ATEN International

Investor Conference

May 25, 2022

TWSE 6277

ATEN | **Safe Harbor Notice**

- We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

- We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risk, uncertainties and assumptions, the forward-looking events in the conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

1. **Company Profile**

2. **Product Introduction**

3. **Core Advantage**

4. **Financial Performance**

5. **Future Strategy**

Company Profile

ATEN | Milestones

1979 — ATEN established

1991 — ATEN brand products launched

1996 — First U.S. subsidiary established

2003 — TWSE listed

2006 — R&D scale expanded; R&D HQ established

2009 — Europe Operation Center inaugurated in Belgium

2010 — Professional AV product line launched

2012 — Green Energy product line launched

2015 — Highest KVM revenue in Europe and Asia

2018
- 6 Showrooms established in 2018
- Total 24 showrooms worldwide

2019 — 40th anniversary

2020 — Cabinet business acquired

2021 — Production started at new Thailand Plant

2022 — Mexico subsidiary established

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What is KVM ?
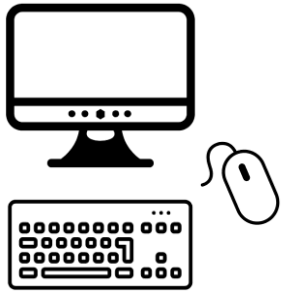
KVM enables users to control multiple PCs or servers by single console (keyboard, video, and mouse).

KVM Target Applications
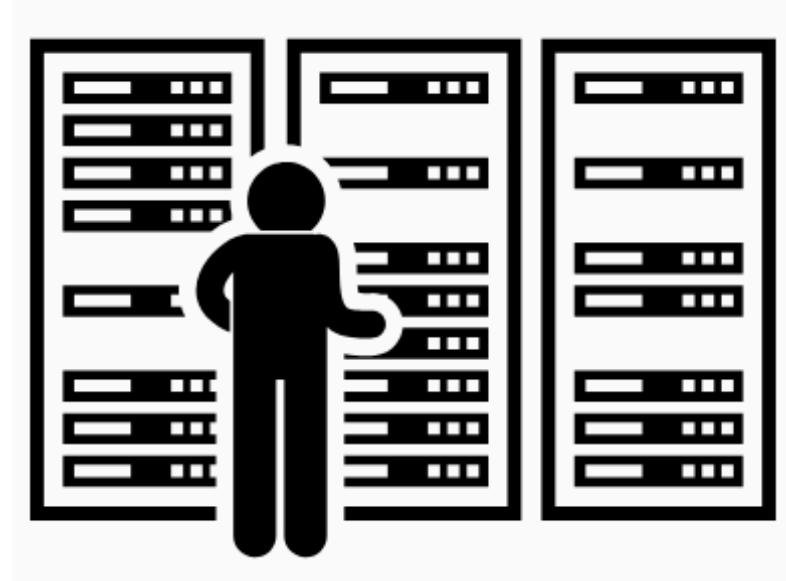
Office Desktop

Broadcasting

Control Room

Server Room Management

Smart Manufacturing
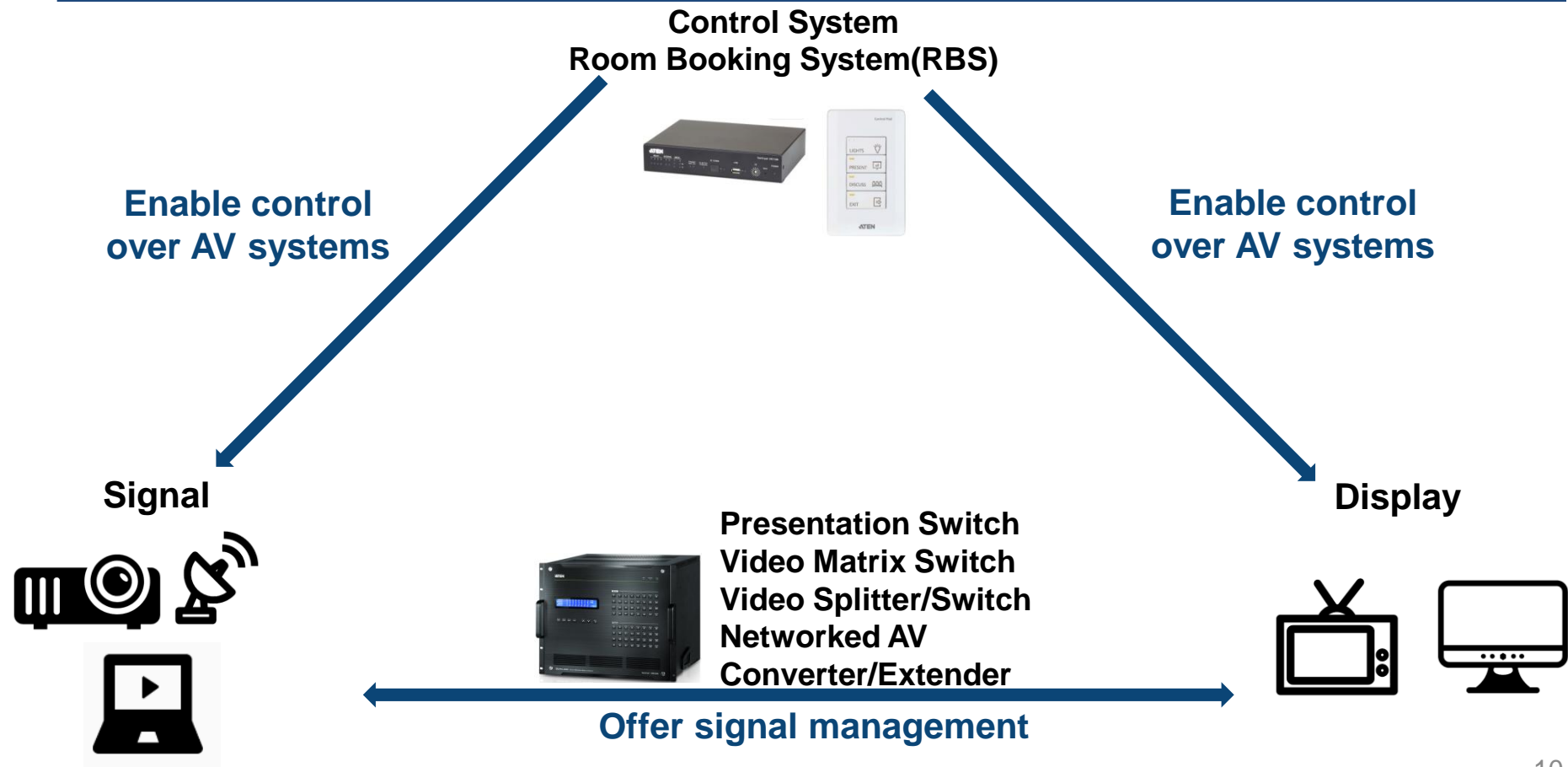
ATEN | What is Pro-AV ?

Control System
Room Booking System(RBS)

Enable control over AV systems

Enable control over AV systems

Signal

Display

Presentation Switch
Video Matrix Switch
Video Splitter/Switch
Networked AV
Converter/Extender

Offer signal management

Four Major Vertical Markets

Government	Education	Healthcare	Maunfacturing
政府解決方案	教育解決方案	醫療/健康解決方案	智慧製造解決方案

Smart Manufacturing - Remote Control Management

China

Opportunities & Requirements

- Efficient solutions that can deal with problems on the production line in a timely manner are required.
- On-site personnel on the production line need to be reduced.
- System import does not require complicated training.

Benefits of ATEN

- Remote control management solutions do not require frequent entry and exit of the clean room.
- IP setup is easy.
- Effectively improve the man-machine ratio and utilization rate.
- Focus on office environment management to have a good working environment.
- The non-intrusive RCM solutions maintain the original operation mode without additional training.

Smart Manufacturing - High-Tech Production Line

Taiwan

Opportunities & Requirements

- Equipment production operations need to be recorded truthfully.
- Human error needs to be minimized.
- Prompt processing for routine issues.

Benefits of ATEN

- Remote Control Management + Optical Character Recognition Solution
- Provide API to capture machine screen to record production status, and further use OCR to obtain production parameters and environmental data.
- Use OCR to analyze whether there is equipment abnormality on the machine screen, and how to deal with it.
- Effectively reduce human error by automatic execution.

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ATEN | Government - Digital Courtrooms

Opportunities & Requirements

- The digital transformation of courtrooms has become a global trend.

- Digitization has prompted courts to introduce video systems and equipment to meet diverse needs such as process digitization and video court hearings.

- The demand has changed from matrix switching to the need to deploy a larger-scale Over IP distributed audio and video architecture and environmental control system.

Benefits of ATEN

- Distributed audio and video architecture is highly flexible and easy to expand.

- Court enforcement officers can also easily complete the deployment of the audio-visual structure with simple IP settings.

- Intuitive Web GUI and mobile APP are convenient for operation in various occasions.

- Intelligent control allows devices to communicate with each other automatically and is highly scalable.

Education - Smart Classroom

Korea

Opportunities & Requirements

- South Korea has stepped up investment in the education market after the epidemic.
- Schools have strengthened investment in hardware and software equipment with particular emphasis on building Smart Classrooms.
- Smart classrooms focus on the integration of technology equipment, wireless network communication and digital teaching materials, and can carry out distance teaching to provide teachers and students with an efficient and interactive learning field.

Benefits of ATEN

- Matrix switching can flexibly switch multiple sets of digital teaching materials to multiple display devices and enhance the interactivity of group discussions and improve teaching efficiency.
- Seamlessly switch the video screen so that the content of digital teaching materials can be delivered without delay.
- Exclusive FPGA video scaler technology can accurately display the best resolution from different video signal sources.
- Equipped with all-in-one multi-channel AV mixer, training and teaching will be elevated to a new level, and teaching content will be presented in a more detailed way that is more in line with the trend.

Healthcare - Surgical Screen Transmission and Live Streaming

Italy

Opportunities & Requirements

- During the operation, multiple medical equipment information screens must be transmitted to the on-site screen, and the split screen must be presented.
- The live images must be simultaneously transmitted to other training rooms for operation records and training.
- Medical images need to be transmitted from different device interfaces, and the audio and video signals are not lost during the transmission process.

Benefits of ATEN

- Support multi-view mode up to four video sources on one screen.
- The video capture can easily mix two 4K video sources and stream to another medical room, and support PnP.
- It can convert SDI signals into HDMI digital signals in real time, and delivers visually lossless high-quality video.
- The intuitive operation mode makes it easy for medical staff.

Core Advantage

**Get the know-how
Outstanding margin performance**

Management Software

Software

OS/FW Design

HW/ME/ID Design

IC/FPGA Design

User-Centered Design

ATEN | **Worldwide Presence**

Company Profile

CANADA R&D
USA
MEXICO
POLAND
RUSSIA
ROMANIA
CHINA (BEIJING)
CHINA (SHANGHAI)
CHINA (GUANGZHOU)
CHINA R&D
CHINA FACTORY
KOREA (SEOUL)
KOREA (BUSAN)
JAPAN (TOKYO)
JAPAN (OSAKA)
JAPAN (KYUSHU)
JAPAN (NAGOYA)
UK
BELGIUM
TURKEY
INDIA
THAILAND FACTORY
SOUTH AFRICA
AUSTRALIA
TAIWAN HQ
TAIPEI R&D
TAINAN R&D
TAIWAN (NEW TAIPEI)
TAIWAN (KAOHSIUNG)
TAIWAN FACTORY

● Corporate Headquarters
● Subsidiaries and Regional Offices
● R&D Centers
● Manufacturing Facilities

Provide IT and Pro-AV one-stop purchase solution at the same time.
ATEN exclusive advantage that no competitor can imitate.

Dividend Policy

Chart showing EPS and Cash Dividend by year:

- **2016:** EPS 6.60, Cash Dividend 5.8
- **2017:** EPS 6.08, Cash Dividend 5.5
- **2018:** EPS 13.19, Cash Dividend 8.0
- **2019:** EPS 6.05, Cash Dividend 5.3
- **2020:** EPS 12.55, Cash Dividend 5.5 (Q2 2.5, Q4 3.0)
- **2021:** EPS 5.33, Cash Dividend 5.2 (Q2 2.3, Q4 2.9)
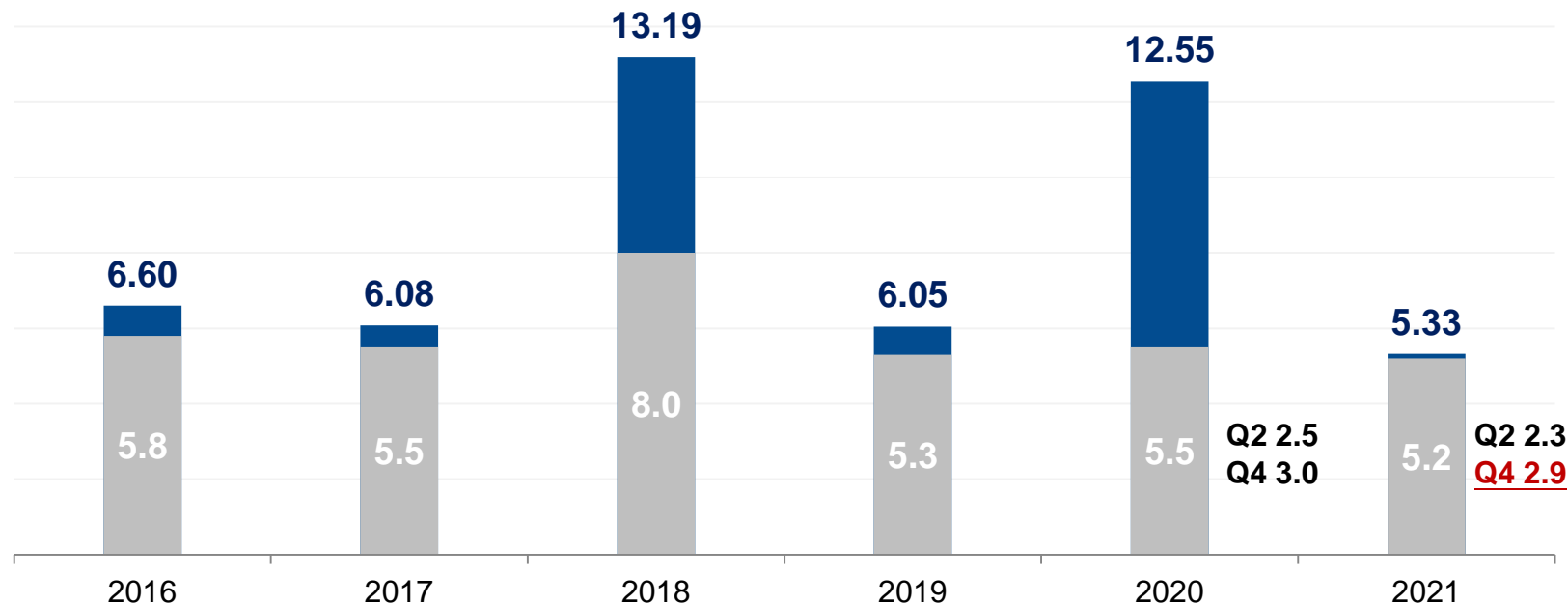
Legend:
- EPS
- Cash Dividend

Board has approved Q4 cash dividend totaling NT 2.9 per share on March 8. Payout ratio for the year 2021 is 98%.

Financial Performance

Sales by Product Categories YoY

Total YoY -1.8%

2021 01-04	2022 01-04	YoY
191	202	6.0%
461	505	9.4%
356	303	-15.0%
278	219	-21.4%
114	96	-16.4%
70	85	20.6%
160	193	20.4%

NT Million

2022 01-04

- IT Infrastructure Access Management -Enterprise (Non Over-IP) 31.5%
- IT Infrastructure Access Management -SMB 18.9%
- Pro-AV 13.7%
- USB 6.0%
- Accessories 5.3%
- Others 12.0%
- IT Infrastructure Access Management -Enterprise (Over-IP) 12.6%
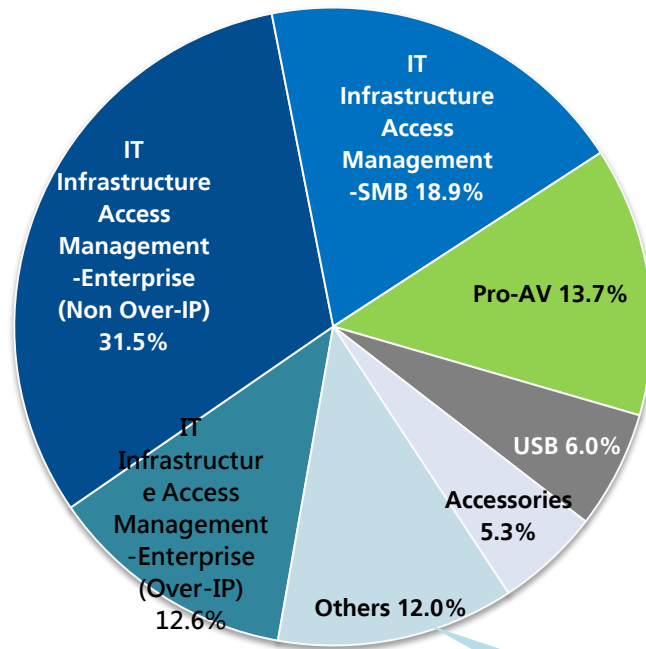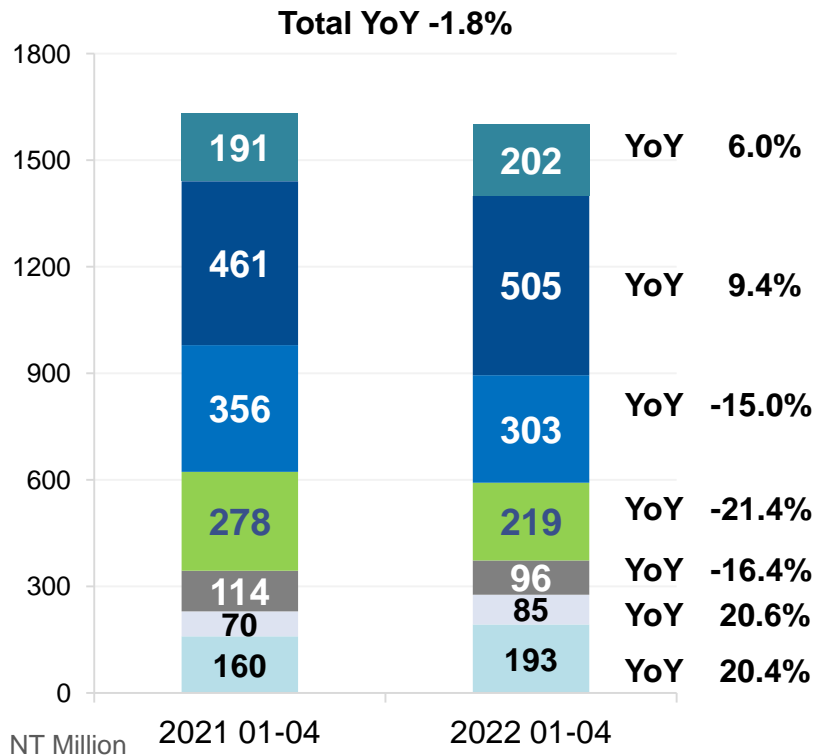
Cabinet business accounted for 4.2% of total revenue

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| **Sales by Product Region YoY**

Total YoY -1.8%

863	890	YoY 3.1%
390	400	YoY 2.6%
347	281	YoY -19.2%

2021 01-04   2022 01-04

NT Million

Asia 56%
America 25%
Europe 18%

2022 01-04

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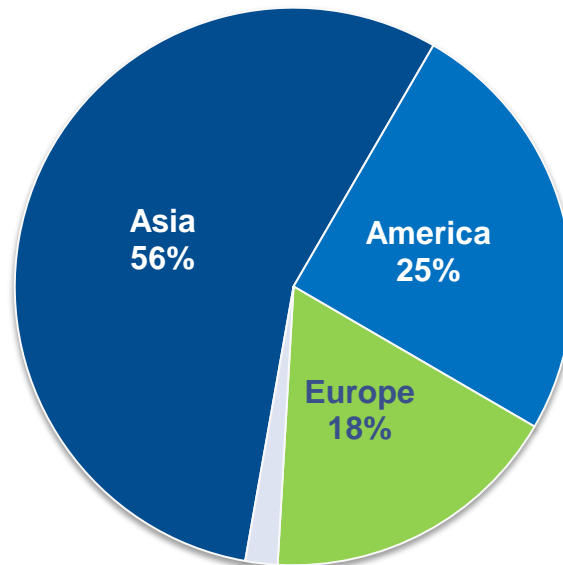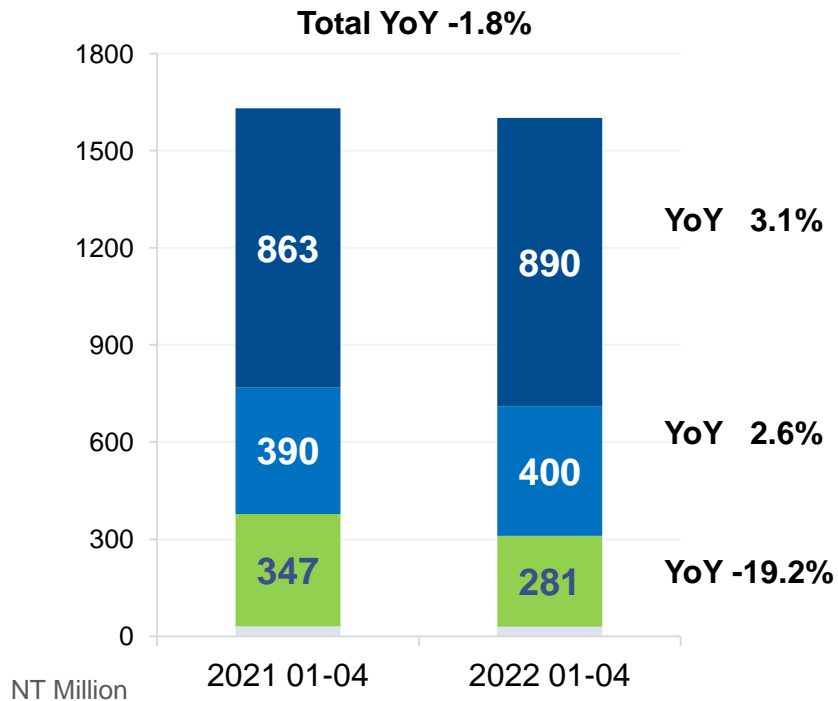
Consolidated Statements of Comprehensive Income – 1Q22 (YoY)

In NT million

	1Q22		1Q21		YoY	
	Amount	**%**	Amount	%	Amount	%
Net Sales	**1,233**	**100.0**	1,231	100.0	1	0
Gross Profit	**725**	**58.8**	726	59.0	-1	0
Operating Expenses	**551**	**44.7**	528	42.8	23	4
Sales Expenses	**300**	**24.3**	284	23.1	16	5
Admin. Expenses	**125**	**10.2**	113	9.1	13	11
RD Expenses	**125**	**10.2**	131	10.6	-5	-4
Operating Profit	**174**	**14.1**	199	16.1	-24	-12
Non-Operating Income and Expenses	**5**	**0.4**	29	2.4	-24	-83
Net Income before Tax	**179**	**14.6**	228	18.5	-49	-21
Tax	**43**	**3.5**	55	4.5	-12	-22
Net Income	**136**	**11.1**	173	14.0	-36	-21
EPS(NT$) (After Tax)	**1.14**		1.43			

Note : Taiwan Consolidated Basis

Balance Sheets – Mar. 2022 YoY

In NT Million	Mar. '22		Mar. '21		YoY	
	Amount	%	Amount	%	Amount	%
Cash and Financial Assets	2,221	30	2,789	37	-569	-20
Accounts Receivable	712	10	737	10	-25	-3
Inventory	1,139	16	1,020	14	119	12
Other Current Assets	160	2	131	2	28	22
Total Current Assets	4,231	58	4,678	62	-447	-10
Property, Plant, and Equipment	2,603	36	2,267	30	336	15
Other Non-Current Assets	495	7	569	8	-74	-13
Total Non-Current Assets	3,098	42	2,836	38	262	9
Total Assets	7,329	100	7,514	100	-185	-2
Short-term Borrowings	517	7	596	8	-79	-13
Accounts Payable	452	6	420	6	32	8
Other Accounts Payable	493	7	547	7	-55	-10
Other Current Liabilities	838	11	792	11	46	6
Total Current Liabilities	2,299	31	2,356	31	-57	-2
Long-term Borrowings	4	0	41	1	-37	-91
Other Non-Current Liabilities	463	6	490	7	-27	-6
Total Non-Current Liabilities	467	6	531	7	-64	-12
Total Liabilities	2,767	38	2,888	38	-121	-4
Total Equity	4,562	62	4,626	62	-64	-1

Receivable turnover days	59	56
Inventory turnover days	194	184
Payable turnover days	80	70

Note : Taiwan Consolidated Basis

In NT Million		Jan.~ Mar. '22		Jan.~ Mar. '21
Cash and cash equivalents at beginning of period		1,566		942
From Operating	Without Trading Financial Assets +128M	34	Without Trading Financial Assets +231M	298
Net Profit before Tax		179		228
Non cash adjustments to reconcile profit and loss		58		26
Financial assets at fair value through profit or loss, mandatorily measured		-94		67
Inventory		-119		-6
Account Receivable		160		31
Account Payable		17		68
Other Operation Sources / (Uses)		-167		-116
From Investing	Including Trading Financial Assets -138M	-44	Including Trading Financial Assets -31M	-98
Acquisition of property, plant, and equipment		-34		-102
Acquisition of financial assets at fair value through other comprehensive income		-6		0
Other Investing Sources / (Uses)		-4		4
From Financing		-54		-198
Short-Term and Long-Term Borrowings		-22		-169
Payment of lease liabilities		-28		-24
Interest paid		-4		-5
Effect of exchange rate changes on cash and cash equivalents		10		-27
Cash and cash equivalents at end of period		1,512		918
Free Cash Flow		-10		200

Note : Taiwan Consolidated Basis

Future 2-3 years strategy

Digit：IP central management → **ATEN product line：High Performance KVM**
12% of 2021 01-04 sales revenue
13% of 2022 01-04 sales revenue
→ **CAGR 10%**
2018-2023
IHS Report

Security：Security and surveillance risk → **ATEN product line：Secure KVM**
3% of 2021 01-04 sales revenue
3% of 2022 01-04 sales revenue
→ **CAGR 3%**
2018-2023
IHS Report

Smart：Smart collaborate meeting → **ATEN product line：RBS, Control System, Matrix, Networked AV**
11% of 2021 01-04 sales revenue
9% of 2022 01-04 sales revenue
→ **CAGR 9%**
2017-2022
IOTA Report

Voice processing: professional audio, AI voice → **New product layout in the future:** Professional audio and video, SOHO products

ATEN | **Operational Highlight**

ATEN Smart Manufacturing Solution	Cabinet Product Line	Thailand Manufacturing Factory
• Provide remote control and monitoring management solutions and decrease the necessity of entry into the clean room • Improve production efficiency and increase man-machine ratio and utilization rate.	• Provide cabinet, KVM, UPS, and PDU products in the data with total solution. • One-time shopping experience to fulfill customers' demand. • Acquire the land in Yangmei as a cabinet production base to expand the scale of operation.	• Lower the tariff and shipment cost. • Compensate the shortfall of product capacity at China factory. • Scatter the production risk.

ATEN | **Recognition**

| **Product Awards** | **Corporate Awards** |

reddot award 2018 winner

GOOD DESIGN

iF design award china 2007

2020 INNOVATIVE PRODUCTS
Selected by the readers of SOUND & VIDEO CONTRACTOR
WINNER

BEST IN MARKET 2021 WINNER

TAIWAN EXCELLENCE 2019

2020 BEST OF SHOW InfoComm SPECIAL EDITION
SOUND & VIDEO CONTRACTOR WINNER

BC Best Choice AWARD

Interop BEST OF SHOW AWARD 2021 Grand Prize

2021 BRAND VALUATION LEAGUE TABLE
BEST TAIWAN GLOBAL BRANDS

2021 天下永續公民獎 CSR 中堅企業 宏正自動科技

HR Asia BEST COMPANIES TO WORK FOR IN ASIA 2021

卓越中堅企業 經濟部

Taiwan i Sports 運動企業
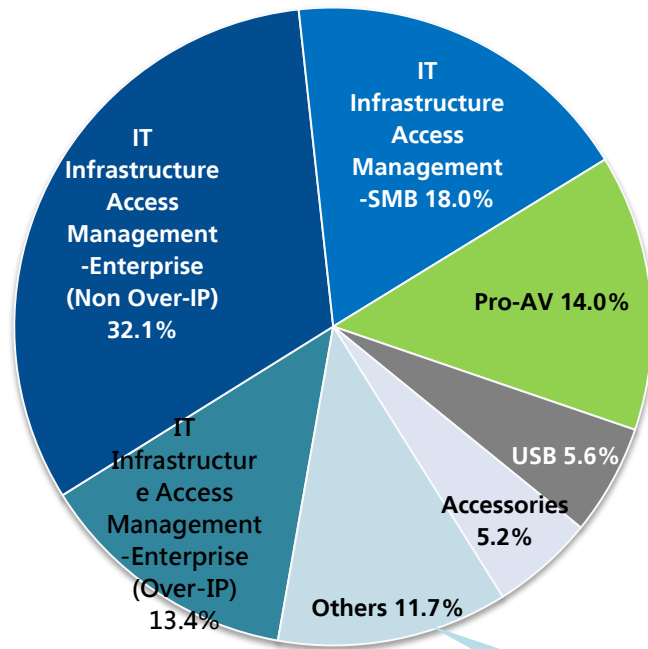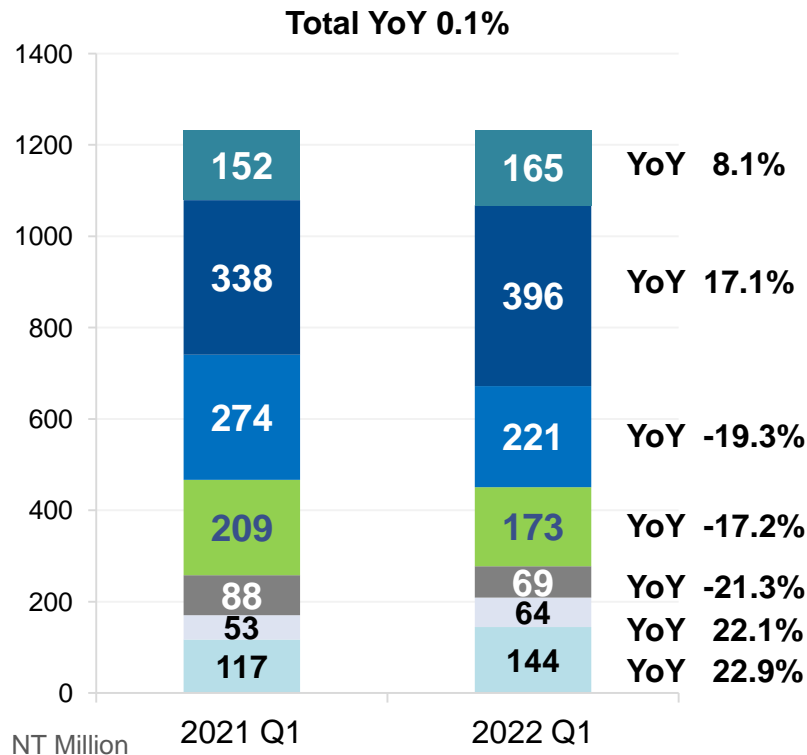
2022 TALENT, in Taiwan 台灣人才永續行動企業

Q&A

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Simply Better Connections

Sales by Product Categories YoY

Total YoY 0.1%

	2021 Q1	2022 Q1	YoY
	152	165	8.1%
	338	396	17.1%
	274	221	-19.3%
	209	173	-17.2%
	88	69	-21.3%
	53	64	22.1%
	117	144	22.9%

NT Million

2022 Q1

- IT Infrastructure Access Management -SMB 18.0%
- IT Infrastructure Access Management -Enterprise (Non Over-IP) 32.1%
- Pro-AV 14.0%
- USB 5.6%
- Accessories 5.2%
- IT Infrastructure Access Management -Enterprise (Over-IP) 13.4%
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Sales by Product Region YoY