

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (TPEX: 8299). Please see the details of our August 2020 earnings below:

KEY TAKEAWAYS

- August 2020 revenue totaled NT\$3,744mn while accumulated revenue for Jan.-Aug. 2020 reached NT\$31,314mn, up 14% YoY.
- Phison's leading position in PCIe Gen4 technology has steadily stimulated the adoption of PCIe SSDs in the market, and the cumulative PCIe SSD controller shipments grew by 118% YoY throughout the year (Jan. to Aug.)
- Phison's market share and revenue in the consumer storage market will allow Phison to obtain sufficient and stable profits to support the research and development of Phison's advanced technology and the strategy of high-end storage markets.

Phison's August 2020 revenue totaled NT\$3,744mn. Accumulated revenue for Jan. - August 2020 reached NT\$31,314mn, with an annual growth rate (YoY) of over 14%. In the consumer market in 2020, after the epidemic prevention measures of various countries in the first half of the year and the efforts of the people, the public has gradually adjusted their work and lifestyles. In other words, whether it is Work From Home (WFH) or adjusting the way of entertainment at home, consumers have gradually achieved a balance between epidemic prevention, work, and leisure; and the various storage application markets are also continuing to recover, which will be positively helpful for Phison's profit in the second half of the year.

PHISON 8299	Sales Revenue (NT\$mn)	Growth Rate
August 2020	3,744	Flat MoM
Jan. to August 2020	31,314	14% YoY

Compared with the same period last year (YoY), driven by Phison's PCIe Gen4 technology leadership, the total shipments of PCIe SSD controller ICs in August grew by 133%. The total shipments of eMMC memory products also benefited from the continuous recovery of the embedded application market and grew by more than 95%. In addition, for the annual growth rate (YoY) of the annual cumulative total shipments (January to August), the total shipments of SSD and eMMC controller ICs grew by nearly 12%. The total shipment of PCIe SSD controller ICs grew by nearly 118%, a record high over the same period in history. The total shipments of industrial controller ICs grew by nearly 37%, a record high over the same period in history. The total number of memory bits (Total Bits) has grown by nearly 11%, which is also a record high over the same period in history. Various data

show that driven by high-definition video and gaming PCs, consumers have gradually considered high-speed PCIe SSDs as mainstream storage products. Driven by the recent decline in NAND prices, the market has continued to increase the use capacity and penetration rate of NAND storage products in various applications, which will facilitate Phison to increase its market share.

August 2020 Business Highlights (PHISON 8299)	YoY	Remark
Total shipments of PCIe SSD controller ICs	133 %	
Total shipments of eMMC memory products	95 %	
Accumulated total shipments of SSD and eMMC controller for Jan.- Aug.	12 %	
Accumulated total shipments of PCIe SSD controller for Jan.- Aug.	118 %	Record high over the same period
Accumulated total shipment of industrial controller for Jan.- Aug.	37 %	
Accumulated Total Memory Bits Shipment for Jan.- Aug.	11 %	

K.S. Pua, Phison CEO and Chairman, said that for a long time, investors have always criticized and worried about the high proportion of Phison’s revenue contribution from consumer storage market. However, they might not be fully aware that Phison's market share and revenue in the consumer storage market will allow Phison to obtain sufficient and stable profits to support the research and development of Phison's advanced technology and the strategy of high-end storage markets. In other words, high-end storage applications such as embedded, server, or in-vehicle systems often require more than 6 months or even up to 2 years of product design-in and verification time. Without the steady revenue and profitability of consumer storage products, it will be difficult to support Phison's high-end storage market strategy in the long term. Taking the recently successfully medical camera equipment design-in as an example, it not only allows ophthalmologists and ENT doctors to successfully complete patient examinations, but also completes imaging records of the affected area through a special medical camera design. Such a multi-market strategy has also allowed Phison to continue to maintain steady growth and profits in the volatile NAND storage market.

[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 2,000 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.
- \$1.45B sales revenue in 2019 (no debt).
- 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.

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[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.