

Paragon (3518TW)

Investor Conference

2026 / 07 / 08

Limiting responsibility

- This presentation, together with any information disclosed concurrently, may contain forward-looking statements, including but not limited to the Company' s business outlook, financial condition, and operational forecasts. These statements are based on the Company' s internal data, current macroeconomic conditions, and other external factors.
- Actual results, financial performance, and business outcomes may differ materially from those expressed or implied in the forward-looking statements due to a variety of factors. These may include, but are not limited to, changes in market demand, government policies and regulations, macroeconomic developments, and other risks beyond the Company' s control.
- The information provided in this presentation reflects the Company' s views as of the date hereof. The Company makes no express or implied representations or warranties regarding the accuracy, completeness, or reliability of the information contained herein. The Company undertakes no obligation to update or revise any forward-looking statements or information as a result of new information, future events, or otherwise.

CONTENTS

01

Company Overview

02

Financial Information

03

Progress report

04

Operating status

05

Q&A

01

Company Overview



Paragon_(3518TW)

Paragon was established in 1995 as the world's first company to apply vacuum coating (PVD) technology to EMI/ESD solutions for 3C products, it has been actively transforming in recent years to develop third-generation semiconductor materials and advanced process technologies. It is one of the few companies in the industry that simultaneously possesses the capabilities to produce silicon carbide substrates, develop vacuum coating technology and processes.

- ◆ Establishment : 1995.10.20
- ◆ Capital : NTD 1,020 Million
- ◆ Chairman : Mr. Kenny, Huang
- ◆ General manager : Ms. Cathy, Yu
- ◆ Main of products :
 - PVD appearance coating – 99%
 - S i C products – 1%

About Paragon



Taiwan HQ & RD Center

- Established: 1995 year
- Capital: NTD 1,020 million
- Taoyuan City, TW & Suzhou, China



Vacuum coating (PVD) products

EMI shielding & exterior coating services

- Nanjing Plant/Neijiang Plant
(PVD Coating & Equipment)

Seed layer PVD process equipment Heat dissipation substrate thin film services



Silicon carbide products

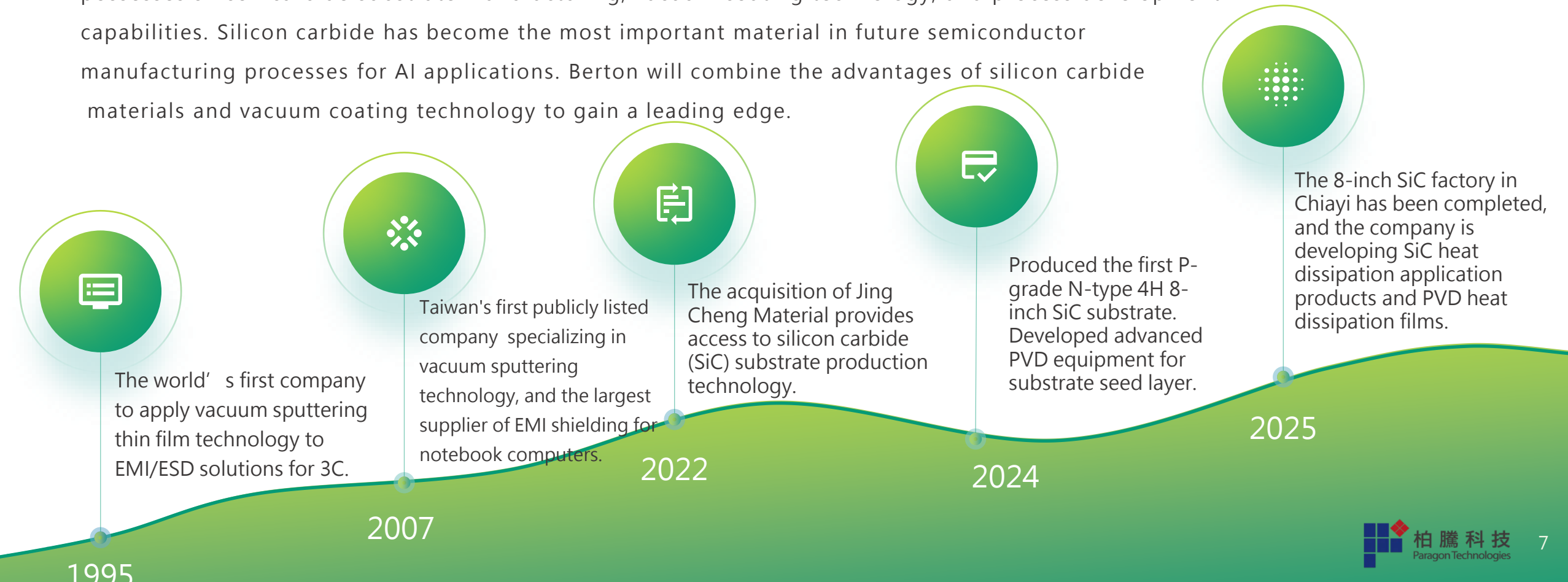
6 /8 inches Silicon Carbide (SiC) Wafer

- N-Type / P-Type
- Semi-insulating (HPSI)
- Silicon carbide heat dissipation applications
- Ingot processing & regenerated wafers

12 inches Silicon Carbide Wafer (Under development)

Development history

As the world's first company to apply Applications of Vacuum Coating (PVD) technology to EMI/ESD solutions for 3C products. Currently the largest supplier of EMI shielding for notebook computers, the company acquired Crystal Materials in 2022, gaining SiC (silicon carbide) substrate production technology and entering the third-generation semiconductor supply chain. In December 2025, its new 8-inch SiC substrate plant in Chiayi was completed. It is one of the few companies in the industry that simultaneously possesses silicon carbide substrate manufacturing, vacuum coating technology, and process development capabilities. Silicon carbide has become the most important material in future semiconductor manufacturing processes for AI applications. Berton will combine the advantages of silicon carbide materials and vacuum coating technology to gain a leading edge.



02

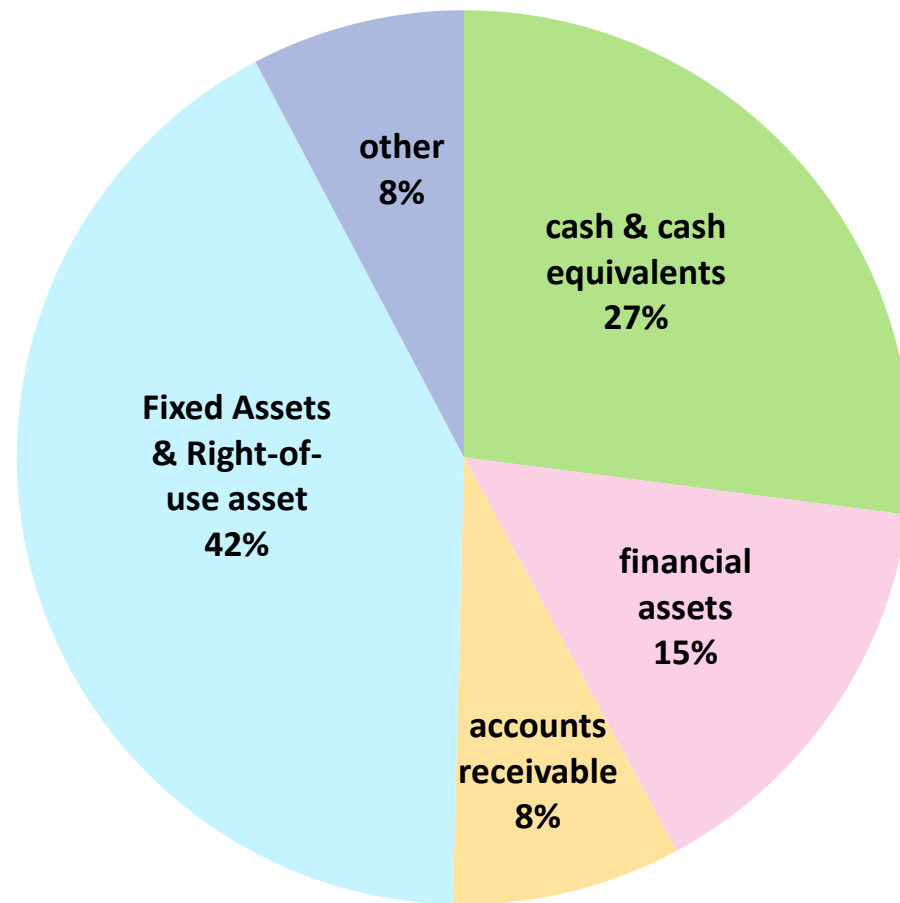
Financial Information

Q1 26' Consolidated Balance

Unit in NT\$ Millon

	2026.3.31	%	2025.12.31	%	2025.03.31	%
cash& cash equivalents	661	27	443	20	753	36
Financial assets-current&noncurrent	368	15	379	17	407	20
Notes and accounts receivable	202	8	235	10	240	12
Inventories	17	1	12	1	16	1
non-liquid asset in suspense	0	0	10	0	10	0
Fixed Assets & Right-of-use asset	1,023	42	998	44	467	22
Other Assets	172	7	169	8	184	9
Total Assets	2,443	100	2,246	100	2,077	100
Short-term loans & current portion of longterm loans payable	179	7	249	11	174	8
other payables	102	4	101	4	78	4
bonds payable	292	12	290	14	286	13
long-term debt payable	20	1	75	3	13	1
other liabilities	147	6	131	6	146	7
Total Liabilities	740	30	846	38	696	33
Total Owners' Equity	1,703	70	1,400	62	1,382	67
Net Worth Per Share	16.60		13.64		14.25	

Q1 26' Financial Structure



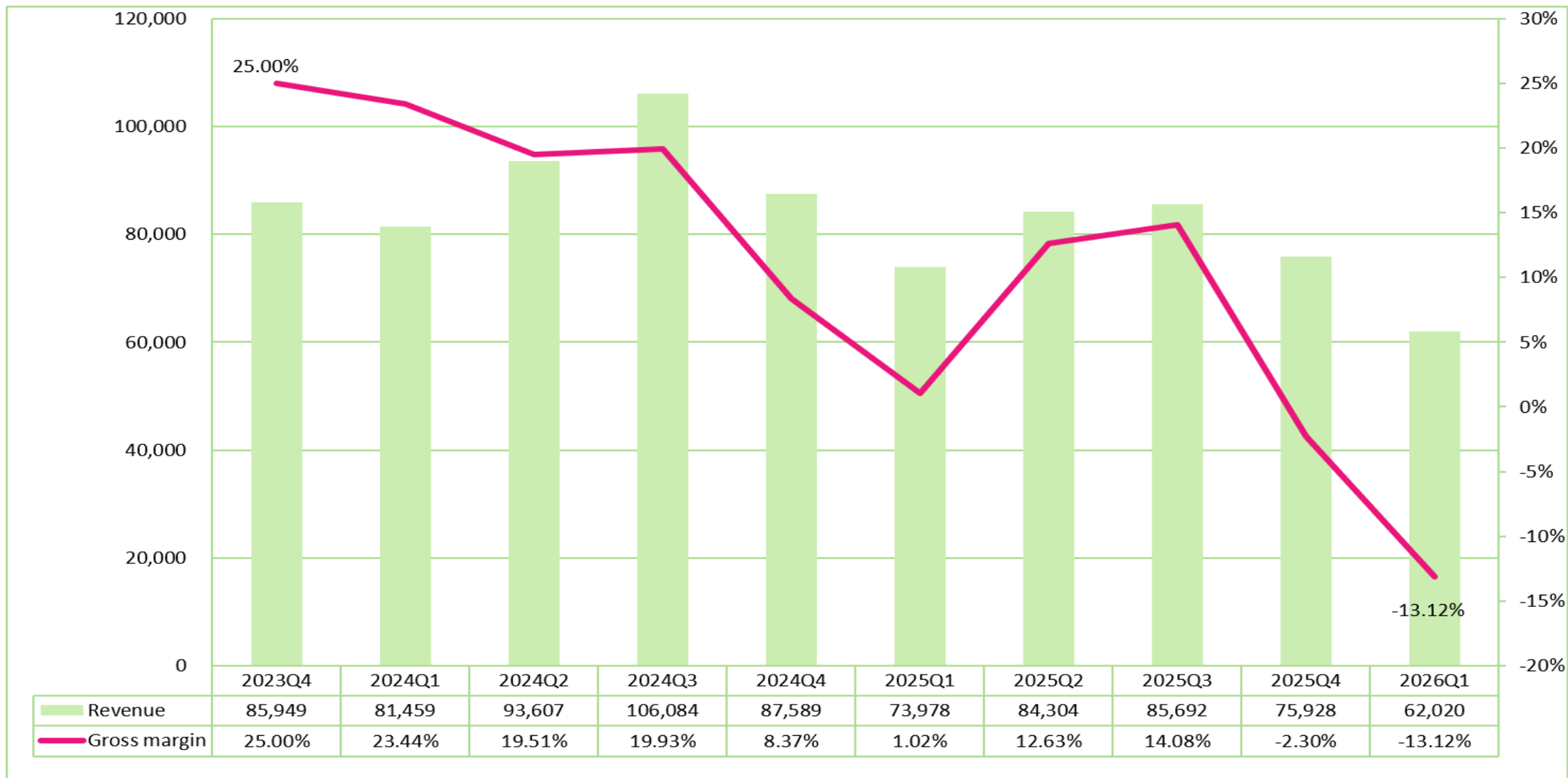
ITEM	2026.Q1	2025	2024	2023	2022
Debt Ratio	30.28	37.66	33.37	21.49	16.30
Current Ratio	400.58	296.46	511.45	395.27	606.50
Cash flow Ratio	22.20	(52.25)	(33.46)	(17.17)	63.32

2026Q1 Consolidated income statement

Unit in NT\$ Million

ITEM	2026Q1	2025Q4	QoQ	2025Q1	QoQ
operating revenue	62	76	(14)	74	(12)
Gross Profit	(8)	(2)	(6)	1	(9)
operating expenses	58	44	13	40	17
Operating Profit	(66)	(46)	(20)	(39)	(26)
non-operating revenue and expenses	365	(8)	373	(33)	398
continuing operating income before tax	299	(54)	354	(72)	371
income tax expense	12	6	6	19	(7)
continuing operating income after tax	287	(61)	348	(91)	378
discontinued operation income	(4)	(0)	(4)	1	(5)
Net Income	283	(61)	344	(90)	374
Gross margin(%)	-13%	-2%		1%	
Net profit margin(%)	457%	-80%		-122%	
EPS	2.81	(0.63)		(0.94)	

Revenue 、 Gross margin



Q1 26' Consolidated Cash Flow

Unit in NT\$ Millon

	2026 ended March 31	2025 ended March 31
Cash provided by (used in) operating activities	71	(241)
Cash provided by (used in) investing activities	259	(83)
Cash provided by (used in) financing activities	(131)	(6)
Effects of exchange rate change on cash	19	14
Net increase (decrease) in cash and cash equivalents	217	(316)
Cash and cash equivalents at beginning of year	443	1,069
Cash and cash equivalents at end of year	\$661	\$753

Important events description

- ◆ The board approved a cash capital increase of NT\$100 million to its subsidiary Jing Cheng Materials Co., Ltd. (115.05.08)
- ◆ Subsidiary Jing Cheng Materials Co., Ltd. announced a resolution to conduct a capital reduction to offset losses by NT\$290 million (2026.05.08)
- ◆ Subsidiary Essence International Investment Co., Ltd. announced resolution to conduct a cash capital reduction of USD 5 Million (2026.05.08)
- ◆ The Board of Directors approved the consolidated financial statements for the first quarter of 2026, with basic earnings per share of NT\$2.85 for the first quarter of 2026. (115.05.08)
- ◆ Subsidiary Macro Sight I International Co., Ltd. has decided to distribute a dividend of RMB 20 million. (115.04.29)
- ◆ The Board of Directors resolved to conduct a cash capital increase through private placement to issue common shares, with a private placement limit not exceeding 25,000,000 shares, authorizing the Board to conduct the process in two installments within one year from the date of the shareholders' meeting resolution. (115.04.14)
- ◆ The board resolved not to distribute dividends for the year 114. (115.04.14)
- ◆ Subsidiaries Essence International Investment Co., Ltd. and Macro Sight Technology Co., Ltd have decided to distribute dividends of RMB 20 million. (115.04.10)
- ◆ Subsidiary Essence International Investment Co., Ltd. completed the sale of 100% equity in its subsidiary Boting (Suzhou) Optoelectronics Technology Co., Ltd., for a sale price of RMB 70.73 million. (115.03.30)
- ◆ The Board of Directors approved the consolidated financial statements for the year 2025, with a cumulative basic loss per share of NT\$1.58 for the year. (115.03.09)

03

Progress report

SiC New Plant plan- Full mass production will be postponed to Q1 2027

- ◆ Location : Chiayi Dapu Mei Intelligent Industrial Park
- ◆ Main products : 8-inch Conductive and 6/8-inch Semi-insulating SiC wafer
- ◆ New plant capacity : 3,000pcs/month(27H1) 6,000pcs/month(28H2)

2024H2 (Planning period)

- ISO 9001 and 14001 certifications.
- Target customer samples for certification.
- New Plant Construction and Engineering Commenced
- Implementing Advanced 8-inch Crystal Growth Equipment to Shorten Process Development Time.

2025 (Construction Period)

- Q1 Carry out factory engineering projects.
- Q2 Carry out the administrative building construction.
- Q3 Factory engineering completed.
- Q4 Plant Equipment System Testing and Secondary Distribution Project Commencement
- 6-inch high-purity Semi-insulating SiC
- 8-inch Conductive SiC

2026 (Preparatory Period)

- Q1 Installation and inspection of processing equipment.
- Q2 Trial production of the crystal growth equipment transfer process at Nankan Plant.
- Q3 Crystal growth equipment installation and trial machine.
- Q4 Wafer growth process trial production obtained factory registration certificates and passed factory inspection for flagship customers.
- 8-inch high-purity Semi-insulating SiC
- 8-inch SiC substrate thinning technology
- 6/8-inch SiC thermal substrates

2027~2028 (Growth period)

- IAF 16949 certification.
- 2027Q1 production capacity : 1,200pcs/month
- 2027Q2 production capacity : 3,000pcs/month
- 2027H2 Initiated the second phase of capacity expansion.
- 2028H1 Equipment began to be installed at the factory.
- 2028H2
 - production capacity : 6,000pcs
 - Establishing 12-inch SiC production capacity.
- 6/8-inch SiC processing services.
- SiC wafer regeneration services.
- Large-size SiC heat sink.

New factory progress description

Factory registration progress report

So far, building occupancy permits and partial EIA permits have been obtained, but some EIA applications are still under review. The factory registration certificate is expected to be obtained in Q4 2026, and the full mass production of the new plant will be extended to Q1 2027. Due to delays in mass production, some outsourced processing methods will continue this year to meet customers' demand for bulk sample shipments.

Explanation of the trial production progress

All processing equipment has been fully installed, and batch trial production of the slicing and thinning processes began in Q2 2026. Since the factory cannot yet discharge wastewater, it affects the downstream polishing and cleaning sections from trial production, so at this stage, partial outsourcing is being used.

The crystal growth equipment at the Nankan plant has completed the relocation process. The newly purchased crystal growth furnaces have been gradually installed at the factory since June, with plans to begin trial production and complete installation by the end of September.

Product verification progress

8-inch conductive product

Multiple customers have conducted product validation. Currently, domestic key customers have passed product validation and are awaiting batch validation, while foreign leading customers are currently conducting batch trial production.

SiC thermal substrate products

The product has passed domestic benchmark customer verification, and after end-user validation, small-batch trial production is expected in H2 2026.

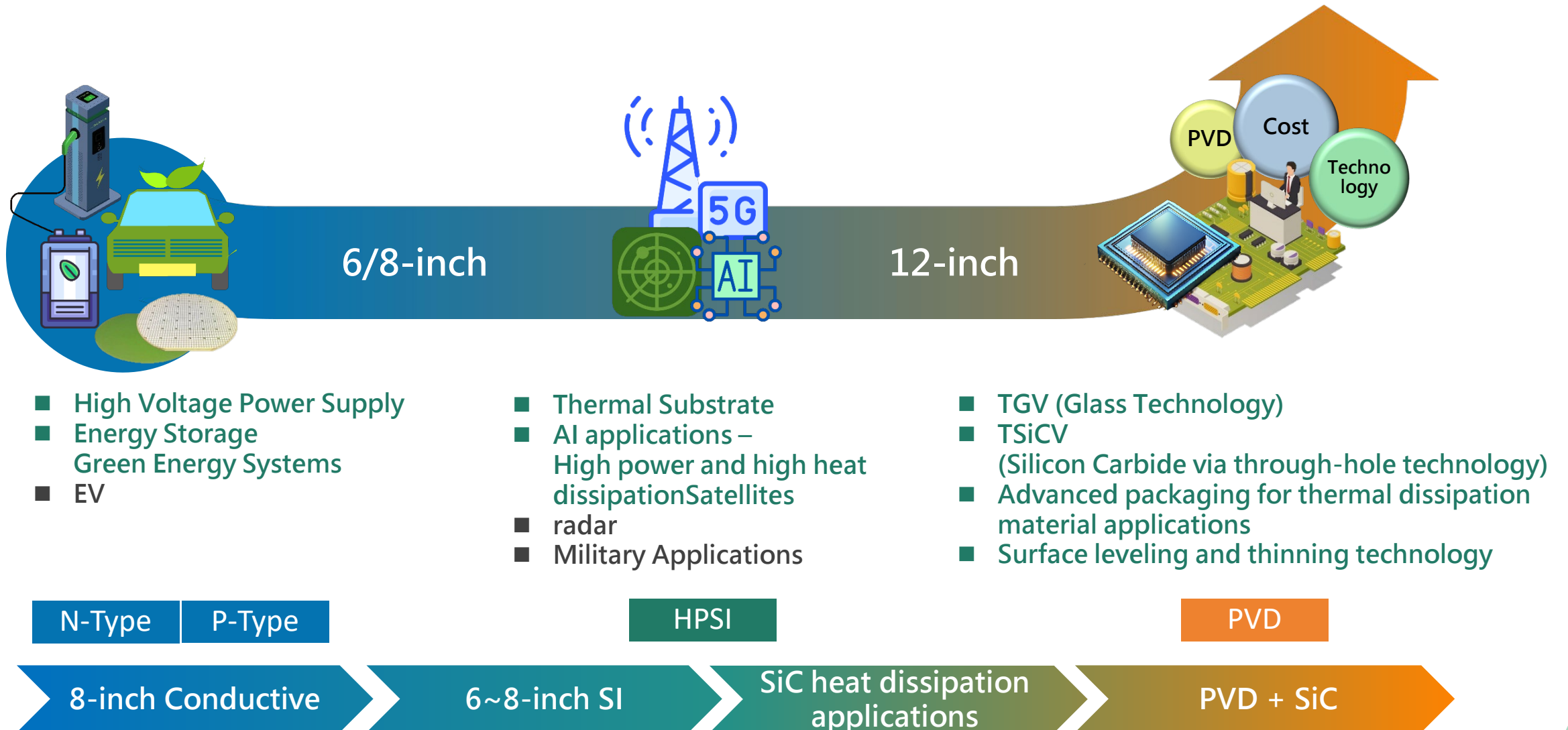
Business development progress

- 8-inch conductive SiC substrate sales - small batch shipments
- SiC thermal substrates – awaiting small-batch trial production from customers
- 6/8-inch SiC substrate processing services - waiting for H1 2027
- 6/8-inch SiC wafer regeneration service - waiting for H1 2027
- Advanced process cooling applications (SiC+PVD) - under development

04

Operational status

Product development



Operational status

● Current status of EMI coated products

Due to the impact of order intake from major customers and poor sales in the notebook market, revenue fell by about 20% as of the first half of the year. The impact is expected to persist in the second half, as significant cost pressures and increased NB prices have created uncertainties in sales, and revenue in the second half of 2026 still faces a risk of decline.

● Turning to advanced PVD process technology applications

The R&D focus has shifted back to Taiwan, where a PVD mass production line has been established to support customers in developing advanced process technologies. Currently, collaborative products include ABF, advanced packaging, TGV, TSiCV titanium-copper seed layers, and special functional heat sink films, accelerating the application of future advanced semiconductor processes and providing customers with process equipment and technical services.

● Current status of SiC wafer products

8-inch SiC conductive products have begun small-batch shipments. Benefiting from increased demand for AI products and high-power components, demand for 8-inch devices is heating up rapidly, with subsequent stocking planned to match customer orders. The 6-inch thermal dissipation substrate has already been provided to customers for trial testing, pending product validation by end customers, with mass trial production expected in the second half of the year. With small-batch shipments of 8-inch conductive products, SiC products are expected to account for 5%~10% of annual revenue.

● SiC has strong medium- to long-term growth momentum

From electric vehicle drive systems to AI data center power architectures, SiC features high heat dissipation and high voltage resistance, establishing its leading position as future conductive and thermal materials. Besides becoming a standard configuration in high-voltage power systems, SiC can also solve the AI industry's biggest headache—heat—and create strong medium- to long-term rigid demand in response to AI development.



Q&A

TRUE PARTNER FOR A BRIGHTER FUTURE

spokesman : Mingi Liu(CFO)

TEL : (03)212-8833

E-mail : mingi@pttech.com.tw

