



Tecom – Investor Conference

Q4, 2022

 **TECOM**
東訊股份有限公司

Disclaimer

The information presented and referred herein are based upon the information obtained internally and externally from our company. In light of the forward-looking operational results, financial condition and business results, they might be different from those information expressly or impliedly presented herein due to various factors, including but not limited to market risks, supply chains, market demand and our upcoming high-quality products.

We undertake no obligation to publicly update or revise any statements regarding those information presented and referred herein in the event of any further changes or updates to the information presented herein.

Agenda

- Company Overview
- Major Business and Products
- Key Products & Applications
- Financial Report
- Q & A

Company Overview

Overview

| | | |
|-------------|---|------------------------|
| Established | : | 1980 |
| Headquarter | : | Taiwan (SBIP, Hsinchu) |
| IPO | : | 1991/11 |
| Chairman | : | C. K. Liu |
| GM | : | K.R. Chen |
| Capital | : | 9B |

Overview

TECOM Co., Ltd, a TECO Group High-tech company was established in 1981, at the famous Hsinchu Science Park.

- Teco Established in 1956; the No. 1 Motor Manufacturer in Taiwan; acquired whole Motor Division of Westinghouse, USA in 1995.
- Ranked No. 4 Mid-High Voltage Industrial Motors maker in the world.
- Motors, Inverters, Switch-Gears, Circuit-Breakers, marketing in 62 countries worldwide.
- One of the Role-Model, Hightech Start-up in the Science Park
- ODM suppliers to most world leading vendor
- Taiwan No.1 Business Communications Maker
- e-Home System, Taiwan No.1
- The innovative applications of the IoT Gateway lead Taiwan.
- Industrial Internet of Things (IIoT), a full range of Smart IoT Gateways, Wired/Wireless Smart Vibration Sensor components, Smart Monitoring equipment and Cloud Health Management Platform, Automatic Inspection Monitor System, leading the industry with a variety of innovative applications.

Major Products & Applications

TECOM Communication System Platform: Eco-System

- Communication
- Conference
- Monitor
- Data
- Control
- Mobile
- Network
- Visual
- Cloud



Product Solution for Small-Medium Enterprise

Business Communication System



Converged Business
Phone System
IP1000L



Broadband Access

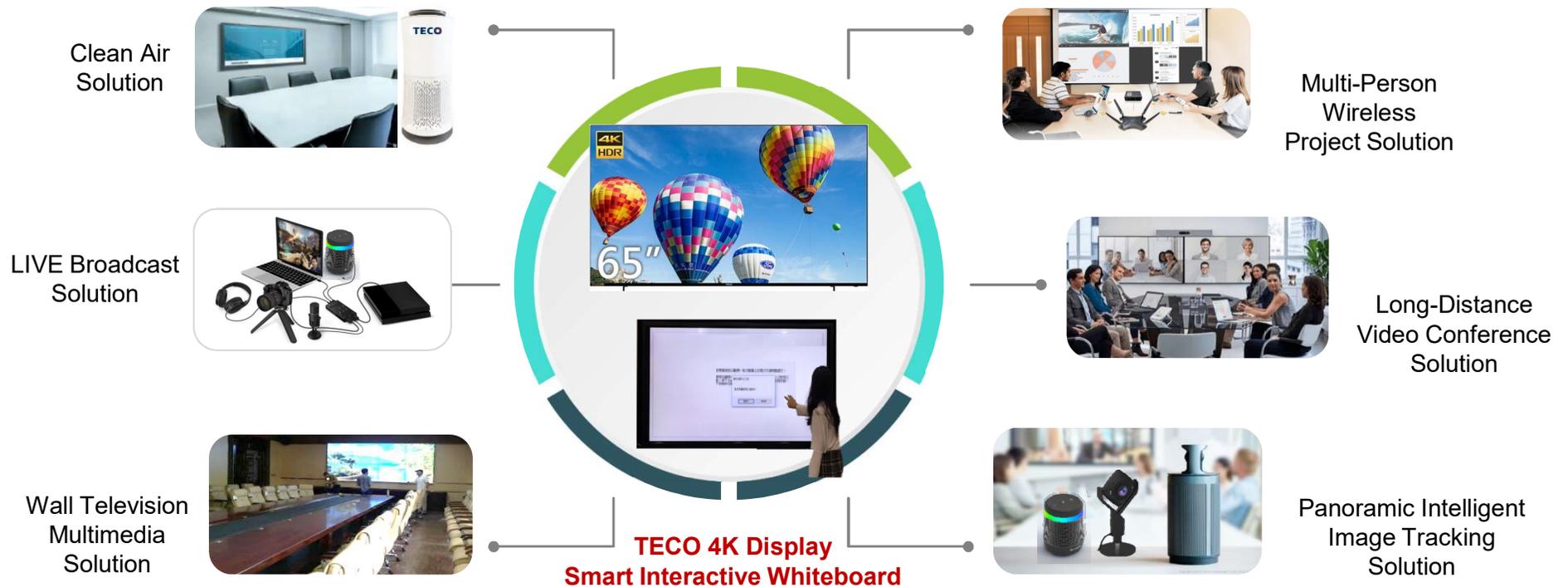


Market Applications

- **Video Conferencing System:** In the post-epidemic era, considering information security, we provide a series of video conference products for Small and Medium-sized enterprises.
- **Cloud Customer Service System:** Integrated IP switches, combined with UC&C (Integrated Communication and Collaborative Cooperation) applications, enable enterprises to provide high-quality services with cost-effective communication systems and strengthen customer.
- **Intercom System:** With Cloud applications and the popularity of Smart Phones, provide better access of security control and management for community buildings and residents, using mobile phones for video intercom and monitoring at any time.
- **Mobile Wireless Router:** Government actively promotes the management of the Green Energy Industry and the safety of passenger and freight vehicles. Monitoring data and images such as Electric Vehicle battery switch stations, Electric Vehicle charging stations, street intersection monitoring and safe driving information are sent back to the Control Center in real time.
- **Large IP Switch:** Global IP Network Communications are widespread, providing a complete series of IP network switches. When companies expand their operations, they can integrate and upgrade the existing IP switch capacity to meet the growth needs of companies.

Digital Conference Room Project Strategy

Goal - There are currently 1.5 million Small and Medium-sized companies in Taiwan, most Meeting Rooms are still using traditional 720P projectors, and the company's digital transformation is just beginning. TECO's large-size 4K Liquid Crystal Display, with a digital Conference Room solution can assist Small and Medium-sized companies in digital transformation.



Product Solution for Consumer

Smart Home System

Cumulative installed nearly 100,000



IP Video Outdoor Phone



IP Video Outdoor Phone



7" / 10" Indoor Phone



APP for Android, iOS



e-Gateway Central Management



Security Phone

Smart Video Doorbell



IP Video Doorbell



Cloud Video Doorbell



APP for Android, iOS

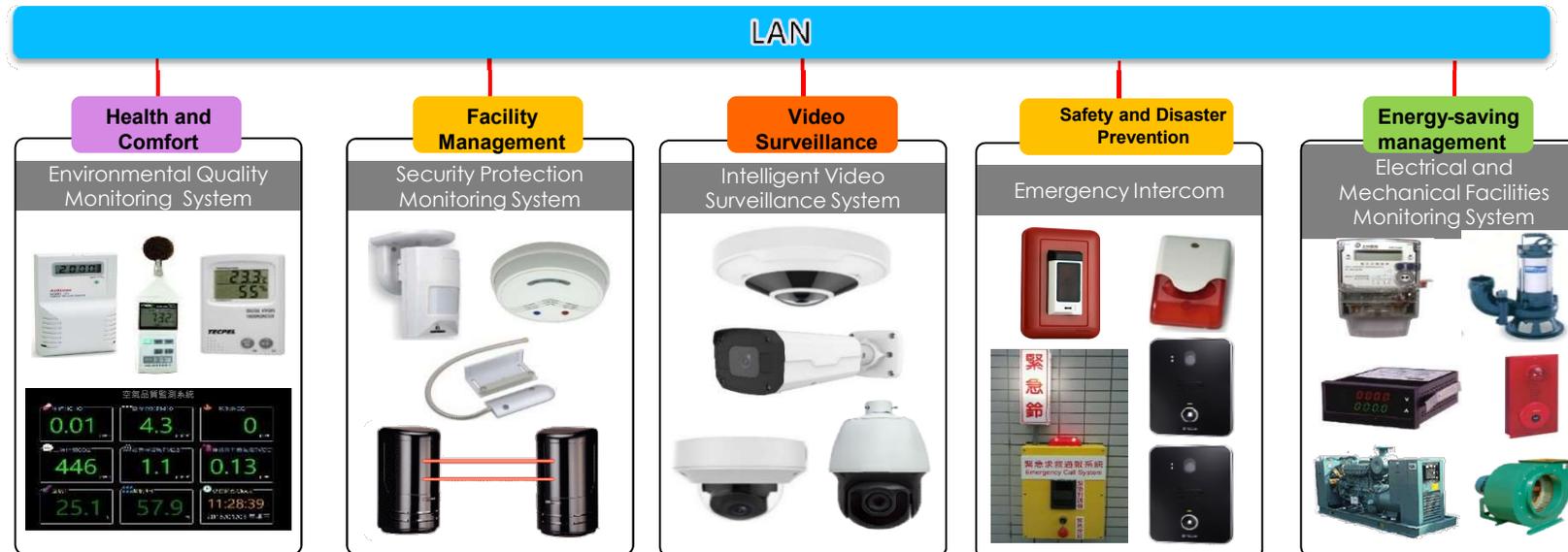


Tecom Integrated Building Management System



東訊x智慧
好宅大平台

(Integrated Building Management System)



Development Platform, widely used in every Construction Project, Increase Revenue per Project; Including building access control, IP CAM, BA controller... etc.,

Smart Building Design and Planning



The progress of the Smart Construction Project
 Confirmation of Contract (Consultant Agreement): 6 cases
 Follow-up negotiation: 22 cases

IIoT - Smart Machine Products

Cognitive

Smart value-added



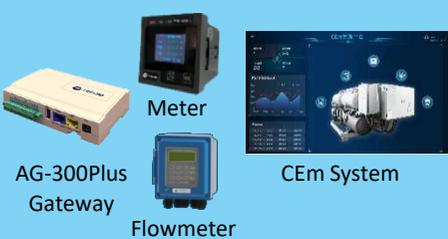
VB-168 Wireless Sensor

Unmanned Inspection Solution



AG-868 IoT Gateway
APP
Smart Display (Android TV)

Energy Efficiency Management System (CEm)



AG-300Plus Gateway
Meter
Flowmeter
CEm System

Next-Generation Machine Learning



VB-800ML Wireless Sensor
Smartphone APP

Predictive

Maintenance

Portable Vibration Diagnosis Instrument



Pro-3200 Pro-3600 Pro-9900

Connected

Data Collection

MHm-P Cloud Management System



Carbon inventory System



CEm Management System



IoT Gateway



AG-300 Smart Gateway AG-300Plus Smart Gateway xDAQ-600 IoT Gateway AG-868 IoT Gateway AG-800 IoT Gateway

Sensors



Electrical Meter Temp. Sensor Smart Vibration Gauges Vibration Gauges with Display Bluetooth Vibration Gauges Bluetooth Vibration Temperature Gauges

2015

2023

New Key Product

VB-800ML

To report motor's Health conditions
and
electricity waste

What is VB-800ML ?

- ① Wireless (BT) Vibration + Temp. Sensor
- ② With Built-in Micro-controller, able to do edge computation: Machine Learning and FFT
- ③ Support Direct Connectivity with Mobile APP (No Gateway Required)
- ④ Battery-Operated (3-Yr)
 - No need Power Wiring, No need Network wiring,
 - No need any Network Environment
- ⑤ DIY 47-KG Pulling Resistance, 3M Industrial Grade Tape



What are VB-800ML' s Unique Features ?

1. Machine Learning and Health Indices :
VB-800ML algorithm calculates the vibration median and generates Hx.
2. Estimation of Electricity Waste due to Motor degradations :
Look for Top-2 Causes for electricity waste
① Misalignment and **② Imbalance**
3. Predictive Maintenance Schedule

What are the Benefits to large motor users ?

The VB-800ML provides Electricity Waste estimation of operating motors, it would be better felt and appreciated by the users.
It is a compelling feature.

VB-800ML, what is it used for ?

To report motor's Health conditions and electricity waste. These are Key Information for the users to make timely and accurate decisions for maintenance and even replacement.

APP

Vibration
HEALTH INDEX

Vibration Health Index is classified into 9 levels (Best is H9) which is refer to ISO-10816.

| Vibration Health Index | Suggestions |
|------------------------|----------------------------------|
| Normal | H9 Check again in 6 months |
| | H8 Check again in 6 months |
| | H7 Check again in 3 months |
| | H6 Check again in 2 months |
| Mild Abnormality | H5 Check again in 1 month |
| | H4 Check weekly |
| Moderate Abnormal | H3 Shut Down & Check |
| | H2 Shut Down & Check |
| Critical | H1 Immediately Shut Down & Check |

Health Index

Extra Electricity by Motor Degradation

Current Vibration: 10.181mm/s

Healthy Index: **H3**

Severe Degradation
Big Electricity Bill

mm/s

Top 2 Degradation Causes for Extra Electricity:

- 1. Misalignment ● Normal
- 2. Imbalance ● Critical

Extra Electricity Bill and Carbo Emission%: ↑ 3.86%

Extra Electricity Bill: ↑ 86

Electricity Waste Estimation

The top 2 causes wasting extra energy

- 1) Misalignment between motor axis and Load Axis
- 2) Imbalance

The research results of American experts have shown that the worst waste of misalignment can be as much as 8.5%, while 5.2% from imbalance.

The VB-800ML App defines the 7 levels of degradation by calculating the values of FFTs at 1 x (Balance) and 2 x (alignment) and vibration values (RMS). For each level of degradation, a corresponding waste percentage is recorded, processed and converted into actual money amount.

VB-800ML is one and only in the market

The money waste would be more felt and appreciated by the user.

Financial Report

Financial Report-Consolidated Income Statement

Consolidated Statements of Comprehensive Income-YOY:6 Months

Unit: NT\$M

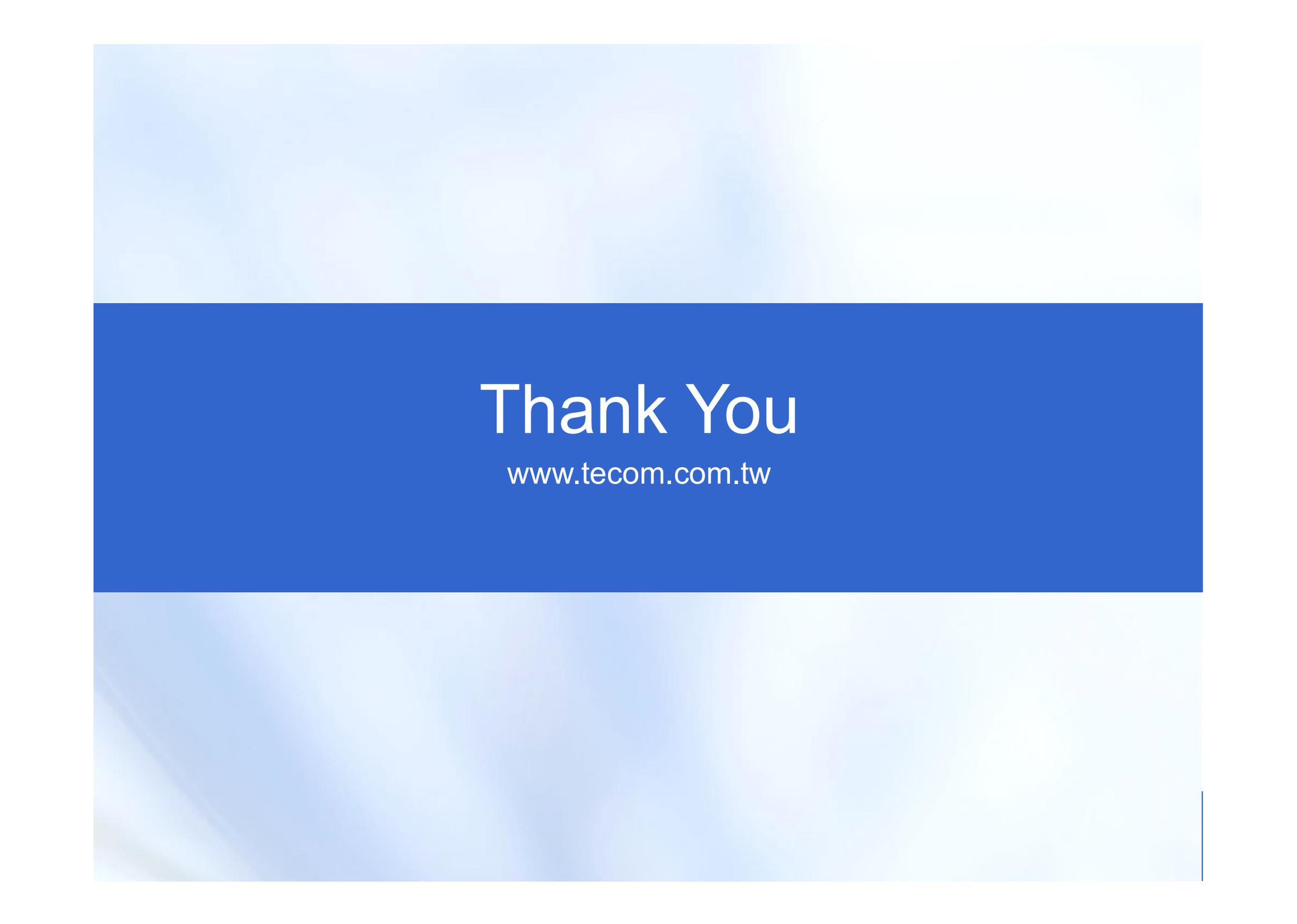
| | 2022 Jan. ~ Jun. | % | 2021 Jan. ~ Jun. | % |
|-----------------------|---------------------|------|---------------------|------|
| Net Operating Revenue | 535.2 | 100 | 520.3 | 100 |
| Gross Profit | 123.2 | 23 | 117.6 | 23 |
| Operating Expenses | (121.4) | (23) | (111.9) | (22) |
| Operating Income | 1.7 | - | 5.8 | 1 |
| Net Income | 18.5 | 3 | 6.1 | 1 |
| Basic EPS(NT\$) | 0.16 | | - | |

Financial Report-Consolidated Balance Sheets

Unit: NT\$M

| <u>Assets</u> | <u>2022/6/30</u> | % | <u>2021/6/30</u> | % |
|---|------------------|------------|------------------|------------|
| Cash and Cash Equivalents | 141.5 | 7 | 84.8 | 4 |
| Current Assets | 1,038.3 | 53 | 960.2 | 50 |
| Total Assets | 1,948.2 | 100 | 1,929.0 | 100 |
| <u>Liabilities and Stockholders' Equity</u> | <u>2022/6/30</u> | % | <u>2021/6/30</u> | % |
| Short-term Credit | 485.2 | 25 | 632.4 | 33 |
| Current Liabilities | 1,055.7 | 54 | 1,191.8 | 62 |
| Total Liabilities | 1,510.8 | 78 | 1,466.8 | 76 |
| Stockholders' Equity | 437.4 | 22 | 462.2 | 24 |
| Liabilities and Stockholders' Equity | 1,948.2 | 100 | 1,929.0 | 100 |

Q and A



Thank You

www.tecom.com.tw