

Stock Code : 5490

XAC AUTOMATION CORP

Investor Conference

December 21, 2023



Safe Harbor Statement

- This presentation contains certain forward looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.
- Except as required by law, we undertake no obligation to update any forward looking statements, whether as a result of new information, future events or otherwise.



Agenda

Group Profile

Finance Results

4Q23 & FY 23 Business Outlook

New Business Development



Group Profile

- Company profile
- Organization

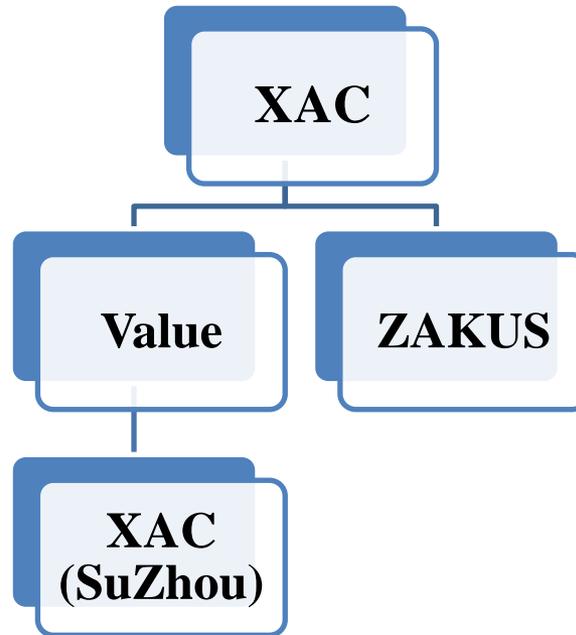


Company Profile

- Established year : 1997
- Year of listing : 2001
- Chairman : Edmund Chang
- Capital : 961,522 in NTD thousands
- Main products : Electronic fund transaction terminals, transaction security products and commerce enabling solution.
- Core value :
 - Attention to detail and “Root cause” spirit.
 - Teamwork spirit.
 - Profit sharing to our team members and shareholders.
 - Sustainable and ever-growing.



Organization



Name of company	Main business
Value	Investment holding company.
XAC (SuZhou)	Processing and manufacturing of transaction security product and electronic fund transaction terminal.
ZAKUS	Providing of technical development and sales services on the products.



Finance Results

- Consolidated Balance Sheets
- Consolidated Statements of Comprehensive Income
- Top 5 Sales Revenue by Geography



Consolidated Balance Sheets

In NTD thousands

	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
Current assets	1,664,603	89	1,843,726	91	1,962,659	91
Non-current assets	197,210	11	196,543	9	191,006	9
Total Assets	1,861,813	100	2,040,269	100	2,153,665	100
Current liabilities	213,218	11	249,219	13	337,561	15
Non-current liabilities	447,814	25	440,177	22	456,811	22
Total Liabilities	661,032	36	689,396	35	794,372	37
Ordinary share capital	961,562	52	961,562	47	962,131	45
Capital surplus	85,997	5	85,997	4	85,428	4
Retained earnings and other equity	236,040	12	386,132	18	394,552	18
Treasury share	(82,818)	(5)	(82,818)	(4)	(82,818)	(4)
Total Equity	1,200,781	64	1,350,873	65	1,359,293	63



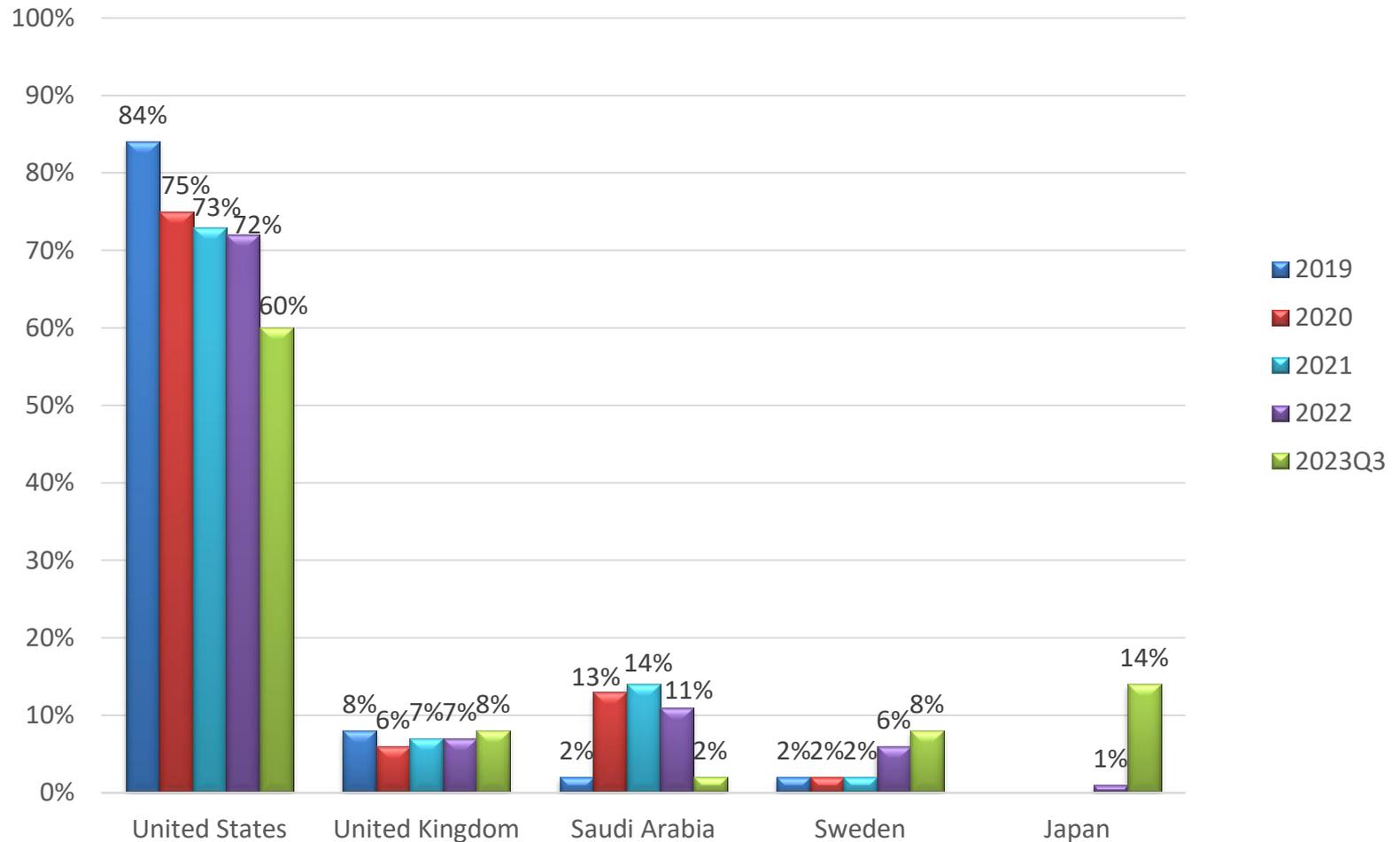
Consolidated Statements of Comprehensive Income

In NTD thousands

	2023.Q3		2022.Q3		YoY
	Amount	%	Amount	%	%
Operating revenue	522,959	100	1,160,377	100	(55)
Gross profit	142,731	27	413,797	36	(66)
Operating expenses	306,039	58	290,923	25	5
Net operating income (loss)	(163,308)	(31)	122,874	11	(233)
Non-operating income and expenses	(262)	-	(317,806)	(28)	100
Loss before income tax	(163,570)	(31)	(194,932)	(17)	16
Net loss	(159,183)	(30)	(161,585)	(14)	1
Earnings per share (NTD)	(1.71)		(1.75)		



Top 5 Sales Revenue by Geography



4Q 23 & FY 23 Business Outlook

- Q1-Q3 & Full Year Highlights
- Global environment impact



Q1-Q3 & Full Year Highlights

- 2023 Operation Summary
 - High-level inventory destocking on customer side (Safety stock to manage chip shortage)----Impact 2023 order
 - New products & customers gradually mass produced--- happen on 2024 with consideration of product design term and marketing time
 - Consistent stable solution income
 - Operation delivery and material cost--- Back to normal



Global Environment Impact

- Inflation- Full year impacted, current low customer stock level , economic recovery
- Israeli-Palestinian conflict- XAC material not involve local Israeli semiconductor companies
- Other international political and economic situations: Taiwan Strait relation, China-US trade war, Russia-Ukraine war ---- Corresponding responses (BCP: MIT&MIV&MIU)



New Business Development

- Actively develop new sales channels
- Provide payment software hardware and solutions



Actively Develop New Sales Channels

■ New Territories:

- From the current main sales areas of North America, Europe and the Middle East, we have expanded to Asia, South America, Africa and other territories.

■ New categories:

- In addition to sticking to the current operator customers, it also targets customers such as independent sales organizations (ISOs) and independent software vendors (ISVs) to expand broader product sales channels.



Provide Payment Software Hardware And Solutions

- Hardware:
 - New generation of Android 12 Smart POS terminals
 - Mobile, hand-held, Desktop, Self-service
- System:
 - Terminal Management System
 - Remote Key Injection System (PCI Certified)
 - Remote Diagnostic System
- Cloud e-Commerce System and Solution:
 - Mobile device contactless payment solution (CPoC solution)



Q&A



Thank you

