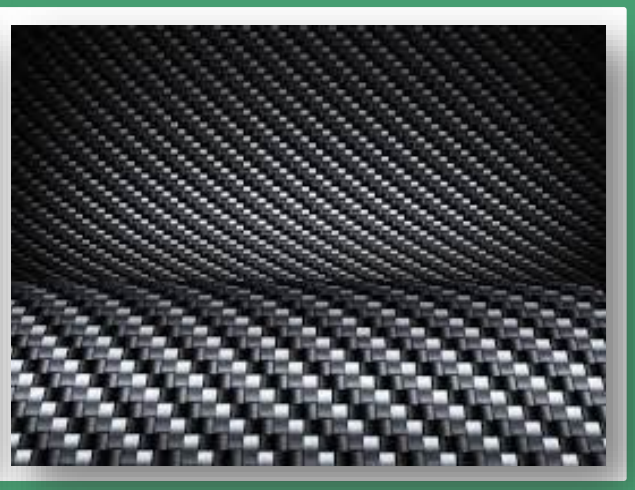



SWANCOR HOL. CO., LTD

3708.tw

2024Q1 Financial Results

Disclaimer

- This document may be deemed to contain forward-looking statements. These forward-looking statements include, among other things, statements regarding future events and the future financial performance of Swancor that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results.
- Any projections in the document are based on limited internal and external information currently available to Swancor, which is subject to change. Actual events or results could differ materially and no reader of this document should assume later that the information provided today is still valid. Such information speaks only as of the date of this document.
- Readers shall rely on self-judgment to makes any investment decision. Readers shall not interpret the information in this document to be investment recommendations.

Table of Contents

1Q24 Financial Results

Consolidated Balance Sheets and Financial Indexes

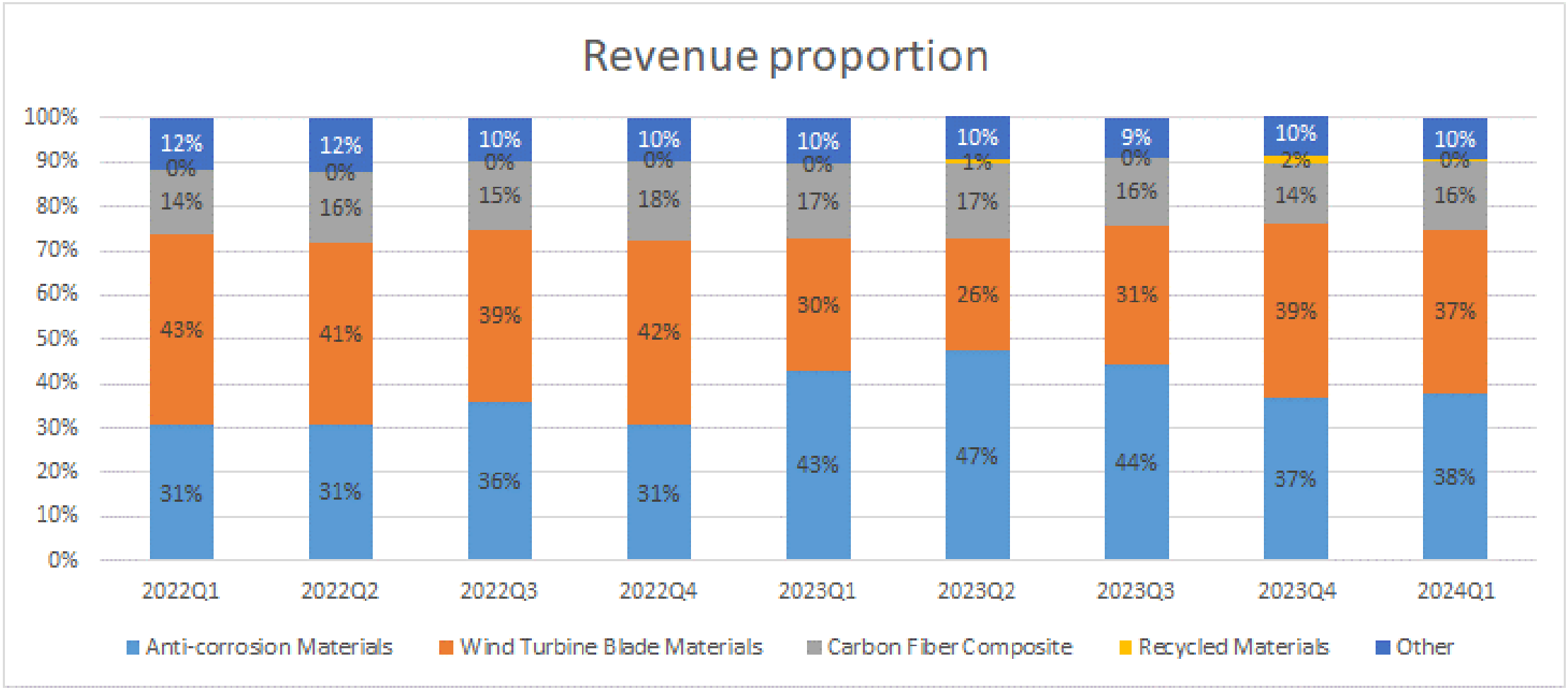
Balance Sheet (NT$ Million)	2024/3/31 Amount	%	2023/12/31 Amount	%	2023/3/31 Amount	%
Cash and Equivalent	2,237	15%	3,066	21%	2,198	16%
Account Receivable	2,288	15%	2,103	15%	1,976	14%
Note Receivable	1,042	7%	979	7%	2,537	19%
Stock	778	5%	723	5%	867	6%
Long-Term Investment	1,230	8%	1,134	8%	1,728	13%
Real Estate, Factory, Equipment	3,991	27%	3,853	27%	3,518	26%
Total Asset	**14,789**	**100%**	**14,273**	**100%**	**13,665**	**100%**
Current Liability	3,832	26%	3,535	25%	3,554	26%
Long-Term Liability	345	2%	397	3%	492	4%
Corporate Bond	1,230	8%	1,517	11%	1,506	11%
Total Liability	**5,555**	**38%**	**5,608**	**39%**	**5,678**	**42%**
Shareholders' Equity	**9,234**	**62%**	**8,665**	**61%**	**7,987**	**58%**
Financial Index						
Average Collecting Days	114		96		118	
Average Inventory Turnover Days	49		42		58	
Current Ratio	2.30		2.44		2.24	

Consolidated Statements of Income

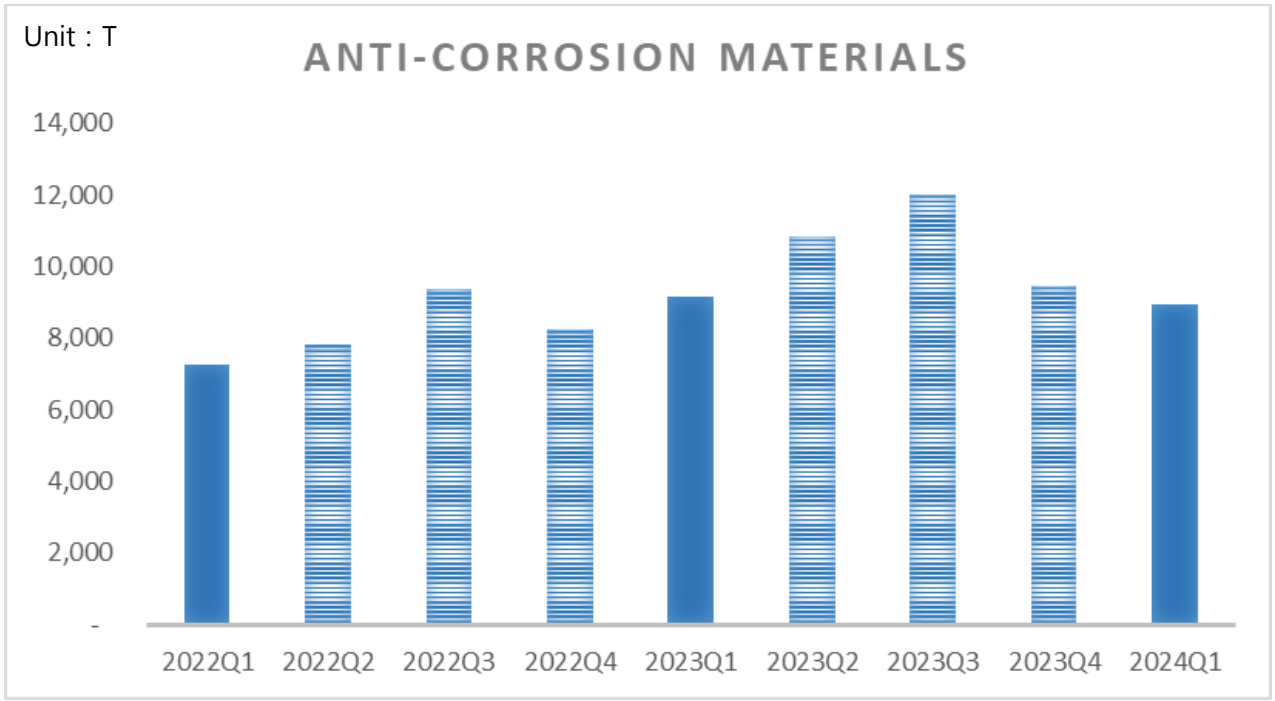
Consolidated Income Statement *(NT$ million except rates)*	2024Q1	2023Q4	2023Q1	QoQ	YoY
Net Revenue	1,735	1,955	1,698	-11.3%	2.1%
Gross Margin Rate	21.1%	18.5%	18.8%	2.5%	2.3%
Operating Expense	312	304	265	2.8%	17.5%
Operating Income Rate	3.1%	3.0%	3.2%	0.1%	-0.1%
Non-Operating Income	77	(45)	(16)	-271.5%	-578.4%
Tax Rate	32.5%	159.4%	53.2%	-126.9%	-20.7%
Net Income	76	(8)	19	-1101.4%	298.4%
Net Income Rate	4.4%	-0.4%	1.1%	4.8%	3.3%
EPS (NT$)	0.77	(0.08)	0.20	85.0%	57.0%
ROE Rate	3.3%	-0.4%	1.0%	3.6%	2.3%
Sales Volume (Ton)	16,108	19,383	14,513	-16.9%	11.0%

- Sales volume is the total of environmentally friendly corrosion-resistant materials, environmentally friendly green energy materials and some recycled materials, excluding other products.

Sales Revenues by Product



Sales volume of Anti-corrosion material



Q1

Compared to the same period last year, there is a 2% decrease, primarily due to the slow economic recovery in mainland China and a heavy market wait-and-see atmosphere. The international market has grown by more than 10% year-over-year (YOY) and quarter-over-quarter (QOQ).

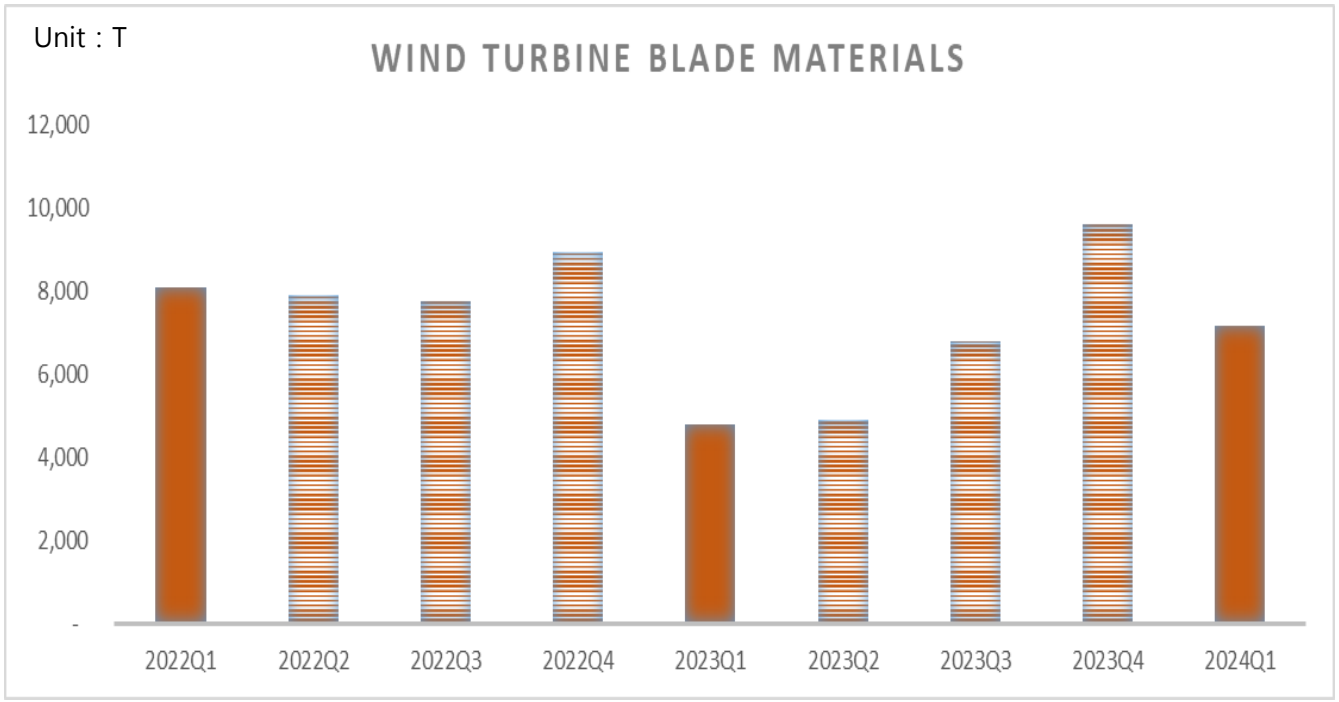
Q2 ~ Q4

The economic policies in mainland China are being promoted and taking effect, which helps boost demand. The early promotion of new applications has been successful.

* Pultruded Carbon Fiber Plates

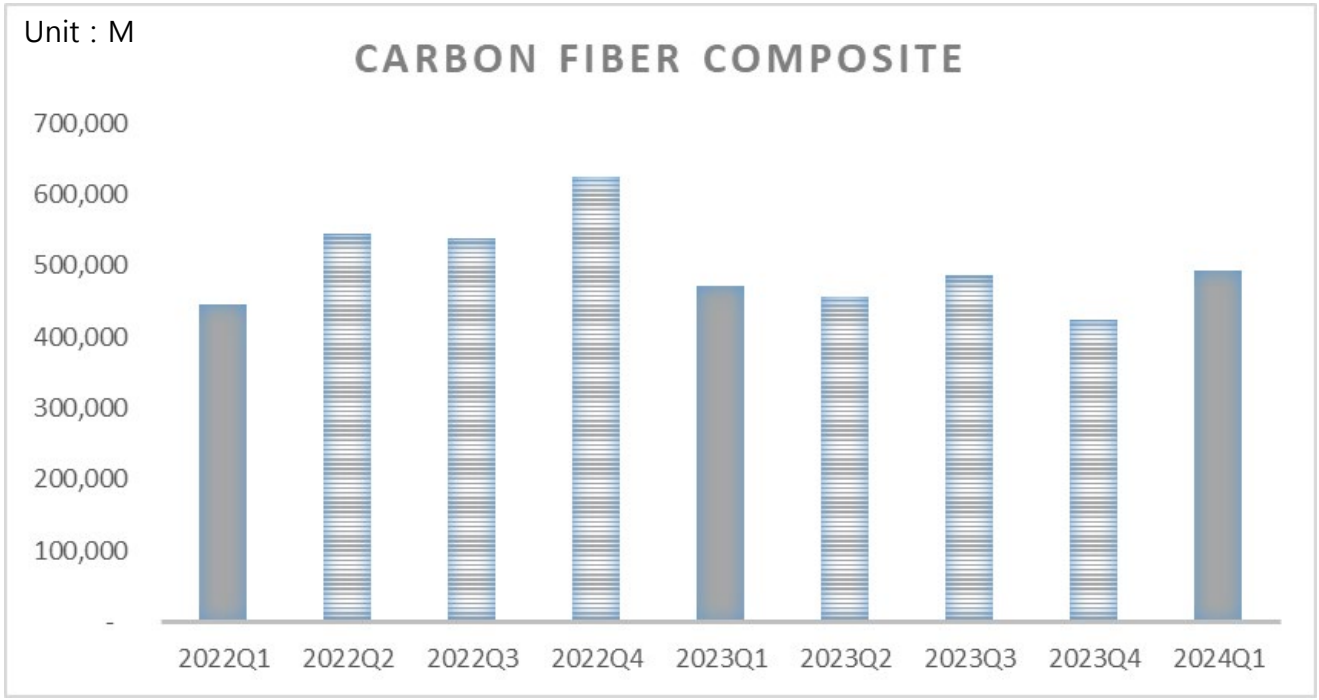
一般

Sales volume of Wind blade material



Q1
Due to price competition in the mainland China market and the priority of asset preservation, orders have decreased QOQ. The overseas market has grown by 50% QOQ, with stable customer demand.
Q2 ~Q4
There is a growing need for recyclable wind turbines and emission reduction, leading to cooperation with key clients driven by EzCiclo; the expansion includes small and innovative clients.

Sales volume of Carbon fiber composite



* Pultruded Carbon Fiber Plates

Q1
Customers' satisfaction with quality has increased the order volume for 2024. In the mainland China market, applications are not yet widespread due to cost considerations.
Q2 ~Q4
Continued focus on developing international clients, with potential clients undergoing product certification.

Recycled material

Q1

Recycled carbon mats have passed applications for wind turbine blade molds.

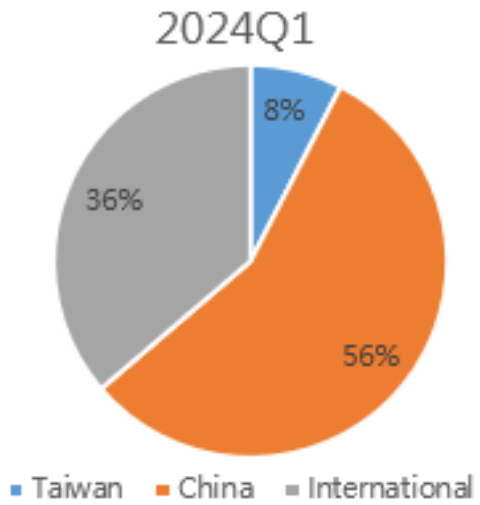
The validation progress for wind turbine blade applications is on track.

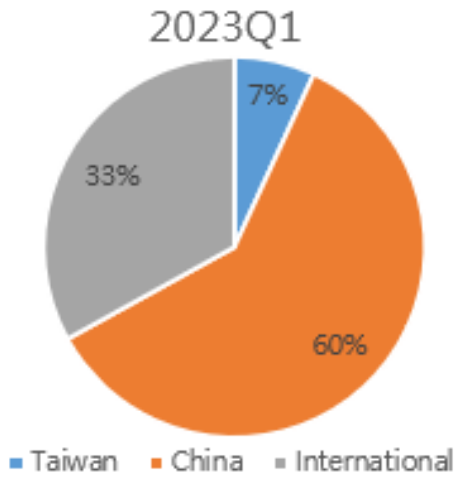
Q2 ~Q4

Certified for wind turbine blade applications and approved for mass supply.

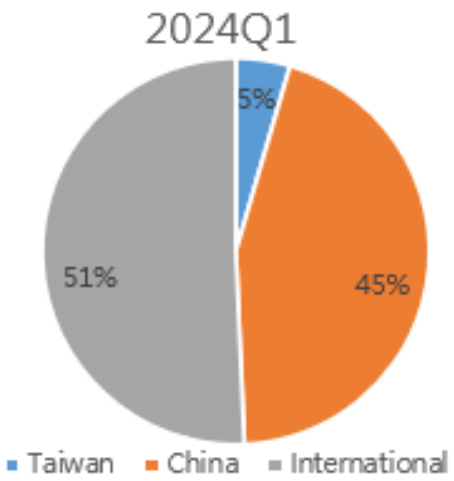
Sales Revenues by Business Unit

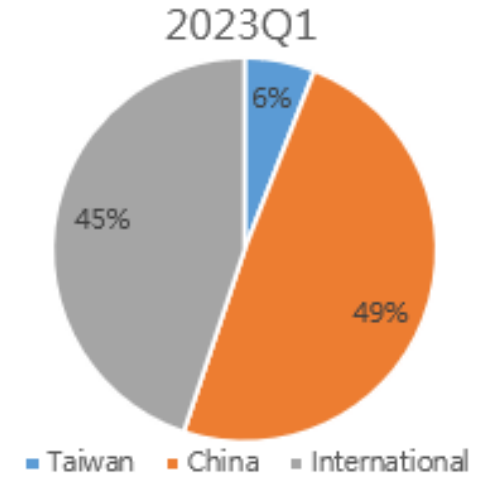
Anti-corrosion material



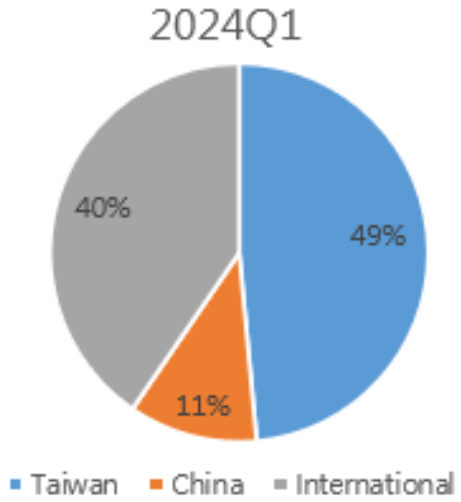


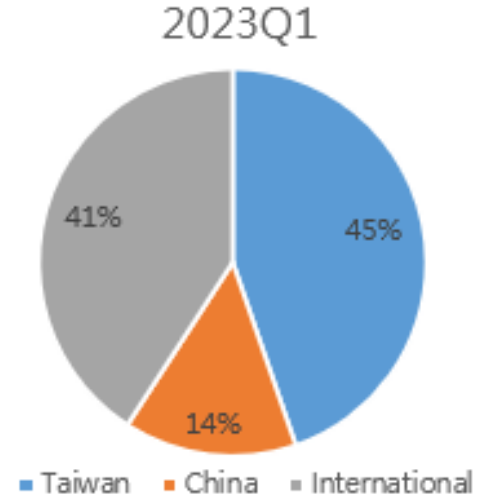
Wind blade material



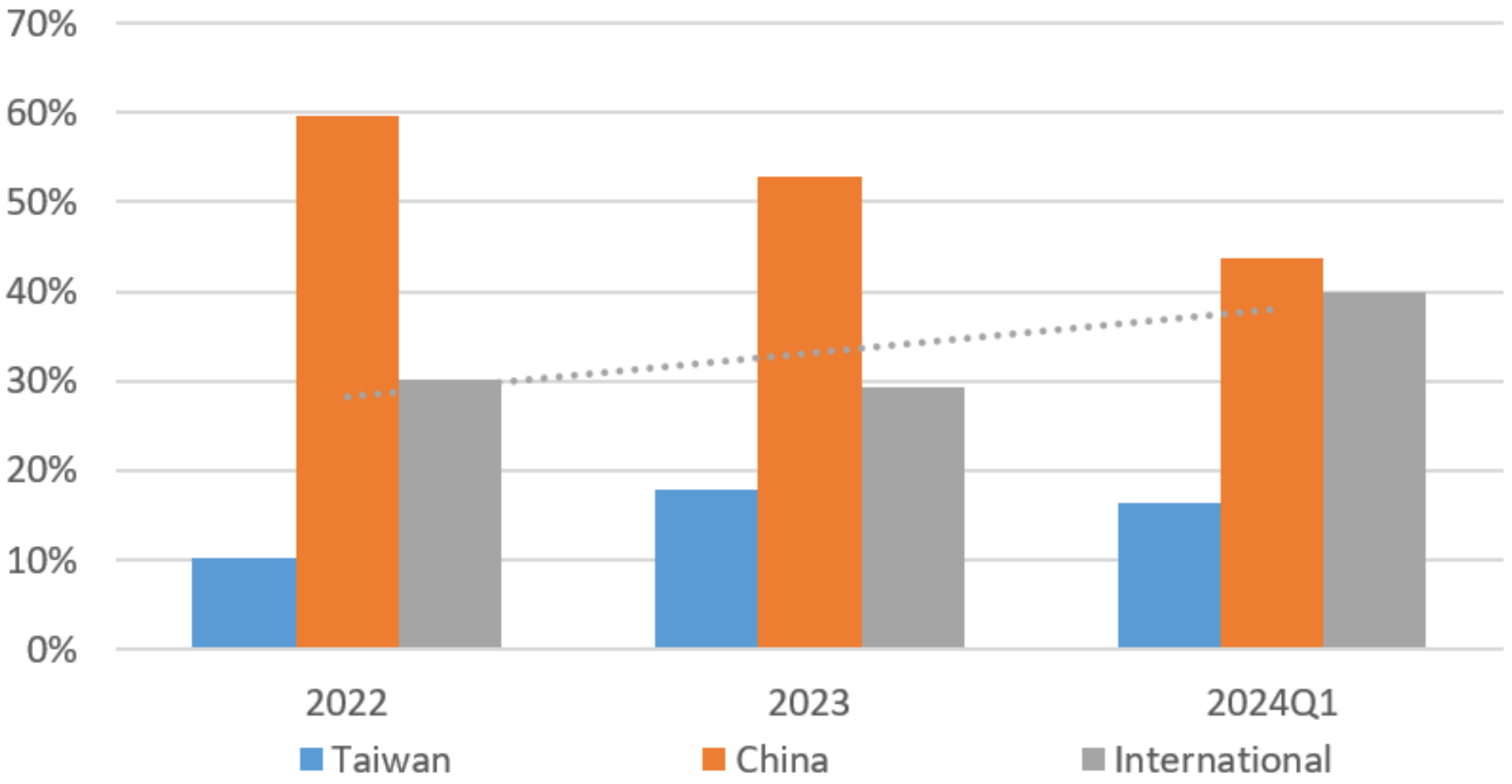


Carbon fiber composite





Sales Revenues by Region



Recap of Recent Major Events

Anti-Corrosion Material Applications in BEV

Aerial Photo of Nannijg Biyadi Lithium Carbonate Project

The major applications in the new energy battery material industry includes：
Equipment of storage, transportation, and treatment for sulfuric acid, hydrochloric acid and alkali solutions
General/Acid/Alkali waste gas treatment equipment
Anticorrosion floor in production workshops where corrosive medium exist
Waste water storage and treatment

We’ ve been significantly engaged in the new energy battery materials and established close cooperation with leading enterprises across the country, such as Guizhou, Yunnan, Guangxi, Sichuan, and Hubei.

Anti-Corrosion Material Application in CCUS

The carbon emission capture, reuse and storage (CCUS) system consists of flue gas pretreatment system, absorption, regeneration, compression drying, refrigeration and liquefaction system, etc.

The demonstration projects:

- Tangshan Yannan Cement Co., Ltd.
  Extracted 100,000 tons of food grade carbon dioxide (dry ice) from
  cement kiln exhaust gas capture and purification

- Xinfa Group Haoji Power Plant
  Annual production 300,000 tons of carbon and nitrogen converted
  by CCUS from boiler combustion

 圖片來源：上緯新材料科技股份限公司

SWANCOR HYVER Marine Case Study

Image Source：dealfeng.cn

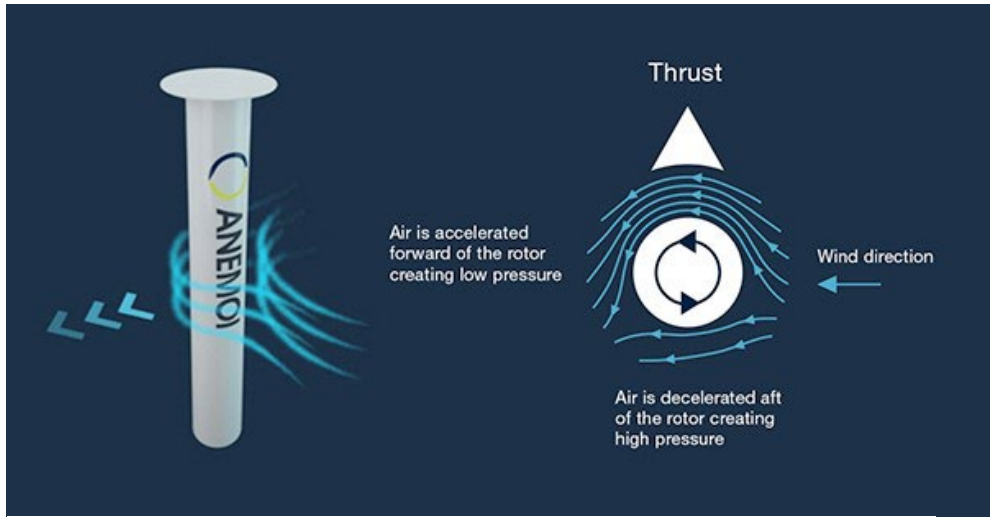


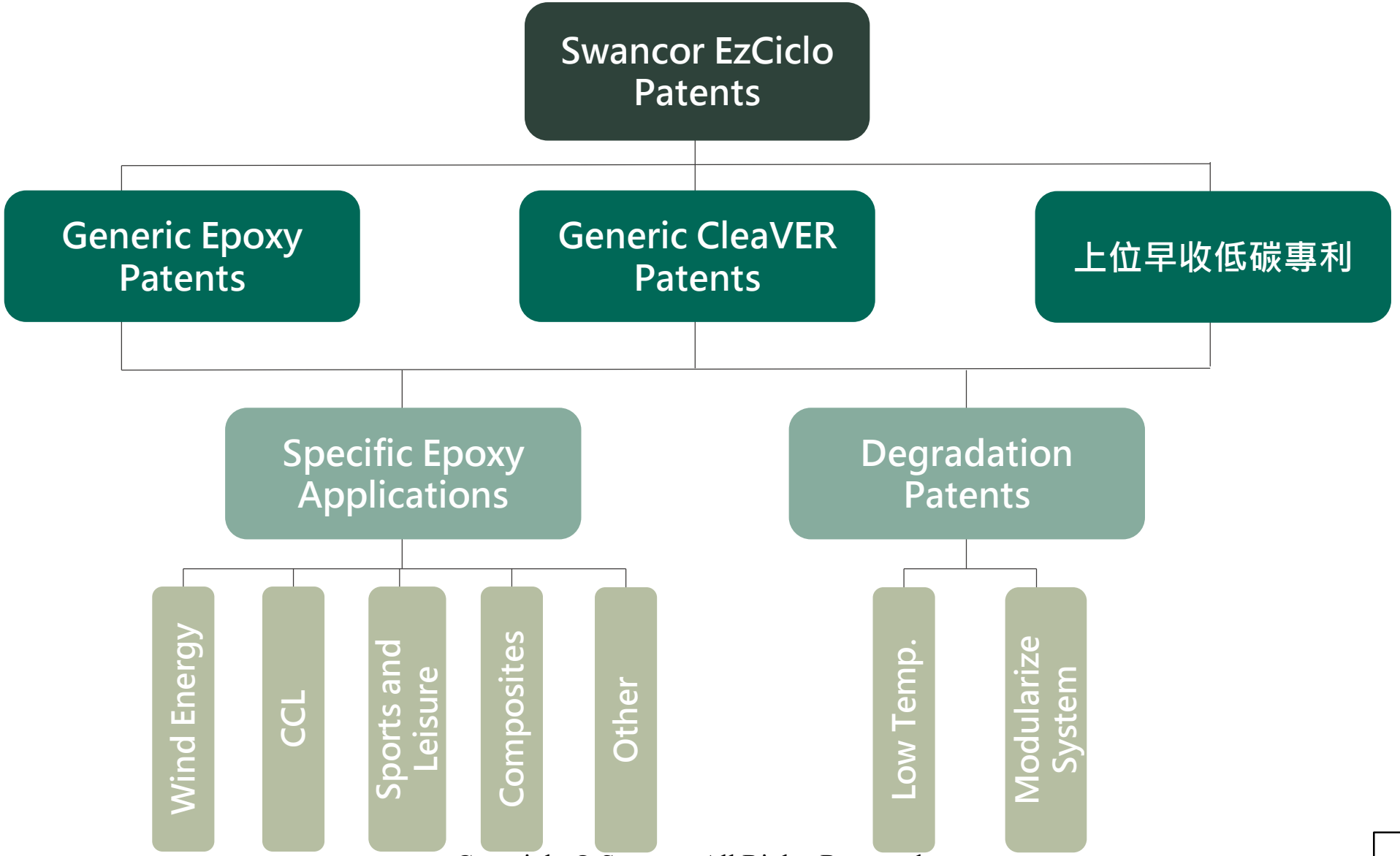
Image Source：wartsila.cn

Wind power, as an auxiliary power source for oceangoing vessels, has been widely promoted and applied globally. Many ships have installed wind auxiliary power devices in their fleets to achieve green decarbonization and cost savings. There are four main research and development directions for wind auxiliary power systems: **Rotor Sails**, rigid sails/plate sails, kite sails, and inflatable wing sails.

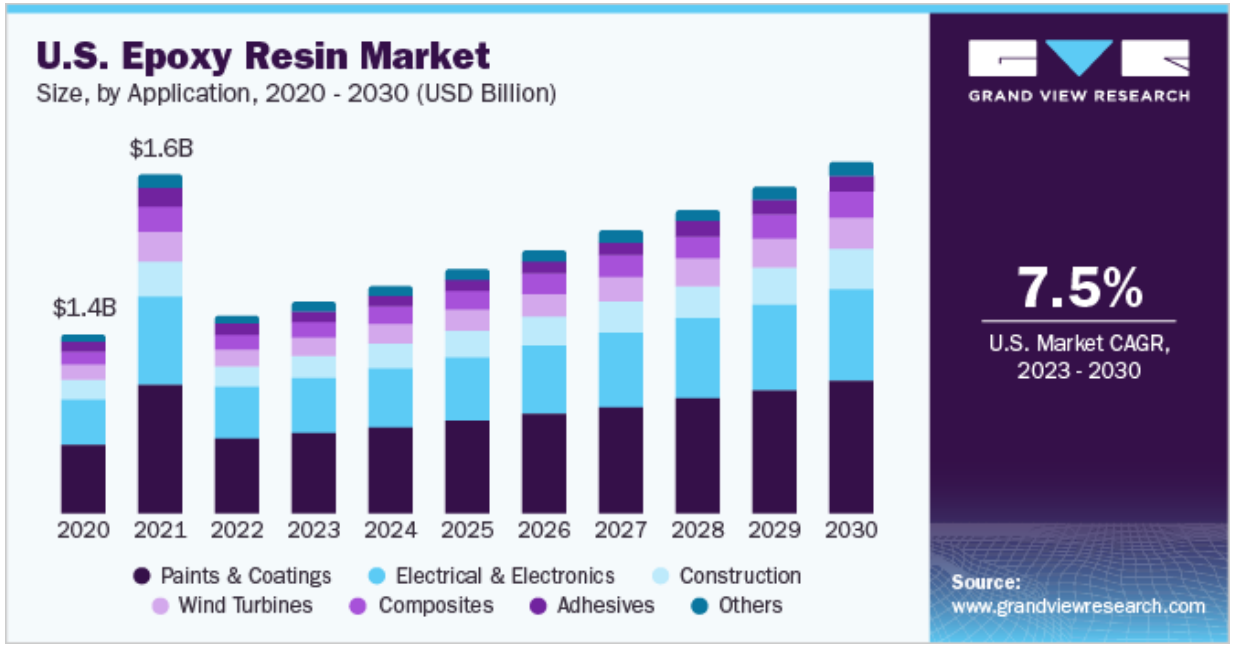
Compared to other wind-powered devices, composite material Rotor Sails are lighter, more flexible, and have a wider range of applications. They can be installed on various ship types with large deck areas, such as bulk carriers, tankers, passenger ships, and ro-ro ships. Depending on the size and number of Rotor Sails installed on a single ship, fuel savings can average 5-25%. Therefore, Rotor Sails stand out for their energy efficiency and economic benefits, not to mention the additional revenue generated from reduced CO2 emissions and carbon taxes.

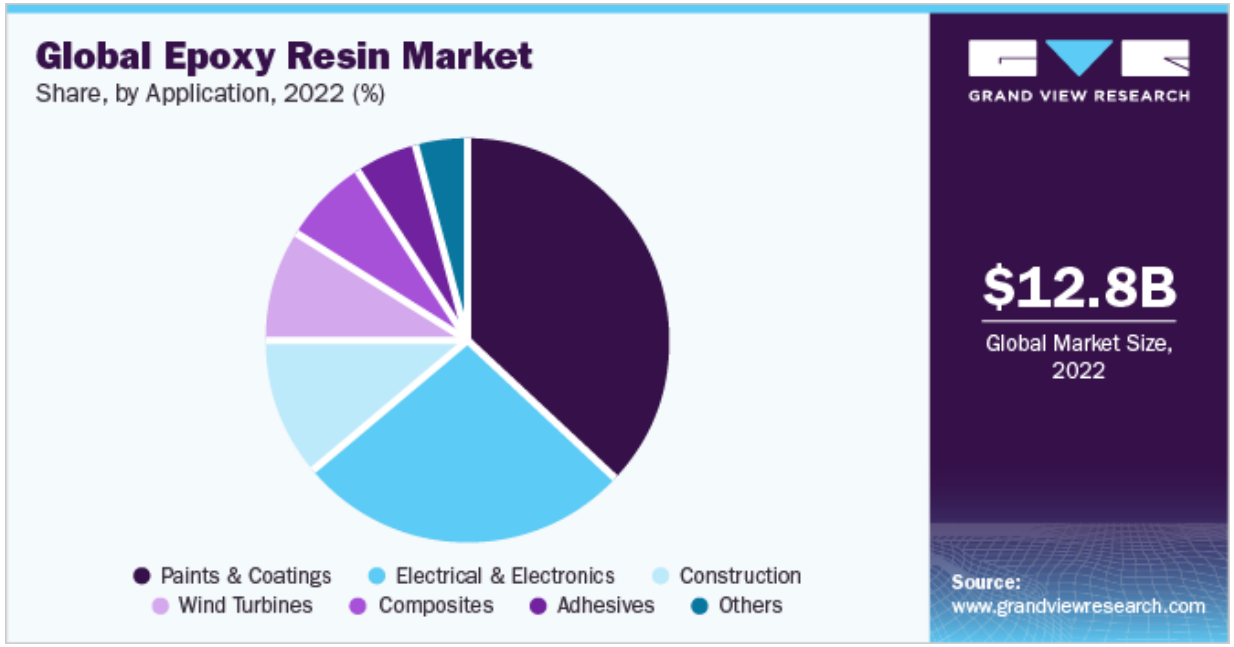
一般

EzCiclo Patent Layout



Global Epoxy Market





Source： https://www.grandviewresearch.com/

The global epoxy resin market size reached USD 12.8 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 7.5% from 2023 to 2030.

Product Layout

易可收 EzCiclo®

General Epoxy

- Coatings
- Electronics
- Construction
- Wind Energy
- Composites
- Other

Early Harvest Low Carbon Products

- Recycled epoxy hardener
- BMI
- Unsaturated polyester resin

Y2023 USD 14.0 billion

CAGR 7.3% to 2030

一般

Development and Application of EzCiclo

JEC WORLD INNOVATION AWARDS WINNERS 2023

Bicycle

Footwear Material

Wind Blade

Fishing Rod

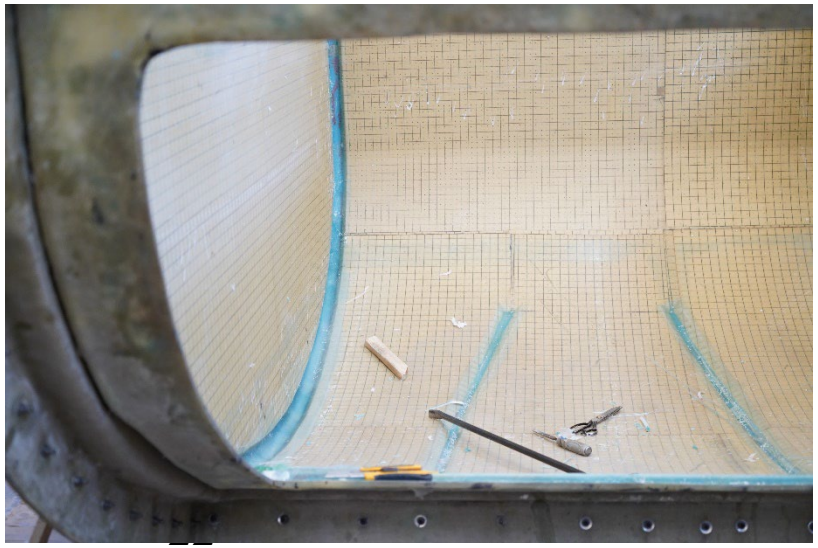
Golf Ball

一般

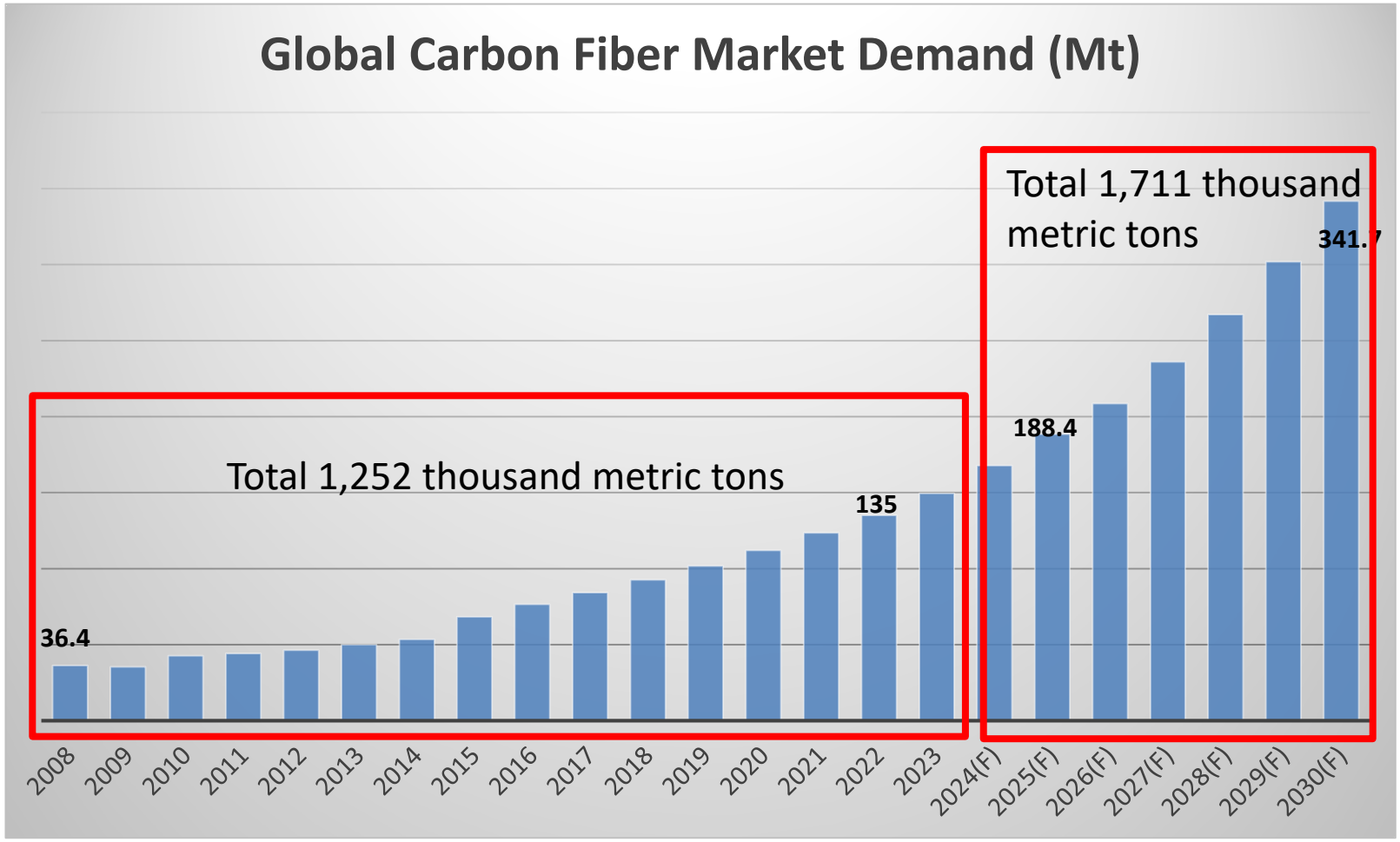
Development and Application of EzCiclo

The car body is made of composites that can be performance, process and sustainability competitive compared with conventional metal counterparts, with significant features including light weight, firmness and durability, shock and noise reduction, high plasticity in appearance and easy maintenance.

The car body innovatively uses Swancor EzCiclo recyclable thermosetting epoxy infusion resin, combined with fiberglass, PVC core material, and balsa wood, employing an integrated molding infusion process. Both the innovative application meet the growing environmental needs as well as creates a path for low-carbon, green circular economy around the globe.



Global Carbon Fiber Market



Source: 2022 Global Carbon Fiber Composites Market Report

- From 2008 to 2023, global carbon fiber production is estimated totally around 1,252 thousand metric tons, and is estimated to grow to totally 1,711 thousand metric tons during 2024-2030.

Statement TW24/00018CFP

SGS

Product Carbon Footprint Verification Statement

The Inventory of Product Carbon Footprint of Recycled Carbon Fiber and Recycled Oligomer

which is calculated by

S-Wanlai Co., LTD.

No. 11, Gongye S. 6th Rd., Nantou City, Nantou County 540, Taiwan (R.O.C.)

Based on life cycle assessment verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14067:2018

SGS CARBON FOOTPRINT Sustainability Services

Basis of Assessment

Cradle-to-Gate

Authorized by

Stephen Pao
Knowledge Deputy General Manager
Version 1
Issue Date: 22 January 2024
Valid Date: 21 January 2026

TGP57-15-16 2207
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District, New Taipei City 24803, Taiwan
t (02) 22993279 f (02)22999453 www.sgs.com

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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Carbon Foot Print
ISO 14067:2018

Swancor 致力碳中和・創生新材料 Devoted to carbon neutrality and new materials innovation

Product Name	Recycled Carbon Fiber and Recycled Oligomer		
Declared Unit	Per kilogram		
Life cycle GHG emissions			
Declared Unit emissions (Unit: kilograms of CO_2e)			
Life Cycle Stage	Material	Manufacture	Total
Recycled Carbon Fiber	0.2721	1.4170	1.689
Recycled Oligomer	0.2129	1.4170	1.630

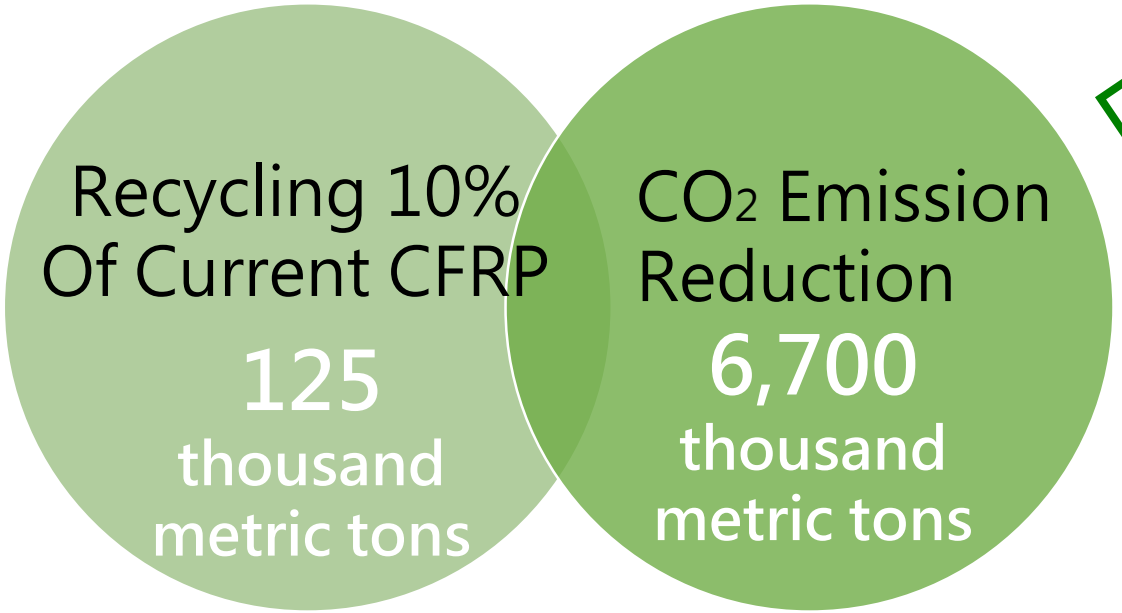
- **Recycled Resin Oligomer 1.63 $kgCO_2e/KG$**
- **Recycled Carbon Fiber : New Carbon Fiber**

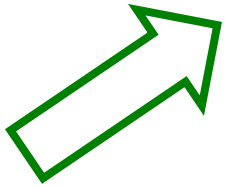
1.689 : 55.18 (↓97%)

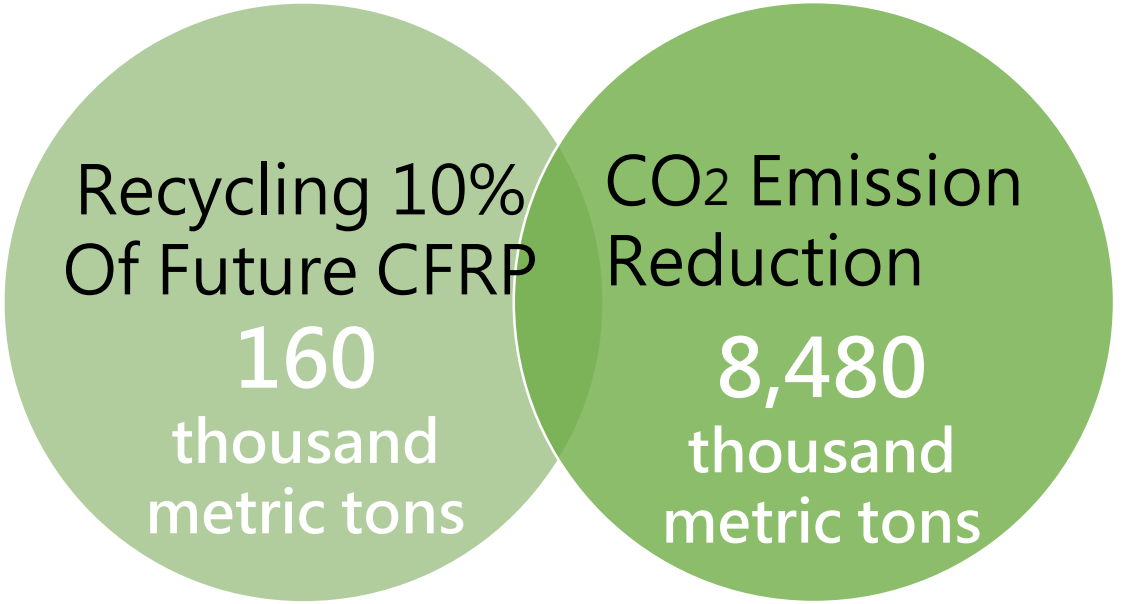
New Carbon Fiber : TC35R

一般

Potential CO2 Emission Reduction of CFRP Composite







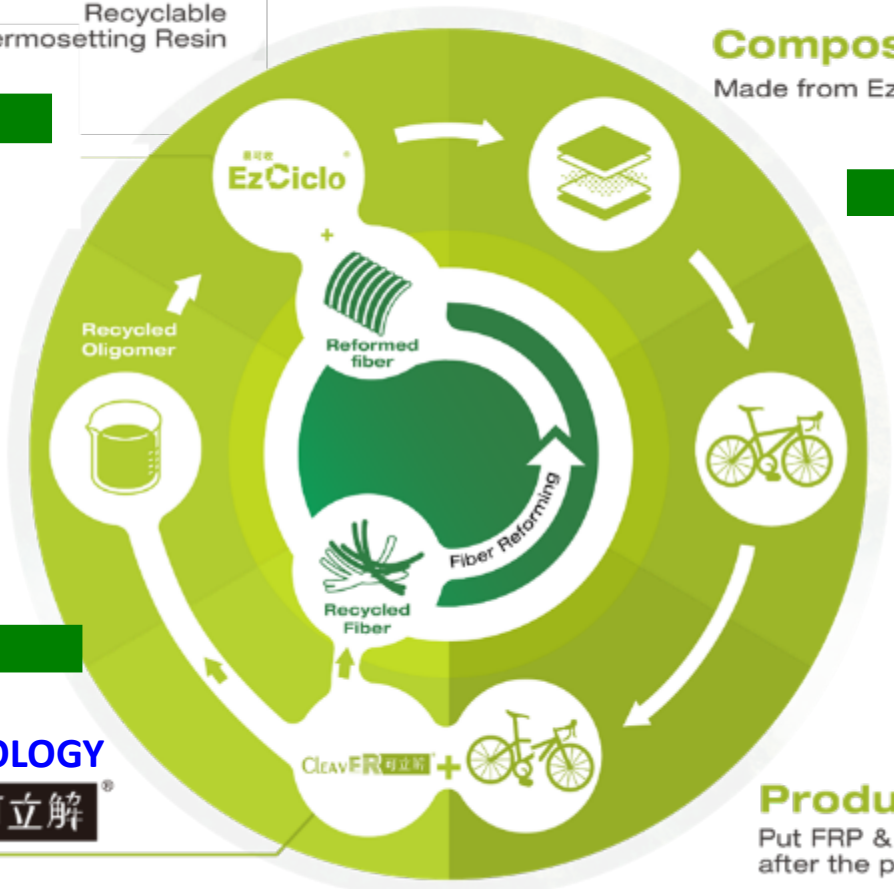
€
646.6Million*

*Carbon Price Tracker | Ember (ember-climate.org)

Involvement of Circular Economy

SWANCOR HIGHPOLYMER
S-WANLAI

易可收 EzCiclo®
Recyclable Thermosetting Resin

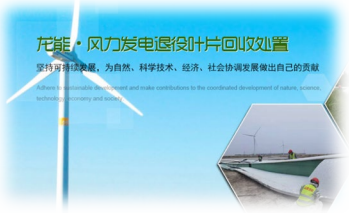


Composite
Made from EzCiclo and fibers

SUNWELL CARBON FIBER COMPOSITE

Product

Product end-of-life
Put FRP & CleaVER into the reactor after the product is disposed



Shandong Longneng

- Mechanical Recycling

SWANCOR RECYCLING TECHNOLOGY

CleaVER可立解®

- Swelling Degradation
- Microwave Degradation

一般

Recycling Technology & Processing Capacity

CleaVER and Swelling Degradation

- 40tons of recycled composite materials/year (Nantou)
- 150 tons of recycled composite materials/year (Y2024) (Mainland China)

Microwave Degradation

- 120 tons of recycled composite materials/year(Y2024) (Mainland China)

Mechanical Recycling

- 3,600 tons of recycled composite materials/year(Mainland China)

Low Carbon Footprint Thermoset Composites Business Lead Forum

Date and Time: Wednesday, July 17, 13:00 - 17:00
Venue: 7th Floor Conference Room, Swancor Innovation Park

We warmly invite you to register and participate!

Swancor is changing the composites industry.

Thank You!

Q & A