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URGENT PRESS RELEASE

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NOTICE OF IMMINENT INTERNATIONAL PCB PRICE INCREASES

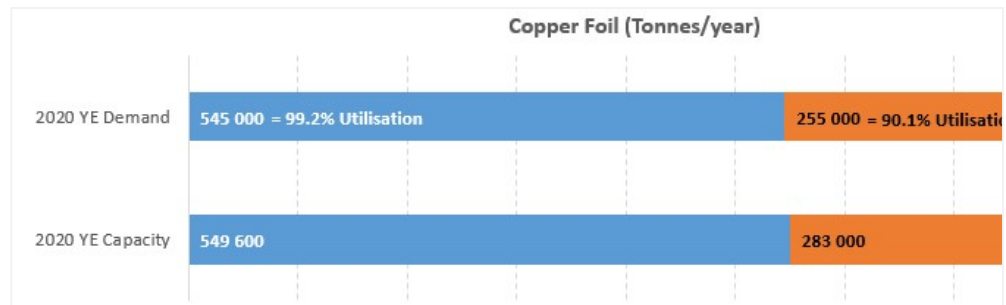
As part of EDA's commitment to providing our clients with the best advice and up to date industry information, we hereby bring your attention to a very important development regarding imminent PCB price increases. The information below has been provided by NCAB Group (NCAB Group AB, STO: NCAB). EDA has been representing NCAB Group in South Africa for over 10 years.



The October 2020 *Supply Chain Spotlight: China* report highlighted that PCB raw materials costs are sharply increasing. By the end of Q3, base material (CCL and pre-preg), copper foil and ENIG increases had impacted factory gate PCB pricing by 4% on average. A number of other factors are impacting prices at the same time: The situation is made worse by recent accidents in two large Chinese epoxy resin companies (Suzhou Xingye and Jiangsu Kukdo) and a South Korean company that produces raw material used in epoxy resin production (LG Chemical). Epoxy resin availability has thus been reduced and the pricing has increased by more than 35%.

Copper foil pricing is widely expected to continue its increase on the back of the increasing demand during the close of this year and into 2021- not just due to the PCB market, but also as

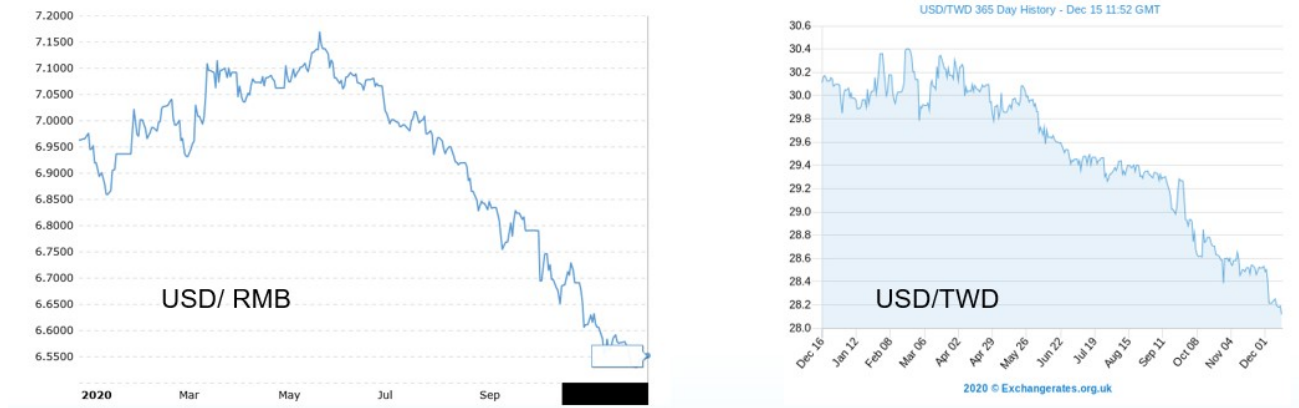
copper foil is used in electric vehicle batteries. This is also influenced by the sharp price increases for raw copper which saw a 40% increase during the last 6 months and 25% since the 1 January 2020.



With gold increasing since the start of the year, this is having an impact on the price for ENIG surface finishes and also hard gold used in gold fingers and contacts.

The outlook for early 2021 suggests some stabilizing of gold costs.

As the US Dollar weakens, the impact continues to impact the bottom line for any manufacturer selling in USD as all operational and material costs are in local currency. Since the start of 2020, the impact of the weakening Dollar has been approximately 5.9% on revenue for Chinese manufacturers and 7% for Taiwanese manufacturers.



Until now, intelligent stocking programs have enabled PCB production lead times to remain fairly constant, however the CCL shortage means that lead-times are increasing by 3-6 weeks for new orders. It does not help the situation that we are entering into what is typically one of the busiest periods of the year due to the upcoming Chinese New Year.

As a result of the copper foil and epoxy resin availability/pricing combined with the supply chain implications relating to Dollar fluctuations and the gold price, it is widely reported that CCL costs have increased from 5 to 35%, whilst pre-preg has increased from 5 – 20%.

These PCB supply chain price increases have already been passed on to PCB manufacturers, with most manufacturers no longer able to absorb the costs. We foresee that price adjustments will be moved upstream to customers very soon in 2021.

Typical **ENIG** PCB Cost increases:

- > 2L = 19.7%
- > 4L = 17.2%
- > 6L = 16.3%
- > 8L = 14.9%
- > 10L+ = 14.5%

Typical **NON - ENIG** PCB Cost increases:

- > 2L = 10.9%
- > 4L = 11.2%
- > 6L = 11.2%
- > 8L = 11.2%
- > 10L+ = 11.4%

**EDA Technologies can assist you in managing
your PCB costs and the lead-time challenges that will be felt soon.
We are open throughout December to help you plan your 2021 PCB production cycles.**

Please also visit our website www.edatech.co.za/manufacture-resources
for up-to-date PCB technical resources to help you get it right the first time
or contact us immediately to set up a convenient time to discuss your PCB needs.

PCB DESIGN GUIDES



PCB DESIGN MISTAKES TOOL



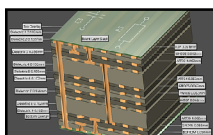
PCB FAQs



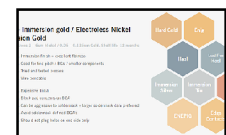
PCB SPECIFICATIONS



PCB BASE MATERIALS



PCB SURFACE FINISHES



PRODUCTION PROCESS



PCB STACKUP ASSISTANCE

Layer Position	Layer	Material	Drill Size	Plating
Top Copper	1	Copper	0.050"	0.005"
Prepreg		Prepreg		
Inner Prepreg	2	Prepreg	0.050"	0.005"
Core		Core		
Inner Core	3	Core	0.050"	0.005"
Prepreg		Prepreg		
Inner Prepreg	4	Prepreg	0.050"	0.005"
Core		Core		
Inner Core	5	Core	0.050"	0.005"
Prepreg		Prepreg		
Inner Prepreg	6	Prepreg	0.050"	0.005"
Core		Core		
Inner Core	7	Core	0.050"	0.005"
Prepreg		Prepreg		
Inner Prepreg	8	Prepreg	0.050"	0.005"