

PROMISE Technology Inc.(3057) 2021 Business Operation and Initiative

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Technology Inc.

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AGENDA

(30 Minutes)

1

Status of Operation 2021

5 min

2

2021 Challenges and Achievements

10 min

3

2022 Opportunities and Execution Focus

10min

4

Conclusion / Q&A

5 min

STATUS OF OPERATION 2021

Company Profile



- PROMISE Technology, Inc., stock symbol : 3057, founded in San Jose, USA, Dec., 1988 and devoted to storage solutions for 33 years.
- 178 employees and 37% of them are R&D staffs. Our business territories across US, Europe, Taiwan, Japan, China, APAC and MENA. We are capable to provide real-time customer services globally.
- PROMISE Technology Inc. is a recognized global leader in the storage industry and the leading developer of high-performance storage solutions, designed for the rich media, surveillance, IT and cloud segments.



Founded

San Jose, USA , Dec. 1988
IPO in Taiwan, Dec., 2002



Employees

178 Total, 37% R&D



Alliance

Global First Tier Companies
Global Leading Ecosystem
Partners by Vertical

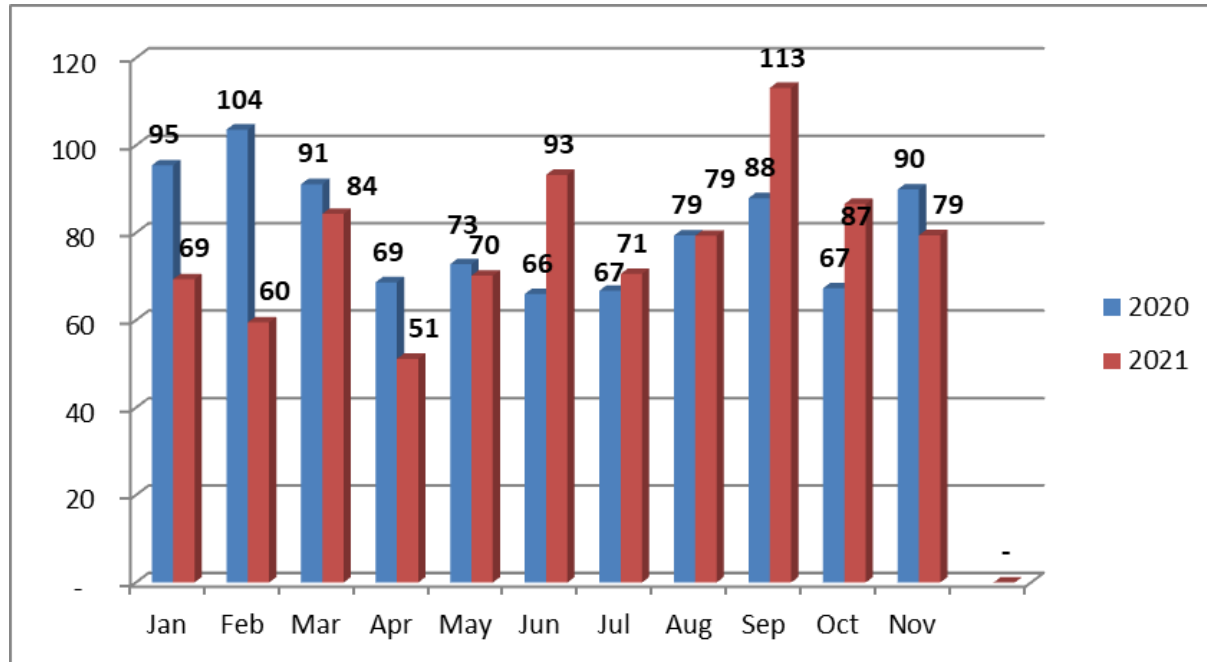


Achievement

World's First H/W
iSCSI RAID Storage System
RAID with Thunderbolt™ Technology
Leading Technology of Storage HBA RAID Card

Sales Revenues, 2021 vs. 2020 Jan. ~ Nov.

In millions (NT\$)



Income Statement

Income Statement, 2021 vs. 2020 Jan. ~ Sep.

In millions (NT\$)

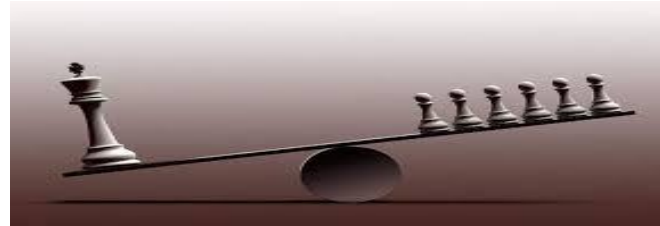
| Income Statement (Unit:NT\$M) | 2021 | | | | 2020 | | | | variance |
|----------------------------------|------|-----|-----|---------|------|------|------|---------|-----------|
| | Q1 | Q2 | Q3 | Jan~Sep | Q1 | Q2 | Q3 | Jan~Sep | |
| Net Sales | 213 | 215 | 263 | 691 | 290 | 208 | 234 | 732 | (41) |
| Gross Margin | 83 | 82 | 93 | 258 | 94 | 64 | 71 | 229 | 29 |
| % | 39% | 38% | 35% | 37% | 32% | 31% | 30% | 31% | 6.01ppt |
| Total Operating Expenses | 92 | 85 | 81 | 257 | 134 | 117 | 105 | 356 | (99) |
| % | 43% | 39% | 31% | 37% | 46% | 56% | 45% | 49% | -11.41ppt |
| Income from Operations | (9) | (3) | 12 | 0.37 | (41) | (52) | (34) | (127) | 127 |
| Net Income | (10) | (8) | 10 | (8) | (48) | 50 | (31) | (29) | 21 |
| % | -5% | -4% | 4% | -1% | -16% | 24% | -13% | -4% | 2.77ppt |

2021 CHALLENGES AND ACHIEVEMENTS

Internal and External Factors

I. Severe disrupting supply chain

- demand exceeds supply
- Slashed profit margin



II. Improving productivity

- Resources and Capability Enhancement
- Procedures Simplification
- Product Innovation
- Inventory Activation and Management



Major Achievement – Reported net profit in Q3, 2021

What we have done:

- 1 – Optimizing business processes, margin increased(~6%)
- 2 – Operational regulation, expense decreased
- 3 – Product innovation, collaborative ecosystem
- 4 – Inventory management activation, turned into profit

2022 OPPORTUNITIES AND EXECUTION FOCUS

A. Market Dynamics and Opportunities

- Speed and Performance
- Energy-Saving
- Intelligence

B. Execution Focus

- Products focus on Speed and Performance, Energy-Saving and Intelligence
- Collaborative Ecosystem with Precision Marketing
- Keep on Productivity Enhancement

2022 Keep On Productivity Enhancement



O1 Training

- **Teamwork**
- **Be Responsible**

O2 Simplification

- **Procedure-Optimized**
- **Performance Management**

O3 Increase Profit

- **Enlarge Sales**
- **Reduce Expenses**

O4 Inventory Management

- **Inventory Activation**
- **Increase Margin**

O5 Operation Support

- **Just-in-time Production**
- **Solid and Health Finance - Cash Flow and AR**

CONCLUSION

STEP 1

Turned to Profit
Q3 2021

STEP 2

Solid Growth
2022

STEP 3

Returning to Glory
Q4 2022

Facing the Past, and
Catching the Future



THANK YOU FOR COMING
AND LISTENING!

Any Question?