

Stock Code : 5490

XAC AUTOMATION CORP

Investor conference

December 28, 2022



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

4Q22 & FY 22 Business Outlook

New Business Development



Group Profile

- Company profile
- Organization

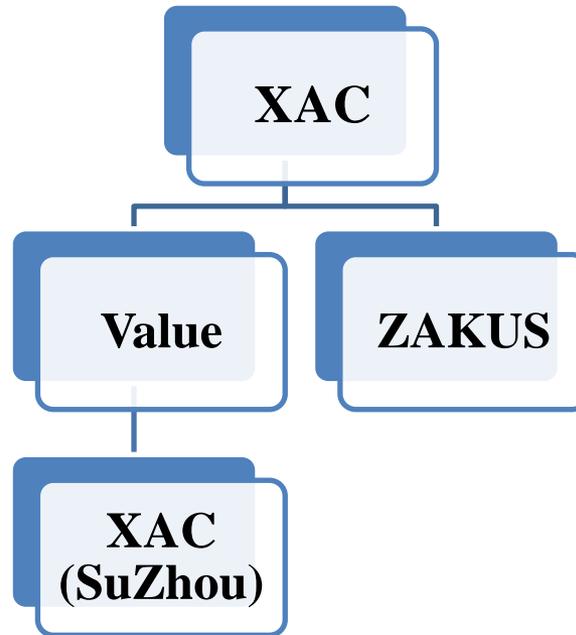


Company Profile

- Established year : 1997
- Year of listing : 2001
- Chairman : Edmund Chang
- Capital : 962,131 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

In NTD thousands

	September 30, 2022		December 31, 2021		September 30, 2021	
	Amount	%	Amount	%	Amount	%
Current assets	1,962,659	91	2,073,936	92	1,970,874	93
Non-current assets	191,006	9	182,253	8	154,127	7
Total Assets	2,153,665	100	2,256,189	100	2,125,001	100
Current liabilities	337,561	15	529,028	23	459,691	22
Non-current liabilities	456,811	22	115,198	5	82,851	4
Total Liabilities	794,372	37	644,226	28	542,542	26
Ordinary share capital	962,131	45	962,131	43	962,836	45
Capital surplus	85,428	4	85,428	4	84,723	4
Retained earnings and other equity	394,552	18	647,251	29	534,900	25
Treasury share	(82,818)	(4)	(82,847)	(4)	-	-
Total Equity	1,359,293	63	1,611,963	72	1,582,459	74



Consolidated Statements of Comprehensive Income

In NTD thousands

	2022.Q3		2021.Q3		YoY
	Amount	%	Amount	%	%
Operating revenue	1,160,377	100	856,740	100	35
Gross profit	413,797	36	325,851	38	27
Operating expenses	290,923	25	300,954	35	(3)
Net operating income	122,874	11	24,897	3	394
Non-operating income and expenses	(317,806)	(28)	6,673	-	(4,863)
Income (loss) before income tax	(194,932)	(17)	31,570	3	(717)
Net income (loss)	(161,585)	(14)	27,007	3	(698)
Earnings per share (NTD)	(1.75)		0.28		



4Q22 & FY 22 Business Outlook



2022 Q1-Q3 Revenue Growth

- Growth of 35% over the same period
 - Europe + Middle East - demand increase
 - Shortage of IC--- Solved in Q2-Q3
 - High Flexible manufacturing system- MIC+MIT
 - Revenue growth from Solution .



Impact from Covid-19 & external environment

- Inflation_ Anticipate that economic recession situation will makes our customers to place orders conservatively
 - Covid19--New normal
it will be closed soon after China stop their zero policy. The impact of this will become smaller gradually.
 - Global political and economic situation- uncertainty
1. Covid sition and USA inflation will create some impact in Q4.
 2. Continue to be optimistic in the future ----- Multiple new products will be mass-production and launched in coming 2023/Q1-Q2, and will enter new channels in Europe, America, Japan, Africa to create more sales revenue.



New Business Development



Business Model Upgrade

- From a hardware manufacturer to a solution provider
 - Hardware product => Solution (Hardware + Application + Cloud e-Commerce System Operation)
 - Hardware sales (one-time income) => Solution: Include hardware sales (one-time income)+ Application and System Operation (monthly fee charged)



Solution (Device + System + Service)

- Smart POS Terminal:
 - New generation of Android 12 Smart POS terminals
 - hand-held, Desktop, Self-service (Gas station and EV charging pile)
- Cloud Device Management System:
 - Terminal Management System
 - Remote Diagnostic System
 - Remote Key Injection System (PCI Certified)
- Cloud e-Commerce System and Solution:
 - Combining the PCI security certified Cloud Device Management System and Payment Terminal & POS Hardware and Software to provide Cloud e-Commerce System Services (SAAS) and Solutions
 - Mobile device contactless payment solution (CPoC solution)



Q&A



Thank you

