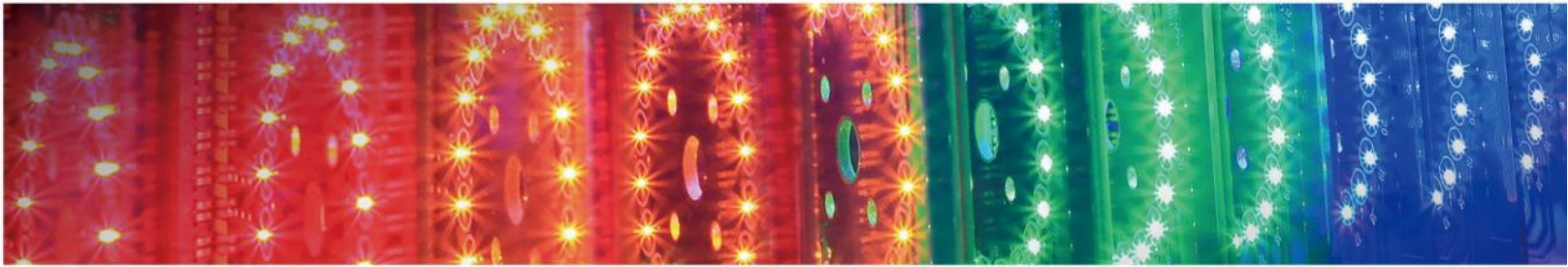


EPISTAR

2448



Actualize III-V Semiconductor Potential



..... Co-activation Service Model

..... Full Spectrum LED Chips Portfolio

..... Chip Solution for Various Applications

Safe Harbor Notice

These presentation materials include forward-looking statements that are subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

The factors that could cause actual results including, but not limited to current uncertainty in global market conditions, our development in new technologies and products, our ability to lower costs, the complexity of our manufacturing processes, the availability of raw materials, and the difficulties of estimating future market demand.

Our industry and business are constantly evolving and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Quick Glance at Epistar

Founded : September 1996

Chairman : Dr. B. J. Lee

President : Mr. Patrick Fan

Paid-in Capital : NTD 10.9 Billions (~ US\$ 373 M)

Products :

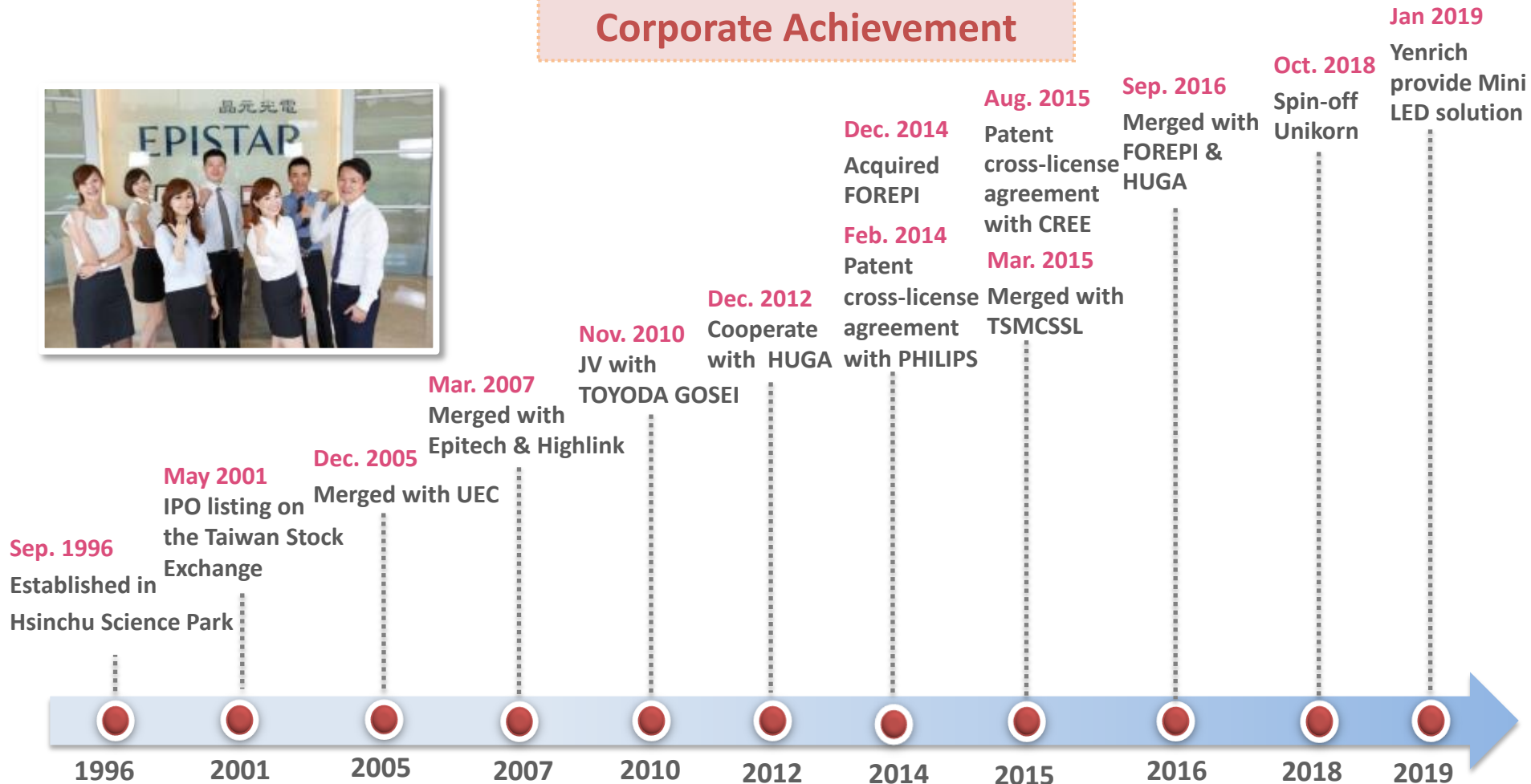
- AlGaInP LED EPI-wafers and chips
- InGaN LED EPI-wafers and chips
- UV / Infrared LED chips
- VCSEL Foundry Services
- III-V solar cells

Employee : 3,224 staff (update: April, 2020)



History & Milestones

Corporate Achievement



Balance Sheets

(In NT billions excepted otherwise noted)	2020.03.31		2019.12.31		2019.03.31	
Cash & Marketable Securities	6.9	11.8%	6.4	10.9%	6.1	9.7%
Accounts Receivable	8.3	14.2%	9.2	15.7%	9.7	15.5%
Inventory	3.5	6.0%	3.3	5.6%	4.2	6.7%
Long-Term Investment	0.7	1.2%	0.7	1.2%	1.1	1.8%
Net PP&E	20.0	34.3%	20.6	35.1%	22.0	35.1%
Total Assets	58.3	100.0%	58.7	100.0%	62.7	100.0%
Current Liabilities	6.8	11.7%	7.0	11.9%	8.6	13.7%
Long-Term Interest-bearing Debt	1.9	3.3%	1.0	1.7%	0.1	0.2%
Total Liabilities	12.3	21.1%	11.5	19.6%	12.4	19.8%
Total Shareholders' Equity	46.0	78.9%	47.2	80.4%	50.3	80.2%

2020 1Q Income QoQ Comparison

(In NT millions except otherwise noted)	1Q 2020		4Q 2019		QoQ	
Sales revenue	3,388	100.0%	4,007	100.0%	(619)	(15.4%)
Gross loss	(3)	(0.1%)	(58)	(1.4%)	(55)	(94.8%)
Operating expenses	(1,297)	(38.3%)	(921)	(23.0%)	376	40.8%
Net other income and expenses	59	1.7%	115	2.9%	(56)	(48.7%)
Operating loss	(1,241)	(36.6%)	(864)	(21.6%)	377	43.6%
Net currency exchange (loss)gains	23	0.7%	(132)	(3.3%)	155	117.4%
Interest expense	(30)	(0.9%)	(35)	(0.9%)	(5)	(14.0%)
Other net non-operating income (expenses)	(358)	(10.6%)	(103)	(2.6%)	255	247.6%
Loss before income tax	(1,606)	(47.4%)	(1,134)	(28.3%)	472	41.6%
Loss for the period	(1,568)	(46.3%)	(1,286)	(32.1%)	282	21.9%
Basic loss per share(NT\$)	(1.38)		(1.14)		0.24	21.1%

2020 Income YoY Comparison

(In NT millions except otherwise noted)	2020 Q1		2019 Q1		YoY	
Sales revenue	3,388	100.0%	3,753	100.0%	(365)	(9.7%)
Gross loss	(3)	(0.1%)	(423)	(11.3%)	(420)	(99.3%)
Operating expenses	(1,297)	(38.3%)	(830)	(22.1%)	467	56.3%
Net other income and expenses	59	1.7%	40	1.1%	19	47.5%
Operating loss	(1,241)	(36.6%)	(1,213)	(32.3%)	28	2.3%
Net currency exchange (loss)gains	23	0.7%	43	1.1%	(20)	(46.5%)
Interest expense	(30)	(0.9%)	(37)	(1.0%)	(7)	(18.9%)
Other net non-operating income and expenses	(358)	(10.6%)	64	1.7%	422	659.4%
Loss before income tax	(1,606)	(47.4%)	(1,143)	(30.5%)	463	40.5%
Loss for the period	(1,568)	(46.3%)	(1,130)	(30.1%)	438	38.8%
Basic earnings (loss) per share(NT\$)	(1.38)		(1.03)		0.35	34.0%

Market Overview and Outlook

- Affected by COVID-19, market demand in the second quarter of this year was weak.
- The inventory level of china peers was increased in the first quarter of this year compared to the fourth quarter of last year.
- The players in this market who lacks the cost advantage and product differentiation are facing the market reshuffle.
- Expected Mini LED will gradually increase demand from the last half of 2020.

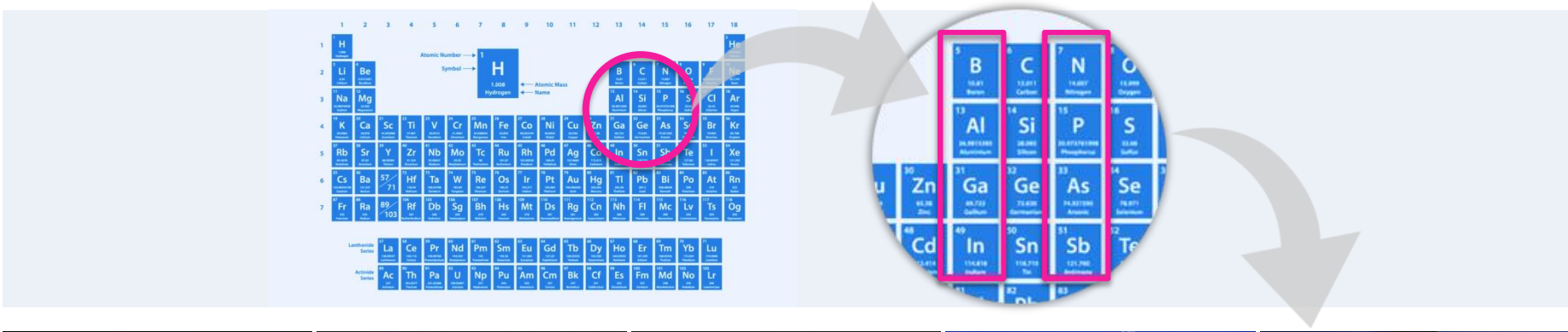


Actualize **LED** Potential



Actualize **III-V Semiconductor** Potential

延伸至三五族半導體的應用



LED

- Illumination
- Signals
- Automotive
- Mobile Application

.....

Laser Diodes

- Optical Storage
- Industry Medical
- Projector
- Fiber commutation

.....

Power

- PFC / Power/Supply
- PV Inverter/ EV / HEV/UPS

.....

RF Electronic

- 5G
- Wireless charge

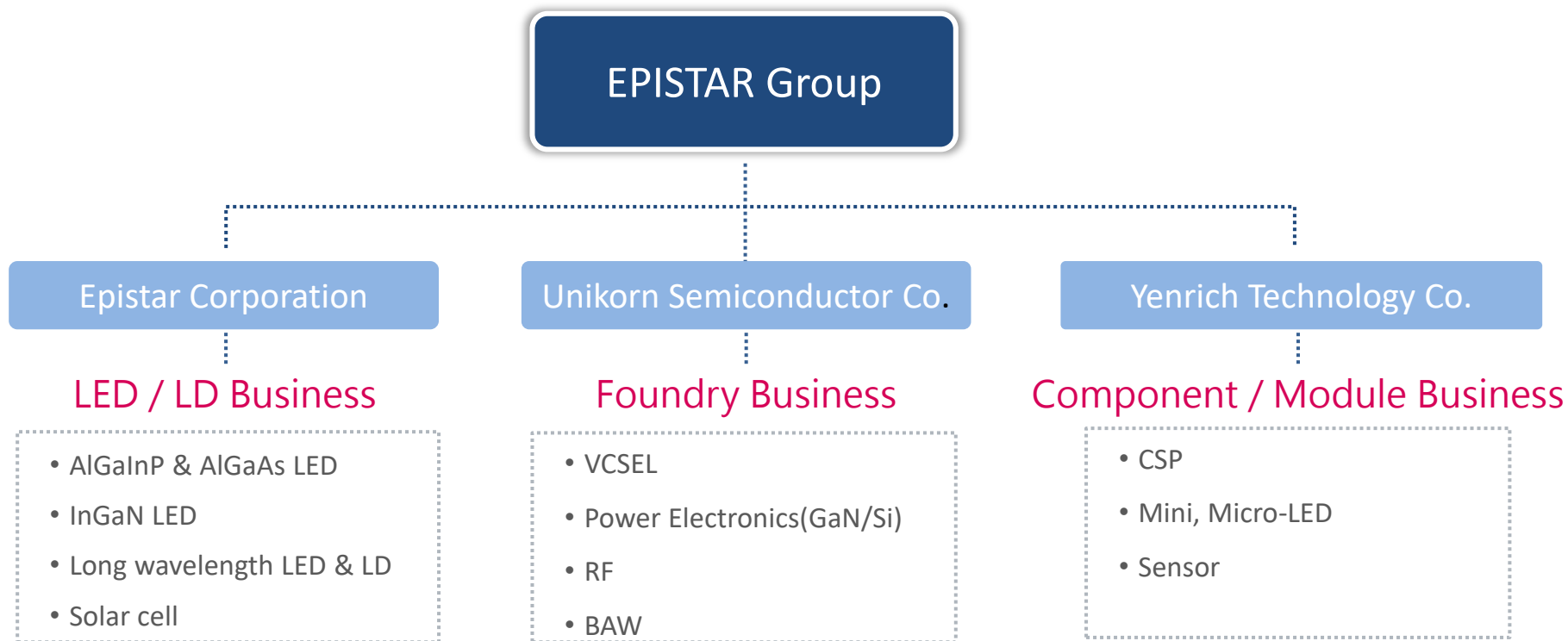
.....

Acoustic wave

- BAW Device
- Mobile Phone

.....

EPISTAR Group



New Growth Engines

- Future Display (Mini-LED/Micro-LED)
- New Generation Smart Car – GaN Power/LiDAR
- IoT –/Sensor/Power Module
- 5G World – Solar Cell/BAW....
- 3D Sensing, VR/AR – VCSEL

