

**Contact**

Investor Relations

+886 3397 5999 ext. 18683 / 18684

ir@winfoundry.com

WIN SEMI. REPORTS 4Q22 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, Feb. 9, 2023: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2022, fourth quarter (4Q22) consolidated financial results.

4Q22 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$3,527 million, down 10% quarter on quarter and down 51% year on year.
- ◆ Gross margin increased by 6.1 percentage points sequentially to 22.1%, and operating margin increased by 5.6 percentage point sequentially to 0.5%.
- ◆ Operating profit came in at NT\$19 million, up 109% quarter on quarter but down 99% year on year.
- ◆ Net loss was NT\$177 million, down 172% quarter on quarter and down 110% year on year. EPS was NT\$-0.22, compared to NT\$0.83 for the third quarter of 2022.

1Q23 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 1Q23 revenue to decline high-twenties QoQ.
- ◆ We expect 1Q23 gross margin to be around the level of low-teens.

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

"In the fourth quarter of 2022, given the continued inventory adjustment in the global Android smartphone market, WIN Semi's consolidated revenue was NT\$ 3.53 billion, down 10% quarter-on-quarter and 51% year-on-year as previously expected. Due to the decline in demand, our capacity utilization rate further declined to 30%. However, as our product mix improved slightly from the previous quarter and expenses were well controlled, our gross margin was 22.1% and operating margin was 0.5%. On the other hand, our net profit was impacted by the non-operating losses including foreign exchange and the disposal of a plant by our subsidiary to adjust its operating scale, and therefore EPS for the fourth quarter was NT\$-0.22. For the full year of 2022, our revenue was NT\$18.33 billion, down 30% year-on-year, and EPS was NT\$4.21.

Looking at the product mix in the fourth quarter, while we did receive a few rush orders from cellular PA customers at the end of 2022, Cellular PA revenue still had the largest sequential decline among all product categories. 3D Sensing revenue also declined from the previous quarter, which was a traditionally stronger season with new product launches. Although Infrastructure revenue was also slightly below the previous quarter, it has surpassed Cellular PA and become the largest revenue contributor in the quarter. Wi-Fi revenue increased slightly, driven by some customers' inventory restocking. In retrospect of 2022, the war between Russia and Ukraine was still ongoing, China experienced a surge in Covid infections across the country after strict epidemic controls were lifted, and the trade tensions between the U.S. and China intensified. These have disrupted the global supply chain, and meanwhile, inflation has also impacted the end consumer demand. Comparing 2022 to the previous year, in terms of product mix changes, consumer-related applications including Cellular PA, Wi-Fi PA, and 3D sensing all experienced varying degrees of decline given soft macro environment. Comparatively, the non-consumer applications related Infrastructure segment increased slightly from the previous year, and GaN products, which are highly related to the 5G infrastructure, have performed particularly well.

Looking ahead to the new year, while we are still facing the pressure of economic weakness and inventory adjustment in the short term, the supply and demand are expected to gradually return to normal as the global pandemic eases, Covid restrictions are lifted, the global economy reopens, and inflation gradually gets under control. In the coming years, we are optimistic about the long-term development of compound semiconductors. 5G smartphone penetration is expected to further increase and drive the demand for 5G infrastructure. Wi-Fi spec upgrades will be gradually adopted by routers and smartphones. Wi-Fi 6E is expected to become popular, and the development of Wi-Fi 7 is expected to officially start. Leveraging our experience of 3D sensing in the past few years, we have actively worked with clients on automotive applications including both in-vehicle sensing and out-of-vehicle ADAS system as well as V2X and OTA which use our existing wireless communication technology. All of these related applications no matter in conventional vehicles or electric vehicles are getting closer and closer to us. In order to meet these trends, we have been actively working on the development of related new technologies including filters. To help customers strengthen their product competitiveness, we have started

providing customers filter foundry services together with our existing products to further increase customer stickiness.

Amid headwinds, we have never relaxed our commitment to ESG. In 2022, we were ranked in the top 5% among TPEx-listed companies in the Corporate Governance Evaluation Survey by TWSE for the eighth consecutive year, and were selected to join the DJSI World Index for the third year. It is encouraging for us to be included in the index again, along with other global leading companies, and it is also the driving force for us to keep improving.

Looking ahead to the first quarter of 2023, due to the continued soft demand and the impact of traditional off-season effects, revenue is expected to decline high-twenties quarter-on-quarter, and gross margin will be approximately at low-teens level.”

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.