Axiomtek Profile

YT Yang
Chairman & CEO
October 20, 2015
Agenda

✓ Milestone & Organization

✓ Sales and Product Analysis

✓ What Our Development Allied with IoT
1990
Axiomtek founded in Taipei, Taiwan

1993
Launched Boards and Embedded PC product lines

1995
Established Axiomtek Italy

1996
ISO 9001 Certified by SGS

1998
Launched Panel PC product line

1999
Deutschland GmbH established in Europe

2002
Strengthened Axiomtek USA presence on both coasts

2004
Launched Singular Technology Shenzhen Co., Ltd., China

2005
Acquired EtherWAN to expand offering of industrial Ethernet products

2007
Established Axiomtek Display Solutions

2008
Established Dongguan factory in China

2010
Launched rBOX embedded system product line

2011
Launched tBOX embedded system product line

2012
Expanded service offerings to include specialized, value-added COTS integration services

2013
Company won 2014 Taiwan Excellence Award

2014
Axiomtek reached record high growth
Expanded to Thailand and Malaysia

2015
Axiomtek reaches its milestone 25th year in business

*by CommonWealth Magazine
Group Business Integration

Networking
- EtherWAN
- Security
- ITS
- Automation
- Transportation
- Surveillance

Computing
- Axiomtek
- Digital Signage
- HMI
- POS/Kiosk
- Vertical Markets

Display & Power
- ADS
- Energy
- Gaming
- Medical

Innovations for the Connected World
Global Operation
Axiomtek BU Organization

Franchise Partners

Regional Business Units

Strategic Business Unit/Product Groups

Facilities

OBM PCBA & System Integration

AXDG in China Chassis Assemble & Integration

AXSYS in USA Valued System Integration

ODM PCBA & System Integration

AXIT  AXMY  AXTH  AXGM  AXCA  AXMA  AXSZ  AXTW  Channel Partners  KA/ODM

Franchise Partners

Regional Business Units

Strategic Business Unit/Product Groups

Facilities

OBM PCBA & System Integration

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AXSYS in USA Valued System Integration

ODM PCBA & System Integration

GPPC  HMSS  ESP  (Embedded Systems & Panel PC)

IPC  SSBC  EBDS

Design-in

NBD RISC  AXIT  AXMY  AXTH  AXGM  AXCA  AXMA  AXSZ  AXTW  Channel Partners  KA/ODM/NA

Gaming

ODM & NA

DMS

AXView 2.0/Wireless Gateway/Industrial Firewall for IoT & M2M

Automation  Transportation  Energy  Medical

Automation  Transportation  Energy  Medical

Automation  Transportation  Energy  Medical

Automation  Transportation  Energy  Medical
Agenda

✓ Milestone & Organization
✓ Sales and Product Analysis
✓ What Our Development Allied with IoT
Financial Results

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1</td>
<td>H2</td>
<td>H1</td>
<td>H2</td>
<td>H1</td>
</tr>
<tr>
<td><strong>Revenue (NTD K)</strong></td>
<td>1,440,429</td>
<td>1,321,470</td>
<td>1,342,883</td>
<td>1,459,380</td>
<td>1,666,028</td>
</tr>
<tr>
<td></td>
<td>2,761,899</td>
<td>2,802,263</td>
<td>3,690,911</td>
<td>4,368,921</td>
<td></td>
</tr>
</tbody>
</table>

(EPS)

- 2011: 1.86
- 2012: 2.31
- 2013: 3.47
- 2014: 4.75
- 2015:
Product Revenue Breakdown

- **by OBM/DMS (ODM)**
  - OBM: 67.0%
  - DMS: 33.0%

- **by Product**
  - Embedded Systems: 49.0%
  - Industrial Network: 21.0%
  - Panel PC and Display: 10.0%
  - Embedded Boards and SoMs: 20.0%

- **Geography**
  - America: 50.0%
  - Europe: 22.5%
  - Asia: 11.0%
  - Greater China: 13.0%
  - Emerging: 3.5%
Agenda

✓ Milestone & Organization

✓ Sales and Product Analysis

✓ What Our Development Allied with IoT
IoT and Industry 4.0
Internet of Things

Lead industry in transforming businesses and the way we live by making it simple to create exciting, new IoT solutions

Devices that connect to the Internet integrating greater compute capabilities using data analytics to extract information
Talk About No. of Connectivity

85% of existing industrial embedded devices are unconnected.

15B: Expected number of devices connecting to the internet in 2015.

50B+: Expected number of devices connecting to the internet in 2020.

*Note: Predictions for future years are estimates.
Intelligent & End to End Security Solution

The Intel® IoT Platform is an end-to-end reference model and family of products from Intel—that works with third-party solutions—to provide a foundation for seamlessly and securely connecting devices, delivering trusted data to the cloud, and delivering value through analytics.

CONNECT THINGS AND DEVICES

TURN DATA INTO INSIGHT

VISUALIZE DATA AND MONETIZE INSIGHT

INTELLIGENCE AT THE EDGE

END-TO-END SECURITY
Secure hardware, software, and data
Secure device management
Secure policy management
Safeguard scalable compute
How to Get Started for IoT

- Define What You’d Like to Learn From Sensors
- Build an IoT Network and Security Foundation
- Convert Devices and Controllers To Be As IP-based Equipment
- Establish Vertical Ecosystems With Allied Partners
- Collect data As Much As Possible, Convert Them To The Value Information
Challenges That Could Slow IoT Grow

- Security & Privacy
- Diversified Vertical Markets and Industries
- IT/OT & Control/Data Integration
- Legacy Infrastructure
- Standards & Regulation
**Industrial 4.0**

*From Industry 1.0 to Industry 4.0: Towards the 4th Industrial Revolution*

Industry is on the threshold of the fourth industrial revolution. Driven by the Internet, the real and virtual worlds are growing closer and closer together to form the Internet of Things.

<table>
<thead>
<tr>
<th>Year</th>
<th>Revolution Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1784</td>
<td>1st mechanical loom</td>
</tr>
<tr>
<td>End of 18th Century</td>
<td>1. Industrial Revolution through introduction of mechanical production facilities powered by water and steam</td>
</tr>
<tr>
<td>Start of 20th Century</td>
<td>2. Industrial Revolution through introduction of mass production based on the division of labor powered by electrical energy</td>
</tr>
<tr>
<td>Start of 70ies</td>
<td>3. Industrial Revolution through introduction of electronics and IT for a further automation of production</td>
</tr>
<tr>
<td>Today</td>
<td>4. Industrial Revolution based on Cyber-Physical production systems</td>
</tr>
</tbody>
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**Degree of Complexity**

- **Industry 1.0**: End of 18th Century
- **Industry 2.0**: Start of 20th Century
- **Industry 3.0**: Start of 70ies
- **Industry 4.0**: Today
Industrial Automation Coverage

- Connectivity
- Machinery
- Movement Controller (CNC, GMC)
- Feedback Systems
- Industrial Controller
- Drives
- Software
Industrial Controller Coverage
**M2M for Industrial Automation**

- **Control units**
  - RTUs, PLCs, DCSs, HMI

- **Field devices**
  - Actuators, valves, sensors, relays, switches, machines, robots

- **Network devices**
  - Routers, gateways, modems

- **Data integration**
  - SCADA protocols, fieldbus, TCP/IP, serial

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**Facilities segment**

**Applications**
- ERP, PLM, MES, MRP, SCADA, web portal

**Application interface**
- XML, SOAP

**Data gateway/storage**

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**Network Segment**

**WWAN/WLAN/ WPAN**
- Wi-Fi, Cellular, Wireless Hart, ISA100, Zigbee, Bluetooth
Increasing amount of data

ERP, PLM
MES, MRP, PLM
SCADA, MES
Data capture system

Enterprise
Factory
Process
Device
Field

IPC
IPC
IPC, PLC, HMI
PLC, RTU, DCS
Sensor, Actuator, open loop controller, valve

Increasing number of devices
Connected World thru IoT

Smart Cities
Connected Communities

Smart Planet
Green Environment

Smart Buildings
Buildings, Smart Homes

Smart Energy
Electric Grid

Smart Transport
ITS, HEVs, EVs

Smart Living
Entertaining, Leisure

Future Internet

Internet of Things

Smart Industry
Industrial Environments

Smart Health
Healthcare System
What We are Working for IoT Platforms

**Industrial Automation**
- EtherCAT Solution for Motion Control
- PoE Solution for Vision Inspection
- Integrated More IO for Remote Monitoring and Diagnosis

**Transportation**
- Segmented More Domains with Specific Feature
- Wireless Gateway and Router
- PoE Solution for IP Surveillance
- EN50155, e-Mark, IEC60945, etc.

**Energy & Utility**
- Outdoor and Heavy-duty Features
- Wireless Gateway and Router
- Isolated IO and Serial Ports
- IEC61850, 1588, ATEX (EU), C1D2 (US), etc.
What We Are Working on Embedded Board Design-in for IoT

X86 Sector
- Aggressive on earlier access for EMB
- Complete SOM platforms, ZIO and Mini-PCIe modules
- Leverage China partners to cost down IMB series
- Promote ATP to increase design-in opportunities

RISC Sector
- Focus on M2M gateway platforms
- Standardized module with open source platforms to support makers business
- Developing DAQ for RTU series
- Leverage EBM ATP (Axiomtek Technical Portal)

AXView 2.0 Remote Management Solutions (Firewall & Gateway)
Product & Market

Axiomtek IoT Architecture

Applications

Factory Automation
Intelligent Transportation
Energy Saving
Health Care
Security and Surveillance
Building Management
Agriculture Automation
Vehicle Controlling and Monitoring

Networks

Industrial Firewall (IFW)
Industrial Gateway (ICO)
EtherWAN Converter (ICON)
EtherWAN Switch (ER58000 Series)

Devices & Process

Embedded Systems
Din-rail Embedded Controllers
Transportation Embedded Systems
Multi-touch Panel Computers
Axiomtek IoT & M2M Solution

Devices & Process
- Transportation Solution: Railway, IVI, Marine
- Smart Energy Solution
- EtherCAT Master Controller
- WLAN, WPAN

Gateway & Firewall
- Industrial Gateway
- Industrial Firewall
- WWAN, WLAN

Industrial Networking
- Industrial Ethernet Switch
- Ethernet Extender
- Media Converter

Software
- Intelligent Management Solution (AXView)
- SCADA
Thank You