

Dear Investor/Analyst/Shareholder,

Thank you for your support for Phison (8299TT). Please see the details of our consolidated earnings of 3Q 2021 and Oct. revenue below:

KEY TAKEAWAYS

- Consolidated revenue in the third quarter was NT\$16.9 billion, an increase of 6% compared to the previous quarter (QoQ).
- Consolidated revenue in October was NT\$6.037 billion, an increase of nearly 36% from the same period last year (YoY); the cumulative revenue from the year to October reached NT\$51.761 billion, a year-on-year growth of 29% (YoY).
- Phison has fully transformed its deployment in the non-consumer high-end storage market. Therefore, Phison's revenue and profit have continued to grow steadily, and are gradually unaffected by price fluctuations in the NAND market.

Phison Electronics (8299TT), a leading provider of NAND controller and NAND storage solutions, announced today (11/5) the consolidated financial results for the third quarter of 2021 and October revenue. Consolidated revenue in the third quarter was NT\$16.9 billion, an increase of 6% compared to the previous quarter (QoQ); the cumulative annual revenue for the 2021 to third quarter reached NT\$45.7 billion, a growth of 28% compared to the same period last year (YoY). Gross profit in the third quarter reached NT\$5.35 billion, an increase of nearly 4% over the previous quarter (QoQ); the gross profit accumulated to the third quarter of 2021 also reached a record high of NT\$14.32 billion in the same period, a 54% increase over the same period last year (YoY). In addition, the overall gross profit margin in the third quarter reached 31.64%, and the net profit after tax and EPS in the third quarter also reached NT\$2.38 billion and NT\$12.1.

3Q 2021 Earnings (PHISON 8299)	NT\$	Growth Rate	Remarks
3Q21 Consolidated Revenue	16.9 bn	6% QoQ	Single-season historical high
3Q21 Gross Profit	5.35 bn	4% QoQ	Single-season historical high
3Q21 Net Profit after Tax	2.38 bn	5% QoQ	Second highest in a single season in history
3Q21 EPS (NT\$)	12.1	/	Second highest in a single season in history
9Months21 Consolidated Revenue	45.7 bn	28% YoY	A record high over the same period in history
9Months21 Gross Profit	14.32 bn	54% YoY	A record high over the same period in history

Compared with the same period last year (YoY), the total shipments of SATA and PCIe controllers in the third quarter of 2021 grew by nearly 35%, of which the total shipments of PCIe SSD controllers grew by nearly 110%. In addition, the total number of memory bits (Total Bits) shipments in the third quarter grew by nearly 30%, setting a new historical single-season high.

3Q 2021 Business Highlights (PHISON 8299)	YoY	Remarks
3Q21 Total shipment of SATA and PCIe SSD controller	35 %	
3Q21 Total shipment of PCIe SSD controller	110 %	Historical single-season high
3Q21 Total shipment of memory bit	30 %	Historical single-season high

K.S.Pua, Chairman and CEO of Phison, said that in the third quarter of 2021, R&D expenses accounted for more than 80% of overall operating expenses, and R&D engineers have reached more than 2,000 (accounting for more than 70% of the total global employees). The main reason is that in addition to Phison’s continued R&D and investment of next-generation NAND controllers to maintain technology leadership, Phison is also actively deploying momentum for future operational growth, including [PCIe 5.0 ReDriver IC](#), [custom PCIe 5.0 SSD controller solution](#), [edge computing storage solution](#), and [automotive-grade UFS controller](#), etc., to fully grasp the growth trend and business opportunities of the future NAND storage market.

K.S.Pua went on to explain that the popularization of 5G wireless technology will drive the unlimited long-term growth momentum of the NAND industry; in other words, despite the murmur of weak demand in the retail market, Phison has fully transformed its deployment in the non-consumer high-end storage market. As a result, Phison’s revenue and profits continue to grow steadily, and are gradually unaffected by price fluctuations in the NAND market. In addition, in order to meet the needs of global customers, Phison has signed long-term supply agreement with fab partners to ensure stable supply in the future. Although there is still a large capacity gap between wafer supply and customer demand, Phison will continue to communicate with upstream and downstream suppliers and grow together with global customers.

In addition, for the October revenue, consolidated revenue was NT\$6.037 billion, an increase of nearly 36% over the same period last year (YoY); the cumulative revenue of the year to October reached NT\$51.761 billion, a growth of 29% (YoY) compared to the same period last year, setting a new historical high for the same period.

PHISON 8299	Sales Revenue (NT\$bn)	YoY	Remarks
October 2021	6.037	36%	The highest in a single month in history
Jan. to Oct. 2021	51.761	29%	Record high for the same period in history

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[PHISON's Quick Facts]

- Over 20 years experiences in NAND controller IC design and module integration.
- Over 3,000 employees globally, and more than 70% are engineers
- Nearly 2,000 memory-related patents globally.
- Target long-term revenue of NT\$100 billion through the 5+5 growth strategy
- The global market share of SSD controller exceeds 20%
- \$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.

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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.