

ACON OPTICS COMMUNICATIONS INC.



INVESTOR CONFERENCE

TPE Stock : 6820



2021-3-16

Disclaimer

This presentation contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation might not occur in the way we expect, or at all. You should not place undue reliance on any forward-looking information. In preparing the information herein, ACON OPTICS have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to ACON OPTICS or which was otherwise reviewed by ACON OPTICS.

Neither ACON OPTICS nor its advisors have made any representation or warranty as to the accuracy or completeness of such information and nor do they assume any undertaking to supplement such information as further information becomes available or in light of changing circumstances. None of ACON OPTICS, nor any of their respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

Neither this presentation nor any of its contents may be reproduced to a third party without the prior written consent of ACON OPTICS.



Agenda

1. About Us

2. Product Application

3. Core Value

4. Market Overview

5. Financial Results

6. Future Outlook



About Us

Stock code 6820



1. About Us

Founded
2017

Stock Code
6820

Employees
585+

Capital
220_M
(NT\$)

acoPT

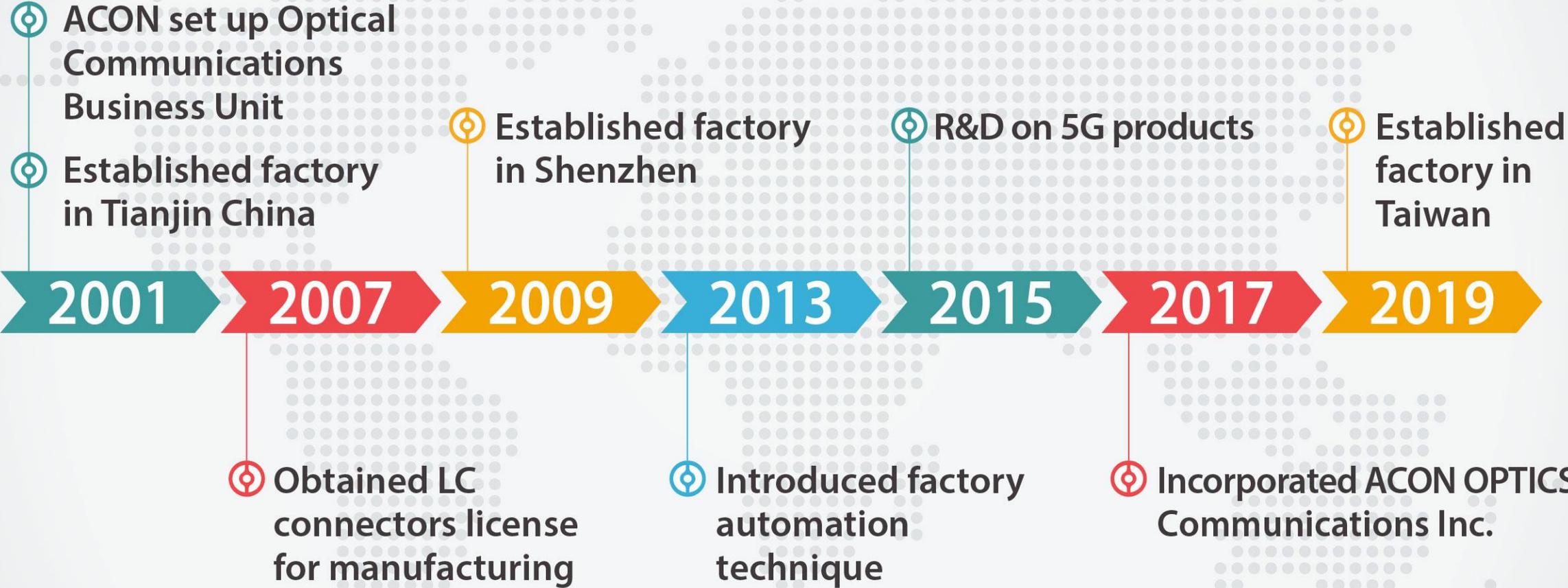
Taiwan Taipei
Headquarters

Taiwan Hsinchu
Branch

China Tianjin
Plant

China Shenzhen
Plant

1. About Us



1. About Us



📍 Business Focus

R&D, design and manufacturing of Optical communications products

📍 Target Market

- Global communications equipment providers
- Country telco providers
- Optical communications active and passive component manufacturers
- Communications system integrators

📍 Products focus

- Fiber optics active and passive components for
- 5g & FTTH
 - AI & Data center
 - Pro AV
 - Video conference

Product Application

Stock code 6820



2. Product Application



4G/5G FTTA

22%



FTTH

42%



AI &
Data Center

28%



Video
Conference

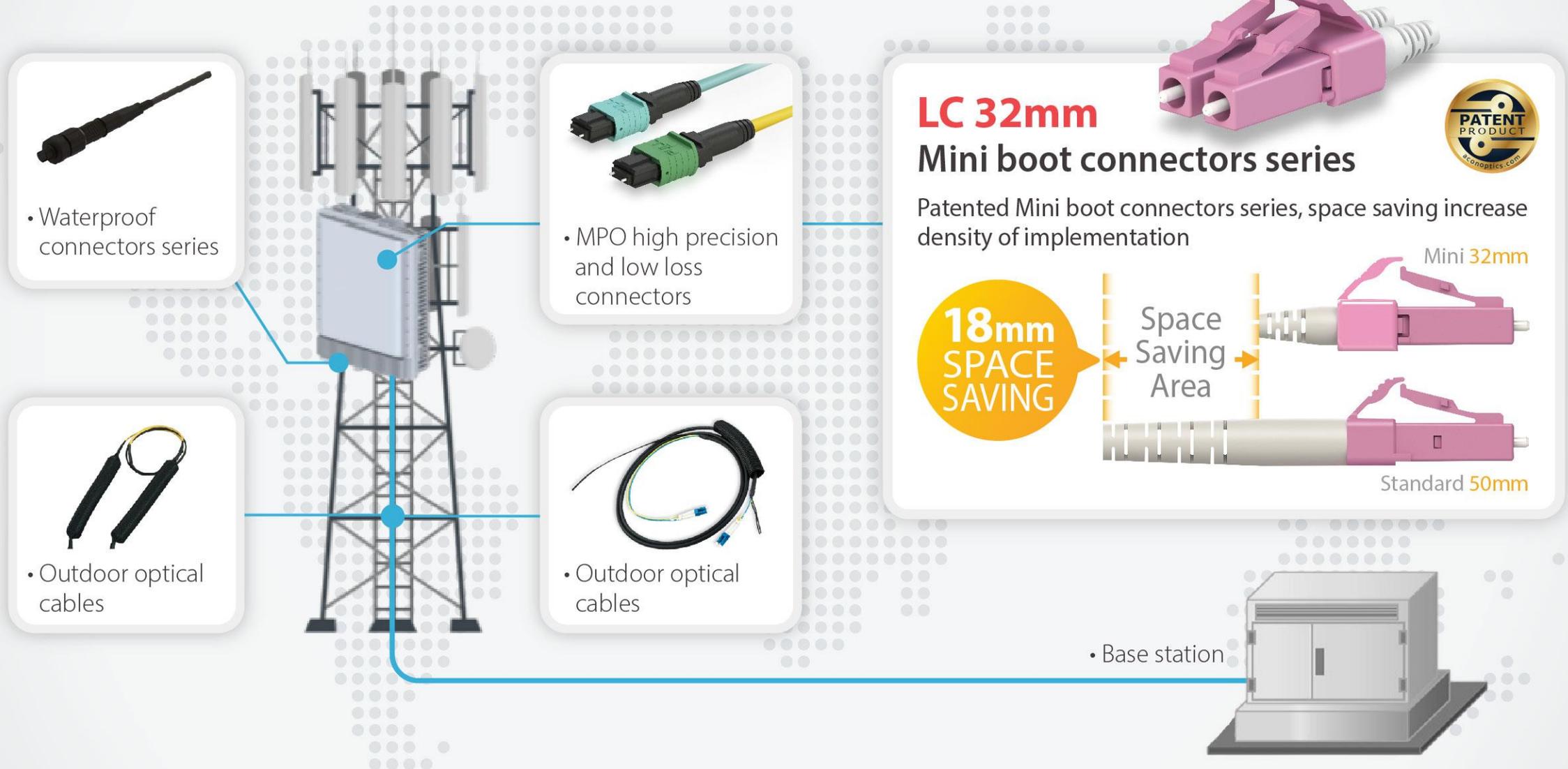
3%



Telehealth

2%

2. Product Application - 4G/5G FTTA



2. Product Application - FTTH



- Waterproof connectors series



- Termination Box



Intra-building pushable connectors

NEW

New Intra-building pushable connector to replace splice-on connector



- Optical patch cords



Optical Network Unit (ONU)



- LC 25mm mini connector

- Splice-on connector



- Field mountable connectors



2. Product Application - Data Center

Multi channel ferrule series (12/36F MT ferrule)

*Industry first 36F MT ferrule
with **1.5mm** thickness*



• 12 MT ferrule



• 36F MT ferrule

SPACE SAVING 40%



• Standard



• Slim

MPO high precision and low loss connectors series

MPO Connector



• Round 3mm



• Short Boot



• Bare Ribbon



• Ribbon Boot

MPO Adapter



• MT - MPO



• SC Footprint Flangeless



• SC Footprint with Flange



• Duplex SC Footprint

MPO Patchcord



• MPO Patchcord



• MPO-LC Uniboot



• MPO-LC 24F Hydra-Mini Branch



• MPO-LC 32F Fan-Out

2. Product Application - Video Conference

Pro AV Fiber Extender Solution

- USB 3.1 fiber extender coupled with fiber transmission is a high end product with its own uniqueness
- Longest transmission distance at 350m (generally 100~200 meters)
- Support 4k format camera



USB camera



USB Fiber Receiver



Fiber cable



USB Fiber Transmitter



PC

2. Product Application - Telehealth

Operating Room



Outside OR Real-time video conference



- **Adoption of pure light technology** which replaces the existing photoelectric method. This reduces the equipment needed by 50%
- **Massive reduction in video signal delay** which can shorten surgery time by 15 min
- **Complete independent development capabilities** compared with peers that require outsourcing design or outsourcing, highly competitive in the market.



Fiber Transmitter

Fiber cable



Optical Matrix (Video switching)

Fiber cable



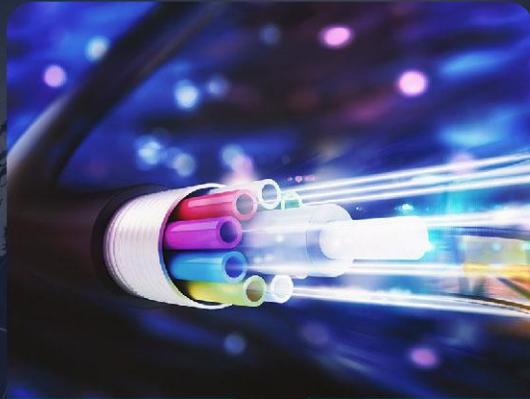
Fiber Receiver

Core Value

Stock code 6820

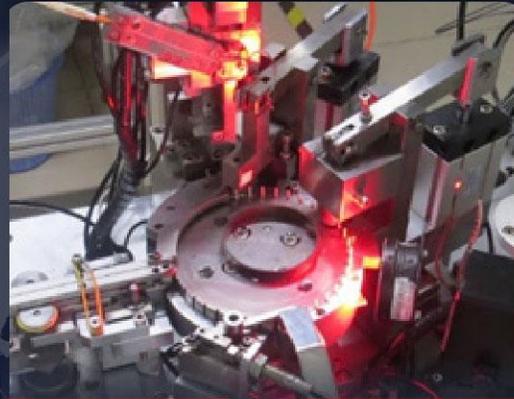


3. Core Value



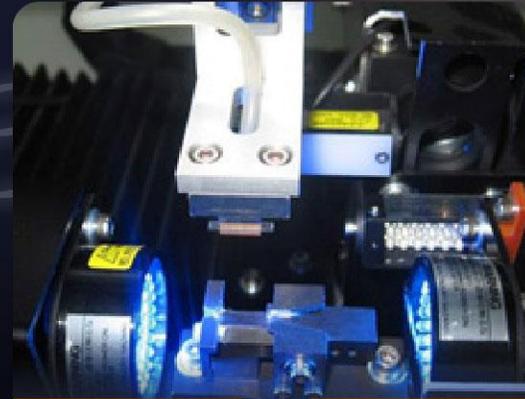
R&D

Independent R&D and product design capabilities



Manufacturing

State of the art technologies, high-precision injection capabilities, automated assembly production, high-end testing equipment



Innovation

Cooperate with the world's major manufacturers to develop future high-end products



Client

Top three communication equipment manufacturers in the world are all ACON OPTICS customers

Market Overview

Stock code 6820



4. Market Overview

5G Smart City

⦿ Pollutions surveillance

⦿ Traffic surveillance

⦿ Hospital ward surveillance

⦿ Video surveillance

⦿ Parking surveillance

⦿ Traffic control



4. Market Overview

Digital transformation accelerate post pandemic hasten the 5G era

Work from home



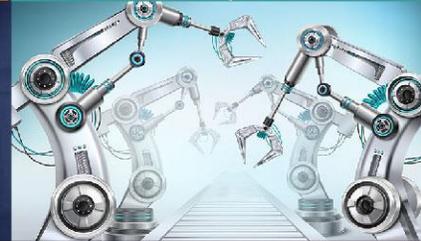
Video entertainment



Public cloud



Automated production



Ecommerce



Video conference



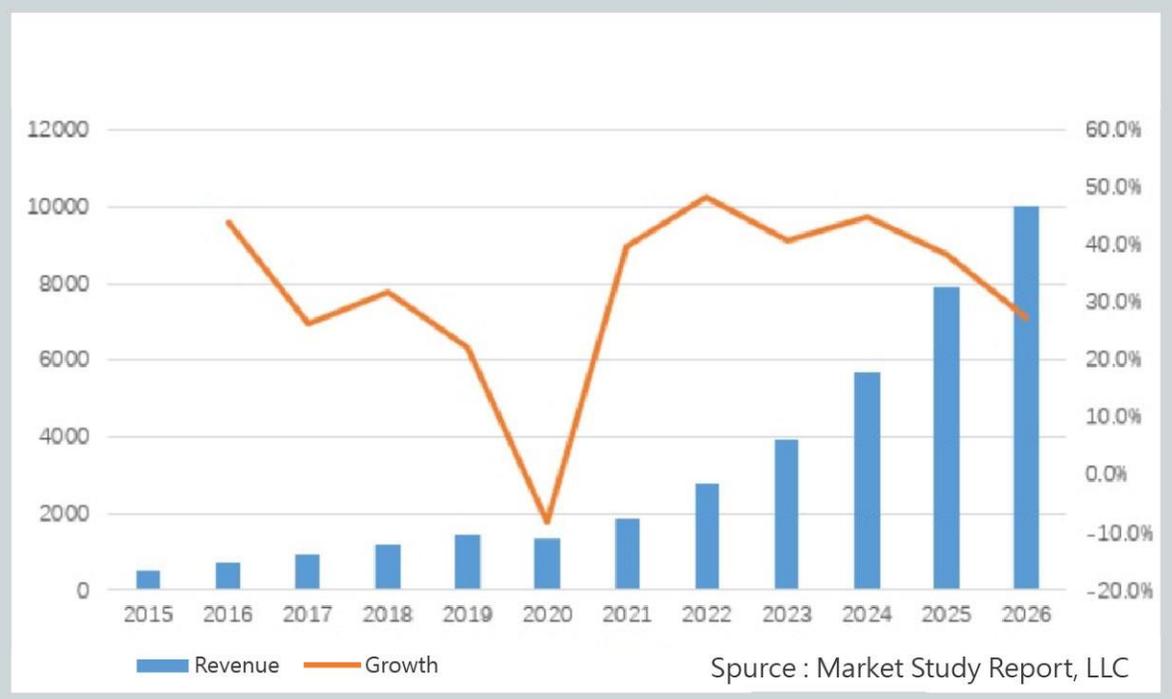
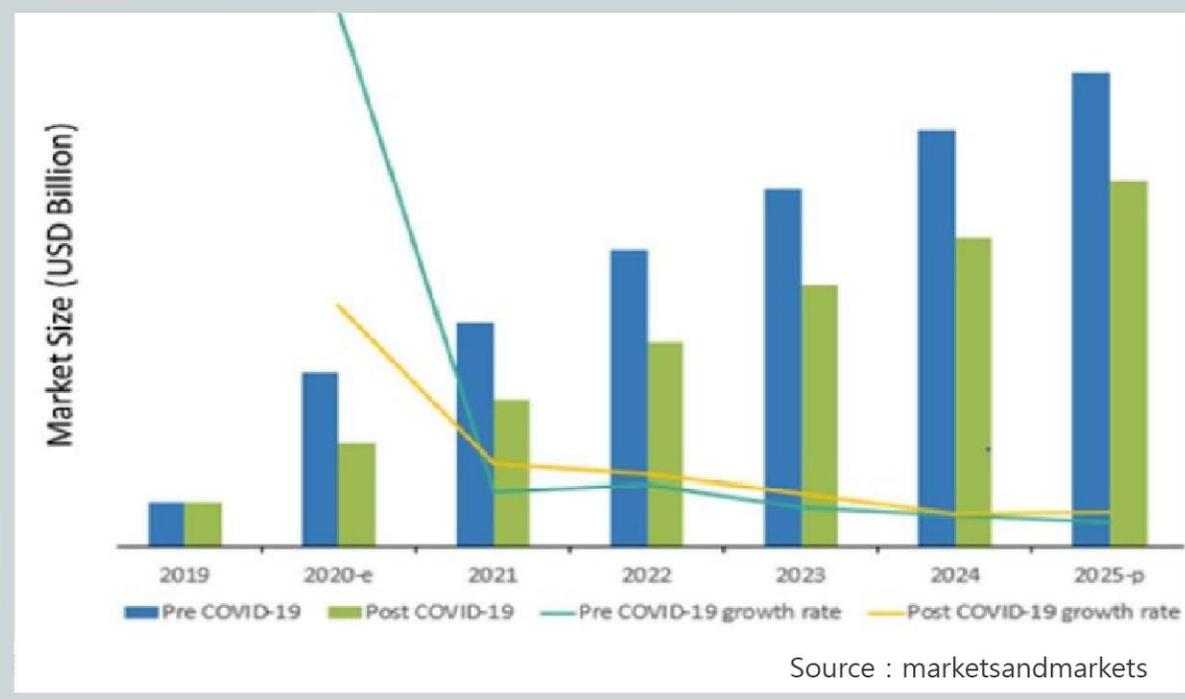
- **Working from home is the new norm** working from home places more demand on cloud platforms and applications
- **Increased in internet usage for digital entrainments** increased demand for video and gaming drives the demand for 5G speed
- **Increased adoption of public cloud platform** estimate corporate adoption of cloud will increased from current 23% to 47% in 2022
- **Adoption of automation** working from home hasten the adoption of process automation and big data applications in factory
- **Digital transformation** Increased manpower to setup automation process and data analysis for the factory drive up the IT costs
- **Rise of ecommerce** 2020 is the turning point for ecommerce , increased usage of online shopping due to pandemic restrictions

- **Advertising costs shift from traditional media to online** turnover rate for online ads is more rapid than traditional medium, estimate an increase of 10% growth on online adds in 2021
- **Increased adoption of contactless payment** increase adoption of digital payment and digital receipt due to pandemic
- **Increased market share of food delivery services** estimate 450 billion US\$ sales in 2020, already surpass the estimate of 400 billion US\$ in 2021
- **Uncertainty in global trades** Challenges between US –China trade war affecting semiconductor industry
- **AR/VR inclusion in new media** average costs will increased up to 87% in the next 4 years
- **Medical digital transformation** over the past 3 months consumers have been gradually shifting to digital medical solutions

4. Market Overview

Covid-19 delays 5G infrastructures deployment for 2 years **Global CAGR at 22.7%**

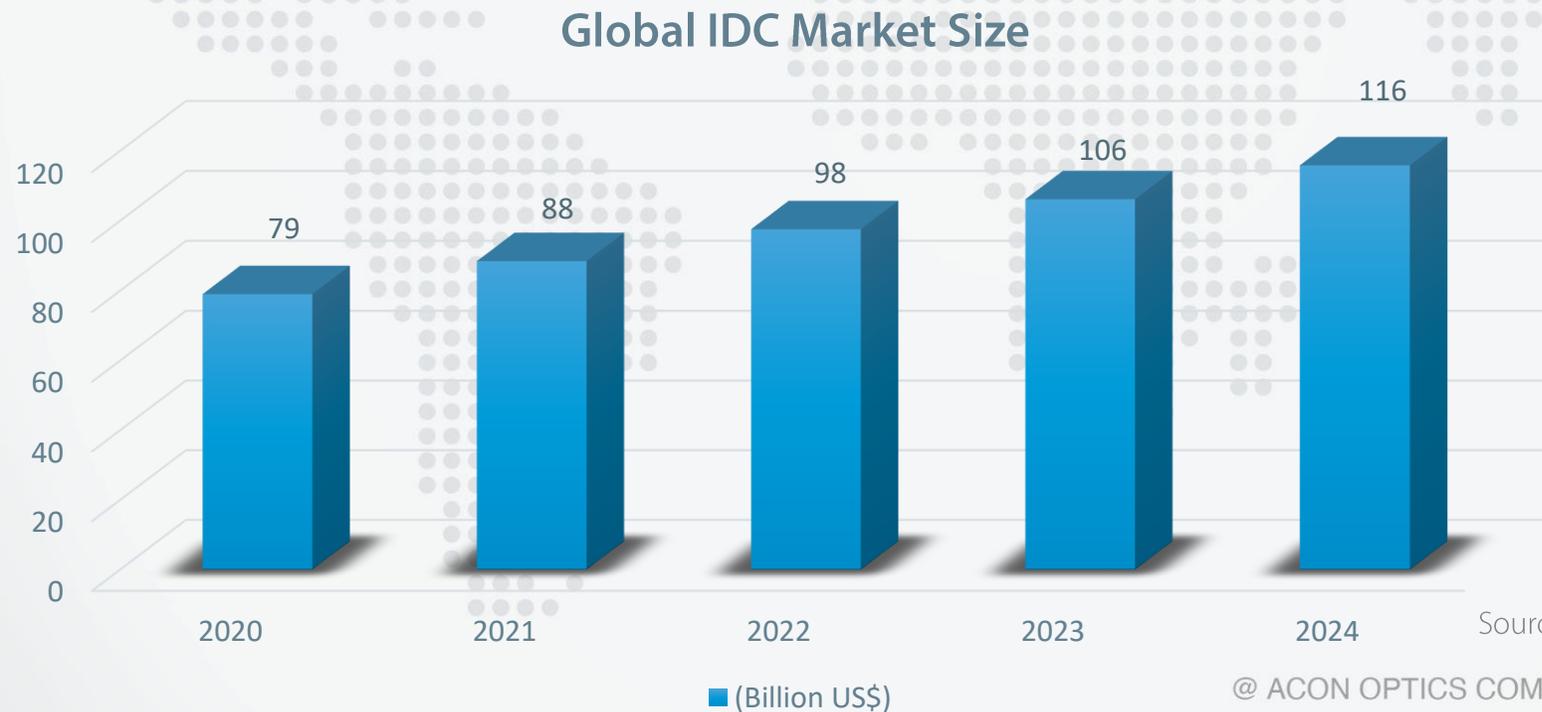
Estimate 5G fiber Cable Revenues Projection **(Million US\$)**



4. Market Overview

5G deployment will propel the internet, smart cities and other related industries. The rise of cloud computing will further push the development of IDC sector. Looking at the trend from 2014–2018, the IDC market is projected to break 115 billion US\$ by 2024

Global IDC Market Size	2020	2021	2022	2023	2024
(Billion US\$)	79	88	98	106	116



Source: QianZhan Industry Research Institute consolidated

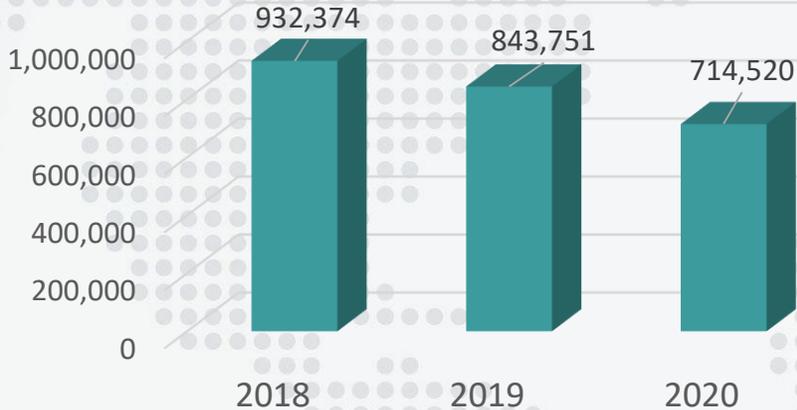
Financial Results

Stock code 6820

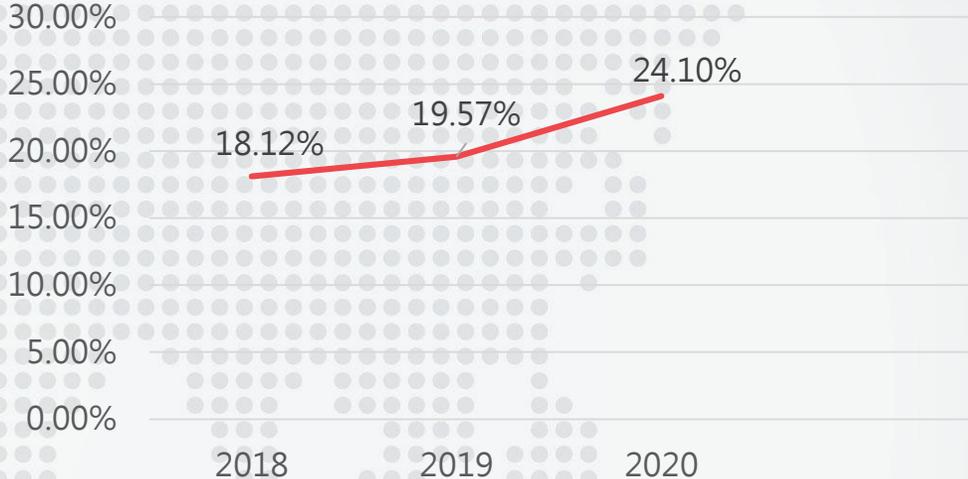


5. Financial Results

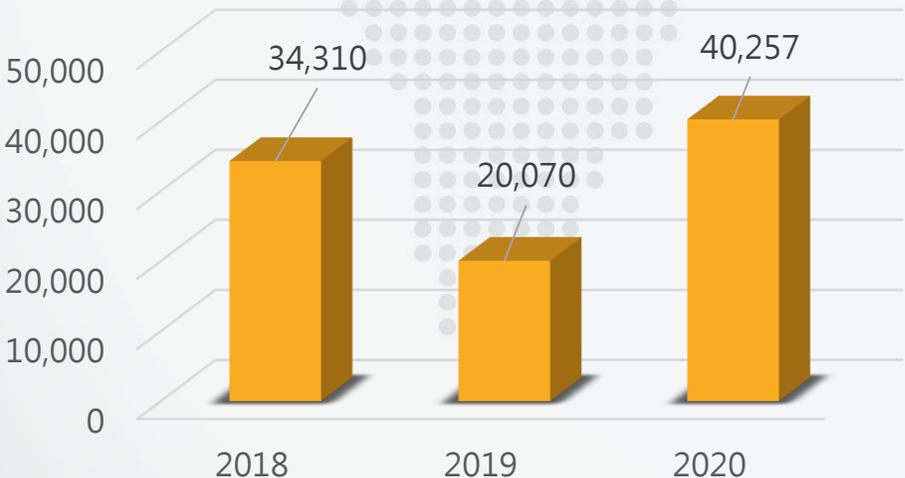
Revenue



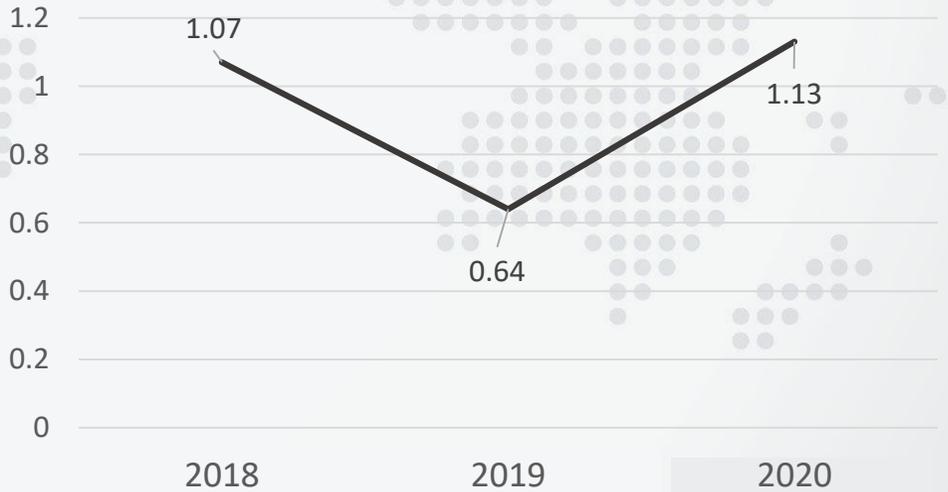
Margin %



Income Before Tax



EPS



5. Financial Results - Client

Communications Equipment Providers



NOKIA

ERICSSON 

System Integrators



Rosenberger



Country Telco Providers



中華電信
Chunghwa Telecom



台灣大哥大



verizon 

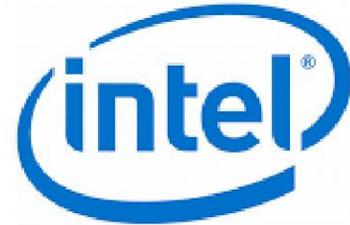


5. Financial Results - Client

Data Center Applications



Video Conference, Telehealth Applications



Future Outlook

Stock code 6820



6. Future Outlook



Technology R&D

Continue with our innovative R&D, to be a leader in optical connector design manufacturer

Product Development

Integration of technology and manpower resources to become a leading optical communications system integrator



Branding

ACON OPTICS will strive to be a leading brand name in the optical communication industry



