

Avision

Stock Code:2380



2021 Investor Conference 2021.11.26

Disclaimer

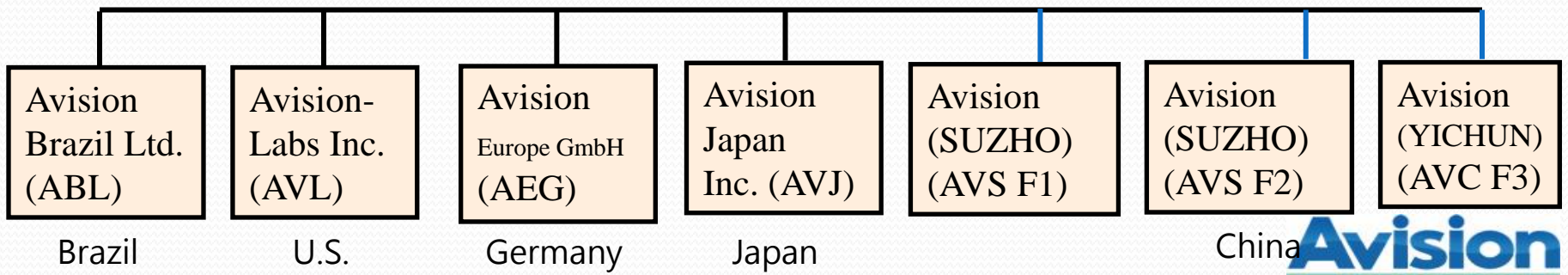
- ◆ This briefing and the simultaneous release of relevant information are based on prospect information obtained both internally and externally from the company including operating prospects, financial status and business forecasts.
- ◆ The actual operational, financial and business prospects in the future may be different. This may be due to various factors including but not limited to market demand, price volatility, competitive landscape, international economic conditions, supply chains, exchange rate fluctuations and other risk factors beyond our control.
- ◆ The prospect for the future in this briefing reflects the view of the future. If there is any change or adjustment, Avision is not responsible for reminding or updating at any time.

COMPANY PROFILE

- Foundation April, 1991
- Capital NT\$1,894 Million(US\$67.5M)
- Number of employees Taiwan / 380
China/ 700
- IPO December, 1998
- ISO-9001 September, 1993 certificated
- ISO-14001 January, 2000 certificated
- ISO-13485 November, 2012 certificated



Avison Inc. (headquarter) Taiwan



Avision(SUZHO) PROFILE

- Established December 1999
- Capital USD4,100M
- Employee 700
- Location
 - Fab I: No.9, Suhong West Road, Suzhou Industrial Park, Jiangsu Province
 - Fab II: No.9, Yangtai Road, Suzhou Industrial Park, Jiangsu Province
 - Fab III: YICHUN AVISION Co., Ltd



**Avision Suzhou is a high tech. firm located in
Suzhou Industrial Park**

R&D Organizational Chart



R&D Group 1

Firmware

O. Mechanical

Software

Hardware

Network System
Develop.

System Develop

ASIC Develop.

Test Team

R&D Group 2

EP Develop.

Mechanical 1

Mechanical 2

Firmware

Software

Hardware

Total R&D engineers : 180

Patents Worldwide

1206
patents



721
innovation
patents

Internationally Recognized Expertise

Avision has obtained 1,206 patents and 721 innovation patents, and has 184 patents on pending list.

Products and Market



Avision Scanner OEM History

2010



Color: 40 ppm/ 80 ipm

AV186+

2013



Scan Q

Micube

2015



AD215

2017



Paper Air Series



AV122

Color: 18 ppm/ 36 ipm

2006



MiWand 2 Wifi Pro

2012



AD370FN

Color: 70ppm / 140ipm



AD8120U

Color: 120ppm/240ipm



AD370N

Color: 70ppm / 140ipm

2019

Avision Scanner OEM Products in 2021



Color: 25 ppm/ 50 ipm

AD225



Color: 32 ppm/ 64 ipm

AV322U



Color: 40 ppm/ 80 ipm

AD335



Color: 45 ppm/ 90 ipm

AD345



Color: 70 ppm/ 140 ipm

AD370



Color: 90ppm/180ipm

AD6090

AD332F

Color: 32 ppm/ 64 ipm



AD335F

Color: 40 ppm/ 80 ipm



AD345F

Color: 45 ppm/ 90 ipm



AD350

Color: 50 ppm/ 100 ipm

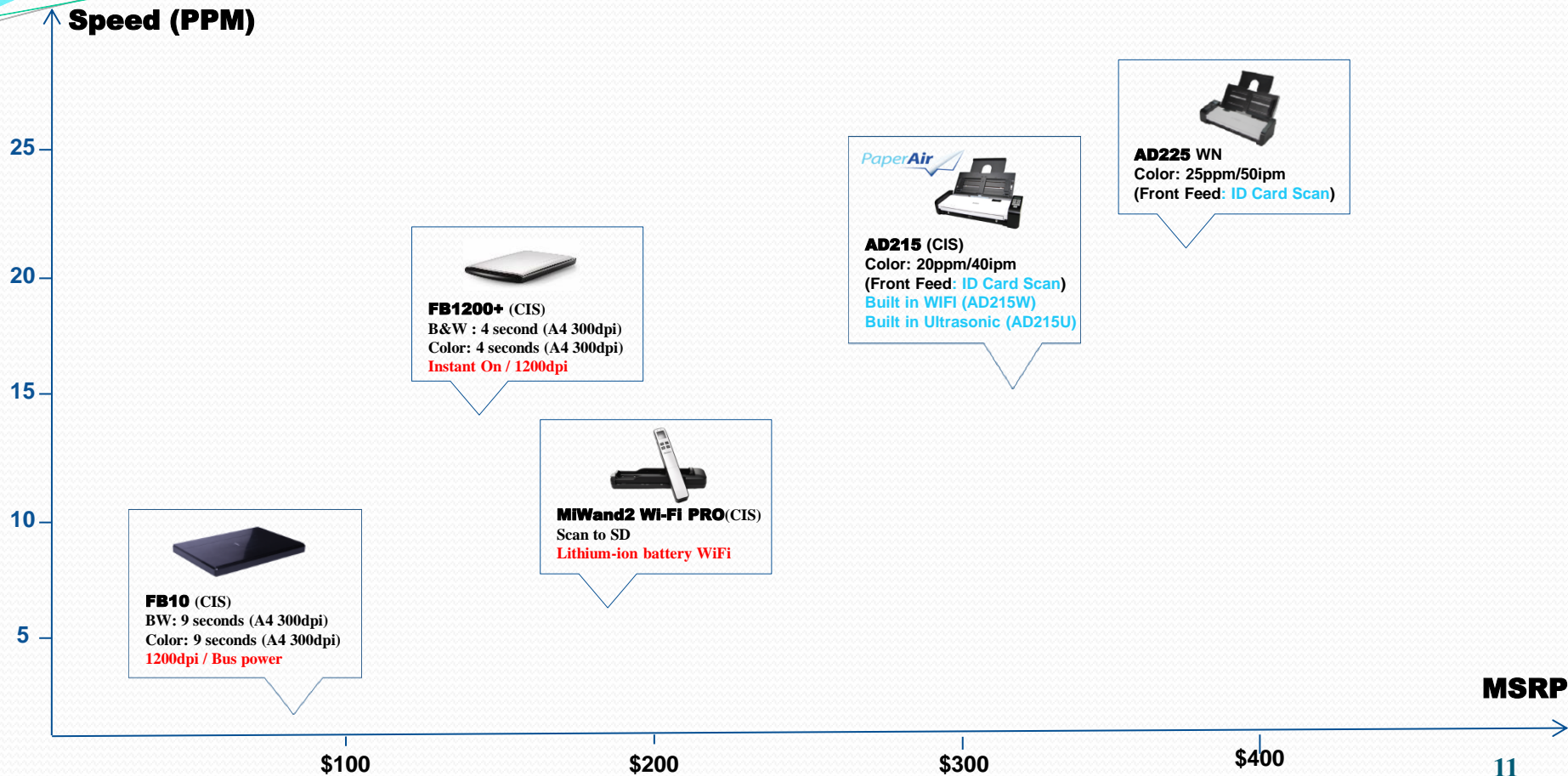


AD370F

Color: 70 ppm/ 140 ipm

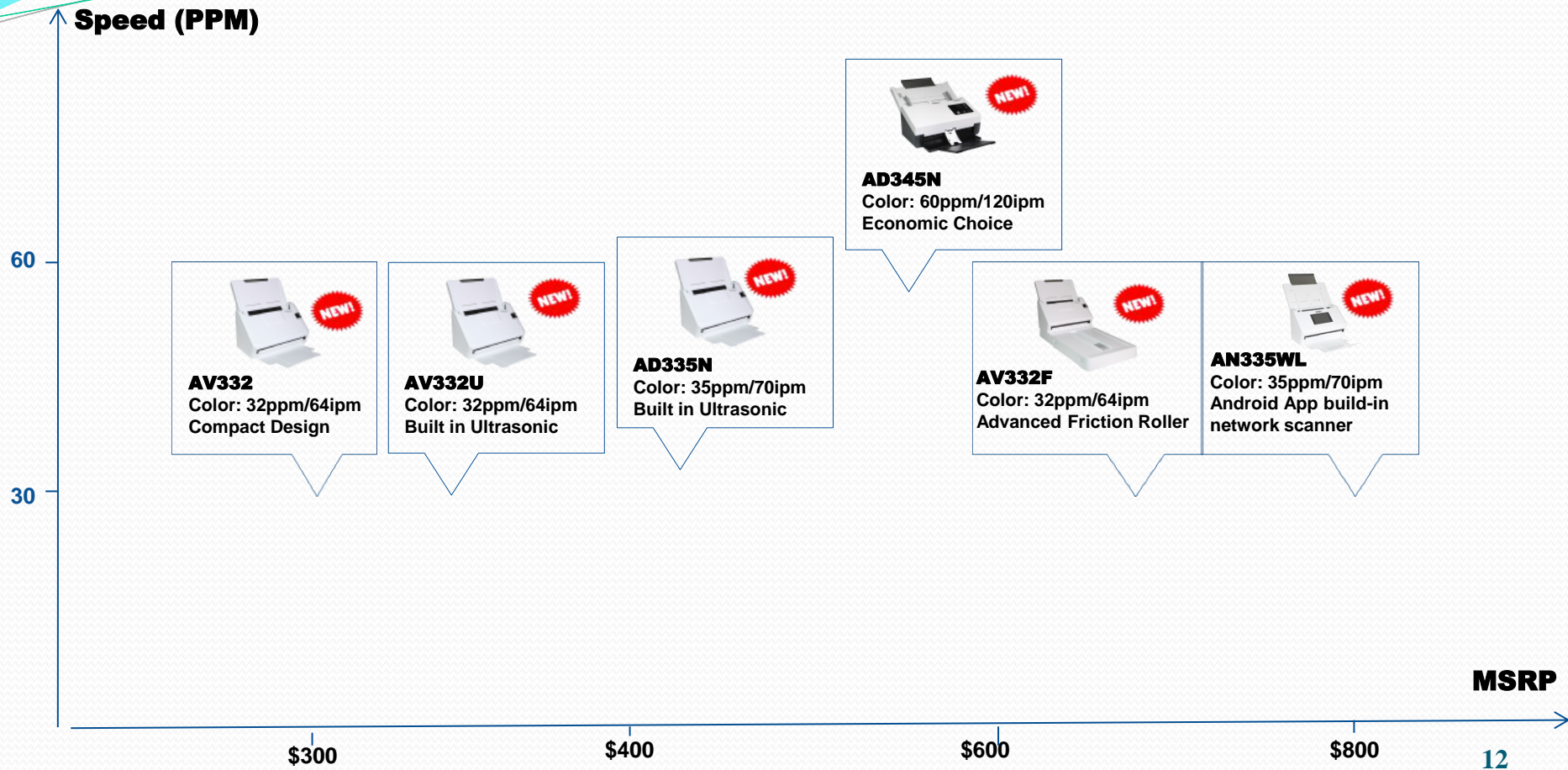


Avision Scanner Roadmap [Consumer Product For retail channel / Private label]



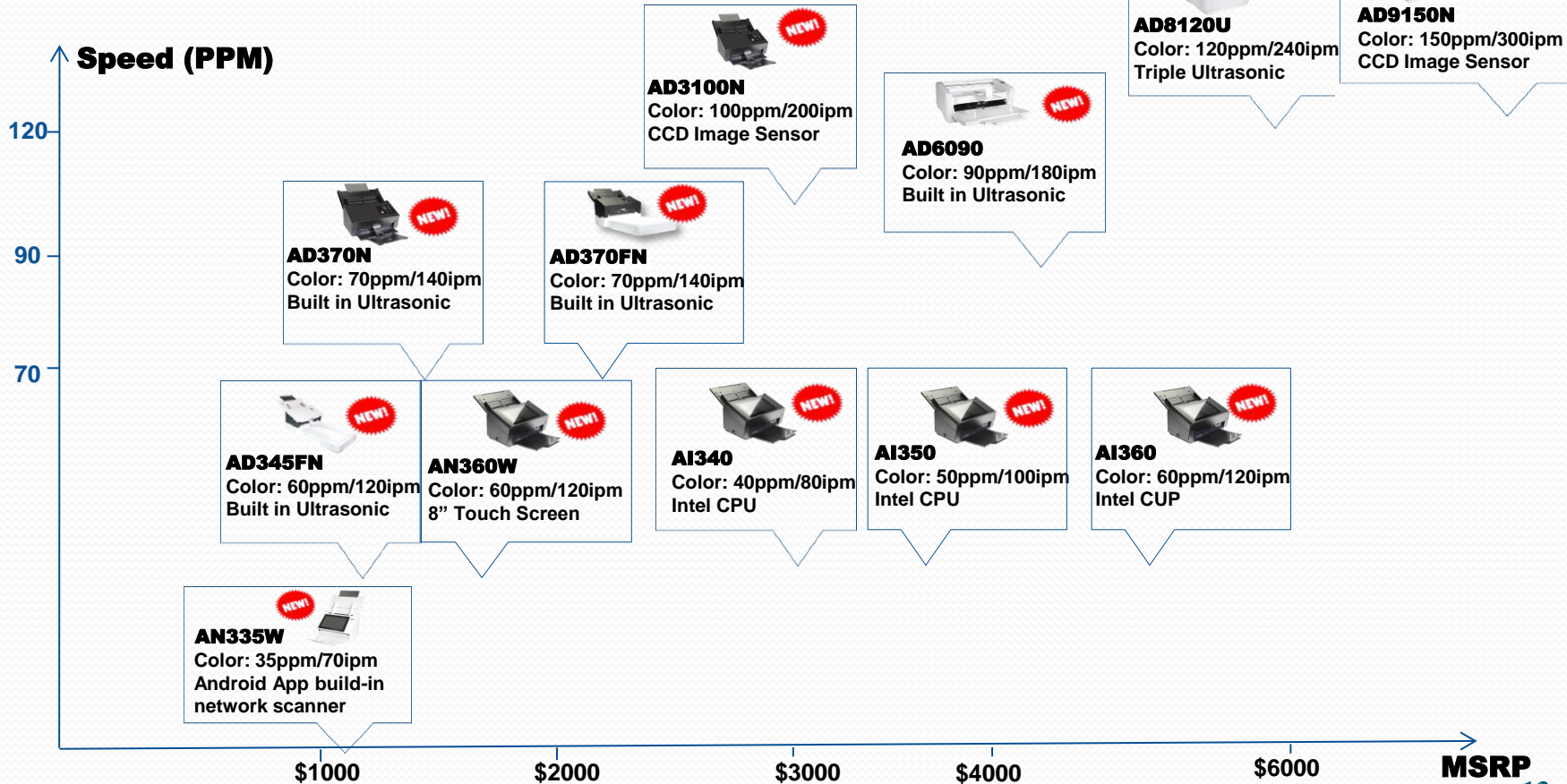
MSRP

Avision Scanner Roadmap [Economic Choice For SI / Tender]



MSRP

Avision Scanner Roadmap [High Value Scanner For SI / Tender]



MFP & Printer Development



Development history of copier/printer

- An electronic image was first created in 1938 by an American – Chester Carlson .
- The first business copier (Model A) was introduced by Xerox in 1949
- The first laser printer was developed in 1969 by a Xerox engineer.
- The first desktop laser printer was introduced by Canon in 1979.
- HP introduced 2687A/2688A desktop laser printer with Ricoh engine in 1983 (selling price USD12,800/USD29,950)
- Samsung released laser MFP in 1990
- Samsung printer division was sold to HP for USD1 billion in 2017

Avision SFP/MFP OEM History

2002

OA4800
20 PPM



2004

AM3000
20 PPM



2010



AV100 II
1 PPM



1993



2001

DS300/DS310F
7 PPM

L-company
28 PPM



K-company
20 PPM



2005



AM6120
20 PPM



K-company
20 PPM

2006



2015

Avision SFP/MFP OEM Products in 2021



B/W: 30 ppm

Rabbit II



B/W : 30 ppm

Mice II



B/W : 30 ppm

X2030



B/W : 40 ppm

AP400



B/W : 25 ppm

AM5625i



B/W : 40 ppm

AM7640i

Rabbit II

B/W : 33 ppm



Mice II

B/W : 33 ppm



Parrot

Color: 26 ppm



AP500

B/W : 50 ppm



AM7630i

B/W : 30 ppm



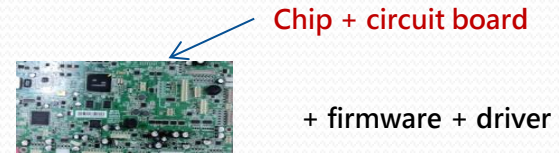
AM7650i

B/W : 50 ppm



Printer's Structure

- **Printer Engine** : Image developing, Image forming, Fuser, Paper Movement and other mechanical components
- **Control System** : A SoC chip to control the circuits, firmware and driver



The working principle of a safe and controllable printer

- The printer engine only receives command and then performs action. It has nothing to do with the information security.
- The printer's controller controls the engine's action, manages the transmitting and receiving of information. And the controller takes order from the chip, so **the chip is the brain of the printer.** With the chip self-made in China, a truly safe and controllable printer can be realized.



A Chip self-developed by Avision



Controller

The Core Technology of Avision Printer

- **Printer Core Chip developed by Avision**

VM1

Completed: 2006-04



VM2

Completed :2013-06



VM3(NP115)

Completed :2018-02



VM4

2022-04



- **ChipVM3(NP115) Characteristic**

- 1. Highly integrated system chip: specially designed for black and white, color printer, and high speed document scanner
 2. High-performance computing, low power consumption, comply with TEC energy efficiency specifications and Energy Star specifications
 3. Encryption and decryption function: equipped with chip encryption and decryption encoding engine, with ultra-high-speed encryption and decryption function
 4. Avision owns the IP of image control, printing control, and image processing

Can Avision printers gain a foothold in the market?

- What are Avision's competitiveness when facing the reknown printer makers such as Canon, Ricoh, KMBT, Xerox , HP , and Brother ?
 - Avision's self-developed printer control chip can not only improve product differentiation, such as intelligent copy, but also provide customized services for enterprises
- Does Avision Printer have the support of Home Market ?
 - The promotion of domestic printer in China
- Can Avision printers avoid low-price competition of copycat consumables ?
 - Use cloud service and software to develop a business model for service charges
 - Develop new toner to create the difficulty of copycat

The Market Scale of Domestic Printer in China

- In 2020, the sales volume of A4 mono printers in China will be **8.8 million** units. According to market experience, 1/4 of them could be purchased by the Communist party, government, military and state-owned enterprises. This means the market size of A4 mono printers is more than **2 million units** per year, of which the most popular one in office is the black and white, automatic duplex printer with printing speed of 30 pages per minute.
- In 2020, the domestic sales of A3 mono copiers in China will be 850,000 units. Similarly, the domestic copier market will need more than 200,000 units per year. At present, the most popular copier is the one with 25~40 CPM. As the economy grows, the printer with 45~60 CPM will be increased as expected.

Avision's Competitors in China

- China Makers :
 - Ninestar, the company started by manufacturing and selling printer compatible consumables. In 2016, it raised US\$4 billion to acquire the Lexmark Printer Company of the United States. However, the company only has the ability to develop A4 printers and all-in-ones, and does not have the ability to develop control chips.
- International Makers :
 - They are the Japanese, American makers, or domestic makers who cooperate with international makers. In order to achieve information security, they added a domestic CPU control board to the original control board. However, the information security cannot be achieved because the foreign copier makers provide only the protocol and not the original codes to communicate with the CPU.

Highlight of Avision's Printer in China

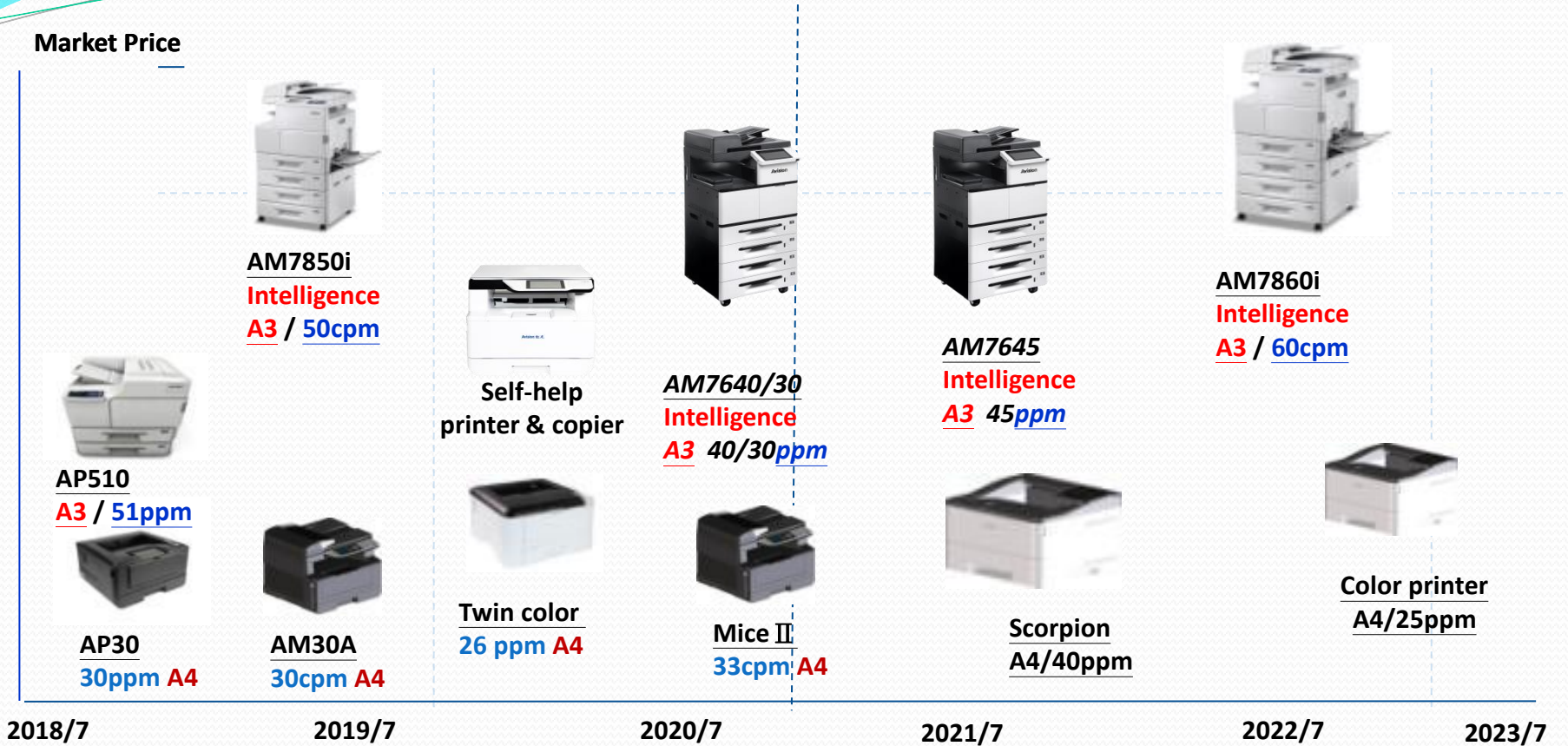
- Chip development and design - leader
- LPH development and manufacturing – leader
- A4 Printer Engine development and manufacturing – comparative with Lexmark
- A3 Printer Engine development and manufacturing - leader
- Toner Cartridge developing technology – leader
- Intelligent copy – leader

Avision Printer Business Plan

- Become a professional ODM/OEM company through technical cooperation with customers in China
- Develop a business model that provides free maintenance and consumables, such as leasing, one-time payment with full guarantee, etc., to meet the printing/copying requirements of business and home offices
- Develop the world market after China market is stabilized

Avision SFP/MFP Roadmap

Market Price



Consolidated Statements of Operations



Income Statement For the Three Months Ended September 30, 2021 and 2020

In Thousands of New Taiwan Dollars

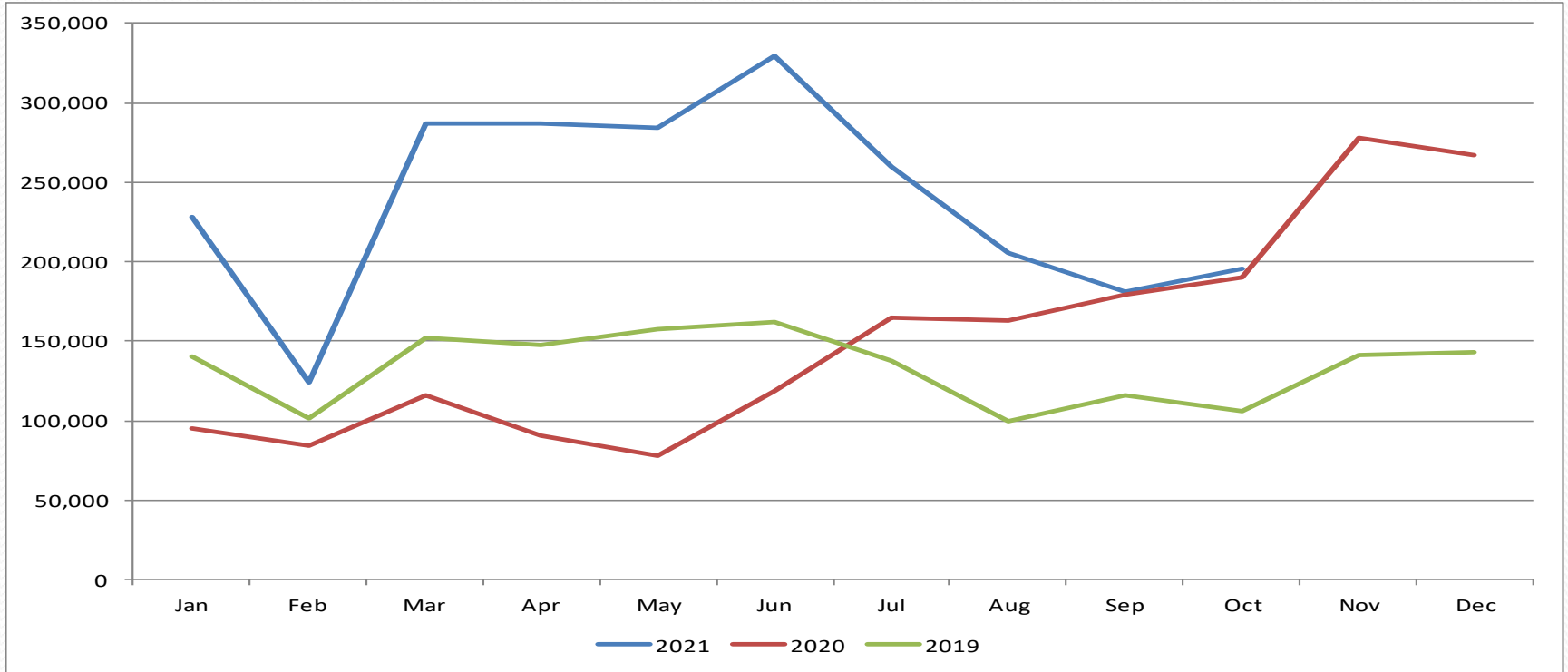
	2021	2020	Growth(%)
Sales Revenue	661,984	512,200	29%
COGS	(530,236)	(405,698)	-31%
Gross Profit	131,748	106,502	24%
Operating Expenses	(192,979)	(194,774)	1%
Operating Income	(61,231)	(88,272)	31%
Non-OP Items	7,668	4,026	90%
Pre-tax Income	(53,563)	(84,246)	36%
Income Tax	0	(678)	100%
Net Income	(53,563)	(84,924)	37%
EPS (in NTD)	(0.29)	(0.47)	38%

Income Statement For the Nine Months Ended September 30, 2021 and 2020

In Thousands of New Taiwan Dollars

	2021	2020	Growth(%)
Sales Revenue	2,199,482	1,099,697	100%
COGS	(1,722,672)	(910,988)	-89%
Gross Profit	476,810	188,709	153%
Operating Expenses	(555,933)	(568,185)	2%
Operating Income	(79,123)	(379,476)	79%
Non-OP Items	(956)	(21,266)	96%
Pre-tax Income	(80,079)	(400,742)	80%
Income Tax	0	(678)	100%
Net Income	(80,079)	(401,420)	80%
EPS (in NTD)	(0.44)	(2.31)	81%

The Three-year Consolidated Revenue



Sales increases year by year. The growth for the nine months ended September 30 2021 is up to 100% from the prior-year period. The growth of the Year 2020 is up 14% from the year 2019.

Thank you!

