



Alchip Technologies

Investor Meeting

Nov 2nd, 2020

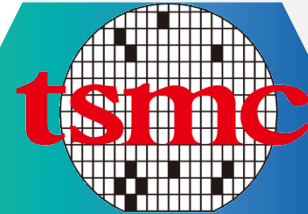
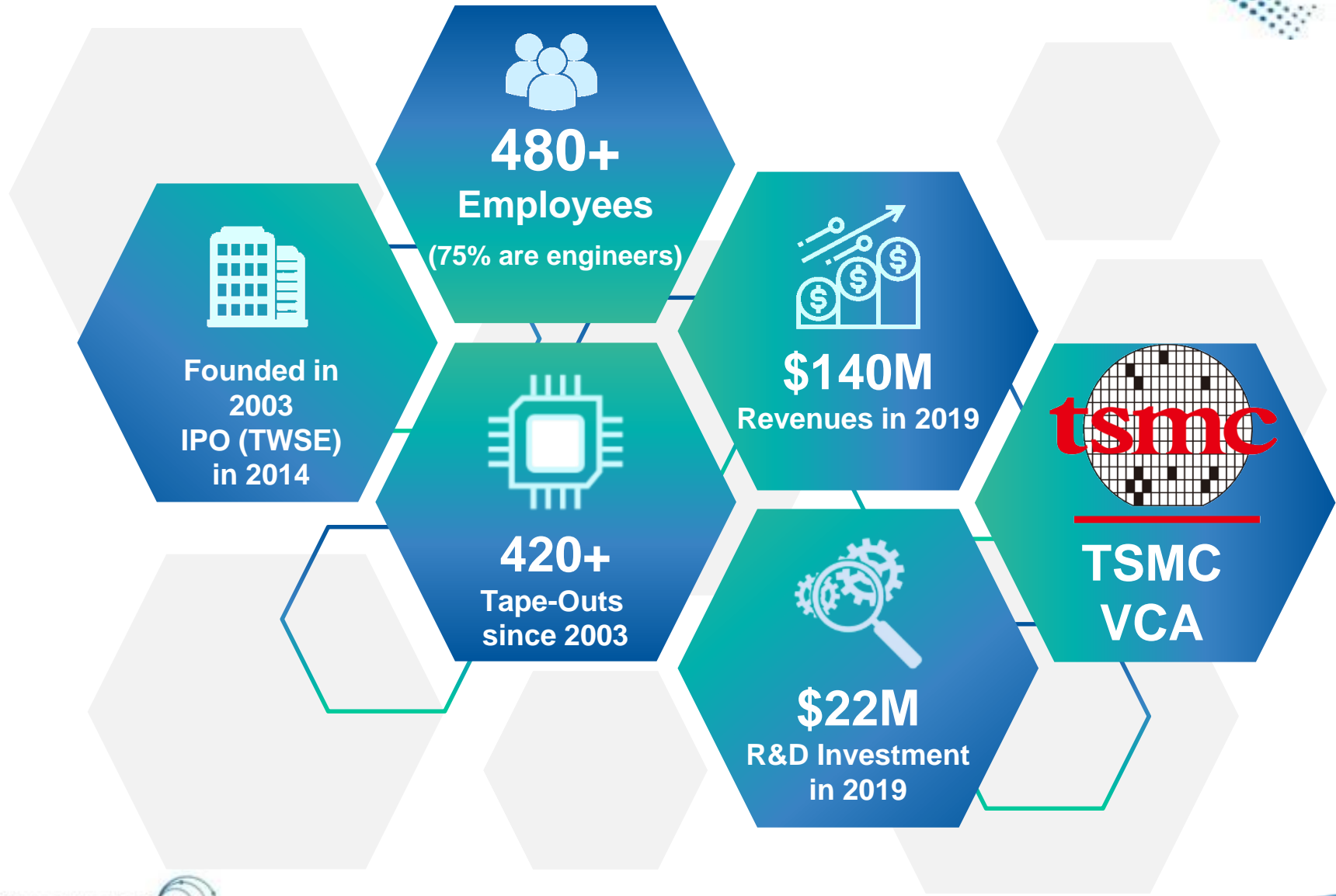


Safe Harbor Disclaimer



This presentation contains forward-looking statements, including statements about business outlook and strategy, and statements about historical results that may suggest trends for our business. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from our current expectations as result of many factors, including: our financial performance, including our net revenue, cost of revenue, operating expenses and ability to sustain profitability; our planned capital expenditures; our ability to expand our customer base; our ability to expand our product and service offerings; the impact of seasonality on our business; our ability to remediate the material weaknesses and significant deficiencies in our internal control over financial reporting; our ability to stay abreast of modified or new laws applying to our business; and our spending of the net proceeds from this offering. 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.

Alchip at a Glance



**TSMC
VCA**

ASIC Applications



3Q20 Quarterly Income statement



| US\$'000 | 2Q20 | 3Q20 | QoQ (%) | YoY (%) |
|----------------|--------|--------|---------|---------|
| Revenue | 54,957 | 67,684 | 23.2 | 132 |
| COGs | 35,793 | 46,349 | 29.5 | 197 |
| Gross Profit | 19,164 | 21,335 | 11.3 | 58 |
| Op. Exp | 10,476 | 11,898 | 13.6 | 18 |
| Op. Income | 8,688 | 9,436 | 8.6 | 174 |
| Non. Op. | -180 | 800 | n.m. | -38 |
| Pre-Tax Profit | 8,508 | 10,236 | 20.3 | 116 |
| Income Tax | -2,097 | -2,370 | 13.0 | 133 |
| Net income | 6,411 | 7,866 | 22.7 | 111 |
| EPS (NT\$) | 3.14 | 3.78 | | |

3Q20 Operation Recap



3Q20 revenue came at US\$67.7M, up 23% and 132%, QoQ and YoY, respectively

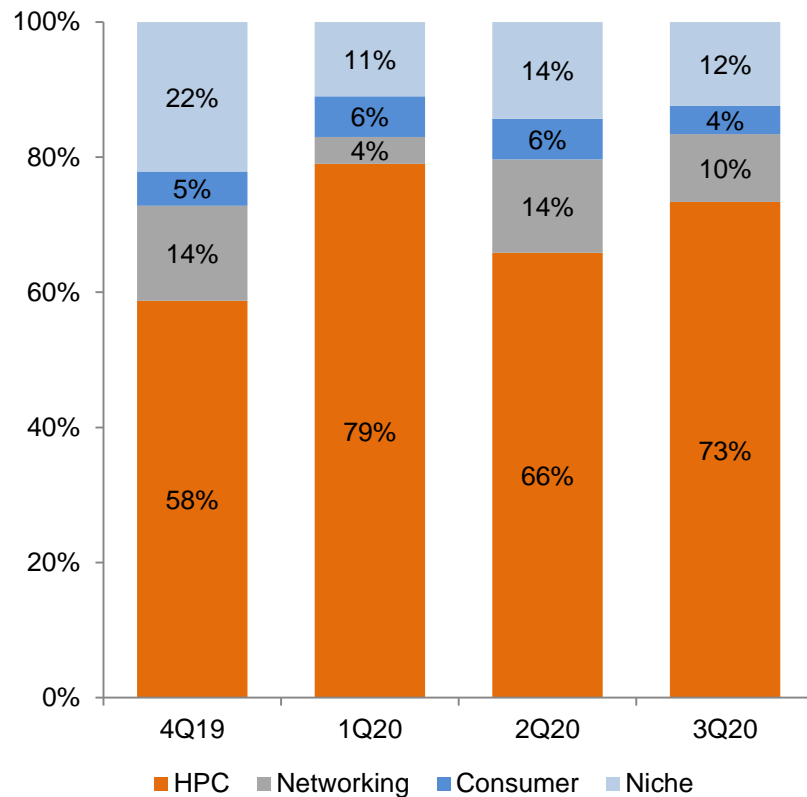
- 3Q20 revenue came higher-than-expected, due mainly to stronger than expected CPU shipments to China customers
- NRE milestones came as expected, multiple tape-outs in 3Q

3Q20 operating income reached US\$9.4M, up 8.6% and 174%, QoQ and YoY, respectively

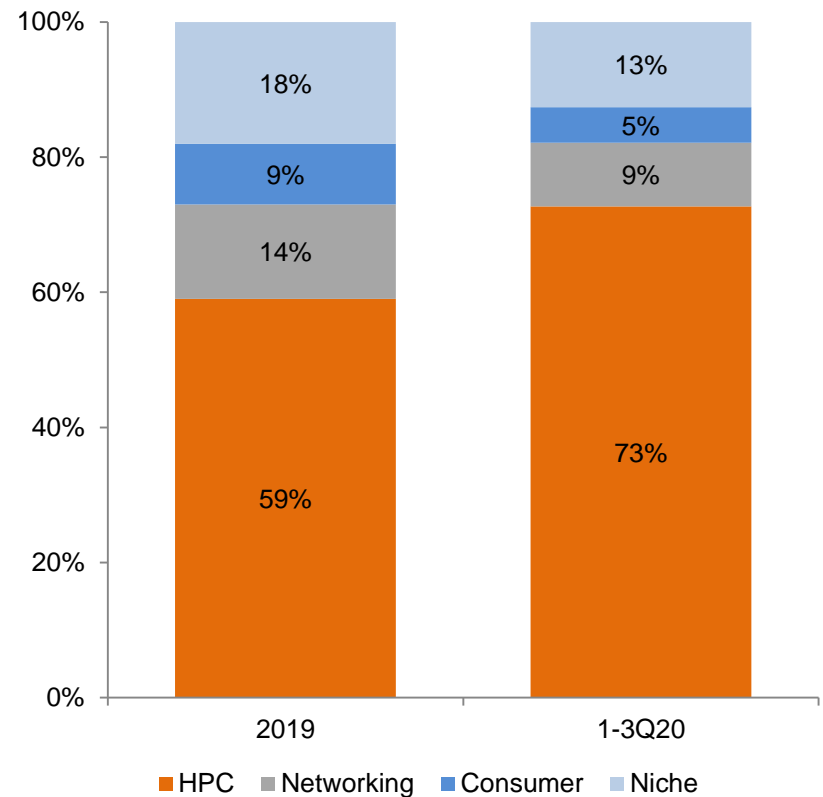
- 3Q20 gross margin was 31.5%, decline on QoQ basis, due to higher mix of production revenue
- HPC related applications remains major contributors to 3Q20
- 3Q20 Operating expenses grow smoothly on continuous people expansion

Revenue breakdown by application

Quarterly breakdown

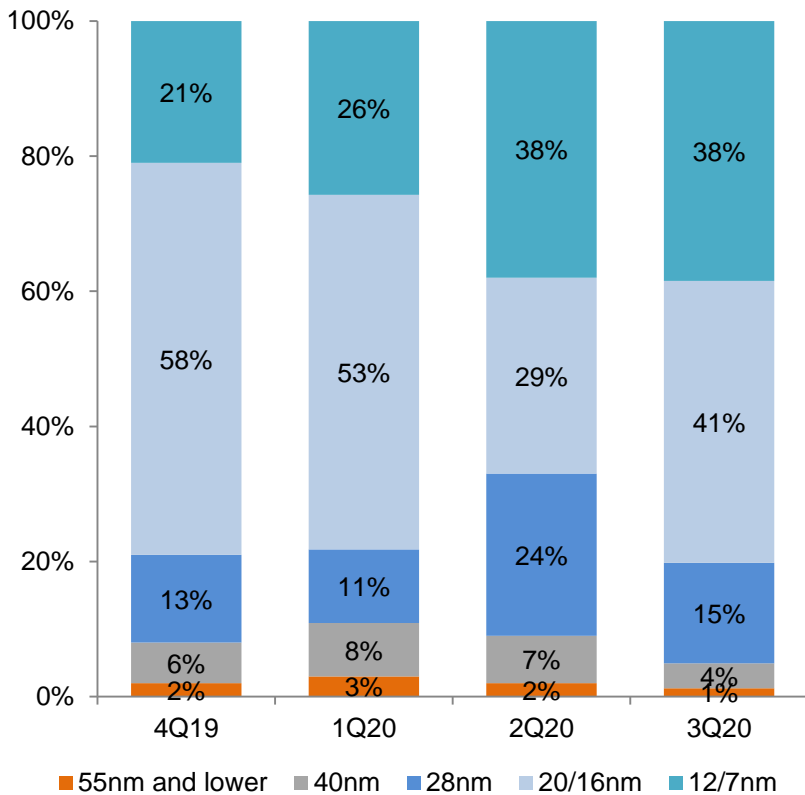


18-20 Yearly breakdown

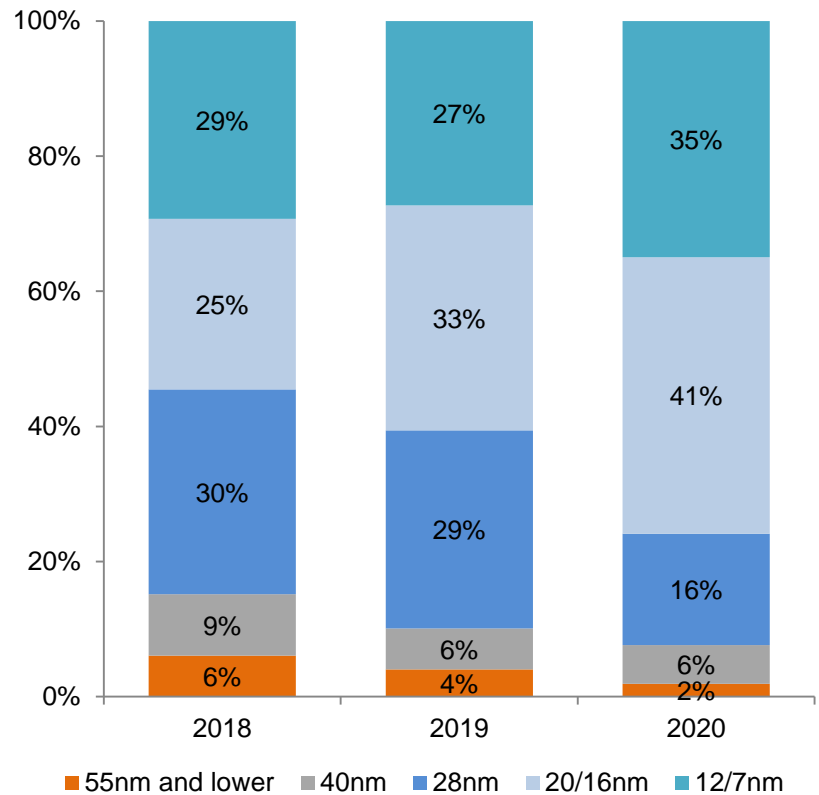


Revenue breakdown by process node

Quarterly breakdown



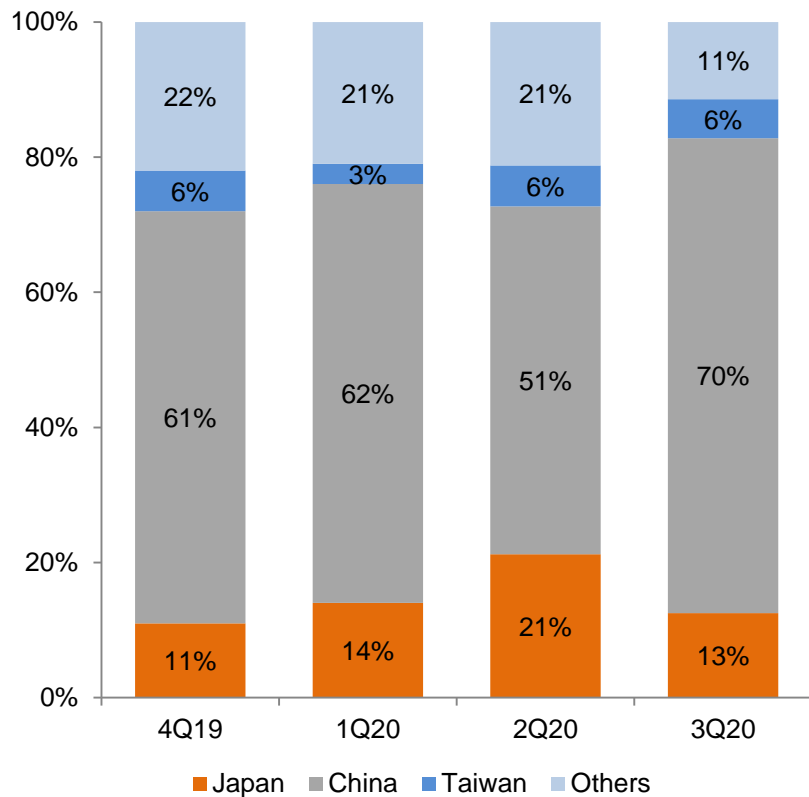
18-20 Yearly breakdown



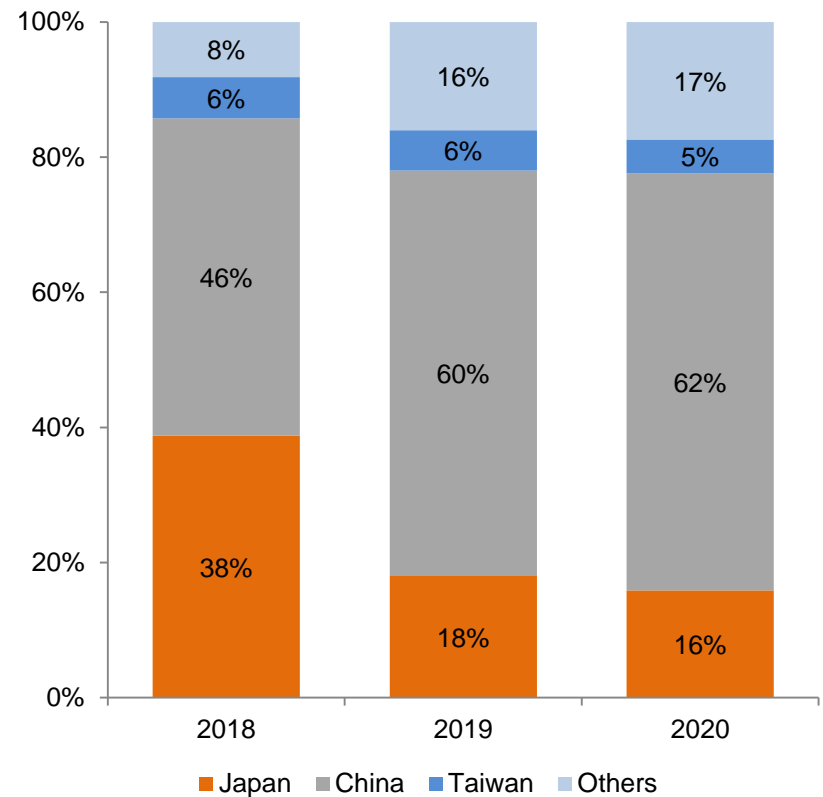
Advanced process node means 40nm or better

Revenue breakdown by region

Quarterly breakdown



18-20 yearly breakdown



Industry and Company outlook



China HPC IC demand remains Strong

- Demands from major China customers keep rising for both NRE and production
- China CPU shipments for both 16nm and 7nm still expected to be the major revenue driving force for 4Q20 and 2021
- NRE demand overall is stronger than ever. Alchip's design capacity is running on over 100%

AI chips to sequentially tape-out in 4Q20 and 1H21

- In addition to CPU projects, Alchip's AI chip projects are expected to sequentially tape-out in 4Q20 for our N.A. and Europe customers
- An new 5nm design won from Europe region

GDR Offering



Plan to raise US\$100M by 10%+ issuance of new shares

- Company would trigger the GDR only @ reasonable capital market status
- To attract long-term stable foreign investors
- To prepare for strong production growth in near future
- To aggressively expend design resources and solutions
- To secure and forming strategic partnership with customers & suppliers

Investments



ASICLand (Korea)

- A TSMC's VCA member in Korea
- To tap into the Korean ASIC market through strategic alliance with local sales channel & engineers
- We expect this join force to win leading edge technology node projects from notable customers

KQ Semiconductor technology industrial fund

- Many notable and sound names of semicon/IC companies act as GP of this fund
- Limited investment amount while building up strategic alliance with semicon/IC industry professionals
- Facilitating Alchip's future development on China's upcoming semiconductor trend



Thanks!

www.alchip.com