

A stylized globe in shades of teal and green, showing the continents of North and South America. The globe is positioned on the left side of the slide, with the text overlaid on it.

PARAGON [3518TW]

Investor Conference

December 1, 2021

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Agenda

1. Company Overview
2. Financial Information
3. Market & Applications
4. Future Strategies

Company Overview

Paragon Technologies

[3518]

- ◆ Establishment : 1995.10.20
- ◆ Capital : NTD 807 Million
- ◆ Employees : 800
- ◆ Chairman : Mr. Eagle, Chen
- ◆ General manager : Mr. Longer, Wang
- ◆ Main of products :
 - EMI 〈 Electromagnetic Interference 〉 – 95%
 - AP 〈 Auto Parts 〉 – 5%

About Paragon



Taiwan HQ & RD Center

- Established: 1995 year
- Capital: 806 million (NTD)



EMI sputtering

- Suzhou Factory (R&D)
- Nanjing Factory / Sichuan Factory

The leading company of EMI suppliers in Notebook Market, 50% of market share, Annual shipments of 50 million



PVD appearance coating

- Suzhou Factory (3C)
- Sunshine Factory

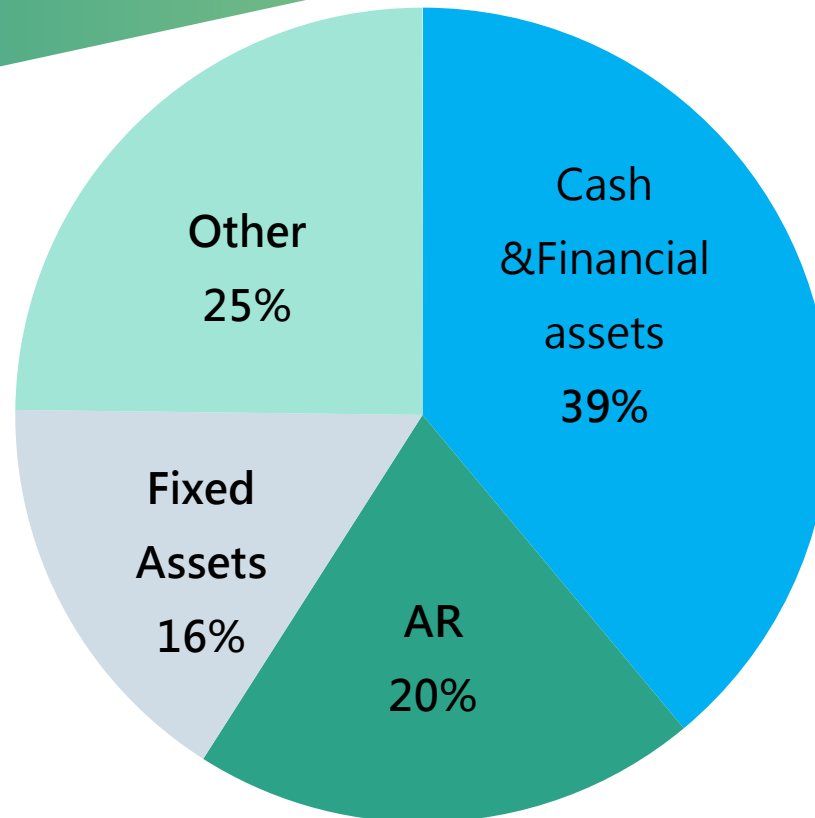
Financial Information

Q3 21' Consolidated Balance

Unit in NT\$ Million

	2021.9.30	%	2020.12.31	%	2020.09.30	%
Cash and cash equivalents	609	30	673	31	360	17
Financial assets-current	95	5	7	0	391	18
Notes and accounts receivable	404	20	437	20	386	18
Inventories	11	1	10	0	10	0
Other Current Assets	184	9	40	2	40	2
Fixed Assets & Right-of-use asset	325	16	533	24	551	26
Financial assets-noncurrent	77	4	254	12	162	8
Other Non Current Assets	303	15	239	11	246	11
Total Assets	2,008	100	2,194	100	2,146	100
Short-term debt & current portion of long-term liabilities	343	17	445	20	405	19
Non Current Liabilities	200	10	185	8	158	7
long-term debt payable	78	4	158	7	199	9
Other Non Current Liabilities	15	1	26	1	29	2
Total Liabilities	636	32	814	37	791	37
Total Owners' Equity	1,372	68	1,380	63	1,355	63
Net Worth Per Share	17.33		17.43		17.12	

Q3 21' Financial Structure



Item	2021Q3	2020	2019
Debt Ratio	31.66	37.12	32.60
Current Ratio	254.4	185.25	187.80
Cash flow Ratio	25.67	(1.05)	(21.64)

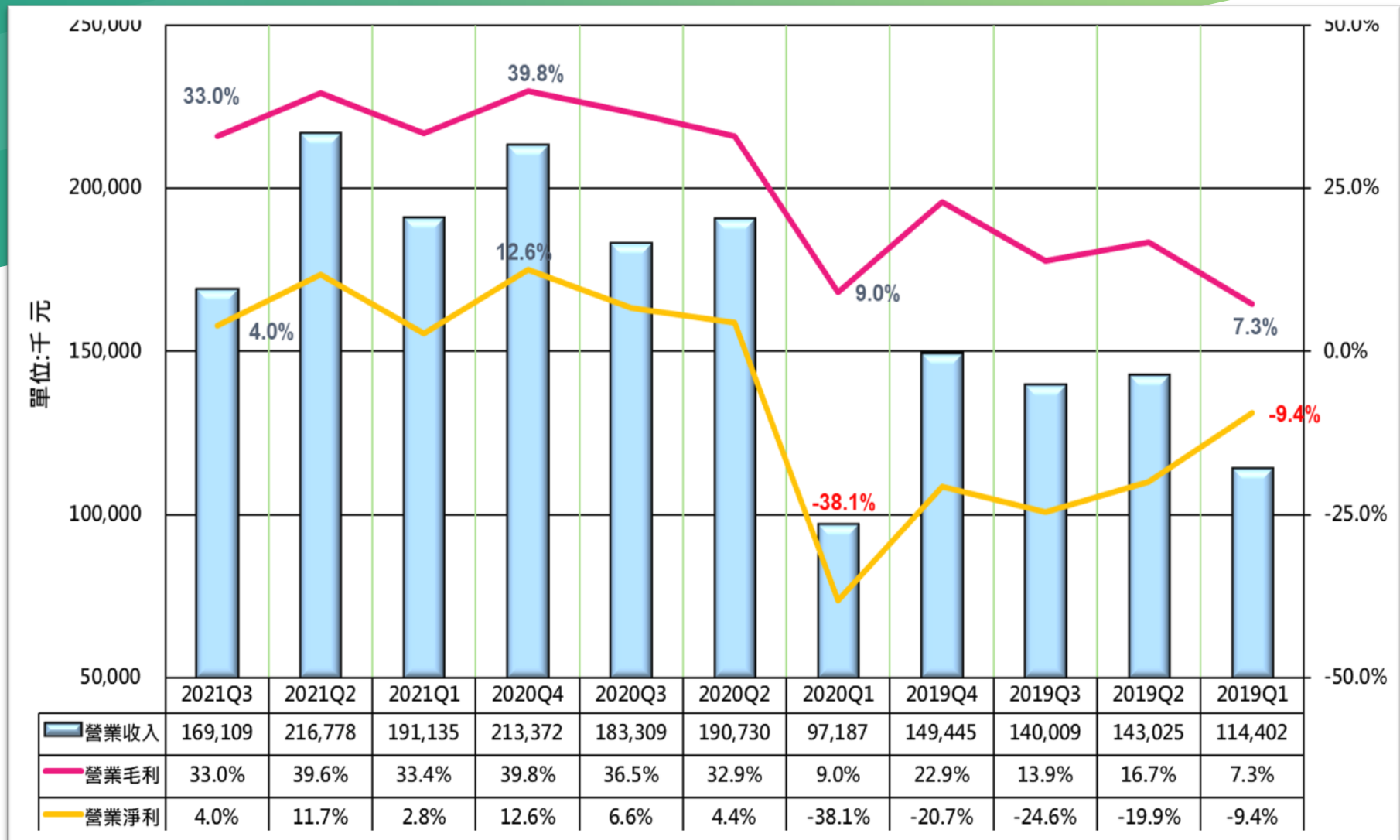
2021~Q3

Consolidated income statement

Unit in NT\$ Million

	2021Q3		2020Q3		QOQ		2020	
Sales evenue	577	100%	471	100%	106	22%	685	100%
Gross Profit	205	36%	139	29%	67	48%	224	33%
Operating Expense	168	29%	155	33%	13	8%	213	31%
Operating Net Loss	38	6%	(16)	-3%	54	328%	10	2%
Net Loss	7	1%	(52)	-11%	59	114%	(56)	-8%
EPS	0.09		(0.65)		0.74		(0.71)	

Gross margin & Net interest rare Trend Chart



Q3 21' Consolidated Cash Flow

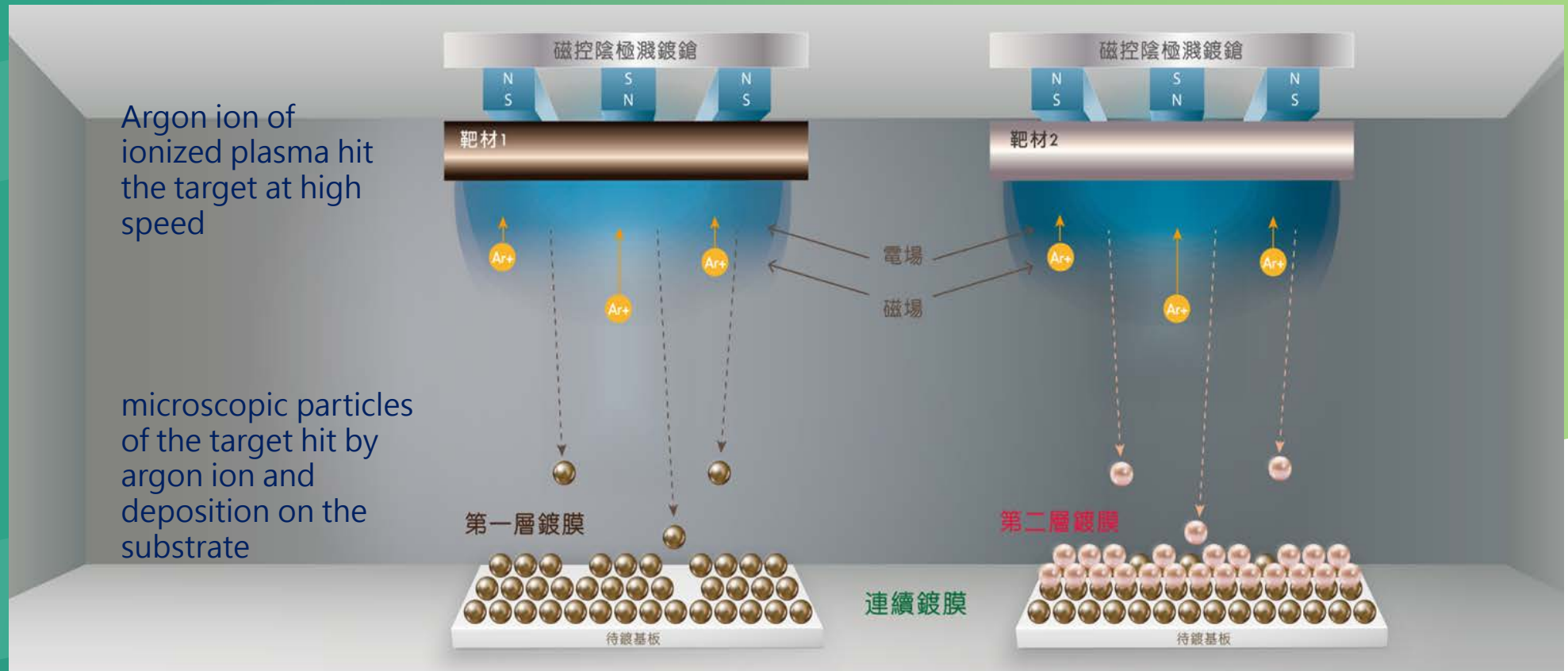
Unit in NT\$ Million

	2021Q3	2020Q3
Cash flows from operating activities	139	(18)
Cash flows from investing activities	4	(336)
Cash flows from financing activities	(194)	83
Effect of exchange rate change	(14)	(3)
Decrease in cash and cash equivalents	(64)	(274)
Cash(Beginning of period)	673	634
Cash (End of period)	\$609	\$360

Market & Applications

Sputtering principle

Using In-Line sputter, in a vacuum environment, microscopic particles of the target are ejected from its surface and formed a thin layer, after the material is itself bombarded by energetic particles of inert gas.



Advantages-PVD Finish of Paragon

- In line production mode –
to accomplish Mass and diversified production
- Eco-friendly –
Low risk of environment and decrees, complying with national environmental regulations.
- Specializing in PVD technology development, equipment assembly and manufacturing.
- Multi-technique appearances –
Spray coating / Dyeing / electro-plating / Anodizing
- Highly flexibility of design –
 - not limited to types and material of substrate
 - customized service, presenting diverse and innovative texture of appearance

Technical Applications

Applications	Products
<ul style="list-style-type: none">• Functional coating<ul style="list-style-type: none">- EMI / AF• Appearance coating<ul style="list-style-type: none">- metal & optical coating- substrates : metal / plastic / glass / polyimide film / ceramics- performances metal texture of multi- gradation variable-color film	<ul style="list-style-type: none">• EMI processing and appearance tremens on NB products• Surface treatment of alloy wheels• Mobile & tablet back cover• Car interior and exterior trim• Finishing components of intelligent appliances• Other 3C products

3C New Product

Breakthrough limits, coating in the designed shape

	Starry	ICE	Galaxy	Aurora
method	Optical / Metal coating	Optical / Metal coating	Multi-layer coating	Optical coating
Characteristic	<ul style="list-style-type: none">- 5G unobstructed,- metal look in plastic substrate	<ul style="list-style-type: none">- Appearing metallic luster- Metallic luster performed on magnesium alloy	<ul style="list-style-type: none">- Metallic luster of multiple colors are displayed- Multiple colors displayed on various perspective	fleeting luster and colors enhancing the texture of objects
effect	metallic texture	metallic texture	Gradation and discoloration	Multi-colored texture Running ray

Technical superiority in PVD of Paragon

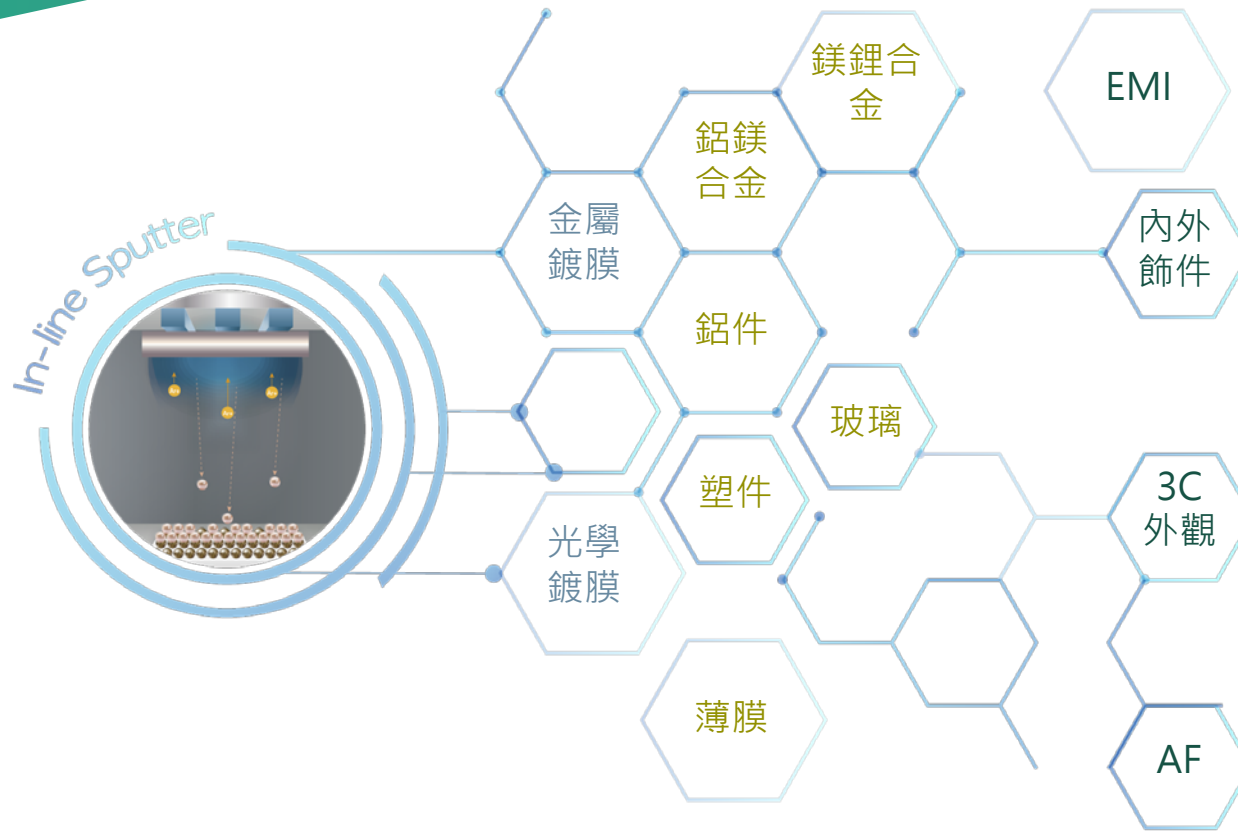
Displaying various metallic texture.

Providing customized plans via devising coating areas.

Metallization processing	PVD in Paragon	Polish	Plating
Film thickness	<0.1um	no	<1um
Texture	Various	original	chrome
Topcoat thickness	80 ~ 120μm (Powder)	20 ~ 40μm (Liquid)	20 ~ 40μm (Liquid)
ECO	Eco-friendliness	Pollution	Heavy pollution
ROHS	O	O	X
C A S S (FOR Metal film)	168~240 hr	120 hr	120 hr

Future Strategies

Scope of Product Development



- Focus on the surface treatment of PVD technology.
- innovation technology of eco-friendly surface treatment is provided to customers.
- Products of mass-production, customization and cost advantage.
- Diversification-not limited to a single industry.
- ESG orientation-manufacturing processes of low-carbon and green

Operation prospect in 2022

■ Market

- The impact of COVID-19 on the Notebook industry.
- Strategies of low-carbon and ESG - manufacturing processes of eco-friendly.
- The materials shortage of supply chain and the impact of China's energy consumption and intensity dual control policy to be continuously observed.

■ Product

- Maintain stability in EMI business of NB industry in 2022.
- Revenue increasing in appearance treatment of 3C and anti-finger products.
- The recovery in auto parts business is expected to be fairly slow-to reduce operating costs by adjusting production capacity.

■ Technology

- Developing product of automotive upholstery by alliance with customers.
〈 Both appearance and functionality 〉
- For the purpose of increasing competitiveness, to execute technical cooperation with PVD partners.
- Developing PVD technology of special application.

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