

PROMISE Technology Inc.(3057) 2023 Business Operation and Initiative

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Date: Dec. 28, 2023

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AGENDA

(30 Minutes)



1

Status of Operation 2023

5 min

2

2023 Challenges and Achievements

10 min

3

2024 Opportunities and Focus

10min

4

Conclusion / Q&A

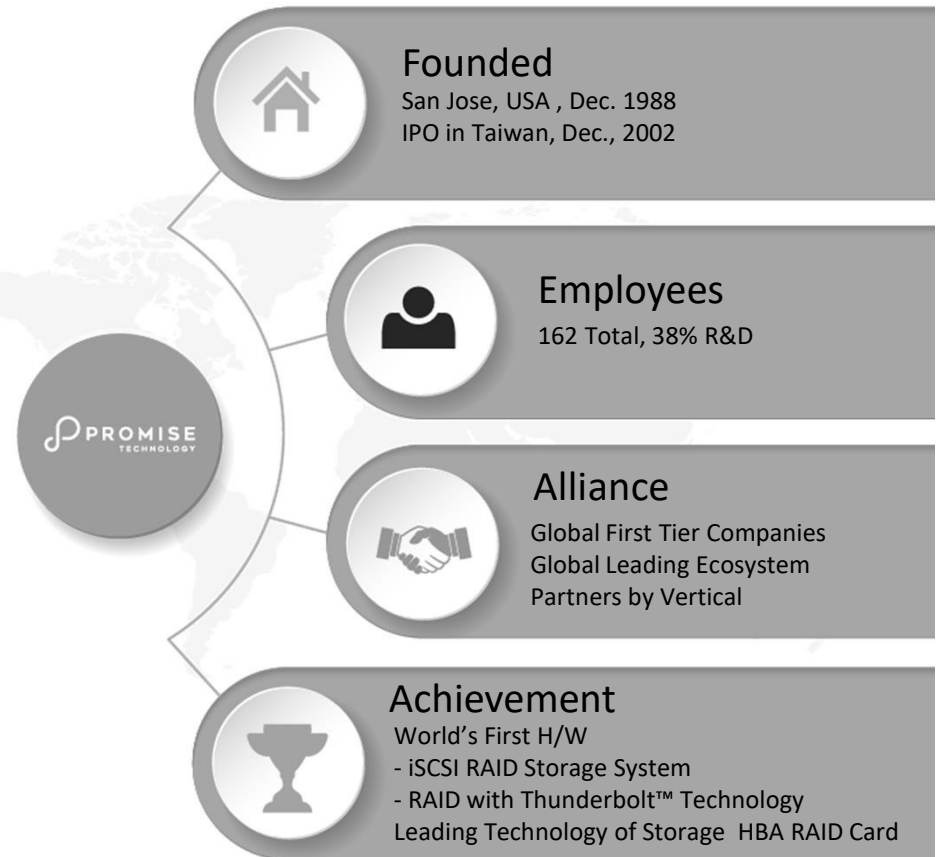
5 min

STATUS OF OPERATION

Company Profile



- PROMISE Technology, Inc. (PROMISE Technology, Inc., stock symbol: 3057) was founded in 1988 in California, USA. With a deep focus on the storage industry for 35 years, it has gained recognition in global markets.
- The company has a global workforce of 162 employees, with approximately 38% dedicated to research and development. It has established a sales and service network in strategic regions, including Taiwan, the Americas, Europe, Japan, China, the Asia-Pacific, and the Middle East. This network enables the provision of real-time support and after-sales services to customers worldwide.
- We committed to providing innovative storage solutions for various vertical industries. It collaborates with several globally leading manufacturers to deliver integrated storage solutions tailored to specific verticals. Its specialized expertise covers areas such as multimedia, surveillance, IT/Cloud, and more.

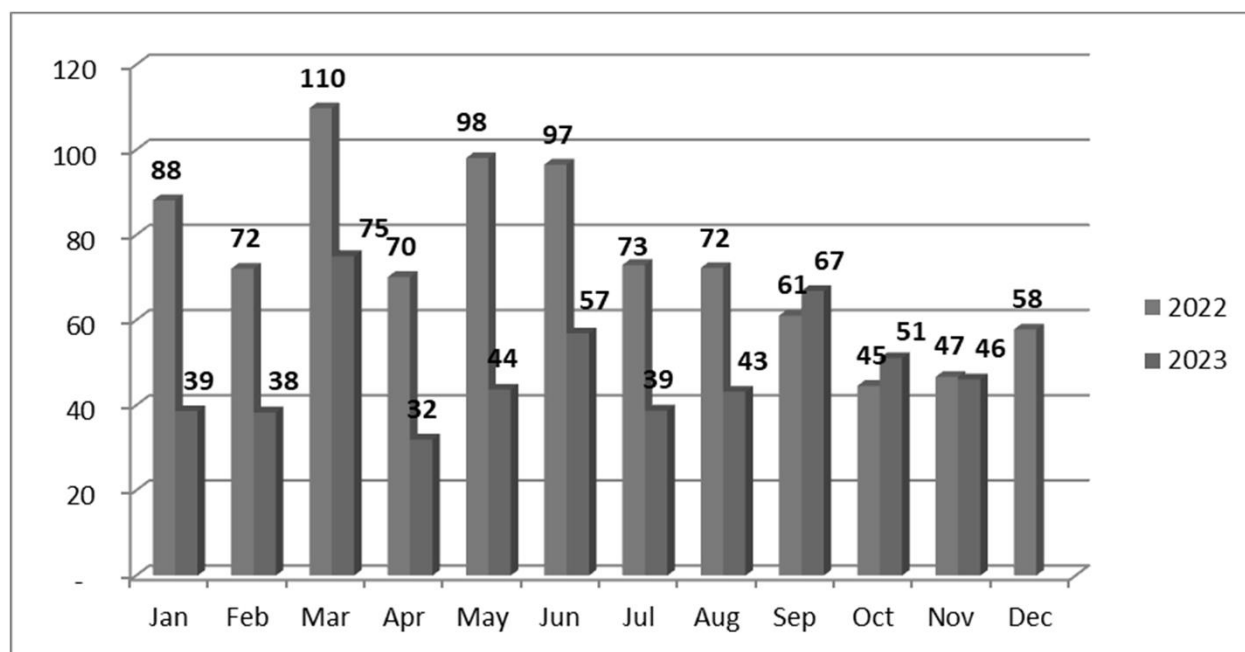


Sales Revenue



Sales Revenue, 2023 vs. 2022

In millions (NT\$)



Income Statement



Income Statement, 2023 vs. 2022 by Quarter

In millions (NT\$)

Income Statement (Unit:NT\$M)	2022				2023			Q1~Q3 variance
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Net Sales	270	265	206	149	152	133	149	(308)
Gross Margin	90	98	75	59	61	49	54	(101)
%	33%	37%	36%	40%	40%	37%	36%	2.04ppt
Total Operating Expenses	90	89	81	79	78	85	74	(22)
%	33%	33%	39%	53%	51%	64%	50%	19.79ppt
Income from Operations	1	10	(5)	(19)	(17)	(37)	(20)	(79)
Net Income	9	13	1	(20)	(18)	(33)	(9)	(82)
%	3%	5%	0%	-13%	-12%	-25%	-6%	-16.74ppt

2023 CHALLENGES AND ACHIEVEMENTS

The Challenges in 2023

Major Challenges -

I. The Impact of Supply Chain Imbalance in 2023

- Global inventory surplus leads to order stagnation.



II. The ongoing Russia-Ukraine war is contributing to global inflation

- The decline of business demands in Europe, United States and Japan.

III. The overall economy in China is not meeting expectations

- Post-pandemic recovery is lackluster.
- The U.S. technology sanctions are restricting the IT market.



The Achievements in 2023



Major Achievement –

- 1 – Simplify processes to enhance efficiency
- 2 – Launch a variety of innovative products
- 3 – Focus on marketing with an application-oriented approach

2024 OPPORTUNITIES AND FOCUS

2024 Opportunities and Focus



A. Potential gradual global economic recovery and opportunities in Japan, India, and Southeast Asia

- Increased demand post inventory destocking and inflation easing
- The depreciation of the yen, coupled with strong exports, is driving growth in domestic demand for Japanese companies
- India and Southeast Asia present an opportune moment for overall economic development, benefiting from the trade and technology tensions between the United States and China

B. Aligning with market and technology trends, the launch of more optimized and competitive products and technologies

- Launching competitive products and technologies in line with the robust development of AI and NVMe flash storage
- Optimizing the multimedia and surveillance product lines that already possess brand advantages

B. Key areas of focus for implementation

- Ensure the effective implementation of product and technology optimization, adhering to the schedule
- Enhance marketing efforts and strengthen collaboration with specialized system integrators in various domains
- Licensing technology to collaborating partners to expand revenue
- Continuously pursue cost savings and efficiency improvements

CONCLUSION

Conclusion



- 1 Possible gradual recovery of the global economy in 2024, and gradually moving away from the economic downturn experienced in 2023
- 2 Implement key strategies, aiming to return to profitability in 2024 and sustain annual profit growth
2022

**THANK YOU FOR COMING
AND LISTENING!**

Any Question?