ARBOR Technology 2024 investor briefing

Eric Lee
CEO
Dec. 2024

Agenda

▶ **ARBOR Group Intro**

▶ **2024 Q3 Financial Report**

▶ **2024 Growth Momentum**

▶ **AI Solution Introduce**

▶ **2025 Projection & Strategy**

▶ **Q&A**

ARBOR

ARBOR Group

Focus on industrial IoT solutions-Making Industry Connected, AI on the Edge

ARBOR is a global leader in industrial IoT, rugged mobility, and edge AI computing.

We provide comprehensive system integration, customer-centric design services, embedded systems, automation products, and global logistics support. Together with our partners, we develop complete solutions for a wide variety of applications across an array of industries.

Our mission is to enable an intelligent future by providing mobility and embedded computing devices that drive smarter, more efficient operations.

Our Story

1993

ARBOR

Founded in 1993, provides one-stop service (design /produce/client service).

2013

AMobile
Powered by MEDIATEK

Establish AMobile with MediaTek

2017

World's first 3-in-1 explosion proof handheld device

2020

Professional Nursing Terminal wins Taiwan Excellence Award

2022

ENNOCONN
Steering the Industrial Metaverse

Strategic Alliance with Ennoconn

2023

TIOTA

TIOTA New chairman – Eric Lee

2024

· Our innovative AI transportation solution, FPC-5211, has been successfully adopted by European customers.
· Achieved ISO/IEC 27001 certification

1990s

2020s

Listed on Taiwan stock market : 3594

TAIWAN STOCK EXCHANGE

2013

Founded ACloud

ACloud

2014

7 Taiwan Excellence Awards

台灣精品 2019 TAIWAN EXCELLENCE
磐儀科技七項產品榮獲精品獎殊榮

2019

1st Rugged 5G Industrial Handheld Device

2021

Become a certified supplier in TRA, government IoV plan

2022

Strategic Supplier with Siemens Healthineers Healthcare Projects

SIEMENS Healthineers

2023

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Growth momentum – Greylag Geese Travel Thousands of Miles

Our strategic alliance has provided the growth momentum to reach new heights

Market

kontron
S&T Group

AMOBILE
磐旭智能
AMobile Intelligent Corp., Ltd.

MEDIATEK

Expand global business opportunities

Shared Resources
Manufacture/Communication/Global Market/
Edge AI/Google/ESG/Hybrid Cloud

Generating momentum by thinking differently

ARBOR
磐 儀 科 技

Innoconn
An Innovative Foxconn Subsidiary

GIGABYTE

中華電信
Chunghwa Telecom

TIOTA
台灣物聯網協會
Taiwan Internet Of Things Alliance

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3Q24 Financial Report

3Q24 Financial Result					
Unit:NT$ Thoursand	3Q2023	2Q2024	3Q2024	QoQ	YoY
Revenues	385,518	360,308	364,678	1.21%	-5.41%
Gross Profit	113,488	96,899	108,073	11.53%	-4.77%
Gross Margin%	29.4%	26.9%	29.6%	2.74ppt	0.2ppt
Operating Expenses	-97,170	-92,516	-97,707	5.61%	0.55%
Operating Profit	16,318	4,383	10,366	136.50%	-36.48%
Operating Profit Margin%	4.2%	1.2%	2.8%	1.6ppt	-1.4ppt
Interest income/(expense), net	1,887	4,287	259		
Exchange gain/(loss), net	29,895	12,681	-8,267		
Other income/(expense)	-4,284	15,772	9,029		
Tax Expenses	-9,370	1,380	-786	-156.96%	-91.61%
Net Income (Loss)	34,446	38,503	10,601	-72.47%	-69.22%
Net Income (Loss) to Parent	34,950	39,050	10,954	-71.95%	-68.66%
EPS(NT$)	0.37	0.41	0.12	-70.88%	-67.57%

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2024 the first third quarters Financial Report

2024 Q1~Q3Financial Result			
Unit:NT$ Thoursand	2023Q1~Q3	2024Q1~Q3	YoY
Revenues	1,207,354	988,439	-18.13%
Gross Profit	400,952	286,919	-28.44%
Gross Margin%	33.2%	29.0%	-4.2ppt
Operating Expenses	-298,182	-277,399	
Operating Profit	102,770	9,520	-90.74%
Operating Profit Margin%	8.5%	1.0%	-7.5ppt
Interest income/(expense), net	-1,383	6,472	
Exchange gain/(loss), net	42,869	41,793	
Other income/(expense)	10,860	16,714	
Tax Expenses	-30,573	-8,165	-73.29%
Net Income (Loss)	124,543	66,334	-46.74%
Net Income (Loss) to Parent	122,431	67,806	-44.62%
EPS(NT$)	1.30	0.72	-44.62%

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ARBOR 2024 the first three Quarters : Product allocation

Year / Allocated	FY2023 Q1~Q3	FY2024 Q1~Q3
Industrial 4.0	49%	50%
In-vehicle Computing	25%	24%
Medical Computing	11%	12%
Retail Automation	6%	9%
Video Broadcasting	6%	2%
Military Computing	3%	3%
Total	100%	100%

Growth Momentum Planning And Execution

▶ **Kaohsiung branch established**

- **Remote I/O Module**

▶ **Established Anasis Tech Ltd.**

- **New Energy IoT Dept. (Microgrid and Energy IoT)**

▶ **Establish LLMOPS that can efficiently cater to the specific requirements of clients from different sectors.**

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Growth Momentum Planning And Execution

▶ **Strategic alliance with Ennoconn**

- Cost optimization & business opportunities
- Overseas channel cooperation
- Jointly develop differentiated products for IIoT

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Strategic Alliance with Ennoconn

Design and Manufacturing Resources

Expand Global Sales Channels

Revenue & Profit Growth

Global Market Management Team

Develop Unique, Differentiated Products and Solutions that Solve Customer Pain Points

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Making Industry Connected

AMobile Intelligent Corp.

32.45%

+

58.56%

AMOBILE
磐旭智能
AMobile Intelligent Corp., Ltd.
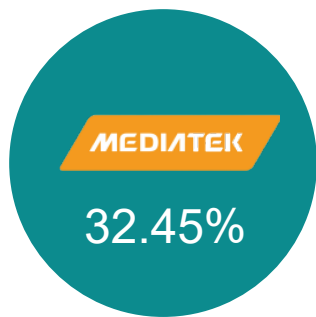
Authorized capital	NTD $200 million
Staff count	165
R&D	88
R&D personnel ratio	53.33%

Growth Momentum Planning And Execution

▶ **Strategic alliance with MediaTek**

- Machine Vision
- Fitness Equipment
- Edge AI Module
- LLM+DaVinci
- Integrate MediaTeK Smart Cam + AIoT + Wi-Fi + 5G technologies and solutions, Used in medical, security, health care, logistics, electric power, access control, payment and other fields

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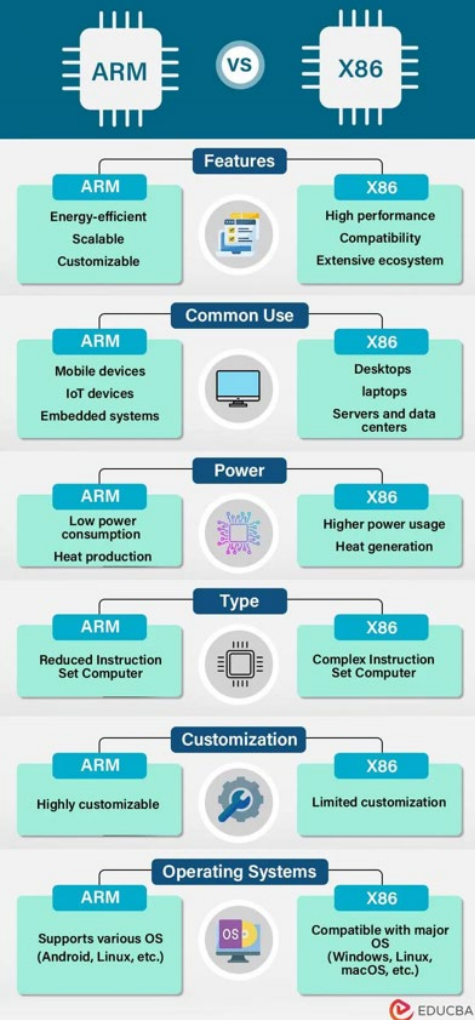
ARM—MediaTek—AMobile

▶ **Pain Point！ SoC upgrade-OS upgrade- Drivers development - Wireless communication certification - Development timeline - Authorization**

▶ **Building Connected Industry with ARM, Making Industry Connected**
1. Streamlined hardware architecture enhances overall market competitiveness
2. Diversify product applications in the IPC industry by integrating both x86 and ARM architectures.
3. Edge AI computing performance is boosted by heterogeneous computing

▶ **External R&D resources from Taiwan**
1. Time saving: A professional team designs the main core platform
2. Effort-saving: Modular design shortens product development time
3. Peace of mind: ARM + Android and Linux system development experience

▶ **SoC 10 Years Supply**

▶ **Android OS support Policy**
- 3 Android Upgrade* with Vendor Freeze
- 3-year Security Patch after Last Upgrade

▶ **Linux/Ubuntu single source for G510 & G700**
- Linux: v23.2
- Ubuntu: v22.04

Business Model

AMobile：SoM Provider

Customer: Carrier board, system design , and value-added services

AMobile

System-on-Module
&
Carrier Board Design

JDM of carrier board &
Manufacturing service

SBC1

SBC2

SBC3

HMI

AIoT signage box

Edge computing

Customer

Product definition
AI applications
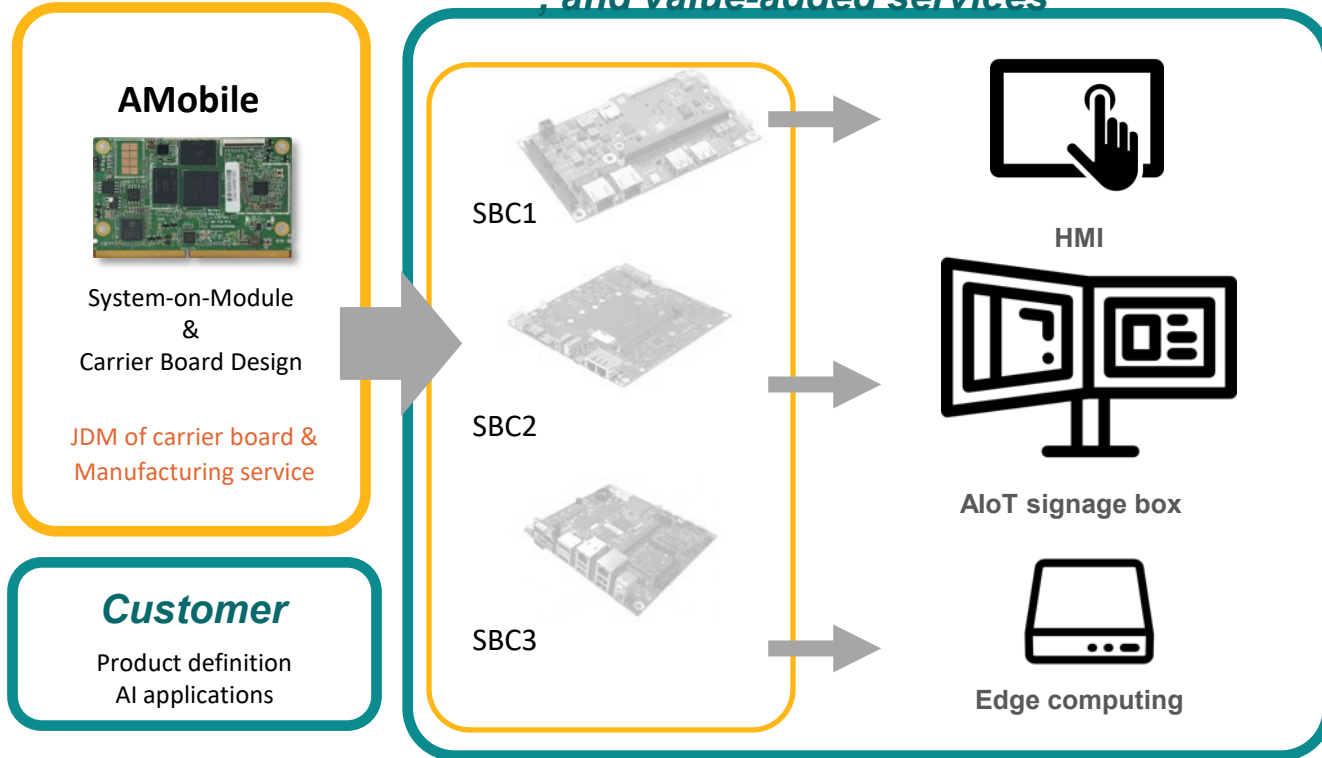
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Energy IoT Solution

Global Energy Transition Trends

New Intel 14th

ARBOR-EMS-GC

Power Smoothing

Peak Cut

Load Transfer
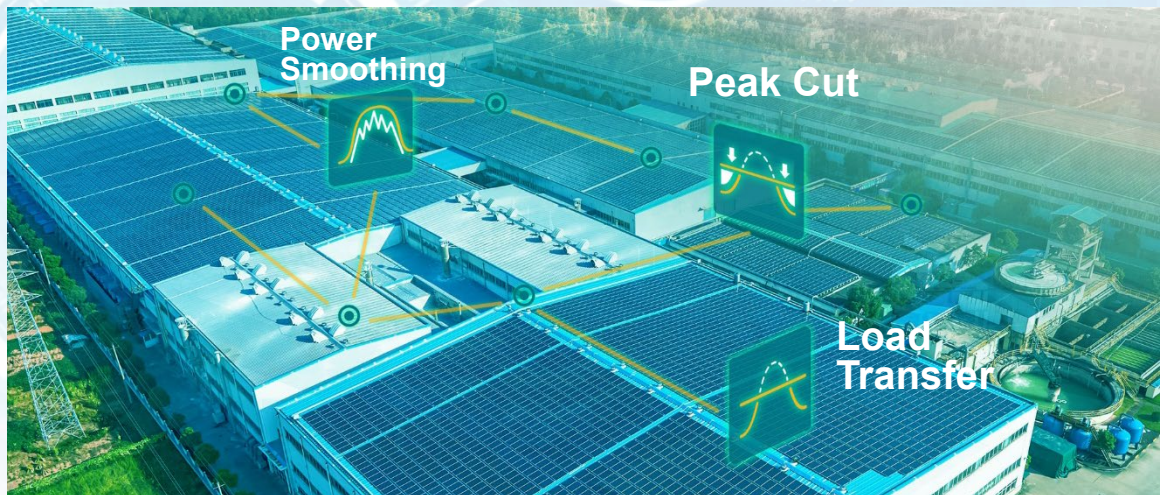
Powerful Hardware Platform

Reliable Wireless Communication
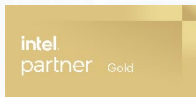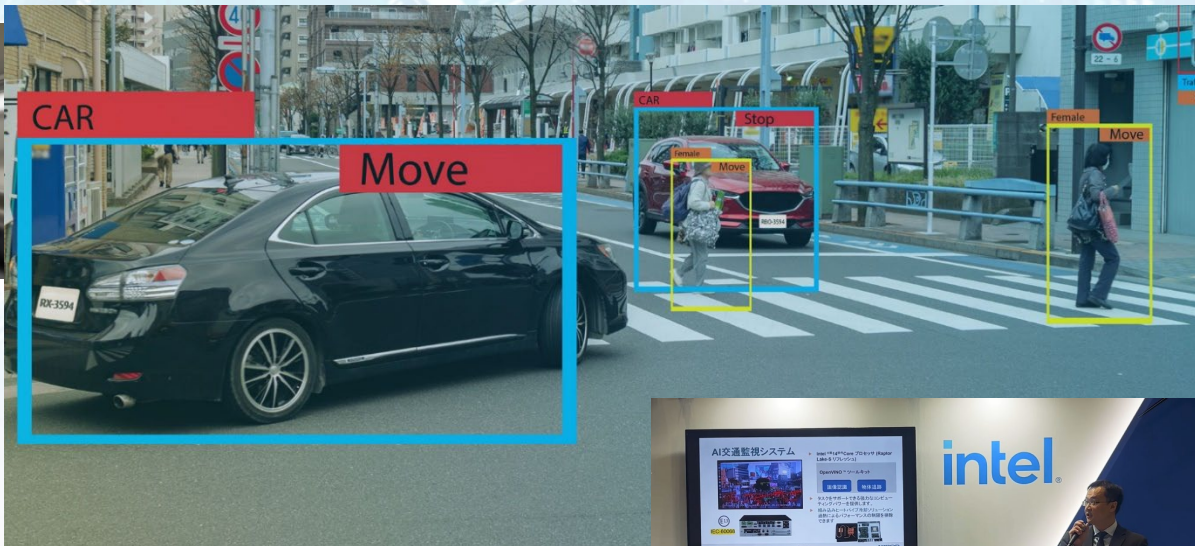
Industrial Comm. Protocols

On-Site Data Processing

RESTful API for Data Management

Integration with Azure/AWS Cloud

Intelligent Transportation Solution

Global AI Smart City Trends

CAR
Move
CAR
Female Move
Stop
Female Move

intel partner Gold

NVIDIA GEFORCE RTX

New Intel 14th

FPC-5211

60W GPU **MXM**	**Heat Pipes Cooling**	**TPM 2.0**	**M.2**	**E13**
MXM Module Expansion	Heat Pipes Cooling	TPM 2.0	M.2	E-Mark

Invited to speak at Intel Booth

intel

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Machine Vision AI Recognition Technology

Cutting-edge Technologies that Leverage AI Recognition Capabilities

▶ Lower power consumption – Exclusive technology reduces overall system power consumption

▶ Higher-speed identification – High-speed imaging technology paired with AI., high-speed moving objects can be identified.

▶ More information – Under the same environment, more information can be captured to facilitate AI recognition and use.

▶ Application: High-speed machine vision, production lines, AGVs

Applying for Technology Patent

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Smart Access Control(MTK) – Information

Dewarp

De-QR Code

Time/Location/Temperature

AI PPL Counting
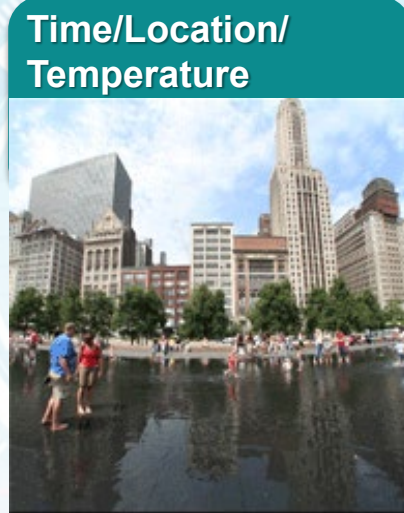
Data in Picture

Dewarp image combined with fisheye lens, data of sensors (ex Temp. Humidity, Time), With AI recognition results, environmental scene information can be output in each frame
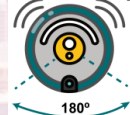
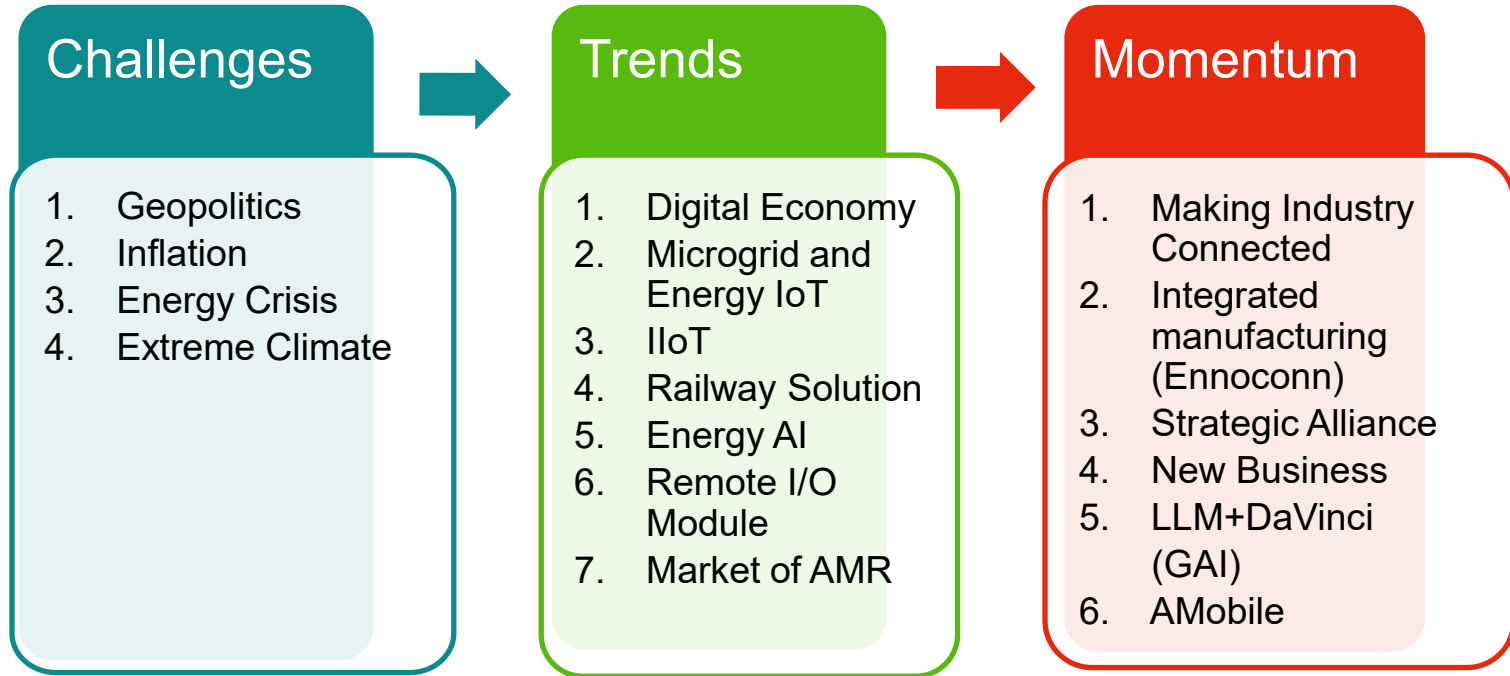|									
5M~8M camera	**AI face or other objects recognition**	**DeWarp**	**135°~180 ° fisheye camera**	**Save high quality output low quality**	**AI noise cancellation or suppression**	**Mobile APP remote switch**	**Wired or wireless private network transmission**	**Vignette monitoring**	**liveness detection**

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ARBOR Sustainable Development and Transformation

Challenges

1. Geopolitics
2. Inflation
3. Energy Crisis
4. Extreme Climate

Trends

1. Digital Economy
2. Microgrid and Energy IoT
3. IIoT
4. Railway Solution
5. Energy AI
6. Remote I/O Module
7. Market of AMR

Momentum

1. Making Industry Connected
2. Integrated manufacturing (Ennoconn)
3. Strategic Alliance
4. New Business
5. LLM+DaVinci (GAI)
6. AMobile

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Integrate The IIoT Eco System & Business Model

AIoT + Software and Hardware Integration + Eco-system

Industry application：ESG + IS+ SaaS + IoV + Medical + Logistic + Automation

Industry Product：Edge AI + GAI + Machine Vision + LLM

ARBOR 磐儀科技

- SPA
- Optical Lab
- Multi-Channels
- AIoT R&D
- Edge AI

MEDIATEK

- Communication
- Machine Vision
- AI
- DaVinci (GAI)

- Chipset EVK 520 EVK,720 EVK, 8300, 9300

Innoconn An Innovative Foxconn Subsidiary

- Costs optimization
- Differentiated products & agents
- Laboratory
- Customer service
- Design sharing

ARBOR 2025 Projection & Strategy

By leveraging MediaTek's advanced technologies and Ennoconn's manufacturing scale, we have been able to create products that are both innovative and cost-effective.

Committed to integrating hardware and software in microgrid and energy storage, machine vision, and access control systems.

Edge AI products are well-positioned to capitalize on the growing edge computing market. By leveraging DaVinci and integrating with NVIDIA's TAO Toolkit, we are accelerating development and driving market-focused AIoT solutions.

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Thank You