

Paragon (3518TW) Investor Conference

July 18, 2023

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Agenda

1. Company Overview
2. Financial Information
3. Operating status

Company Overview

Paragon (3518TW)

- ◆ Establishment : 1995.10.20
- ◆ Capital : NTD 807 Million
- ◆ Employees : 600
- ◆ Chairman : Mr. Eagle, Chen
- ◆ Assistant General manager : Ms. Cathy, Yu
- ◆ Main of products :
 - EMI 〈 Electromagnetic Interference 〉 – 95%
 - PVD appearance coating– 5%

About Paragon



Taiwan HQ & RD Center

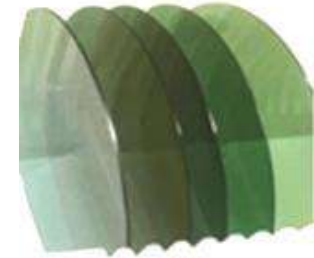
- Established: 1995 year
- Capital: 806 million (NTD)



EMI sputtering & PVD appearance coating

- Suzhou Factory (3C)
- Nanjing Factory / Neijiang Factory (EMI)
- Vietnam factory (EMI) (2023.7)

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



Silicon carbide products

- Nankan Factory (2023.1)

6" Silicon Carbide (SiC) Wafer
5 crystal growth furnaces will be increased to 10 in 2023Q3.

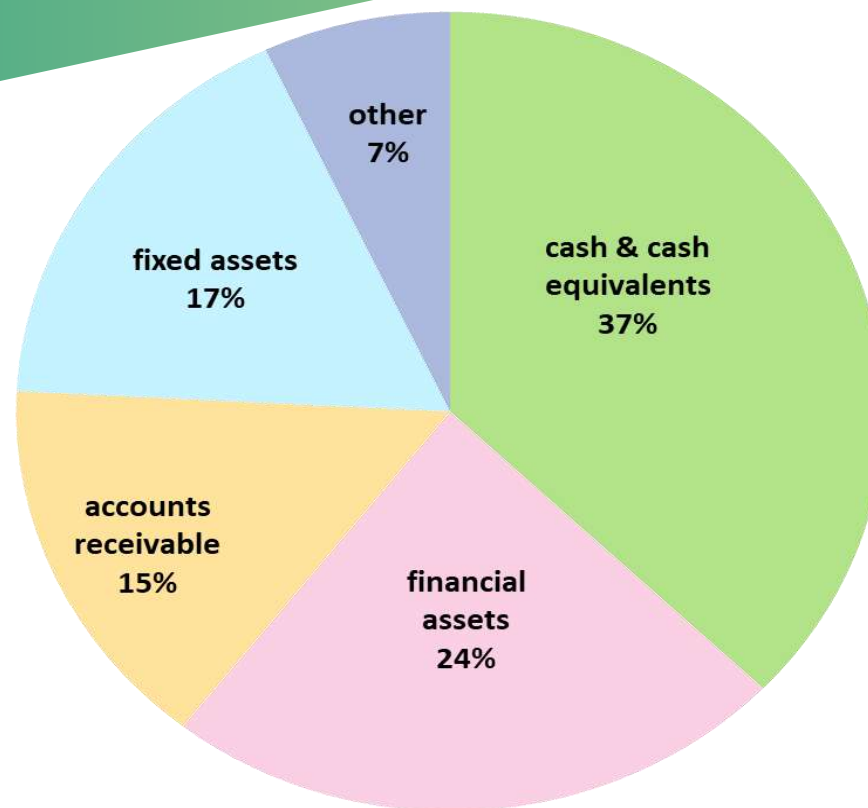
Financial Information

Q1 23' Consolidated Balance

Unit in NT\$ Million

	2023.3.31	%	2022.12.31	%	2022.03.31	%
cash& cash equivalents	656	37	886	50	396	21
Financial assets-current&noncurrent	413	23	213	12	557	29
Notes and accounts receivable	269	15	268	15	460	24
Inventories	4	1	5	0	4	0
non-liquid asset in suspense	21	1	19	1	17	1
Fixed Assets & Right-of-use asset	303	17	287	16	296	16
Other Assets	98	6	102	6	176	9
Total Assets	1,765	100	1,779	100	1,906	100
Short-term loans & current portion of longterm loans payable	74	4	74	4	172	9
other payables	89	5	118	7	137	7
long-term debt payable	8	0	9	0	77	4
other liabilities	95	5	90	5	52	3
Total Liabilities	265	15	290	16	439	23
Total Owners' Equity	1,500	85	1,489	84	1,467	77
Net Worth Per Share	17.63		17.48		18.53	

Q1 23' Financial Structure



ITEM	2023.Q1	2022	2021	2020	2019
Debt Ratio	15.01	16.30	24.54	37.12	32.60
Current Ratio	652.88	606.50	377.86	185.25	187.80
Cash flow Ratio	(3.08)	63.32	31.54	(1.05)	(21.64)

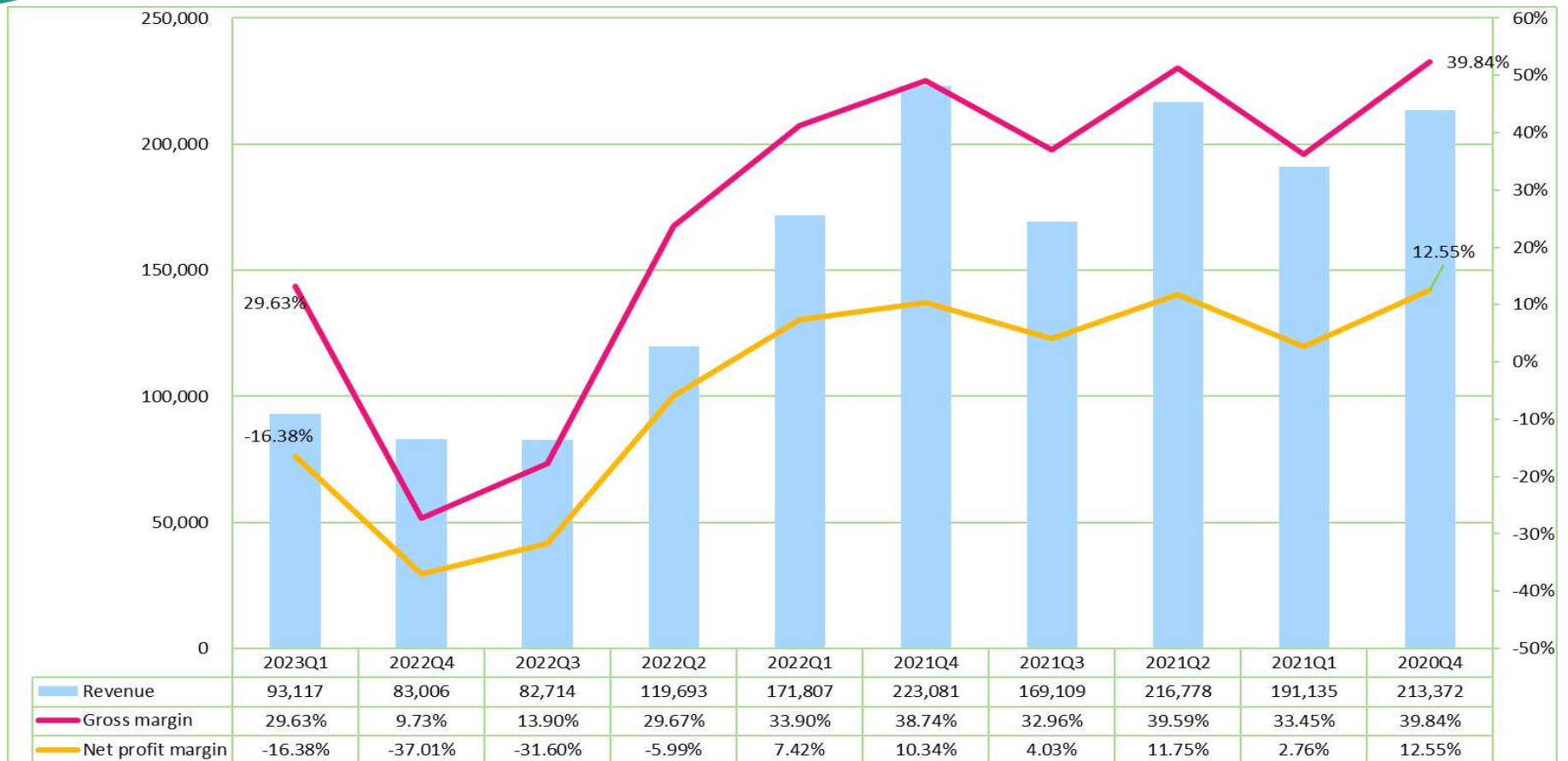
2023Q1 Consolidated income statement

Unit in NT\$ Million

ITEM	2023Q1	2022Q4	QoQ%	2022Q1	YoY%
operating revenue	93	83	12	172	(46)
Gross Profit	28	8	242	58	(53)
operating expenses	43	39	10	45	(6)
Operating Profit	(15)	(31)	(50)	13	(220)
non-operating revenue and expenses	58	88	(34)	7	736
Pre-Tax Income	42	57	(26)	20	115
income tax expense	35	8	317	13	179
Net Income	7	48	(86)	7	0
Gross margin(%)	30	10		34	
Net profit margin(%)	7	58		4	
Earnings Per Share _(Dollar)	0.09	0.61		0.09	

Revenue 、Gross margin & Net profit margin

Unit in NT\$ Million



Q1 23' Consolidated Cash Flow

Unit in NT\$ Million

	2023 ended March 31	2022 ended March 31
Cash provided by (used in) operating activities	(6)	9
Cash provided by (used in) investing activities	(219)	(354)
Cash provided by (used in) financing activities	(5)	(7)
Effects of exchange rate change on cash	1	26
Net increase (decrease) in cash and cash equivalents	(230)	(326)
Cash and cash equivalents at beginning of year	886	723
Cash and cash equivalents at end of year	\$656	\$396

Operating status

Operating status



■ NB & coating products

- Before Q2 2013, EMI coatings were still affected by excessive inventory and low market demand.
- The delay in the launch of new products affects the sales of exterior coating products.
- Add functional coating products - AF coating, automotive electronics, 5G, electronic components, etc.

■ Silicon carbide products

- In January 2023, 6-inch silicon carbide crystals were successfully produced, and was put into 10 production runs.
- There are currently 5 silicon carbide (SiC) production lines, and it is expected to add 5 more by the end of June.
- In the second half of the year, the focus will be on the improvement of quality yield and crystal quality verification.

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