Test and Automation turnkey Solution provider™

CHROMA ATE INC.

2022.2Q Earnings Conference Call

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Disclaimer

This presentation contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "plan", "forecast", "project", "predict", "potential", "continue", "may", "should", "will", and "would" or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements. The forward-looking statements in this presentation include, but are not limited to, growth rates for various markets estimated by third party sources, future products and technology development, widespread market acceptance of the hosted delivery model, future revenue growth and profitability. You should be cautioned that the forward-looking statements are no guarantee of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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Agenda

- Financial Review
- Operation Highlights
- Q&A

FINANCIAL REVIEW

Year 2022.1H Condensed Consolidated Income Statement

Condensed Consolidated P&L (In Million NTD, except for EPS in NTD)	2022.1H	%	2021.1H	%	YoY %
Net Sales	**9,334**	**100%**	**8,718**	**100%**	**7%**
Consolidated Sales of Testing Equipment Business	8,118	87%	6,705	77%	**21%**
Consolidated Sales of MAS	409	4%	364	4%	**12%**
Consolidated Sales of New Material	635	7%	1,457	17%	**(56%)**
Others	172	2%	192	2%	**(10%)**
Cost of Goods Sold	(4,247)	(45%)	(4,546)	(52%)	**(7%)**
Gross Profit	**5,087**	**55%**	**4,172**	**48%**	**22%**
Operating Expenses:					
General & Administration	(2,039)	(22%)	(1,947)	(22%)	**5%**
Research & Development	(844)	(9%)	(746)	(9%)	**13%**
Operating Income	**2,204**	**24%**	**1,479**	**17%**	**49%**
Non-Operating Income (Expenses), net	● 862	9%	● 1,898	22%	**(55%)**
Income (Loss) Before Tax	3,066	33%	3,377	39%	**(9%)**
Income Tax	(522)	(6%)	(609)	(7%)	**(14%)**
Net Income	**2,544**	**27%**	**2,768**	**32%**	**(8%)**
Other Comprehensive Income (Losses)	450	5%	207	2%	**117%**
Comprehensive Income	**$ 2,994**	**32%**	**$ 2,975**	**34%**	**1%**
Net Income (Losses) Attributable To:					
Shareholders of the Parent	2,512	27%	2,729	31%	**(8%)**
Noncontrolling Interests	32	-	39	1%	**(18%)**
	$ 2,544	**27%**	**$ 2,768**	**32%**	**(8%)**
EPS (Basic)	**$ 5.98**		**$ 6.50**		**(8%)**
EPS (Diluted)	**$ 5.94**		**$ 6.47**		**(8%)**

● 2022/2Q included the gain from disposal of investment (ADLINK) of NTD 414 million plus revert the gain from disposal of property to ADLINK of NTD 90m.
2021/1Q included the gain from disposal of property and plant (Hua-ya HQ) of NTD 1,730 million with Capital gain tax of NTD 200 million

Year 2022.2Q Condensed Consolidated Income Statement

Chroma

Condensed Consolidated P&L (In Million NTD, except for EPS in NTD)	2022.2Q	%	2022.1Q	%	QoQ %	2021.2Q	%	YoY %
Net Sales	**4,935**	**100%**	**4,398**	**100%**	**12%**	**4,445**	**100%**	**11%**
Consolidated Sales of Testing Equipment Business	4,644	94%	3,474	79%	**34%**	3,359	76%	**38%**
Consolidated Sales of MAS	188	4%	221	5%	**(15%)**	221	5%	**(15%)**
Consolidated Sales of New Material	17	-	618	14%	**(97%)**	765	17%	**(98%)**
Others	86	2%	85	2%	**-**	100	2%	**(14%)**
Cost of Goods Sold	(2,033)	(41%)	(2,214)	(50%)	**(8%)**	(2,378)	(53%)	**(15%)**
Gross Profit	**2,902**	**59%**	**2,184**	**50%**	**33%**	**2,067**	**47%**	**40%**
Operating Expenses:								
General & Administration	(1,093)	(22%)	(946)	(22%)	**16%**	(1,097)	(25%)	**-**
Research & Development	(443)	(9%)	(400)	(9%)	**11%**	(381)	(9%)	**16%**
Operating Income	**1,366**	**28%**	**837**	**19%**	**63%**	**589**	**13%**	**132%**
Non-Operating Income (Expenses), net	● 696	14%	167	4%	**317%**	99	2%	**603%**
Income (Loss) Before Tax	2,062	42%	1,004	23%	**105%**	688	15%	**200%**
Income Tax	(376)	(8%)	(146)	(3%)	**158%**	(179)	(4%)	**110%**
Noncontrolling interests	(25)	-	(6)	-	**n/a**	(28)	-	**(11%)**
Net Income (attributable to parent)	**1,661**	**34%**	**852**	**20%**	**95%**	**481**	**11%**	**245%**
EPS (Basic)	**$ 3.95**		**$ 2.03**		**95%**	**$ 1.14**		**246%**
Net Income without disposal gain from investment	**$ 1,157**	**23%**	**$ 852**	**19%**	**36%**	**$ 481**	**11%**	**141%**
EPS (Basic) without disposal gain from investment	**$ 2.75**		**$ 2.03**		**35%**	**$ 1.14**		**141%**

● 2022/2Q included the gain from disposal of investment (ADLINK) of NTD 414 million plus revert the gain from disposal of property to ADLINK of NTD 90m.

Balance Sheet Highlights & Financial Ratio

Consolidated (In Million NTD)	2022. June	2021. Dec	+ / - %
Balance Sheet Highlights			
Cash & Short Term Investments	5,888	4,947	19%
Inventory	4,756	3,916	21%
Short Term Debt	1,404	2,114	- 34%
Long Term Debt	1,258	1,447	- 13%
Shareholders Equity	19,107	18,947	1%
Total Assets	**32,968**	**29,546**	**12%**
Inventory Turnover (Day)	184	139	
AR Turnover (Day)	79	98	
AP Turnover (Day)	120	114	
Net Debt to Equity (%)	Net Cash	Net Cash	
ROE (%) ●	**26%**	**24%**	
ROA (%) ●	**16%**	**15%**	

Cash Position	2022.1H	2021.1H	YoY
EBITDA	3,421	3,661	(7%)
Cash Flow from Operation	1,951	1,405	39%
Free Cash Flow ●●	**2,069**	**3,220**	**(36%)**

● All ROE + ROA has been annualized.

●● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

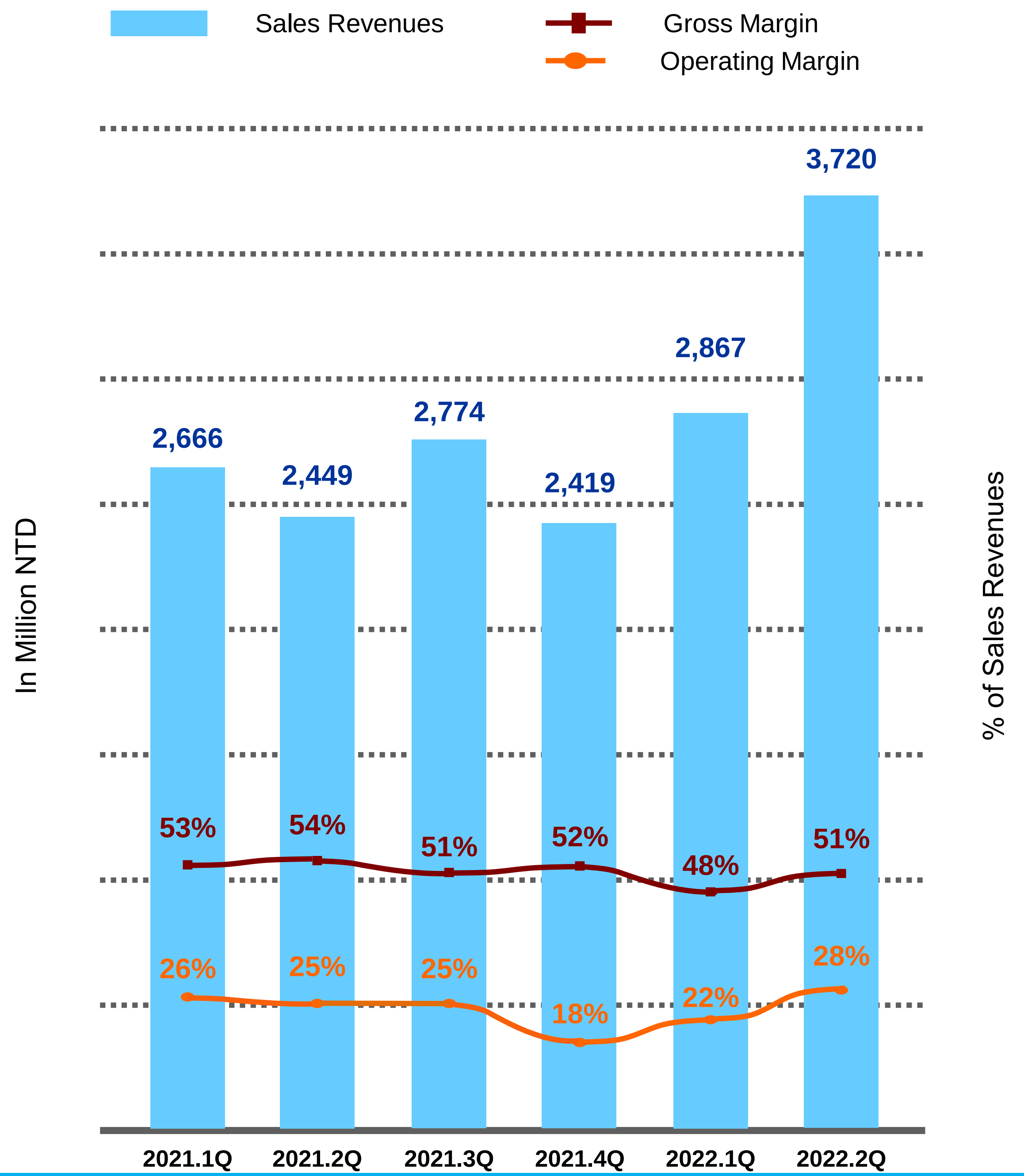
Quarterly Highlights

2022.2Q Key Points

- Sales Revenue: $ 3,720 million,

  up 30% QoQ, up 52% YoY
- Gross Margin: 51%
- Operating Margin: 28%
- Net Income: NT$ 1,661 million,

  up 95% QoQ, up 245% YoY
- 2022.2Q Highlights:
  - The major growth in second quarter is mainly contributed from Semiconductor / Photonics sector, which presented a growth of 67% QoQ and 82% YoY respectively.



Year 2022.2Q Condensed Income Statement (Parent only)

Condensed P&L – Parent Only (In Million NTD, except for EPS in NTD)	2022.2Q	%	2022.1Q	%	QoQ %	2021.2Q	%	YoY %
Net Sales	**3,720**	**100%**	**2,867**	**100%**	**30%**	**2,449**	**100%**	**52%**
Cost of Goods Sold	(1,810)	(49%)	(1,499)	(52%)	**21%**	(1,119)	(46%)	**62%**
Gross Profit	**1,910**	**51%**	**1,368**	**48%**	**40%**	**1,330**	**54%**	**44%**
Operating Expenses:								
General & Administration	(490)	(13%)	(389)	(14%)	**26%**	(376)	(15%)	**30%**
Research & Development	(380)	(10%)	(341)	(12%)	**11%**	(344)	(14%)	**10%**
Operating Income	**1,040**	**28%**	**638**	**22%**	**63%**	**610**	**25%**	**70%**
Non-Operating Income (Expenses), net ●	902	24%	309	11%	**192%**	(3)	-	**n/a**
Income (Loss) Before Tax	1,942	52%	947	33%	**105%**	607	25%	**220%**
Income Tax	(281)	(8%)	(95)	(3%)	**196%**	(126)	(5%)	**123%**
Net Income	**$ 1,661**	**45%**	**$ 852**	**30%**	**95%**	**$ 481**	**20%**	**245%**
EPS (Basic)	**$ 3.95**		**$ 2.03**		**95%**	**$ 1.14**		**246%**
Net Income without disposal gain	**$ 1,157**	**31%**	**$ 852**	**30%**	**36%**	**$ 481**	**20%**	**141%**
EPS (Basic) without disposal gain	**$ 2.75**		**$ 2.03**		**35%**	**$ 1.14**		**141%**

● 100% owned subsidiaries' income - MAS: 26m.

2022/2Q included the gain from disposal of investment (ADLINK) of NTD 414 million plus revert the gain from disposal of property to ADLINK of NTD 90m.

Year 2022.1H Condensed Income Statement (Parent only)

Chroma

Condensed P&L – Parent Only (In Million NTD, except for EPS in NTD)	2022.1H	%	2021.1H	%	YoY %
Net Sales	**6,587**	**100%**	**5,115**	**100%**	**29%**
Cost of Goods Sold	(3,308)	(50%)	(2,385)	(47%)	**39%**
Gross Profit	**3,278**	**50%**	**2,730**	**53%**	**20%**
Operating Expenses:					
Selling and General & Administration	(879)	(13%)	(746)	(14%)	**18%**
Research & Development	(722)	(11%)	(677)	(13%)	**7%**
Operating Income	**1,678**	**26%**	**1,307**	**26%**	**28%**
Non-Operating Income (Expenses), net ●	1,211	18%	1,930	37%	**(37%)**
Income (Loss) Before Tax	2,889	44%	3,237	63%	**(11%)**
Income Tax	(376)	(6%)	(508)	(10%)	**(26%)**
Net Income	**$ 2,512**	**38%**	**$ 2,729**	**53%**	**(8%)**
EPS (Basic)	**$ 5.98**		**$ 6.50**		**(8%)**
Net Income without disposal gain	**$ 2,008**	**30%**	**$ 1,199**	**23%**	**67%**
EPS (Basic) without disposal gain	**$ 4.78**		**$ 2.85**		**68%**

● Non-operating Income included 100% owned subsidiaries' income – MAS 26.5m.

2022/2Q included the gain from disposal of investment (ADLINK) of NTD 414 million plus revert the gain from disposal of property to ADLINK of NTD 90m.

2021/1Q included the gain from disposal of property and plant (Hua-ya HQ) of NTD 1,730 million with Capital gain tax of NTD 200 million

Balance Sheet Highlights & Financial Ratio

Chroma

Parent Only (In Million NTD)	**2022. June**	**2021. Dec**	**+ / - %**
Balance Sheet Highlights			
Cash & Short Term Investment	932	1,274	- 27%
Inventory	3,455	2,989	16%
Short Term Debt	700	1,400	- 50%
Long Term Debt	1,050	1,250	- 16%
Shareholders Equity	18,649	18,514	1%
Total Assets	**28,250**	**25,359**	**11%**
Inventory Turnover (Day)	175	199	
AR Turnover (Day)	94	89	
AP Turnover (Day)	88	95	
Net Debt to Equity (%)	3%	8%	
ROE (%) ●	**27%**	**24%**	
ROA (%) ●	**19%**	**17%**	

Cash Position	**2022. 1H**	**2021. 1H**	**YoY**
EBITDA	3,125	3,407	(8%)
Cash Flow from Operation	267	1,100	(76%)
Free Cash Flow ● ●	**686**	**3,136**	**(78%)**

● All ROE + ROA has been annualized.

● ● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

OPERATION HIGHLIGHT

2022.2Q & 1H Product Mix and Consolidated Sales Breakdown

(Unit: Million NTD)	2022.2Q	%	QoQ	YoY	2022.1H	%	YoY	2021	%
Test Instruments & Automatic Testing System (ATS)	1,615	43%	4%	20%	3,173	48%	27%	5,531	54%
Semiconductor / Photonics Test Solutions	1,458	39%	67%	82%	2,330	35%	26%	3,589	35%
Turnkey Solutions	278	8%	58%	742%	455	7%	86%	347	3%
Service & Others	369	10%	42%	40%	629	10%	18%	841	8%
Total of Parent Company Sales	**3,720**	**100%**	**30%**	**52%**	**6,587**	**100%**	**29%**	**10,308**	**100%**
+ Sales from Overseas Operations & Related Subsidiaries	**924**		**52%**	**2%**	**1,531**		**(4%)**	**3,247**	
Chroma Consolidated Testing Equipment Business	**4,644**	**94%**	**34%**	**38%**	**8,118**	**87%**	**21%**	**13,555**	**77%**
MAS	**188**	**4%**	**(15%)**	**(15%)**	**409**	**4%**	**12%**	**780**	**4%**
New Material	**17**	**-**	**(97%)**	**(98%)**	**635**	**7%**	**(56%)**	**2,804**	**16%**
Other Subsidiaries	**86**	**2%**	**-**	**(14%)**	**172**	**2%**	**(10%)**	**445**	**3%**
Consolidated Sales	**4,935**	**100%**	**12%**	**11%**	**9,334**	**100%**	**7%**	**17,584**	**100%**

Year 2022 Guidance

- For the first half in 2022, Chroma total consolidated sales revenues reached 9.3 billion NTD, presented a growth of 7% YoY. The Parent Company sales reached 6.6 billion, presented a growth of 29% YoY, all product sectors have increased over 20% compared to year 2021, mainly contributed from EV and HPC / Semiconductor industries.

- Year 2022 Second Half Business Outlook:

  - ✓ EV battery cell formation system will be the key driver in second half sales revenues, contributed by megatrend of EV industry.

  - ✓ The Test Instruments & ATS for power testing solutions continues benefit from green energy industry, included EV / Energy Storage related components, battery cell / module / pack and smart-grid and 5G / Server related power testing.

  - ✓ The demand continuity from development of 5G-related and high performance chip (HPC) will be supporting the growth of Semiconductors / Photonics testing solutions.

Semiconductor Advanced Packaging Test Solution

TECHNOLOGY

IC Test Handler

Versatile Test Platform

- Multi-sites: 6~24 Sites (SLT/FT and Combo Module)
- IC Device: WLCSP, InFO, CoWoS and Heterogeneous
- High-precision Contact: ±1.75°
- IC Warpage Detection: >2 mils (0.5mm)
- Cooling Capacity: >1,200W

1H, ‘22

2H,’22

MARKET

Advanced Packaging of Automotive, IOT, AI , Cloud, HPC, Network and Datacenter Chips

3200-24
FT & SLT Hybrid Test System

SOLUTION

Test Instruments & ATS

TECHNOLOGY

EV Testing

HPC, High Power Charging
- HPC (High Power Charging) EVSE testing up to 720kW/4ch
- AC Input (Grid Simulator) : 500V/840kVA, eff.= 80% typical
- DC Output (Battery Simulator) : 1000V/720kW, eff.=88% typical
- Regenerative energy

BMS Power HIL Testbed
- Integrate real-time system
- Cell simulator
- High current simulator

1H, '22

2H,'22

MARKET

EV Charging (EVSE)

BMS for Electric Vehicle and Energy Storage System

NEW

EVSE ATS
8000

NEW

BMS Power HIL Testbed
Model 8630

SOLUTION

Test Instruments & ATS

TECHNOLOGY

attery Cell Testing

Battery Pack Testing

High Power Li-ion Battery Test Application
- Pulse Current : 4800A
- Energy Regen. Efficiency : 75%

Li-ion Battery Deterioration Analysis
- High Accuracy : ± 0.01% of F.S.
- High Precision : ±0.002% of F.S.

High Power Battery Pack Test System
- High Power: 1.2MW/1700V/4800A
- High Accuracy Measurement :
  Current: ±0.02% r.d.g. + 0.02% r.n.g.
  Voltage: ±(0.05% of r.n.g.)
- High Current Slew Rate:
  100~600kW@1ms; 800kW~1.2MW@10ms
- Battery Simulator function

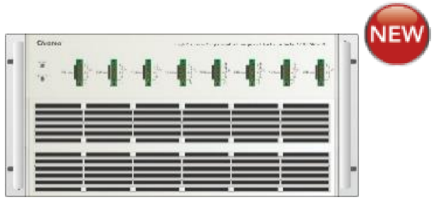
1H, '22

2H, '22

MARKET

Battery for EV, E-Scooter, Energy Storage System, Power Tools, Quality Inspection Agency, Academic Research

Battery Reliability Test System
17010H



High Precision CHG & DHG Tester
17208M-5-12C

Regenerative Battery Pack Test System
17040E

SOLUTION

Turnkey Solution

TECHNOLOGY

Battery Cell Formation

Formation System Application

- Battery Type: 4680 Cylindrical Cell
- Formation:
  - Regular Power Tester (17108A-5-60)
  - Cylinder type clamping unit for 1 deck
- DCIR: High Accuracy Power Tester (17208M-6-60)
- OCV/ACIR: DM7276 + BT4560 Measurement System

Formation System Application

- Battery Type: 4680 Cylindrical Cell
- Formation:
  - Composite Power Tester (17102H-80-30)
  - Air bag type clamping mechanism for 4 decks
- OCV/ACIR: DM7276 + BT4560 measurement system
- Calibration Kit

1H, '22 — 2H, '22

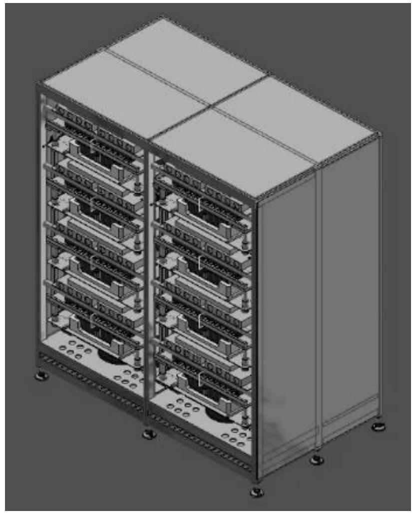
MARKET

Battery Cell (China, Japan, S. Korea)

SOLUTION

NEW

Cylindrical Battery Cell Formation System
17000-K0xx



NEW

Cylindrical Battery Cell Series CDC Formation System
17080-K0xx

Driving Innovation to Success

Thank You!

Get more information in the APP