# 2025 First Half Institutional Investor Conference

March 14, 2025

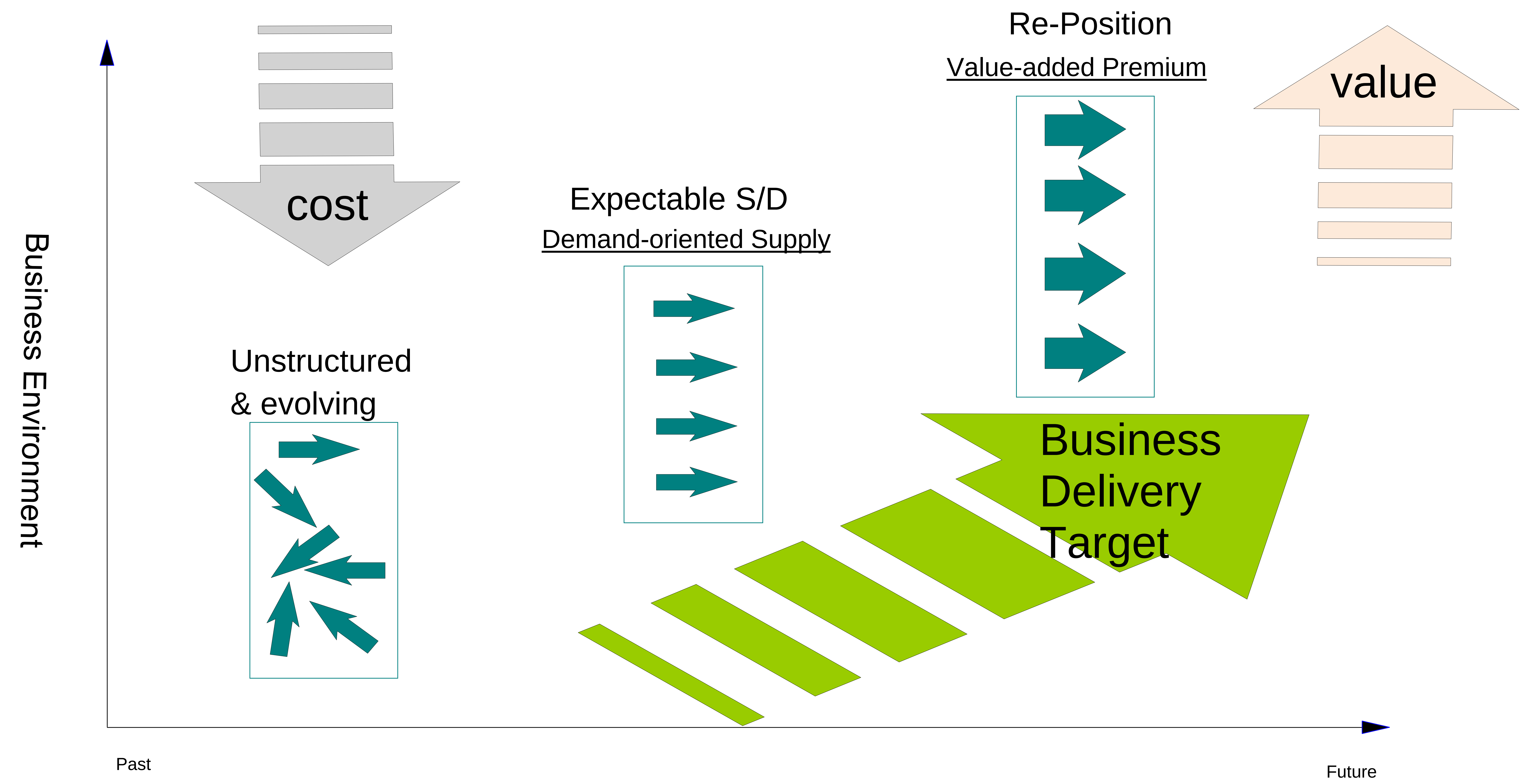
# Disclaimer

Innolux Corporation's statements of its current expectations and estimates are forward-looking statements subject to significant known and unknown risks and uncertainties and actual results may differ materially from those contained or implied in the forward-looking statements.

These forward-looking statements are not guarantees of future performance and therefore one should not place undue reliance on them. 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.

# Agenda

# Value growing in a structural way



# Market Highlights

## TV

**Growth driver:**
- ✓ Size growth--Global LCD TV average size growth 0.7” YoY (51.8” in Y2024)
- ✓ Balance supply-demand trend maintained
  (Capacity growth less than Demand Growth)

**Update:**
1. Emerging market demand growing
2. Strong growth momentum of Ultra-large size TV

## IT

**Growth driver:**
- ✓ AI applications booming trigger PC demand
  (Cloud to Client)
- ✓ Entertainment & Gaming segments growing
  (Powerful computing and display for deep user-experience)

**Update:**
1. MiniLED and MicroLED as alternatives for enhanced visual experience
2. Business model shift by value position

## Automotive

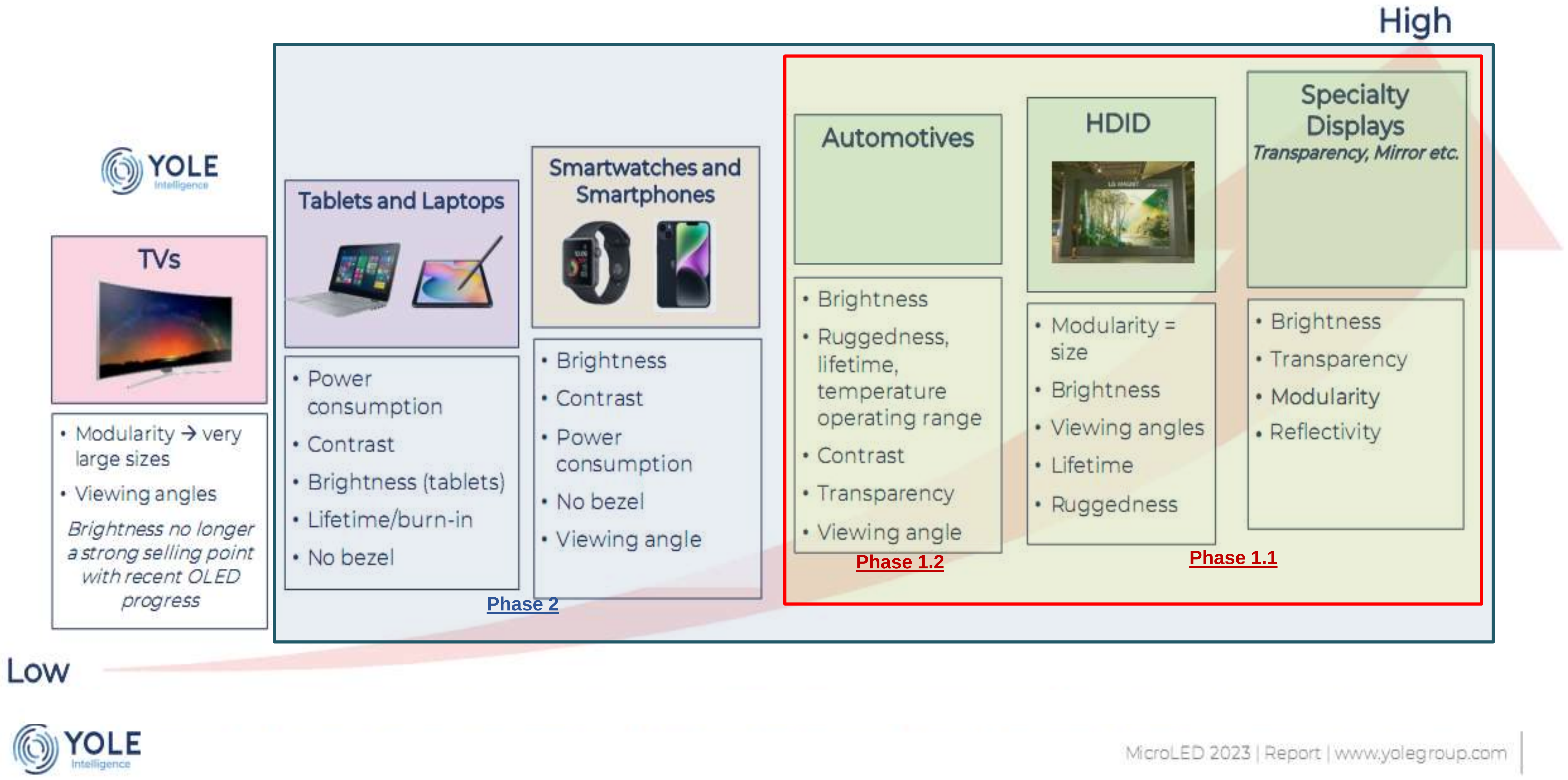
**Growth driver:**
- ✓ LID (Large Integrated Display) for Smart Cockpit
  (Display and System merging)
- ✓ Redefine transport life-experience

**Update:**
1. The growth of average size amid the slow down in vehicle shipment.
2. eLEAP OLED for premium segment

# MicroLED Industrialization Strategy

**INX MicroLED Industrialization Strategy : From Differentiated to Mainstream products.**

1. **Phase 1.1 Incubation : Amazing Technologies Features for Differential Application Create New Market Value. Through Incubation to ramp up Supply Chains and Productivity.**
2. **Phase 1.2 Growth : Create Unique Value for Automotive to Stand as Mainstream Technology.**
3. **Phase 2 Leading : Act for Premium Products of Mainstream Application.**




**Source: INX Marketing, Yole**

# INX MicroLED Create Differential Market Value

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**Seamless Tilling**
***Direct View***


**High Brightness**
***PHUD***

***Transparent***


**Seamless Tiling**
***Mirror***

# MicroLED Achievement

INNOLUX




| Exhibition | 2025/01 CES | 2025/01 CES |
|---|---|---|
| Main Features | 4x4 Free-Tiling MicroLED | Free-Tiling MicroLED unit |
| Display Size / Resolution | 106” / 3840 (xRGB)*2160 | |
| Tiling Unit / Cabinet Unit | 12.3” 480 (xRGB)*180 / 26.4” (12.3” 2x3) | 12.7” 552(xRGB)*312/50.8 (2x2) |
| TFT backplane | LTPS TFT glass / Zero Border | LTPS TFT glass / Zero Border |
| Color Solution | Blue uLED + Color Conversion | Blue uLED + Color Conversion |
| PPI / Pitch | 40ppi / P 0.6mm | 50ppi / P 0.5mm |
| NTSC | 115% | 115% |
| Luminance | 1000 nits | 1000 nits |

GOLD PANEL AWARDS

2024 SDIA AWARD

SDIA Gold

# MicroLED Achievement

INNOLUX

| Exhibition | CES/Touch Taiwan/SID | Touch Taiwan/SID | 2025 CES | 2025 CES |
|---|---|---|---|---|
| Main Features | High ppi Rigid Display | High ppi Mirror Display | High ppi Mirror Display | High brightness Display (PUHD) |
| Display Size / Resolution | 9.6” / 1920 (xRGB)*1080 | 9.6” / 1920 (xRGB)*1080 | 9.6” / 1920 (xRGB)*1080 | 9.6” / 1920 (xRGB)*1080 |
| TFT backplane | LTPS TFT glass | LTPS TFT glass | LTPS TFT glass | LTPS TFT glass |
| Color Solution | RGB MicroLED | RGB MicroLED | RGB MicroLED | RGB MicroLED |
| PPI / Pitch | 229ppi / P 0.11mm | 229ppi / P 0.11mm | 229ppi / P 0.11mm | 229ppi / P 0.11mm |
| NTSC/Transparency | 115% | 115% | 115% | 115% |
| Luminance /Reflectance | 300 nits | 500 nits | >3500 nits/86% | 85,000 nits/86% |

GOLD PANEL AWARDS

2024 SDIA AWARD

SDIA Gold

# INX MicroLED Product Plan

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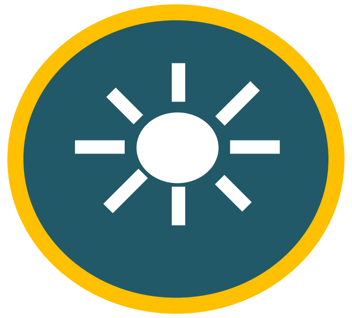
Wide View Angle

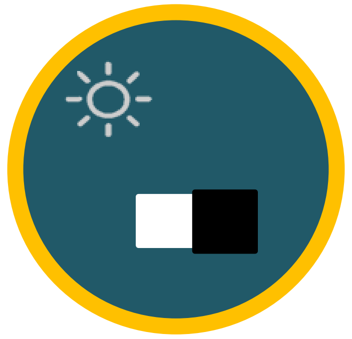
Crystal Transparency



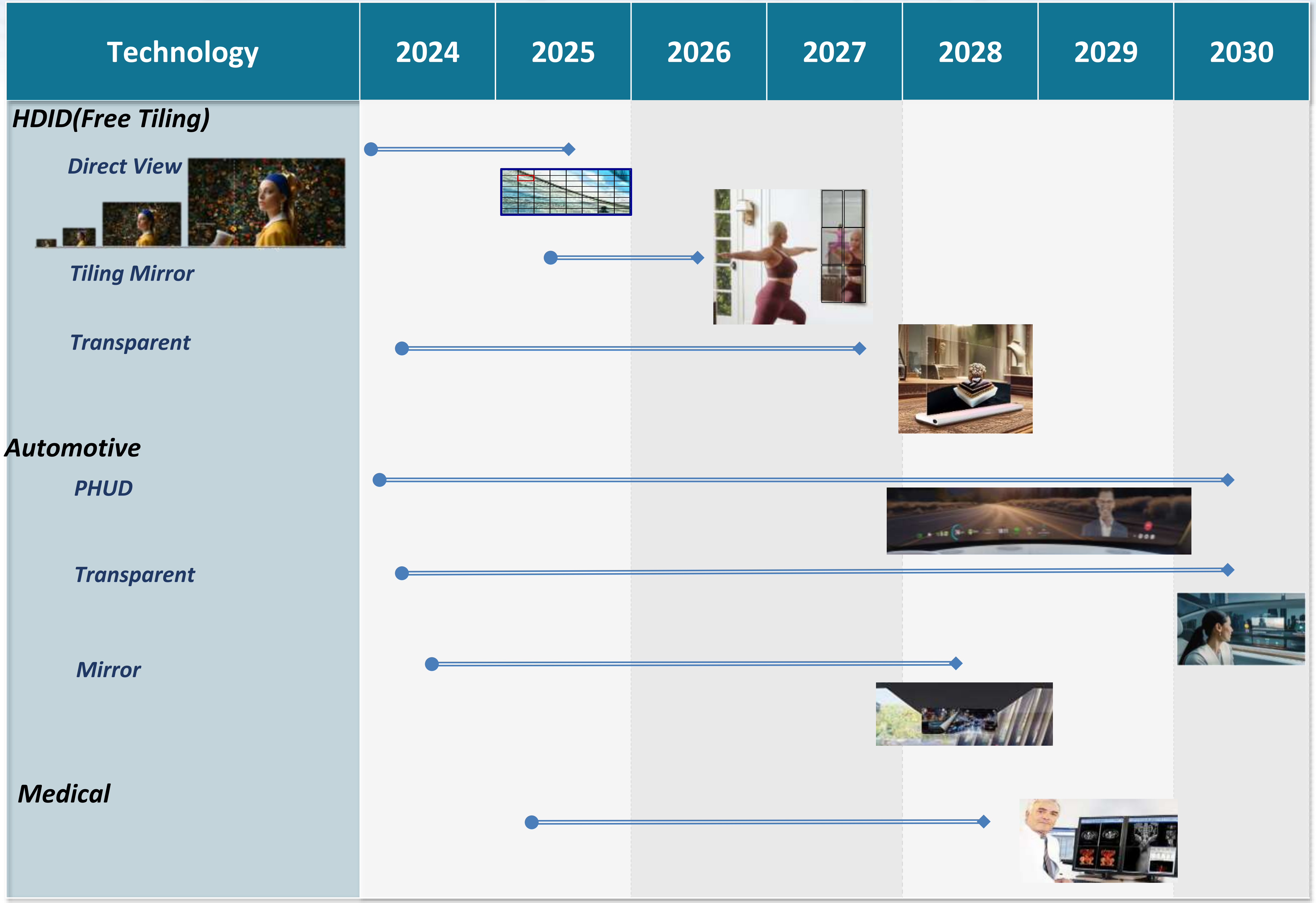
High Brightness

Free Form

Excellent Color



High ACR

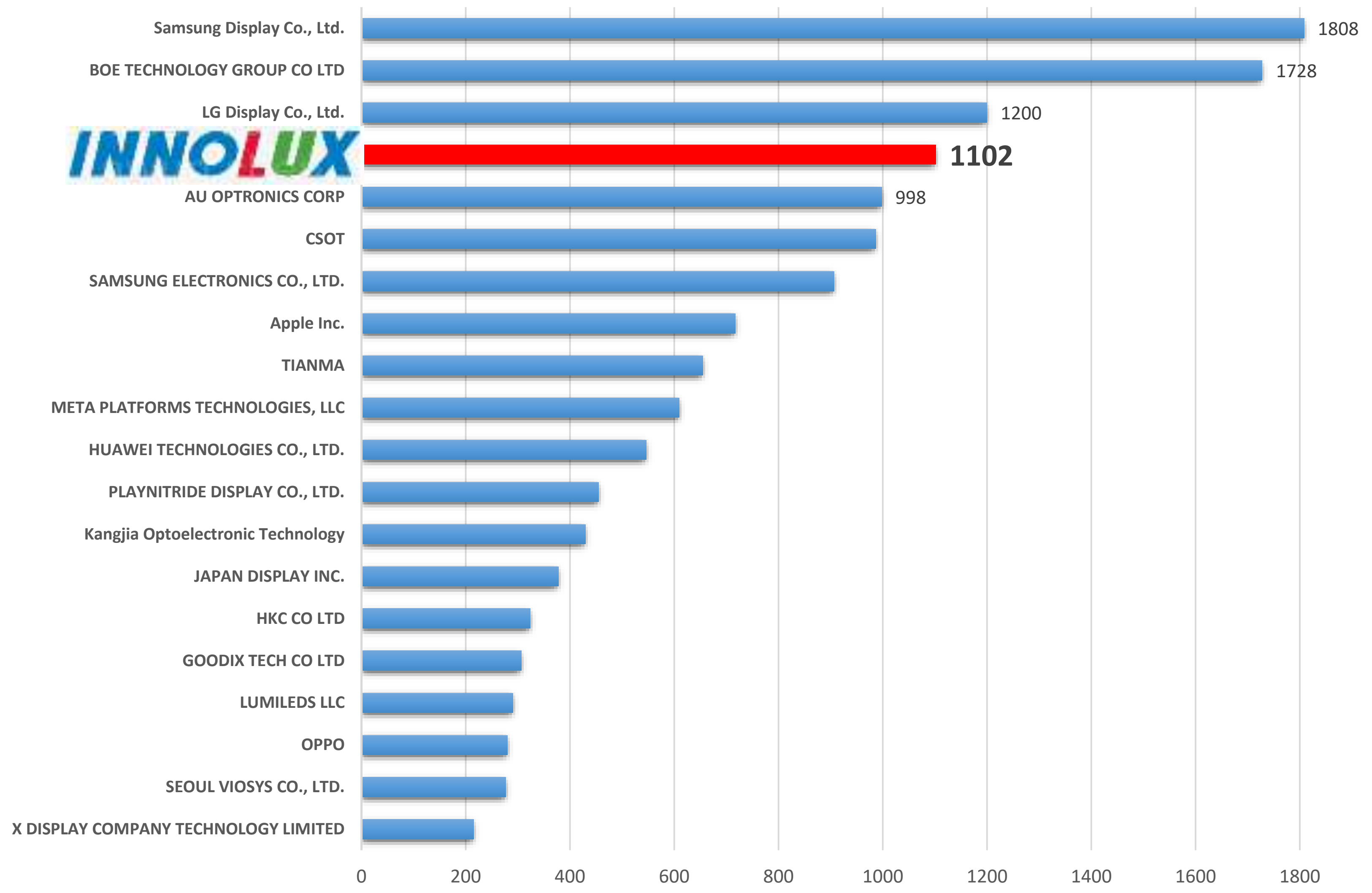



HDID : Hi Definition information Display

# MicroLED Granted Patents Achievement

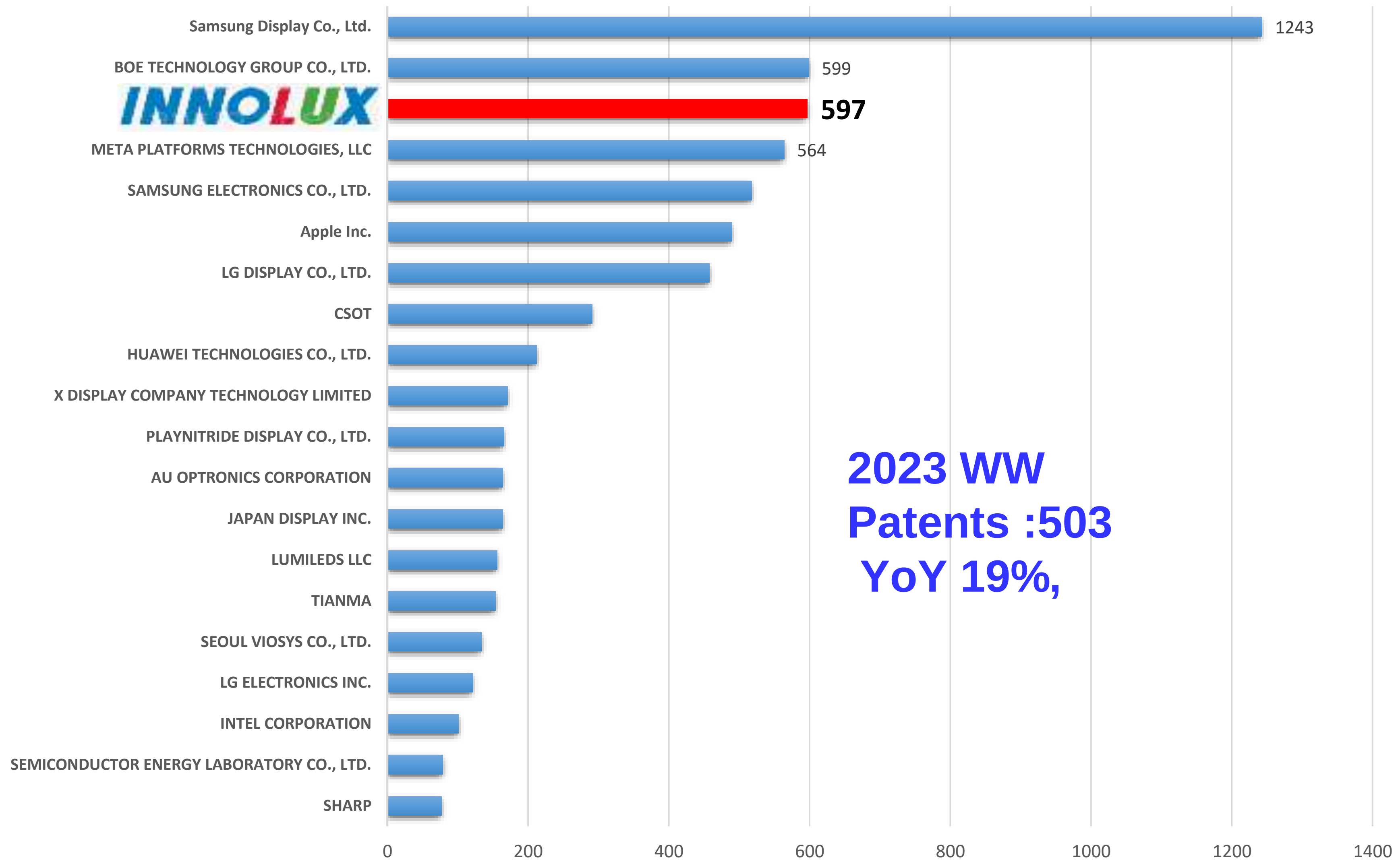
INNOLUX

## 2024 WW Patent Granted




No. 4 for WW patent granted.

## 2024 US Patent Granted

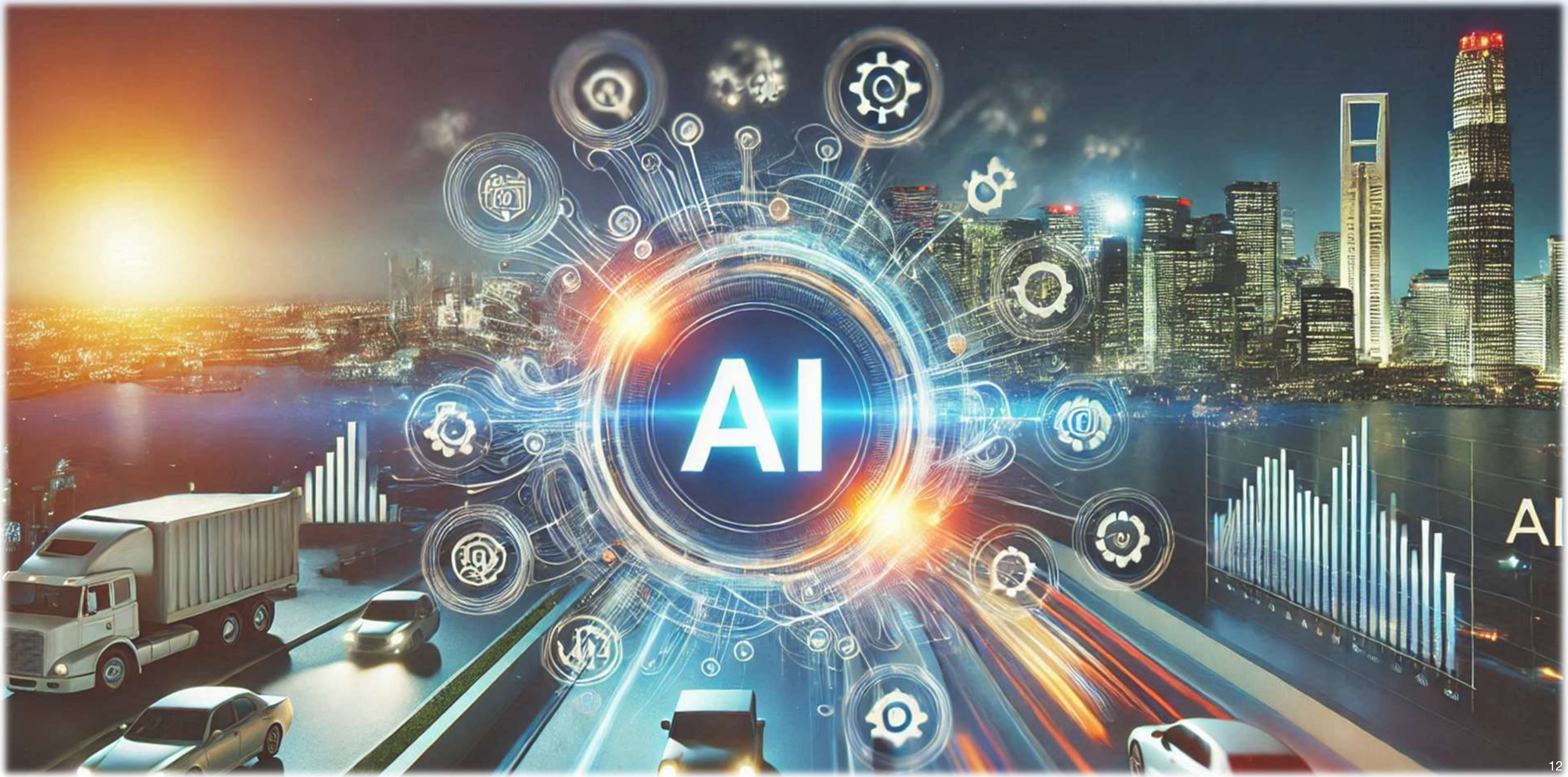



No. 3 for US patent granted.

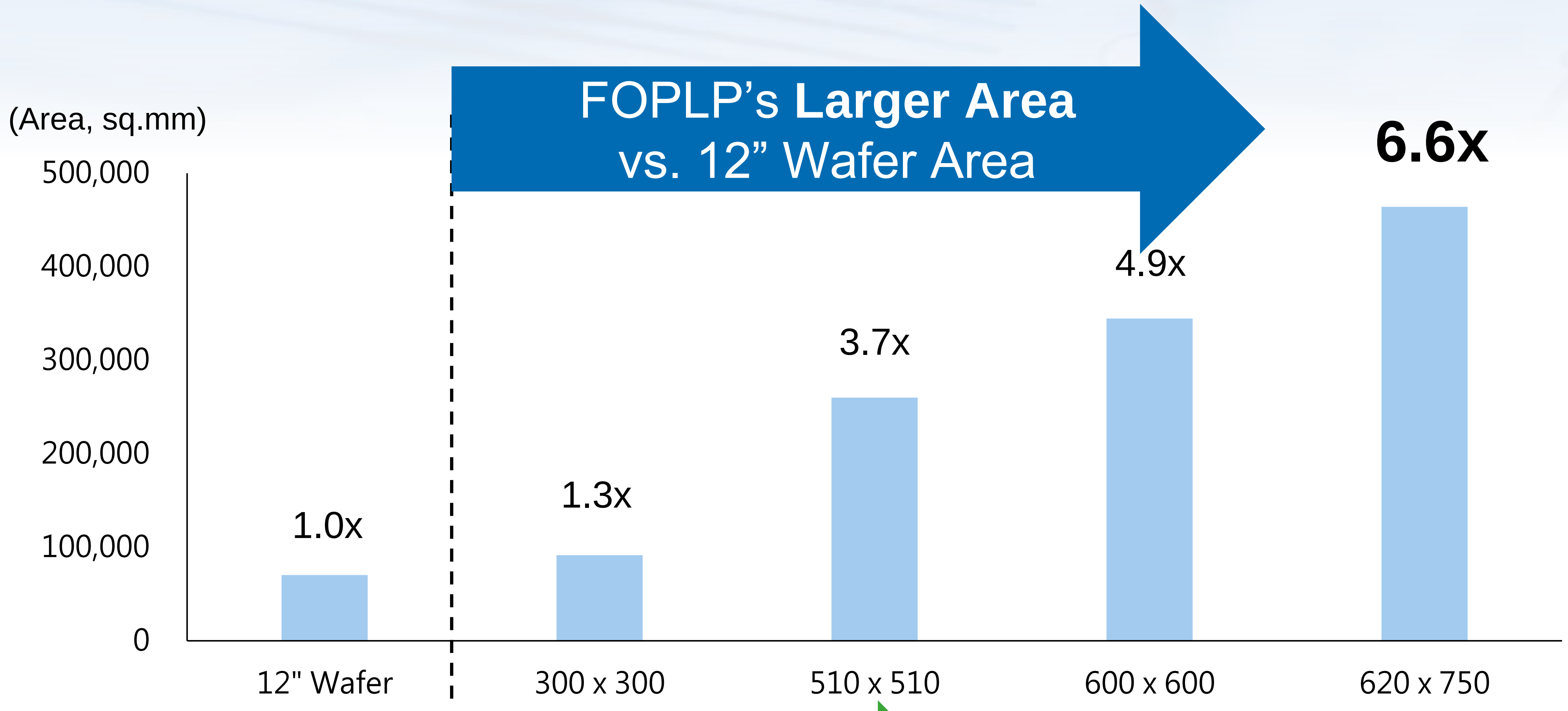
**Source: Total patent 2024/12/31**

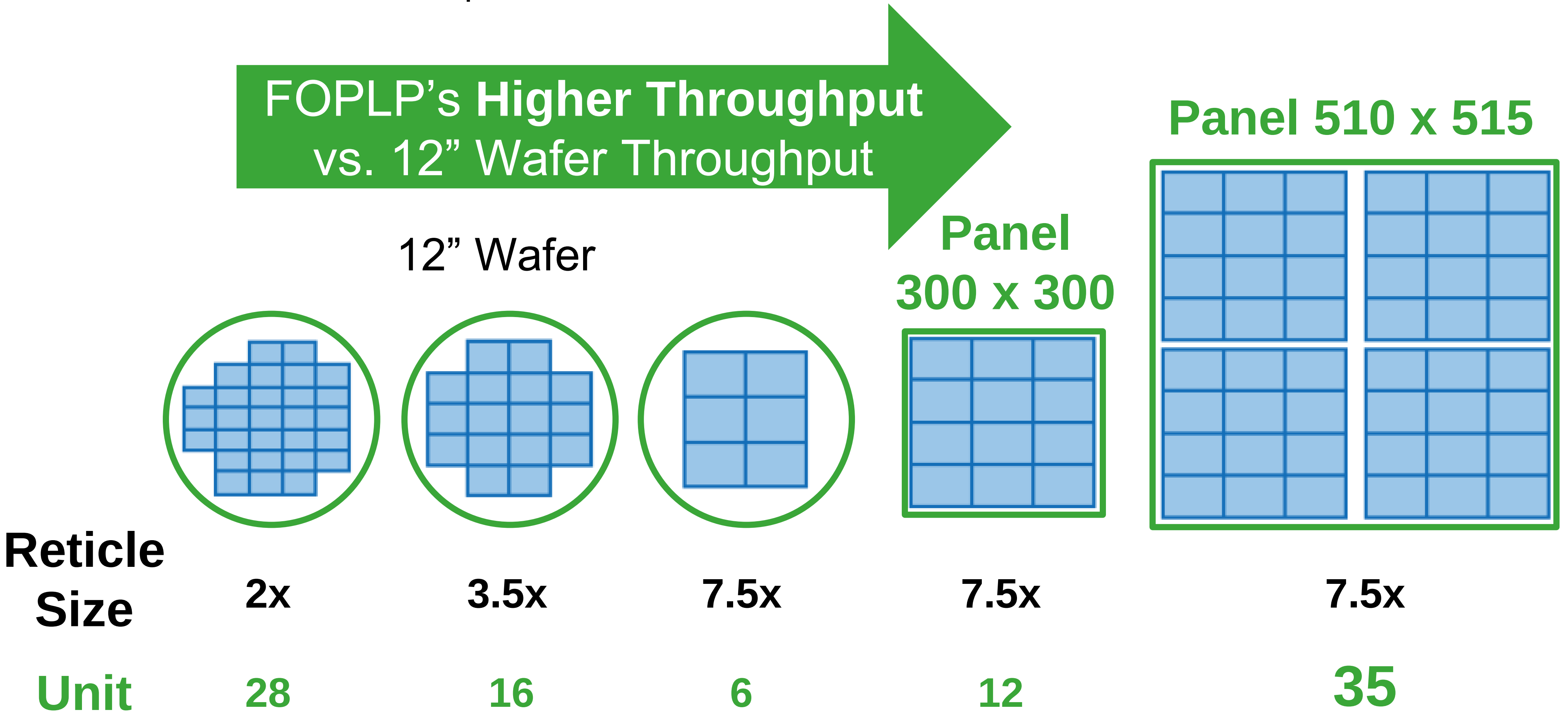
# Agenda

# AI Drives Revolutions Across Industries

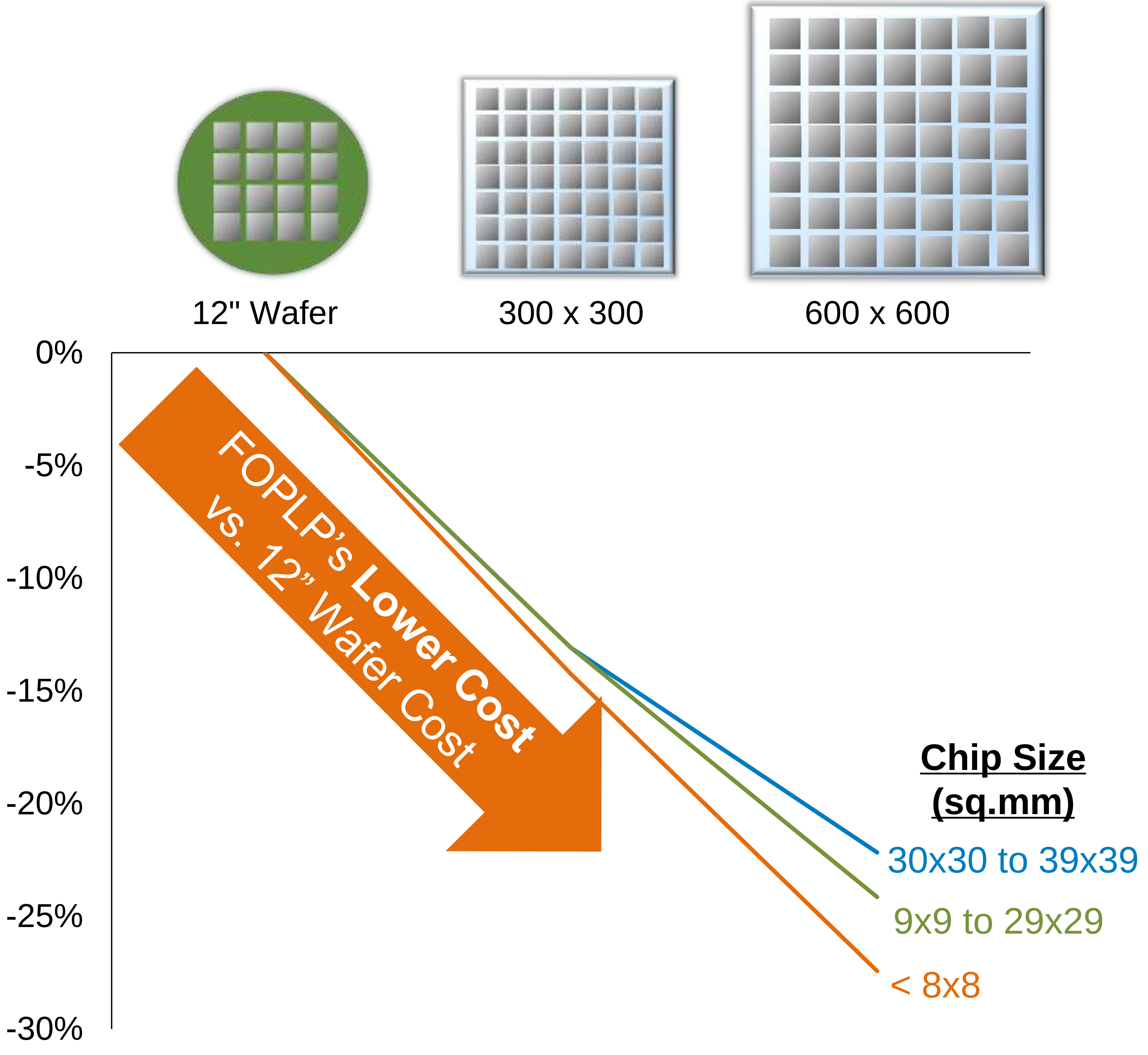


# FOPLP Enables More Efficient and Lower-Cost Advanced Packaging




## Cost Savings - Wafer vs. Panels




Source: Morgan Stanley Research, Company Data

# Innolux's FOPLP Advantages and Execution Plan

# INX FOPLP Competitive Advantages - I

## Revitalizing Legacy Panel Factory:

Innolux has repurposed its fully depreciated panel production lines into **the world's largest FOPLP fab** with no additional capex, employing an "Asset-Light" strategy to increase ROE.

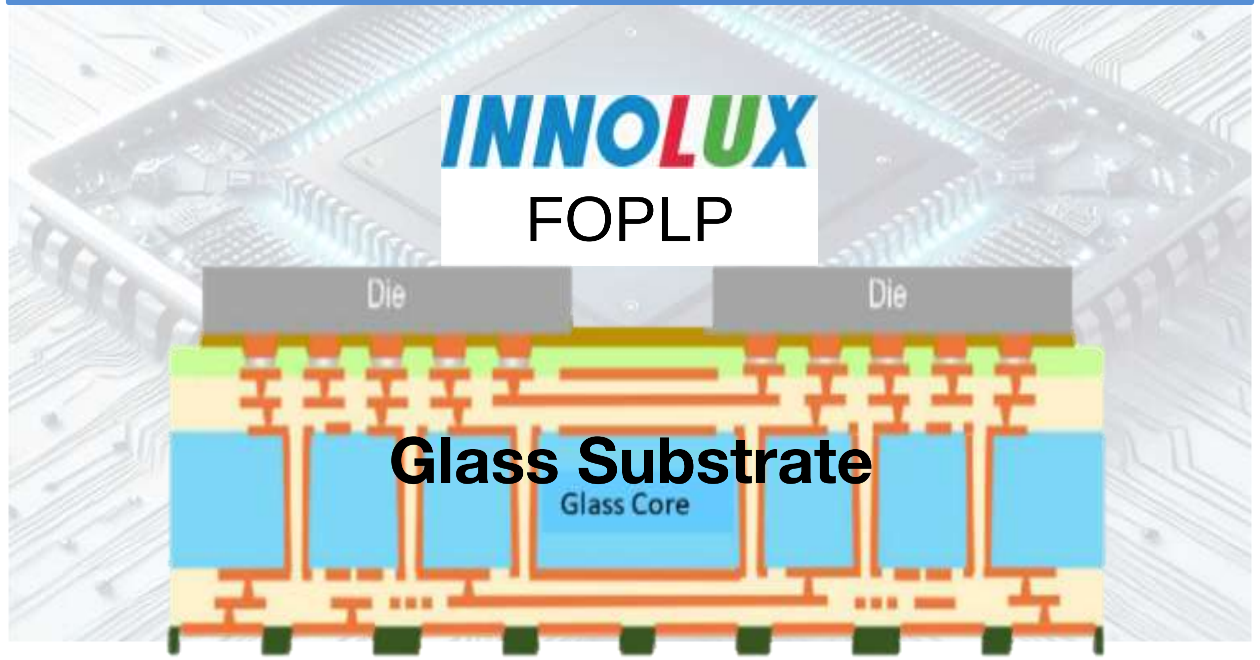
## Broad Product Applications & Mass Production:

Targeting automotive, high-voltage, energy-efficient PMIC and AI chips. With samples validated by multiple domestic and international clients, Innolux's FOPLP targets to enter mass production during **1H25**.

| Asset-Light | High-ROE |
|---|---|


Innolux Fab 1 (3.5-Gen Panel Fab)

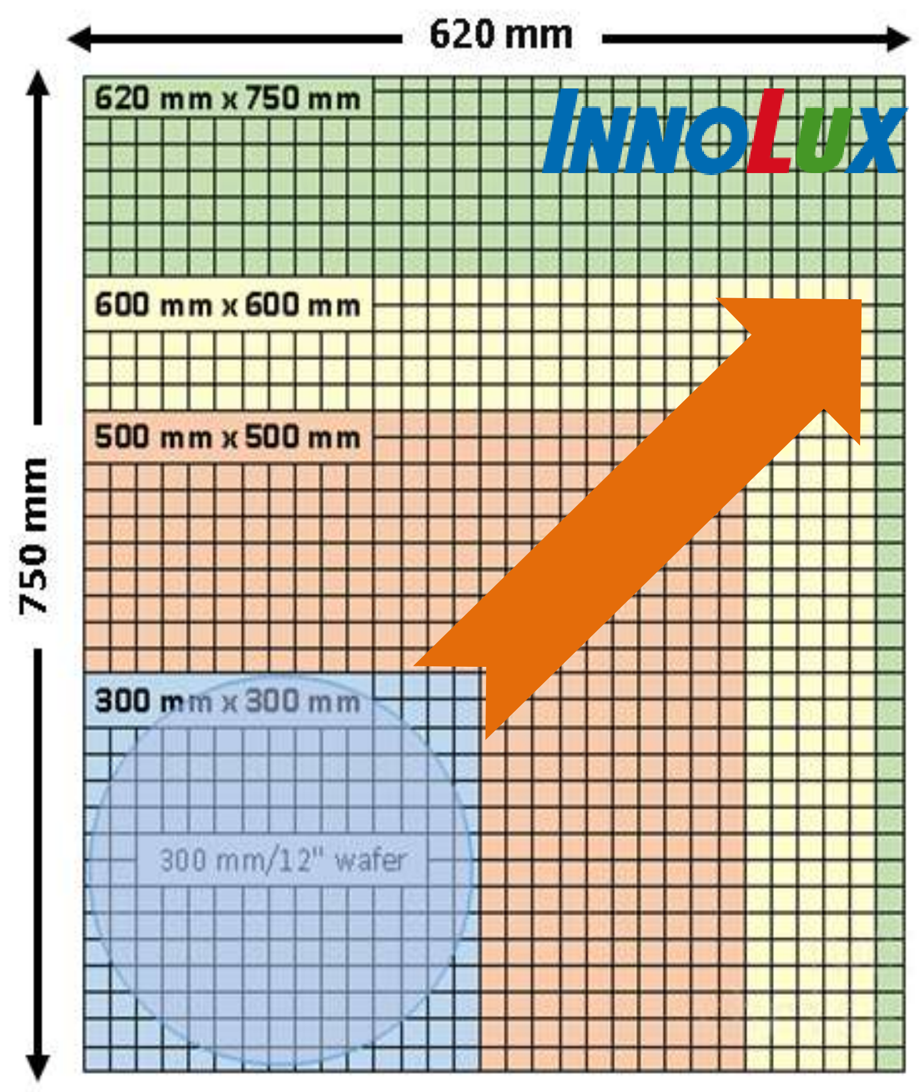
| Automotive RF & PMIC | AI & HPC |
|---|---|



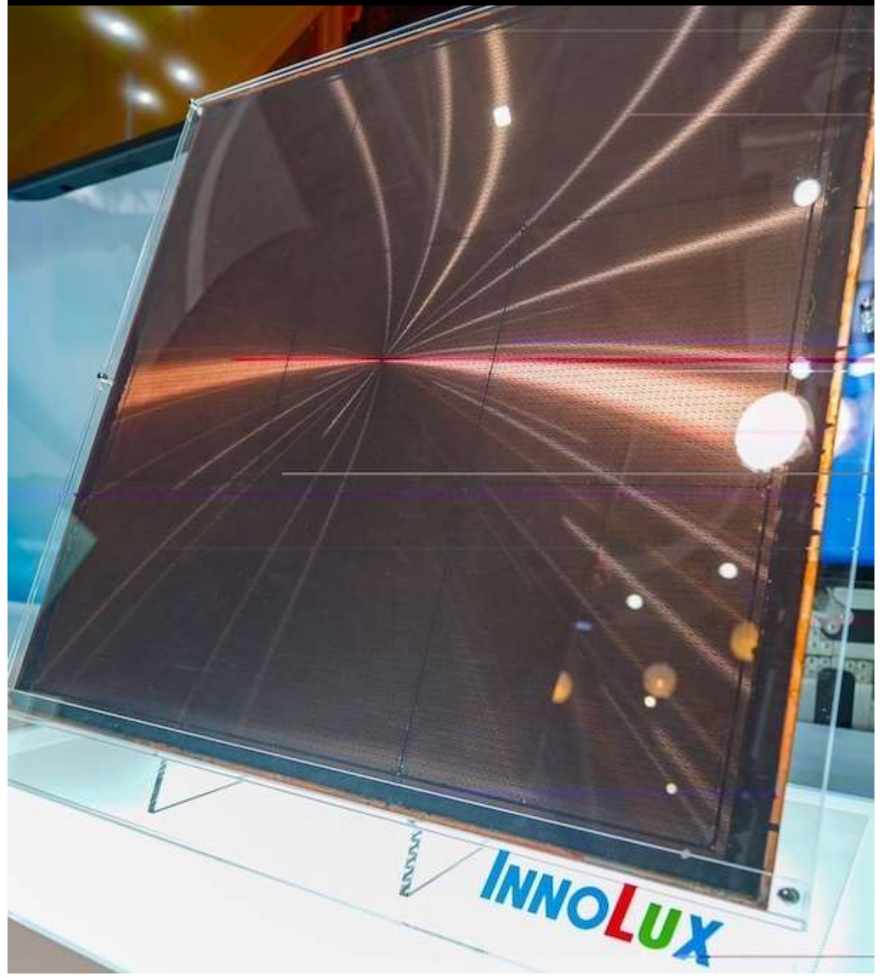
# INX FOPLP Competitive Advantages - II

## Advantages of Experience and Efficiency:

Besides the **60%** similarity between panel and IC packaging processes (Plasma, Lithography and Etching), Innolux's > **20 years** of expertise in glass panels enables higher efficiency and lower costs for FOPLP.



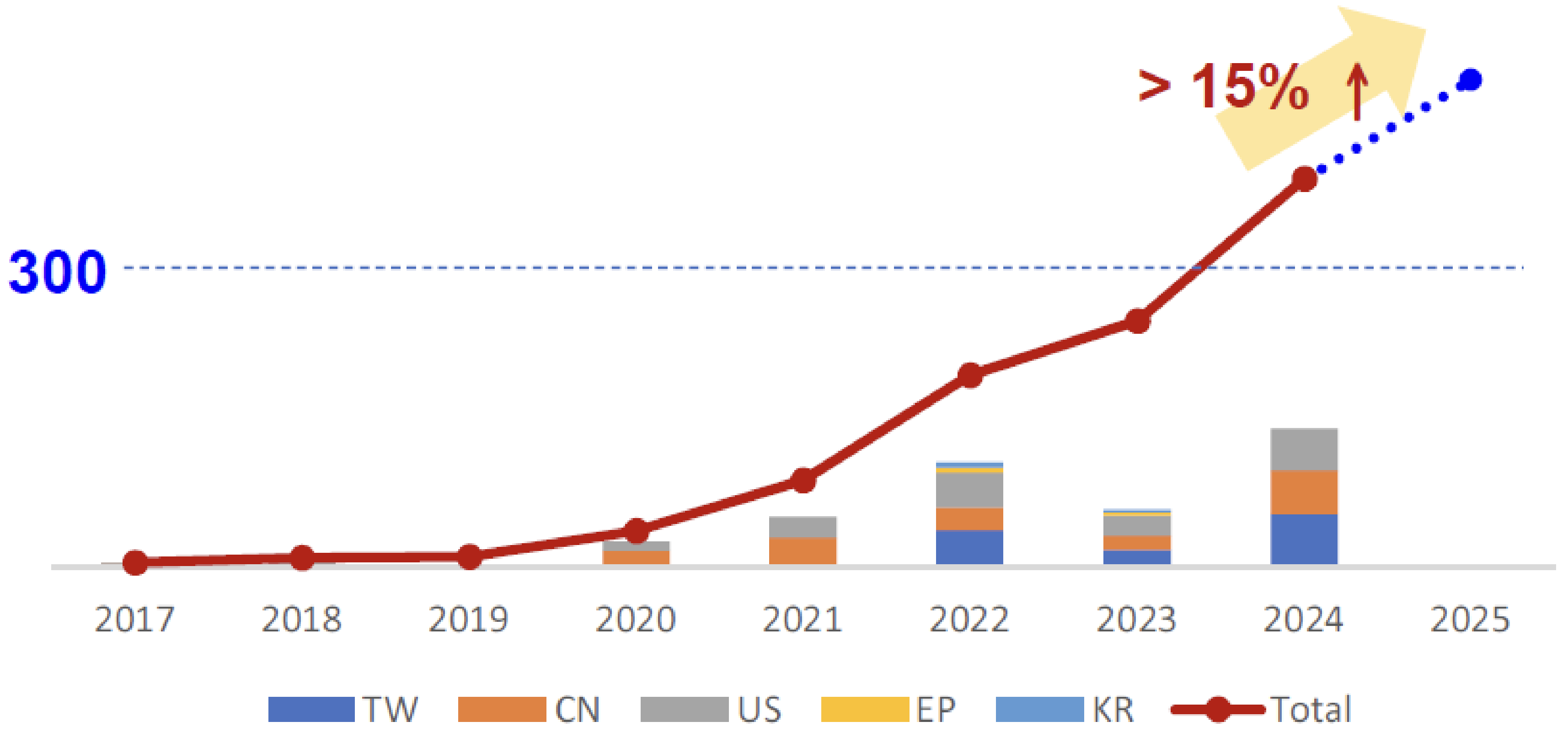

World's Largest 700x700mm FOPLP




## Technology Leadership:

Innolux has established electroplating and stress simulation platforms, integrating materials, equipment, and process capabilities, resulting in over **300** accumulating FOPLP patent applications by 2024.

**2017-2025E Innolux FOPLP Patent Applications:**



# INX FOPLP Advanced Packaging Value Chain

### ■ *Chip-First for PMIC and RF IC*
Low contact resistance, high breakdown voltage

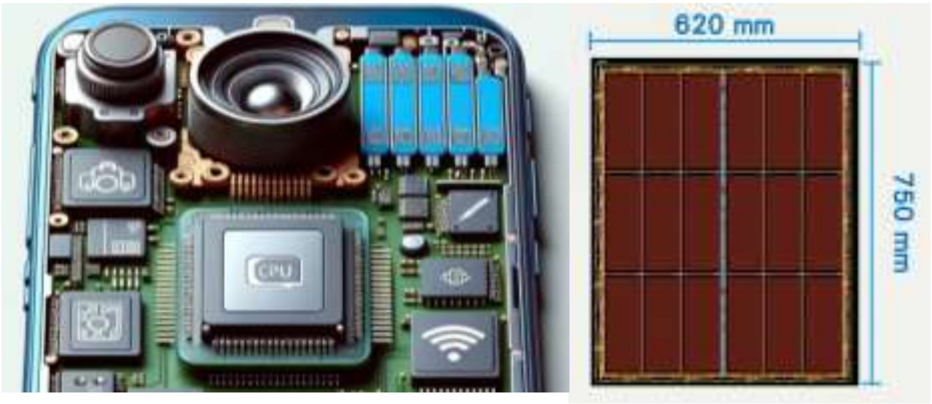
- ☐ IC package in RF, PMIC, Audio, Automotive Radar, for shorter interconnection and cost efficiency

Ex. **77GHz** Radar transceiver
**<u>Chip-First</u>** for High Frequency

Ex. **650V** DC/DC convertor

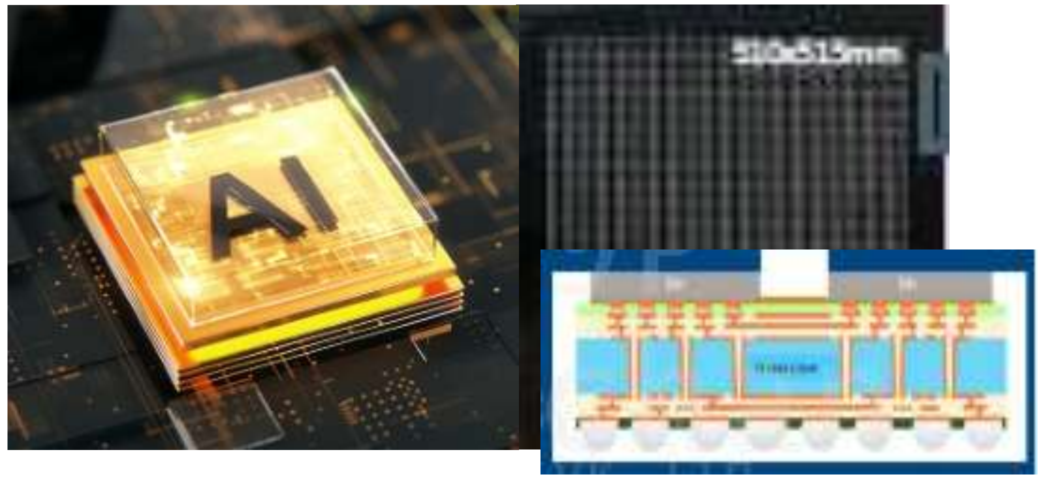
### ■ *RDL-First for Consumer AP*
Fine pitch pattern for AI and HPC chip-let packaging

- ☐ RDL fan-out substrate provides a cost-competitive solution for chip-let applications with fine pitch patterns.
- ☐ Strip (95x240mm) or sub-panel (297x240) format delivery.




### ■ *TGV for AI and HPC IC*
High speed for generative AI and HPC applications

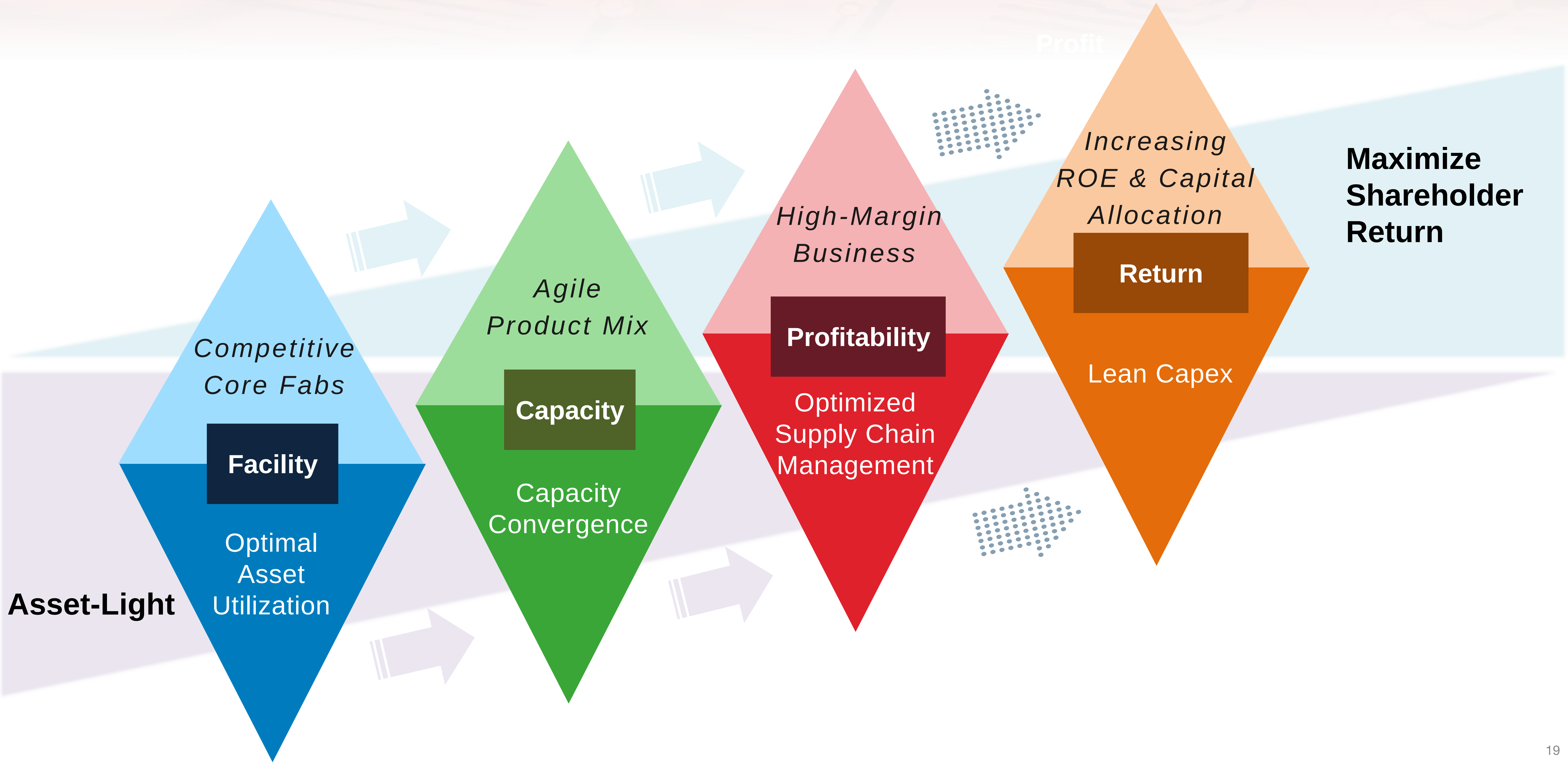
- ☐ TGV process on glass substrate
- ☐ Target large-size xPU, FPGA AI and HPC applications
- ☐ Better thermal stability and mechanical stability




**INNOLUX as a FOPLP Glass Solution Provider**

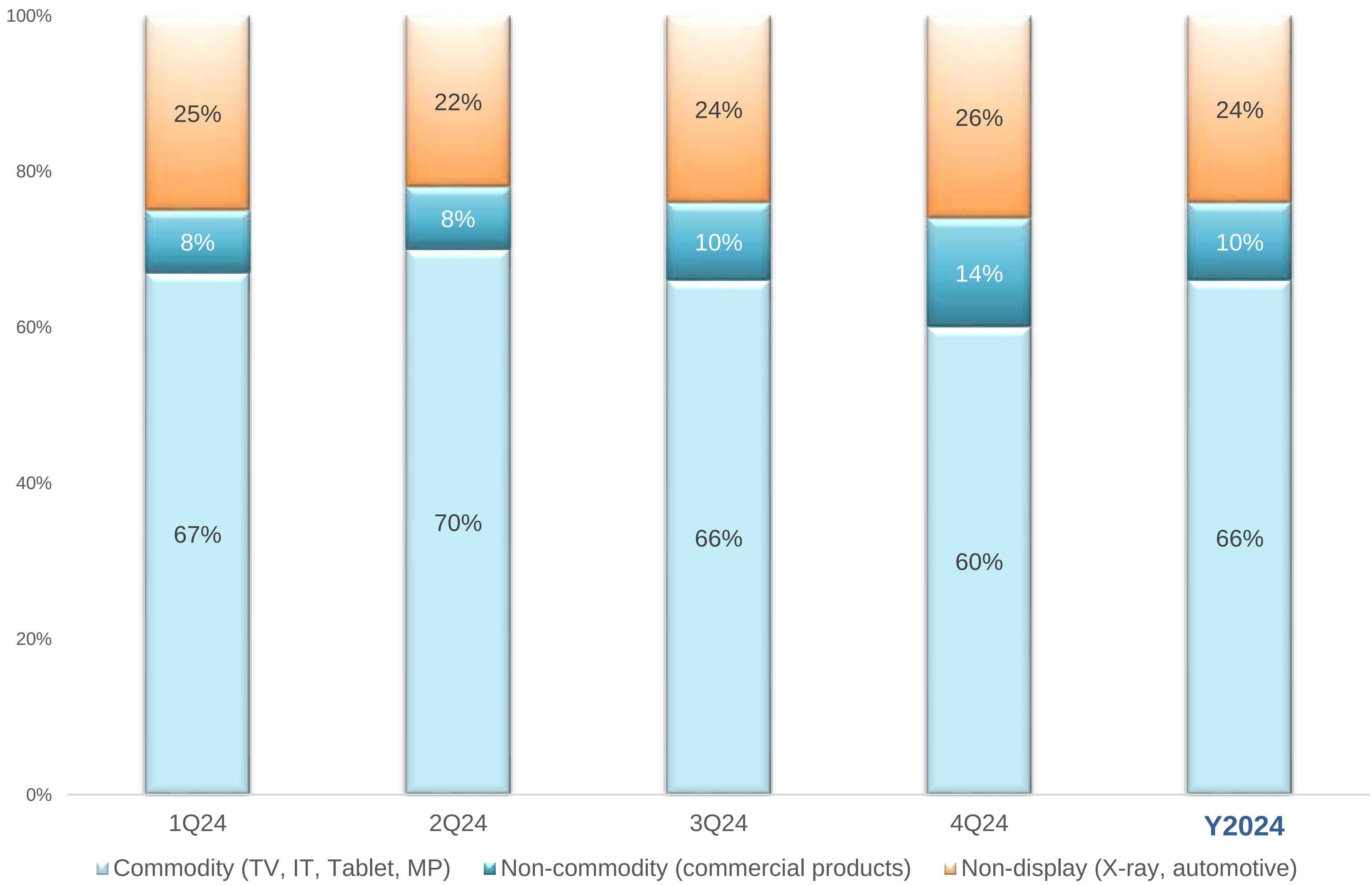
# Agenda

# Long-Term Strategy to Create Shareholder Value



# Operation Performance by Domain

## Revenue share by domain




## Gross margin by domain

| Product Type | Revenue (NT$ million) | | | Average GM |
|---|---|---|---|---|
| | 4Q24 | QoQ (%) | % share | Y2024 |
| Non-display | 13,773 | 2% | 26% | 11-15% |
| Non-commodity | 7,492 | 35% | 14% | 21-25% |
| Commodity | 32,419 | -11% | 60% | 6-10% |

# Statements of Comprehensive Income Highlights

Selected Items from Statements of Comprehensive Income

| (NT$ million) | 4Q 2024 | | 3Q 2024 | | QoQ % | 4Q 2023 | |
|---|---|---|---|---|---|---|---|
| Net Sales | 53,684 | *100.0%* | 55,473 | *100.0%* | ***-3.2%*** | 53,404 | *100.0%* |
| Cost of Goods Sold | 52,366 | *97.5%* | 50,471 | *91.0%* | ***3.8%*** | 51,584 | *96.6%* |
| Gross Profit | 1,318 | *2.5%* | 5,002 | *9.0%* | ***-73.6%*** | 1,820 | *3.4%* |
| Operating Expenses | 5,640 | *10.5%* | 5,793 | *10.4%* | ***-2.6%*** | 4,994 | *9.4%* |
| Operating Profit (Loss) | (4,321) | *-8.0%* | (790) | *-1.4%* | ***-446.7%*** | (3,174) | *-5.9%* |
| Net Non-operating Income (Exp.) | 14,052 | *26.2%* | 1,521 | *2.7%* | ***823.9%*** | 230 | *0.4%* |
| Profit (Loss) before Tax | 9,730 | *18.1%* | 730 | *1.3%* | ***1232.1%*** | (2,944) | *-5.5%* |
| Net Profit (Loss) | 9,145 | *17.0%* | 494 | *0.9%* | ***1749.7%*** | (3,236) | *-6.1%* |
| Net Profit (Loss) Attributable to Owners of Company | 9,025 | *16.8%* | 421 | *0.8%* | ***2042.3%*** | (3,237) | *-6.1%* |
| Basic EPS (NT$)(1)(2) | 1.13 | | 0.05 | | | (0.36) | |
| EBITDA(3) | 3,291 | *6.1%* | 7,080 | *12.8%* | ***-53.5%*** | 4,519 | *8.5%* |
| Depreciation & Amortization | 7,613 | | 7,871 | | | 7,693 | |
| Capital Expenditure | 3,885 | | 3,846 | | | 4,681 | |

Notes:
1. Basic EPS = Net Income-Parent / Weighted Average of Outstanding Common Shares
2. Capital Stock (common): NT$79.9billion as of December 31, 2024
3. EBITDA = Operating Income + Depreciation & Amortization
4. All figures are prepared by Innolux Corporation in accordance with the International Financial Reporting Standards as endorsed in TIFRS.

# Statements of Comprehensive Income Highlights

Selected Items from Statements of Comprehensive Income

| (NT$ million) | 2024 | | 2023 | | YoY % |
|---|---|---|---|---|---|
| Net Sales | 216,510 | *100.0%* | 211,741 | *100.0%* | ***2.3%*** |
| Cost of Goods Sold | 202,337 | *93.5%* | 208,632 | *98.5%* | ***-3.0%*** |
| Gross Profit | 14,173 | *6.5%* | 3,109 | *1.5%* | ***355.9%*** |
| Operating Expenses | 22,092 | *10.2%* | 21,818 | *10.3%* | ***1.3%*** |
| Operating Profit (Loss) | (7,919) | *-3.7%* | (18,709) | *-8.8%* | ***57.7%*** |
| Net Non-operating Income (Exp.) | 16,147 | *7.5%* | 2,346 | *1.1%* | ***588.4%*** |
| Profit (Loss) before Tax | 8,228 | *3.8%* | (16,363) | *-7.7%* | - |
| Net Profit (Loss) | 6,727 | *3.1%* | (18,599) | *-8.8%* | - |
| Net Profit (Loss) Attributable to Owners of Company | 6,473 | *3.0%* | (18,643) | *-8.8%* | - |
| Basic EPS (NT$)(1)(2) | 0.76 | | (2.01) | | |
| EBITDA(3) | 23,231 | *10.7%* | 12,064 | *5.7%* | ***92.6%*** |
| Depreciation & Amortization | 31,150 | | 30,773 | | |
| Capital Expenditure | 16,055 | | 21,352 | | |

Notes:
1. Basic EPS = Net Income-Parent / Weighted Average of Outstanding Common Shares
2. Capital Stock (common): NT$79.9billion as of December 31, 2024
3. EBITDA = Operating Income + Depreciation & Amortization
4. All figures are prepared by Innolux Corporation in accordance with the International Financial Reporting Standards as endorsed in TIFRS.

# Consolidated Balance Sheet Highlights

| (NT$ million) | 2024.12.31 | 2024.9.30 | 2023.12.31 |
|---|---|---|---|
| Cash & Short Term Investment | 55,289 | 40,153 | 50,513 |
| Inventory | 42,447 | 41,053 | 37,151 |
| Total Assets | 358,088 | 347,016 | 357,530 |
| Short Term Debt [(1)] | 10,912 | 10,232 | 7,746 |
| Long Term Debt | 20,988 | 23,168 | 31,978 |
| Total Equity [(2)] | 233,541 | 222,988 | 228,885 |
| *Current Ratio* | *158%* | *140%* | *153%* |
| *Debt to Equity* | *14%* | *15%* | *17%* |
| *Net Debt to Equity* | *-10%* | *-3%* | *-5%* |

Notes:

1. Short term debt = short-term bank loan + current portion of long term loan
2. Capital Stock (common): NT$79.9 billion; Book value per common stock: NT$ 29.03 as of December 31, 2024
3. Net debt to equity = (short term debt + long term debt – cash & short term investment) / total equity
4. All figures are prepared by Innolux Corporation in accordance with the International Financial Reporting Standards as endorsed in T-IFRS

# Q & A

www.Innolux.com