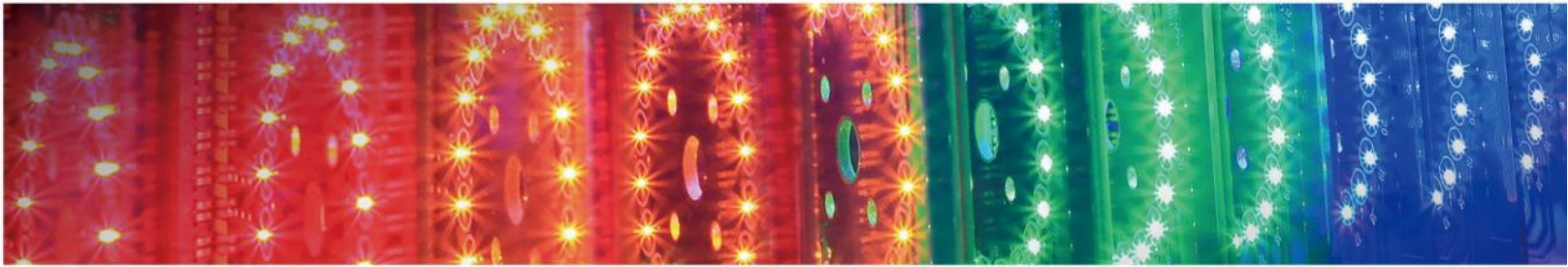


EPISTAR

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 :

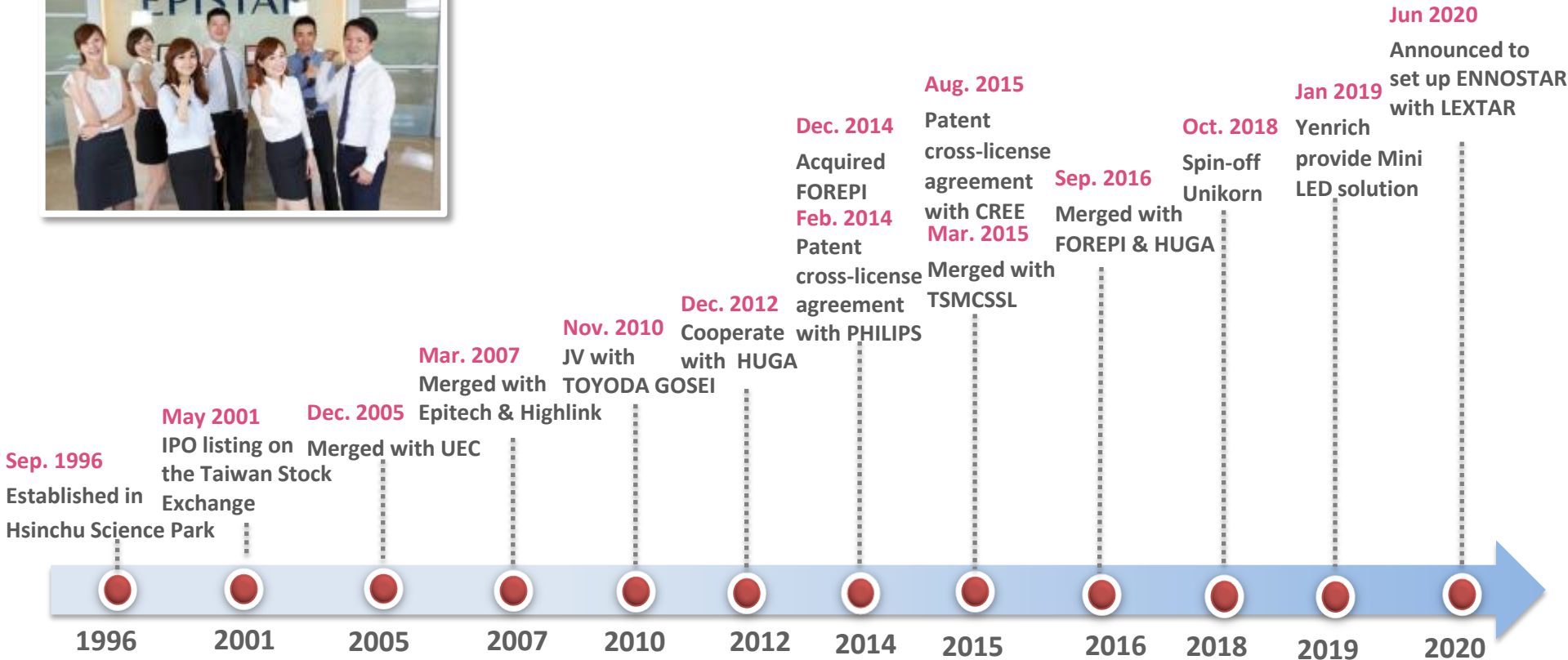
- AlGaInP LED EPI-wafers and chips
- InGaN LED EPI-wafers and chips
- UV / Infrared LED chips
- VCSEL Foundry Services
- III-V solar cells

Employee : 3,216 staff (update: June, 2020)



History & Milestones

Corporate Achievement



Balance Sheets

(In NT billions excepted otherwise noted)	2020.06.30		2020.03.31		2019.06.30	
Cash & Marketable Securities	6.4	11.0%	6.9	11.8%	6.0	9.6%
Accounts Receivable	7.3	12.5%	8.3	14.2%	9.7	15.6%
Inventory	3.3	5.7%	3.5	6.0%	4.4	7.1%
Long-Term Investment	2.1	3.6%	0.7	1.2%	0.7	1.1%
Net PP&E	20.3	34.9%	20.0	34.3%	22.0	35.3%
Total Assets	58.2	100.0%	58.3	100.0%	62.3	100.0%
Current Liabilities	7.5	12.9%	6.8	11.7%	8.6	13.8%
Long-Term Interest-bearing Debt	2.4	4.1%	1.9	3.3%	0.2	0.3%
Total Liabilities	13.4	23.0%	12.3	21.1%	12.5	20.1%
Total Shareholders' Equity	44.8	77.0%	46.0	78.9%	49.8	79.9%

2020 2Q Income QoQ Comparison

(In NT millions except otherwise noted)	2Q 2020		1Q 2020		QoQ	
Sales revenue	3,131	100.0%	3,388	100.0%	(257)	(7.6%)
Gross loss	(264)	(8.4%)	(3)	(0.1%)	261	8700.0%
Operating expenses	(796)	(25.4%)	(1,297)	(38.3%)	(501)	(38.6%)
Net other income and expenses	40	1.3%	59	1.7%	(19)	(32.2%)
Operating loss	(1,020)	(32.6%)	(1,241)	(36.6%)	(221)	(17.8%)
Net currency exchange (loss)gains	(95)	(3.0%)	23	0.7%	118	513.0%
Interest expense	(44)	(1.4%)	(30)	(0.9%)	14	47.0%
Other net non-operating income (expenses)	218	7.0%	(358)	(10.6%)	576	161.0%
Loss before income tax	(941)	(30.1%)	(1,606)	(47.4%)	(665)	(41.4%)
Loss for the period	(1,007)	(32.2%)	(1,568)	(46.3%)	(561)	(35.8%)
Basic loss per share(NT\$)	(0.85)		(1.38)		(0.53)	(38.6%)

2020 Income YoY Comparison

(In NT millions except otherwise noted)	2020 H1		2019 H1		YoY	
Sales revenue	6,519	100.0%	7,781	100.0%	(1,262)	(16.2%)
Gross loss	(267)	(4.1%)	(329)	(4.2%)	(62)	(18.8%)
Operating expenses	(2,093)	(32.1%)	(1,702)	(21.9%)	391	23.0%
Net other income and expenses	99	1.5%	78	1.0%	21	26.9%
Operating loss	(2,261)	(34.7%)	(1,953)	(25.1%)	308	15.8%
Net currency exchange (loss)gains	(72)	(1.1%)	52	0.7%	124	238.5%
Interest expense	(74)	(1.1%)	(78)	(1.0%)	(4)	(5.1%)
Other net non-operating income and expenses	(140)	(2.1%)	301	3.9%	441	146.5%
Loss before income tax	(2,547)	(39.1%)	(1,678)	(21.6%)	869	51.8%
Loss for the period	(2,575)	(39.5%)	(1,726)	(22.2%)	849	49.2%
Basic earnings (loss) per share(NT\$)	(2.23)		(1.55)		0.68	43.7%

Market Overview and Outlook

- Affected by COVID-19, market demand in the second quarter of this year was weak.
- The demand for various LED applications in the third quarter is higher than in the second quarter.
- Expected Mini LED will gradually increase demand from the last half of 2020.

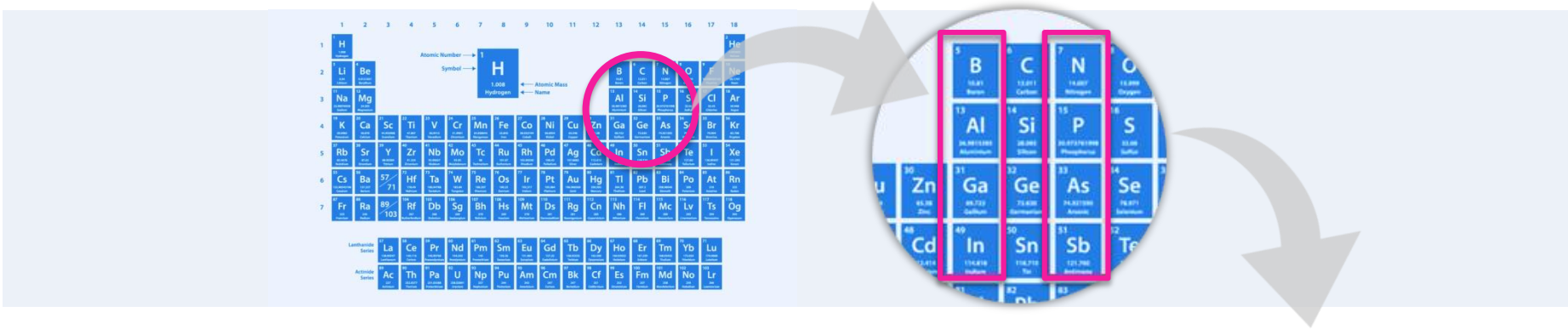


Actualize **LED** Potential



Actualize **III-V Semiconductor** Potential

III-V semiconductor industry



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
 Typical 5G
 Regional 5G
 Global Roaming 5G

Mobile Phone

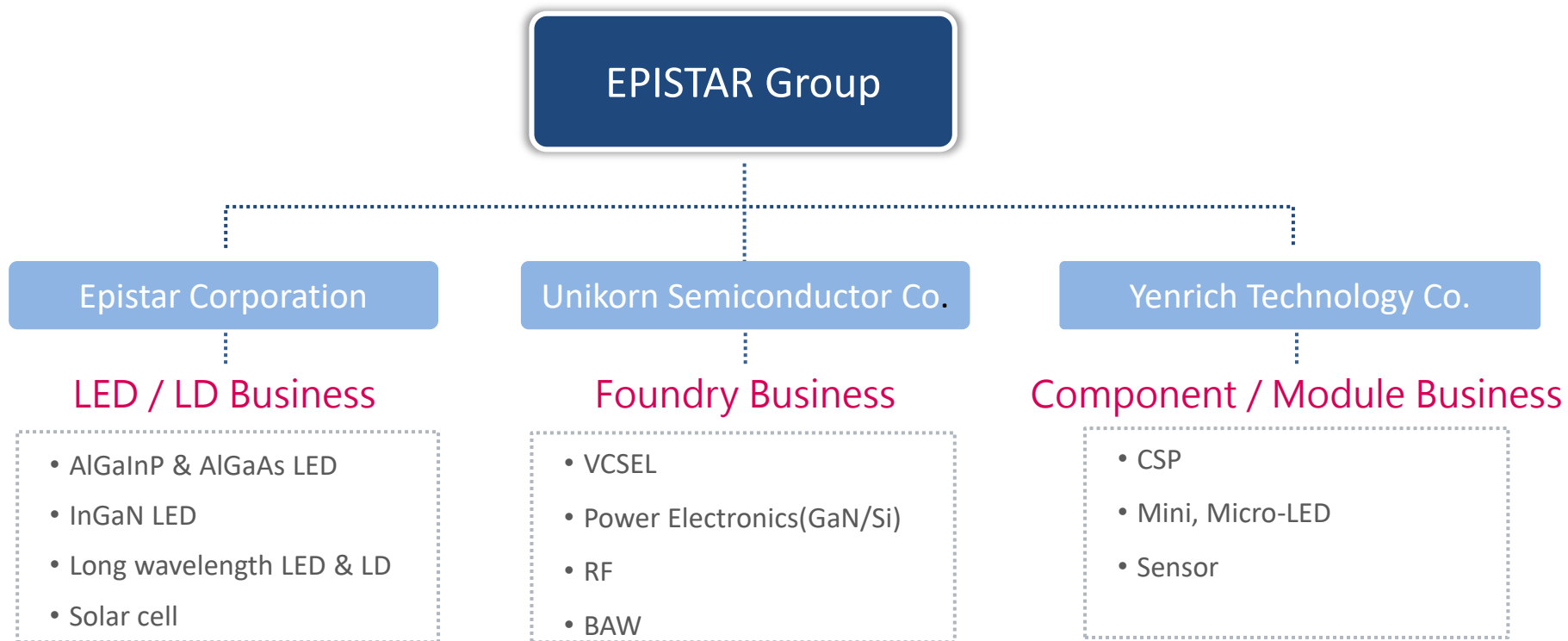
.....

New Growth Engines

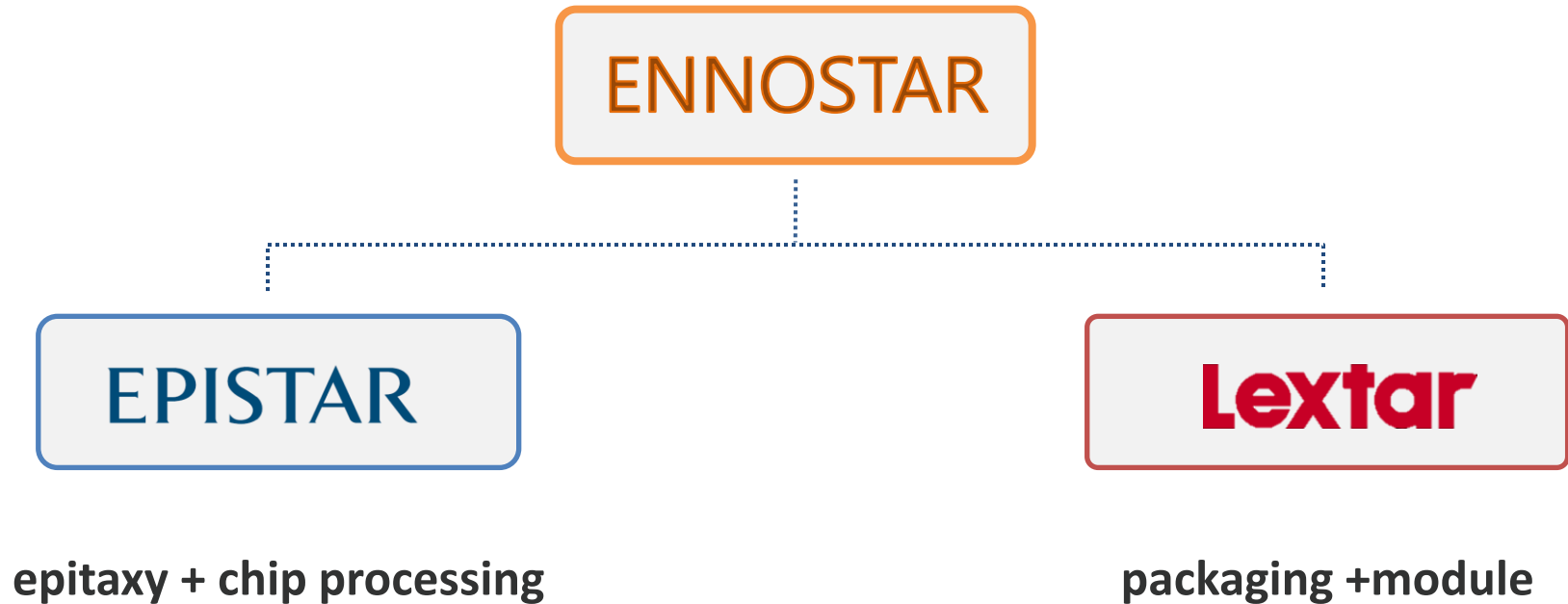
- Future Display (Mini-LED/Micro-LED)
- New Generation Smart Car – GaN Power/LiDAR
- IoT –/Sensor/Power Module
- 5G World – Solar Cell/BAW....
- 3D Sensing, VR/AR – VCSEL



EPISTAR Group



III-V semiconductor industry platform 2020



Expertise, Collaboration, and Synergy

- Integrate the resources and to refocus expertise of two companies.

Epistar will focus on LED upstream and midstream technology with Lextar becoming one of its valuable customers and Lextar will concentrate in-depth on downstream technologies with Epistar being one of its strategic suppliers.

- Reinforce the connection between resources and product/technology development for faster commercialization.

Maximize the benefit with efficient investment and cost management .

- Urge the application of mini/micro-LED technology.

Benefit customers, partners and consumers .