

IQE plc

Cardiff, UK
20 January 2021

Trading Update

IQE plc (AIM: IQE, "IQE" or the "Group"), the leading manufacturer of advanced semiconductor wafer products and materials solutions for the global semiconductor industry, provides a pre-close Trading Update for the financial year ended 31 December 2020.

Revenue for the year ended 31 December 2020 is expected to be c.£178m, subject to external audit review (2019: £140m). This is consistent with previously issued guidance of at least £170m and represents over 25% year-on-year growth.

The Group also highlights a net cash position of c.£2m as at 31 December 2020 (31 Dec 2019: net debt of £16m). This is a result of the strong trading performance, continued reduction in capital investment and focus on cash management.

Trading remained favourable in the final quarter of 2020 and the Company enters 2021 with positive momentum in both the Wireless and Photonics business units.

Dr Drew Nelson, Chief Executive Officer of IQE, said:

"IQE has achieved real strategic progress over the past year with excellent results. I am extremely proud of our strong financial and operational performance in 2020, which represents a record revenue performance for IQE. We also demonstrated strong free cash flow of close to £18 million, facilitating the transition to a net cash positive position at year end. The whole IQE team contributed to this result and they have demonstrated outstanding resilience throughout what was a hugely challenging year globally."

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ABOUT IQE

<http://iqep.com>

IQE is the leading global supplier of advanced compound semiconductor wafers and materials solutions that enable a diverse range of applications across:

- handset devices
- global telecoms infrastructure
- connected devices
- 3D sensing

As a scaled global epitaxy wafer manufacturer, IQE is uniquely positioned in this market which has high barriers to entry. IQE supplies the whole market and is agnostic to the winners and losers at chip and OEM level. By leveraging the Group's intellectual property portfolio including know-how and patents, it produces epitaxy wafers of superior quality, yield and unit economics.

IQE is headquartered in Cardiff UK, with c. 650 employees across nine manufacturing locations in the UK, US, Taiwan and Singapore, and is listed on the AIM Stock Exchange in London.