

**Contact**

Investor Relations
+886 3397 5999 ext. 1204
ir@winfoundry.com

WIN SEMI. REPORTS 4Q20 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, Feb. 3, 2021: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2020, fourth quarter (4Q20) consolidated financial results.

4Q20 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$6,861 million, up 4% quarter on quarter but down 1% year on year.
- ◆ Gross margin and operating margin both declined by 8.4 percentage points sequentially to 35.0% and 24.3%, respectively.
- ◆ Operating profit came in at NT\$1,664 million, down 22% quarter on quarter and 29% year on year.
- ◆ Net profit reached NT\$1,276 million, down 35% quarter on quarter and 31% year on year. EPS was NT\$3.07, compared to NT\$4.68 for the third quarter of 2020.

1Q21 Outlook & Guidance

The following statements are forward-looking which are based on our current expectations of market demand and may involve risks and uncertainties, some of which are set forth under “Safe Harbor Notice” below.

- ◆ We expect 1Q21 revenue to decline low-teens QoQ.
- ◆ We expect 1Q21 gross margin to be around the level of mid-thirties.

Safe Harbor Notice

This presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Except as required by law, we undertake no obligation to update any forward – looking statements, whether as a result of new information, future events or otherwise.

Management Comments

“2020 has drawn to an end amid the escalating COVID-19 pandemic and rising US-China trade tensions. In early 2020, the demand visibility remained at a low level and the industry generally expected the global smartphone shipments to decline over 10% due to the pandemic. However, given the growing customer demand coupled with the proper allocation of production capacity, we have consistently maintained revenue fluctuations within 10% throughout the year. Our revenue in the fourth quarter of 2020 reached NT\$2.86 billion, increasing by 4% quarter-on-quarter. Nevertheless, due to changes in the product mix and the impact of NTD appreciation over USD, our gross margin declined to 35% as previously expected. EPS was NT\$3.07. For the whole year of 2020, our annual revenue increased 19% to NT\$25.55 billion, hitting a record high. Gross margin of 41.4% and EPS of NT\$15.45 also both reached the highest level in company’s history.

With the advent of the 5G era, we have been ahead of peers in developing 5G smartphone Sub-6 GHz PA related manufacturing processes many years ago. 5G Cellular PA contributed to 10% of our overall Cellular PA revenue in 2019, and the contribution has further increased to over 20% in 2020 despite the impact of the pandemic. In terms of 5G base station and satellite applications, we began developing the GaN-on-SiC process ten years ago, and our revenue in this field has increased by more than 50% for two consecutive years. Besides, the application of 3D sensing to flagship smartphones has officially entered its fourth year. Our revenue in 3D sensing has delivered solid growth in 2020 given new end applications. In 2021, with increasing penetration of 5G smartphone and wider coverage of 5G infrastructure, we expect IoT related applications will have certain growth. For the development of new technologies, we continue to invest in future applications and materials such as GaN and InP. In addition to microwave communication, we are also developing products for optical communication and optical sensing, such as more applications for Sub-6 GHz and mmWave on smartphones, Data Center, as well as LiDAR application in advanced driver-assistance systems. Overall, early deployment of advanced technologies can ensure our position when those applications become mature. This has always been the key for us to maintain leadership in the industry.

In terms of corporate sustainability, 2020 was a fruitful year for us. In the first half of 2020, we have been ranked top 5% among TPEx-listed companies in 2020 Corporate Governance Evaluation Survey by TWSE for six consecutive years. In the fourth quarter, we were selected to join the DJSI World Index for the first time, along with other semiconductor industry leaders TSMC, ASE, and UMC. Meanwhile, we were also the winner of “Taiwan Corporate Sustainability Awards” and “2020 SGS CSR Award.” It is encouraging for us to gain recognition for our efforts in corporate governance and sustainability while also delivering decent operational performance.

Looking ahead to the first quarter of 2021, we expect revenue to decline low-teens quarter-on-quarter and gross margin to be around the level of mid-thirties.”

About WIN Semi.

WIN Semiconductors Corp. was founded in October of 1999, and has become the first pure-play 6-inch GaAs foundry in the world. In recognition of the growing demand, three advanced GaAs wafer fabs were established to manufacture cost-effective, high speed, and high quality GaAs MMIC's (monolithic microwave ICs) and RFIC's (radio frequency ICs).

WIN provides dedicated foundry services to design houses and integrated device manufacturers. Using state of the art GaAs technology, WIN supplies HBT and pHEMT MMIC fabrication services to worldwide IC corporations. With MMIC technique as basis, WIN also provides optoelectronic device fabrication services for optical communication and 3D sensing applications.