept deliveries or a reduction in our prices and margins, any of which could harm our financial performance and results of operations.

We depend on a limited number of suppliers, including single source suppliers, for critical components and subassemblies, and our business could be disrupted if they are unable to meet our needs.

We depend on a limited number of suppliers for components and subassemblies used in our tools. Certain components and subassemblies of our tools have only been purchased from our current suppliers to date and changing the source of those components and subassemblies may result in disruptions during the transition process and entail significant delay and expense. We rely on Ninebell Co., Ltd., or Ninebell, as the principal supplier of robotic delivery system subassemblies used in our semiconductor capital equipment; Advanced Electric Co. Inc., as a key supplier of valves used in our semiconductor capital equipment; and certain companies from other countries which supply components and subsystems used in our semiconductor capital equipment. An adverse change to our relationship with any of these suppliers, including an inability to export the components to mainland China, could disrupt our production of our semiconductor capital equipment and could cause substantial harm to our business.

With some of these suppliers, we do not have long-term agreements and instead purchase components and subassemblies through a purchase order process. As a result, these suppliers may stop supplying us components and subassemblies, limit the allocation of supply and equipment to us due to increased industry demand or significantly increase their prices at any time with little or no advance notice. Our reliance on a limited number of suppliers could also result in delivery problems, reduced control over product pricing and quality, and our inability to identify and qualify another supplier in a timely manner.

Moreover, some of our suppliers may experience financial difficulties that could prevent them from supplying us with components or subassemblies used in the design and manufacture of our products. In addition, our key suppliers may experience manufacturing delays or shutdowns due to circumstances beyond their control, such as labor issues, political unrest or natural disasters. Any supply deficiencies could materially and adversely affect our ability to fulfill customer orders and our results of operations. We have in the past and may in the future, experience delays or reductions in supply shipments, which could reduce our revenue and profitability. If key components or materials are unavailable, our costs would increase and our revenue would decline.

Further, the addition of our subsidiaries ACM Shanghai and ACM Korea to the BIS Entity List prohibits any party worldwide from furnishing hardware, software, or technology that are subject to U.S. export controls jurisdiction to ACM Shanghai or ACM Korea, which could adversely affect the ability of our existing suppliers to sell products to those entities and our ability to seek and obtain replacement suppliers for those entities on acceptable terms, or at all. See "—Regulatory Risks—Our operations in mainland China and Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List."

The success of our business will depend on our ability to manage any future growth.

We have experienced rapid growth in our business recently due, in part, to an expansion of our product offerings and an increase in the number of customers that we serve. For example, our headcount grew by 24% in 2025, 27% in 2024, and 32% in 2023. We will seek to continue to expand our operations in the future, including by adding new offices, locations and employees. Managing our growth has placed and could continue to place a significant strain on our management, other personnel and our infrastructure. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, develop new products, enhance our technological capabilities, satisfy customer requirements, respond to competitive pressures or otherwise execute our business plan. In addition, any inability to manage our growth effectively could result in operating inefficiencies that could impair our competitive position and increase our costs disproportionately to the amount of growth we achieve. To manage our growth, we believe we must effectively:

- hire, train, integrate and manage additional qualified engineers for research and development activities, sales and marketing personnel, service and support personnel and financial and information technology personnel;
- manage multiple relationships with our customers, suppliers and other third parties; and
- continue to enhance our information technology infrastructure, systems and controls.

Our organizational structure has become more complex, including as a result of the STAR Listing. We will need to continue to scale and adapt our operational, financial and management controls, as well as our reporting systems and procedures, at both ACM Research and ACM Shanghai. The continued expansion of our infrastructure will require us to commit substantial financial, operational and management resources before our revenue increases and without any assurances that our revenue will increase.

We are highly dependent on our Chief Executive Officer and President and other senior management and key employees.

Our success largely depends on the skills, experience and continued efforts of our management, technical and sales personnel, including in particular Dr. David H. Wang, the Chair of the Board, Chief Executive Officer and President of ACM Research. All of our senior management are at-will employees, which means either we or the employee may terminate their employment at any time. If one or more of our other senior management personnel were unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner. Moreover, in connection with the STAR Listing, ACM Shanghai is now managed by a group of officers separate from those of ACM Research and those officers owe fiduciary duties to the various stakeholders of ACM Shanghai. We do not have employment or retention agreements with, or maintain key person life insurance policies on, any of our employees. Our business may be severely disrupted and our financial condition and results of operations may be materially and adversely affected. In addition, our senior management may join a competitor or form a competing company. The loss of Dr. Wang or other key management personnel, including our Chief Financial Officer, could significantly delay or prevent the achievement of our business objectives.

Failure to attract and retain qualified personnel could put us at a competitive disadvantage and prevent us from effectively growing our business.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. There is substantial competition for experienced management, technical and sales personnel in the chip equipment industry. If qualified personnel become scarce or difficult to attract or retain for compensation-related or other reasons, we could experience higher labor, recruiting or training costs. New hires may require significant training and time before they achieve full productivity and may not become as productive as we expect. If we are unable to retain and motivate our existing employees and attract qualified personnel to fill key positions, we may experience inadequate levels of staffing to develop and market our products and perform services for our customers, which could have a negative effect on our operating results.

Acquisitions that we pursue in the future, whether or not consummated, could result in other operating and financial difficulties.

In the future we may seek to acquire additional product lines, technologies or businesses in an effort to increase our growth, enhance our ability to compete, complement our product offerings, enter new and adjacent markets, obtain access to additional technical resources, enhance our intellectual property rights or pursue other competitive opportunities. We may also make investments in certain key suppliers to align our interests with such suppliers. If we seek acquisitions, we may not be able to identify suitable acquisition candidates at prices we consider appropriate. We cannot readily predict the timing or size of our future acquisitions, or the success of any future acquisitions.

To the extent that we consummate acquisitions or investments, we may face financial risks as a result, including increased costs associated with merged or acquired operations, increased indebtedness, economic dilution to gross and operating profit and earnings per share, or unanticipated costs and liabilities. Acquisitions may involve additional risks, including:

- the acquired product lines, technologies or businesses may not improve our financial and strategic position as planned;
- we may determine we have overpaid for the product lines, technologies or businesses, or that the economic conditions underlying our acquisition have changed;
- we may have difficulty integrating the operations and personnel of the acquired company;
- we may have difficulty retaining the employees with the technical skills needed to enhance and provide services with respect to the acquired product lines or technologies;
- the acquisition may be viewed negatively by customers, employees, suppliers, financial markets or investors;
- we may have difficulty incorporating the acquired product lines or technologies with our existing technologies;
- we may encounter a competitive response, including price competition or intellectual property litigation;
- we may encounter difficulties related to required CFIUS approval (see also "-Regulatory Risks-Certain of our investments may be subject to review by and approval from CFIUS, which may prevent us from taking advantage of investment opportunities that would otherwise be advantageous to our stockholders");
- we may encounter difficulties related to OISP notification requirements or prohibitions (see also "-Regulatory Risks- The U.S. Government has implemented an outbound investment review mechanism, which may prevent us from taking advantage of investment opportunities that could otherwise be advantageous to our stockholders");
- we may become a party to product liability or intellectual property infringement claims as a result of our sale of the acquired company's products;
- we may incur one-time write-offs, such as acquired in-process research and development costs, and restructuring charges;
- we may acquire goodwill and other intangible assets that are subject to impairment tests, which could result in future impairment charges;
- our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically or culturally diverse enterprises; and
- our due diligence process may fail to identify significant existing issues with the target business.

From time to time, we may enter into negotiations for acquisitions or investments that are not ultimately consummated. These negotiations could result in significant diversion of management time, as well as substantial out-of-pocket costs, any of which could have a material adverse effect on our business, operating results and financial condition.

Declines in the semiconductor industry, or the overall world economic conditions on which the industry is significantly dependent, could have a material adverse impact on our results of operations and financial condition.

Our business depends on the capital equipment expenditures of chip manufacturers, which in turn depend on the current and anticipated market demand for integrated circuits. With the consolidation of customers within the industry, the chip capital equipment market may experience rapid changes in demand driven both by changes in the market generally and the plans and requirements of particular customers. Global economic and business conditions, which are often unpredictable, have historically impacted customer demand for our products and normal commercial relationships with our customers, suppliers and creditors. Additionally, in times of economic uncertainty our customers' budgets for our tools, or their ability to access credit to purchase them, could be adversely affected. This would limit their ability to purchase our products and services. As a result, economic downturns could cause material adverse changes to our results of operations and financial condition including:

- a decline in demand for our products;
- an increase in reserves on accounts receivable due to our customers' inability to pay us;
- an increase in reserves on inventory balances due to excess or obsolete inventory as a result of our inability to sell such inventory;
- valuation allowances on deferred tax assets;
- restructuring charges;
- asset impairments;
- a decline in the value of our investments;
- exposure to claims from our suppliers for payment on inventory that is ordered in anticipation of customer purchases that do not come to fruition;
- a decline in the value of certain facilities we lease to less than our residual value guarantee with the lessor; and
- challenges maintaining reliable and uninterrupted sources of supply.

Fluctuating levels of investment by chip manufacturers may materially affect our aggregate shipments, revenue, operating results and earnings. Where appropriate, we will attempt to respond to these fluctuations with cost management programs aimed at aligning our expenditures with anticipated revenue streams, which could result in restructuring charges. Even during periods of reduced revenues, we must continue to invest in research and development and maintain extensive ongoing worldwide customer service and support capabilities to remain competitive, which may temporarily harm our profitability and other financial results.

Regulatory Risks

Our ability to sell our tools to customers in mainland China and certain other countries has been impacted, and will likely continue to be materially and adversely impacted, by export license requirements, other regulatory changes, or other actions taken by the U.S. or other governmental agencies.

ACM Shanghai utilizes certain items subject to export controls under the U.S. Export Administration Regulations (EAR) in manufacturing and supplying its products. The EAR applies to exports of commodities, software and technology from the United States, including for use in manufacturing products outside the United States, as well as to certain products manufactured outside the United States that incorporate, or are based on, designated U.S. content, software or technology. The Bureau of Industry and Security of the U.S. Department of Commerce (BIS), which administers the EAR, has imposed, and may continue to impose, additional restrictions under the EAR on certain exports to China, to include Hong Kong and Macau, including restrictions targeting the semiconductor manufacturing industry in China. These types of restrictions may impact the operations of ACM Shanghai.

Beginning in October 2022 and continuing through 2025, BIS announced a series of new rules that significantly expanded U.S. export controls as applied to advanced IC products, related manufacturing equipment and technology, and supercomputers, where the destination or ultimate end user is based in mainland China, Hong Kong and Macau. In the case of semiconductor manufacturing equipment, the new rules require an export license for the export, re-export, or transfer to or within mainland China, Hong Kong and Macau of additional types of semiconductor manufacturing equipment, items for use in manufacturing designated types of semiconductor manufacturing equipment (along with other items subject to the EAR, for use in the development or production of ICs), and semiconductor manufacturing equipment for use at certain IC manufacturing and development facilities in mainland China. In most cases, license applications for these exports are reviewed under a presumption of denial. In addition, BIS imposed new restrictions by which U.S. persons anywhere in the world are effectively barred from engaging in certain activities related to the development and production of semiconductors at mainland China fabrication facilities meeting specified criteria, even if no items subject to the EAR are involved.

Effective on December 2, 2024, BIS promulgated a final rule naming a number of companies to the BIS Entity List Among the 140 companies added to the BIS Entity List were two subsidiaries of ACM Research, ACM Shanghai, located in the People's Republic of China, and ACM Korea, a direct subsidiary of ACM Shanghai, which is located in the Republic of Korea, and other related entities. In general terms, the new BIS Entity List designations prohibit any party worldwide from furnishing hardware, software, or technologies that are subject to U.S. export controls jurisdiction directly or indirectly to ACM Shanghai or ACM Korea without obtaining authorization.

These new restrictions have impacted the procurement by ACM Shanghai and ACM Korea of items, technology and software from the United States, and of certain commodities subject to U.S. export controls from outside the United States, for use in manufacturing its products. The new restrictions may also limit the ability of ACM Shanghai and ACM Korea personnel to provide services to U.S. customers, as these activities could involve the disclosure of U.S. technology to ACM Shanghai or ACM Korea personnel, which could require authorization from BIS. See "Item 1A. Risk Factors—Regulatory Risks—Our operations in mainland China and Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List" of this report for more information.

ACM and ACM Shanghai have implemented modifications to their existing business policies and practices in response to these enhanced export restrictions, including by imposing limitations on the activities of their U.S. persons and undertaking measures in connection with their supply chains more broadly to comply with the new regulations. ACM Shanghai is continuing to assess the impact of these export control restrictions, and will continually adjust or modify its policies and practices as required to comply with these or other related updates. Based on our ongoing review, we believe these regulations may directly impact ACM Shanghai's ability to meet its future production plans, or indirectly impact the spending plans of ACM Shanghai's customer base. ACM Shanghai may not import, or faces substantial restrictions in importing, parts from the United States or parts subject to U.S. export controls from outside the United States to support tool shipments to such facilities.

We cannot be certain what additional actions the U.S. government may take with respect to China entities, or whether such actions will impact our relationships with our mainland China-based customers. Additional actions could take the form of further revisions to the Entity List or Unverified List, new export restrictions, further expansions to the geographic scope of the controls, or additional tariffs or other trade restrictions. It is also possible that other countries could adopt similar semiconductor-focused export controls to align with the U.S. actions.

Outside of the U.S., during the three and twelve months ended December 30, 2023, two prominent exporters of advanced semiconductor manufacturing equipment, the Netherlands and Japan, announced and began to implement plans to join the United States in imposing semiconductor-focused export controls.

On May 23, 2023, the Japanese government issued the final amendment to an ordinance implementing new export controls to require licensing for export of certain advanced semiconductor manufacturing equipment, effective as of July 23, 2023. The amendment expands the scope of export controls to prohibit (1) exporting 23 additional categories of items relating to semiconductor manufacturing and (2) providing technology relating to manufacturing, development or use of these categories of items, in both cases, without an advance license. While the expanded export controls apply to exports to any jurisdiction, exports to certain jurisdictions, such as the United States, are expected to be permitted by certain types of broad general licenses. However, it remains to be seen whether the Japanese government will authorize any exports of these items to mainland China by a limited general license or specific license, if at all.

Likewise, on September 30, 2023, the Government of the Netherlands published additional export control measures for advanced semiconductor manufacturing equipment. The Regulation on Advanced Semiconductor Manufacturing Equipment entered force on September 1, 2023. From that point on, the export of certain advanced semiconductor manufacturing equipment, as specified in the Annex to the Regulation, is now subject to a national export license authorization requirement by the Dutch Central Import and Export Service.

Efforts to further tighten semiconductor-related export controls have continued in 2025. In December 2025, the Government of the Netherlands implemented supplemental export controls on certain emerging technology items including sensitive goods, software, and technology related to the semiconductor sector.

As a result of the new restrictions, the ability of ACM Shanghai to acquire such parts from Japan and the Netherlands to fulfill customer requirements, and the ability of ACM Shanghai's customers in mainland China to scale their production, could be further negatively impacted by these additional controls. The introduction of additional multilateral semiconductor-focused export controls could further negatively impact ACM Shanghai's supply arrangements.

We are unable to predict the duration of the restrictions imposed by the U.S. government, Japan and the Netherlands or the effects of any future governmental actions by the U.S., Japan, the Netherlands or other countries that may impact our relationships with our mainland China-based customers, any of which could have a long-term adverse effect on our business, operating results and financial condition.

Changes in government trade policies could limit the demand for our tools and increase the cost of our tools.

General trade tensions between the United States and mainland China escalated beginning in 2018, and have continued to escalate. Since 2018, the U.S. government has imposed new or higher tariffs on specified imported products originating from mainland China in response to what the U.S. government characterized as unfair trade practices. The mainland China government responded to each of these rounds of U.S. tariff changes by imposing new or higher tariffs on specified products imported from the United States. Higher tariffs and additional rounds of tariffs have been suggested or threatened by U.S. and mainland China officials. More recently, in February 2025, U.S. officials have suggested potentially targeting Chinese origin legacy semiconductors with additional tariffs. Certain U.S. officials have also called for revocation of, or revisions to, China's permanent normal trade relations (PNTR) status, which would increase tariffs significantly on goods of Chinese origin. In the event any such increased tariffs take effect, it is possible that the Chinese government could respond with additional tariffs or restrictions.

The imposition of heightened tariffs on imports by both the U.S. and mainland China governments and the surrounding economic uncertainty may negatively impact the semiconductor industry, including by reducing the demand of fabricators for capital equipment such as our tools. Further changes in trade policy, including by tariffs, additional taxes, restrictions on exports or other trade barriers, or restrictions on supplies, equipment, and raw materials including rare earth minerals, may limit the ability of our customers to manufacture or sell semiconductors or to make the manufacture or sale of semiconductors more expensive and less profitable, which could lead those customers to fabricate fewer semiconductors and to invest less in capital equipment such as our tools. In addition, if mainland China were to impose additional tariffs on raw materials, subsystems or other supplies that we source from the United States, our cost for those supplies would increase. As a result of any of the foregoing events, the imposition of new or additional tariffs may limit our ability to manufacture tools, increase our selling and/or manufacturing costs, decrease margins, or inhibit our ability to sell tools or to purchase necessary equipment and supplies, which could have a material adverse effect on our business, results of operations, or financial condition.

We may be subject to risks related to recent U.S. tariffs on the semiconductor industry

On April 5, 2025, the Trump administration imposed sweeping new "reciprocal" tariffs on most imported items, including a "baseline" rate of 10% on most countries. This baseline 10% rate was scheduled to increase on various countries on April 9, 2025, but was subject to a 90-day "pause" for the administration to negotiate agreements with affected countries. However, full reciprocal tariffs did go into effect on China, which currently stand at 125%. Earlier 20% tariffs against China imposed under an executive order targeting the fentanyl import trade "stack" on top of the reciprocal tariffs, such that China is subject to 145% tariffs. Additional 25% tariffs may also apply to goods from China that are subject to earlier duties imposed by the first Trump Administration under Section 301 of the Trade Act of 1974.

Semiconductors are currently exempted from coverage of the reciprocal tariffs (including the 125% reciprocal tariffs on China). This exemption was later clarified to include certain electronic items incorporating semiconductors. However, this exemption may be temporary as the U.S. Department of Commerce on April 1, 2025, initiated an investigation under Section 232 of the Trade Expansion Act of 1962 to assess the national security implication of imports of semiconductors, semiconductor manufacturing equipment, and derivative products. Under Section 232, the Department of Commerce has 270 days (by December 27, 2025) to complete its investigation, although the Trump administration has indicated a desire to finish on a timeline of a few months. After that, the administration may take measures to address national security concerns, such as imposing specific tariffs on semiconductors or taking other actions to curtail imports.

As a company that designs and manufactures equipment and products used in the semiconductor industry, we are exposed to risks arising from these proposed tariffs due to our reliance on global supply chains. Tariffs may also disrupt the global electronics supply chain, as semiconductors are critical components in products such as servers, smartphones, and automotive systems. Increased costs for our customers could lead to reduced demand for our products, particularly in price-sensitive markets, which may adversely affect our revenue and market share. Furthermore, the Section 232 national security investigation into semiconductors (as well as the overall tariff regime) introduces additional uncertainty, as it could result in broader trade restrictions or changes to import policies that further impact our ability to source raw materials and sell our products efficiently.

The uncertainty surrounding the current semiconductor Section 232 investigation, its implementation timeline, and other issues, combined with the potential for retaliatory trade actions from key markets like China, poses a significant risk to our financial condition, results of operations, and competitive position in the global market.

Changes in political and economic policies of the mainland China government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

Substantially all of our operations are conducted in mainland China, and a substantial majority of our revenue is sourced from mainland China. Accordingly, our financial condition and results of operations are affected to a significant extent by economic, political and legal development in mainland China.

The Chinese economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, and control of foreign exchange and allocation of resources. Although the mainland China government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in mainland China are still owned by the government. In addition, the mainland China government continues to play a significant role in regulating industry development by imposing industrial policies. The mainland China government also exercises significant control over economic growth in mainland China by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions, and providing preferential treatment to particular industries or companies.

While the mainland China economy has experienced significant growth in the past three decades, growth has been uneven, both geographically and among various sectors of the economy. The mainland China government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall mainland China economy, but may also have a negative effect on us. Our financial condition and results of operation could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In the past the mainland China government has implemented measures to control the pace of economic growth, and similar measures in the future may cause decreased economic activity, which in turn could lead to a reduction in demand for our products and consequently have a material adverse effect on our businesses, financial condition and results of operations.

Although the mainland China government has been implementing policies to develop an independent domestic semiconductor industry supply chain, there is no guaranteed time frame in which these initiatives will be implemented. We cannot guarantee that the implementation of these policies will result in additional revenue to us or that our presence in mainland China will result in support from the mainland China government. To the extent that any capital investment or other assistance from the mainland China government is not provided to us, it could be used to promote the products and technologies of our competitors, which could adversely affect our business, operating results and financial condition.

Mainland China's currency exchange control and government restrictions on investment repatriation may impact our ability to transfer funds outside of mainland China, which could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, otherwise fund and conduct our business, or pay dividends on our common stock.

We generate substantially all of our revenue through ACM Shanghai, our mainland China subsidiary. Mainland China statutory laws and regulations permit payments of dividends by ACM Shanghai only out of its retained earnings, which are determined in accordance with mainland China accounting standards and regulations that differ from U.S. generally accepted accounting principles. Mainland China regulations and ACM Shanghai's articles of association require annual appropriations of 10% of net after-tax profits to be set aside, prior to payment of dividends, as a reserve or surplus fund, which restricts ACM Shanghai's ability to transfer a portion of its net assets to us. Such reserved funds can only be used for specific purposes and are not transferable to ACM in the form of loans, advances or cash dividends.

As a result of these and other restrictions under mainland China laws and regulations as well as restrictions under ACM Shanghai's bank loan agreements, we may be significantly restricted in our ability to transfer a portion of ACM Shanghai's net assets to ACM or other subsidiaries of ACM. We have no assurance that mainland China governmental authorities in the future will not limit further or eliminate the ability of ACM Shanghai to purchase foreign currencies and transfer such funds to ACM to meet its liquidity or other business needs. Any inability to access funds in mainland China, if and when needed for use outside of mainland China, could have a material and adverse effect on our liquidity and our business.

Certain of our investments may be subject to review by and approval from CFIUS, which may prevent us from taking advantage of investment opportunities that would otherwise be advantageous to our stockholders.

Certain of our investments may be subject to review by and approval from the U.S. Committee on Foreign Investment in the U.S., or CFIUS. In the event that CFIUS reviews one or more of our investments, there can be no assurances that we will be able to maintain or proceed with such investments on terms acceptable to us. Additionally, CFIUS may seek to impose limitations on one or more such investments that may prevent us from maintaining or pursuing investment opportunities that we otherwise would have maintained or pursued, which could adversely affect the performance of our investments and thus our overall performance. Certain of our stockholders may be non-U.S. investors, and in the aggregate, may comprise a substantial portion of our net asset value, which may increase the risks of such limitations being imposed in connection with investments pursued or made by us. Legislative and regulatory changes, including changes to agency practice, in the future may negatively impact our ability to realize value from certain existing and future investments, including by limiting exit opportunities or causing us to favor buyers that we believe are less likely to require CFIUS review, even in circumstances where other buyers may offer better terms or more consideration.

The U.S. Government has implemented an outbound investment review mechanism, which may prevent us from taking advantage of investment opportunities that could otherwise be advantageous to our stockholders.

On November 15, 2024, the Office of Investment Security of the U.S. Department of the Treasury published in the Federal Register a final rule to implement President Biden's August 2023 Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern (the EO). The EO provided for the establishment of a new and targeted national security regulatory framework directed at controlling outbound investment from the United States in certain sensitive industry sectors in the People's Republic of China (PRC) and the Special Administrative Regions of Hong Kong and Macau (collectively, China). This final rule went into effect January 2, 2025. The OISP was amended by the Comprehensive Outbound Investment National Security Act ("COINS Act") which was signed into law on December 18, 2025, although the provisions of the COINS Act will not come into effect until the Department of the Treasury issues implementing regulations, which by law must occur by March 2027.

As implemented by the final rule, the framework imposes notification requirements and prohibitions on specified investments by U.S. persons in the semiconductor and microelectronics sector, quantum information technologies, and artificial intelligence (AI) systems. These restrictions apply not only to investments in China, but also to certain investments outside of China. The OISP regulations in effect today could also be interpreted to restrict certain types of private investment in ACM Research in the United States, although these measures do not impact investment in ACM Research's publicly traded securities. The COINS Act reverses the possible application of the OISP to certain U.S. companies, including ACM Research, and therefore it appears ACM Research will not be subject to the OISP's private investment restrictions once the provisions of the COINS Act enter into force in 2026 or 2027.

Within the semiconductor and microelectronics sector, prohibited investments will include certain covered investments in electronic design automation software; certain fabrication and advanced packaging tools; the design, fabrication, or packaging of certain advanced integrated circuits, and supercomputers. Notifiable investments will include any covered investments related to the design, fabrication, or packaging of integrated circuits not otherwise covered by the prohibition.

Given the breadth of the notification requirement as applicable within the semiconductor industry, we will likely be subject to increased regulatory burden to engage in certain investments in the PRC and other countries. Until the issuance of COINS Act implementing regulations in 2026 or 2027, ACM Research may also be subject to restrictions on raising capital through private investments. Such a mechanism could negatively impact our ability to realize value from certain existing and future investments, including by limiting exit opportunities or causing us to favor buyers or investors that may avoid complex notification requirements or even outright prohibitions, even in circumstances where other buyers may offer better terms or more consideration. There can be no assurances that we will be able to maintain or proceed with investments on terms acceptable to us. It is possible that the outbound investment reporting requirements and prohibitions could adversely affect our business, financial condition, and operating results.

Our operations in mainland China and Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List.

On December 2, 2024, the U.S. BIS imposed additional controls on exports to, and transfers within, the People’s Republic of China PRC relating to advanced integrated circuit products, certain IC manufacturing equipment and technology, and supercomputers associated with artificial intelligence (AI) and advanced computing.

In coordination with the new regulations, among other updates, ACM Shanghai and its operating subsidiaries in China and Korea, were added to the Entity List published by BIS. Neither ACM, nor its direct subsidiaries outside of mainland China, were added to the Entity List.

The regulations prohibit ACM Shanghai and ACM Korea from obtaining U.S.-sourced components, software or technology. In the future, other countries may also restrict ACM Shanghai's ability to source certain commodities. Although we believe the impact to our supply chain, and the ability of ACM Shanghai and ACM Korea to produce tools in mainland China can be managed without a significant interruption of our business, it will require the transition of certain components to be qualified at our customers to maintain consistent quality standards. The potential impact on sales to our customers will also depend on the effect of the new regulations on the overall spending plans of our customers.

We do not anticipate a significant impact to the ability to sell, deliver and service products to our global customers outside of mainland China. The new regulations prohibit the export or reexport of U.S.-origin items to companies on the Entity List without a BIS license, but do not inhibit the ability of companies on the Entity List to sell, deliver, and service their products to global customers, including customers in the United States.

We are subject to government regulation, including import, export, economic sanctions, and anti-corruption laws and regulations, that may limit our sales opportunities, expose us to liability and increase our costs.

Our products are subject to import and export controls in jurisdictions in which we distribute or sell our products. Import and export controls and economic sanctions laws and regulations include restrictions and prohibitions on the sale or supply of certain products and on our transfer of parts, components, and related technical information and know-how to certain countries, regions, governments, persons and entities.

Various countries regulate the importation of certain products through import permitting and licensing requirements and have enacted laws that could limit our ability to distribute our products. The exportation, re-exportation, transfers within foreign countries and importation of our products, including by our partners, must comply with these laws and regulations, and any violations may result in reputational harm, government investigations and penalties, or a denial or curtailment of exporting privileges. Complying with export control and sanctions laws for a particular sale may be time consuming, may increase our costs, and may result in the delay or loss of sales opportunities. If we are found to be in violation of U.S. sanctions or export control laws, or similar laws in other jurisdictions, we and the individuals working for us could incur substantial fines and penalties. Changes in export, sanctions or import laws or regulations may delay the introduction and sale of our products in international markets, require us to expend resources to seek necessary government authorizations or develop different versions of our products, or, in some cases, prevent the export or import of our products to certain countries, regions, governments, persons or entities, which could adversely affect our business, financial condition and operating results.

We are subject to various domestic and international anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act, as well as similar anti-bribery and anti-kickback laws and regulations in the United States and other jurisdictions. These laws and regulations generally prohibit companies and their intermediaries from offering or making improper payments to non-U.S. officials for the purpose of obtaining, retaining or directing business. Our exposure for violating these laws and regulations increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

Risks Related to the STAR Listing of ACM Shanghai

We may not achieve the results contemplated by our business strategy and our strategy for growth in mainland China may not result in increases in the price of Class A common stock.

We cannot assure you that we will realize any or all of our anticipated benefits of the STAR Listing, which may not have the anticipated effects of including the strengthening of our market position and operations in mainland China. ACM Shanghai continues to have broad discretion in the use of the proceeds from the initial sales of shares to investors and the proceeds from the STAR IPO and the STAR Private Offering, and will have similar discretion over the use of proceeds from future financing activities (including follow-on offerings or private placements of shares with mainland China investors). ACM Shanghai may not spend or invest those proceeds in a manner that results in our operating success or with which ACM Research stockholders agree. Our failure to successfully leverage the completion of the STAR Listing the STAR IPO,and the STAR Private Offering, and any future financings by ACM Shanghai, to expand our mainland China business could result in a decrease in the price of the Class A common stock, and we cannot assure you that the success of ACM Shanghai will have an attendant positive effect on the price of the Class A common stock.

Mainland China companies are critical to the global semiconductor industry, and our current business is substantially concentrated in the mainland China market. Our inability to build, or any delay in growing, our mainland China-based operations would materially and adversely limit our operations and operating results, including our revenue growth.

ACM Shanghai's status as a publicly traded company that is controlled, but less than wholly owned, by ACM Research could have an adverse effect on us.

In November 2021, we completed the STAR Listing and STAR IPO with respect to shares of ACM Shanghai. ACM Shanghai is our principal operating company and, prior to the STAR Listing process, was a wholly owned subsidiary of ACM Research. As the result of actions taken in connection with the STAR Listing and the STAR IPO, ACM Shanghai is no longer a wholly owned subsidiary of ACM Research, and the interests of ACM Shanghai may diverge from the interests of ACM Research and its other subsidiaries in the future. We may face conflicts of interest in managing, financing or engaging in transactions with ACM Shanghai, or allocating business opportunities between our subsidiaries, including future arrangements for operating subsidiaries other than ACM Shanghai to license and use our intellectual property. Substantially all of our intellectual property has been developed in mainland China and is owned by ACM Shanghai. As we expand our global operations through operating subsidiaries outside of mainland China, those operating subsidiaries may need to license intellectual property from ACM Shanghai in order to operate, and there can be no assurance that conflicts of interest will not preclude those operating subsidiaries from licensing the required intellectual property from ACM Shanghai on reasonable terms or at all.

ACM Research retains majority ownership of ACM Shanghai since the STAR IPO, but ACM Shanghai is managed by a separate board of directors and officers and those directors and officers will owe fiduciary duties to the various stakeholders of ACM Shanghai, including shareholders other than ACM Research. In the operation of ACM Shanghai's business, there may be situations that arise whereby the directors and officers of ACM Shanghai, in the exercise of their fiduciary duties, take actions that may be contrary to the best interests of ACM Research.

In the future, ACM Shanghai may issue options, restricted shares and other forms of share-based compensation to its directors, officers and employees, which could dilute ACM Research's ownership in ACM Shanghai. In addition, ACM Shanghai may engage in capital raising activities in the future that could further dilute ACM Research's ownership interest.

For example, in September 2025, ACM Shanghai completed a private offering, in which ACM Shanghai sold 38,601,326 ordinary shares at price per share of RMB 116.11, raising net proceeds of RMB 4.4 billion (approximately US $623.0 million) after deducting offering-related expenses (the "Private Offering"). The proceeds are intended to be used by ACM Shanghai for research and development, capital expenditures and working capital. As a result, our ownership interest in ACM Shanghai declined to 74.6%.

ACM Research and ACM Shanghai both are public reporting companies but each is subject to separate, and potentially inconsistent, accounting and disclosure requirements, which may lead to investor confusion or uncertainty that could cause decreased demand for, or fluctuations in the price of, one or both of the companies' publicly traded shares.

Since ACM Shanghai completed the STAR Listing, it has been subject to accounting, disclosure and other regulatory requirements of the STAR Market. At the same time, ACM Research remains subject to accounting, disclosure and other regulatory requirements of the SEC and the Nasdaq Global Market, or Nasdaq. As a result, ACM Research and ACM Shanghai periodically will disclose information simultaneously pursuant to differing laws and regulations. Even though substantially all of the operations of ACM Research are currently conducted through ACM Shanghai, the information disclosed by the two companies will differ, and may differ materially from time to time, due to the distinct, and potentially inconsistent, accounting standards applicable to the two companies and disclosure requirements imposed by securities regulatory authorities, as well as differences in language, culture and expression habit, in composition of investors in the United States and mainland China, and in the capital markets of the United States and mainland China.

Differing disclosures could lead to confusion or uncertainty among investors in the publicly traded shares of one or both companies. Differences between the price of ACM Shanghai shares on the STAR Market and the price of ACM Research Class A common stock on Nasdaq could lead to increased volatility, as some investors seek to arbitrage price differences. Moreover, such volatility could be exacerbated by the fact that ACM Shanghai shares currently represent substantially all of the assets of ACM Research.

Risks Related to Our Intellectual Property and Data Security

Our success depends on our ability to protect our intellectual property, including our SAPS, TEBO, Tahoe, ECP, furnace and other technologies.

Our commercial success depends in part on our ability to obtain and maintain patent and trade secret protection for our intellectual property, including our SAPS, TEBO, Tahoe, ECP, furnace and other technologies and the design of our Ultra C equipment, as well as our ability to operate without infringing upon the proprietary rights of others. There can be no assurance that our patent applications will result in additional patents being issued or that issued patents will afford sufficient protection against competitors with similar technology, nor can there be any assurance that the patents issued will not be infringed, designed around, or invalidated by third parties. Even issued patents may later be found unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. The degree of future protection for our intellectual property is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. This failure to properly protect the intellectual property rights relating to our products and technologies could have a material adverse effect on our financial condition and results of operations.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or any of our future development partners will be successful in protecting our product candidates by obtaining and defending patents. These risks and uncertainties include the following:

- The U.S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.
- Patent applications may not result in any patents being issued.
- Patents that may be issued may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage.
- Our competitors may seek or may have already obtained patents that will limit, interfere with, or eliminate our ability to make, use and sell our potential product candidates.
- Mainland China and other countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing product candidates.

In addition, we rely on the protection of our trade secrets and know-how. Although we have taken steps to protect our trade secrets and unpatented know-how, including entering into confidentiality and non-disclosure agreements with third parties and confidential information and inventions agreements with key employees, customers and suppliers, other parties may still obtain this information or may come upon this information independently. If any of these events occurs or if we otherwise lose protection for our trade secrets or proprietary know-how, the value of this information may be greatly reduced.

We may be involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.

Competitors may infringe upon our patents. If our technologies are adopted, we believe that competitors may try to match our technologies and tools in order to compete. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. An adverse result in any litigation or defense proceedings, including our current suits, could put one or more of our patents at risk of being invalidated, found to be unenforceable or interpreted narrowly and could put our patent applications at risk of not issuing. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. In addition, any future patent litigation, interference or other administrative proceedings will result in additional expense and distraction of our personnel. Most of our competitors are larger than we are and have substantially greater resources, and they therefore are likely to be able to sustain the costs of complex patent litigation longer than we could. An adverse outcome in such litigation or proceedings may expose us to loss of our proprietary position.

We may not be able to protect our intellectual property rights throughout the world, including mainland China, which could materially, negatively affect our business.

Filing, prosecuting and defending patents on our products or proprietary technologies in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States, including mainland China, can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may export otherwise infringing products to territories where we have patent protection but enforcement is not as strong as that in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The significant majority of our intellectual property has been developed in mainland China and is owned by ACM Shanghai. Implementation and enforcement of intellectual property-related laws in mainland China has historically been lacking due primarily to ambiguities in mainland China intellectual property law. Accordingly, protection of intellectual property and proprietary rights in mainland China may not be as effective as in the United States or other countries. As a result, third parties could illegally use the technologies and proprietary processes that we have developed and compete with us, which could negatively affect any competitive advantage we enjoy, dilute our brand and harm our operating results. Litigation may be necessary to enforce our intellectual property rights, and given the relative unpredictability of mainland China's legal system and potential difficulties enforcing a court judgment in mainland China, there is no guarantee litigation would result in an outcome favorable to us.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license and may adversely affect our business.

If we are sued for infringing intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in that litigation could have a material adverse effect on our business.

Our success depends on our ability to develop, manufacture, market and sell our products without infringing upon the proprietary rights of third parties. Numerous U.S. and foreign-issued patents and pending patent applications owned by third parties exist in the fields in which we are developing products, some of which may contain claims that overlap with the subject matter of our intellectual property. A third party has claimed in the past, and others may claim in the future, that our technology or products infringe their intellectual property. In some instances third parties may initiate litigation against us in an effort to prevent us from using our technology in alleged violation of their intellectual property rights. The risk of such a lawsuit will likely increase as our size and the number and scope of our products increase and as our geographic presence and market share expand.

Any potential intellectual property claims or litigation commenced against us could:

- be time consuming and expensive to defend, whether or not meritorious;
- force us to stop selling products or using technology that allegedly infringes the third party's intellectual property rights;
- delay shipments of our products;
- require us to pay damages or settlement fees to the party claiming infringement;
- require us to attempt to obtain a license to the relevant intellectual property, which may not be available on reasonable terms or at all;

- force us to attempt to redesign products that contain the allegedly infringing technology, which could be expensive or which we may be unable to do;
- require us to indemnify our customers, suppliers or other third parties for any loss caused by their use of our technology that allegedly infringes the third party's intellectual property rights; or
- divert the attention of our technical and managerial resources.

Because patent applications can take many years to issue, there may be currently pending applications, unknown to us, that may later result in issued patents upon which our products or technologies may infringe. Similarly, there may be issued patents relevant to our products of which we are not aware.

Breaches of our cybersecurity systems could degrade our ability to conduct our business operations and deliver products to our customers, result in data losses and the theft of our intellectual property, damage our reputation, and require us to incur significant additional costs to maintain the security of our networks and data.

We increasingly depend upon our information technology systems to conduct our business operations, ranging from our internal operations and product development and manufacturing activities to our marketing and sales efforts and communications with our customers and business partners. Computer programmers may attempt to penetrate our network security, or that of our website, and misappropriate our proprietary information or cause interruptions of our service. Because the techniques used by such computer programmers to access or sabotage networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. We have also outsourced a number of our business functions to third-party contractors, including our manufacturers, and our business operations also depend, in part, on the success of our contractors' own cybersecurity measures. Accordingly, if our cybersecurity systems and those of our contractors fail to protect against unauthorized access, sophisticated cyberattacks and the mishandling of data by our employees and contractors, our ability to conduct our business effectively could be damaged in a number of ways, including sensitive data regarding our employees or business, including intellectual property and other proprietary data, could be stolen. Should this occur, we could be subject to significant claims for liability from our customers and regulatory actions from governmental agencies. In addition, our ability to protect our intellectual property rights could be compromised and our reputation and competitive position could be significantly harmed. Consequently, our financial performance and results of operations could be adversely affected.

Risks Related to Ownership of Class A Common Stock

The market price of Class A common stock has been and may continue to be volatile, which could result in substantial losses for investors purchasing our shares.

The market price of Class A common stock has been, and could continue to be, subject to significant fluctuations. The market price of Class A common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenue and other operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- changes in projections for the chips or chip equipment industries or in the operating performance or expectations and stock market valuations of chip companies, chip equipment companies or technology companies in general;
- changes in operating results;
- any changes in the financial projections we may provide to the public, our failure to meet these projections, or changes in recommendations by any securities analysts that elect to follow Class A common stock;
- additional shares of Class A common stock being sold into the market by us or our existing stockholders or the anticipation of such sales;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us;
- litigation and other developments relating to our patents or other proprietary rights or those of our competitors;
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies; and
- general economic trends, including changes in the demand for electronics or information technology or geopolitical events such as war or acts of terrorism, or any responses to such events.

In recent years, the stock market in general, and Nasdaq in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Further, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. Similar litigation may be instituted against us in the future, which could result in substantial costs and a diversion of our management's attention and resources.

Few if any companies with stock publicly traded in the United States have effected a STAR Market listing of stock of a mainland China-based subsidiary, and it is therefore difficult to predict the effect of the STAR Listing and STAR IPO on the Class A common stock.

The China Securities Regulatory Commission initially launched the STAR Market in June 2019 and trading on the Market began in July 2019. In November 2021 ACM Shanghai completed the STAR Listing and the STAR IPO. We believe we are one of the first publicly traded U.S. companies to complete an initial public offering of shares of a mainland China subsidiary on the STAR Market. As a result, no assurance can be given regarding the effect of the STAR Listing and the STAR IPO on the market price of the Class A common stock. The market price of Class A common stock may be volatile or may decline, for reasons other than the risk and uncertainties described above, as the result of investor negativity or uncertainty with respect to the impact of the STAR Listing and STAR IPO.

In addition, investors may elect to invest in our business and operations by purchasing ACM Shanghai shares on the STAR Market rather than purchasing ACM Research Class A common stock, and that reduction in demand could lead to a decrease in the market price for the Class A common stock.

If securities or industry analysts do not publish research or reports about us, our business or our market, or if they publish negative evaluations of Class A common stock or the stock of other companies in our industry, the price of our stock and trading volume could decline.

The trading market for Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade the Class A common stock or publish inaccurate or unfavorable research about our business, the Class A common stock price would likely decline. In addition, if one or more of these analysts ceases coverage of the Class A common stock or fails to publish reports about the Class A common stock on a regular basis, we could lose visibility in the financial markets, which in turn could cause the Class A common stock price or trading volume to decline.

We have never paid and do not intend to pay cash dividends and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of Class A common stock.

We have never declared or paid cash dividends on our capital stock. We intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Accordingly, you may only receive a return on your investment in Class A common stock if the market price of Class A common stock increases.

Our ability to pay dividends on Class A common stock depends significantly on our receiving distributions of funds from our subsidiaries in mainland China. mainland China statutory laws and regulations permit payments of dividends by those subsidiaries only out of their retained earnings, which are determined in accordance with mainland China accounting standards and regulations that differ from U.S. generally accepted accounting principles. Mainland China regulations and our subsidiaries' articles of association require annual appropriations of 10% of net after-tax profits to be set aside, prior to payment of dividends, as a reserve or surplus fund, which restricts our subsidiaries' ability to transfer a portion of their net assets to us. In addition, our subsidiaries' short-term bank loans restrict their ability to pay dividends to us.

The dual class structure of common stock has the effect of concentrating voting control with our executive officers and directors, including our Chief Executive Officer and President, which will limit or preclude your ability to influence corporate matters.

Class B common stock has twenty votes per share and Class A common stock has one vote per share. As of February 25, 2025, stockholders who hold shares of Class B common stock, who consist principally of our executive officers, employees, directors and their respective affiliates, collectively held 62.3% of the voting power of our outstanding capital stock. Because of the twenty-to-one voting ratio between Class B and Class A common stock, holders of Class B common stock collectively will continue to control a majority of the combined voting power of Class A common stock and therefore be able to control all matters submitted to our stockholders for approval so long as the shares of Class B common stock represent at least 4.8% of all outstanding shares of Class A and Class B common stock. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future. This concentrated control could also discourage a potential investor from acquiring Class A common stock due to the limited voting power of such stock relative to the Class B common stock and might harm the market price of Class A common stock.

Because of the market capitalization achieved by Class A common stock during October 2020, the trigger included in our charter pursuant to which all of the shares of Class B common stock must convert into Class A common stock no longer applies. Instead, all of the Class B common stock generally will convert into Class A common stock only upon the election of the holders of a majority of the then-outstanding shares of Class B common stock, and specific shares of Class B common stock will convert into Class A common stock upon future transfers by the holders of those shares. The potential conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term.

Delaware law and provisions in our charter and bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. Our charter and bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- our dual class common stock structure provides holders of Class B common stock with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the total number of outstanding shares of Class A and Class B common stock;
- when the outstanding shares of Class B common stock represent less than a majority of the combined voting power of common stock;
- amendments to our charter or bylaws will require the approval of two-thirds of the combined vote of our then-outstanding shares of Class A and Class B common stock;
- vacancies on the board of directors will be able to be filled only by the board and not by stockholders;
- the board, which currently is not staggered, will be automatically separated into three classes with staggered three-year terms;
- directors will only be able to be removed from office for cause; and
- our stockholders will only be able to take action at a meeting and not by written consent;
- only our chair, our chief executive officer or a majority of our directors is authorized to call a special meeting of stockholders;
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders;
- our charter authorizes undesignated preferred stock, the terms of which may be established, and shares of which may be issued, without stockholder approval; and
- cumulative voting in the election of directors is prohibited.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders holding more than 15% of our outstanding voting stock from engaging in certain business combinations with us. Any provision of our charter or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of Class A common stock, and could also affect the price that some investors are willing to pay for Class A common stock.

Our charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or stockholders.

Our charter provides that the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed to us, our stockholders, creditors or other constituents by any of our directors, officers, other employees, agents or stockholders;

- any action asserting a claim arising under the Delaware General Corporation Law, our charter or bylaws, or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; or
- any action asserting a claim that is governed by the internal affairs doctrine.

By becoming a stockholder in our company, you will be deemed to have notice of and have consented to the provisions of our charter related to choice of forum. The choice of forum provision in our charter may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or any of our directors, officers, other employees, agents or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

We incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies which could adversely affect our business, operating results and financial condition.

As a public company, we will continue to incur significant legal, accounting and other expenses. We are subject to the reporting requirements of the Securities and Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of Nasdaq. These requirements have increased and will continue to increase our legal, accounting and financial compliance costs and have made and will continue to make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve as our executive officers or on the board of directors, particularly to serve on the audit and compensation committees.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404 of the Sarbanes-Oxley Act, or Section 404, requires our management to perform system and process evaluation and testing to allow it to report on the effectiveness of our internal control over financial reporting.

Investor perceptions of our company may suffer if deficiencies are found, which could cause a decline in the market price of our stock. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on our internal controls from our independent registered public accounting firm.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Short sellers of our stock may be manipulative and may drive down the market price of our Class A common stock.

Short selling is the practice of selling securities that a seller does not own but rather has borrowed, or intends to borrow, from a third party with the intention of buying identical securities at a later date to return to the lender. A short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the stock to decline, some short sellers publish, or arrange for the publication of, opinions or characterizations regarding the relevant issuer, its business prospects and similar matters calculated to or which may create negative market momentum, which may permit them to obtain profits for themselves as a result of selling the securities short. The use of the Internet, social media, and blogging have allowed short sellers to publicly attack a company's credibility, strategy and veracity by means of so-called "research reports" that mimic the type of investment analysis performed by legitimate securities research analysts. Issuers with limited trading volumes or substantial retail stockholder bases can be particularly susceptible to higher volatility levels, and can be particularly vulnerable to such short attacks.

Short seller publications are not regulated by any governmental or self-regulatory organization or any other official authority in the United States and are not subject to the certification requirements imposed by the SEC in Regulation Analyst Certification. Accordingly, the opinions they express may be based on distortions of actual facts or, in some cases, outright fabrications. In light of the limited risks involved in publishing such information, and the significant profits that can be made from running successful short attacks, short sellers will likely continue to issue such reports. Short-seller publications may create the appearance or perception of wrongdoing, even when they are not substantiated, and may therefore affect the reputation or perception of our company and management.

While we intend to strongly defend our public filings against any such short seller attacks, in many situations we could be constrained, for example, by principles of freedom of speech, applicable state law or issues of commercial confidentiality, in the manner in which we are able to proceed against the relevant short seller.

Such short-seller attacks have caused, and may cause in the future, temporary or possibly long term, declines in the market price of Class A common stock and possible litigation initiated against us.

General

Our production facilities could be damaged or disrupted by a natural disaster, war, terrorist attacks or other catastrophic events.

Our manufacturing facilities are subject to risks associated with natural disasters, such as earthquakes, fires, floods tsunami, typhoons and volcanic activity, environmental disasters, health epidemics, and other events beyond our control such as power loss, telecommunications failures, and uncertainties arising out of armed conflicts or terrorist attacks. The frequency and intensity of severe weather events are reportedly increasing throughout the world as part of broader climate changes. Global weather pattern changes may pose long-term risks of physical impacts to our business. A substantial majority of our facilities as well as our research and development personnel are located in mainland China. Any catastrophic loss or significant damage to any of our facilities would likely disrupt our operations, delay production, and adversely affect our product development schedules, shipments and revenue. In addition, any such catastrophic loss or significant damage could result in significant expense to repair or replace the facility and could significantly curtail our research and development efforts in a particular product area or primary market, which could have a material adverse effect on our operations and operating results.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things: operational risks, intellectual property theft, fraud, extortion, harm to employees or customers and violation of data privacy or security laws.
Identifying and assessing cybersecurity risk is integrated into our overall risk management systems and processes.

Cybersecurity risks related to our business, technical operations, privacy and compliance issues are identified and addressed through a multi-faceted approach including third party assessments, internal IT Audit, IT security, governance, risk and compliance reviews. To defend, detect and respond to cybersecurity incidents, we, among other things: conduct proactive privacy and cybersecurity reviews of systems and applications, audit applicable data policies, perform penetration testing using external third-party tools and techniques to test security controls, conduct employee training, monitor emerging laws and regulations related to data protection and information security and implement appropriate changes.

As part of our risk management process, we conduct application security assessments, vulnerability management, penetration testing, security audits, and ongoing risk assessments. We also maintain a variety of incident response plans that are utilized when incidents are detected. We require employees with access to information systems, including all corporate employees, to undertake data protection and cybersecurity training and compliance programs.

We describe whether and how risks from cybersecurity threats are reasonably likely to materially affect us, including our financial performance and results of operations, under the heading “Breaches of our cybersecurity systems could degrade our ability to conduct our business operations and deliver products to our customers, result in data losses and the theft of our intellectual property, damage our reputation, and require us to incur significant additional costs to maintain the security of our networks and data” in Item 1A, “Risk Factors” of Part I of this report.

Cybersecurity Governance

Cybersecurity is an important part of our risk management processes. Our Audit Committee is responsible for the oversight of risks from cybersecurity threats. Members of the Audit Committee receive reports of any breaches or developments regarding matters of cybersecurity. This includes existing and new cybersecurity risks, status on how management is addressing and/or mitigating those risks, cybersecurity and data privacy incidents (if any) and status on key information security initiatives. Our Audit Committee and Board members may also engage in ad hoc conversations with management on cybersecurity-related news events and discuss any updates to our cybersecurity risk management and strategy programs.

Our cybersecurity risk management and strategy processes are overseen by leaders from our Information Security, Product Security, Compliance and Legal teams. Key individuals have an average of over 15 years of prior work experience in various roles involving information technology, including security, auditing, compliance, systems and programming. These individuals are informed about, and monitor the prevention, mitigation, detection and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan, and report directly or indirectly to the Audit Committee on any appropriate items.

Item 2. Properties

Our corporate headquarters are in a leased facility located in Fremont, California

ACM Shanghai's mainland China headquarters includes four company-owned buildings located in Shanghai's ZhangJiang Science City, where ACM Shanghai conducts sales, marketing, R&D and administrative activities. Additional research and development, service support and administrative activities are conducted at a multi-story leased facility also in Shanghai's ZhangJiang Science City.In addition, we perform sales support, customer service operations, R&D, and/ or production activities from leased facilities in Beijing, Chengdu, Jiangyin and Wuxi in mainland China and in Jinwi, Gwangju, Baekam, and Seongnam in Korea.

ACM Shanghai, through ACM Lingang, conducts manufacturing, warehousing and R&D operations at its R&D and Production Center in the Lingang region of Shanghai. The five-building complex comprises more than 1,485,000 square foot of floor space in aggregate, and incorporates state-of-the-art manufacturing systems and automation technologies.

ACM Shanghai leases several facilities totaling more than 200,000 square feet, which are located in the Chuansha area of Shanghai and are used for R&D, production and warehousing.

In connection with the Lingang facility project, on October 28, 2020, a wholly owned subsidiary of ACM Lingang entered into Shanghai Public Rental Housing Overall Pre-Sale Contracts with Shanghai Lingang Industrial Zone Public Rental Housing Construction and Operation Management Co., Ltd. for an aggregate price to us of approximately $40 million. ACM Lingang’s subsidiary received ownership of the apartment units and corresponding land use rights in January 2022 as part of a pilot project of public rental housing in the “rent before sale” park in the Lingang Industrial Zone. The contracts stipulate that, for a ten-year term, ACM Lingang’s subsidiary is obligated to manage the apartment units for public rental use in accordance with public rental housing standards and must rent the apartment units to employees of ACM Shanghai and its subsidiaries who work in the Lingang Industrial Zone. After that ten-year period expires, ACM Lingang’s subsidiary may use the apartment units as stock of commercial housing and may sell them separately in sets.

We also lease a 10,683 square foot facility in Hillsborough, Oregon, which is used for our U.S.-based sales and services team to support customer activities in the region.

On October 1, 2024, we acquired a commercial facility, comprised of 39,500 square foot total floor space and which includes a 5,200 square foot functional clean room, for a price of $7.75 million. This facility is located in the City of Hillsboro in Oregon, and we have begun investments to expand our research and development, production, and demonstration capabilities in the United States market.

Item 3. Legal Proceedings

From time to time we may become involved in legal proceedings or may be subject to claims arising in the ordinary course of our business. Although the results of these proceedings and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. As of December 31, 2025, the Company had no outstanding material legal proceedings, other than ordinary routine litigation incidental to the business.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Information Regarding the Trading of Common Stock

The Class A common stock has traded on NASDAQ Global Market under the symbol "ACMR" since November 3, 2017. The Class B common stock is not listed or traded on any stock exchange.

Holders of Common Stock

As of February 25, 2026, there were 60,705,783 shares of Class A common stock outstanding held of record by 46 stockholders. The actual number of holders of Class A common stock is substantially greater and includes stockholders who are beneficial owners and whose shares are held of record by banks, brokers, and other financial institutions.

As of February 25, 2026, there were 5,021,811 shares of Class B common stock held of record by 16 stockholders.

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings to support the operation of and to finance the growth and development of our business and do not anticipate paying any cash dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this item will be set forth in the definitive proxy statement we will file in connection with our 2025 Annual Meeting of Stockholders and is incorporated by reference herein.

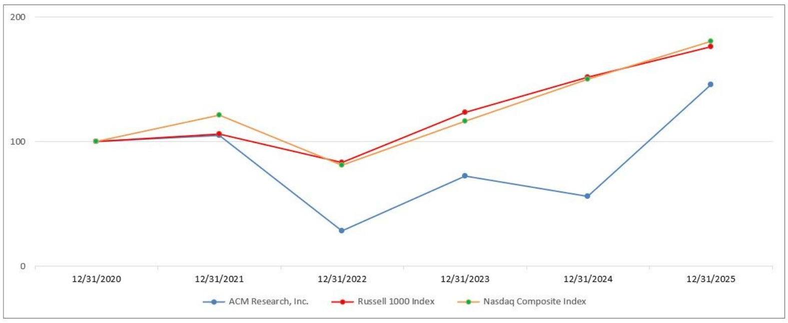
Sales of Unregistered Securities

In the years ended December 31, 2025, 2024, and 2023, ACM Research issued, pursuant to the exercise of stock options at a per share exercise price of $0.50 per share, an aggregate of 381,926, 945,010, and 646,057 shares of Class A common stock that were not registered under the Securities Act of 1933. We believe the offer and sale of those shares were exempt from registration under the Securities Act of 1933 by virtue of Section 4(a)(2) thereof (or Regulation D promulgated thereunder) because they did not involve a public offering. The recipients of the shares acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were recorded with respect to the shares. The recipients of the shares were accredited investors under Rule 501 of Regulation D.

Performance Graph

The following graph compares the total return of an investment of $100 in cash at the closing price as of December 31, 2020 and as of each year ended through December 31, 2025 for (1) our common stock, (2) the Russell 1000 index, and (3) the Nasdaq Composite Index. All values assume reinvestment of all dividends. Stockholder returns over the indicated period are based on historical data and are not necessarily indicative of future stockholder returns.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
Among ACM Research, Inc., the Nasdaq Index, and the Russell 1000 Index



	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
ACM Research, Inc.	$ 100	$ 105	$ 28	$ 72	$ 56	$ 146
Russell 1000 Index	$ 100	$ 106	$ 83	$ 124	$ 152	$ 176
Nasdaq Composite Index	$ 100	$ 121	$ 81	$ 116	$ 150	$ 180

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes included in this report. In addition to historical information, the following discussion contains forward-looking statements that involves risks, uncertainties and assumptions. See "Forward-Looking Statements and Statistical Data" at page 3 of this report. Please read "Item 1A. Risk Factors" for a discussion of factors that could cause our actual results to differ materially from our expectations

Overview

ACM Research was incorporated in California in 1998 and redomesticated in Delaware in 2016. We perform strategic planning, marketing, and financial activities at our global corporate headquarters in Fremont, California. ACM Research is neither a mainland China operating company nor do we conduct our operations in mainland China through the use of VIEs.

We supply advanced, innovative capital equipment developed for the global semiconductor industry. Fabricators of advanced integrated circuits, or chips, can use our wet-cleaning and other front-end processing tools in numerous steps to improve product yield, even at increasingly advanced process nodes. We have designed these tools for use in fabricating foundry, logic and memory chips, including DRAM 3D NAND-flash memory chips, power semiconductor and compound semiconductor chips. We also develop, manufacture and sell a range of advanced packaging tools to wafer assembly and packaging customers.

We are focused on building a strategic portfolio of intellectual property to support and protect our key innovations. We conduct a substantial majority of our product development, manufacturing, support and services in mainland China, with additional product development and subsystem production in Korea. Substantially all of our tools are built to order at our Lingang manufacturing facilities in Shanghai. See “Item 2. Properties,” of Part I of this report.

Our experience has shown that chip manufacturers in mainland China and throughout Asia demand equipment meeting their specific technical requirements and prefer building relationships with local suppliers. We will continue to seek to leverage our local presence to address the growing market for semiconductor manufacturing equipment in the region by working closely with regional chip manufacturers to understand their specific requirements, encourage them to adopt our SAPS, TEBO, Tahoe, ECP, furnace, PECVD, Track, and other technologies, and enable us to design innovative products and solutions to address their needs.

Our Independent Registered Public Accounting Firm

The U.S. Holding Foreign Companies Accountable Act, or the HFCA Act, requires that the Public Company Accounting Oversight Board, or the PCAOB, determine whether it is unable to inspect or investigate completely registered public accounting firms located in a non-U.S. jurisdiction because of a position taken by one or more authorities in any non-U.S. jurisdiction. Ernst & Young Hua Ming LLP, or E&Y our independent registered public accounting firm for the fiscal year ended December 31, 2025, is based in mainland China. Should the PCAOB determine that it is unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including E&Y, ACM Research could be transferred to the SEC's “Conclusive list of issuers identified under the HFCA,” ("Conclusive List"). See “Item 1A. Risk Factors—Risks Related to International Aspects of Our Business—We could be adversely affected if we are unable to comply with recent and proposed legislation and regulations regarding improved access to audit and other information and audit inspections of accounting firms operating in mainland China” of this report for more information. Under current regulations, if ACM Research were to be included on the Conclusive List for two consecutive years due to our independent auditor being located in a jurisdiction that does not allow for PCAOB inspections, the SEC would prohibit trading in our securities and this ultimately could cause our securities to be delisted in the U.S., and their value may significantly decline or become worthless.

ACM Shanghai STAR Listing

The shares of ACM Shanghai, our principal operating subsidiary, began trading on the STAR Market under the stock code 688082 on November 18, 2021.

ACM Shanghai Dividend

In September 2025, ACM Shanghai, paid a cash dividend of approximately RMB 264.9 million (approximately USD $36.8 million) to the stockholders of ACM Shanghai, including ACM Research. The cash portion of the dividend paid by ACM Shanghai to non-controlling interests was $7.6 million (note 2). During the years ended December 31, 2024 and 2023, ACM Shanghai paid cash dividends of approximately RMB 273.2 million ($38.4 million) and RMB 161.28 million ($22.2 million), respectively. ACM Research intends to use the dividend proceeds for working capital and general corporate purposes.

ACM Shanghai Private Offering

In September 2025, ACM Shanghai completed a private offering, in which ACM Shanghai sold 38,601,326 ordinary shares at price per share of RMB 116.11, raising net proceeds of RMB 4.4 billion (approximately US $623.0 million) after deducting offering-related expenses (the "Private Offering"). The proceeds are intended to be used by ACM Shanghai for research and development, capital expenditures and working capital. As a result, our ownership interest in ACM Shanghai declined to 74.6%.

Addition of ACM Shanghai and ACM Korea to U.S. Entity List

Effective on December 2, 2024, BIS promulgated a final rule naming a number of companies to the BIS Entity List Among the 140 companies added to the BIS Entity List were two subsidiaries of ACM Research, ACM Shanghai, located in the

People's Republic of China, and ACM Korea, a direct subsidiary of ACM Shanghai, which is located in the Republic of Korea, and other related entities. In general terms, the new BIS Entity List designations prohibit any party worldwide from furnishing hardware, software, or technologies that are subject to U.S. export controls jurisdiction directly or indirectly to ACM Shanghai or ACM Korea without obtaining authorization.

Restrictions Imposed by the U.S. Department of Commerce on Mainland China-Based Semiconductor Producers

ACM Shanghai utilizes certain items subject to export controls under the U.S. Export Administration Regulations (EAR) in manufacturing and supplying its products. The EAR applies to exports of commodities, software and technology from the United States, including for use in manufacturing products outside the United States, as well as to certain products manufactured outside the United States that incorporate, or are based on, designated U.S. content, software or technology. The Bureau of Industry and Security of the U.S. Department of Commerce (BIS), which administers the EAR, has imposed, and may continue to impose, additional restrictions under the EAR on certain exports to China, to include Hong Kong and Macau, including restrictions targeting the semiconductor manufacturing industry in China. These types of restrictions may impact the operations of ACM Shanghai.

Beginning in October 2022 and continuing through 2025, BIS announced a series of new rules that significantly expanded U.S. export controls as applied to advanced IC products, related manufacturing equipment and technology, and supercomputers, where the destination or ultimate end user is based in mainland China, Hong Kong and Macau. In the case of semiconductor manufacturing equipment, the new rules require an export license for the export, re-export, or transfer to or within mainland China, Hong Kong and Macau of additional types of semiconductor manufacturing equipment, items for use in manufacturing designated types of semiconductor manufacturing equipment (along with other items subject to the EAR, for use in the development or production of ICs), and semiconductor manufacturing equipment for use at certain IC manufacturing and development facilities in mainland China. In most cases, license applications for these exports are reviewed under a presumption of denial. In addition, BIS imposed new restrictions by which U.S. persons anywhere in the world are effectively barred from engaging in certain activities related to the development and production of semiconductors at mainland China fabrication facilities meeting specified criteria, even if no items subject to the EAR are involved.

These new restrictions have impacted the procurement by ACM Shanghai and ACM Korea of items, technology and software from the United States, and of certain commodities subject to U.S. export controls from outside the United States, for use in manufacturing its products. The new restrictions may also limit the ability of ACM Shanghai and ACM Korea personnel to provide services to U.S. customers, as these activities could involve the disclosure of U.S. technology to ACM Shanghai or ACM Korea personnel, which could require authorization from BIS. See "Item 1A. Risk Factors—Regulatory Risks—Our operations in mainland China and Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List" of this report for more information.

ACM and ACM Shanghai have implemented modifications to their existing business policies and practices in response to these enhanced export restrictions, including by imposing limitations on the activities of their U.S. persons and undertaking measures in connection with their supply chains more broadly to comply with the new regulations. ACM Shanghai is continuing to assess the impact of these export control restrictions, and will continually adjust or modify its policies and practices as required to comply with these or other related updates. Based on our ongoing review, we believe these regulations may directly impact ACM Shanghai's ability to meet its future production plans, or indirectly impact the spending plans of ACM Shanghai's customer base. ACM Shanghai may not import, or faces substantial restrictions in importing, parts from the United States or parts subject to U.S. export controls from outside the United States to support tool shipments to such facilities.

Outside of the U.S., during the three and twelve months ended December 30, 2023, two prominent exporters of advanced semiconductor manufacturing equipment, the Netherlands and Japan, announced and began to implement plans to join the United States in imposing semiconductor-focused export controls.

On May 23, 2023, the Japanese government issued the final amendment to an ordinance implementing new export controls to require licensing for export of certain advanced semiconductor manufacturing equipment, effective as of July 23, 2023. The amendment expands the scope of export controls to prohibit (1) exporting 23 additional categories of items relating to semiconductor manufacturing and (2) providing technology relating to manufacturing, development or use of these categories of items, in both cases, without an advance license. While the expanded export controls apply to exports to any jurisdiction, exports to certain jurisdictions, such as the United States, are expected to be permitted by certain types of broad general licenses. However, it remains to be seen whether the Japanese government will authorize any exports of these items to mainland China by a limited general license or specific license, if at all.

Likewise, on September 30, 2023, the Government of the Netherlands published additional export control measures for advanced semiconductor manufacturing equipment. The Regulation on Advanced Semiconductor Manufacturing Equipment entered force on September 1, 2023. From that point on, the export of certain advanced semiconductor manufacturing equipment, as specified in the Annex to the Regulation, is now subject to a national export license authorization requirement by the Dutch Central Import and Export Service.

Efforts to further tighten semiconductor-related export controls have continued in 2025. In December 2025, the Government of the Netherlands implemented supplemental export controls on certain emerging technology items including sensitive goods, software, and technology related to the semiconductor sector.

See "Part II. Item 1A – Risk Factors – Regulatory Risks – Our ability to sell our tools to customers in mainland China has been impacted, and will likely continue to be materially and adversely impacted, by export license requirements, other regulatory changes, or other actions taken by the U.S. or other governmental agencies" for more information.

Key Components of Results of Operations

Revenue

We develop, manufacture and sell innovative capital equipment to the global semiconductor industry. Since we sell tools to a small number of customers and we configure those tools to fulfill the customers' specific requirements, our revenue generation fluctuates, depending on the length of the sales, development and evaluation phases:

- *Sales and Development.* During the sale process we may, depending on a prospective customer's specifications and requirements, need to perform additional research, development and testing to establish that a tool can meet the prospective customer's requirements. Sales cycles for orders that require limited configuration and do not require that we develop new technology usually take from 6 to 12 months, while the product life cycle, including the initial design, demonstration and final assembly phases, for orders requiring development and testing of new technologies can take as long as 2 to 4 years. As we expand our customer base, we expect to gain more repeat purchase orders for tools that we have already developed and tested, which we believe will reduce the need for a demonstration phase and shorten the development cycle.
- *Evaluation Periods.* When a chip manufacturer proposes to purchase a particular type of tool from us for the first time, we offer the manufacturer an opportunity to evaluate the tool for a period that can extend for 24 months or longer. In some cases, we do not receive any payment on first-time purchases until the tool is accepted. As a result, we may spend more than $2.0 million to produce a tool without receiving payment for more than 24 months or, if the tool is not accepted, without receiving any payment. Please see "Item 1A. Risk Factors—Risks Related to Our Business and Our Industry—We may incur significant expenses long before we can recognize revenue from new products, if at all, due to the costs and length of research, development, manufacturing and customer evaluation process cycles."
- *Purchase Orders.* In accordance with industry practice, sales of our tools are made pursuant to purchase orders. Each purchase order from a customer for one of our tools contains specific technical requirements intended to ensure, among other things, that the tool will be compatible with the customer's manufacturing process line. Until a purchase order is received, we do not have a binding purchase commitment. Some of our customers to date have provided us with non-binding one- to two-year forecasts of their anticipated demands, and we expect future customers to furnish similar non-binding forecasts for planning purposes. Any of those forecasts would be subject to change, however, by the customer at any time, without notice to us.
- *Fulfillment.* We seek to obtain a purchase order for a tool at least three to four months in advance of the expected delivery date. Depending upon the nature of a customer's specifications, the lead time for production of a tool generally will extend from two to four months. The lead-time can be more than six months, however, and in some cases, we may need to begin producing a tool based on a customer's non-binding forecast, rather than waiting to receive a binding purchase order.

We expect our sales prices generally to range from $0.5 million to more than $5 million for our production tools. The sales price of a particular tool will vary depending upon the required specifications. We have designed equipment models using a modular platform that we configure to meet customers' technical specifications. For example, our Ultra C models for SAPS, TEBO, Tahoe and other solutions use common modular configurations that enable us to create a wet-cleaning tool meeting a customer's specific requirements, while using pre-existing designs for chamber, electrical, chemical delivery and other modules.

Because of the relatively high purchase prices of our tools, customers generally pay in installments. For a customer's repeat purchase of a particular type of tool, the specific payment terms are negotiated in connection with acceptance milestones of a purchase order. Based on our experience with repeat sales of our tools, we expect that we will receive an initial payment upon delivery of a tool in connection with a repeat purchase, with the balance being paid after the tool has been tested and accepted by the customer. Our sales arrangements for repeat purchases do not include a general right of return.

Substantially all of our sales since our inception were to customers located in Asia, and we anticipate that a substantial majority of our revenue will continue to come from customers located in this region for the near future. We have increased our sales efforts to penetrate the markets in North America and Western Europe.

We recognize and disclose revenue in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers (Topic 606)*, of the Financial Accounting Standards Board, or FASB. Refer to "—Critical Accounting Estimates—Revenue Recognition" for more detail.

The loss or delay of multiple large sale transactions in a quarter could impact our results of operations for that quarter and any future quarters for which revenue from that transaction is lost or delayed, as described under "Item 1A. Risk Factors—Risks Related to Our Business and Our Industry—Our quarterly operating results can be difficult to predict and can fluctuate substantially, which could result in volatility in the price of our Class A common stock." It is difficult to predict accurately when, or even if, we can complete a sale of a tool to a potential customer or to increase sales to any existing customer. Our tool demand forecasts are based on multiple assumptions, including non-binding forecasts received from customers years in advance, each of which may introduce error into our estimates. Future operating results are also difficult to project due to the long lead time for initial tools that we produce for a customer that potentially may not be accepted. Refer to "Item 1A. Risk Factors—Risks Related to Our Business and Our Industry—Difficulties in forecasting demand for our tools may lead to periodic inventory shortages or excess spending on inventory items that may not be used."

Cost of Revenue

Cost of revenue for capital equipment consists primarily of:
- direct costs, which consist principally of costs of tool components and subassemblies purchased from third-party vendors;
- compensation of personnel associated with our manufacturing operations, including stock-based compensation;
- depreciation of manufacturing equipment;
- other expenses attributable to our manufacturing department;
- inventory provision; and
- allocated overhead for rent and utilities.

We are not generally party to long-term purchasing agreements with suppliers. Please see "Item 1A. Risk Factors—Risks Related to Our Business and Our Industry—Our customers do not generally enter into long-term purchase commitments, and they may decrease, cancel or delay their projected purchases at any time."

As our customer base and tool installations continue to grow, we may need to hire additional manufacturing personnel. The rates at which we add customers and install tools will affect the level and time of this spending. In addition, because we often import components and spare parts from various foreign countries, we have experienced, and expect to continue to experience, the effect of currency fluctuations on our cost of revenue.

Gross Margin

We generally expect gross margin to range between 42% and 48% for the foreseeable future, with direct manufacturing costs approximating 50% to 55% of revenue and overhead costs totaling approximately 5% of revenue.

We seek to maintain our gross margin by continuing to develop proprietary technologies that avoid pricing pressure for our wet cleaning equipment. We actively manage our operations through principles of operational excellence designed to ensure continuing improvement in the efficiency and quality of our manufacturing operations by, for example, implementing factory constraint management and change control and inventory management systems. In addition, our purchasing department actively seeks to identify and negotiate supply contracts with improved pricing to reduce cost of revenue.

A significant portion of our raw materials are denominated in the RMB, while the majority of our purchase orders from customers are denominated in U.S. dollars. As a result, fluctuations in currency exchange rates may have a significant effect on our gross margin.

Operating Expenses

We have experienced, and expect to continue to experience, growth in the absolute dollar amount of our operating expenses, as we invest to support the anticipated growth of our customer base and the continued development of proprietary technologies.

Sales and Marketing

Sales and marketing expense consists primarily of:

- compensation of personnel associated with pre-sale and after-sale services and support and other sales and marketing activities, including stock-based compensation;
- sales commissions paid to independent sales representatives;
- fees paid to sales consultants;
- cost of trade shows;
- costs of tools built for promotional purposes for potential new customers;
- travel and entertainment; and
- rent and utilities.

Sales and marketing expense can be significant and may fluctuate, in part because of the resource-intensive nature of our sales efforts and the length and variability of our sales cycle. The length of our sales cycle, from initial contact with a customer to the fulfilling purchase order, is generally 6 to 24 months.

During the sales cycle, we expend significant time and money on sales and marketing activities, including educating customers about our tools, participating in extended tool evaluations and configuring our tools to customer-specific needs. Sales and marketing expense in a given period can be particularly affected by the increase in travel and entertainment expenses associated with the finalization of purchase orders or the installation of tools.

Research and Development

Research and development expense relates to the development of new products and processes and encompasses our research, development and customer support activities. Research and development expense consists primarily of:

- compensation of personnel associated with our research and development activities, including stock-based compensation;
- costs of components and other research and development supplies;
- costs of tools built for product development purposes;
- travel expense associated with the research of technical requirements for product development purposes and testing of concepts under consideration;
- amortization of costs of software used for research and development purposes; and
- allocated overhead for rent and utilities.

Some of our research and development has been funded by grants from the mainland China government, as described in "—mainland China Government Research and Development Funding" below.

General and Administrative

General and administrative expense consists primarily of:

- compensation of executive, accounting and finance, human resources, information technology, and other administrative personnel, including stock-based compensation;
- professional fees, including accounting and legal fees;
- other corporate expenses;
- credit losses; and
- allocated overhead for rent and utilities.

Stock-Based Compensation Expense

We grant stock options to employees and non-employee consultants and directors, and we account for those stock-based awards in accordance with ASC Topic 718, *Compensation—Stock Compensation*.

- Stock-based awards granted to employees and non-employees are measured at the fair value of the awards on the grant date and are recognized as expenses either (a) immediately on grant, if no vesting conditions are required, or (b) using the graded vesting method, net of estimated forfeitures, over the requisite service period. The fair value of stock options is determined using the Black-Scholes valuation model when there are service and performance condition attached, or the Monte Carlo valuation model when there is a market condition attached. Stock-based compensation expense, when recognized, is charged to cost of revenue or to the category of operating expense corresponding to the service function of the employee or non-employee.
- We also grant discounts to employees when they subscribe for new shares of ACM Shanghai.

Mainland China Government Research and Development Funding

ACM Shanghai and ACM Lingang periodically receive government grants for items associated with technology development and related facilities. The grants contain certain operating conditions, subject to government review upon completion of each specific project. The grants are recorded as long-term liabilities upon receipt, and subsequently recognized in statements of comprehensive income as follows:

- Government grants are credited to research & development expense in the periods in which the specific projects are completed. For the years ended December 31, 2025, 2024, and 2023, such credits to research & development expenses recognized in the consolidated statements of comprehensive income were $8.0 million, $0.5 million and $1.7 million, respectively.
- Government subsidies related to depreciable assets are credited to other income over the useful lives of the related assets for which the grant was received. Government subsidies related to VAT reduction are credited to other income in the period received. For the years ended December 31, 2025, 2024, and 2023, related government subsidies recognized as other income in the consolidated statements of comprehensive income were $1.4 million, $2.0 million, and $0.4 million, respectively.

Unearned government subsidies received are deferred for recognition and recorded as other long-term liabilities on our consolidated balance sheet until the criteria for such recognition have been satisfied. All of the company’s other long-term liabilities represent unearned government subsidies.

Net Income Attributable to Non-Controlling Interests

Net income attributable to non-controlling interests is attributable to the minority holders of shares of ACM Shanghai stock. As a result, we reflect the portion of our net income allocable to the minority holders of ACM Shanghai shares as net income attributable to non-controlling interests. As of December 31, 2025, ACM Research held 74.6% of ACM Shanghai’s outstanding shares.

Critical Accounting Estimates

In preparing our consolidated financial statements in conformity with GAAP, we make assumptions, judgments and estimates in applying our accounting policies that can have a significant impact on our revenue, operating income and net income, as well as on the value of certain assets and liabilities on our consolidated balance sheets. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. At least quarterly, we evaluate our assumptions, judgments and estimates and make changes as deemed necessary. Actual results could differ materially from these estimates under different assumptions or conditions.

We believe that the assumptions, judgments and estimates involved in the accounting for the following accounting policies have the greatest potential impact on our consolidated financial statements, and we therefore consider these to be our critical accounting estimates. For information on our significant accounting policies, see note 2 in the notes to consolidated financial statements.

Inventory

We assess the recoverability of inventories to determine if any adjustments are required. Our products each require a certain level of configuration, and the majority of work-in-process and finished goods inventory is built to fulfill specific customer orders for repeat shipments or first tool deliveries. Inventory provisions are primarily made for slow-moving inventories. Such estimates may differ from actual results, and these differences could have a material impact on the recorded inventory values.

Allowance for Credit Losses

Accounts receivables are reflected in our consolidated balance sheets at their estimated collectible amounts. A substantial majority of our accounts receivable are derived from sales to large multinational semiconductor manufacturers in Asia. We assess collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when we identify specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, we consider historical collectability based on past due status, the age of the accounts receivable balances, credit quality of our customers based on ongoing credit evaluations, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect our ability to collect from customers.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements we expect will have an impact when adopted, see note 2 in the Notes to Consolidated Financial Statements included herein under “Item 8. Financial Statements and Supplementary Data.”

Results of Operations

The following table sets forth our results of operations for the periods presented, as percentages of revenue.

	Year Ended December 31,		
	2025	**2024**	**2023**
Revenue	100.0 %	100.0 %	100.0 %
Cost of revenue	55.6	49.9	50.5
Gross margin	44.4	50.1	49.5
Operating expenses:			
Sales and marketing	8.5	8.4	8.4
Research and development	16.1	13.5	16.6
General and administrative	7.6	8.9	7.3
Total operating expenses, net	32.2	30.8	32.3
Income from operations	12.2	19.3	17.2
Interest income, net	0.9	0.7	1.0
Realized gain from sale of short-term investments	—	0.2	1.6
Unrealized gain (loss) on short-term investments	1.9	0.1	(0.5)
Other (expense) income, net	(1.1)	0.8	(0.3)
Income from equity method investments	1.1	0.1	1.8
Income before income taxes	15.0	21.2	20.8
Income tax expense	(1.5)	(4.5)	(3.5)
Net income	13.5	16.7	17.3
Less: Net income attributable to non-controlling interests	3.1	3.5	3.5
Net income attributable to ACM Research, Inc.	10.4 %	13.2 %	13.8 %

Comparison of Years Ended December 31, 2025, 2024, and 2023

Revenue

	Year Ended December 31,			% Change 2025 v 2024	% Change 2024 v 2023
	2025	2024	2023		
	(in thousands)				
Single wafer cleaning, Tahoe and semi-critical cleaning equipment	$ 625,964	$ 578,887	$ 403,851	8.1 %	43.3 %
ECP (front-end and packaging), furnace and other technologies	199,551	151,057	103,356	32.1 %	46.2 %
Advanced packaging (excluding ECP), services & spares	75,794	52,174	50,516	45.3 %	3.3 %
Total revenue by product category	$ 901,309	$ 782,118	$ 557,723	15.2 %	40.2 %

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Mainland China	$ 897,978	$ 775,752	$ 540,969
Other Regions	3,331	6,366	16,754
Total revenue by geographic region	$ 901,309	$ 782,118	$ 557,723

The increase in revenue for 2025 compared to 2024 reflects higher sales of single wafer cleaning, Tahoe and semi-critical cleaning equipment, and ECP (front-end and packaging), furnace and other technologies and advanced packaging (excluding ECP), services and spares. We attribute the increase to a longer-term commitment by our mainland China-based customers to increase production capacity to achieve a greater share of the global semiconductor market together with the market share changes and product cycles.

The increase in revenue for 2024 compared to 2023 was driven by higher sales of single wafer cleaning, Tahoe and semi-critical cleaning equipment, ECP (front-end and packaging), furnace and other technologies, and advanced packaging (excluding ECP), services & spares. We attribute the revenue growth to continued investments in mature process nodes by current and new mainland China-based customers amidst an ongoing target to achieve a greater share of the global semiconductor market, incremental contribution from our new products, and better penetration of our product portfolio across our customer base.

Cost of Revenue and Gross Margin

	Year Ended December 31,			% Change 2025 v 2024	% Change 2024 v 2023
	2025	2024	2023		
	(in thousands)				
Cost of revenue	$ 501,242	$ 390,564	$ 281,508	28.3 %	38.7 %
Gross profit	400,067	391,554	276,215	2.2 %	41.8 %
Gross margin	44.4 %	50.1 %	49.5 %	(570) bps	60 bps

Cost of revenue and gross profit increased in 2025 as compared to 2024 due to the increased sales volume, partly offset by a decrease in gross margin. The decrease in gross margin versus the prior-year period was primarily due to revenue mix between product categories, and a higher provision for inventory.

Cost of revenue and gross profit increased in 2024 as compared to 2023 due to the increased sales volume and an increase in gross margin. The increased gross margin versus the prior-year period was primarily due to improved gross margins for certain products and overall product mix.

Gross margin may vary from period to period, primarily related to the level of utilization and the timing and mix of revenue.

Operating Expenses

	Year Ended December 31,				
	2025	**2024**	**2023**	**% Change 2025 v 2024**	**% Change 2024 v 2023**
		(in thousands)			
Sales and marketing expense	$ 76,899	$ 65,447	$ 47,019	17.5 %	39.2 %
Research and development expense	144,989	105,473	92,709	37.5 %	13.8 %
General and administrative expense	68,750	69,636	40,648	(1.3)%	71.3 %
Total operating expenses	$ 290,638	$ 240,556	$ 180,376	20.8 %	33.4 %

Sales and marketing expense increased $11.5 million in 2025 as compared to 2024 reflecting increases of $8.4 million in personnel costs, $3.3 million in outside services and other expenses, and $3.7 million for commissions and travel, entertainment, and promotional tools, offset by a $3.9 million decrease in stock-based compensation.

Sales and marketing expense increased $18.4 million in 2024 as compared to 2023, reflecting increases of $8.4 million in personnel costs, $4.9 million in stock-based compensation, $4.4 million from travel and entertainment and commissions, and $0.7 million in professional & outside services and other expenses.

We expect that, for the foreseeable future, sales and marketing expense will increase in absolute dollars, as we continue to invest in sales and marketing by hiring additional employees and expanding marketing programs in existing or new markets. We must invest in sales and marketing processes to develop and maintain close relationships with customers. We are making dollar-based investments to support the growth of our customer base in the United States, and the relative strength of the dollar could have a significant effect on our sales and marketing expense.

Research and development expense increased $39.5 million 2025 as compared to 2024 reflecting increases of $26.7 million in costs of components for tools built for product development purposes, a $9.9 million in personnel costs, and $8.2 million in depreciation, outside services and other R&D-related costs, offset by a decrease of $5.3 million in stock-based compensation.

Research and development expense represented 16.1% and 13.5% of our revenue in the years ended December 31, 2025 and 2024, respectively. Without reduction by grant amounts received from mainland China governmental authorities (see “—mainland China Government Research and Development Funding”), gross research and development expense totaled $152.9 million, or 17.0% of total revenue, in the year ended December 31, 2024 as compared to $105.9 million, or 13.5% of revenue, in the corresponding period in 2024.

Research and development expense increased $12.8 million in 2024 as compared to 2023, reflecting increases of $10.1 million for personnel costs, $5.7 million in stock-based compensation, and $3.7 million in travel and entertainment and other costs to support product development, offset by decreases of $5.5 million in supplies and spares used in product development activities and a $1.2 million for outside services.

We expect that, for the foreseeable future, research and development expense will increase in absolute dollars as we continue to invest in research and development to advance our technologies. We intend to continue to invest in research and development to support and enhance our cleaning, plating, advanced packaging, furnace and future product offerings to build and maintain our technology leadership position.

General and administrative expense decreased $0.9 million in 2025 as compared to 2024, reflecting a $5.7 million decrease in stock-based compensation partially offset by increases of $3.6 million in personnel and professional services costs, $0.7 million in our allowance for credit losses, and $0.5 million in other costs related to general and administrative expenses.

General and administrative expense increased $29.0 million in 2024 as compared to 2023, reflecting increases of $10.8 million in allowance for credit losses, $10.7 million in stock-based compensation, $3.1 million in personnel costs and professional services, and $4.4 million for travel & entertainment, depreciation and amortization, outside services, taxes and other general and administrative expenses.

Stock-Based Compensation Expense

Cost of revenue and operating expenses during the periods presented below have included stock-based compensation as follows:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Cost of revenue	$ 1,343	$ 2,385	$ 1,406
Sales and marketing expense	6,629	10,552	5,684
Research and development expense	8,783	14,112	8,459
General and administrative expense	16,822	22,527	11,789
Total stock-based compensation expense	$ 33,577	$ 49,576	$ 27,338

Interest income, net and Other (expense) income, net

	Year Ended December 31,			% Change 2025 v 2024	% Change 2024 v 2023
	2025	2024	2023		
	(in thousands)				
Interest income	$ 14,639	$ 9,935	$ 8,354	47.3 %	18.9 %
Interest expense	(6,955)	(4,151)	(2,681)	67.5 %	54.8 %
Interest income, net	$ 7,684	$ 5,784	$ 5,673	32.8 %	2.0 %
Other (expense) income, net	$ (9,832)	$ 6,334	$ (1,558)	*	*

*Not meaningful.

Interest income, net, increased in 2025 compared to 2024. The change in interest income is a result of changes in balances of cash, cash equivalents, time deposits, while the change in interest expense is due to borrowings, together with changes in interest rates on the respective balances.

Interest income, net, increased slightly in 2024 compared to 2023, principally as a result of an increase in interest income due to increase in cash balances, offset by increase in interest expenses incurred from a higher balance of total bank loans.

Other (expense) income, net primarily reflects (a) gains or losses recognized from the impact of exchange rates on our foreign currency-denominated working-capital transactions and (b) government subsidies, as described under "—Government Research and Development Funding" above.

We realized $9.8 million of other expense in the year ended December 31, 2025, reflecting a $10.9 million loss from the impact of exchange rates on our working-capital, partially offset by $1.0 million from government subsidies. Refer to "Mainland China Government Research and Development Funding" above, and other factors for detail.

We realized $6.3 million of other income in the year ended December 31, 2024, reflecting $4.2 million in gains from the impact of exchange rates on transactions, and $2.1 million from government subsidies and other items, as compared to $2.0 million in losses from the impact of exchange rates on transactions, and $0.5 million from government subsidies in the corresponding period in 2023.

Realized gain and unrealized loss from short-term investments, and income from equity method investments

	Year Ended December 31,			% Change	% Change
	2025	2024	2023	2025 v 2024	2024 v 2023
	(in thousands)				
Realized gain from sale of short-term investments	$ 166	$ 1,788	$ 9,047	(90.7)%	(80.2)%
Unrealized gain (loss) on short-term investments	17,455	973	(2,737)	1,693.9 %	*
Income from equity method investments	10,290	423	9,952	2,332.6 %	(95.7)%

*Not meaningful.

We recorded a realized gain on short-term investments including dividends and net gains from sales of short-term investments.

We recorded a realized gain on sale of short-term investments of $1.8 million for the year ended December 31, 2024 as compared to a realized gain of $9.0 million for the same period in 2023 primarily due to the sales of ACM Shanghai's indirect investment in publicly traded shares in the 2023 fiscal year.

The unrealized gain (loss) is based on a change in market value of ACM Shanghai's short-term investments (note 12). Income from equity investments is derived from net income from investments in affiliates (note 11).

Income from equity method investments varies based upon the performance of our investments accounted for under the equity method. Refer to Long Term Investments (note 11), in our notes to our consolidated financial statements for details on these equity method investments.

Tax (expense) benefit

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Current:			
U.S. federal	$ (8,631)	$ (483)	$ (12,757)
U.S. state	(2)	(2)	(150)
Foreign	(19,632)	(29,120)	(19,696)
Total current tax (expense) benefit	(28,265)	(29,605)	(32,603)
Deferred:			
U.S. federal	652	(5,244)	7,316
U.S. state	—	(63)	63
Foreign	14,314	(119)	5,860
Total deferred tax benefit (expense)	14,966	(5,426)	13,239
Total income tax benefit (expense)	$ (13,299)	$ (35,031)	$ (19,364)

We recognized a tax expense of $13.3 million for the year ended December 31, 2025 as compared to a tax expense of $35 million for the prior year period. The decreased tax expense in 2025 primarily resulted from the tax effect of decreased operating profit generated.

As we collect and prepare necessary data, and interpret the guidance issued by the U.S. Treasury Department, the Internal Revenue Service, and other standard-setting bodies, we may make adjustments to the provisional amounts. Those adjustments may materially affect our provision for income taxes and effective tax rate in the period in which the adjustments are made.

Our effective tax rate differs from statutory rates of 21% for U.S. federal income tax purposes and 25% for mainland China income tax purposes due to the effects of the valuation allowance and certain permanent differences as it pertains to book-tax differences in the treatment of stock-based compensation and non-U.S. research expenses. Our four mainland China subsidiaries, ACM Shanghai, ACM Wuxi, ACM Beijing, and ACM Lingang, are liable for mainland China corporate income taxes at the rates of 15%, 25%, 25%, and 25%, respectively. Pursuant to the Corporate Income Tax Law of mainland China, our mainland China subsidiaries generally would be liable for mainland China corporate income taxes at a rate of 25%. According to Guoshuihan 2009 No. 203, an entity certified as an “advanced and new technology enterprise” is entitled to a preferential income tax rate of 15%. ACM Shanghai was certified as an “advanced and new technology enterprise” in 2012 and again in 2016, 2018, 2021 and 2024, effective until December 31, 2026. Certain entities which meet requirements according to the Policy of the Lingang New area in China (Shanghai) Pilot Free Trade Zone are entitled to a preferential income tax rate of 15%. ACM Lingang was certified for this in 2021, and this preferential income tax rate is valid from January 1, 2020 until December 31, 2024.ACM Lingang’s tax is expected to be exempt for first two profitable years after NOL utilization and half of thestatuatory tax rate for the next three years.

We file income tax returns in the United States and state and foreign jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits. Certain tax years are subject to foreign income tax examinations by tax authorities until the statute of limitations expire.

Net Income Attributable to Non-Controlling Interests

	Year Ended December 31,				
	2025	**2024**	**2023**	**% Change 2025 v 2024**	**% Change 2024 v 2023**
		(in thousands)			
Net income attributable to non-controlling interests	$ 27,815	$ 27,642	$ 19,503	0.6 %	41.7 %

ACM Research owns 74.6% of ACM Shanghai’s (note 1) outstanding shares which is reflected in our consolidated financial statements (note 2). We reflect the portion of net income allocable to the minority holders of ACM Shanghai shares as net income attributable to non-controlling interests.

Foreign currency translation adjustment

	Year Ended December 31,				
	2025	**2024**	**2023**	**% Change 2025 v 2024**	**% Change 2024 v 2023**
		(in thousands)			
Foreign currency translation adjustment	$ 33,335	$ (15,728)	$ (10,617)	*	48.1 %

*Not meaningful.

The foreign currency translation adjustment is primarily based on the net effect of RMB to dollar exchange rate fluctuations for the period on the converted value of ACM Shanghai’s RMB-denominated balances to U.S. dollar equivalents.

Comprehensive income attributable to non-controlling interests

	Year Ended December 31,			% Change 2025 v 2024	% Change 2024 v 2023
	2025	2024	2023		
	(in thousands)				
Comprehensive income attributable to non-controlling interests	$ 35,909	$ 26,365	$ 17,689	36.2 %	49.0 %

Comprehensive income attributable to non-controlling interests represents the portion of ACM Shanghai's operating results attributable to shares of ACM Shanghai stock held by unaffiliated shareholders.

Liquidity and Capital Resources

A detailed description of how cash is transferred through our organization is set forth under "note 2 – Summary of Significant Accounting Policies – Cash and Cash Equivalents" to the Consolidated Financial Statements of this report.

During the year ended December 31, 2025, we funded our technology development and operations principally through our beginning global cash balances, including the cash balances at ACM Shanghai, borrowings by ACM Shanghai from local financial institutions and our loan from China CITIC Bank. Cash and cash equivalents, restricted cash, short-term time deposits and long-term time deposits were $1,132.6 million at December 31, 2025, compared to $441.9 million at December 31, 2024. The $690.7 million increase was primarily driven by $742.5 million net cash provided by financing activities, $12.8 million from the effects of exchange rates on cash, cash equivalents and restricted cash, and $1.0 million from the effects of foreign exchange translation rates on time deposits, partially offset by $10.3 million used in operations and $55.3 million used in investing activities excluding the change in time deposits.

The table below represents the cash and cash equivalents, restricted cash, and time deposits as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
	(In thousands)	
Cash and cash equivalents, restricted cash, and time deposits:		
Cash and cash equivalents and restricted cash	$ 765,962	$ 411,310
Short-term time deposits	366,591	17,277
Long-term time deposits	–	13,275
Total	$ 1,132,553	$ 441,862

Our future working capital needs beyond the next twelve months will depend on many factors, including the rate of our business and revenue growth, the payment schedules of our customers, the timing and magnitude of our capital expenditures, and the timing of investment in our research and development as well as sales and marketing. We believe our existing cash and cash equivalents and short-term and long-term time deposits, our cash flow from operating activities, and bank borrowings by us and ACM Shanghai will be sufficient to meet our anticipated cash needs within our longer-term planning horizon.

ACM Shanghai has historically participated in certain mainland China government-sponsored grant and subsidy programs, as described under "—Key Components of Results of Operations—mainland China Government Research and Development Funding" and "—Contractual Obligations" and we expect that ACM Shanghai will continue to take advantage of these programs when they are available and fit with our business strategy. ACM Shanghai generally applies for these grants and subsidies through the applicable mainland China government agency's defined processes. Periodically, the public relations department researches the availability of these grants and subsidies through mainland China government agencies with whom ACM Shanghai files business surveys and taxes. Management of ACM Shanghai then assesses which grants and subsidies for which ACM Shanghai may be eligible and submits the relevant application. The decision to award the grant to ACM Shanghai is made by the relevant mainland China government agencies based on suitability and the merits of the application. Neither ACM Research, nor ACM Shanghai or any of our other subsidiaries, has any direct relationship with any mainland China government agency, and our anticipated cash needs for the next twelve months neither anticipate, nor require, receipt of any mainland China government grants or subsidies.

To the extent our cash and cash equivalents, cash flow from operating activities and short-term bank borrowings are insufficient to fund our future activities in accordance with our strategic plan, we may determine to raise additional funds through public or private debt or equity financings or additional bank credit arrangements. We also may need to raise additional funds in the event we determine in the future to effect one or more acquisitions of businesses, technologies and products. If additional funding is necessary or desirable, we may not be able to obtain bank credit arrangements or to affect an equity or debt financing on terms acceptable to us or at all.

Restrictions under mainland China laws and regulations as well as restrictions under ACM Shanghai's bank loan agreements, may significantly restrict ACM Shanghai's ability to transfer a portion of ACM Shanghai's net assets to ACM Research, other subsidiaries of ACM Research and to holders of ACM Research Class A common stock. See "Item 1A. Risk Factors–Regulatory Risks–Mainland China's currency exchange control and government restrictions on investment repatriation may impact our ability to transfer funds outside of mainland China, which could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, otherwise fund and conduct our business, or pay dividends on our common stock."

For the years ended December 31, 2025, 2024, and 2023, with the exception of sales and services-related transfer-pricing payments in the ordinary course of business, and dividends paid by ACM Shanghai to ACM Research, no transfers or distributions have been made between ACM Research, and its subsidiaries, including ACM Shanghai, or to holders of ACM Research Class A common stock.

Our cash and cash equivalents at December 31, 2025 were held for working capital purposes and other potential investments. ACM Shanghai, our only direct mainland China subsidiary, is, however, subject to mainland China restrictions on distributions to equity holders. The use of proceeds raised by Private Offering and the STAR Market IPO and Private Offering without further approvals, are limited to specific usage. We currently intend for ACM Shanghai to retain all available funds from any future earnings for use in the operation of its business and do not anticipate it paying any cash dividends. Our accounts receivable balance fluctuates from period to period, which affects our cash flow from operating activities. Fluctuations vary depending on cash collections, client mix, and the timing of shipment and acceptance of our tools.

ACM Research has never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings to support the operation of and to finance the growth and development of our business and do not anticipate paying any cash dividends in the foreseeable future.

Cash Flow from Operating Activities. Net cash (used in) provided by operating activities during the year ended December 31, 2025, 2024, and 2023 consisted of:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Net income	$ 121,893	$ 131,269	$ 96,852
Non-cash operating lease cost	4,544	3,815	3,580
Provision for inventory	15,485	2,796	575
Provision for credit losses	14,498	13,517	2,741
Depreciation and amortization	16,328	9,967	8,092
Realized gain on short-term investments	(112)	(1,788)	(9,047)
Income from equity method investments	(10,290)	(423)	(9,952)
Unrealized (gain) loss on short-term investments	(17,455)	(973)	2,737
Deferred income taxes	(14,375)	5,286	(13,647)
Stock-based compensation	33,577	49,576	27,338
Others	1,309	945	(2)
Dividends from unconsolidated affiliates	2,100	1,529	—
Net changes in operating assets and liabilities	(177,827)	(63,066)	(184,590)
Net cash (used in) provided by operating activities	$ (10,325)	$ 152,450	$ (75,323)

Significant changes in operating asset and liability accounts during the year-ended December 31, 2025 included the following uses of cash: an increase in inventories of $108.2 million (note 5), an increase in accounts receivable of $116.1 million (note 4), and a decrease in customer advances of $60.8 million (note 3). As described under "—Key Components of Results of Operations—Mainland China Government Research and Development Funding," ACM Shanghai and ACM Lingang have received research and development grants from local and central mainland China governmental authorities. ACM Lingang received cash payments of $10.3 million related to such grants in the year ended December 31, 2025. The uses of cash are offset by the following significant sources of cash: an increase in other payables and accrued expenses of $27.1 million and an increase in accounts payable of $67.9 million.

Significant changes in operating asset and liability accounts during the year-ended December 31, 2024, included the following uses of cash: increases of inventories of $64.1 million, and an increase of accounts receivable of $123.3 million. As described under "—Key Components of Results of Operations—Mainland China Government Research and Development Funding," As noted above, ACM Lingang received grants of $3.9 million in the year ended December 31, 2024. The uses of cash are offset by the following significant sources of cash: an increase in advances from customers of $67.1, an increase in other payables and accrued expenses of $23.2 million, an increase in FIN-48 and income taxes payable of $13.7 million, and an increase in accounts payable of $1.4 million.

Cash Flow Used in Investing Activities.

Net cash used in investing activities for the year ended December 31, 2025, excluding time deposits and long-term investment activities, was $55.3 million, primarily consisting of $57.7 million of purchases of property and equipment and intangible assets, offset by $2.1 million net proceeds from the sale of short-term investments.

Net cash used in investing activities for the year ended December 31, 2024, excluding time deposits and long-term investment activities, was $103.8 million, primarily consisting of $85.9 million for purchases of property and equipment and intangible assets, $24.9 million for purchases of long-term investments and $1.4 million for purchases of equity investments, partly offset by $8.4 million of net proceeds from the sale of short-term investments.

Cash Flow Provided by Financing Activities.

Net cash provided by financing activities for the year ended December 31, 2025 was $742.5 million, primarily consisting of $623.0 in net proceeds to ACM Shanghai from the Private Offering, $206.7 million in net proceeds from short and long-term borrowings, and $34.8 million in proceeds from the exercise of stock options, offset by ($107.6 million) of short-term and long-term loan repayments, ($7.6 million) of dividends paid by ACM Shanghai, and ($7.0 million) for the repurchase of shares of stock of ACM Shanghai.

Net cash provided by financing activities for the year ended December 31, 2024 was $92.5 million, primarily consisting of $130.2 million of net proceeds from short and long-term borrowings, and $11.1 million in proceeds from the exercise of stock options, offset by ($41.9 million) of short-term and long-term loan repayments, and ($6.9 million) of dividends paid by ACM Shanghai.

We and ACM Shanghai, together with the subsidiaries of ACM Shanghai, have short-term and long-term borrowings with the following lenders, as follows:

Lender	Agreement Date	Maturity Date	Annual Interest Rate	Maximum Borrowing Amount(1)	Amount Outstanding at December 31, 2025
				(in thousands)	
China CITIC Bank (2)	January 2025	Repayable by installments and the last installments repayable in January 2028	3.60 %	RMB200,000	RMB199,980
				$ 28,460	$ 28,460
China Everbright Bank	December 2024	September 2027	2.60 %	RMB600,000	RMB399,207
				$ 85,380	$ 56,806
China Merchants Bank	December 2025	December 2026	2.11%-2.28%	RMB500,000	RMB320,192
				$ 71,150	$ 45,563
Bank of China	September 2025	September 2026	2.30%-2.62%	RMB400,000	RMB340,734
				$ 56,920	$ 48,487
Industrial and Commercial Bank of China	November 2024	November 2027	2.25 %	RMB300,000	RMB299,195
				$ 42,690	$ 42,576
China Merchants Bank (3)	November 2020	Repayable by installments and the last installments repayable in November 2030	2.95 %	RMB128,500	RMB69,676
				$ 18,080	$ 9,915
Agricultural Bank of China	April 2024	Repayable by installments and the last installments repayable in April 2034	2.43%-2.78%	RMB300,000	RMB295,204
				$ 42,690	$ 42,008
Bank of Shanghai	June, 2025	June, 2026	2.11 %	RMB100,000	NIL
				$ 14,230	$ —
China CITIC Bank	August 2023	September 2026	2.11 %	RMB100,000	RMB100,059
				$ 14,230	$ 14,238
				$ 373,830	$ 288,053

(1) Converted from RMB to dollars as of December 31, 2025.
(2) This China CITIC bank facility agreement is with ACM Research, Inc.

(3) The loan from China Merchants Bank is secured by a pledge of the property of ACM Lingang and guaranteed by ACM Shanghai, as described above under "—Contractual Obligations."

Effect of exchange rate changes on cash, cash equivalents and restricted cash. The impact of fluctuations of the RMB to U.S. dollar currency exchange rate in RMB-denominated accounts (note 2) contributed to a $12.8 million increase in the value of these items during the year ended December 31, 2025.

Contractual Obligations

Grant Contract for State-owned Construction Land Use Right in Shanghai City

In 2020 ACM Shanghai, through its wholly-owned subsidiary ACM Lingang, entered into a Grant Contract for State-owned Construction Land Use Right in Shanghai City (Category of R&D Headquarters and Industrial Projects), or the Grant Agreement, with the China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area Administration, or the Grantor. ACM Lingang obtained rights to use approximately 43,000 square meters (10.6 acres) of land in the East China Silicon Hub of Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone, or the Land Use Right, for a period of fifty years, commencing on the date of delivery of the land in July 2020, which we refer to as the Delivery Date. In exchange for its land use rights, ACM Lingang paid aggregate grant fees of RMB 61.7 million ($9.5 million), or the Grant Fees, and a performance deposit of RMB 12.3 million ($1.9 million), related to the achievement of the certain performance milestones. As of December 31 2025, ACM Lingang had officially achieved the milestones, and the performance deposit has been refunded in full (note 9).

In addition to the milestones, covenants in the Grant Agreement require that, among other things, ACM Lingang will be required to pay liquidated damages in the event that within seven years after the Delivery Date, or prior to July 9, 2027, it does not (i) generate a minimum specified amount of annual sales of products manufactured on the granted land or (ii) pay at least RMB 157.6 million ($22.2 million) in annual total taxes (including value-added taxes, corporate income tax, personal income taxes, urban maintenance and construction taxes, education surcharges, stamp taxes, and vehicle and shipping taxes) as a result of operations in connection with the granted land.

If the total tax revenue of the project fails to reach, but is no less than, 80% of the standard amount agreed under the Grant Agreement, ACM Lingang shall pay 20% of the actual shortfall amount of the tax revenue as liquidated damages. If the total tax revenue of the project fails to reach 80% of the standard agreed under the Grant Agreement within 1 month after the agreed date of reaching target production, the Grantor is entitled to terminate the Grant Agreement, take back the Land Use Right, and shall refund the Grant Fees for the remaining land use term to ACM Lingang.

If the Grant Agreement is terminated because of breach of any terms above, the Grantor shall take back the buildings, fixtures and auxiliary facilities on the land area and provide ACM Lingang with corresponding compensation according to the residual value of the buildings, fixtures and auxiliary facilities when they are taken back.

How We Evaluate Our Operations

We present information below with respect to four measures of financial performance:

- We define "shipments" of tools to include (a) a "repeat" delivery to a customer of a type of tool that the customer has previously accepted, for which we recognize revenue upon delivery, and (b) a "first-time" delivery of a "first tool" to a customer on an approval basis, for which we may recognize revenue in the future if contractual conditions are met, or if a purchase order is received.
- We define "adjusted EBITDA" as net income excluding interest expense (net), income tax benefit (expense), depreciation and amortization, unrealized (gain) loss on short-term investments, and stock-based compensation. We define adjusted EBITDA to also exclude restructuring costs, although we have not incurred any such costs to date.
- We define "free cash flow" as net cash provided by operating activities less purchases of property and equipment (net of proceeds from disposals).
- We define "adjusted operating income (loss)" as our income (loss) from operations excluding stock-based compensation.

These financial measures are not based on any standardized methodologies prescribed by accounting principles generally accepted in the United States, or GAAP, and are not necessarily comparable to similarly titled measures presented by other companies.

We have presented shipments, adjusted EBITDA, free cash flow and adjusted operating income (loss) because they are key measures used by our management and board of directors to understand and evaluate our operating performance, to establish budgets and to develop operational goals for managing our business. We believe that these financial measures help identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude. In particular, we believe that the exclusion of the expenses eliminated in calculating adjusted EBITDA and adjusted operating income (loss) can provide useful measures for period-to-period comparisons of our core operating performance and that the exclusion of property and equipment purchases from operating cash flow can provide a usual means to gauge our capability to generate cash. Accordingly, we believe that these financial measures provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by our management in its financial and operational decision-making.

Shipments, adjusted EBITDA, free cash flow and adjusted operating income (loss) are not prepared in accordance with GAAP, and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP.

Shipments

We consider shipments a key operating metric as it reflects the total value of products delivered to customers and prospective customers by our productive assets.

Shipments consist of two components:

- a shipment made to a customer that have previously accepted a specific type of tool (“repeat shipments”), revenues are recognized upon shipment or delivery because the Company can objectively demonstrate that the tools meet all the required customer specifications; and
- a shipment to a customer of a type of tool that the customer is receiving and evaluating for the first time, in each case a “first tool,” for which we may recognize revenue at a later date, subject to the customer’s acceptance of the tool upon the tool’s satisfaction of applicable contractual requirements or subject to the customer’s subsequent discretionary commitment to purchase the tool.

“First tool” shipments can be made to either an existing customer that has not previously accepted that specific type of tool in the past ─ for example, a delivery of a SAPS V tool to a customer that previously had received only SAPS II tools ─ or to a new customer that has never purchased any tool from us.

Shipments for the years ended December 31, 2025, 2024, and 2023 totaled $854 million, $973 million, and $596 million, respectively. Repeat tool shipments in the years ended December 31, 2025, 2024, and 2023 totaled $466 million, $505 million, and $310 million, respectively. First tool shipments for the years ended December 31, 2025, 2024, and 2023 totaled $388 million, $468 million, and $286 million, respectively.

The dollar amount attributed to a “first tool” shipment is equal to the consideration we expect to receive if any and all contractual requirements are satisfied and the customer accepts the tool, or if the customer subsequently determines in its discretion to purchase the tool. There are a number of limitations related to the use of shipments in evaluating our business, including that customers have significant, or in some cases total, discretion in determining whether to accept or purchase our tools after evaluation and their decision not to accept or purchase delivered tools is likely to result in our inability to recognize revenue from the delivered tools. “First tool” shipments reflect the value of incremental new products under evaluation delivered to our customers or prospective customers for a given period and is used as an internal key metric to reflect future potential revenue opportunity. The cumulative cost of “first tool” shipments under evaluation at customers which have not been accepted by the customer is carried at cost and reflected in finished goods inventory (see note 5 to the consolidated financial statements included in this report). “First tool” shipments exclude deliveries to customers for which ACM does not have a basis to expect future revenue.

Adjusted EBITDA

There are a number of limitations related to the use of adjusted EBITDA rather than net income (loss), which is the nearest GAAP equivalent. Some of these limitations are:

- adjusted EBITDA excludes depreciation and amortization and, although these are non-cash expenses, the assets being depreciated or amortized may have to be replaced in the future;

- we exclude stock-based compensation expense from adjusted EBITDA and adjusted operating income (loss), although (a) it has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy and (b) if we did not pay out a portion of our compensation in the form of stock-based compensation, the cash salary expense included in operating expenses would be higher, which would affect our cash position;
- the expenses and other items that we exclude in our calculation of adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA when they report their operating results;
- adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- adjusted EBITDA does not reflect interest expense, or the requirements necessary to service interest or principal payments on debt;
- adjusted EBITDA does not reflect income tax expense (benefit) or the cash requirements to pay taxes;
- adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements; and
- adjusted EBITDA includes expense reductions and non-operating other income attributable to mainland China governmental grants, which may mask the effect of underlying developments in net income, including trends in current expenses and interest expense, and free cash flow includes the mainland China governmental grants, the amount and timing of which can be difficult to predict and are outside our control.

The following table reconciles net income, the most directly comparable GAAP financial measure, to adjusted EBITDA:

	Year Ended December 31,				
	2025	**2024**	**2023**	**% Change 2025 v 2024**	**Absolute Change 2025 v 2024**
		(in thousands)			
Adjusted EBITDA Data:					
Net Income	$ 121,893	$ 131,269	$ 96,852	(7.1)%	$ (9,376)
Interest income, net	(7,684)	(5,784)	(5,673)	32.8 %	(1,900)
Income tax expense	13,299	35,031	19,364	(62.0)%	(21,732)
Depreciation and amortization	16,328	9,967	8,092	63.8 %	6,361
Stock based compensation	33,577	49,576	27,338	(32.3)%	(15,999)
Unrealized (gain) loss on short-term investments	(17,455)	(973)	2,737	1,693.9 %	(16,482)
Adjusted EBITDA	$ 159,958	$ 219,086	$ 148,710	(27.0)%	$ (59,128)

We do not exclude from adjusted EBITDA expense reductions and non-operating other income attributable to mainland China governmental grants because we consider and incorporate the expected amounts and timing of those grants in incurring expenses and capital expenditures. If we did not receive the grants, our cash expenses therefore would be lower, and our cash position would not be affected to the extent we have accurately anticipated the amounts of the grants. For additional information regarding our mainland China grants, please see "—Key Components of Results of Operations—Mainland China Government Research and Development Funding."

Free Cash Flow

The following table reconciles net cash from operating activities, the most directly comparable GAAP financial measure, to free cash flow:

	Year Ended December 31,				
	2025	**2024**	**2023**	**% Change 2025 v 2024**	**Absolute Change 2025 v 2024**
	(in thousands)				
Free Cash Flow Data:					
Net cash (used in) provided by operating activities	$ (10,325)	$ 152,450	$ (75,323)	(106.8)%	$ (162,775)
Purchases of property and equipment	(56,283)	(82,463)	(61,876)	(31.7)%	26,180
Purchases of short-term and long-term investments	(484)	(26,264)	(25,864)	(98.2)%	25,780
Free cash flow	$ (67,092)	$ 43,723	$ (163,063)	(253.4)%	$ (110,815)

The changes in free cash flow for the years ended December 31, 2025, 2024, and 2023 reflect the factors driving net cash used in operating activities, purchases of property and equipment and purchases of short-term and long-term investments. Consistent with our methodology for calculating adjusted EBITDA, we do not adjust free cash flow for the effects of mainland China government subsidies, because we take those subsidies into account in incurring expenses and capital expenditures. We do not adjust free cash flow for the effects of time-deposits, which for our internal purposes are considered as largely similar to cash.

Adjusted Operating Income

Adjusted operating income excludes stock-based compensation from income from operations. Although stock-based compensation is an important aspect of the compensation of our employees and executives, determining the fair value of certain of the stock-based instruments we utilize involves a high degree of judgment and estimation and the expense recorded may bear little resemblance to the actual value realized upon the vesting or future exercise of the related stock-based awards. Furthermore, unlike cash compensation, the value of stock options, which is an element of our ongoing stock-based compensation expense, is determined using a complex formula that incorporates factors, such as market volatility, that are beyond our control. Management believes it is useful to exclude stock-based compensation in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies. The use of non-GAAP financial measures excluding stock-based compensation has limitations. If we did not pay out a portion of our compensation in the form of stock-based compensation, the cash salary expense included in operating expenses would be higher and our cash holdings would be less. The following tables reflect the exclusion of stock-based compensation, or SBC, from line items comprising income from operations:

	Year Ended December 31,								
	2025			2024			2023		
	Actual (GAAP)	SBC	Adjusted (Non-GAAP)	Actual (GAAP)	SBC	Adjusted (Non-GAAP)	Actual (GAAP)	SBC	Adjusted (Non-GAAP)
	(in thousands)								
Revenue	$ 901,309	$ -	$ 901,309	$ 782,118	$ -	$ 782,118	$ 557,723	$ -	$ 557,723
Cost of revenue	(501,242)	(1,343)	(499,899)	(390,564)	(2,385)	(388,179)	(281,508)	(1,406)	(280,102)
Gross profit	400,067	(1,343)	401,410	391,554	(2,385)	393,939	276,215	(1,406)	277,621
Operating expenses:									
Sales and marketing	(76,899)	(6,629)	(70,270)	(65,447)	(10,552)	(54,895)	(47,019)	(5,684)	(41,335)
Research and development	(144,989)	(8,783)	(136,206)	(105,473)	(14,112)	(91,361)	(92,709)	(8,459)	(84,250)
General and administrative	(68,750)	(16,822)	(51,928)	(69,636)	(22,527)	(47,109)	(40,648)	(11,789)	(28,859)
Income (loss) from operations	$ 109,429	$ (33,577)	$ 143,006	$ 150,998	$ (49,576)	$ 200,574	$ 95,839	$ (27,338)	$ 123,177

Adjusted operating income for the year ended December 31, 2025, as compared with the year ended December 31, 2024, decreased by $57.6 million due to a $41.6 million decrease in income from operations and a $16.0 million decrease in stock-based compensation expense. Adjusted operating income for the year ended December 31, 2024, as compared with the year ended December 31, 2023, increased by $77.4 million due to a $55.2 million increase in income from operations and a $22.2 million increase in stock-based compensation expense.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a result of our operating, investing and financing activities, we are exposed to market risks such as interest rate risk and foreign currency exchange rate risk. We are also exposed to credit risk as a result of our normal business activities.

Foreign Currency Exchange Risk

Our consolidated financial statements are presented in U.S. dollars, which is our reporting currency, while the functional currency of our subsidiaries in mainland China is RMB, and the functional currency of our subsidiary in Korea is the Korean Won, or the KRW. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transactions. Any difference between the initially recorded amount and the settlement amount is recorded as a gain or loss on foreign currency transaction in our consolidated statements of comprehensive income. Monetary assets and liabilities denominated in a foreign currency are translated at the functional currency rate of exchange as of the date of a consolidated balance sheet. Any difference is recorded as a gain or loss on foreign currency translation in the appropriate consolidated statement of operations. In accordance with ASC Topic 830, Foreign Currency Matters, we translate the assets and liabilities into U.S. dollars from RMB using the rate of exchange prevailing at the applicable balance sheet date and the consolidated statements of comprehensive income and cash flows are translated at an average rate during the reporting period. Adjustments resulting from the translation are recorded in stockholders' equity as part of accumulated other comprehensive income.

The majority of our business is conducted through our ACM Shanghai subsidiary that manufactures and sells our products in various global markets, and we also have operations in Korea, the Taiwan Region, the United States, and other countries. We sell the majority of our products in transactions denominated in U.S. dollars; however, we purchase raw materials, pay wages, and make payments to our supply chain in foreign currencies, primarily RMB, and also the KRW. As a result, our earnings, cash flows and cash balances are exposed to fluctuations in foreign currency exchange rates. For example, because of our significant manufacturing operations in mainland China, a weakening RMB is advantageous and a strengthening RMB is disadvantageous to our financial results. At this time, we have not established a formal hedging policy to attempt to reduce the inherent risks of potential currency fluctuations on our global operations. We report the impact of foreign exchange fluctuations in the other (expense) income, net line item of our Consolidated Statements of

Comprehensive Income statements. For 2025, 2024, and 2023, the effect of fluctuations of foreign currencies contributed realized gains (losses) of $(10.9 million), $4.2 million, and $(2.0 million), respectively.

The mainland China government imposes significant exchange restrictions on fund transfers out of mainland China that are not related to business operations. To date these restrictions have not had a material impact on us because we have not engaged in any significant transactions that are subject to the restrictions.

Interest Rate Risk

As of December 31, 2025, 2024, and 2023, the balance of our short term bank borrowings (see note 8 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."), mature at various dates within the following year and do not expose us to interest rate risk. As of December 31, 2025, the balance of our long-term borrowings (see note 10 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data.") carries a fixed interest rated and we may be exposed to fair value interest rate risk.

We have implemented policies and procedures to measure, manage, monitor and report risk exposures, which are reviewed regularly by management and the board of directors. We identify risk exposures and monitor and manage such risks on an ongoing basis.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of ACM Research, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of ACM Research, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 2, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Revenue Recognition
Description of the Matter	As described in Note 2 to the consolidated financial statements, the Company recognizes revenue from tools at a point in time, when the Company has satisfied its performance obligation. For shipments made to a customer that has not previously accepted a specific type of tool ("first tools"), revenues are recognized when the tools are accepted by the customer. For shipments made to a customer that have previously accepted a specific type of tool ("repeat shipments"), revenues are recognized upon shipment or delivery because the Company can objectively demonstrate that the tools meet all the required customer specifications. Auditing the Company's revenue recognition was challenging due to the substantial effort required to identify repeat shipments, and to evaluate the sufficiency of the audit evidence obtained.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's revenue process. For example, we tested the control over the Company's analysis to determine whether the repeat shipments identified have been previously accepted by the same customer. To test the Company's identification of repeat shipments, we performed audit procedures that included, among others, direct inquiries with personnel from the finance, sales and engineering departments to understand the Company's identification process for repeat shipments. We applied judgment to determine the nature and extent of audit procedures, and tested all sales transactions classified as repeat shipments during the year. To evaluate the accuracy of the Company's identification of repeat shipments, we inspected customer acceptance confirmations for similar tools previously sold to the same customer and cross compared the respective contracts with those of the repeat shipments. We evaluated the sufficiency of the audit evidence gathered based on the results of the procedures performed over repeat shipments, including an assessment of the appropriateness of the nature and extent of audit effort.

/s/ Ernst & Young Hua Ming LLP

We have served as the Company's auditor since 2023.

Shanghai, the People's Republic of China

March 2, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of ACM Research, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited ACM Research, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, ACM Research, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated March 2, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young Hua Ming LLP

Shanghai, the People's Republic of China

March 2, 2026

ACM RESEARCH, INC.
Consolidated Balance Sheets
(In thousands)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents (note 2)	$ 757,373	$ 407,445
Restricted cash	8,589	3,865
Short-term time deposits (note 2)	366,591	17,277
Short-term investments (note 12)	35,524	19,373
Accounts receivable, net (note 4)	504,250	387,045
Other receivables	48,655	41,859
Inventories, net (note 5)	702,631	597,984
Advances to related parties (note 13)	2,500	1,024
Prepaid expenses and other current assets	10,567	7,507
Total current assets	2,436,680	1,483,379
Property, plant and equipment, net (note 6)	314,830	269,272
Operating lease right-of-use assets, net (note 19)	17,925	14,038
Intangible assets, net	2,847	3,461
Long-term time deposits (note 2)	—	13,275
Deferred tax assets (note 16)	29,389	14,781
Long-term investments (note 11)	66,035	37,063
Other long-term assets (note 7)	4,479	20,452
Total assets	$ 2,872,185	$ 1,855,721
Liabilities and Equity		
Current liabilities:		
Short-term borrowings (note 8)	$ 74,041	$ 32,814
Current portion of long-term borrowings (note 10)	35,082	44,472
Related parties accounts payable (note 13)	32,060	16,133
Accounts payable	215,440	139,294
Advances from customers	187,809	243,949
Deferred revenue	17,388	8,537
Income taxes payable (note 16)	991	12,779
FIN-48 payable (note 16)	27,719	19,466
Other payables and accrued expenses (note 9)	150,396	121,657
Current portion of operating lease liabilities	4,786	2,132
Total current liabilities	745,712	641,233
Long-term borrowings (note 10)	178,930	105,525
Long-term operating lease liabilities	5,069	3,840
Other long-term liabilities	11,965	9,217
Total liabilities	941,676	759,815
Commitments and contingencies (note 18)		
Equity:		
Stockholders' equity:		
Class A Common stock (note 14)	6	6
Class B Common stock (note 14)	1	1
Additional paid-in capital	1,115,504	677,476
Retained earnings	350,428	260,000
Statutory surplus reserve (note 2)	34,164	30,514
Accumulated other comprehensive loss	(35,740)	(63,372)
Total ACM Research, Inc. stockholders' equity	1,464,363	904,625
Non-controlling interests	466,146	191,281
Total equity	1,930,509	1,095,906
Total liabilities and equity	$ 2,872,185	$ 1,855,721

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

ACM RESEARCH, INC.
Consolidated Statements of Comprehensive Income

(In thousands, except share and per share data)

	Year Ended December 31,		
	2025	2024	2023
Revenue (note 3)	$ 901,309	$ 782,118	$ 557,723
Cost of revenue, including cost of revenue from related parties of $62,498, $39,313, and $31,240 for the years ended December 31, 2025, 2024, and 2023, respectively (note 13)	501,242	390,564	281,508
Gross profit	400,067	391,554	276,215
Operating expenses:			
Sales and marketing	76,899	65,447	47,019
Research and development	144,989	105,473	92,709
General and administrative	68,750	69,636	40,648
Total operating expenses	290,638	240,556	180,376
Income from operations	109,429	150,998	95,839
Interest income	14,639	9,935	8,354
Interest expense	(6,955)	(4,151)	(2,681)
Realized gain from sale of short-term investments	166	1,788	9,047
Unrealized gain (loss) on short-term investments	17,455	973	(2,737)
Other (expense) income, net	(9,832)	6,334	(1,558)
Income from equity method investments	10,290	423	9,952
Income before income taxes	135,192	166,300	116,216
Income tax expense (note 16)	(13,299)	(35,031)	(19,364)
Net income	121,893	131,269	96,852
Less: Net income attributable to non-controlling interests	27,815	27,642	19,503
Net income attributable to ACM Research, Inc.	$ 94,078	$ 103,627	$ 77,349
Comprehensive income:			
Net income	$ 121,893	$ 131,269	$ 96,852
Foreign currency translation adjustment, net of tax	33,335	(15,728)	(10,617)
Unrealized gain on available-for-sale investments, net of tax	2,391	428	—
Comprehensive income	157,619	115,969	86,235
Less: Comprehensive income attributable to non-controlling interests	35,909	26,365	17,689
Comprehensive income attributable to ACM Research, Inc.	$ 121,710	$ 89,604	$ 68,546
Net income per common stock (note 2):			
Basic	$ 1.47	$ 1.67	$ 1.29
Diluted	$ 1.37	$ 1.53	$ 1.16
Weighted average common stock outstanding used in computing per share amounts (note 2):			
Basic	64,184,776	62,212,569	60,164,670
Diluted	67,311,893	66,237,424	64,870,543

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

ACM RESEARCH, INC.
Consolidated Statement of Changes in Stockholders' Equity
(In thousands, except share and per share data)

	Common Stock Class A		Common Stock Class B							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Statutory Surplus Reserve	Accumulated Other Comprehensive (Loss)	Non-controlling Interests	Total Equity
Balance at December 31, 2022	**54,655,286**	**$ 5**	**5,021,811**	**$ 1**	**$ 604,089**	**$ 94,426**	**$ 16,881**	**$ (40,546)**	**$ 137,315**	**$ 812,171**
Cumulative effect of change in accounting principle under ASC 326, net of tax	—	—	—	—	—	(1,769)	—	—	—	(1,769)
Net income	—	—	—	—	—	77,349	—	—	19,503	96,852
Appropriation to statutory surplus reserves	—	—	—	—	—	(13,179)	13,179	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	(8,803)	(1,814)	(10,617)
Exercise of stock options	1,380,886	1	—	—	2,303	—	—	—	3,834	6,138
Stock-based compensation	—	—	—	—	23,453	—	—	—	3,885	27,338
ACM Shanghai dividends	—	—	—	—	—	—	—	—	(3,951)	(3,951)
Balance at December 31, 2023	**56,036,172**	**6**	**5,021,811**	**1**	**629,845**	**156,827**	**30,060**	**(49,349)**	**158,772**	**926,162**
Net income	—	—	—	—	—	103,627	—	—	27,642	131,269
Appropriation to statutory surplus reserves	—	—	—	—	—	(454)	454	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	(14,373)	(1,355)	(15,728)
Exercise of stock options	1,902,713	—	—	—	5,990	—	—	—	5,109	11,099
Stock-based compensation	—	—	—	—	41,641	—	—	—	7,935	49,576
ACM Shanghai dividends		—	—	—	—	—	—	—	(6,900)	(6,900)
Unrealized gain on available-for-sale investments	—	—	—	—	—	—	—	350	78	428
Balance at December 31, 2024	**57,938,885**	**6**	**5,021,811**	**1**	**677,476**	**260,000**	**30,514**	**(63,372)**	**191,281**	**1,095,906**
Net income	—	—	—	—	—	94,078	—	—	27,815	121,893
Appropriation to statutory surplus reserves	—	—	—	—	—	(3,650)	3,650	—	—	—
Repurchase of ACM Shanghai's shares	—	—	—	—	(4,759)	—	—	—	(2,229)	(6,988)
Issuance of shares by ACM Shanghai	—	—	—	—	390,170	—		—	232,794	622,964
Foreign currency translation adjustment	—	—	—	—	—	—	—	25,848	7,487	33,335
Exercise of stock options	2,651,132	—	—	—	24,770	—	—	—	9,997	34,767
Stock-based compensation	—	—	—	—	27,847	—	—	—	5,730	33,577
Capital contribution by non-controlling shareholder	—	—	—	—	—	—	—	—	242	242
ACM Shanghai dividends	—	—	—	—	—	—	—	—	(7,578)	(7,578)
Unrealized gain on available-for-sale investments	—	—	—	—	—	—	—	1,784	607	2,391
Balance at December 31, 2025	**60,590,017**	**$ 6**	**5,021,811**	**$ 1**	**$ 1,115,504**	**$ 350,428**	**$ 34,164**	**$ (35,740)**	**$ 466,146**	**$ 1,930,509**

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

ACM RESEARCH, INC.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 121,893	$ 131,269	$ 96,852
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Non-cash operating lease cost	4,544	3,815	3,580
Depreciation and amortization	16,328	9,967	8,092
Realized gain on short-term investments	(112)	(1,788)	(9,047)
Income from equity method investments	(10,290)	(423)	(9,952)
Unrealized (gain) loss on short-term investments	(17,455)	(973)	2,737
Inventory provision	15,485	2,796	575
Provision for credit losses	14,498	13,517	2,741
Deferred income taxes	(14,375)	5,286	(13,647)
Stock-based compensation	33,577	49,576	27,338
Dividends from unconsolidated affiliates	2,100	1,529	—
Others	1,309	945	(2)
Net changes in operating assets and liabilities:			
Accounts receivable	(116,127)	(123,277)	(108,749)
Other receivables	(1,747)	(3,812)	(4,213)
Inventories	(108,218)	(64,135)	(164,027)
Advances to related parties (note 13)	(1,476)	1,408	890
Prepaid expenses and other current assets	(2,587)	11,911	(5,075)
Other long-term assets	(947)	—	—
Related parties accounts payable (note 13)	15,927	4,726	(3,061)
Accounts payable	67,854	1,440	42,343
Advances from customers	(60,844)	67,050	29,974
Deferred revenue	8,851	4,850	2,693
Income taxes payable	(12,096)	6,424	3,009
FIN-48 payable	8,254	7,316	5,463
Other payables and accrued expenses	27,129	23,203	21,375
Operating lease liabilities	(4,548)	(3,514)	(3,580)
Other long-term liabilities	2,748	3,344	(1,632)
Net cash (used in) provided by operating activities	(10,325)	152,450	(75,323)
Cash flows from investing activities:			
Purchase of property and equipment	(56,283)	(82,463)	(61,876)
Purchase of intangible assets	(1,372)	(3,485)	(2,462)
Purchase of short-term investments	—	(1,391)	(18,356)
Purchase of time deposits	(389,290)	(74,730)	(26,120)
Proceeds from redemption and maturity of time deposits	54,261	166,549	79,600
Refund of deposit for land use right	686	—	—
Proceeds from sale of short-term investments (note 12)	2,147	8,434	21,735
Proceeds from disposal of long-term investments	—	—	8,242
Purchase of long-term investments	(484)	(24,873)	(7,508)
Net cash used in investing activities	(390,335)	(11,959)	(6,745)
Cash flows from financing activities:			
Proceeds from short-term borrowings	87,526	33,265	31,334
Repayments of short-term borrowings	(47,332)	(32,297)	(55,068)
Proceeds from long-term borrowings	119,139	96,896	42,360
Repayments of long-term borrowings	(60,253)	(9,582)	(2,283)
Capital contribution by non-controlling shareholder	242	—	—
Proceeds from exercise of stock options	34,767	11,099	6,138
Repurchase of ACM Shanghai's shares	(6,988)	—	—
ACM Shanghai dividends	(7,578)	(6,900)	(3,951)
Proceeds from issuance of ACM Shanghai's shares, net of issuance costs	622,964	—	—
Net cash provided by financing activities	742,487	92,481	18,530
Effect of exchange rate changes on cash, cash equivalents and restricted cash	12,825	(4,835)	(1,740)
Net increase (decrease) in cash, cash equivalents and restricted cash	354,652	228,137	(65,278)
Cash, cash equivalents and restricted cash at beginning of year	411,310	183,173	248,451
Cash, cash equivalents and restricted cash at end of year	$ 765,962	$ 411,310	$ 183,173
Reconciliation of cash, cash equivalents and restricted cash in consolidated statements of cash flows:			
Cash and cash equivalents	$ 757,373	$ 407,445	$ 182,090
Restricted cash	8,589	3,865	1,083
Cash, cash equivalents and restricted cash	$ 765,962	$ 411,310	$ 183,173
Supplemental disclosure of cash flow information:			
Interest paid	$ 6,955	$ 4,151	$ 2,681
Cash paid for income taxes	32,375	11,216	26,103
Prepayment for purchase of long-term investment	—	16,736	—
Purchase of intangible assets included in other long-term assets	—	641	—
Non-cash financing activities:			
Cashless exercise of stock options	$ 195	$ 483	$ 333
Non-cash investing activities:			
Transfer of prepayment for property to property, plant, and equipment	33	3,348	—
Transfer from inventories to property, plant and equipment	3,872	—	4,379
Transfer from other non-current assets to long term investment	16,737	—	—
Purchases of property, plant and equipment through other payable and accrued expenses	25,010	29,126	33,750
Transfer from property, plant and equipment to inventory	—	918	—
Purchase of long-term investments through other payable and accrued expenses	—	4,729	—

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

ACM RESEARCH, INC.
Notes to Consolidated Financial Statements
(in thousands, except percents, share and per share data)

NOTE 1 – DESCRIPTION OF BUSINESS

ACM Research, Inc. ("ACM" or "ACM Research") and its subsidiaries (collectively with ACM, the "Company") develop, manufacture and sell capital equipment, or tools to the global semiconductor industry.

The Company has direct or indirect interests in the following subsidiaries:

Name of subsidiaries	Place and date of incorporation	Principal Activities	Effective interest held as at December 31, 2025	2024
ACM Research (Shanghai), Inc. ("ACM Shanghai")	Mainland China, May 2005	Principal operating subsidiary	74.6 %	81.5 %
ACM Research (Wuxi), Inc. ("ACM Wuxi")	Mainland China, July 2011	Sales and services	74.6 %	81.5 %
CleanChip Technologies Limited ("CleanChip")	Hong Kong, June 2017	Trading partner between ACM Shanghai and its customers	74.6 %	81.5 %
ACM Research Korea CO., LTD. ("ACM Korea")	Republic of Korea ("South Korea"), December 2017	Sales, marketing, R&D, production	74.6 %	81.5 %
ACM Research (Lingang), Inc. ("ACM Lingang") (1)	Mainland China, March 2019	Management of production activities	74.6 %	81.5 %
ACM Research (CA), Inc. ("ACM California")	USA, April 2019	Procurement for ACM Shanghai	74.6 %	81.5 %
ACM Research (Cayman), Inc.	Cayman Islands, April 2019	Administrative function (inactive)	100.0 %	100.0 %
ACM Research (Singapore) PTE. Ltd. ("ACM Singapore")	Singapore, August 2021	Sales, marketing, business development	100.0 %	100.0 %
ACM Research (Beijing), Inc. ("ACM Beijing")	Mainland China, February 2022	Sales and services	74.6 %	81.5 %
Hanguk ACM CO., LTD	South Korea, March 2022	Sales, services, business development	100.0 %	100.0 %
Yusheng Micro Semiconductor (Shanghai) Co., Ltd.	Mainland China, June 2023	Business development	74.6 %	81.5 %
ACM-Wooil Microelectronics (Shanghai) Co., Ltd.	Mainland China, June 2023	Component development and production	54.5 %	59.0 %
ACM Research (Chengdu), Inc. ("ACM Chengdu")	Mainland China, December 2024	Sales and services	74.6 %	81.5 %
Shengyi Micro Semiconductor (Shanghai) Co., Ltd.	Mainland China, December 2024	Business development	63.4 %	69.3 %

(1) ACM Research (Lingang) Inc. is the English name referred to by its Chinese language name, Shengwei Research (Shanghai), Inc., or ACM Shengwei in prior filings. ACM Research (Lingang), Inc. and Shengwei Research (Shanghai), Inc. refer to the same entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements include the accounts of ACM (ACM Research) and its subsidiaries, including ACM Shanghai and its subsidiaries. ACM's subsidiaries are those entities in which ACM, directly and indirectly, controls more than a majority of the voting power. All significant intercompany transactions and balances have been eliminated upon consolidation. The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Certain reclassifications have been made to the amounts for prior years to conform to the current year's presentation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported revenues and expenses during the reported period in the consolidated financial statements and accompanying notes. The Company's significant accounting estimates and assumptions include, but are not limited to, those used for revenue recognition and deferred revenue, stock-based compensation arrangements, uncertain tax positions, warranty liabilities, allowance for credit losses and inventory provision.

Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank deposits that are unrestricted as to withdrawal and use, and highly liquid investments with an original maturity date of three months or less at the date of purchase. At times, cash deposits may exceed government-insured limits.

The following table presents cash and cash equivalents, according to jurisdiction as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
United States	$ 107,184	$ 56,308
Mainland China	228,777	94,701
China Hong Kong	421,104	255,853
South Korea	241	516
Singapore	67	67
Total	$ 757,373	$ 407,445

Cash held in the U.S. exceeds the Federal Deposit Insurance Corporation ("FDIC") insurance limits and is subject to risk of loss. No losses have been experienced to date.

Cash amounts at the banks in mainland China are subject to a series of risk control regulatory standards from mainland China bank regulatory authorities. ACM's subsidiaries in mainland China are required to obtain approval from the State Administration of Foreign Exchange ("SAFE") to transfer funds into or out of mainland China. SAFE requires a valid agreement to approve the transfers, which are processed through a bank. Other than these mainland China foreign exchange restrictions, ACM's subsidiaries in mainland China are not subject to any mainland China restrictions and limitations on its ability to transfer funds to ACM Research or among our other subsidiaries. However, cash held by ACM's subsidiaries in mainland China exceeds applicable insurance limits and is subject to risk of loss, although no such losses have been experienced to date.

ACM California periodically procures goods and services on behalf of ACM Shanghai. For these transactions, ACM Shanghai makes cash payments to ACM California in accordance with applicable transfer pricing arrangements. For the years ended December 31, 2025, 2024 and 2023, cash payments from ACM Shanghai to ACM California for the procurement of goods and services were $13,683, $21,285, and $42,517, respectively. ACM California periodically borrows funds for working capital advances from its direct parent, CleanChip. ACM California repays or renews these intercompany loans in accordance with their terms.

For sales through CleanChip and ACM Research, a certain amount of sales or advance payments from customer proceeds is repatriated back to ACM Shanghai in accordance with applicable transfer pricing arrangements in the ordinary course of business. ACM Research provides support for tools under warranty to certain customers located in the U.S., Europe and other regions outside of mainland China on behalf of ACM Shanghai. For these transactions, ACM Shanghai makes cash payments to ACM Research in accordance with applicable transfer pricing arrangements.

Cash held in Hong Kong exceeds the Hong Kong Deposit Insurance Corporation insurance limits, and the cash held in the United States exceeds the United States Deposit Insurance Corporation insurance limits and therefore, cash in these locations is subject to risk of loss. No losses have been experienced to date. There are no additional restrictions for the transfer of cash from bank accounts in the U.S., South Korea, Singapore and Hong Kong.

For the years ended December 31, 2025, 2024 and 2023, after deduction of withholding tax, ACM Shanghai paid $29,238, $28,480, and $19,200 in dividends to ACM Research, respectively.

For the years ended December 31, 2025, 2024 and 2023, with the exception of sales and services-related transfer-pricing payments in the ordinary course of business, and dividends paid by ACM Shanghai to the stockholders of ACM Shanghai (including ACM Research), no transfers, or distributions have been made between ACM Research and its subsidiaries, including ACM Shanghai, or to holders of ACM Research Class A common stock.

Time Deposits

Time deposits are denominated in Chinese Renminbi (“RMB”) and U.S. dollars and deposited with banks in mainland China with fixed terms and interest rates which cannot be withdrawn before maturity, and are presented as short-term deposits and long-term deposits in the consolidated financial statements based on their expected time of collection. They are also subject to the risk control regulatory standards described above upon maturity.

As of December 31, 2025 the Company had time deposits denominated in RMB of 341,463 and denominated in U.S. dollars of $25,128, respectively. As of December 31, 2024, the Company had time deposits denominated in RMB of 13,275 and denominated in U.S. Dollar of $17,277, respectively. Time deposits held as of December 31, 2025 had interest rates of 1.2% to 3.75% and mature between April and December 2026.

Restricted Cash

As of December 31, 2025 and 2024, all of the Company's restricted cash was held by financial institutions located in mainland China, Hong Kong and South Korea, and mainly represents cash secured to guarantee delivery of tools.

Accounts Receivable, Net

In determining the amount of the allowance for credit losses, the Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. The Company considers historical collectability based on past due status, the age of the accounts receivable balances, credit quality of the Company’s customers based on ongoing credit evaluations, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Company’s ability to collect from customers.

Inventories, Net

Inventories consist of raw materials (including consumable supplies such as spare parts), work-in-process and finished goods. Inventories are stated at the lower of cost or net realizable value (NRV). Cost is primarily determined by using the weighted average cost method for raw materials, which make up the majority of the cost of work-in-process and finished goods. At the end of each reporting period, the Company performs a recoverability assessment. Inventory write-downs are recorded in cost of goods sold for excess, slow-moving or obsolete inventories, as well as for any inventories where the estimated NRV is less than cost.

Property, Plant and Equipment, Net

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation begins when the asset is placed in service and is calculated by using the straight-line method over the estimated useful life of an asset (or, if shorter, over the lease term). Betterments or renewals are capitalized when incurred.

Estimated useful lives of assets are as follows:

Buildings and plants	30 years
Computer and office equipment	3 to 5 years
Furniture and fixtures	5 years
Leasehold improvements	shorter of lease term or estimated useful life
Electronic equipment	3 to 5 years
Manufacturing equipment	5 to 10 years
Transportation equipment	4 to 5 years

Expenditures for maintenance and repairs that neither materially add to the value of the property nor appreciably prolong the life of the property are charged to expense as incurred. Upon retirement or sale of an asset, the cost of the asset and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income.

Impairment of Long-Lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstance indicate that the carrying value of the assets may not be fully recoverable or that the useful life of the assets is shorter than the Company had originally estimated. When these events or changes occur, the Company evaluates the impairment of the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Company recognizes an impairment loss based on the excess of the carrying value over the fair value.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the consolidated balance sheets.

ROU assets represent the Company’s right to use an underlying asset for the lease term, and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When readily determinable, the Company uses the implicit rate at lease commencement in determining the present value of lease payments. As most of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term. The Company has also elected the practical expedient for the short-term lease exemption for contracts with lease terms of 12 months or less.

Revenue Recognition

The Company derives revenue principally from the sale of semiconductor capital equipment, or tools. Revenue from contracts with customers is recognized using the following five steps pursuant ASC Topic 606, *Revenue from Contracts with Customers*:

1. Identify the contract(s) with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;

4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Identify the contract(s) with a customer. The Company generally considers approved sales contracts, provided it has approval and commitment from the customer, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collection is probable. Collectability is assessed based on management's assessment of the customer's creditworthiness, historical payment experience, as well as other relevant factors.

Identify the performance obligations in the contract. Performance obligations are accounted for separately if they are distinct. A good or service is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and the good or service is distinct in the context of the contract. The Company's performance obligations include sales of tools and spare parts. In addition, customer contracts can contain provisions for installation, training, and other items which have been deemed immaterial in the context of the contract.

Determine the transaction price. The transaction price for the Company's contracts with customers generally does not include variable consideration.

Allocate the transaction price to the performance obligations in the contract. For contracts that contain multiple performance obligations, primarily those that include multiple tools, or spare parts sold together with tools, the Company allocates the transaction price to the performance obligations on a relative standalone selling price basis. The Company recognizes contract liabilities associated with unsatisfied performance obligations, based on the stand-alone observable selling prices or using an expected cost-plus-margin approach when a stand-alone selling price is not directly observable, and recognizes revenue as the related performance obligations are satisfied.

Recognize revenue when, or as, a performance obligation is satisfied. The Company recognizes revenue from tools at a point in time, when the Company has satisfied its performance obligation. The Company's sales arrangements do not include a general right of return. For shipments made to a customer that has not previously accepted a specific type of tool ("first tools"), revenues are recognized when the tools are accepted by the customer. For shipments made to a customer that have previously accepted a specific type of tool ("repeat shipment"), revenues are recognized upon shipment or delivery as the Company can objectively demonstrate that the tools meet all the required customer specifications. Revenue from spare parts are recognized when the customer has received the parts.

The Company's warranties provide assurance that its products will function as expected and in accordance with certain specifications. The Company's warranties are intended to safeguard the customer against existing defects and do not provide any incremental service to the customer. They are not separate performance obligations and are accounted for under FASB ASC Topic *460, Guarantees*.

For sales of tools, payment terms and conditions vary by customer and are based on the billing schedule established in the Company's contracts with customers, but the contract generally requires advanced payments for a portion of the transaction price prior to delivery and payment of the remaining transaction price after the tools are accepted by customers; therefore, the Company has determined that its contracts do not include a significant financing component. For sales of spare parts, the contract generally requires payment within 30 days after receipt. Contract liabilities include advances from customers and deferred revenue. Payments received from customers prior to the transfer of control of the tools are recorded as advances from customers. Payments received from customers related to the allocated transaction price for the unsatisfied performance obligations are recorded as deferred revenue.

Cost of Revenue

Cost of revenue primarily consists of direct materials, comprised principally of parts used in assembling equipment, direct labor, including salaries and other labor related expenses attributable to the Company's manufacturing department; allocated overhead cost and inventory provision.

Research and Development Costs

Research and development costs relating to the development of new products and processes, significant improvements to existing products to achieve new features and the development of new tools for evaluation by customers during the product demonstration process, are expensed as incurred.

Warranty

The Company generally provides a standard assurance type warranty ranging from 12 to 36 months and covering replacement of its product during the warranty period. The Company accounts for the estimated warranty costs at the time revenue is recognized. Warranty obligations are estimated by historical failure rates and associated replacement costs. Warranty obligations are included in other payables and accrued expenses in the consolidated balance sheets. The following table shows changes in the Company's warranty obligations for the years ended December 31, 2025, 2024 and 2023, respectively.

	Year Ended December 31,		
	2025	2024	2023
Balance at beginning of period	$ 12,710	$ 9,834	$ 8,780
Additions	13,550	11,460	7,969
Utilized	(7,156)	(8,584)	(6,915)
Balance at end of period	$ 19,104	$ 12,710	$ 9,834

Employee Benefit Expenses

The Company has a defined contribution 401(k) plan for eligible employees in the U.S. Eligible employees have the option to participate in the plan beginning on their date of hire. Under the terms of the plan, employees may make voluntary contributions as a percentage of their compensation or a flat dollar amount.

All eligible employees of the Company's mainland China subsidiaries are entitled to staff welfare benefits including medical care, welfare grants, unemployment insurance and pension benefits through a mainland China government-mandated multi-employer defined contribution plan. The Company's mainland China subsidiaries are required to accrue for these benefits based on certain percentages of the qualified employees' salaries, and are required to make contributions to the plans out of the amounts accrued. The Company has no further payment obligations once the contributions have been paid. Total contributions by the Company for such employee benefits were $20,496, $15,312, and $11,618 for the years ended December 31, 2025, 2024 and 2023, respectively.

Government Subsidies

ACM Shanghai has received several government grants. The government subsidies of operating nature with no further conditions to be met are recorded as income in the consolidated statements of comprehensive income when received. The government grants that contain certain operating conditions, and require a government due diligence process to confirm completion, are deferred and recorded as other long-term liabilities when received, and are recognized in the consolidated statements of comprehensive income as follows:

- Government subsidies relating to current expenses are recorded as reductions of those expenses in the periods in which the current expenses are recorded. For the years ended December 31, 2025, 2024 and 2023, related government subsidies recognized as reductions of relevant expenses in the consolidated statements of comprehensive income were $7,958, $462 and $1,740, respectively.
- Government subsidies related to depreciable assets are credited to income over the useful lives of the related assets for which the grant was received. As of December 31, 2025 and 2024, all of the Company's other long-term liabilities represent unearned government subsidies.
- Government subsidies related to VAT reduction are credited to income in the period received. For the years ended December 31, 2025, 2024 and 2023, related government subsidies recognized as other income in the consolidated statements of comprehensive income were $1,388, $2,018, and $533, respectively.

Stock-based Compensation

ACM and ACM Shanghai grant stock options to employees and non-employee consultants and directors and account for those stock-based awards in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation.*

Stock-based awards granted to employees and non-employee consultants and directors are measured at the fair value of the awards on the grant date. Forfeitures are estimated at the date of grant. The fair value of stock options is determined using the Black-Scholes valuation model when there are service and performance conditions attached or the Monte Carlo valuation model when there is a market condition attached. Stock-based compensation is charged to the category of operating expense corresponding to the service function of the employees and non-employee consultants and directors. For awards granted with no vesting condition, compensation expenses are recognized immediately on the grant date. The Company has elected to recognize share-based compensation on a straight-line basis for awards with graded vesting that vest based solely on a service condition. The Company uses the accelerated method for all awards granted based on service conditions and performance conditions, and only if performance conditions are considered probable to be satisfied.

Income Taxes

The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable values.

In evaluating the ability to recover its deferred income tax assets, the Company considers all available positive and negative evidence, including its operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. In the event the Company determines that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, it would make an adjustment to the valuation allowance that would reduce the provision for income taxes. Conversely, in the event that all or part of the net deferred tax assets are determined not to be realizable in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination is made.

Tax benefits related to uncertain tax positions are recognized when it is more likely than not that a tax position will be sustained during an audit. Interest and penalties related to unrecognized tax benefits are included within the provision for income tax.

Basic and Diluted Net Income per Share of Common Stock

Basic and diluted net income per share of common stock is calculated as follows:

	Year Ended December 31,		
	2025	2024	2023
Numerator:			
Net income	$ 121,893	$ 131,269	$ 96,852
Less: Net income attributable to non-controlling interests	27,815	27,642	19,503
Net income available to common stockholders, basic	94,078	103,627	77,349
Less: Dilutive effect arising from stock-based awards by ACM Shanghai	1,929	2,227	1,841
Net income available to common stockholders, diluted	$ 92,149	$ 101,400	$ 75,508
Weighted average shares outstanding, basic	64,184,776	62,212,569	60,164,670
Effect of dilutive securities	3,127,117	4,024,855	4,705,873
Weighted average shares outstanding, diluted	67,311,893	66,237,424	64,870,543
Net income per share of common stock:			
Basic	$ 1.47	$ 1.67	$ 1.29
Diluted	$ 1.37	$ 1.53	$ 1.16

Basic and diluted net income per share of common stock are presented in accordance with ASC topic 260, *Earnings per Share (“ASC 260”)* using the two-class method, which allocates undistributed earnings to common stock and any participating securities according to dividend rights and participation rights on a proportionate basis. Under the two-class method, basic net income per share of common stock is computed by dividing the sum of distributed and undistributed earnings attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. ACM did not have any participating securities outstanding during the years ended December 31, 2025, 2024, and 2023.

ACM Research is authorized to issue Class A and Class B common stock. The two classes of common stock are substantially identical in all material respects, except for voting rights. The net income per share of common stock attributable to each class is the same under the “two-class” method. As such, the two classes of common stock have been presented on a combined basis in the consolidated statements of comprehensive income and in the above computation of net income per share of common stock.

Diluted net income per share of common stock reflects the potential dilution from securities, such as stock options that could share in ACM Research’s earnings. Certain potentially dilutive securities were excluded from the net income per share calculation because the impact would be anti-dilutive. The number of potentially dilutive shares that were not included in the calculation of diluted net income per share in the periods presented where their inclusion would be anti-dilutive were 658,796, 1,511,335 and 3,651,337 for the years ended December 31, 2025, 2024 and 2023, respectively.

Comprehensive Income

The Company applies FASB ASC Topic 220, *Comprehensive Income*, which establishes standards for the reporting and display of comprehensive income, requiring its components to be reported in a financial statement with the same prominence as other financial statements. The Company’s comprehensive income includes net income, foreign currency translation adjustments, and unrealized gain on investments in available-for-sale debt securities and is presented in the consolidated statements of comprehensive income.

Restricted Net Assets

The Company’s ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant statutory laws and regulations of mainland China permit payments of dividends by the Company’s mainland China subsidiaries only out of its retained earnings, if any, as determined in accordance with accounting standards and regulations of mainland China. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's mainland China subsidiaries. The Company has not previously declared or paid any cash dividend or dividend in kind and has no plan to declare or pay any dividends in the near future.

Under laws and regulations of mainland China, there are restrictions on the Company's mainland China subsidiaries with respect to transferring certain of their net assets to the Company either in the form of dividends, loans, or advances. Amounts of net assets restricted include paid-in capital, additional paid-in capital, and statutory surplus reserve of the Company's mainland China subsidiaries totaling $1,675,187 as of December 31, 2025. Therefore, in accordance with Rules 504 and 4.08(e)(3) of Regulation S-X, the condensed parent company only financial statements as of December 31, 2025 and 2024, and for each of the three years ended December 31, 2025 are disclosed in note 20.

Furthermore, cash transfers from the Company's mainland China subsidiaries to its subsidiaries outside of China are subject to mainland China government control of currency conversion. Shortages in the availability of foreign currency may restrict the ability of the mainland China subsidiaries to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy their foreign currency denominated obligations.

Statutory Surplus Reserve

The income of ACM's mainland China subsidiaries is distributable to their shareholders after transfers to reserves as required under relevant mainland China laws and regulations and the subsidiaries' Articles of Association. As stipulated by the relevant laws and regulations in mainland China, mainland China subsidiaries are required to maintain reserves, including reserves for statutory surpluses and public welfare funds that are not distributable to shareholders. A mainland China subsidiary's appropriations to the reserves are approved by its board of directors. At least 10% of annual statutory after-tax profits, as determined in accordance with mainland China accounting standards and regulations, is required to be allocated to the statutory surplus reserves. If the cumulative total of the statutory surplus reserves reaches 50% of a mainland China subsidiary's registered capital, any further appropriation is optional.

Statutory surplus reserves may be used to offset accumulated losses or to increase the registered capital of a mainland China subsidiary, subject to approval from the relevant mainland China authorities, and are not available for dividend distribution to the subsidiary's shareholders. The mainland China subsidiaries are prohibited from distributing dividends unless any losses from prior years have been offset. Except for offsetting prior years' losses, however, statutory surplus reserves must be maintained at a minimum of 25% of share capital after such usage. ACM Shanghai estimated a statutory surplus reserve of $34,164 and $30,514 based on an accumulated profit as of December 31, 2025 and 2024, respectively, which is included in the statutory surplus reserve in the consolidated balance sheets.

Noncontrolling Interests

A noncontrolling interest is recognized to reflect the portion of subsidiaries' equity which is not attributable, directly or indirectly, to ACM Research. Consolidated net income on the consolidated statements of comprehensive income includes the net income attributable to noncontrolling interests. The cumulative results of operations attributable to noncontrolling interests are recorded as "noncontrolling interests" in the Company's consolidated balance sheets.

Financial Instruments

The Company periodically invests in equity and debt securities, and maintains an investment portfolio of various holdings, types, and maturities. For equity investments that do not have a readily determinable fair value, the Company classifies them as long-term investments, and records them using either: 1) the measurement alternative which measures the equity investments at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes; or 2) the equity method whereby the Company recognizes its proportional share of the income or loss from the equity method investment. The equity method is utilized when the equity investments are common stock or in substance common stock, and the Company does not have the ability to control the investee but is deemed to have the ability to exercise significant influence over the investee's operating or financial policies. For equity investments that have a readily determinable fair value, the Company classifies them as short-term investments, and records them at fair market value on a recurring basis based upon quoted market prices. Realized and unrealized gains and losses resulting from application of the measurement alternative, the impact of the application of the equity method to the Company's equity investments, and recognition of changes in fair market value, as applicable, are recognized as Other (expense) income, net in the consolidated statements of comprehensive income.

The Company recognized nil, nil, and $1,415 (upward adjustment) resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer for its long-term investments accounted for using measurement alternatives on the consolidated statements of comprehensive income for the years ended December 31, 2025, 2024, and 2023, respectively. The Company did not recognize any unrealized losses (downward adjustments) resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer for its long-term investments accounted for using measurement alternatives during the years ended December 31, 2025, 2024, and 2023, respectively.

The Company's investments in debt securities have been classified and accounted for as available-for-sale. The Company classifies its debt securities as either short-term or long-term based on each instrument's underlying contractual maturity date. Unrealized gains and losses on debt securities classified as available-for-sale are recognized in accumulated other comprehensive income in the consolidated balance sheets.

Fair Value Measurement

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value. The level of an asset or liability in the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities with sufficient volume and frequency of transactions.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active for identical assets or liabilities, or model-derived valuations techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities and based on non-binding, broker-provided price quotes and may not have been corroborated by observable market data.

The Company's financial instruments primarily include its cash, cash equivalents, restricted cash, short term and long term time deposits, short-term and long-term investments, other receivables, accounts receivable, accounts payable, and short-term and long-term borrowings. The estimated fair value of cash and cash equivalents, restricted cash, short-term time deposits, accounts receivable, other receivables, accounts payable, and short-term borrowings approximate their respective carrying value due to the short period of time to their maturities. The carrying amounts of long-term time deposits approximate their fair values as the related interest rates currently offered by financial institutions for similar debt instruments of comparable maturities.

All transfers between fair value hierarchy levels are recognized by the Company at the end of each reporting period. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement in its entirety, requires judgment and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investment in those instruments.

Assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of December 31, 2025				
Assets				
Cash and cash equivalents	$ 84,627	$ —	$ —	$ 84,627
Short-term investments	35,524	—	—	35,524
Available-for-sale debt securities	—	—	9,703	9,703
	$ 120,151	$ —	$ 9,703	$ 129,854
As of December 31, 2024				
Assets				
Cash and cash equivalents	$ 50,967	$ —	$ —	$ 50,967
Short-term investments	19,373	—	—	19,373
Available-for-sale debt securities	—	—	5,366	5,366
	$ 70,340	$ —	$ 5,366	$ 75,706

The Company did not have any assets and liabilities measured at fair value on a non-recurring basis as of December 31, 2025 and 2024. Refer to note 10 for fair value information related to the Company's outstanding long-term borrowings as of December 31, 2025 and 2024.

Operating and Financial Risks

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash and cash equivalents, restricted cash, time deposits, and accounts receivable. The Company deposits and invests its cash with financial institutions that management believes are creditworthy.

The Company is potentially subject to concentrations of credit risks in its revenue and accounts receivable.

- Revenue concentration. During 2025, four customers accounted for approximately 17%, 14%, 12% and 10% of the Company's revenue, respectively, and in aggregate 52%. During 2024, four customers accounted for approximately 15%, 14%, 12%, and 12% of the Company's revenue, respectively, and in aggregate 52%. During 2023, three customers accounted for approximately 17%, 15% and 13% of the Company's revenue, respectively, and in aggregate 46%.

- Accounts receivable concentration. As of December 31, 2025 and 2024, four customers accounted for 62% and four customers accounted for 57%, respectively, of the Company's accounts receivables. The Company believes that the accounts receivable balances due from these customers do not represent a significant credit risk based on past collection experience.

Interest Rate Risk

As of December 31, 2025 and 2024, the balance of the Company's short term bank borrowings (note 8) were scheduled to mature at various dates within the following year and thus exposed the Company to modest interest rate risk. The Company is exposed to interest rate risk related to its long-term borrowings (note 10), and as certain long-term borrowings carry a fixed interest rate, the Company may be exposed to the fair value interest rate risk.

Liquidity Risk

The Company's working capital at December 31, 2025 and 2024 was sufficient to meet its then-current requirements. The Company may, however, require additional cash due to changing business conditions or other future developments, including any investments or acquisitions the Company decides to pursue. In the long run, the Company intends to rely primarily on cash flows from operations and additional borrowings from financial institutions in order to meet its cash needs. If those sources are insufficient to meet cash requirements, the Company may seek to issue additional debt or equity.

Country Risk

The Company has significant investments in mainland China. The operating results of the Company may be adversely affected either directly or indirectly by changes in the political and social conditions in mainland China, by changes in mainland China government policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, rates and methods of taxation, and export controls enacted by the U.S., Japan, and the Netherlands to restrict the sale of certain technology to mainland China, among other things.

Foreign Currency Risk and Translation

The Company's consolidated financial statements are presented in U.S. dollars, which is the Company's reporting currency, while the functional currency of ACM's subsidiaries in mainland China and South Korea are the RMB, and the Korean Won, respectively. Changes in the relative values of the U.S. dollar, RMB,and Korean Won affect the Company's reported levels of revenues and profitability as the results of its operations are translated from RMB and Korean Won into U.S. dollars for reporting purposes. Since the Company has not engaged in any hedging activities, it cannot predict the impact of future exchange rate fluctuations on the results of its operations, and it may experience economic losses as a result of foreign currency exchange rate fluctuations.

Transactions of ACM's subsidiaries involving foreign currencies are recorded in functional currency according to the rate of exchange prevailing on the date when the transaction occurs. The ending balances of the Company's foreign currency accounts are converted into functional currency using the rate of exchange prevailing at the end of each reporting period. Net gains and losses resulting from foreign exchange fluctuations as marked to market at year-end are included in the consolidated statements of comprehensive income.

In accordance with FASB ASC Topic 830, *Foreign Currency Matters*, the Company translates assets and liabilities into U.S. dollars from RMB or Korean Won using the rate of exchange prevailing at the applicable balance sheet date and the consolidated statements of comprehensive income and consolidated statements of cash flows are translated at an average rate during the reporting period. Adjustments resulting from the translation are recorded in stockholders' equity as part of accumulated other comprehensive income.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The Company adopted ASU No. 2023-09 as of December 31, 2025 on a prospective basis. The adoption did not have a material impact on the Company's financial position, results of operations and cash flows.

Recently issued accounting pronouncements not yet adopted

In December 2024, the FASB issued ASU 2024-03: *Income Statement--Reporting Comprehensive Income--Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires additional disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. In January 2025, the FASB issued ASU 2025-01, which clarifies the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. This ASU should be applied prospectively with the option to apply the standard retrospectively. The Company is currently evaluating the provisions of this ASU.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides entities with a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset in developing reasonable and supportable forecasts as part of estimating expected credit losses. ASU 2025-05 is effective for public companies for annual periods beginning after December 15, 2025. Early adoption is permitted. The Company is currently in the process of evaluating the disclosure impact.

In December 2025, the FASB issued ASU 2025-10 – *Government Grants* which establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. The new guidance leverages the principles in the accounting framework for government assistance in International Accounting Standard 20 "Accounting for Government Grants and Disclosure of Government Assistance". This ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2028 and interim reporting periods within those annual periods. This ASU may be applied prospectively or retrospectively to any or all periods presented in the Company's consolidated financial statements. Early adoption of this ASU is permitted. The Company is currently evaluating the impact that the adoption of this ASU may have on its consolidated financial statements.

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company assesses revenues based upon the nature or type of goods or services it provides and the geographic location of the customer facility. The following tables present disaggregated revenue information:

	Year Ended December 31,		
	2025	**2024**	**2023**
Single Wafer Cleaning, Tahoe and Semi-Critical Cleaning Equipment	$ 625,964	$ 578,887	$ 403,851
ECP (front-end and packaging), Furnace and Other Technologies	199,551	151,057	103,356
Advanced Packaging (excluding ECP), Services & Spares	75,794	52,174	50,516
Total revenue by product category	$ 901,309	$ 782,118	$ 557,723

For the years ended December 31, 2025 and 2024, substantially all revenue was derived from customers in mainland China, and therefore, no geographical segment information is presented.

Contract liabilities balances were as follows as of:

	December 31	
	2025	**2024**
Advances from customers	$ 187,809	$ 243,949
Deferred revenue	17,388	8,537
Total contract liabilities	$ 205,197	$ 252,486

During the year ended December 31, 2025, advances from customers decreased by $56,140 primarily due to more revenue recognized upon acceptance of first tools by customers than the payments made by customers for first tools.

Below are revenues recognized from amounts included in contract liabilities at the beginning of the year:

	Year Ended December 31,			
	2025		**2024**	**2023**
Revenue recognized from amounts included in contract liabilities at the beginning of the year	$ 153,858	$124,069	$ 124,069	$ 97,370

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following:

	December 31,	
	2025	2024
Accounts receivable	$ 537,095	$ 405,392
Less: Allowance for credit losses	(32,845)	(18,347)
Total	$ 504,250	$ 387,045

	December 31,	
	2025	2024
Allowance for credit losses, at beginning of the year	$ (18,347)	$ (4,830)
Provision for credit loss	(14,498)	(13,517)
Allowance for credit losses, at the end of the year	$ (32,845)	$ (18,347)

NOTE 5 – INVENTORIES, NET

Inventories, net consisted of the following:

	December 31,	
	2025	2024
Raw materials	$ 349,663	$ 224,086
Work-in-process	61,415	80,767
Finished goods	291,553	293,131
Total inventories, net	$ 702,631	$ 597,984

At December 31, 2025 and 2024, the value of finished goods comprised of first-tools located at customer sites for which customers are contractually obligated to take ownership upon acceptance, was $145,506 and $206,018, respectively.

The year over year net increase in raw materials was based on the Company's production plans and strategic purchases to mitigate supply chain risk and shipment.

During the years ended December 31, 2025, 2024, and 2023, the provisions for inventory recognized in cost of revenue were $15,485, $2,796, and $575, respectively.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consisted of the following:

	December 31,	
	2025	2024
Buildings and plants	$ 229,731	$ 139,311
Land	2,099	2,099
Manufacturing equipment	70,680	37,038
Computer and office equipment	9,339	5,815
Transportation equipment	693	396
Leasehold improvements	12,656	11,579
Construction in progress	28,396	97,916
Total cost	353,594	294,154
Less: Total accumulated depreciation	(38,764)	(24,882)
Total property, plant and equipment, net	$ 314,830	$ 269,272

Depreciation expense was $14,405, $6,573, and $6,912 for the years ended December 31, 2025, 2024, and 2023, respectively.

As of December 31, 2025, building and plants includes $35,539 for the Lingang housing property which is pledged as security for loans from the China Merchants Bank (note 10).

Construction in progress primarily reflects costs incurred for certain facilities located in ACM Shanghai's Lingang Development and Production Center.

NOTE 7 – OTHER LONG-TERM ASSETS

Other long-term assets consisted of the following:

	December 31,	
	2025	2024
Prepayment for investment in Ninebell	$ —	$ 16,737
Others	4,479	3,715
Total other long-term assets	$ 4,479	$ 20,452

NOTE 8 – SHORT-TERM BORROWINGS

Short-term borrowings as of December 31, 2025 and 2024 amounted to $74,041 and $32,814, respectively, which consisted of RMB denominated borrowings made by the Company’s subsidiaries from financial institutions in mainland China and were repayable within one year.

As of December 31, 2025 and 2024, the weighted average interest rates for the outstanding borrowings were 2.48% and 2.82%, respectively.

As of December 31, 2025, the Company was in compliance with the applicable covenants. The Company's short-term borrowings of $14,239 from Bank of China have certain covenants which require ACM Shanghai’s year-end outstanding interest-bearing debt not to exceed five times of its annual EBITDA, and to comply with other non-financial covenants; otherwise, Bank of China has the right to suspend the facility, or request ACM Shanghai to accelerate repayment or provide credit enhancement.

NOTE 9 – OTHER PAYABLES AND ACCRUED EXPENSES

At December 31, 2025 and 2024, other payables and accrued expenses consisted of the following:

	December 31,	
	2025	2024
Accrued commissions	$ 26,931	$ 20,180
Accrued warranty	19,104	12,710
Accrued payroll	24,830	21,677
Accrued machine sales fees	13,341	8,840
Accrued Lingang construction fees	24,258	28,103
Individual income tax payable	19,552	11,975
Payable for investments	4,838	4,729
Others	17,542	13,443
Total	$ 150,396	$ 121,657

NOTE 10 – LONG-TERM BORROWINGS

At December 31, 2025 and 2024, long-term borrowings consisted of the following:

	December 31,	
	2025	2024
Loan from China Merchants Bank	$ 9,915	$ 11,475
Loan from Agricultural Bank of China	42,007	13,020
Loans from Bank of China	34,247	28,258
Loan from Bank of Shanghai	—	13,920
Loans from China CITIC Bank	28,460	27,775
Loan from China Everbright Bank	56,807	55,549
Loan from Industrial and Commercial Bank of China	42,576	—
Total borrowings	214,012	149,997
Less: Current portion	(35,082)	(44,472)
Total long-term borrowings, net of current portion	$ 178,930	$ 105,525

China Merchants Bank

The loan from China Merchants Bank is for the purpose of purchasing property in Lingang, Shanghai. The loan is repayable in 120 installments with the last installment due in November 2030, with an annual interest rate of 2.95%. As of December 31, 2025, the loan is pledged by the property of ACM Lingang and guaranteed by ACM Shanghai.

Agricultural Bank of China

The loan from Agricultural Bank of China is for the purpose of purchasing housing property in Lingang, Shanghai. Principal repayments shall be made in 18 installments beginning November 2025, with final maturity in April 2034 with an annual interest rate of 2.43%-2.78%.

Bank of China

The first loan from Bank of China is for the purpose of funding ACM Shanghai's general corporate operations and working capital. The loan bears interest at an annual rate of 2.62% and is payable in 6 installments, with the last installment due in June 2027. The second loan from Bank of China is for the purpose of funding ACM Shanghai project expenditures. The loan bears interest at an annual rate of 2.52% and is payable in 6 installments, with the last installment due in August 2027. The third loan from Bank of China is for the purpose of funding ACM Shanghai's general corporate operations and working capital. The loan interest at an annual rate of 2.35% and is repayable in 6 installments, with the last installment due in June 2028.

Certain covenants for the banking facility require ACM Shanghai’s year-end outstanding interest-bearing debt not to exceed five times its annual EBITDA, and to comply with other non-financial covenants, or Bank of China has the right to suspend the facility, or request ACM Shanghai to accelerate repayment or provide credit enhancement. As of December 31, 2025, the Company was in compliance with the applicable covenants.

China CITIC Bank

The loan from China CITIC bank is for the purpose of general corporate operations. Principal repayments shall be made in 6 installments beginning January 2025, with final maturity in January 2028.The loan bears interest at an annual rate of 3.60%.

China Everbright Bank

The loans from China Everbright Bank are for the purpose of funding ACM Shanghai's general corporate operations and working capital. The first loan bears interest at annual rate of 2.15%, and is payable in 6 installments, with the last installment due in June 2027. The second loan bears interest at annual rate of 2.25%, and is payable in 3 installments, with the last installment due in March 2026. The third loan bears interest at annual rate of 2.5%, and is payable in 3 installments, with the last installment due in April 2026. The fourth loan bears interest at annual rate of 2.25% and is payable in 6 installments, with the last installment due in September 2027.

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Industrial and Commercial Bank of China

In November 2024, ACM Shanghai entered into a long-term loan facility of $42,690 from Industrial and Commercial Bank of China for the purpose of funding its working capital and drew down the full amount. Principal repayment shall be made in 6 installments beginning May 2025, with final maturity in November 2027. The loan bears interest at an annual rate of 2.25%.

Additional Long-term Borrowings Disclosures

As of December 31, 2025 and 2024, the total carrying amount of long-term loans was $214,012 and $149,997, compared with an estimated fair value of $202,706 and $141,264, respectively. The fair value of the long-term loans is estimated by discounting cash flows using interest rates currently available for debts with similar terms and maturities (Level 2 fair value measurement). Refer to note 2 for an explanation of the fair value hierarchy structure.

Scheduled principal payments for the outstanding long-term loans, including the current portion, as of December 31, 2025 are as follows:

Year ending December 31,		
2026	$	35,082
2027		102,253
2028		41,332
2029		7,767
2030		7,656
Thereafter		19,922
Total	$	214,012

As of December 31, 2025, the aggregate amount of unused lines of credit for short-term and long-term loans was $85,777.

NOTE 11– LONG-TERM INVESTMENTS

The Company's long-term investments consist of the following:

	December 31,	
	2025	2024
Equity-method investments		
Ninebell Co., Ltd ("Ninebell")	31,310	7,862
Hefei Shixi Chanheng Integrated Circuit Industry Venture Capital Fund Partnership (LP) ("Hefei Shixi")	5,335	4,798
Shengyi Semiconductor Technology Co., Ltd. ("Shengyi")	4,411	2,775
Company A	4,269	4,173
Wooil Flucon Co., ("Wooil")	893	936
Subtotal	46,218	20,544
Equity investments without readily determinable fair value using the measurement alternative	10,114	11,153
Available-for-sale debt investments	9,703	5,366
Total long-term investments	$ 66,035	$ 37,063

Equity method investments

For the years ended December 31, 2025, 2024, and 2023, the Company received $2,100, $1,529, and nil dividends from equity investees, respectively.

The Company's details for equity-method investees are as follows:

Equity investee:	Initial investment dates	Investment entity	Percent ownership by ACM and subsidiaries	Investment purchase price
Ninebell (1)	September 2017	ACM	20.0 %	$ 1,200
Ninebell (2)	January 2025	ACM Shanghai	20.0 %	$ 16,737
Wooil (3)	August 2022	ACM Singapore	20.0 %	$ 1,000
Shengyi (4)	June 2019	ACM Shanghai	14.0 %	$ 109
Hefei Shixi (5)	September 2019	ACM Shanghai	10.0 %	RMB 30,000 ($4,200)
Company A (6)	February 2024	ACM Shanghai	14.3 %	RMB 30,000 ($4,230)

(1) Ninebell is a South Korea company that is one of the Company's principal materials suppliers. On September 6, 2017, ACM and Ninebell entered into an ordinary share purchase agreement, effective as of September 11, 2017, pursuant to which Ninebell issued to ACM ordinary shares representing 20% of Ninebell's post-closing equity for a purchase price of $1,200, and a common stock purchase agreement, effective as of September 11, 2017, pursuant to which ACM issued 400,002 shares of Class A common stock to Ninebell for a purchase price of $1,000 at $2.50 per share.

(2) On April 22, 2024, ACM Shanghai entered into an investment agreement with Ninebell to invest $16,737 which represented 20% of Ninebell's total equity interest. As of December 31, 2024, ACM Shanghai pre-paid the consideration of $16,737 to Ninebell, which is recorded in other long-term assets (note 7) in the consolidated balance sheets. The share certification was issued in January 2025. After the share purchase transaction closed, the Company owned 36.2% equity interests of Ninebell. Subsequent to the Private Offering in September 2025, the Company's equity interests in Ninebell has decreased to 34.9%.

(3) In August 2022, ACM Singapore and Wooil entered into an agreement pursuant to which Wooil, in September 2022, issued to ACM Singapore shares representing 20% of Wooil's post-closing equity for a purchase price of $1,000.

(4) Shengyi is based in Wuxi, China and is one of the Company's component suppliers. In June 2019, ACM Shanghai and Shengyi entered into an agreement pursuant to which Shengyi issued to ACM Shanghai shares representing 14% of Shengyi's post-closing equity for a purchase price of $109. The investment in Shengyi is accounted for under the equity method. In September 2023, the Company invested an additional RMB-6,100 ($900) to Shengyi. As the additional investment is not in substance common stock, the Company accounted for the additional investment in Shengyi using a measurement alternative.

(5) In September 2019, ACM Shanghai entered into a Partnership Agreement with six other investors, as limited partners, and Beijing Shixi Qingliu Investment Co., Ltd., as general partner and manager, with respect to the formation of Hefei Shixi Chanheng Integrated Circuit Industry Venture Capital Fund Partnership (LP), a Chinese limited partnership based in Hefei, China. The investment represents 10% of the partnership's total subscribed capital.

(6) On January 19, 2024, ACM Shanghai entered into a limited partnership agreement with Company A for an ownership interest of 14.3%.

Available-for-sale debt investments

The available-for-sale debt investments are investments in preferred shares that are redeemable at the Company's option with no contractual maturity date, which are measured at fair value.

The following table summarizes the amortized cost and estimated fair value of the Company's available-for-sale debt investments as of December 31, 2025 and 2024.

As of December 31,	Amortized Cost	Estimated fair value
2025	$ 7,269	$ 9,703
2024	$ 4,939	$ 5,366

NOTE 12 – SHORT-TERM INVESTMENTS

Pursuant to a Share Purchase Agreement dated August 2023, ACM Shanghai acquired shares of Zhongjuxin Limited Company ("Zhongjuxin") in September 2023 with amount of $4,179. The shares held by ACM Shanghai are restricted for sale for a minimum period of twelve months. Zhongjuxin completed it STAR IPO in September 2023. The investments were partially-disposed by ACM Shanghai and net proceeds of RMB 38,464 ($5,267) were received during the year ended December 31, 2024. The investments were fully-disposed by ACM Shanghai and net proceeds of RMB 15,089 ($2,147) were received during the year ended December 31, 2025.

Pursuant to a Share Purchase Agreement dated January 2024, ACM Shanghai acquired shares of Shanghai Syncrystalline Silicon Materials Co., Ltd. ("Syncrystalline") in February 2024 with amount of RMB 10 million ($1,423). The shares held by ACM Shanghai are restricted for sale for a minimum period of twelve months. Syncrystalline completed its STAR IPO in February 2024. As of December 31, 2025, the Company's total investment costs in Syncrystalline were RMB 20 million ($2,846), including RMB 10 million ($1,423) invested by ACM Shanghai in 2021 and RMB 10 million ($1,423) invested by ACM Shanghai in February 2024.

The components of short-term investments were as follows:

	December 31, 2025	December 31, 2024
Short-term investments listed in Shanghai Stock Exchange		
Cost	$ 17,076	$ 17,731
Market value	35,524	19,373

For the years ended December 31, 2025, 2024 and 2023, the net gains recognized on short-term investments were as follows:

	Year ended December 31 2025	2024	2023
Unrealized gains (losses) recognized during the reporting period on short-term investment still held at December 31	$ 17,455	$ 973	$ (2,737)
Net realized gains on short-term investment sold during the year	166	1,788	9,047
Total net gains recognized at December 31 on short-term investment	$ 17,621	$ 2,761	$ 6,310

For the years ended December 31, 2025, 2024 and 2023, the Company received proceeds of $2,147, $8,434 and $21,735 from the sale of short-term investments, respectively, including realized gains of $166, $1,788 and $9,047, respectively.

NOTE 13 – RELATED PARTY BALANCES AND TRANSACTIONS

Ninebell

Ninebell is an equity investee of ACM (note 11) and is the Company's principal supplier of robotic delivery system subassemblies used in single-wafer cleaning equipment. The Company purchases equipment from Ninebell for production in the ordinary course of business. The Company pays for a portion of the equipment in advance and is obligated to pay the remaining amounts upon receipt of the product.

Shengyi

Shengyi is an equity investee of ACM Shanghai (note 11) and is one of the Company's component suppliers in mainland China. The Company purchases components from Shengyi for production in the ordinary course of business. The Company incurs a service fee related to installation and hook-up fees which is recorded within cost of revenue on the Company's consolidated statements of comprehensive income. The Company pays for a portion of the raw materials in advance and is obligated to pay the remaining amount upon receipt of the product.

All related party outstanding balances are short-term in nature and are expected to be settled in cash.

The following tables represent major related party balances and transactions as of December 31, 2025 and 2024:

Advances to related party	December 31, 2025	December 31, 2024
Ninebell	$ 163	$ 1,024
Shengyi	2,337	—
Total	$ 2,500	$ 1,024

Accounts payable	December 31, 2025	December 31, 2024
Ninebell	$ 20,353	$ 10,830
Shengyi	11,707	5,303
Total	$ 32,060	$ 16,133

Purchases of materials	Year Ended December 31, 2025	2024	2023
Ninebell	$ 64,919	$ 53,792	$ 42,737
Shengyi	15,173	6,794	5,006
Total	$ 80,092	$ 60,586	$ 47,743

Service fees charged by	Year Ended December 31, 2025	2024	2023
Shengyi	$ 2,799	$ 595	$ 820
Total	$ 2,799	$ 595	$ 820

NOTE 14 – COMMON STOCK

At December 31, 2025 and 2024, ACM was authorized to issue 150,000,000 shares of Class A common stock and 5,307,816 shares of Class B common stock, each with a par value of $0.0001. Each share of Class A common stock is entitled to one vote, and each share of Class B common stock is entitled to twenty votes and is convertible at any time into one share of Class A common stock. Shares of Class A common stock and Class B common stock are treated equally, identically and ratably with respect to any dividends declared by the Board of Directors unless the Board of Directors declares different dividends to the Class A common stock and Class B common stock by getting approval from a majority of common stockholders.

During the years ended December 31, 2025, 2024 and 2023, ACM issued 2,651,132, 1,902,713 and 1,380,886 shares of Class A common stock upon option exercises by employees and non-employees, respectively

At December 31, 2025 and 2024, the number of shares of Class A common stock issued and outstanding was 60,590,017 and 57,938,885, respectively. At December 31, 2025 and 2024, the number of shares of Class B common stock issued and outstanding was 5,021,811 and 5,021,811, respectively.

NOTE 15 – STOCK-BASED COMPENSATION

The Company's stock-based compensation consists of employee and non-employee awards issued under its 2016 Omnibus Incentive Plan. The vesting condition may consist of service period conditions or certain performance conditions, as determined by the Board of Directors.

Employee Awards

The following table summarizes the ACM's employee share option activities:

	Number of Option Shares	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)	Weighted Average Remaining Contractual Term
Outstanding at December 31, 2024	**8,851,595**	**$ 6.18**	**$ 10.84**		5.81 years
Granted	255,000	18.35	25.53		
Exercised	(2,344,035)	3.23	6.56	$ 52,606	
Forfeited/cancelled	(135,131)	15.21	23.39		
Outstanding at December 31, 2025	**6,627,429**	**7.50**	**$ 12.66**	**$ 177,514**	**5.59 years**
Vested and exercisable at December 31, 2025	**4,669,104**	**6.64**	**$ 11.94**	**$ 128,455**	**5.02 years**

As of December 31, 2025, $15,178 of total unrecognized employee stock-based compensation expense, net of estimated forfeitures, related to stock-based awards for ACM was expected to be recognized over a weighted-average period of 2.4 years.

The weighted average grant date fair value of options granted during the years ended December 31, 2025, 2024 and 2023 were $18.35, $15.31, and $10.38, respectively.

The aggregate intrinsic value of options exercised during the years ended December 31, 2025, 2024 and 2023 was $52,606, $35,675, and $15,457, respectively.

The aggregate fair value of the share-based awards vested during the years ended December 31, 2025, 2024 and 2023 were $31,002, $26,137 and $18,378, respectively.

The fair value of options granted to employees is estimated on the grant date using the Black-Scholes valuation model with the following assumptions:

	Year ended December 31,		
	2025	**2024**	**2023**
Fair value of common stock(1)	$24.33-$32.95	$18.67-$31.92	$11.85-$17.23
Expected term in years(2)	5.50-6.25	5.50-6.25	5.50-6.25
Volatility(3)	82.78%-83.59%	83.85%-85.48%	84.95%-86.45%
Risk-free interest rate(4)	3.90-4.25%	3.80-4.49%	4.16-4.69%
Expected dividend(5)	0 %	0 %	0 %

(1) Fair value of Class A common stock value was the closing market price of the Class A common stock on the grant date.
(2) Expected term of share options is based on the average of the vesting period and the contractual term for each grant.
(3) Volatility is calculated based on the historical volatility of ACM in the period equal to the expected term of each grant.
(4) Risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the share options in effect at the time of grant.
(5) Expected dividend is assumed to be 0% as ACM has no history or expectation of paying a dividend on its common stock.

Non-employee Award

The following table summarizes the Company's non-employee share option activities:

	Number of Option Shares (1)	Weighted Average Grant Date Fair Value (1)	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)	Weighted Average Remaining Contractual Term
Outstanding at December 31, 2024	**784,132**	**$ 0.52**	**$ 1.68**		**2.12 years**
Exercised	(307,097)	0.25	0.84	$ 9,490	
Forfeited/cancelled	(94,152)	0.49	1.81		
Outstanding at December 31, 2025	**382,883**	**0.74**	**$ 2.32**	**$ 14,215**	**1.63 years**
Vested and exercisable at December 31, 2025	**382,883**	**0.74**	**2.32**	**$ 14,215**	**1.63 years**

As of December 31, 2025, all of the non-employee share options were fully-vested. The aggregate intrinsic value of options exercised in the years ended December 31, 2025, 2024 and 2023 were $9,490, $7,901, and $3,796, respectively. The aggregate fair value of the share-based awards vested during the years ended December 31, 2025, 2024 and 2023 were $285, $408, and $479, respectively.

2019 Subsidiary Stock Option Plan

In January 2020, ACM Shanghai adopted a 2019 Stock Option Incentive Plan (the "2019 Subsidiary Stock Option Plan") that provides for, among other incentives, the granting to officers, directors, employees of options to purchase shares of ACM Shanghai's common stock. The vesting conditions consist of service periods conditions and performance conditions related to certain earning targets determined by the Board of Directors of ACM Shanghai.

There were no options outstanding under the 2019 Subsidiary Stock Option Plan as of December 31, 2024 and no activity thereafter.

The aggregate fair value of the share-based awards vested during the years ended December 31, 2025, 2024, and 2023 were nil, nil, and $99, respectively.

The aggregate intrinsic value of options exercised in the years ended December 31, 2025 and 2024 and 2023 was nil, $25,946 and $31,144, respectively. There were nil options outstanding and exercisable as of December 31, 2025.

2023 Subsidiary Stock Option Plan

In June 2023, ACM Shanghai adopted a 2023 Stock Option Incentive Plan (the "2023 Subsidiary Stock Option Plan") that provides for, among other incentives, the granting to officers, directors, employees of options to purchase shares of ACM Shanghai's common stock. The vesting conditions consist of service periods conditions and performance conditions related to certain sales and research and development progress targets determined by the Board of Directors of ACM Shanghai.

The following table summarizes the ACM Shanghai 2023 Subsidiary Stock Option Plan's stock option activities:

	Number of Option Shares in ACM Shanghai	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)	Weighted Average Remaining Contractual Term
Outstanding at December 31, 2024	**11,604,310**	**$ 9.01**	$ 7.00		2.48 years
Exercised	(2,822,710)	7.78	6.97	$ 23,638	
Forfeited/cancelled	(630,700)	8.24	6.97		

Outstanding at December 31, 2025	**8,150,900**	**9.08**	**$ 6.97**	**$ 144,090**	**0.98 years**
Vested and exercisable at December 31, 2025	**2,448,750**	**9.08**	**6.97**	**$ 43,289**	**0.00 years**

No options were granted under ACM Shanghai 2023 Option Plan during the year ended December 31, 2025.

The weighted average grant date fair value of options granted during the years ended December 31, 2024 and 2023 were $6.04 and $9.49, respectively.

The aggregate intrinsic value of options exercised during the years ended December 31, 2025 was $23,638. No options were exercised under the 2023 Subsidiary Stock Option Plan during 2024 and 2023. The aggregate fair value of the share-based awards vested during the years ended December 31, 2025, 2024 and 2023 were $43,475, $21,748, and nil, respectively.

The fair value of options granted to employees is estimated on the grant date using the Black-Scholes valuation with following assumptions:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Fair value of common stock(1)	$4.93-$6.89	$14.87
Expected term in years(2)	1.50-4.50	1.50-4.50
Volatility(3)	45.92%-56.18%	60.00%-60.60%
Risk-free interest rate(4)	1.50%-2.75%	1.50%-2.75%
Expected dividend (5)	— %	— %

(1) Equal to closing value on the grant date.
(2) Expected term of share options is based on the average of the vesting period and the contractual term for each grant.
(3) Volatility is calculated based on the historical volatility of ACM in the period equal to the expected term of each grant.
(4) Risk-free interest rate is based on the yields of RMB deposit in mainland China with maturities similar to the expected term of the share options in effect at the time of grant.
(5) Expected dividend is assumed to be 0% as the impact is adjusted on the value of share of common stock.

As of December 31, 2025, $25,583 of total unrecognized employee stock-based compensation expense, net of estimated forfeitures, related to ACM Shanghai stock-based awards were expected to be recognized over a weighted-average period of 0.98 years .

Total Stock-Based Compensation Expense

The following table summarizes the components of stock-based compensation expense included in the consolidated statements of comprehensive income:

	Year Ended December 31,		
	2025	2024	2023
Cost of revenue	$ 1,343	$ 2,385	$ 1,406
Sales and marketing expense	6,629	10,552	5,684
Research and development expense	8,783	14,112	8,459
General and administrative expense	16,822	22,527	11,789
Total stock-based compensation expense	$ 33,577	$ 49,576	$ 27,338

NOTE 16 – INCOME TAXES

The following represent the U.S. and foreign components of income before income tax for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
U.S	$ 16,777	$ 21,282	$ 10,420
Foreign	118,415	145,018	105,796
Income before income taxes	$ 135,192	$ 166,300	$ 116,216

The following represent components of the income tax benefit (expense) for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
Current:			
U.S. federal	$ (8,631)	$ (483)	$ (12,757)
U.S. state	(2)	(2)	(150)
Total U.S. current tax expense	(8,633)	(485)	(12,907)
Foreign	(19,632)	(29,120)	(19,696)
Total current tax expense	(28,265)	(29,605)	(32,603)
Deferred:			
U.S. federal	652	(5,244)	7,316
U.S. state	—	(63)	63
Total U.S. deferred tax benefit (expense)	652	(5,307)	7,379
Foreign	14,314	(119)	5,860
Total deferred tax benefit (expense)	14,966	(5,426)	13,239
Total income tax expense	$ (13,299)	$ (35,031)	$ (19,364)

The Company's effective tax rate differs from statutory rates of 21% for U.S. federal income tax purposes and 25% for mainland China income tax purposes due to the effects of the valuation allowance and certain permanent differences as they pertain to book-tax differences in employee stock-based compensation and non-U.S. research and development expense. A new requirement to capitalize and amortize previously deductible research and experimental expenses resulting from a change in Section 174 made by the Tax Cuts and Jobs Act of 2017 (the "TCJA") became effective on January 1, 2022. Under the TCJA, the Company is required to capitalize, and subsequently amortize R&D expenses over fifteen years for research activities conducted outside of the U.S. The capitalization of overseas R&D expenses resulted in a significant increase in the Company's global intangible low-taxed income inclusion beginning in 2022. The enactment of the One, Big, Beautiful, Bill Act, signed into law in July 2025, repeals the mandatory capitalization requirement for domestic R&D expenses for tax years beginning after December 31, 2025. However, the capitalization requirement for research activities conducted outside of the U.S remains unchanged.

Pursuant to the Corporate Income Tax Law of mainland China, all of the Company's mainland China subsidiaries are liable to mainland China Corporate Income Taxes at a rate of 25%, except for ACM Shanghai and ACM Lingang. According to Guoshuihan 2009 No. 203, an entity certified as an "advanced and new technology enterprise" is entitled to a preferential income tax rate of 15%. ACM Shanghai was certified as an "advanced and new technology enterprise" in 2012 and again in 2016, 2018, 2021 and 2024, effective until December 31, 2026. Certain entities which meet requirements according to the Policy of the Lingang New area in China (Shanghai) Pilot Free Trade Zone are entitled to a preferential income tax rate of 15%. ACM Lingang was certified for this in 2021, and this preferential income tax rate was valid from January 1, 2020 until December 31, 2024.ACM Lingang's tax is expected to be exempt for first two profitable years after net operating loss utilization and half of the statutory tax rate for the next three years. The provision for mainland China corporate income tax for ACM Shanghai is calculated by applying the income tax rate of 15% for the years ended December 31, 2025, 2024 and 2023 .

Income tax expense for the years ended December 31, 2025, 2024 and 2023 differed from the amounts computed by applying the statutory U.S. federal income tax rate of 21% to pretax income as a result of the following:

	Year Ended December 31,		
	2025	**2024**	**2023**
Effective tax rate reconciliation:			
Income tax provision at statutory rate	21.0 %	21.0 %	21.0 %
Stock compensation	(4.9)	(3.0)	(2.0)
Foreign rate differential	7.6	(3.3)	(10.5)
Foreign income taxed in US	10.5	3.7	7.4
Foreign research and development expense	(11.9)	(6.4)	(8.0)
Change in valuation allowance	(12.6)	8.8	8.7
Other permanent difference	0.1	0.2	—
Effective income tax rate	9.8 %	21.0 %	16.6 %

A reconciliation of the federal statutory income tax rate to the effective income tax rate for the year ended December 31, 2025 is as follows:

	Year Ended December 31, 2025	
	Amount	Tax rate
U.S. federal statutory tax and Rate	$ 28,390	21.0 %
State and local income taxes, net of federal income tax effect*	2	—
Foreign tax effects		
China		
Statutory rate differential	6,225	4.6
Tax incentive adjustment	(24,688)	(18.3)
R&D deduction	(16,082)	(11.9)
Change in valuation allowance	1,356	1.0
Withholding tax	3,249	2.4
Other	(708)	(0.5)
Other foreign jurisdictions	1,358	1.0
Enactment of new tax laws		
Effect of cross-border tax laws		
Global intangible low-taxed income	20,925	15.5
Subpart F	2,251	1.7
Other	(123)	(0.1)
Tax Credits		
Foreign tax credits	(10,049)	(7.4)
Change in valuation allowance	323	0.2
Nondeductible Items	16	—
Worldwide changes in unrecognized tax benefits	6,787	5.0
Other		
Share-based payment awards	(5,942)	(4.4)
Other	9	—
Tax Expense / Effective Tax Rate	**$ 13,299**	**9.8** %

*In 2025, state and local income taxes in California comprise the majority of the domestic and state and local income taxes, net of the federal income tax effect category.

Tax effects of temporary differences that give rise to significant portions of the Company’s deferred tax assets at December 31, 2025 and 2024 are presented below:

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carry forwards (offshore)	$ 2,968	$ 8,106
Net operating loss carry forwards (U.S.) and credit	10,152	8,653
Deferred revenue (offshore)	3,179	6,428
Accruals (U.S.)	480	212
Reserves and other (offshore)	11,333	6,631
Stock-based compensation (U.S.)	3,209	2,974
Stock-based compensation (offshore)	13,594	10,325
Lease liability	1,681	1,157
Total gross deferred tax assets	46,596	44,486
Less: valuation allowance	(9,454)	(26,516)
Total deferred tax assets	37,142	17,970
Deferred tax liabilities:		
Property and equipment	(1,615)	(1,190)
Equity investments and unrealized gain on short-term investments	(6,138)	(1,999)
Total deferred tax liabilities	(7,753)	(3,189)
Deferred tax assets, net	$ 29,389	$ 14,781

The Company considers all available evidence to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carry-forward periods), and projected taxable income in assessing the realizability of deferred tax assets. In making such judgments, significant weight is given to evidence that can be objectively verified. Based on all available evidence, a partial valuation allowance has been established against some net deferred tax assets as of December 31, 2025 and 2024, based on estimates of recoverability. In order to fully realize the deferred tax assets, the Company must generate sufficient taxable income in future periods before the expiration of the deferred tax assets governed by the tax code.

As of December 31, 2025 and 2024, the Company had valuation allowances, respectively, of $5,789 and $5,467 for U.S. federal purposes, $593 and $295 for U.S. state purposes and $2,182 and $20,209 for mainland China income tax purposes, and $840 and $515 for Korea income tax purposes.

As of December 31, 2025, the Company had operating loss carryforward amounts, or NOLs, of $1,056 for U.S. federal income tax purposes and $7,364 for U.S. state income tax purposes. As of December 31, 2024, the Company had NOLs, of $2,030 for U.S. federal income tax purposes and $929 for U.S. state income tax purposes. As of December 31, 2023, the Company had NOLs of $3,121 for U.S. federal income tax purposes and $593 for U.S. state income tax purposes.

As of December 31, 2025 and 2024, the Company had NOLs, respectively, $17,863 and $30,481 for mainland China income tax purposes and $3,816 and $2,339 for South Korea income tax purposes. Such losses begin expiring in 2037, 2032, 2028 and 2037 for U.S. federal, U.S. state, mainland China, and South Korea income tax purposes, respectively.

Under provisions of the U.S. Internal Revenue Code (the "IRC"), a limitation applies to the use of the U.S. net operating loss and credit carry-forwards that would be applicable if ACM experiences an "ownership change," as defined in IRC Section 382. ACM conducted an analysis of its stock ownership under IRC Section 382 and $2,030 of the net operating loss carryforwards are subject to annual limitation as a result of the ownership change in 2017. The net operating loss carryforwards are not expected to expire before utilization.

Tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more-likely-than-not recognition threshold it is then measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The aggregate changes in the balance of gross unrecognized tax benefits for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Year Ended December 31,		
	2025	2024	2023
Beginning balance	$ 16,774	$ 13,026	$ 8,448
Increase of unrecognized tax benefits related to current year	4,132	2,308	4,379
Increase of unrecognized tax benefits taken in prior years	—	6,871	199
Reductions for tax positions related to prior years	(1)	(5,431)	-
Ending balance	$ 20,905	$ 16,774	$ 13,026

The Company is subject to taxation in the United States, state, and foreign jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits. Certain tax years are subject to foreign income tax examinations by tax authorities until the statute of limitations expire.

The Company had $20,905 and $16,774 of unrecognized tax benefits as of December 31, 2025 and 2024, respectively.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2025 and 2024, respectively, the Company had $7,094 and $2,973 of accrued penalties and interest related to uncertain tax positions, all of which was recognized in the Company's consolidated statements of comprehensive income for the year then ended. The amount of the unrecognized tax benefit that, if recognized, would impact the effective tax rate was $20,770 as of December 31, 2025. There were no ongoing examinations by taxing authorities as of December 31, 2025 or 2024.

Prior to the TCJA, the Company asserted that all unremitted earnings of its foreign subsidiaries were considered indefinitely reinvested. As a result of the TCJA, the Company reported and paid U.S. tax on the majority of its previously unremitted foreign earnings, and repatriations of foreign earnings will generally be free of U.S. federal tax, but may incur other taxes such as withholding or state taxes. As of December 31, 2025, the Company has not made a provision for U.S. or additional foreign withholding taxes on approximately $343,266 of undistributed earnings of its foreign subsidiaries that is indefinitely reinvested. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances.

Cash income taxes paid by the Company were as follows:

	Year Ended December 31, 2025
U.S.	
Federal	$ 2,574
State and local	(10)
Total U.S.	2,564
Foreign	
China	29,792
Others	19
Total foreign	29,811
Total cash paid	$ 32,375

NOTE 17 – SEGMENT INFORMATION

The Company identifies operating segments according to how the business activities are managed and evaluated. The Company's chief operating decision maker ("CODM") has been identified as ACM's Chief Executive Officer. The

Company's operating segments include ACM Research and ACM Shanghai. As the Company is engaged in the development, manufacture and sale of capital equipment to global semiconductor manufacturers, and each of the operating segments share similar economic and other qualitative characteristics, the results of the Company's operating segments are aggregated into one reportable segment.

The CODM assesses financial performance for the Company and decides how to allocate resources based on consolidated revenue, gross margin and income from operations. The CODM considers forecasts and actual results on a regular basis when assessing the operating results and making resource decisions.

Significant expenses within income from operations, as well as within net income, include consolidated cost of revenue, sales and marketing, research and development, and general and administrative, and which are each separately presented in the Company's consolidated statements of comprehensive income. Other segment items within net income include interest income, interest expense, income from equity method investments and other (expense) income, net, which are each separately presented on the Company's consolidated statements of comprehensive income. The measure of segment assets is reported on the consolidated balance sheets as total assets.

Revenue by geographic location is determined by the location of customers' facilities to which products were shipped. Long-lived assets consist primarily of property, plant and equipment, and right-of-use assets and are attributed to the geographic location in which the respective asset is located. Long-lived assets by geographic region as of the years ended were as follows:

	December 31,	
	2025	2024
Long-lived assets by geography:		
Mainland China	$ 321,748	$ 287,892
South Korea	8,868	10,358
United States	9,465	8,973
Total	$ 340,081	$ 307,223

NOTE 18 – COMMITMENTS AND CONTINGENCIES

The Company leases offices and manufacturing locations under non-cancelable operating lease agreements. As of December 31, 2025, the Company had $2,063 of open commitments to construction contracts.

Covenants in ACM Lingang's Grant Contract for State-owned Construction Land Use Right in Shanghai City (Category of R&D Headquarters and Industrial Projects) with the China (Shanghai) Pilot Free Trade Zone Lingang Special Area Administration require, among other things, that ACM Lingang pay liquidated damages in the event that within 7 years after the land use right was obtained in July 2020, the Company does not (i) generate a minimum specified amount of annual sales of products manufactured on the granted land or (ii) pay to mainland China at least RMB 157.6 million ($22,000) in annual total taxes (including value-added taxes, corporate income tax, personal income taxes, urban maintenance and construction taxes, education surcharges, stamp taxes, and vehicle and shipping taxes) as a result of operations in connection with the granted land.

Legal Matters

In the normal course of business, the Company is subject to contingencies, including legal proceedings, investigations, and environmental claims arising out of the normal course of business that relate to a wide range of matters, including among others, contracts breach liability. The Company records accruals for such contingencies based upon the assessment of the probability of occurrence and, where determinable, an estimate of the liability. Management may consider many factors in making these assessments including past history, scientific evidence and the specifics of each matter. Some of these contingencies involve claims that are subject to substantial uncertainties and un-estimable damages.

In 2025, ACM's subsidiary, ACM Korea, received inquiries from the Seoul Customs Office ("SCO") regarding certain goods produced and shipped by ACM Korea to overseas markets. As of December 31, 2025, the SCO has completed its investigation and has issued a fine to ACM Korea, which ACM Korea paid and has formally appealed. The matter has been formally transferred to a regional prosecutor's office in Korea, and is currently pending review and next steps, if any. The investigation is on-going and remains in its preliminary stages, and as such, this matter is subject to uncertainties and further developments as it proceeds. Although the Company cannot predict the outcome of this, or any other related governmental inquiries or proceedings that may occur, the Company does not believe at this time it will have a material effect on its consolidated financial condition or results of operations.

The Company's management has evaluated all other proceedings and claims that existed as of December 31, 2025. In the opinion of management, except with respect to the ACM Korea customs matter described above, no provision for liability nor disclosure was required as of December 31, 2025 related to any claim against the Company because: (a) there is not a reasonable possibility that a loss exceeding amounts already recognized (if any) may be incurred with respect to such claim; (b) a reasonably possible loss or range of loss cannot be estimated; or (c) such estimate is immaterial.

As of December 31, 2025, the Company had no material outstanding legal proceedings.

NOTE 19 - LEASES

The Company leases space under non-cancelable operating leases for several office and manufacturing locations. These leases do not have significant rent escalation holidays, concessions, leasehold improvement incentives, or other build-out clauses. Further, the leases do not contain contingent rent provisions.

Most leases include one or more options to renew. The Company regularly evaluates the renewal options, and when they are reasonably certain of exercise, the Company includes the renewal period in its lease term.

The Company's leases also include a right to use state-owned land in mainland China with lease terms of 50 years expiring in 2070, for which an upfront lump-sum payment was made during the year ended December 31, 2022.

The components of lease expense were as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
Operating lease cost	$ 4,544	$ 3,815	$ 3,580
Short-term lease cost	1,614	1,790	923
Lease cost	$ 6,158	$ 5,605	$ 4,503

Supplemental cash flow information related to operating leases was as follows for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	**2024**	**2023**
Operating cash outflow from operating leases	$ 4,544	$ 3,647	$ 3,580
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	$ 5,938	$ 1,781	$ 8,195

Maturities of lease liabilities for all operating leases were as follows as of December 31, 2025:

		December 31, 2025
2026	$	4,439
2027		4,218
2028		1,040
2029		457
2030 and thereafter		142
Total lease payments		10,296
Less: Interest		(441)
Present value of lease liabilities	$	9,855

The weighted average remaining lease terms and discount rates for all operating leases, excluding land-use right, were as follows as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
Remaining lease term and discount rate:		
Weighted average remaining lease term (years)	2.67	3.57
Weighted average discount rate	3.01 %	3.58 %

NOTE 20 – PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

For the presentation of the parent company only condensed financial information, the Company records its investments in subsidiaries under the equity method of accounting as prescribed in ASC 323, Investments—Equity Method and Joint Ventures. Such investments are presented on the condensed balance sheets as “Investment in consolidated subsidiaries and equity method investees” and the subsidiaries’ losses and gains as “Equity in earnings of consolidated subsidiaries and equity method investees” on the condensed statements of comprehensive income. Certain information and footnote disclosures generally included in the financial statements prepared in accordance with GAAP have been condensed or omitted. The footnote disclosure contains supplemental information relating to the operations of ACM separately.

ACM Shanghai paid a dividend to ACM Research during the years ended December 31, 2025, 2024, and 2023 (note 2).

Except for long-term obligations, or guarantees, and a loan borrowed by ACM Inc. from China CITIC Bank (note 10), ACM does not have significant capital or other commitments, as of December 31, 2025 or 2024.

The following represents condensed unconsolidated financial information of ACM Research only as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023:

CONDENSED BALANCE SHEETS

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 96,184	$ 54,764
Account receivables, net	84	2
Due from intercompany	8,457	6,554
Other receivables	11,595	8,938
Prepaid expenses and other current assets	417	479
Total current assets	116,737	70,737
Deferred tax assets	5,246	4,610
Property, plant and equipment, net	8,482	7,990
Investment in consolidated subsidiaries and equity method investees	1,376,596	844,507
Total assets	$ 1,507,061	$ 927,844
Liabilities and Stockholders’ Equity		
Short-term borrowings	$ 28,346	$ 13,882
Accounts payable	709	391
Other payables and accrued expenses	10,456	8,098
Income taxes payable	240	—
FIN-48 payable	2,833	848
Total current liabilities	42,584	23,219
Long-term borrowings	114	—
Total liabilities	42,698	23,219
Total stockholders’ equity	1,464,363	904,625
Total liabilities and stockholders' equity	$ 1,507,061	$ 927,844

CONDENSED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2025	2024	2023
Revenue	$ 7,704	$ 2,576	$ 6,354
Cost of revenue	(4,590)	(132)	(4,336)
Gross profit	3,114	2,444	2,018
Operating expenses:			
Sales and marketing expenses	(9,461)	(6,909)	(4,715)
General and administrative expenses	(13,218)	(10,331)	(7,840)
Loss from operations	(19,565)	(14,796)	(10,537)
Equity in earnings of consolidated subsidiaries and equity method investees	85,129	87,916	73,707
Interest income, net	3,428	2,094	799
Interest expense, net	(1,443)	(560)	(66)
Other income, net	34,526	34,684	18,476
Income before income taxes	102,075	109,338	82,379
Income tax expense	(7,997)	(5,711)	(5,030)
Net income	94,078	103,627	77,349
Foreign currency translation adjustment, net of tax	25,848	(14,373)	(8,803)
Unrealized gain on available-for-sale investments, net of tax	1,784	350	—
Comprehensive income attributable to ACM Research, Inc.	$ 121,710	$ 89,604	$ 68,546

CONDENSED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2025	2024	2023
Net cash (used in) provided by operating activities	$ 7,555	$ 15,285	$ 1,489
Net cash used in investing activities	(724)	(7,889)	(149)
Net cash provided by financing activities	34,589	5,752	16,423
Net increase (decrease) in cash and cash equivalents	41,420	13,148	17,763
Cash and cash equivalents, beginning of year	54,764	41,616	23,853
Cash and cash equivalents, end of year	$ 96,184	$ 54,764	$ 41,616

NOTE 21: SUBSEQUENT EVENTS

On January 30, 2026, ACM Shanghai issued a notice to the Shanghai Stock Exchange that ACM Research intended to sell up to 4,801,648 shares of ACM Shanghai through an inquiry-based share transfer plan. On February 6, 2026, ACM Shanghai notified the Shanghai Stock Exchange that ACM Research sold 4,801,648 shares of ACM Shanghai at a price of RMB 160.00 (approximately $23.05) per share.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that our management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Attestation Report of Independent Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been tested by Ernst & Young Hua Ming LLP, our independent registered public accounting firm, as stated in their report which is included in Part II, Item 8 of this report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recent fiscal quarter ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

On November 20, 2025, Charles Pappis , a member of the Board of Directors of ACM Research, adopted a Rule 10b5-1 trading arrangement (the "Pappis Plan") that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Pappis Plan allows for the contemporaneous exercise of options and sale of up to 10,000 shares of Class A Common Stock, at specific market prices, commencing on March 3, 2026, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) March 3, 2027, or (iii) such date that the Pappis Plan is otherwise terminated according to its terms, whichever comes first.

On December 2, 2025, Lisa Feng, Chief Financial Officer of ACM Shanghai, t, adopted a Rule 10b5-1 trading arrangement (the “Feng Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Feng Plan allows for the contemporaneous exercise of options and sale of up to 30,000 shares of Class A Common Stock, at specific market prices, commencing on March 5, 2026, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) March 4, 2027, or (iii) such date that the Feng Plan is otherwise terminated according to its terms, whichever comes first.

On December 4, 2025, Tracy Liu , a member of the Board of Directors of ACM Research, adopted a Rule 10b5-1 trading arrangement (the “Liu Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Liu Plan allows for the contemporaneous exercise of options and sale of up to 60,000 shares of Class A Common Stock, at specific market prices, commencing on March 10, 2026, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) December 15, 2026, or (iii) such date that the Liu Plan is otherwise terminated according to its terms, whichever comes first.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

(a) ACM Research was identified by the SEC pursuant to Section 104(i)(2)(A) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)(2)(A)) as having retained, for the preparation of the audit report on its financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2021, a registered public accounting firm that has a branch or office that is located in a foreign jurisdiction and that the PCAOB had then determined it was unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction, which determination was vacated by the PCAOB on December 15, 2022. ACM Research herein confirms that it is not owned or controlled by any governmental entity in such foreign jurisdiction.

(b) Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this report.

Item 11. Executive Compensation

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this report.

Item14. Principal Accounting Fees and Services

Information responsive to this item is incorporated herein by reference to our definitive proxy statement with respect to our 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) See "Item 8. Financial Statements and Supplementary Data – Index to Consolidated Financial Statements" of Part II above and "Exhibit Index" below.

(b) Exhibits.

Exhibit No.	Description
3.01(a)	Restated Certificate of Incorporation of ACM Research, Inc. (incorporated herein by reference to Exhibit 3.01 to the Current Report on Form 8-K filed on November 14, 2017)
3.01(b)	Certificate of Amendment to Restated Certificate of Incorporation of ACM Research, Inc., dated July 13, 2021 (incorporated herein by reference to Exhibit 3.01 to the Current Report filed on July 13, 2021)
3.02	Restated Bylaws of ACM Research, Inc. (incorporated herein by reference to Exhibit 3.02 to the Current Report on Form 8-K filed on November 14, 2017)
4.01	Intercompany Promissory Note dated March 30, 2018 issued by ACM Research (Shanghai), Inc. to ACM Research, Inc. (incorporated herein by reference to Exhibit 10.04 to the Quarterly Report on Form 10-Q filed on May 14, 2018)
4.02	Description of ACM Research, Inc.'s Securities
10.01(a)	Lease dated March 22, 2017 between ACM Research, Inc. and D&J Construction, Inc. (incorporated herein by reference to Exhibit 10.01 to the Registration Statement on Form S-1 filed on September 13, 2017)
10.01(b)	Lease Amendment dated February 28, 2018 between ACM Research, Inc. and D&J Construction, Inc. (incorporated herein by reference to Exhibit 10.06 to the Amended Quarterly Report on Form 10-Q/A filed on October 15, 2018)
10.01(c)	Lease Amendment dated February 4, 2019 between ACM Research, Inc. and D&J Construction, Inc. (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on February 8, 2019)
10.01(d)	Lease Amendment dated January 4, 2021 between ACM Research, Inc. and D&J Construction, Inc. (incorporated herein by reference to Exhibit 10.01(d) to the Annual Report on Form 10-K filed on March 1, 2022)
10.01(e)	Lease Amendment dated February 1, 2023 between ACM Research, Inc. and D&J Construction, Inc
10.02	Lease Agreement dated April 26, 2018 between ACM Research (Shanghai), Inc. and Shanghai Zhangjiang Group Co., Ltd. (incorporated herein by reference to Exhibit 10.01 to the Amended Quarterly Report on Form 10-Q/A filed on October 15, 2018)
10.03	Lease Agreement dated January 18, 2018 between ACM Research (Shanghai), Inc. and Shanghai Shengyu Culture Development Co., Ltd. (incorporated herein by reference to Exhibit 10.05 to the Amended Quarterly Report on Form 10-Q/A filed on October 15, 2018)
10.04	Signed Purchase and Sale Agreement and Receipt for Earnest Money, dated July 30, 2024, by and among ACM Research, Inc. and William R. O'Neill, Lynda E. O'Neill and Gordon A. Harris (incorporated herein by reference to Exhibit 10.01 to the Quarterly Report on Form 10-Q filed on August 7, 2024)
10.05	Securities Purchase Agreement dated March 23, 2017 between ACM Research, Inc. and Shanghai Science and Technology Venture Capital Co., Ltd., as amended (incorporated herein by reference to Exhibit 10.04 to the Amended Registration Statement on Form S-1/A filed on October 18, 2017)
10.06	Ordinary Share Purchase Agreement dated September 6, 2017 by and among ACM Research, Inc., Ninebell Co., Ltd. and Moon-Soo Choi (incorporated herein by reference to Exhibit 10.07 to the Amended Registration Statement on Form S-1/A filed on October 18, 2017)
10.08	Form of Capital Increase Agreement between ACM Research, Inc. and certain investors (incorporated herein by reference to Exhibit 10.01 to the Quarterly Report on Form 10-Q filed on August 12, 2019)
10.08(a)	Schedule identifying agreements substantially identical to the form of Capital Increase Agreement filed as Exhibit 10.12 hereto (incorporated herein by reference to Exhibit 10.01(a) to the Quarterly Report on Form 10-Q filed on August 12, 2019)
10.09	Form of Agreement between ACM Research, Inc. and certain Investors (incorporated herein by reference to Exhibit 10.02 to the Quarterly Report on Form 10-Q filed on August 12, 2019)

10.09(a)	Schedule identifying agreements substantially identical to the form of Agreement filed as Exhibit 10.13 hereto (incorporated herein by reference to Exhibit 10.02(a) to the Quarterly Report on Form 10-Q filed on August 12, 2019)
10.10	Partnership Agreement of Hefei Shixi Chanheng Integrated Circuit Industry Venture Capital Fund Partnership (LP) dated September 5, 2019 by and among Infotech National Emerging Industry Venture Investment Guidance Fund (LP), Hefei Guozheng Asset Management Co, Ltd., Hefei Economic and Technological Development Zone Industrial Investment Guidance Fund Co., Ltd., ACM Research (Shanghai), Inc., Hefei Tongyi Equity Investment Partnership (LP), Shenzhen Waitan Technology Development Co., Ltd., and Beijing Shixi Qingliu Investment Co., Ltd. (incorporated herein by reference to Exhibit 10.03 to the Quarterly Report on Form 10-Q filed on November 13, 2019)
10.11	2016 Omnibus Incentive Plan of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.01 to the Quarterly Report on Form 10-Q filed on December 8, 2017)
10.11(a)+	Form of Incentive Stock Option Grant Notice and Agreement under 2016 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.10(a) to the Registration Statement on Form S-1 filed on September 13, 2017)
10.11(b)+	Form of Non-qualified Stock Option Grant Notice and Agreement under 2016 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.10(b) to the Registration Statement on Form S-1 filed on September 13, 2017)
10.11(c)+	Form of Restricted Stock Unit Grant Notice and Agreement under 2016 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.10(c) to the Registration Statement on Form S-1 filed on September 13, 2017)
10.12+	Form of Nonstatutory Stock Option Agreement of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.11 to the Registration Statement on Form S-1 filed on September 13, 2017)
10.13+	1998 Stock Option Plan of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.12 to the Registration Statement on Form S-1 filed on September 13, 2017)
10.13(a)+	Form of Incentive Stock Option Agreement under 1998 Stock Option Plan (incorporated herein by reference to Exhibit 10.12(a) to the Registration Statement on Form S-1 filed on September 13, 2017)
10.13(b)+	Form of Non-statutory Stock Option Agreement under 1998 Stock Option Plan (incorporated herein by reference to Exhibit 10.12(b) to the Registration Statement on Form S-1 filed on September 13, 2017)
10.14	Form of Indemnification Agreement entered into between ACM Research, Inc. and certain of its directors and officers (incorporated herein by reference to Exhibit 10.13 to the Registration Statement on Form S-1 filed on September 13, 2017)
10.19‡†	Grant Contract for State-owned Construction Land Use Right in Shanghai City (Category of R&D Headquarters and Industrial Projects) dated as of May 7, 2020 between ACM Research (Lingang), Inc. and China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area Administration (incorporated herein by reference to Exhibit 10.01 to the Current Report on Form 8-K filed on May 13, 2020)
10.20†	Commitment Letter Regarding the Lock-up of Shares, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.01 to the Current Report on Form 8-K filed on June 1, 2020)
10.21†	Commitment Letter Regarding Shareholding Intent and Intent to Reduce Shareholding, effective as of May 26, 2020, of ACM Research, Inc. and David H. Wang (incorporated herein by reference to Exhibit 10.02 to the Current Report to Form 8-K filed on June 1, 2020)
10.22†	Commitment Letter Regarding the Plan and Binding Measures for Stabilizing the Stock Price of ACM Research (Shanghai), Inc. Within Three Years After Listing, effective as of May 26, 2020, of ACM Research, Inc., ACM Research (Shanghai), Inc., and certain individuals named therein (incorporated herein by reference to Exhibit 10.03 to the Current Report on Form 8-K filed on June 1, 2020)
10.23†	Commitment Letter Regarding Fraudulent Issuance of Listed Shares, effective as of May 26, 2020, of ACM Research, Inc., ACM Research (Shanghai), Inc. and David H. Wang (incorporated herein by reference to Exhibit 10.04 to the Current Report on Form 8-K filed on June 1, 2020)
10.24‡†	Commitment Letter Regarding the Lack of False Records, Misleading Statements or Major Omissions in the Preliminary Information Document, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.05 to the Current Report on Form 8-K filed on June 1, 2020)
10.25†	Commitment Letter Regarding Making Up for Diluted Immediate Returns, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.06 to the Current Report on Form 8-K filed on June 1, 2020)

10.26‡†	Commitment Letter Regarding Unfulfilled Commitment on Binding Measures, effective as of May 26, 2020, of ACM Research, Inc. and David H. Wang (incorporated herein by reference to Exhibit 10.07 to the Current Report on Form 8-K filed on June 1, 2020)
10.27†	Commitment Letter Regarding the Avoidance of Competition in the Same Industry, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.08 to the Current Report on Form 8-K filed on June 1, 2020)
10.28†	Commitment Letter Regarding the Standardization and Reduction of Related Transactions, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.09 to the Current Report on Form 8-K filed on June 1, 2020)
10.29†	Commitment Letter Regarding the Avoidance of Funds Occupation and Illegal Guarantee, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.10 to the Current Report on Form 8-K filed on June 1, 2020)
10.30‡†	Statement and Commitment Letter, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.11 to the Current Report on Form 8-K filed on June 1, 2020)
10.31†	Commitment Letter Regarding Property Lease Matters, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.12 to the Current Report on Form 8-K filed on June 1, 2020)
10.32†	Commitment Letter Regarding Social Insurance and Housing Provident Fund Matters, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.13 to the Current Report on Form 8-K filed on June 1, 2020)
10.33†	Commitment Letter Regarding Foreign Exchange Matters, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.14 to the Current Report on Form 8-K filed on June 1, 2020)
10.34†	Confirmation and Commitment Letter Regarding the Historical Evolution Related Matters Regarding ACM Research (Shanghai), Inc., effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.15 to the Current Report on Form 8-K filed on June 1, 2020)
10.35†	Confirmation Letter, effective as of May 26, 2020, of ACM Research, Inc. (incorporated herein by reference to Exhibit 10.16 to the Current Report on Form 8-K filed on June 1, 2020)
10.38†*	Form of Shanghai Public Rental Housing Overall Pre-Sale Contract (incorporated herein by reference to Exhibit 10.01 to the Current Report on Form 8-K filed on February 25, 2021)
10.38(a)	Schedule identifying agreements substantially identical to the form of Shanghai Public Rental Housing Overall Pre-Sale Contract filed as Exhibit 10.43 hereto (incorporated herein by reference to Exhibit 10.01(a) to the Current Report on Form 8-K filed on February 25, 2021)
10.39†	Loan and Mortgage Contract dated November 19, 2020 between China Merchants Bank Co., Ltd., Shanghai Pilot Free Trade Zone Lin-Gang Special Area Sub-branch and Shengwei Research (Shanghai), Inc. (incorporated herein by reference to Exhibit 10.02 to the Current Report on Form 8-K filed on February 25, 2021)
10.40†	Irrevocable Letter of Guarantee dated November 19, 2020 between China Merchants Bank Co., Ltd., Shanghai Pilot Free Trade Zone Lin-Gang Special Area Sub-branch and ACM Research (Shanghai), Inc. (incorporated herein by reference to Exhibit 10.03 to the Current Report on Form 8-K filed on February 25, 2021)
10.41‡†	Plant Lease Contract dated as of February 1, 2021 between ACM Research (Shanghai), Inc. and Shanghai Shengyu Culture Development Co., Ltd. (incorporated herein by reference to Exhibit 10.01 to the Quarterly Report on Form 10-Q filed on May 7, 2021)
10.42	Unofficial English Translation of RMB Working Capital Loan Contract dated as of July 25, 2023, by and between ACM Research, Inc. and China CITIC Bank Co., Ltd. Shanghai Bank (incorporated herein by reference to Exhibit 10.01 to the Current Report on Form 8-K filed on July 31, 2023)
10.43	Lease Agreement dated March 6, 2023, by and between Hillsboro 229, LLC and ACM Research, Inc. (incorporated herein by reference to Exhibit 10.02 to the Quarterly Report on Form 10-Q filed on August 7, 2023)
10.44	Unofficial English Translation of RMB Working Capital Loan Contract, entered into in January 2025, between ACM Research, Inc. and China CITIC Bank
19	Insider Trading Policy reference in 2025 Proxy Statement
21.01	List of Subsidiaries of ACM Research, Inc.

23.01	Consent of Ernst & Young Hua Ming LLP
31.01	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.01	ACM Research, Inc. Incentive-Based Compensation Recovery Policy
99.01	Submission under Item 9C(a) of Form 10-K
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in exhibit 101)

\+ Indicates management contract or compensatory plan.
‡ Certain information in this exhibit was omitted by means of redacting a portion of the text and replacing it with [***]
† Unofficial English translation of original document prepared in Mandarin Chinese.
* Certain appendices have been omitted pursuant to Item 601(a)(5) of Regulation S-K. We hereby undertake to furnish copies of the omitted appendices upon request by the Securities and Exchange Commission, provided that we may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934 for the appendices so furnished.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, as of March 2, 2026.

ACM RESEARCH, INC.

By: /s/ David H. Wang
David H. Wang
Chief Executive Officer and President

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons in the capacities indicated as of March 2, 2026:

Signature	**Title**
/s/ David H. Wang **David H. Wang**	Chief Executive Officer, President and Director (*Principal Executive Officer*)
/s/ Mark A. McKechnie **Mark A. McKechnie**	Chief Financial Officer, Executive Vice President and Treasurer (*Principal Financial and Accounting Officer*)
/s/ Haiping Dun **Haiping Dun**	Director
/s/ Charlie Pappis **Charlie Pappis**	Director
/s/ Tracy Liu **Tracy Liu**	Director

Exhibit 4.02

Description of ACM Research, Inc. Securities

The following information constitutes the "Description of Securities" required by Item 202(a) of Regulation S-K. As of March 3, 2025, ACM Research, Inc. has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, which is its Class A common stock, $0.0001 par value per share.

References herein to "we," "our," "us," or "our company" refer to ACM Research, Inc., a Delaware corporation. The following information summarizes the material terms of our common and preferred stock and warrants, as well as relevant provisions of our charter, which includes certificates of designations relating to each series of our preferred stock, and bylaws, the Delaware General Corporation Law and the Warrant (as defined below). For a complete description of the terms of our common stock and other securities, please refer to our charter and bylaws and the Warrant.

Authorized Capital Stock

Our authorized capital stock consists of (i) 150,000,000 shares of Class A common stock, $0.0001 par value per share, of which 60,000,000 are available only for issuance as dividends on outstanding Class A common stock, (ii) 5,307,816 shares of Class B common stock, $0.0001 par value per share, all of which are available only for issuance as dividends on outstanding Class B common stock, and (iii) 10,000,000 shares of preferred stock, $0.0001 par value per share. Class A common stock and Class B common stock are referred to collectively as common stock. Authorized but unissued shares of Class B Common Stock are not available for reissuance.

Common Stock

Voting Rights

Except as otherwise required by Delaware law, at every annual or special meeting of stockholders, holders of Class B common stock are entitled to twenty votes per share and holders of Class A common stock are entitled to one vote per share. The holders of Class A common stock and Class B common stock vote together as a single class, unless otherwise required by law.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, the holders of our outstanding shares of common stock are entitled to receive dividends, if any, as may be declared from time to time by the board of directors out of legally available funds. The holders of Class A common stock and Class B common stock are entitled to share equally, identically and ratably, on a per share basis, with respect to any dividend or distribution unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and Class B common stock, each voting separately as a class. At present, we have no plans to issue dividends.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Conversion

Each outstanding share of Class B common stock is convertible into one share of Class A common stock (a) at any time, at the option of the holder, or (b) upon any transfer of such share of Class B common stock, whether or not for value, except for certain transfers described in our charter, including transfers to family members, trusts solely for the benefit of the stockholder or their family members, and partnerships, corporations, and other entities exclusively owned by the stockholder or their family members. Once converted or transferred and converted into Class A common stock, shares of Class B common stock will not be reissued.

Other Rights and Preferences

Other than as described above, holders of common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our charter, the board of directors is authorized to issue up to 10,000,000 shares of preferred stock in one or more series, to establish the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of such shares and any qualifications, limitations or restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and other provisions, any or all of which may be greater than the rights of common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others, and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action.

Anti-Takeover Provisions

So long as the outstanding shares of Class B common stock represent a majority of the combined voting power of common stock, the holders of Class B common stock will effectively control all matters submitted to our stockholders for a vote, as well as the overall management and direction of our company, which will have the effect of delaying, deferring or discouraging another person from acquiring control of our company.

After such time as the shares of Class B common stock no longer represent a majority of the combined voting power of common stock, the provisions of Delaware law, and our charter and our bylaws may have the effect of delaying, deferring or discouraging another person from acquiring control of our company.

Delaware Law

Section 203 of the Delaware General Corporation Law prevents some Delaware corporations from engaging, under some circumstances, in a business combination, which includes a merger or sale of at least 10% of the corporation's assets with any interested stockholder, meaning a stockholder who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of the corporation's outstanding voting stock, unless:

- the transaction is approved by the board of directors prior to the time that the interested stockholder became an interested stockholder;

- upon consummation of the transaction, which resulted in the stockholder's becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding stock owned by directors who are also officers of the corporation; or

- subsequent to such time that the stockholder became an interested stockholder the business combination is approved by the board and authorized at an annual or special meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original charter or an express provision in its charter or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Charter and Bylaw Provisions

Our charter and bylaws include a number of provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control of our company, even after such time as the shares of Class B common stock no longer represent a majority of the combined voting power of common stock, including the following:

- *Separate Class B Vote for Certain Transactions*. Until the first date on which the outstanding shares of Class B common stock represent less than 35% of the combined voting power of common stock, any transaction that would result in a change in control of our company will require the approval of a majority of our outstanding Class B common stock voting as a separate class. This provision could delay or prevent the approval of a change in control that might otherwise be approved by a majority of outstanding shares of Class A and Class B common stock, voting together on a combined basis.

- *Dual Class Stock*. As described above in "-Common Stock-Voting Rights" above, our charter provides for a dual class common stock structure, which provides certain members of our senior management with the ability to control the outcome of matters requiring stockholder approval, even if they collectively own significantly less than a majority of the shares of our outstanding Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

- *Supermajority Approvals*. Our charter and bylaws provide that when the outstanding shares of Class B common stock represent less than a majority of the combined voting power of common stock, certain amendments to our charter or bylaws will require the approval of two-thirds of the combined vote of our then-outstanding shares of Class A and Class B common stock. This will have the effect of making it more difficult to amend our charter or bylaws to remove or modify certain provisions.

- *Board of Directors Vacancies*. Our charter and bylaws provide that stockholders may fill vacant directorships. When the outstanding shares of Class B common stock represent less than a majority of the combined voting power of common stock, our charter and bylaws authorize only the board of directors to fill vacant directorships. In addition, the number of directors constituting the board is set only by resolution adopted by a majority vote of our entire board. These provisions restricting the filling of vacancies will prevent a stockholder from increasing the size of the board and gaining control of the board by filling the resulting vacancies with its own nominees. Our charter provides that directors may be removed with or without cause only by the affirmative vote of the holders of at least two-thirds of the votes that all of the stockholders would be entitled to cast in any annual election of directors.

- *Classified Board*. The board of directors is not currently classified. Our charter and bylaws provide that when outstanding shares of Class B common stock represent less than a majority of the combined voting power of common stock, the board will be classified into three classes of directors, each of which will hold office for a three-year term. In addition, thereafter, directors may be removed from the board with or without cause only by the affirmative vote of the holders of at least two-thirds of the voting power of the then- outstanding shares of Class A and Class B common stock. The existence of a classified board could delay a successful tender offeror from obtaining majority control of the board, and the prospect of that delay might deter a potential offeror.

- *Stockholder Action; Special Meeting of Stockholders*. Our charter provides that stockholders will be able to take action by written consent. When the outstanding shares of Class B common stock represent less than a majority of the combined voting power of common stock, our stockholders will no longer be able to take action by written consent, and will only be able to take action at annual or special meetings of our stockholders. Stockholders will not be permitted to cumulate their votes for the election of directors. The absence of cumulative voting may make it more difficult for stockholders who own less than a majority in voting power to elect any directors to the board of directors. Our bylaws further provide that special meetings of our stockholders may be called only by the board, the chair of the board or our chief executive officer. A stockholder may not call a special meeting, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority in voting power of our capital stock to take any action, including the removal of director.

- *Advance Notice Requirements for Stockholder Proposals and Director Nominations*. Our bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at any meeting of stockholders. Our bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders.

- *Issuance of Undesignated Preferred Stock*. The board of directors has the authority, without further action by the stockholders, to issue shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by the board. The existence of authorized but unissued shares of preferred stock enables the board to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

Choice of Forum

Our charter provides that the Court of Chancery of the State of Delaware will be the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, or our charter or bylaws; any action to interpret, apply, enforce, or determine the validity of our charter or bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. The choice of forum provision summarized above is not intended to, and would not, apply to suits brought to enforce any liability or duty created by (i) the Securities Act of 1933 or the rules and regulations thereunder, jurisdiction over which is vested in concurrently vested in federal and state courts, or (ii) the Securities Exchange Act of 1934 or the rules and regulations thereunder, jurisdiction over which is exclusively vested by statute in the U.S. federal courts.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Nasdaq Global Market

The Class A common stock is listed on the Nasdaq Global Market under the symbol "ACMR."

Exhibit 21.01

ACM RESEARCH, INC.
LIST OF SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Incorporation or Organization
ACM Research (Shanghai), Inc.	People's Republic of China
CleanChip Technologies Limited	Hong Kong
ACM Research (Wuxi), Inc.	People's Republic of China
ACM Research Korea CO., LTD.	Republic of Korea
Shengwei Research (Shanghai), Inc. (1)	People's Republic of China
ACM Research (Singapore) PTE, Ltd.	Singapore
ACM Research (CA), Inc.	United States of America
ACM Research (Cayman), Inc.	Cayman Islands
ACM Research (Beijing), Inc.	People's Republic of China
Hanguk ACM CO., LTD	Korea
Yusheng Micro Semiconductor (Shanghai), Co., Ltd.	People's Republic of China
ACM-Wooil Microelectronics (Shanghai) Co., Ltd.	People's Republic of China
ACM Research (Chengdu), Inc. ("ACM Chengdu")	People's Republic of China
Shengyi Micro Semiconductor (Shanghai) Co., Ltd.	People's Republic of China

(1) ACM Research (Lingang) Inc. is the English name referred to by its Chinese language name Shengwei Research (Shanghai), Inc. ACM Research (Lingang), Inc. and Shengwei Research (Shanghai), Inc. refer to the same entity.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-222702) pertaining to 1998 Stock Option Plan and 2016 Omnibus Incentive Plan of ACM Research, Inc.;

(2) Registration Statement (Form S-8 No. 333-232780) pertaining to 2016 Omnibus Incentive Plan of ACM Research, Inc.;

(3) Registration Statement (Form S-8 No. 333-254150) pertaining to 2016 Omnibus Incentive Plan of ACM Research, Inc.;

(4) Registration Statement (Form S-8 No. 333-271931) pertaining to 2016 Omnibus Incentive Plan of ACM Research, Inc.;

(5) Registration Statement (Form S-8 No. 333-278039) pertaining to 2016 Omnibus Incentive Plan of ACM Research, Inc.;

(6) Registration Statement (Form S-8 No. 333-285496) pertaining to 2016 Omnibus Incentive Plan of ACM Research, Inc.; and

(7) Registration Statement (Form S-3 No. 333-278041) of ACM Research, Inc.

of our reports dated March 2, 2026, with respect to the consolidated financial statements of ACM Research, Inc. and the effectiveness of internal control over financial reporting of ACM Research, Inc. included in this Annual Report (Form 10-K) of ACM Research, Inc. for the year ended December 31, 2025.

/s/ Ernst & Young Hua Ming LLP

Shanghai, the People’s Republic of China

March 2, 2026

Exhibit 31.01
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David H. Wang, certify that:

1. I have reviewed this Annual Report on Form 10-K of ACM Research, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2026

/s/ David H. Wang

David H. Wang
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.02
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark A. McKechnie, certify that:

1. I have reviewed this Annual Report on Form 10-K of ACM Research, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2026	/s/ Mark A. McKechnie
	Mark A. McKechnie
	Chief Financial Officer, Executive Vice President and Treasurer
	(Principal Financial Officer)

Exhibit 32.01
CERTIFICATION PURSUANT TO 18 U.S.C. 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of ACM Research, Inc. for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge on the date hereof:

1. the report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACM Research, Inc. for the period presented therein.

Date: March 2, 2026	/s/ David H. Wang
	David H. Wang
	Chief Executive Officer and President
	(Principal Executive Officer)
Date: March 2, 2026	/s/ Mark A. McKechnie
	Mark A. McKechnie
	Chief Financial Officer, Executive Vice President and Treasurer
	(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

ACM RESEARCH, INC.

INCENTIVE-BASED COMPENSATION RECOVERY POLICY

1. Policy Purpose. The purpose of this ACM Research, Inc. (the "Company") Incentive-Based Compensation Recovery Policy (this "Policy") is to enable the Company to recover Erroneously Awarded Compensation in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with the requirements set forth in Listing Rule 5608 of the corporate governance rules of The NASDAQ Stock Market (the "Listing Rule") and shall be construed and interpreted in accordance with such intent. Unless otherwise defined in this Policy, capitalized terms shall have the meaning ascribed to such terms in Section 7. This Policy shall become effective on December 1, 2023. Where the context requires, reference to the Company shall include the Company's subsidiaries and affiliates (as determined by the Committee in its discretion).

2. Policy Administration. This Policy shall be administered by the Compensation Committee of the Board (the "Committee") unless the Board determines to administer this Policy itself. The Committee has full and final authority to make all determinations under this Policy. All determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company, its affiliates, its stockholders and Executive Officers. Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee's actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor shall any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

3. Policy Application. This Policy applies to all Incentive-Based Compensation received by a person: (a) on or after October 2, 2023, and beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date. In addition to such last three completed fiscal years, the immediately preceding clause (d) includes any transition period that results from a change in the Company's fiscal year within or immediately following such three completed fiscal years; provided, however, that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months shall be deemed a completed fiscal year. For purposes of this Section 3, Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

4. Policy Recovery Requirement. In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement. In the event of an Accounting Restatement, the Company shall satisfy the Company's obligations under this Policy to recover any amount owed from any applicable Executive Officer by exercising its sole and absolute discretion in how to accomplish such recovery. The Company's recovery obligation pursuant to this Section 4 shall not apply to the extent that the Committee, or in the absence of the Committee, a majority of the independent directors serving on the Board, determines that such recovery would be impracticable and:

    a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the

Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Stock Exchange; or

b. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

5. Policy Prohibition on Indemnification and Insurance Reimbursement. The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation. Further, the Company is prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss.

6. Required Policy-Related Filings. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including disclosures required by U.S. Securities and Exchange Commission filings.

7. Definitions.

a. "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

b. "Accounting Restatement Date" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

c. "Board" means the board of directors of the Company.

d. "Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

e. "Erroneously Awarded Compensation" means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes incurred or paid by the relevant Executive Officer; provided, however, that for Incentive-Based Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received; and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.

f. "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. An executive officer of the Company's parent or subsidiary is deemed an "Executive Officer" if the executive officer performs such policy making functions for the Company. For the avoidance of doubt, "Executive Officer" includes, but is not limited to, any person identified as an executive officer pursuant to Item 401(b) of Regulation S-K under the U.S. Securities Act of 1933, as amended.

g. "Financial Reporting Measure" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure; provided, however, that a Financial Reporting Measure is not required to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to qualify as a "Financial Reporting Measure." For purposes of this Policy, "Financial Reporting Measure" includes, but is not limited to, stock price and total stockholder return.

h. "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

i. "Stock Exchange" means the national stock exchange on which the Company's common stock is listed.

8. Acknowledgement. Each Executive Officer shall sign and return to the Company, within 30 calendar days following the later of (i) the effective date of this Policy first set forth above or (ii) the date the individual becomes an Executive Officer, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

9. Committee Indemnification. Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

10. Severability. The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

11. Amendment; Termination. The Board may amend this Policy from time to time in its sole and absolute discretion and shall amend this Policy as it deems necessary to reflect the Listing Rule. The Board may terminate this Policy at any time.

12. Other Recovery Obligations; General Rights. To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Executive Officer has already reimbursed the Company will be credited to the required recovery under this Policy. This Policy shall not limit the rights of the Company to take any other actions or pursue other remedies that the Company may deem appropriate under the circumstances and under applicable law. To the maximum extent permitted under the Listing Rule, this Policy shall be administered in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code.

13. Successors. This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

14. Governing Law; Venue. This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction. All actions arising out of or relating to this Policy shall be heard and determined exclusively in the Court of Chancery of the State of Delaware or, if such court declines to exercise jurisdiction or if subject matter jurisdiction over the matter that is the subject of any such legal action or proceeding is vested exclusively in the U.S. Federal courts, the U.S. District Court for the District of Delaware.

EXHIBIT A

ACM RESEARCH, INC.
INCENTIVE-BASED COMPENSATION RECOVERY POLICY

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the ACM Research, Inc. (the "Company") Incentive-Based Compensation Recovery Policy (the "Policy").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy. Further, by signing below, the undersigned agrees that the terms of the Policy shall govern in the event of any inconsistency between the Policy and the terms of any employment agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid.

EXECUTIVE OFFICER

____
Signature

____
Print Name

____
Date

Exhibit 99.01

ACM Research, Inc.
42307 Osgood Road, Suite I
Fremont, California 94539

y 28, 2024

GAR

Securities and Exchange Commission
Division of Corporate Finance
100 F. Street, N.E.
Washington, DC 20549

Re: ACM Research, Inc.

Submission under Item 9C(a) of Form 10-K

Ladies and Gentlemen:

ACM Research, Inc. (the "*Company*") is submitting the following information pursuant to Item 9C(a) of Form 10-K.

The Company was identified by the Securities and Exchange Commission pursuant to Section 104(i)(2)(A) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)(2)(A)) as having retained, for the preparation of the audit report on its financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2021, a registered public accounting firm that has a branch or office that is located in a foreign jurisdiction and that the Public Company Accounting Oversight Board (the "*PCAOB*") had then determined it was unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction, which determination was vacated by the PCAOB on December 15, 2022.

To the Company's best knowledge, and based on examination of the Company's stockholder register and public filings made by its stockholders, particularly the Schedule 13G and Schedule 13G/As filed in January and February 2024, the Company herein confirms that it is not owned or controlled by any governmental entity in such foreign jurisdiction as of the date of this submission. In addition, the Company is not aware of any governmental entity that is in possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract, or otherwise.

The Company believes it has identified and reviewed the appropriate documents in response to the requirement under paragraph (a) of Item 9C in the Form 10-K. Based on its organizational structure and other registrant-specific factors, the appropriate documents include its stockholder register and certain public filings made by its stockholders, particularly the Schedule 13G and Schedule 13G/As filed in January and February 2024.

The Company did not rely on any legal opinions or third-party certifications, such as affidavits, as the basis for this submission, as the Company did not consider such third-party materials to be required or necessary to support the conclusion as stated. The Company considered "the terms "owned or controlled," "owned," and "controlling financial interest" used in the Holding Foreign Companies Accountable Act are reasonably read to have the same meaning as the term "control" as used in the Exchange Act and the Exchange Act rules", as set forth in the Holding Foreign Companies Accountable Act Disclosure, Release No. 34-9370.

Please do not hesitate to contact the Company's legal counsel, Michael A. Hedge of K&L Gates LLP, at (949) 623-3519 if you have any questions or would like additional information regarding this matter.

* * *

Very truly yours,

/s/ Mark McKechnie

Mark McKechnie

cc: David H. Wang, ACM Research, Inc.

Michael A. Hedge, K&L Gates LLP
Jason C. Dreibelbis, K&L Gates LLP