



August, 2022



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Executive Comments

> Financial Highlights

Revenue

- ✓ June → NT\$6.2 billion, 3.3% MoM, 15.4% YoY, record high!
- ✓ Q222¹ → NT\$17.5 billion, 7.6% QoQ, 15.3% YoY, record high!
- ✓ Since Q120², GWC's revenue has increased sequentially!

(NT\$ mn)	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122	Q222
Revenue	13,506	13,515	13,701	14,006	14,137	14,806	15,208	15,364	15,752	16,307	17,540

✓ 1H22³ → NT\$33.8 billion, 12.8% YoY

Surpassed the 33 billion milestone and achieved record-breaking high!

Q222: Second guarter of 2022

Q120: First quarter of 2020

3. 1H22: First half of 2022

> Financial Highlights



Gross Margin

- \checkmark Q222¹ \rightarrow 43.6%, record high!
- ✓ $1H22^2 \rightarrow 43.1\%$, record high!

(%)	Q121	Q221	Q321	Q421	Q122	Q222
Gross Margin	35.1%	36.7%	39.1%	41.3%	42.6%	43.6%

✓ Since Q221³, GWC's gross margin has increased sequentially!

Operating Profit Margin

- ✓ Q222 1 → 36.5%, the highest in the history!
- ✓ $1H22^2 \rightarrow 36.3\%$, the highest in the history!

EPS

- \checkmark Q222¹ → NT\$6.24
- \checkmark 1H22² → NT\$10.25
- ✓ EPS would have increased to NT\$26.28 for the first half of 2022 if excluding realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors (NT\$16.03), record high!

Prepayment

NT\$ 36,055.9 mn (US\$ 1,213.2 mn)4

- 1. Q222: Second quarter of 2022
- 2. 1H22: First half of 2022
- Q221: Second guarter of 2021
- 1. FX Rate: NTD:USD = 29.72



➤ Industry & Overview

Global Economy

IMF's July report lowers world GDP growth to 3.2% in 2022, down from the 3.6% predicted in April, and expects 2023 to stay near at similar level.

Semiconductor Industry

- ✓ Despite of stagflation and slowing consumer electronics, semiconductor industry remains resilient with network infrastructure and digital transformation.
- ✓ The increasing Si content growth in end applications like automotive, industrial, 5G and cloud serves as structural support for long-term growth drivers.

Potential Implication of the Ukraine Crisis

- ✓ Expected to affect metals and noble gas supply chains which will in turn direct impact the semiconductor industry.
- ✓ Triggering a sharp increase energy costs, leading to significant adverse affect, especially in Europe.
- ✓ Despite all these risks, semiconductor companies continue to downplay impact, which may change depending on the length of war.



Industry & Overview

• 5G

Though a weaker global economy and the uncertainties caused by Russia's invasion of Ukraine have impacted smartphone sales, 5G adoption continues because service providers switch on 5G and launch commercial 5G services globally, taking 5G into the mainstream.

Automotive

- ✓ With China limited production, supply chain issues and the war in Ukraine, key component shortages are likely to continue. However, the slowdown in mobile and consumer electronics will help to transition foundry capacity to automotive.
- ✓ In addition, automotive HPC, EV/HEV and advanced driver assistance systems will continuously consume more automotive semiconductors to meet cutting-edge functionalities.



> Planned Dividend Payout

- 2021 Dividend NT\$ 16 (1H21: NT\$8 + 2H21: NT\$8)
- 2021 Payout Ratio 58.7%
- Record Date July 18, 2022
- Payment Date August 5, 2022

> Taiwan Wafer Manufacture Index

Listed in TIP(Taiwan Index Corporation) Customized Taiwan Wafer Manufacture Index (Top 10) since 2022/7/4.



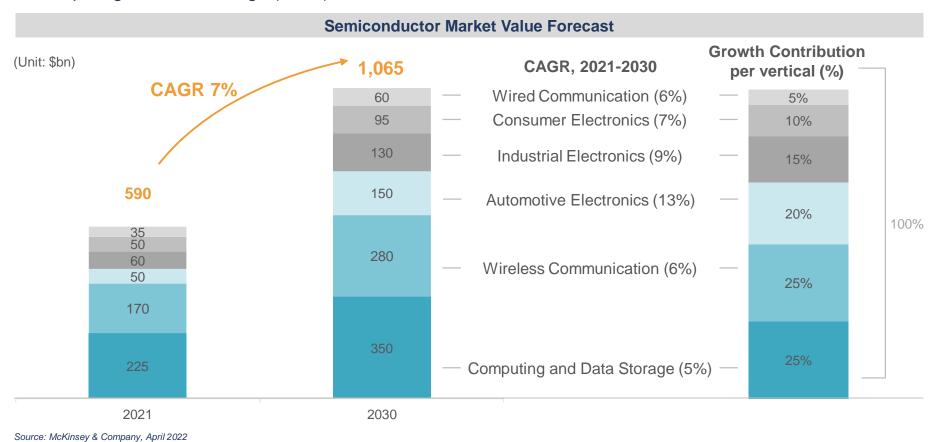
Capacity Expansion Plan

Strategic Rationale (1) –



Semiconductor - A Trillion-Dollar Industry by 2030

- > Semiconductor industry is anticipated to grow at 7% CAGR and become a trillion-dollar industry by 2030.
- ➤ Compared to last decade largely driven by wireless demand, whereas growth in the next decade is deemed more sustainable growth from a more balanced set of drivers wireless plus automotive, computing and data storage (cloud), industrial/loT.



Strategic Rationale (2) –

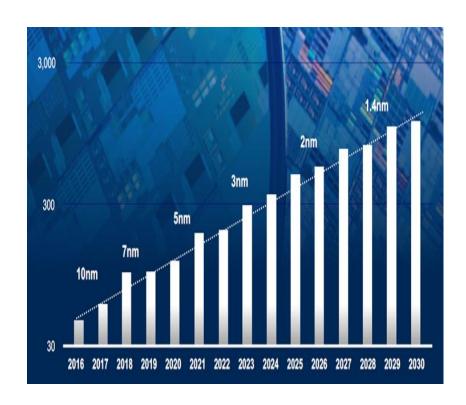
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Solid Demand for High-End 300mm Silicon Wafers

- ➤ Wireless, automotive, HPC, and IoT are areas with stable demand for advanced 300mm silicon wafers and generate steady shipment growth between 2022 and 2026.
- ➤ By 2030, the transistor density of 1.4nm logic technology will reach 1 billion per square millimeter of silicon wafer, and Moore's Law will never end.

Silicon Wafer Shipment Forecast (Unit: MSI) 14000 12000 10000 MSI 6000 4000 2000

1.4nm Logic Technology of Transistor Density



Source: Techcet, February 2022 / Gartner

Strategic Rationale (3) –



Delayed Equipment Lead Time Eases Concern of Oversupply

- > Before the pandemic, the lead time of semiconductor equipment was about 3 to 6 months and have extended to 12-18 months since 2020. After that, factors such as Russian-Ukrainian war, material shortages have delayed the delivery time to 18-30 months.
- The foundry expansion project is affected by equipment delivery delays, resulting in a decline in the annual growth rate of global foundry capacity to 8% in 2023. TrendForce believes that the extended expansion process will offset concerns about oversupply in 2023.

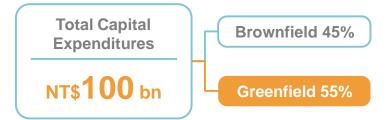
The Lead Time of Semiconductor Equipment

An extended expansion process will offset concerns about oversupply in 2023. 3M - 6M12M - 18M18M - 30MDuring the pandemic Post-pandemic Before the pandemic (2018)(2020)(2022)Russian-Ukrainian war Trade Tension between Strong Terminal Demand **US** and China Capacity Expansion **Material Shortages** High Inflation

Source: TrendForce, June 2022



Capacity Expansion Plan



GlobalWafers has announced a NT\$100 billion capacity expansion plan in Q122 with 55% capital invest in Greenfield project to aim at advanced technology process.

Why Now?

Being the key enabler, semiconductors are necessary to keep infrastructure and the society functioning, deemed essential to facilitate daily life.

Technological advancements drive both unit and content growth, megatrends like 5G, computing and data storage empower sustainable growth.

300 mm Greenfield Expansion in Texas, USA

This investment will be the largest fab of its kind in the USA and among the largest in the world along with secured abundance of land to support any required further growth.

Location: USA

- Floor Area: 3.2m square-foot
- Production: 2025
- 300mm Advanced Silicon Wafers
- Multiple stages of equipment installation and in alignment with market and LTA

With state-of-the-art facility, this expansion will close a critical semiconductor supply chain gap of US semi industry.



Texas Governor Greg Abbott May 18, 2022



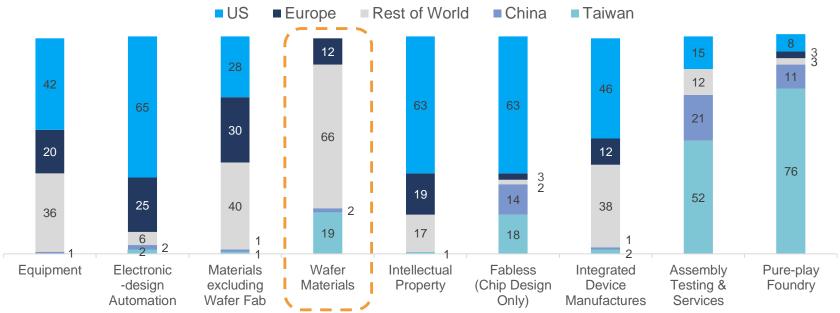
Why US? (1)



Complement US Supply Chain

By supplying 300mm silicon wafers locally in the U.S., as the starting material for all advanced semiconductor manufacturing sites, GlobalWafers avoids geopolitical tensions, responds to customers in a timely manner and complements US supply chain with advanced 300mm wafer fab.

Semiconductor sales along the value chain¹ (% Share)



Source: Mckinsey & Company, June 2022.

Note: 1. As of 2020



Why US? (2)

Major Customer Growth

Numerous semiconductor manufacturers such as Intel, Samsung, Texas Instruments and TSMC have announced US expansions, which require stable supply of wafers, and will in turn afford a more diverse customer portfolio.

03 Government Support

With incentives provided by the US federal and state governments, GlobalWafers is able to lower operating costs, solidify financial structure and pursue higher profit margin.

04 Utility Cost & Land Availability

US utility costs and land availability are best globally, providing GlobalWafers lower running cost and higher margin.

05 Green Solution

Instead of importing wafers from Asia, GlobalWafers will produce and supply wafers locally thereby reducing significant carbon footprint, benefitting both customers and GWC in the current ESG tide worldwide.

O6 Experienced Team

GWC's subsidiary, GlobiTech, is only 600m away from the Greenfield site, talented management team with decades of devotion in semiconductor business could apply experiences and boost productivity effectively.



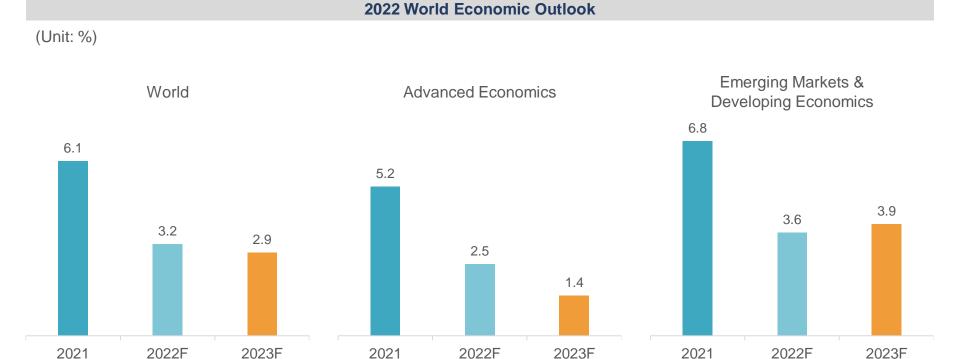




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Global GDP Growth Forecast

- ➤ Several shocks including supply chain disruptions, inflation and the war between Russia and Ukraine have weakened worldwide economy with global GDP dragging down form 6.1% in 2021 to 3.2% in 2022 and 2.9% in 2023.
- As rising prices continue to squeeze global living standards, tightening monetary policy will inevitably destabilize financial markets and increase the burden on low-income economies.



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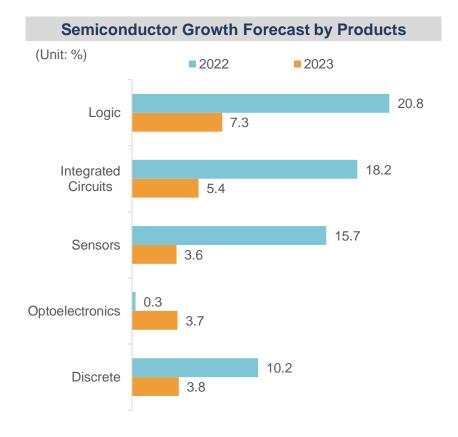
Source: IMF, July 2022.



Worldwide Semiconductor Forecast

- ➤ In 2022, WSTS predicts the logic segment will see the highest growth at 20.8%. The firm also predicts the most 2022 growth in the Americas region at 22.6%
- > 2023 YoY growth expected to be low single digits for most categories, with the highest again in logic at 7.3% and APAC with 5.5%.



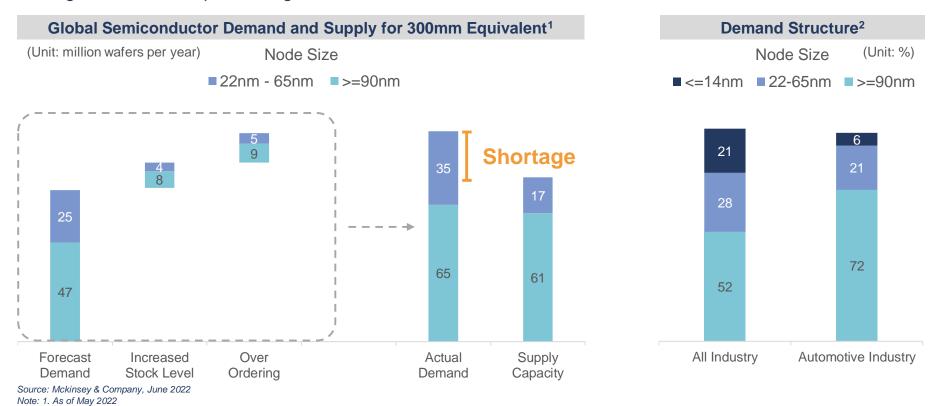


Source: WSTS, June 2022



Automotive Industry under Semiconductor Shortage

- ➤ Semiconductor shortages are likely to persist for at least 3 to 5 years in selected technology nodes. The reason for the persistent shortage is insufficient capacity, but overordering and increasing inventory level from automotive companies also exacerbate the problem.
- ➤ For nodes above 90nm, a major demand in the automotive industry, shortages appear to be in place for longer due to lower profit margins.



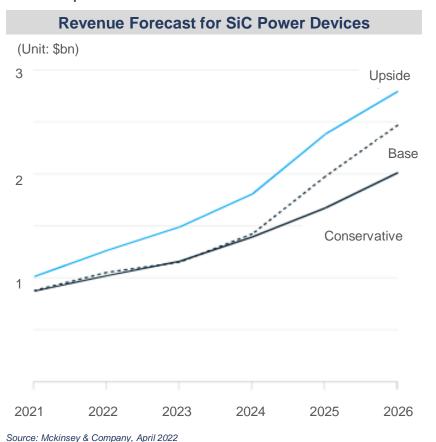
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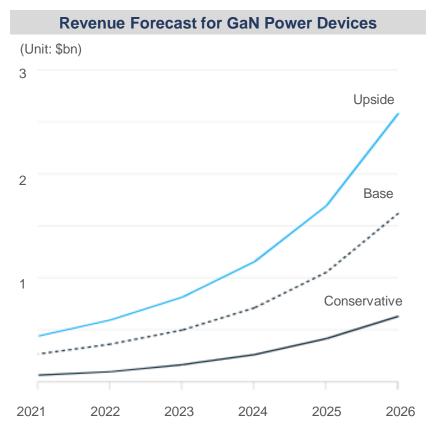
2 As of 2021



SiC & GaN Power Devices

- ➤ Instead of pursuing "more than Moore", some semiconductor companies turn their interest in SiC and GaN power devices due to their higher conversion efficiency and lower energy loss.
- ➤ In the base case, the annual market growth rate is expected to be 23% for SiC power devices and 40% for GaN power devices.







Financial Statements



Financial Highlight: Q222 vs. Q122 vs. Q221

(NT\$ mn)	Q222	Q122	Q221	QoQ	YoY
Revenue	17,540	16,307	15,208	7.6%	15.3%
Gross Profit Margin %	43.6%	42.6%	36.7%	1.0%	6.9%
Operating Profit	6,401	5,891	4,259	8.6%	50.3%
Operating Profit %	36.5%	36.1%	28.0%	0.4%	8.5%
Net Profit	2,716	1,746	3,955	55.6%	-31.3%
Net Profit %	15.5%	10.7%	26.0%	4.8%	-10.5%
EPS	NT\$6.24	NT\$4.01	NT\$9.09	NT\$2.23	-NT\$2.85
EBITDA*1	5,488	1,802	6,919	204.5%	-20.7%
EBITDA %	31.3%	11.1%	45.5%	20.2%	-14.2%
EBIT	3,983	338	5,438	1077.6%	-26.8%
ROE*2 (annualized)	23.6%	15.0%	35.1%	8.6%	-11.5%
ROA* ³ (annualized)	7.3%	3.5%	14.0%	3.8%	-6.7%

^{1.} EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

^{2.} ROE = Net Profit / Average Shareholders Equity

^{3.} ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Financial Highlight: 1H22 vs. 1H21

(NT\$ mn)	1H22	1H21	НоН
Revenue	33,846	30,014	12.8%
Gross Profit Margin %	43.1%	35.9%	7.2%
Operating Profit	12,292	8,211	49.7%
Operating Profit %	36.3%	27.4%	8.9%
Net Profit	4,462	6,645	-32.9%
Net Profit %	13.2%	22.1%	-8.9%
EPS	NT\$10.25	NT\$15.27	-NT\$5.02
EBITDA*1	7,290	11,970	-39.1%
EBITDA %	21.5%	39.9%	-18.4%
EBIT	4,321	8,982	-51.9%
ROE*2 (annualized)	19.7%	29.6%	-9.9%
ROA* ³ (annualized)	6.1%	11.8%	-5.7%

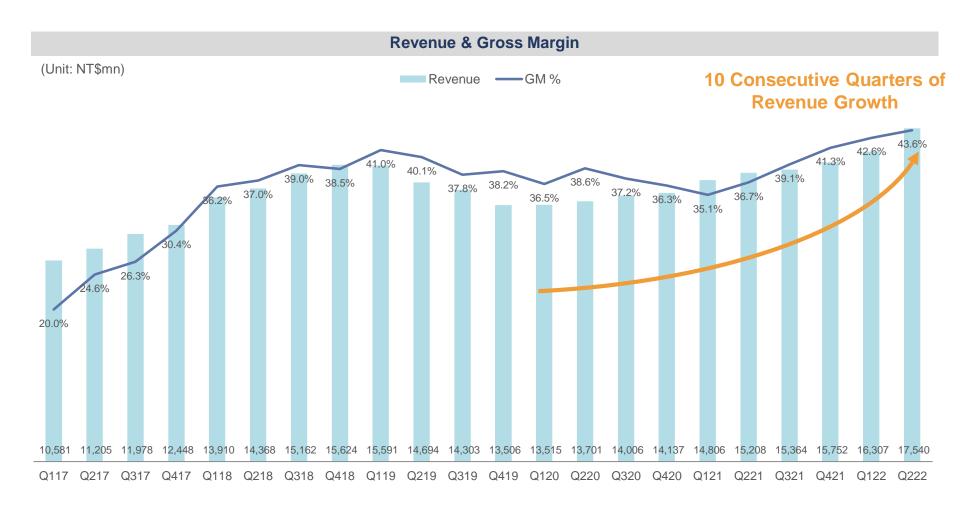
^{1.} EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

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^{3.} ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue & Gross Margin





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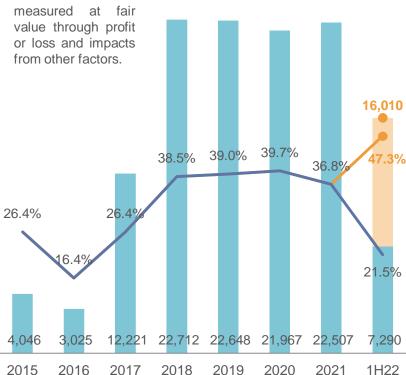
EBITDA & EPS

EBITDA

(Unit: NT\$mn)

EBITDA and EBITDA margin after recognizing realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors.

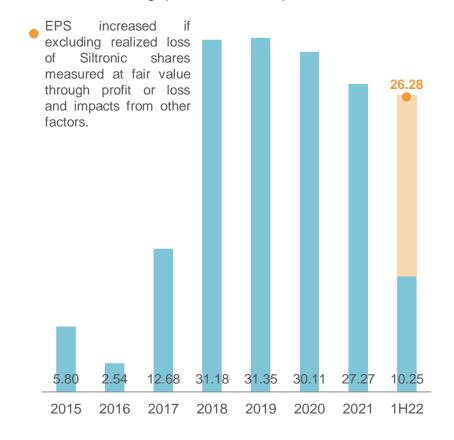
EBITDA and EBITDA margin increased if excluding realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors.



EPS

(Unit: NT\$)

EPS recognizing after realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors.





Income Statement

Income Statement						
(NT\$mn)	2019	2020	2021	Q122	Q222	1H22
Revenue	58,094	55,359	61,131	16,307	17,540	33,846
Growth (%)	-1.6%	-4.7%	10.4%	3.5%	7.6%	12.8%
Gross Profit	22,847	20,568	23,286	6,948	7,645	14,593
Gross Profit Margin (%)	39.3%	37.2%	38.1%	42.6%	43.6%	43.1%
EBITDA	22,648	21,967	22,507	1,802 ¹	5,488 ¹	7,290 ¹
EBITDA Margin (%)	39.0%	39.7%	36.8%	11.1%	31.3%	21.5%
Operating Profit	17,897	15,287	17,693	5,891	6,401	12,292
Operating Profit Margin (%)	30.8%	27.6%	28.9%	36.1%	36.5%	36.3%
Profit before Tax	18,554	16,615	16,445	304 ¹	4,015 ¹	4,319 ¹
Profit before Tax Margin (%)	31.9%	30.0%	26.9%	1.9%	22.9%	12.8%
Net Profit	13,636	13,104	11,870	1,746 ¹	2,716 ¹	4,462 ¹
Net Profit Margin (%)	23.5%	23.7%	19.4%	10.7%	15.5%	13.2%
EPS (NT\$)	31.35	30.11	27.27	4.01 ¹	6.24 ¹	10.25 ¹

^{1.} Due to realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors.



Balance Sheet

Balance Sheet					
(NT\$mn)	2019	2020	2021	Q122	Q222
<u>Assets</u>					
Cash and cash equivalents	32,822	22,439	65,894	70,354	76,183 ¹
Account receivable	8,140	8,037	9,118	9,436	10,889
Inventories	6,849	7,208	7,295	7,496	7,553
Property, plant and equipment	34,697	37,111	33,943	34,995	33,792
Other assets	14,078	20,056	34,395	27,525	26,912
Total assets	96,586	94,852	150,645	149,806	155,329
Liabilities					
Short-term loan	9,886	9,871	6,264	6,384	6,210
Account payable	3,837	3,895	4,340	3,953	4,103
Long term loan	0	0	45,125	45,204	45,284
Other liabilities	37,789	36,930	49,284	46,978	54,843
Total liabilities	51,513	50,697	105,013	102,520	110,440
Shareholder equity	45,073	44,155	45,632	47,286	44,889

1. to increase in LTA prepayment and EBITDA

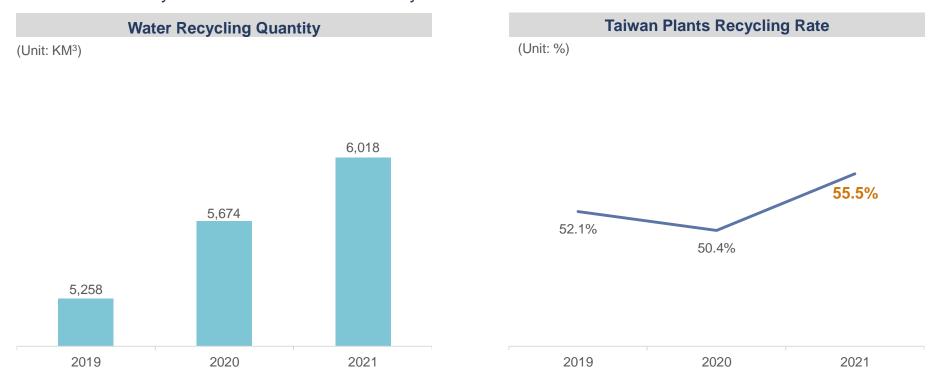






ESG Highlights – Sustainable Environment – Water

- Despite drought and capacity expansion, GlobalWafers 2021 saw a 16.1%¹ reduction in worldwide water unit consumption and reached 55.5% of water recycling rate in Taiwan plants, demonstrating the company's commitment to a sustainable environment.
- ➤ GlobalWafers implements sound water stewardship to safeguard the scarce and essential resource. With responsible planning and management, GlobalWafers uses water in a way that is socially equitable, environmentally sustainable and economically beneficial.



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1. Unit Water Consumption = 2021 (Total Water Withdraw Quantity (kM3) / Capacity (KSIE Wafer)) / 2020 (Total Water Withdraw Quantity (kM3) / Capacity (KSIE Wafer)) - 1



ESG Highlights – Sustainable Environment – Power (1)

- ➤ Notwithstanding a slight increase in total global electricity consumption due to full load and capacity expansion, GlobalWafers has introduced ISO 50001 and achieved a 7.1%¹ savings in unit electricity consumption in 2021 compared to 2020.
- ➢ By adding 31 new energy-conservation measures, GlobalWafers' Taiwan plants saved 6,003,710 kWh of electricity throughout the year, equivalent to reducing carbon dioxide emissions by 3,014 metric tons.

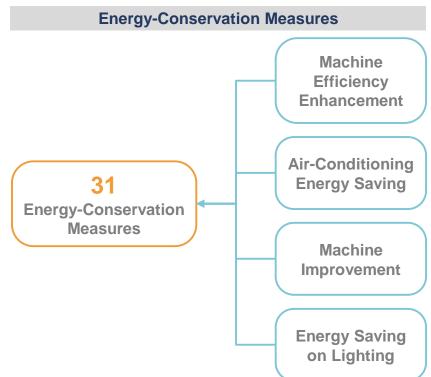
Achievements in 2021

7.1%

2021 achieved 7.1%¹ savings in unit electricity consumption compared to 2020.

ISO 50001

GlobalWafers has introduced ISO50001 energy management system in Taiwan plants to monitor and measure major energy-consuming equipment, formulate action improvement plans, achieve the goal of energy conservation and carbon reduction.

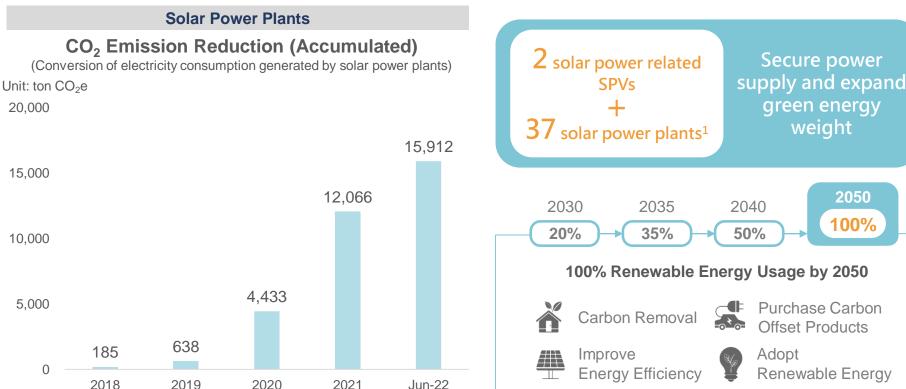


1. Unit Electricity Consumption = 2021 (Total Electricity Consumption (MWh) / Capacity (KSIE Wafer)) / 2020 (Total Electricity Consumption (MWh) / Capacity (KSIE Wafer)) -1



ESG Highlights – Sustainable Environment – Power (2)

- ➤ As of June 2022, cumulative solar capacity reached 26.9 MW, which generated 31.7 million kWh electricity, equivalent to reducing 15,912 tons of CO₂ emissions and planting 1,446,560 trees per year.
- ➤ GlobalWafers, one of the few semiconductor manufacturers has its **own solar power plants**, devotes to increasing the weight of green energy and commits to use 100% renewable energy by 2050.



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1. As of 2022/06/30



ESG Highlights – Corporate Governance

- ➢ GlobalWafers has been awarded top 5% corporate governance among all Taiwan listed companies for 4 consecutive years and included as Top 10 companies in TIP Taiwan TPEx ESG Index.
- ➤ In order to fulfill corporate culture with integrity and achieve benefits for stakeholders, GlobalWafers enhances the information transparency and build up a high-level governance structure.

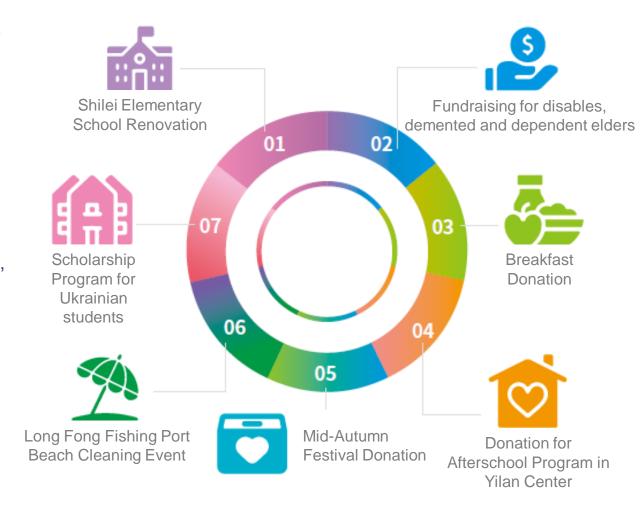






ESG Highlights – Social Concern

- GlobalWafers holds charity events covering 4 aspects: education, children, disability and volunteer to foster a belief about love and responsibility.
- In Taiwan, our activities include "Shilei Elementary School Renovation", "Scholarship program for Ukrainian Students", "Breakfast Donation", etc. These social welfare activities reflect our wishes for those in need, and also convey our warm hearts to the world.





ESG Highlights – Employee Welfare

- > GlobalWafers attaches great importance to employee care, covering workplace, health, life resources and welfare, to create higher self-worth and a joyful working atmosphere for our employees.
- ➤ By forming Women's Leadership Committee in MEMC Korea and receiving the highest level of "Eruboshi" certification in Utsunomiya Factory (MJL), GlobalWafers values gender equality and continuously strives to enhance the career development of female employees.

Workplace Environment

Create a flexible and positive work environment

Life Resources

Legal advice, group insurance, and allowances are provided



Physical and Mental Health

Maintain the physical and mental health of employees

Welfare Measures

Ample welfare measures, increase the economic security of employees, and enhance the motivation of work and life









Thank You