



Disclaimer

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- This presentation is based on the information obtained from various sources which the Company believes to be reliable. Please refer to the information on MOPS website as the main basis if any adjustment has been made.



Davicom Semiconductor, Inc.

(Ticker Symbol: 3094)

Investor Conference

Dec. 16, 2020



Operation Strategy

- Focusing on niche markets and mastering high gross profit margins
Actively, developing new businesses and pursuing the growth of company operations.
 - ✓ Being dedicated to niche markets in application areas that require high security and stability.
- Providing highly reliable product quality, professional and thoughtful technical services.
- Holding fast to 65~70% of gross margin to maintain the company's long-term profit.
- Grasping market trends, continuing to develop embedded network system components with market potential, and stepping into the field of AIoT application arena to pursue the company's operational growth.

Worldwide Headquarters



Located at Hsinchu Science Park, Taiwan, R.O.C.



Core Technology

**Ethernet
MAC & PHY**

Mixed Signal

RFID Omni-Solution

**Networking Protocol
Stacks**

AIoT & Algorithms

Video Decoder

USB & Interfaces

**Audio Signal
Processing**

DSP & Algorithms



Performance in Retrospect

Revenue and Profit

	<u>Q3 / 2020</u>	<u>Q1~Q3/2020</u>
Revenue	NTD 57,149K	NTD 170,690K
Gross Margin	67%	68%
EAT	NTD 6,357K	NTD 29,186K
EPS	NTD 0.07	NTD 0.30

Founded 24 years and 61 successive quarters of 65%~70% margin by high add-on value of services; Since the company' s public listing, the average annual dividend around 1 NTD.



Ethernet

- **DM9119 Transceiver with 10/100/1000Mbps**
- **Switch, Controller with USB & SPI**



E-Paper Display Driver (EPD)

- **Segment 36, 120, 126, 160**
- **Dot Matrix EPD Driver**



Video Decoder (VD)

- **1 and 4 channels; 720H and 960H resolution; mixer**



AI SoC

- **DM8111 (RISC-V, CIS (CMOS Image Sensor))**

Market Retrospective, 2020

➤ Economy Impact by COVID-19

§ The decline in the European and American markets

§ The incentives and opportunities in Mainland China

➤ Impact and opportunity under US-China Trade War and High-Tech War

§ Global Supply Chain Reorganization

■ Tight upstream production capacity and shortage of raw materials causing product cost rising and deliverable uncertain

■ Countermeasures

- Risk spreading by reducing those unstable upstream supplies
- Holding on or increasing product selling price

- China IC market in De-Americanization
 - Increasing opportunities in Mainland China market for Taiwanese industry
- US Presidential Election 2020 result clear and COVID-19 pandemic mitigation by vaccine rollout, positive signs
 - Global economic recovery, IC market demand (Artificial Intelligence (AI), Internet of Things (IoT), 5G Mobile) grown substantially, and the company's sales expected to increase simultaneously

➤ UHF RFID

§ Factory, logistics and warehouse automation

§ Parking lot management

§ Smart retail

§ Intelligent transportation system



UHF RFID, One-Stop Solution

Tag



Diversity of
UHF Tags

Reader

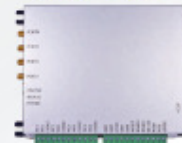
According to the site
environment to
recommend the
number of antenna

YAP-100LP



High gain reader ·
control 1~4 antenna

**AL-500/
AL-510**



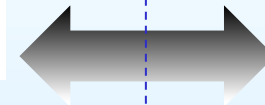
AL-700

- Bluetooth paired with smart device (iOS, android and windows system)
- Support 1D & 2D symbol recognition
- RF out MAX=29dBm
- Continuous operation for eight hours



Software/System

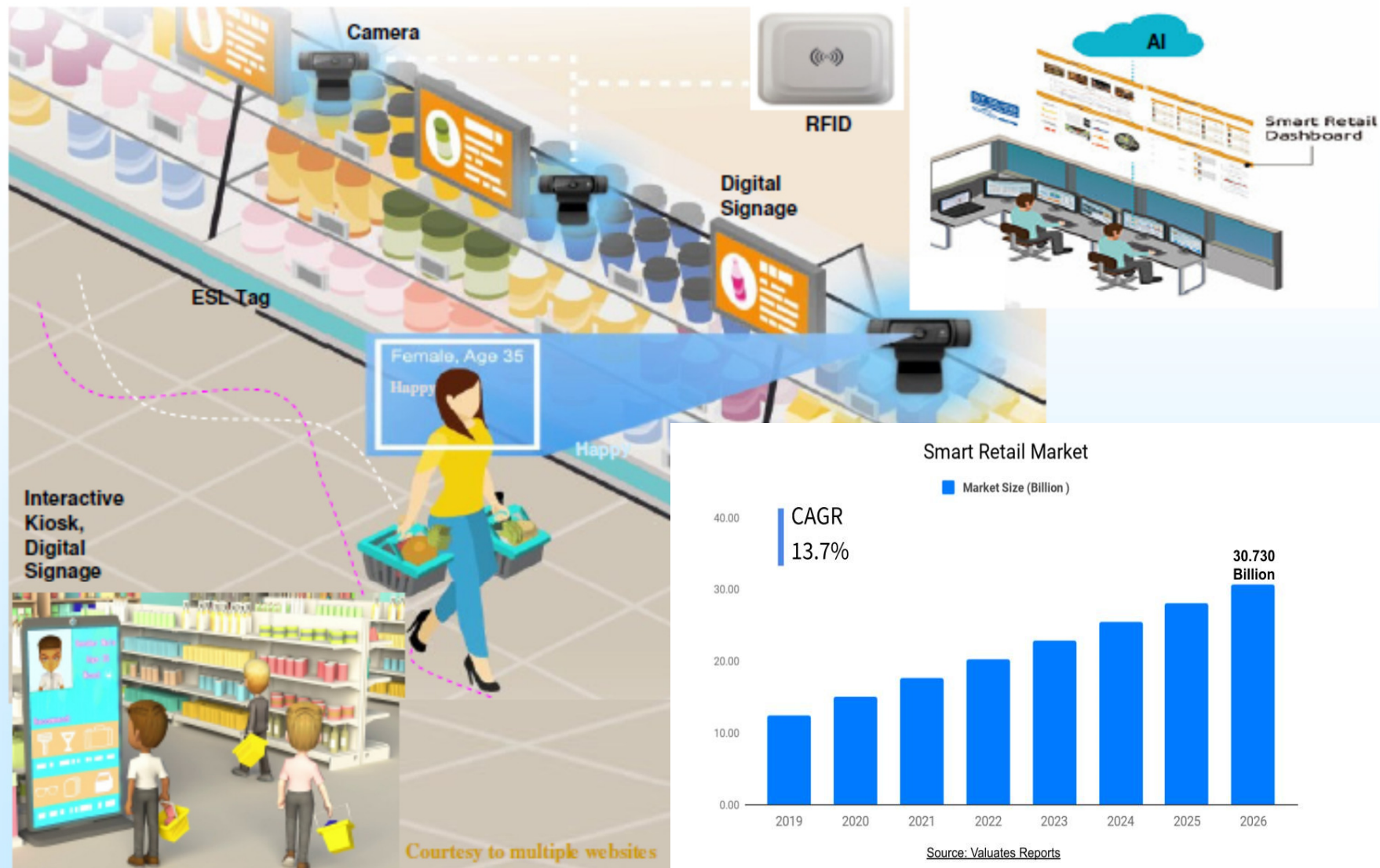
TCP/IP
BLE
WiFi



- Responding to the Government nationwide plans in digital transformation – Smart Retail
 - Incorporating UHF RFID system, computer vision object recognition system, ESL system and self-developed technologies, AI algorithms and systemic optimizations included, implementing a precise prediction of marketing promotions, fulfilling shopper's experiences and increasing the brick-and-mortar store's revenue and profit
 - ✓ Expected to create significant revenue growth for the company in the next two to five years



Digital Transformation, Smart Retail





Connectivity Beyond Limits

