

Megawin Technology Co., Ltd.

Institutional Investor Conference

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Spokesperson:

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Safe Harbor Notice

Megawin's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Overview

■ Established

June, 1999

■ Chairman & CEO

Kenny Wen

■ Employees

84 (Taiwan: 72 & China: 12)

■ Capital

NTD 394 millions

■ Business

Development, design, and sale
microcontrollers
(a MCU-based IC design house)

■ Main products

ARM Cortex-M0/M3 MCU,
8051 MCU,
USB MCU,
LDO/BLDC Series



- 01 Operation Performance & Financial Results**
- 02 Product Application & Business Outlook**
- 03 Q & A**



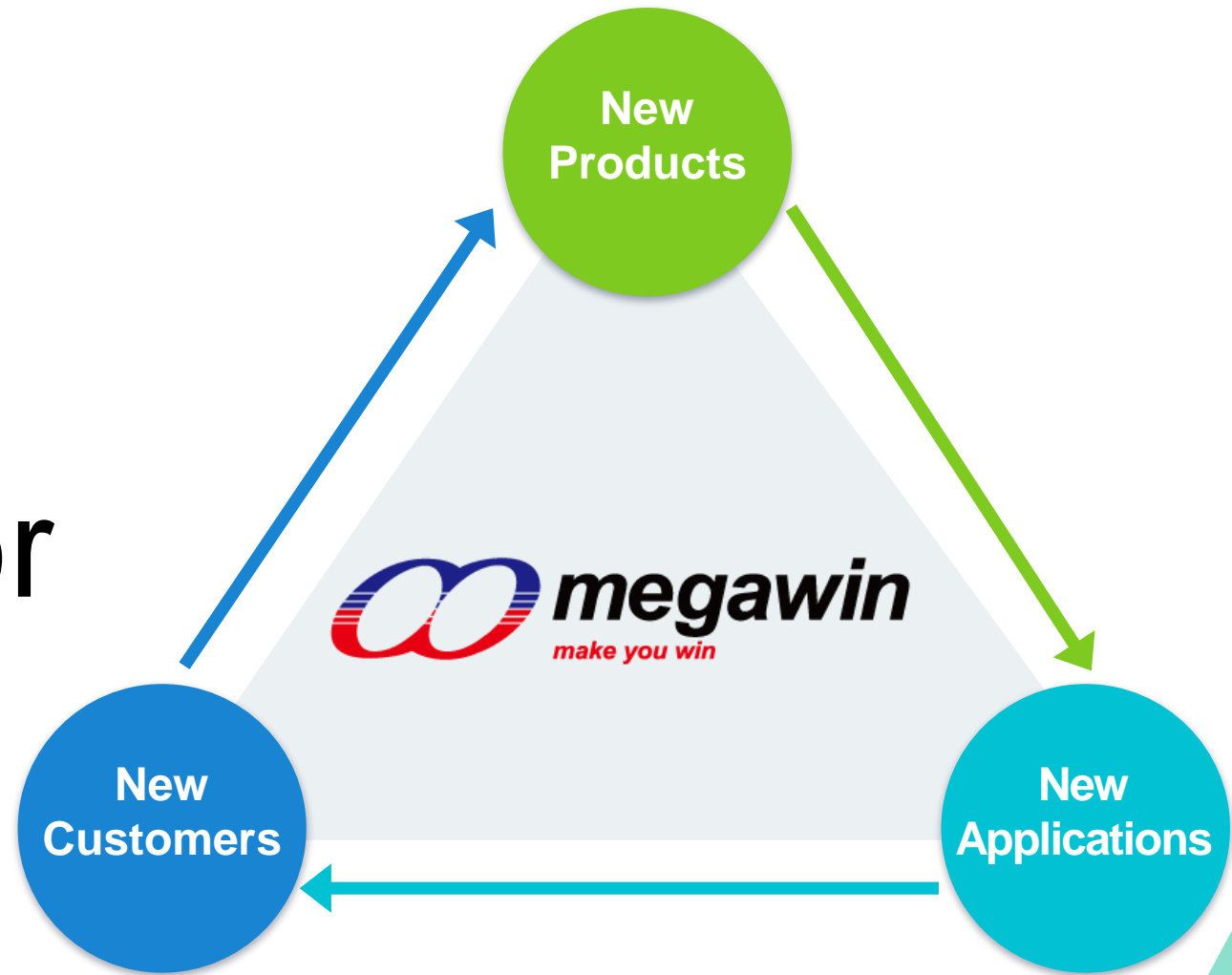
Agenda





1. Operation Performance & Financial Results

Key Growth Drivers for Revenue



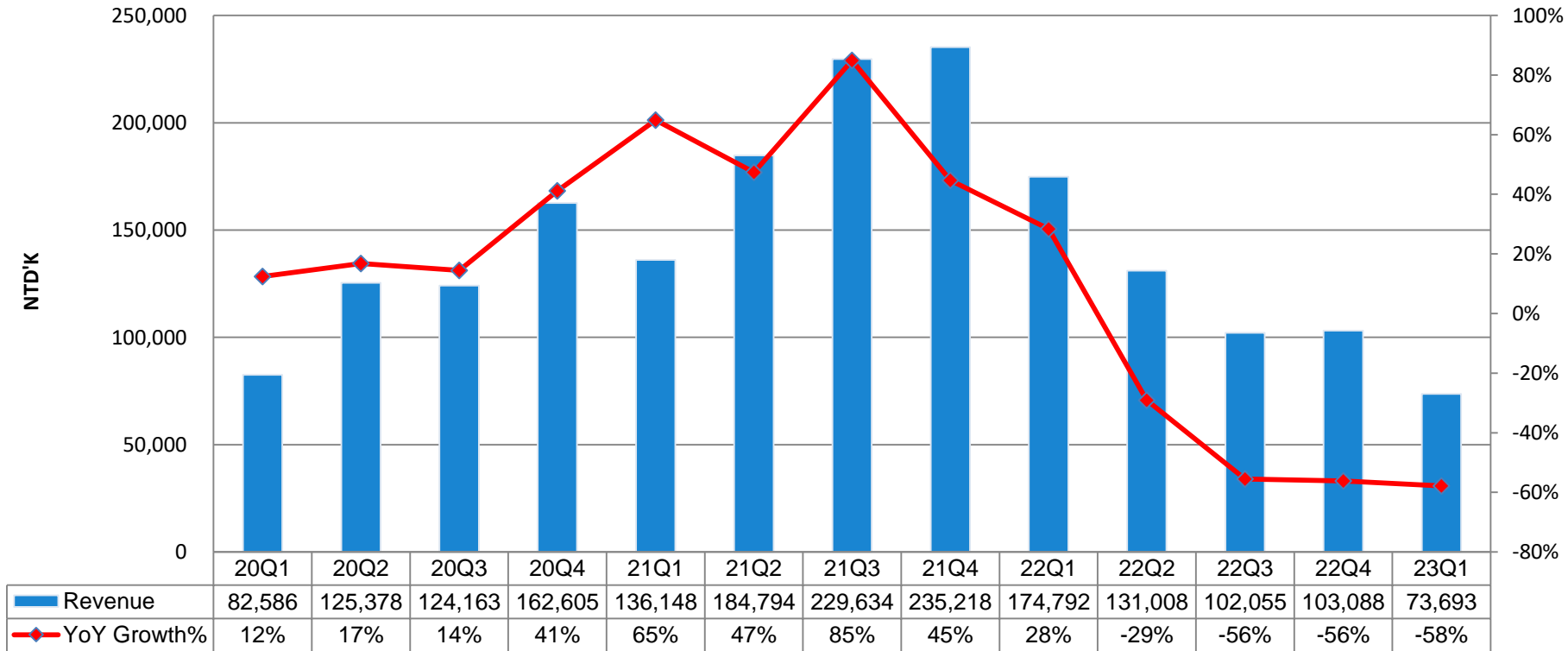
Total Solution

Provide total solution for customers

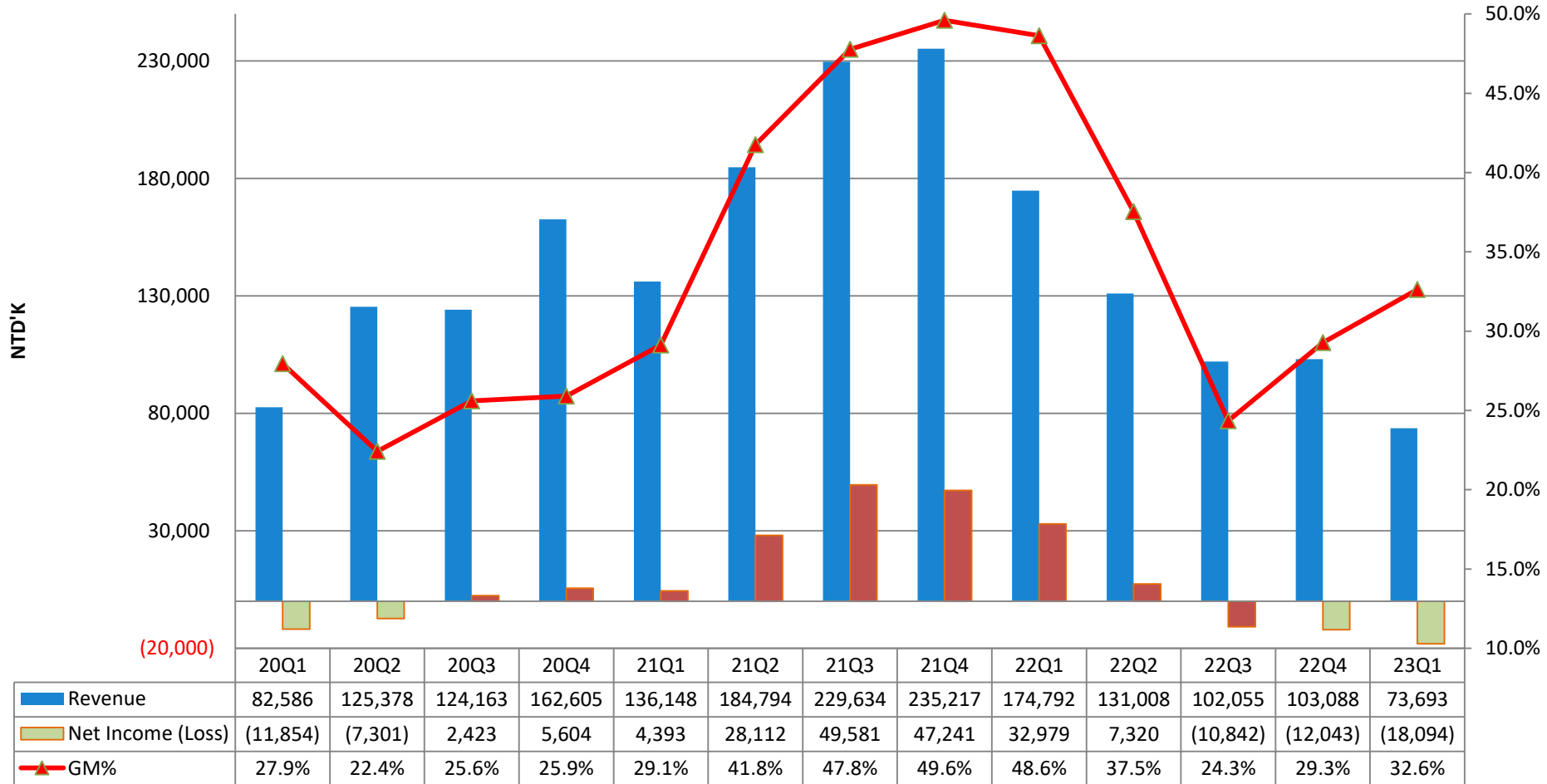
Best Cost-Performance Ratio

Achieve the best cost-performance ratio

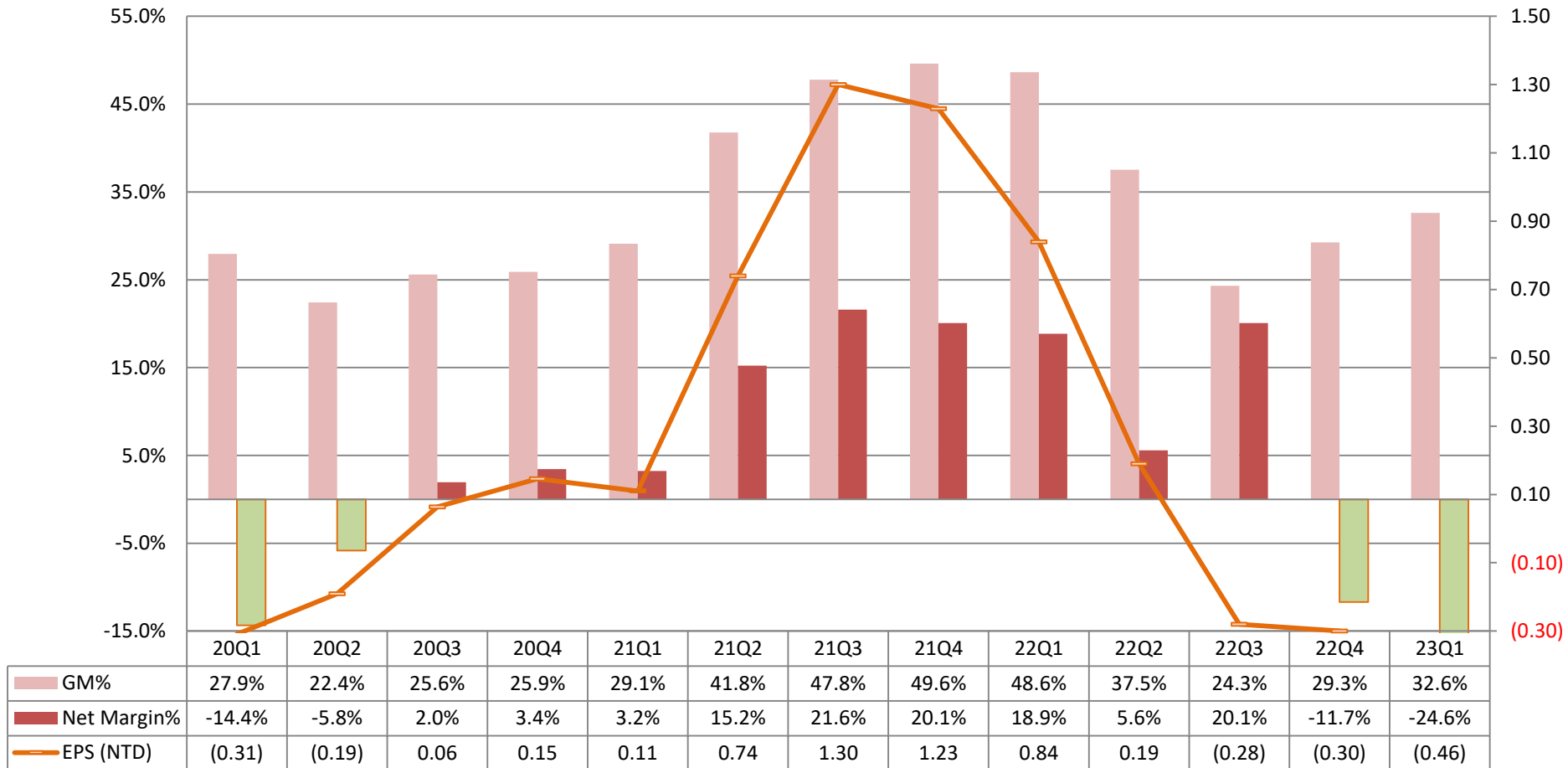
Quarterly Revenue & Growth Rate



Operating Results (1/2)



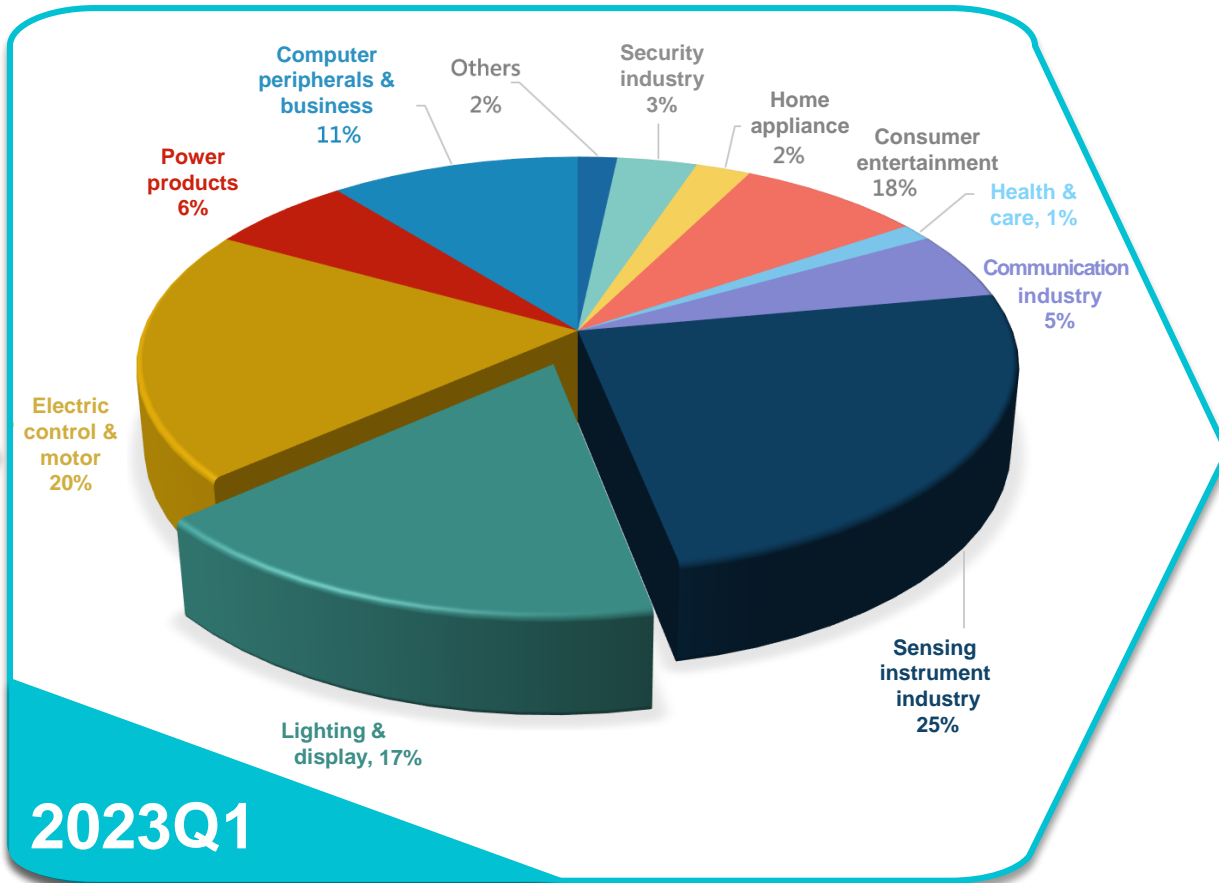
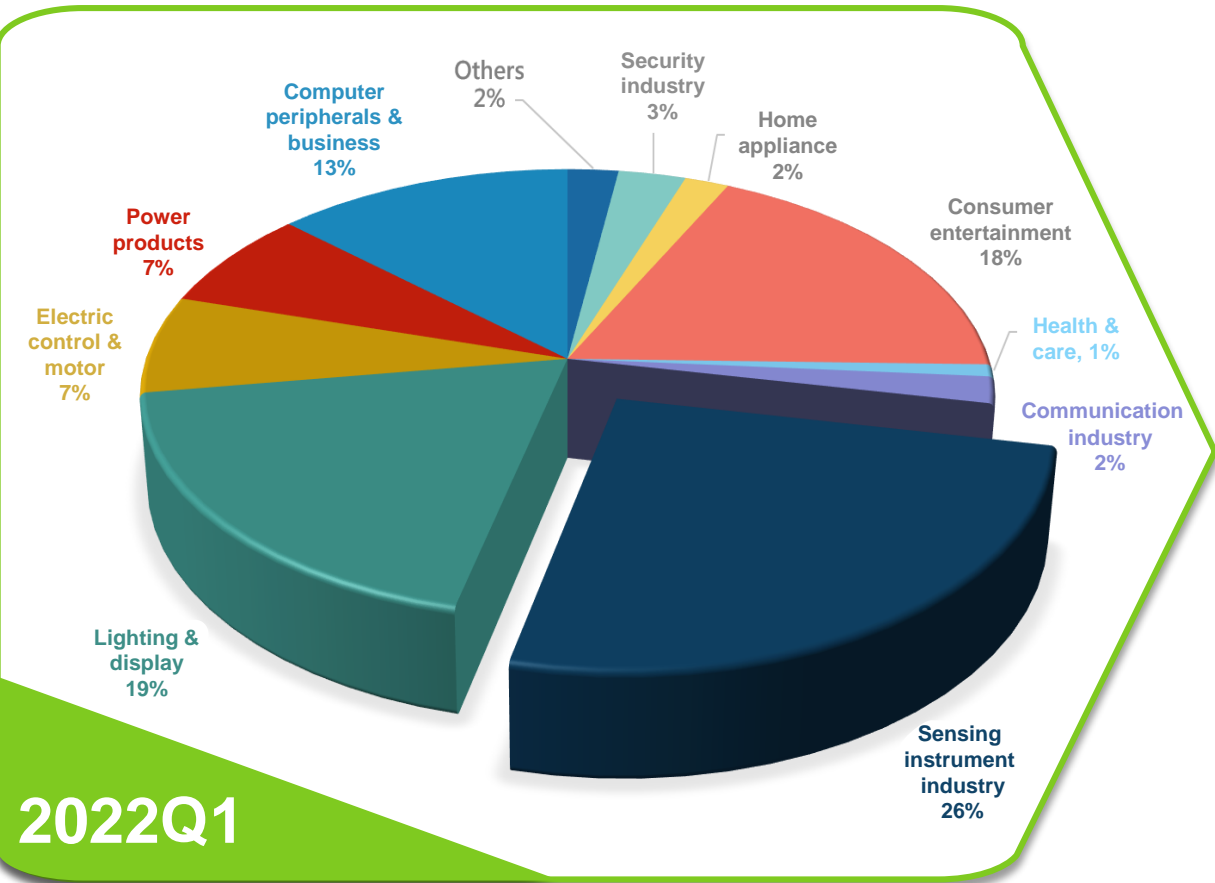
Operating Results (2/2)





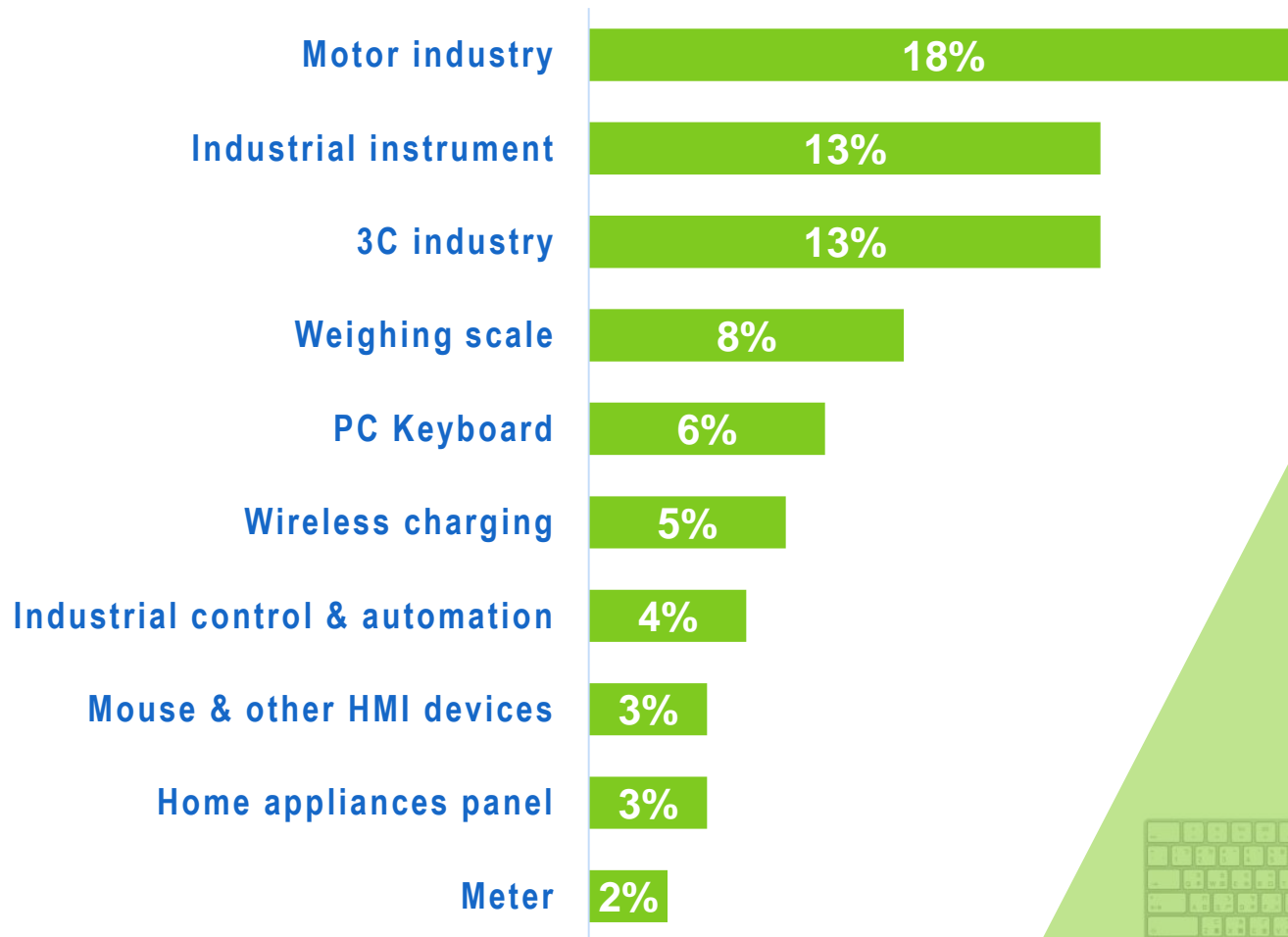


2. Product Application & Business Outlook



MCU Breakdown by Industry



Top 10 Megawin Applications of 2022



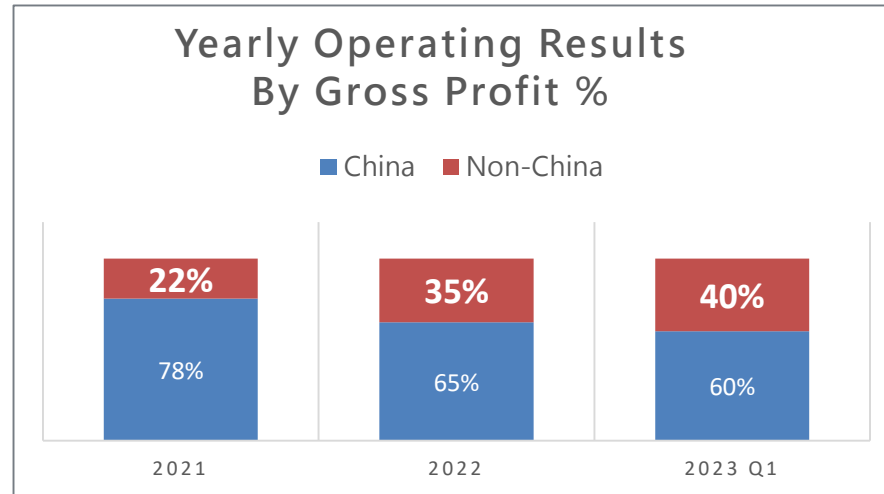
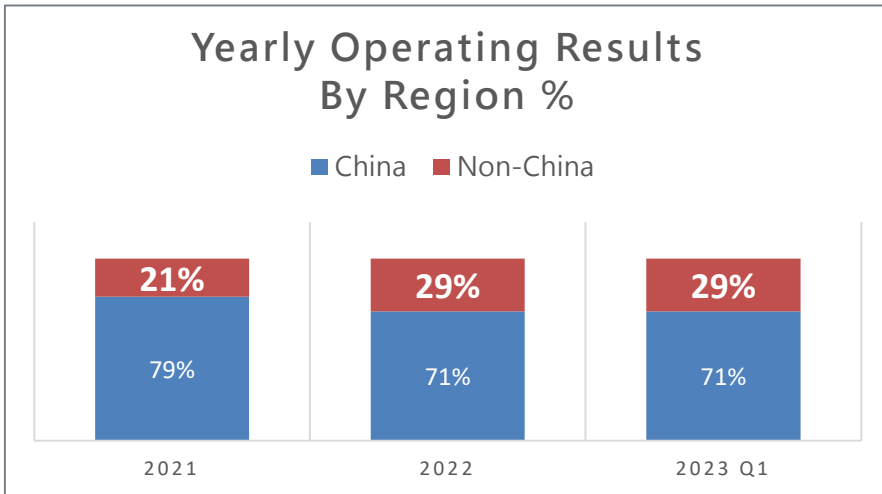
Accounted for
75% of the
total revenue



Continue to Cultivate Overseas Markets



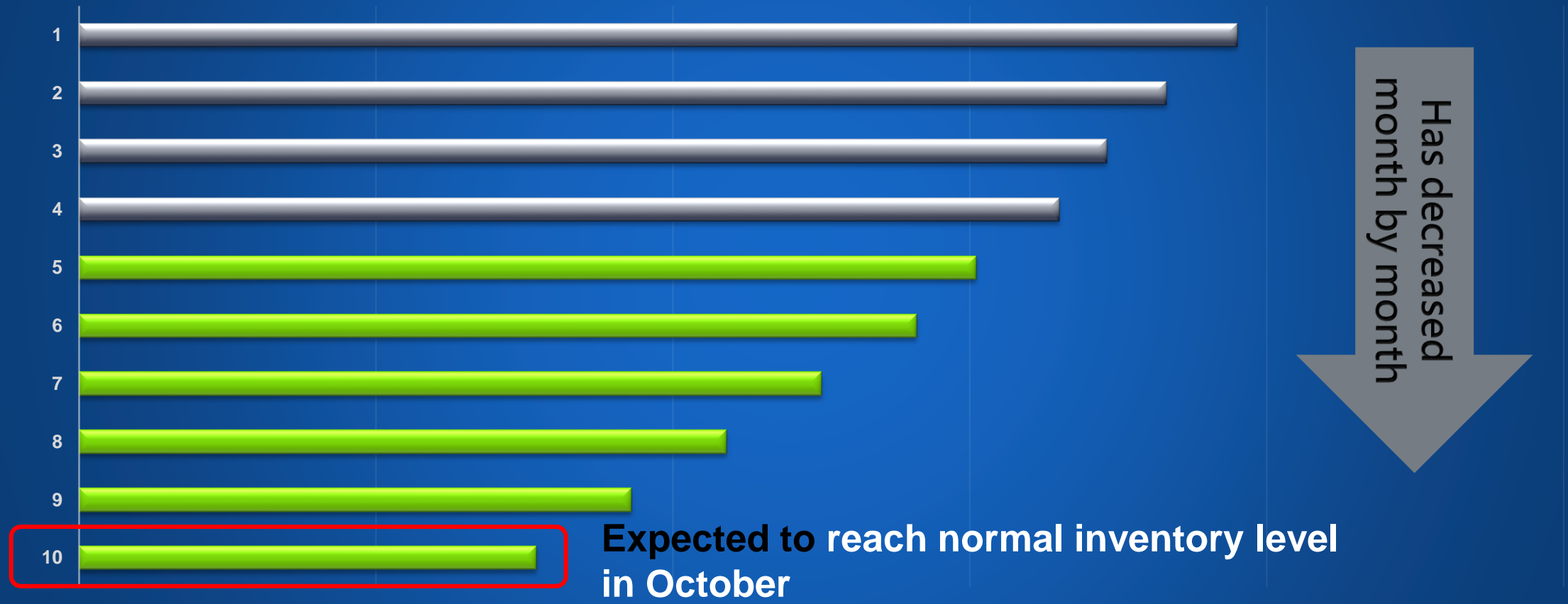
- Opened up the Japanese market last year, successfully entered industrial instruments and smart curtain applications
- Adopted by white goods (refrigerator) and security applications in Turkey in Q1, 2023
- White goods related products from other European countries are also being designed in



Inventory Status

2023 Inventory Amount (in NTD)

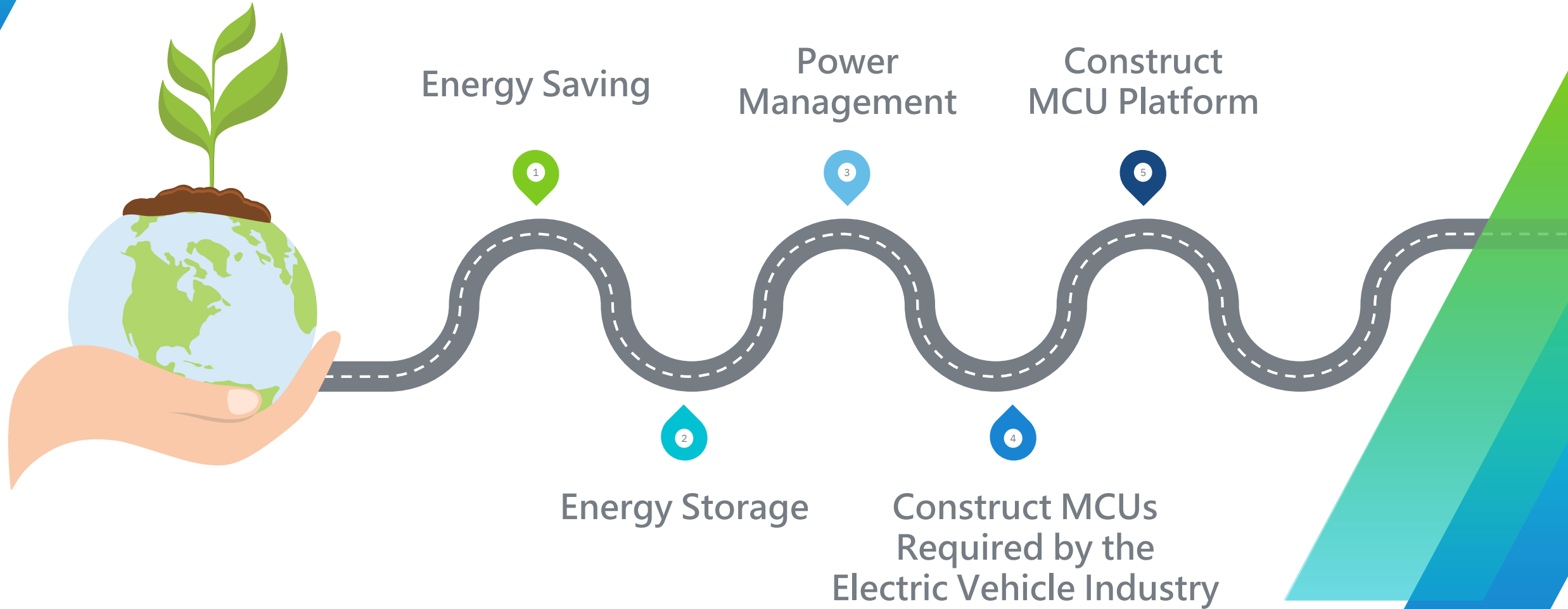
Month



Has decreased
month by month

**Expected to reach normal inventory level
in October**

Megawin Product Vision



1. Energy Saving

- Responding to green carbon reduction and sustainable development, reduce power consumption of the MCU itself (Super low power)
 - ✓ Extensive intelligence is the driving force for ULP MCU market growth
- Ultra-Low-Power MCU (ULP MCU)
 - ✓ Current process technology cannot enable MCU power consumption to meet the ultra-low-power consumption yet
 - ✓ Cooperate with foundry to develop ultra-low-power consumption technology (Device module, STD cell, PDK)
- ULP MCU Applications
 - ✓ Wearable device
 - ✓ Portable Electronics
 - ✓ Personal medical equipment
 - ✓ Home automation
 - ✓ Smart sensor

1.1. ULP MCU Market Size

Global Ultra-Low-Power Microcontroller Market is Expected to Account for **USD 9,221.87 Million by 2029**

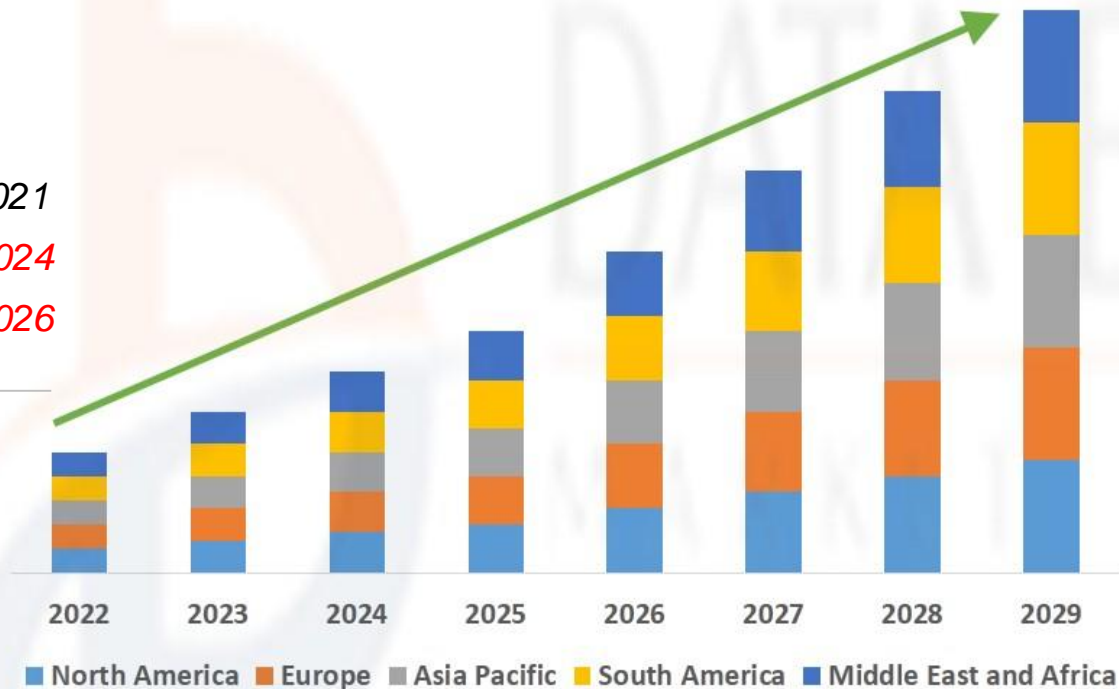
Global Ultra-Low-Power Microcontroller Market, By Regions, 2022 to 2029

“

According to MarketsandMarkets:

Global ULP MCU TAM

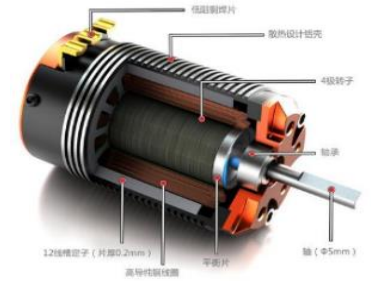
- ✓ Already over \$4.2 billion in 2021
- ✓ Will grow to **\$12.9 billion in 2024**
- ✓ Will jump to **\$100 billion by 2026**



DATA BRIDGE MARKET RESEARCH

Source:
Data Bridge Market Research Market Analysis Study 2022
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1.2. Brushless DC Motor (BLDC)



- In order to improve the performance of BLDC itself, it is necessary to integrate with SoC system electronic control IC;
 - Enables motors to run more efficiently and reduce energy consumption at lower cost
- Improve motor efficiency (80% to 90%); market as a system module
 - ✓ Develop motor controller architecture (F/W)
 - ✓ Develop MOSFET
 - ✓ Develop drive (Isolator)
 - ✓ Integrate IGBT, SiC
- The market size of BLDC motors is growing year by year, driving up the demand for MCU drive control chips
 - ✓ Global market size: USD17.3 billion in 2020, estimated to grow to USD27.2 billion in 2027, with a CAGR of 6.6% (Note1)
 - ✓ China's market size: 2018-2023 market size CAGR is 15%. The growth rate of the Chinese market exceeds that of the global market (Note2)

2. Lithium Battery Management



- The era of lithium batteries has arrived (home/personal components/communication/transportation...);
Build a safe battery management system SoC to meet future needs and growth
- Focus on BMS electronic control IC system
- Establish a battery (Cell) characteristic laboratory (ongoing)
- Develop battery protection algorithms
- Develop 20~24Bit ADC (20Bit ADC has been verified)
- Develop AFE SoC (under analysis)

2.1. BMS Market Size

- Global BMS market will be USD 7.2 billion in 2022
- Expected to reach USD 26.8 billion by 2030
- CAGR of 17.9% in 2022-2030

Battery Management System Market

PRESCIENT & STRATEGIC
INTELLIGENCE
Where knowledge inspires strategy



Market Growth
Will Accelerate
at a **CAGR**
(2022-2030)

17.9%



**MARKET
SIZE**
2022
USD 7,177.5 Mn
2030
USD 26,797 Mn



**GROWTH
DRIVERS**

- Rising adoption of EVs
- Surging demand for Li-ion batteries in consumer electronics and other energy storage applications



APAC
Held Largest
Market Share
of **>46%**

Source: Prescient & Strategic Intelligence

2.2. Battery Energy Storage Market Size

Market size in 2022
USD 5.8 billion

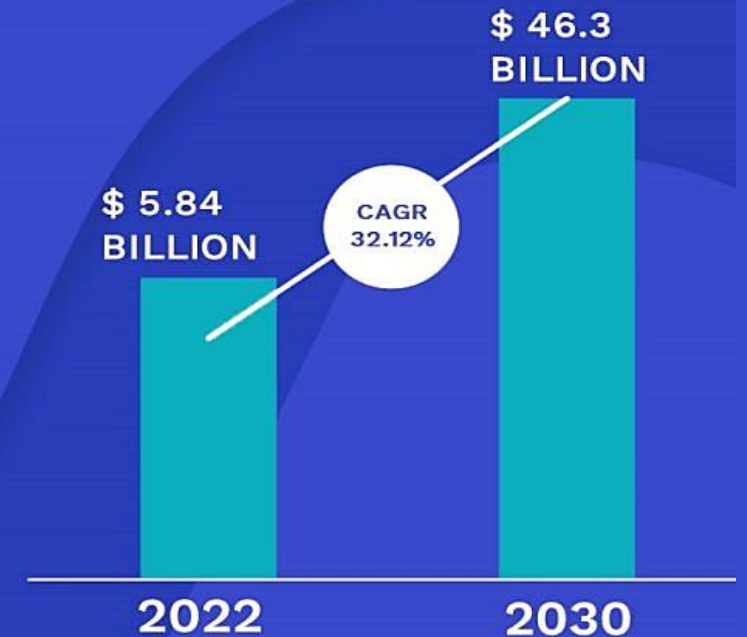
Expected to reach
USD 46.3 billion in 2030,
with a CAGR of 32%

Source: Verified Market Research

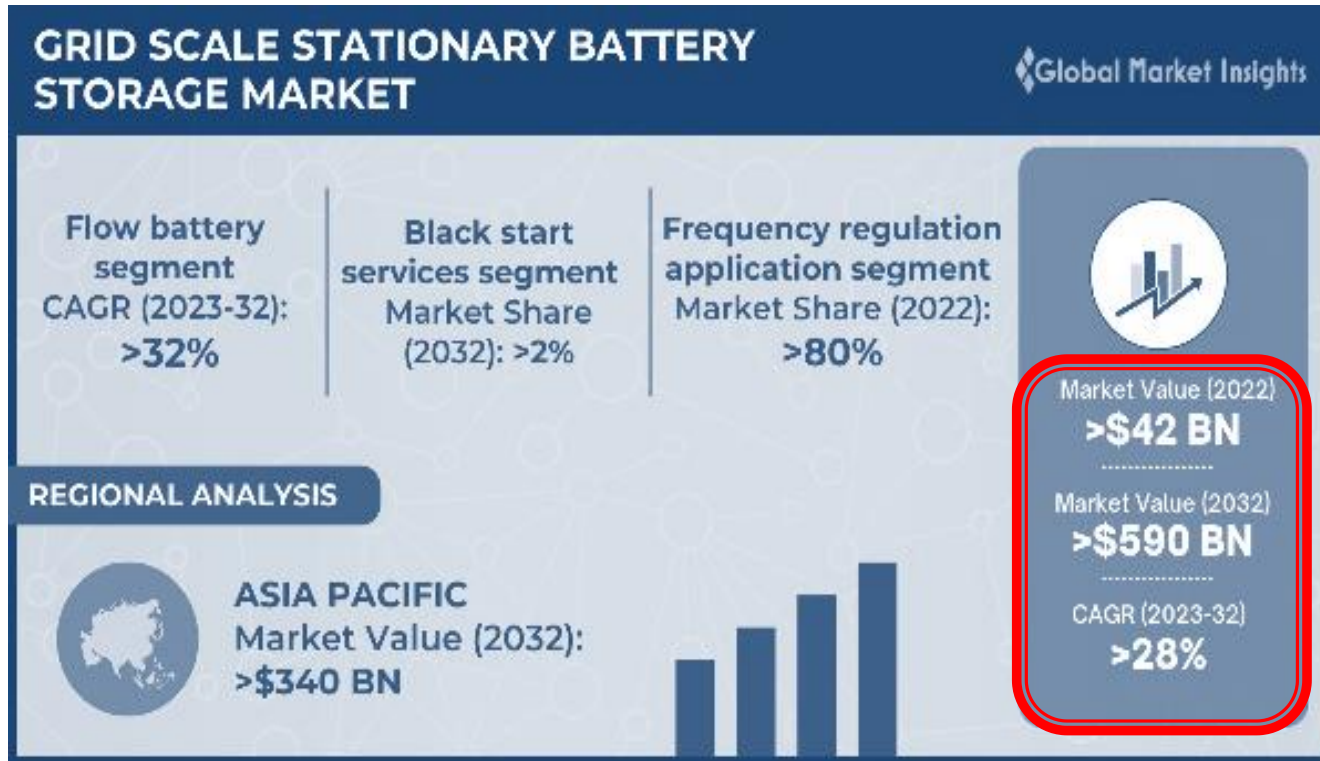
 VERIFIED
MARKET
RESEARCH

Global
Battery Energy Storage
System Market

2023-2030



2.3. Grid Scale Stationary Battery Market Size



Source: Global Market Insights

- Market size in 2022 will exceed USD 42 billion
- Market size in 2032 will be over USD 590 billion at a CAGR of 28%

3. Power Management

- The investment project of a power system company has been launched
- Construct the products required by power systems
 - ✓ LDO
 - ✓ Boost
 - ✓ Buck
 - ✓ MOSFET



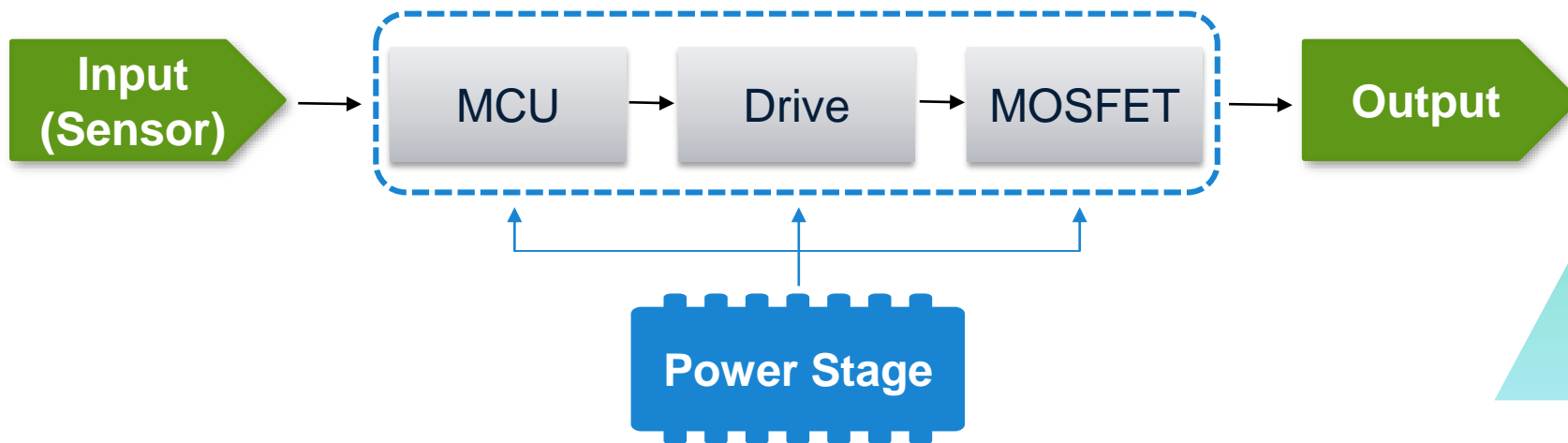
4. Construct MCUs Required by The Electric Vehicle Industry

- Non-security applications
- Certification required for the electric vehicle industry/IP
 - ✓ AECQ100 (expected to receive preliminary results on 2023/06/23)
 - ✓ ISO26262
 - ✓ CAN Bus IP (purchase from Mentor)
 - ✓ LIN Bus IP (cooperate with Wejoin Design Technology)



5. Construct MCU Platform

- Use the architecture of the system platform for sales (Total solution selling), thereby increasing product value and profit
- System product by application
- MCU platform architecture is as follows :



3. Q & A

Appendix

1. Consolidated Statement Of Comprehensive Income
2. Consolidated Balance Sheet

Appendix 1:

Consolidated Statement Of Comprehensive Income

	單位：新台幣仟元			
	112年1月1日至3月31日		111年1月1日至3月31日	
	金額	%	金額	%
營業收入淨額	73,693	100	174,792	100
營業成本	(49,655)	(67)	(89,782)	(51)
營業毛利	24,038	33	85,010	49
營業費用	(41,176)	(56)	(45,512)	(26)
營業淨利(損)	(17,138)	(23)	39,498	23
營業外收入及支出	(952)	(2)	1,823	1
稅前淨利(損)	(18,090)	(25)	41,321	24
所得稅費用	(4)	-	(8,342)	(5)
本期淨利(損)	(18,094)	(25)	32,979	19
每股盈餘(虧損) (單位：元)	(0.46)		0.85	

Appendix 2: Consolidated Balance Sheet (1/3)

代碼	資產	單位：新台幣仟元			
		112年3月31日		111年3月31日	
		金額	%	金額	%
	流動資產				
1100	現金及約當現金	\$161,899	22	\$238,247	25
1136	按攤銷後成本衡量之金融資產－流動	202,339	27	299,773	31
1170	應收票據及帳款	39,598	5	81,595	9
130X	存貨	138,218	18	134,968	14
1479	其他流動資產	19,032	3	19,575	2
11XX	流動資產總計	561,086	75	774,158	81
	非流動資產				
1550	採用權益法之投資	11,414	1	-	-
1600	不動產、廠房及設備	155,304	21	155,482	16
1755	使用權資產	3,714	-	5,368	1
1780	無形資產	19,404	3	14,760	2
1920	存出保證金	657	-	665	-
15XX	非流動資產總計	190,493	25	176,275	19
1XXX	資 產 總 計	\$751,579	100	\$950,433	100

Appendix 2: Consolidated Balance Sheet (2/3)

代碼	負債及權益	112年3月31日		111年3月31日	
		金額	%	金額	%
	流動負債				
2170	應付帳款	\$16,041	2	\$53,483	6
2200	其他應付款	35,733	5	68,607	7
2230	本期所得稅負債	3,526	-	19,233	2
2280	租賃負債—流動	2,950	-	2,620	-
2300	其他流動負債	3,691	1	6,741	1
21XX	流動負債總計	61,941	8	150,684	16
	非流動負債				
2530	應付公司債	196,287	26	193,824	21
2580	租賃負債—非流動	884	-	2,758	-
2645	存入保證金	3,535	1	3,535	-
25XX	非流動負債總計	200,706	27	200,117	21
2XXX	負債總計	\$262,647	35	\$350,801	37

Appendix 2: Consolidated Balance Sheet (3/3)

代碼	負債及權益	單位：新台幣仟元			
		112年3月31日		111年3月31日	
		金額	%	金額	%
	股本				
3110	普通股股本	394,189	53	382,999	40
3140	預收股本	1,672	-	8,796	1
3100	股本總計	395,861	53	391,795	41
3200	資本公積	49,592	6	46,458	5
	保留盈餘				
3310	法定盈餘公積	12,933	2	-	-
3320	特別盈餘公積	1,429	-	-	-
3350	未分配盈餘	30,026	4	162,306	17
3300	保留盈餘總計	44,388	6	162,306	17
3400	其他權益	-909	-	-927	-
31XX	本公司業主權益總計	488,932	65	599,632	63
3XXX	權益總計	\$488,932	65	\$599,632	63
	負債及權益總計	\$751,579	100	\$950,433	100

Thank you!

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