

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our consolidated earnings of 1Q 2021 below:

**KEY TAKEAWAYS**

- Consolidated revenue in the fourth quarter was NT\$12.88 billion, a slight increase from the previous quarter (QoQ) and a record high for the same period.
- In the first quarter, after-tax net profit and EPS reached NT\$1.687 billion and NT\$8.56 respectively, both of which set the second highest in history during the same period.
- Phison also continues to enable various storage applications around the world, including the world's first gaming mobile phone with BGA SSD storage solution, and NASA Perseverance Mars rover with Phison uSSD storage solution, all showing Phison's long-term and comprehensive strategy results.

Phison Electronics (8299TT) announced today (05/10) the results of its consolidated financial results for the first quarter of 2021. Consolidated revenue was NT\$12.88 billion, a slight increase from the previous quarter (QoQ) and a record high for the same period. Gross profit in the first quarter reached NT\$3.8 billion, a growth of nearly 30% (QoQ) from the previous quarter, the second highest in the same period in history. In addition, the overall gross profit margin in the first quarter reached 29.51%, which was the third highest in history during the same period. Furthermore, in the first quarter, after-tax net profit and EPS reached NT\$1.687 billion and NT\$8.56 respectively, both of which set the second highest in history during the same period.

<b>1Q 2021 Earnings (PHISON 8299)</b>	<b>NT\$</b>	<b>QoQ</b>	<b>Remarks</b>
1Q21 Consolidated Revenue	12.88 bn	0.4%	Single-season historical high for the same period
1Q21 Gross Profit	3.8 bn	30%	Single-season second highest for the same period
1Q21 Net Profit after Tax	1.687 bn	/	Single-season second highest for the same period
1Q21 EPS (NT\$)	8.56	/	Single-season second highest for the same period

Compared with the same period last year (YoY), the total shipment of PCIe SSD controllers in the first quarter of 2021 has grown by 96%, a record high in the same period in history; the total shipment of SATA and PCIe SSD modules has grown by 8%, setting a new historical high for the same period; the total shipment of memory bits (Total Bits) has grown by nearly 30%, which is also a record high over the same period in history. The shipment data shows that not only PCIe SSD continues to be the main growth driver of the storage market, but the overall SSD market also continues to move towards high capacity, which is positively beneficial to Phison's future revenue and profit.

1Q 2021 Business Highlights (PHISON 8299)	YoY	Remarks
1Q21 Total shipment of PCIe SSD controller	96 %	New high in the same period in history
1Q21 Total shipment of SATA and PCIe SSD memory modules	8 %	New high in the same period in history
Cumulative annual total shipment of memory bit	30 %	New high in the same period in history

K.S. Pua, K.S.Pua, chairman of Phison, said that in the first quarter of 2021, research and development expenses accounted for 80% of overall operating expenses. The main reason is that apart from Phison's continued R&D and investment in next-generation NAND controllers to maintain technological leadership, Phison is also actively deploying future operational growth momentum, including [the launch of FIPS 140-2 certified SSD storage solutions](#), [the release of the world's first SD Express Card](#), and [the join of AECC \(Automotive Edge Computing Consortium\)](#), etc. In addition, Phison also continues to enable various storage applications around the world, including the world's first gaming mobile phone with BGA SSD storage solution, and NASA Perseverance Mars rover with Phison uSSD storage solution, all showing Phison's long-term and comprehensive strategy results.

K.S. Pua went on to explain that as for the part that affects gross profit due to the depreciation of the US dollar, apart from continuing to launch high-margin products and maintaining good inventory management to stabilize gross profit margin, Phison will also carefully manage the US-dollar-based assets and liabilities to reduce the impact of foreign exchange losses. Looking to the future, although there are no signs of short-term relief in the semiconductor supply chain, and Phison is forced to respond to rising costs for product sales due to successive price increases by upstream and downstream suppliers, Phison will continue to play a central role in buffering and coordinating the supply chain, and strive to reduce the impact of shortages and rising costs on global partners and customers, and create a win-win and common prosperity with global partners and customers.

### [PHISON IR Distribution List Application Form]

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### [PHISON's Quick Facts]

- Over 20 years experiences in NAND controller IC design and module integration.
- Over 2,300 employees globally, and more than 75% are engineers
- Over 1900 memory-related patent globally.
- 3 major focuses: enterprise, embedded, and consumer market.
- 600M average annual controller shipment.
- \$1.64B sales revenue in 2020.
- Confident that our [unique business model](#) can produce consistently strong cashflows and profits over the long-term amidst NAND memory market cycles.
- Strongly maintain long-term partnerships with our global NAND flash supply sources and with our downstream module customers.

### [About PHISON]

Phison Electronics Corp. (TPEX:8299) is a global leader in NAND Flash controller IC and storage solutions. We provide a variety of services from controller design, system integration, IP licensing to total turnkey solutions, covering applications across SSD (PCIe/SATA/PATA), eMMC, UFS, SD and USB interfaces, reaching out to consumer, industrial and enterprise markets. As an active member of industry associations, Phison is on the Board of Directors for SDA, ONFI, UFSA and a contributor for JEDEC, PCI-SIG, MIPI, NVMe and IEEE-SA.

To know more about Phison, please visit [Phison Website](#) or [Phison Q&A](#) for details.

#### **PHISON Spokesperson**

Antonio Yu  
TEL: 037-586-896 #1019  
Mobile: 0979-105-026  
Email: [antonioyu@phison.com](mailto:antonioyu@phison.com)

#### **PHISON Deputy Spokesperson**

Kuo-Ting Lu  
TEL: 037-586-896 #2622  
Mobile: 0979-075-330  
Email: [kuoting\\_lu@phison.com](mailto:kuoting_lu@phison.com)

### [Forward-looking Statements]

Information included in this press release that are not historical in nature are "forward-looking statements". Phison cautions readers that forward-looking statements are based on Phison's reasonable knowledge and current expectations, and are subject to various risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements for a variety of reasons including without limitation, risks associated with demand and supply change, manufacturing and supply capacity, design-win, time to market, market competition, industrial cyclicality, customer's financial condition, exchange rate fluctuation, legal actions, amendments of the laws and regulations, global economy change, natural disasters, and other unexpected events which may disrupt Phison's business and operations. Accordingly, readers should not place reliance on any forward-looking statements. Except as required by law, Phison undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.