

# Innodisk Corporate

Investor Conference

(Symbol: 5289)

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Randy Chien

Chairman

2023.03.23

The logo features the word "innodisk" in white lowercase letters on a red rectangular background. A small red square is positioned above the right side of the red rectangle.

innodisk

# Disclaimer

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This file and the financial information and forecast information are based on information obtained by the company from internal and external sources. The actual operating results and financial conditions of the company may differ from these predictive sets of information due to various uncontrollable factors.

The viewpoints in this file reflects the company's opinion on the future by the current date. If there are any changes or adjustment in the future, the company is not responsible for notifying the reader or updating the content.

# Agenda

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- Company Profile and Overview
- Market Trend and Activities
- Market Focus and Product Strategy
- Environment, Social, Governance
- Financial information
- Q & A

# Company Profile and Overview

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innodisk

**2005**  
Founded  
18 years

**Revenue**  
NT\$10.3B

**Capital**  
NT\$866M

**EPS**  
NT\$21.46

**Patents**  
165  
(+7)

**Customers**  
4,000+

# Globalized Business and Technical Support



**825**

Employees

**24**

Locations

Taiwan:704 & Oversea:121

# YI-LAN RD & Manufacturing Center

innodisk

Floor Area (4 floors)

**12,000**

Sq. Meter

2022 Capacity

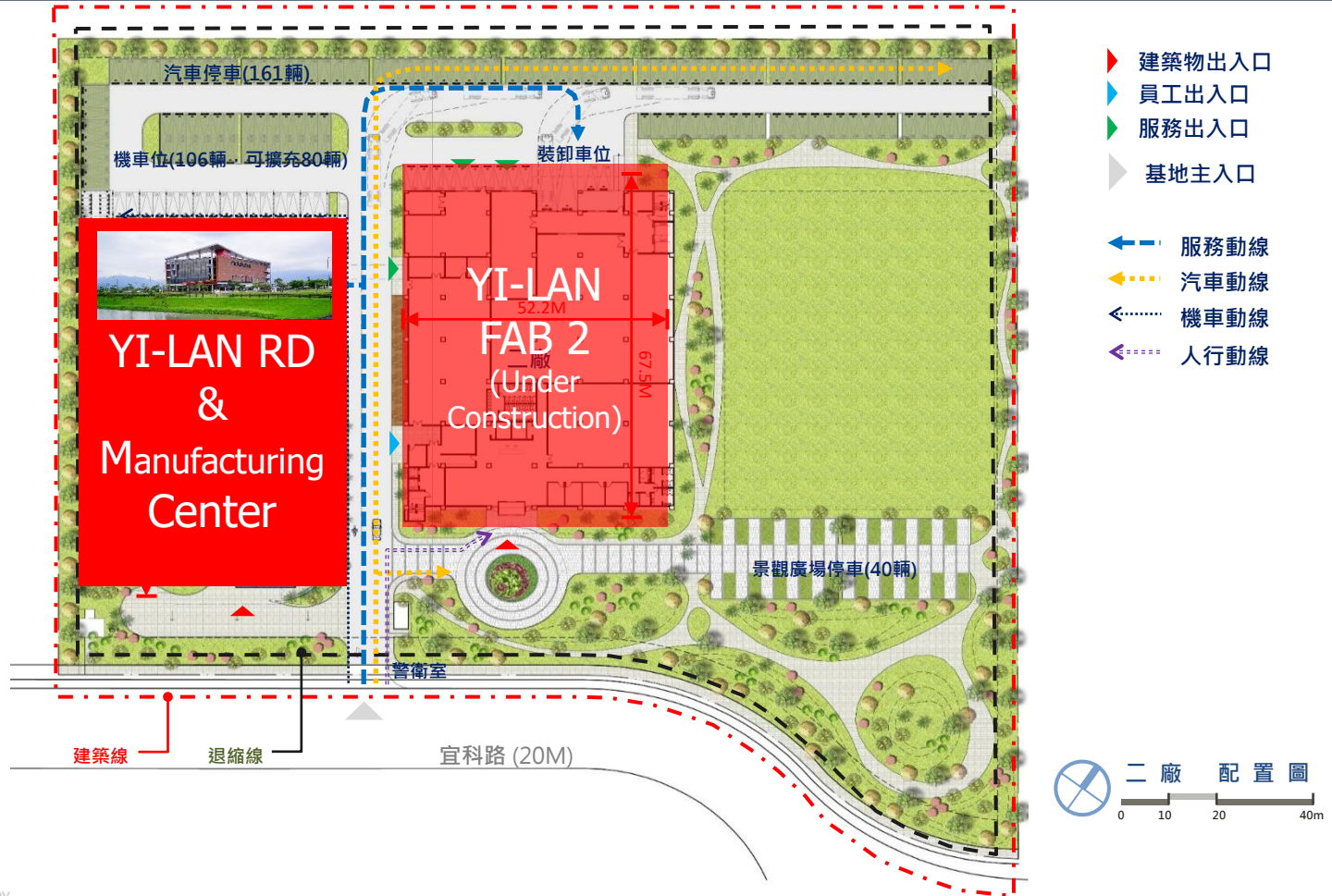
**900K**

SMT x 6



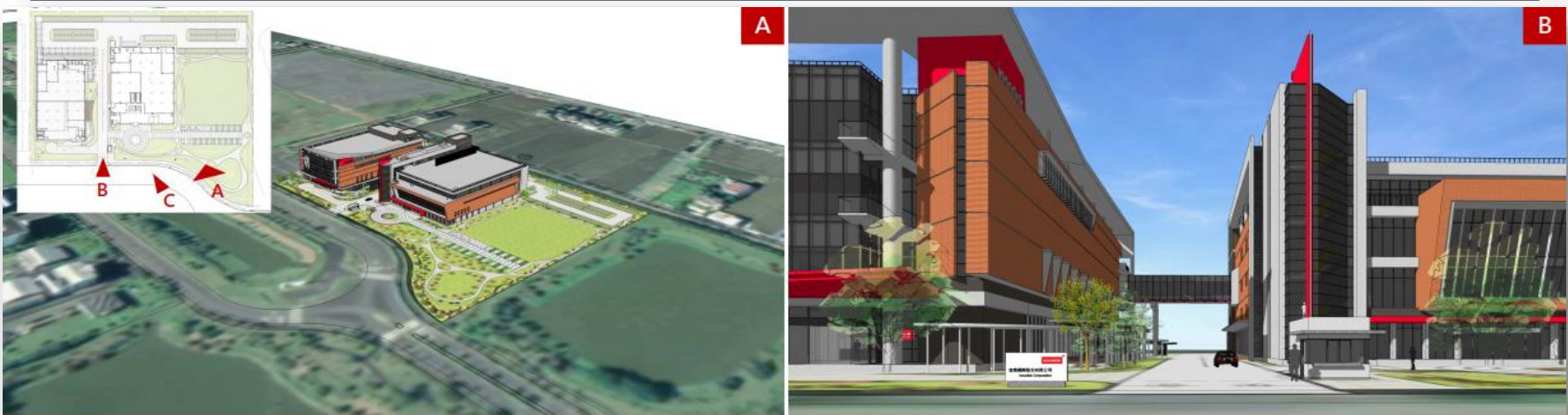
# YI-LAN FAB 2 (Under Construction)

innodisk





# YI-LAN FAB 2 (Under Construction)



# YI-LAN FAB 2 (Under Construction)



To be completed 2023, Q4

# Head Quarter Operation Center

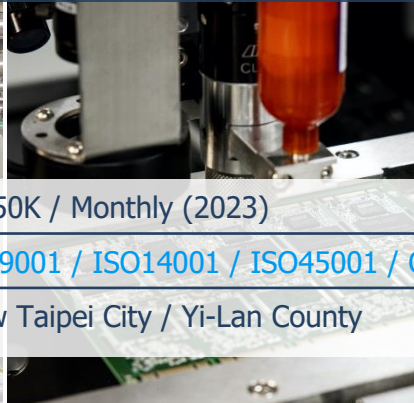
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Floor	Space
17F	+1,650 m <sup>2</sup> (Aetina)
7F	3,300 m <sup>2</sup>
5F	3,300 m <sup>2</sup>
4F	3,300 m <sup>2</sup>
3F	3,300 m <sup>2</sup>
2F	+1,650 m <sup>2</sup> (Aetina)



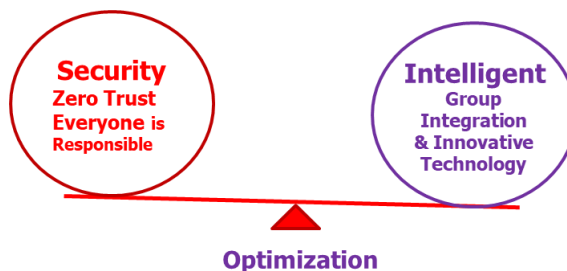
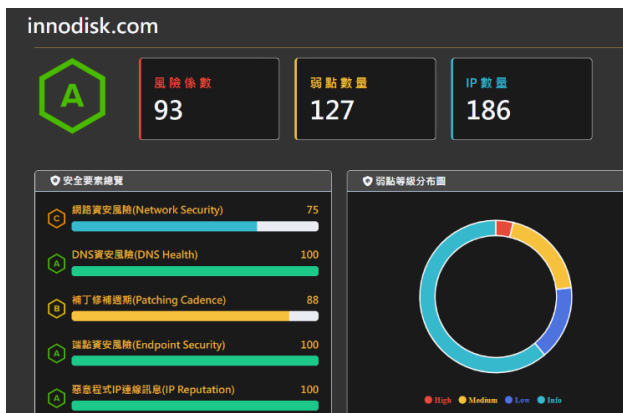
# Quality, Our Top Priority



Production	1,350K / Monthly (2023)
Certifications	ISO9001 / ISO14001 / ISO45001 / QC080000 / ISO14064-1 / ISO27001
Manufacturing	New Taipei City / Yi-Lan County

# Security Evolution and Zero Trust Protection

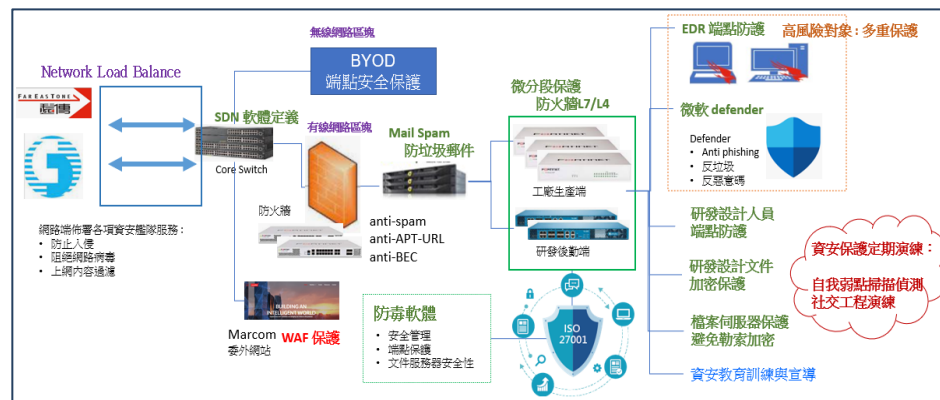
From 2022Q1~2023Q1, Innodisk maintain **A Grade** level under third party verification



- Strengthening information security:
- Security is an asset as well as a competitiveness, establish security visibility (products and services)
  - Strengthening protection against network weaknesses/program vulnerabilities
  - Focus on intellectual property risks and opportunities, IP management to realize the implementation of ESG

Steps for building zero trust architecture:

- Deploy the information security protection - R & D, manufacturing and backend;
- Lean IT service operation methods (authority, data management, service timeliness)
- Implement effective education and training plans to enhance employees' information literacy



# Partnership and Awards

innodisk



IoT Solutions  
Alliance

**2016 - 2019**

Official Intel® IoT Solution Partner



Microsoft

**2019**

Official partner of Azure Sphere

**No. 1** Global Industrial  
Grade SSD  
**2018-2022**

**Gartner**

**Top 9** DRAM Module  
Suppliers  
**2022 (2018-2021 Top 10)**



TRENDFORCE

**Top 35** International  
Taiwanese Brand  
**2018 - 2022**

**Interbrand**



**2021** InnoAGE™ SSD



Taiwan  
Excellence

**2020** 3.5" Fire Shield SSD  
**2021** InnoAGE™ SSD



Most Innovative  
Memory Technology



**2022** Ultra Temperature  
DDR4 DRAM Module

# Market Trend and Activities

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# From IPC to AI New Era, The Key to The Industry Growth



**Industrial PC  
Market**



**Vertical Market  
(IIoT)**



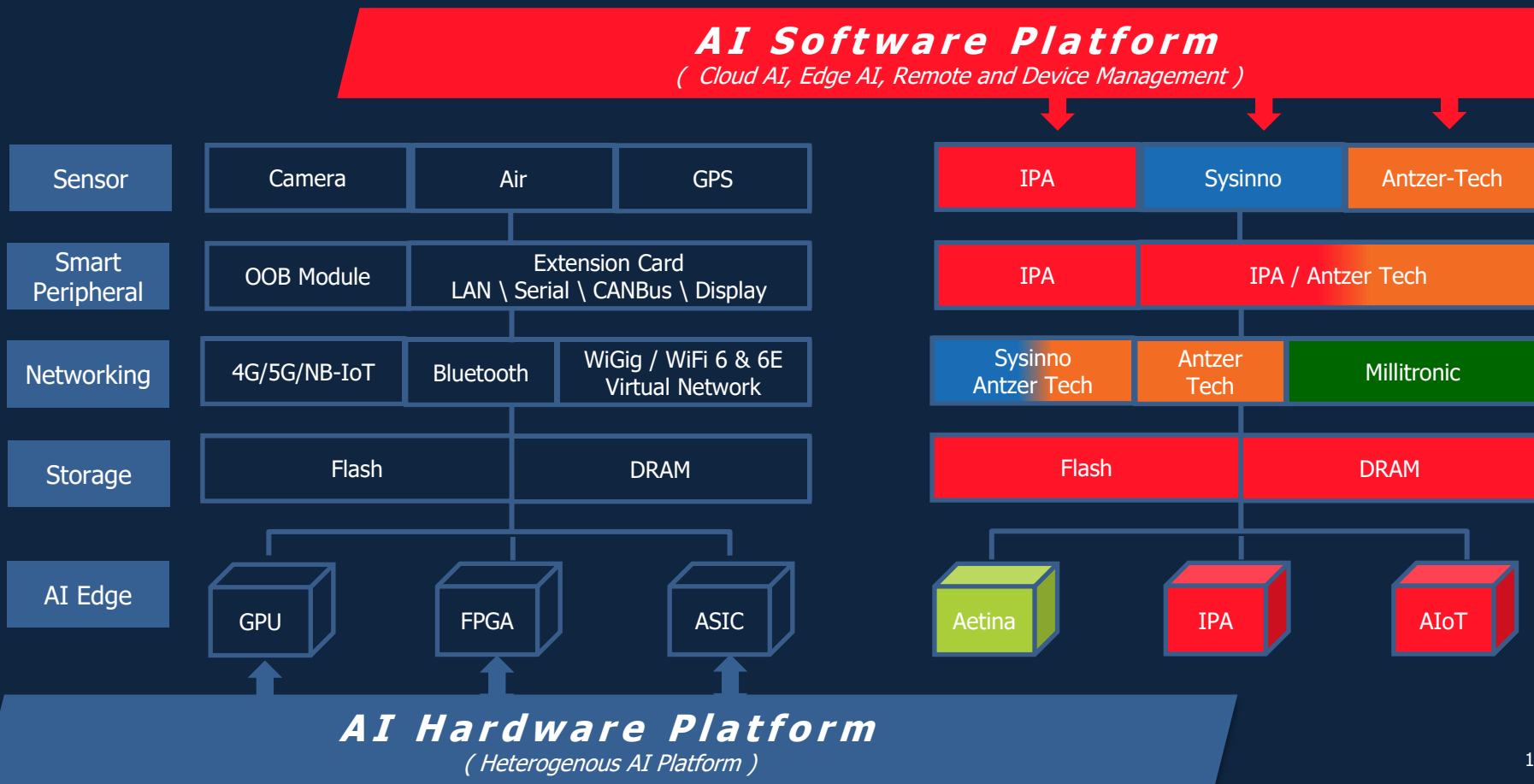
**Smart Vertical  
Market (AIoT)**



**AI**

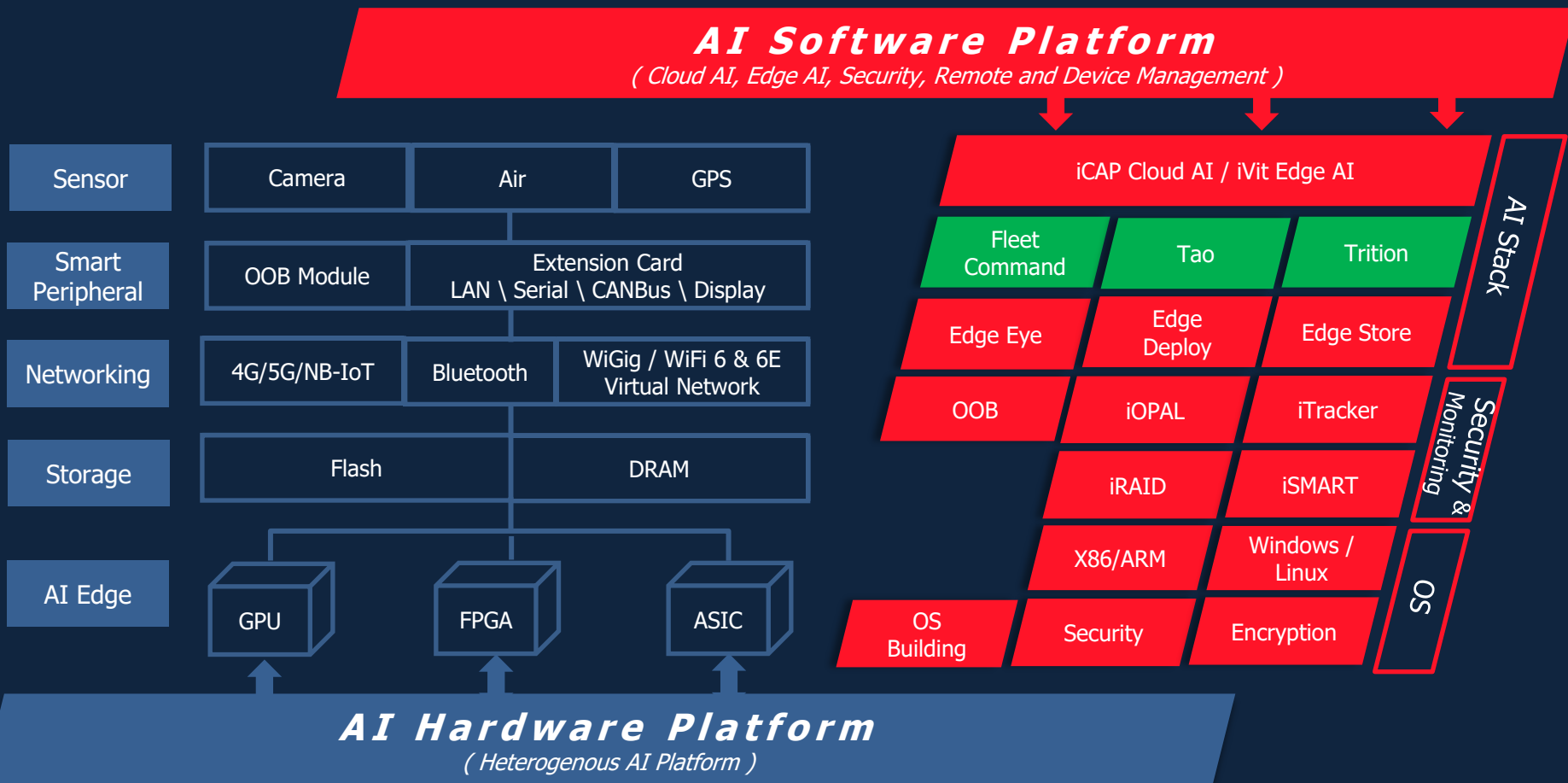


# Heterogeneous AI SW & HW Platform

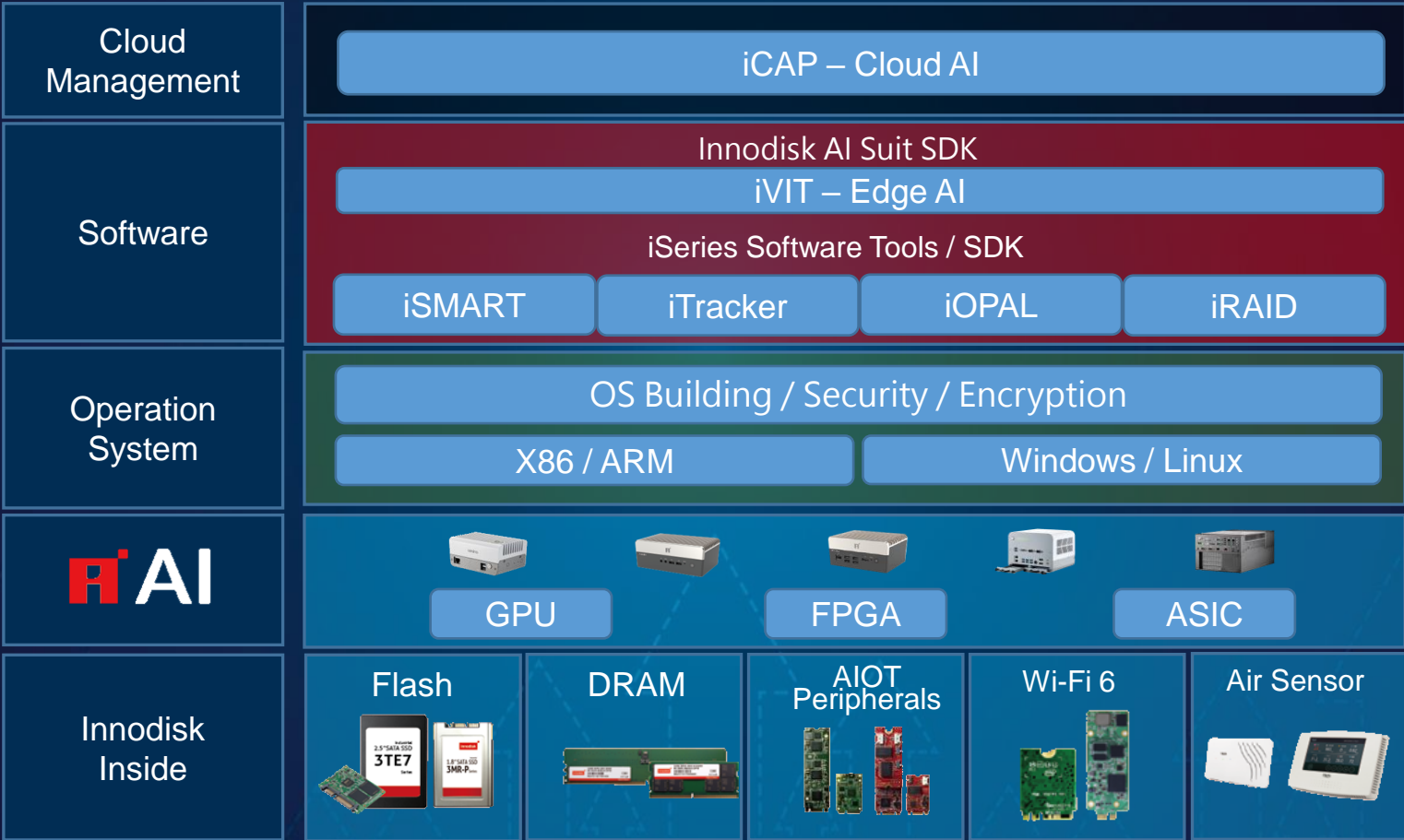


# Heterogeneous AI SW & HW Platform

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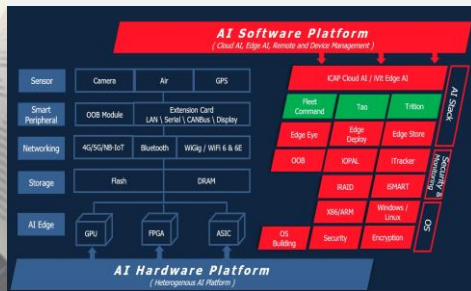


# Innodisk AI Solution Framework



# Realize AI Edge Computing

## #1. SW/HW Integration



## #2. Remote Management



## #3. Data Security



Smart City

Smart Factory

Smart Vehicle

Smart Medical

Smart Retail

Energy & Infrastructure

IPC Market

Vertical Market (IIoT)

Smart Vertical (AIoT)

AI

# Promote Innodisk AIoT Strategy

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2022 Aug @Taipei, Taiwan

**AI X Innovation**

Press Conference  
& Keynote / Conferences

500 attendees / 700+ online attendees



2022 May @Taipei, Taiwan

**Computex**

AI



2022 Jun @Nuremberg, Germany

**Embedded World**



# Market Focus and Product Strategy

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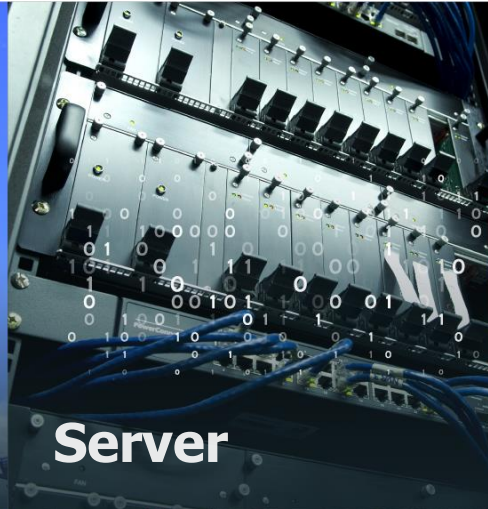
# Making Every Vertical Application Smarter through Our AI Technologies



**Gaming**



**Networking**



**Server**



**Aerospace**



**Retail**



**Surveillance**

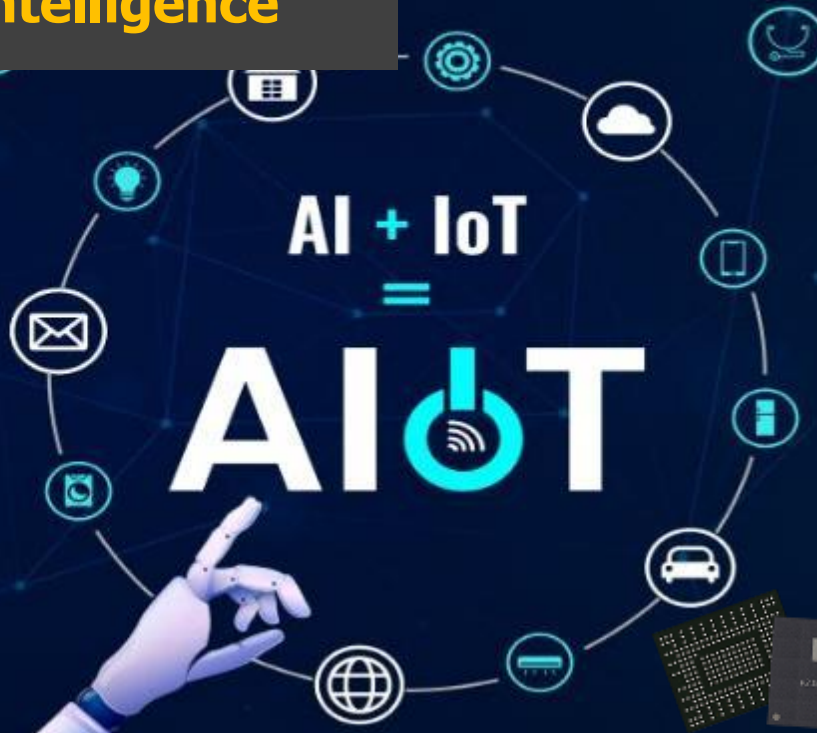


**Automation**

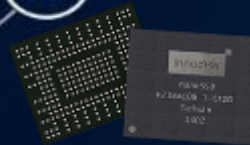


**Transportation**

# Focus on Edge AI Computing Storage, accelerating the Practical Application of AI Intelligence



AI + IoT  
=  
AIoT



**innodisk**

- ❑ Low power and small form factor storage
- ❑ Support Gen4 x4 DRAM-Less BGA and M.2
- ❑ Support NVMe Namespace for storage efficiency and security



# Longevity: Extracting the Maximum Lifespan of Every Device









**innodisk**

- ❑ Extending Lifetime P/E 100K, Beyond the Standard
- ❑ iSLC fulfilling the Highest Performance Demands



# DDR5 Ultra Temperature DRAM Module

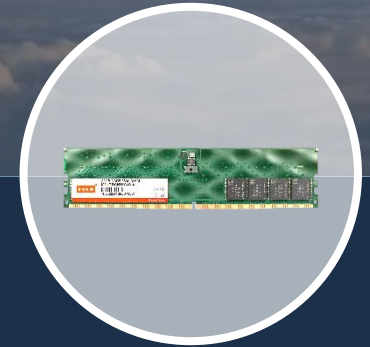
-  **First-of-its-kind** DDR5 DRAM module  
Sustains under **-40°C~105°C** ultra temperature
-  Certified with thermal, humidity and sulfuration test  
Maintains **high performance under extreme environment**
-  Target at high-end customers with **AI or edge computing application**

Application	
	Fanless System
	Aerospace
	Self-driving car



2023 DRAM Highlight Product

# DDR5 5600MT/s High Rate DRAM Module



**First-to-market** DDR5 5600MT/s DRAM module for industrial applications



Significant architectural modification enhancing performance **increasing 17% of data rate**



Ultimate performance motivates **AI application**

## Application



High Performance Computing



Networking



Artificial Intelligence

# AIOT Peripherals

Reliability | Integration | Compatibility

Complete drivers and software for industrial computer platform

Industrial Grade of component and global safety certification

To enhanced system application flexibility

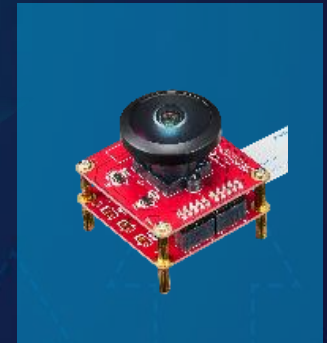
Industrial I/O Expansion



FPGA Platform



Camera Module



# AI Suite SDK

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iCAP

iVIT  
Inference

iVIT  
Training

CPU



GPU



ASIC

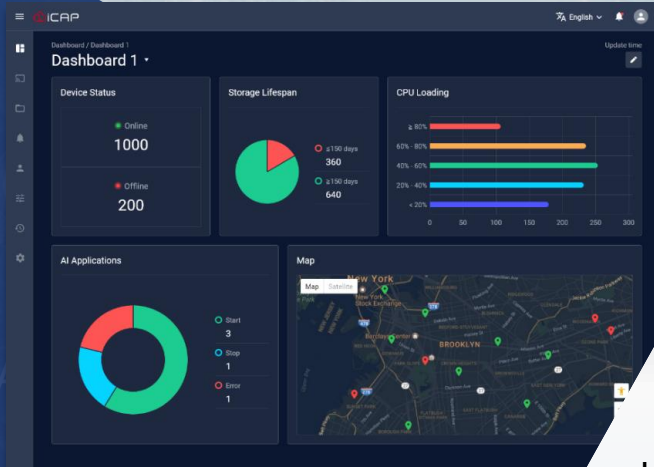
FPGA



- High compatibility with CPU, GPU, and FPGA hardware accelerators
- Easy operation integrated GUI, and you can also use the SDK for secondary development
- Supports x86 and ARM platforms, and complete AI Model



# AI & Cloud Management



Cloud AI

AI Platform Management

Big Data Analysis

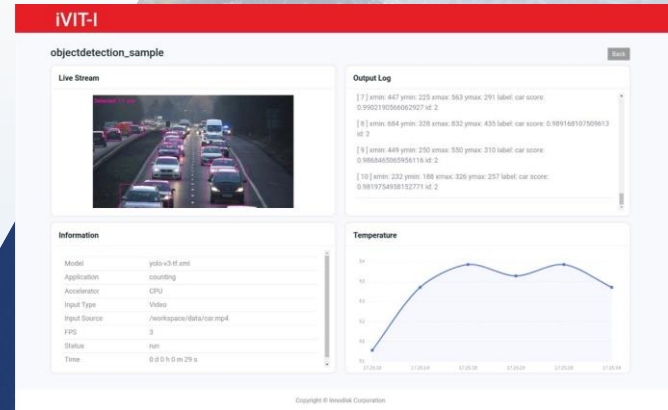
Remote AI Deployment



Heterogeneous platform integration

Rapid deployment of AI tools

AI Benchmark Performance



Edge AI

# Environment, Social, Governance

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# Innodisk AIoT × ESG

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2022 Feb - Jun @Taipei, Taiwan

## Innodisk x ATCC Case Competition

### Exploring Business Opportunities in the Intelligent World



Team Innodisk won the 3<sup>rd</sup> place award over 2,000 participants





# Innodisk Driving Change Initiative

- Innodisk has initiated the Innodisk Driving Change Initiative | i Earth, I'm in campaign, combining the power of upstream and downstream ecosystem partners, continuing to live up to our commitment to a sustainable environment to build a sustainable future together.



# Cultivate sustainable volunteers

- Innodisk has launched a three-year sustainable impact program, promoting environmental education and household services across Taiwan. The United Nations Sustainable Development Goals (SDGs) are integrated into every activity to continue spreading positive impact to employees, partners, students, and every family involved. The goal is to train 1,000 sustainable volunteers and promote the spirit of sustainability.



# Trade Secrets Protection Management System

- As the company goes digital, in order to strengthen enterprise information security control, it is recommended to introduce a Trade Secrets Protection Management System (TIPS) from top to bottom to protect the company's assets.

To improve the company's governance evaluation score, but it also enhances the company's competitiveness and ensures its sustainability.



# TIPS

# Human rights policy

- To protect the legitimate rights and interests of employees and follow guidelines such as the United Nations Universal Declaration of Human Rights, we have established an international human rights policy that respects and protects all colleagues.

<b>Diversity, inclusivity, and equal job opportunities.</b>	<p>Comply with relevant national labor laws, prohibit child labor, human trafficking, and forced labor, and do not discriminate against employees. We are committed to creating a diverse, open, equal, and harassment-free working environment and will not tolerate any behavior that violates human rights.</p> <p>All employees will not receive any differential treatment or any form of discrimination based on personal gender (including sexual orientation), race, age, blood type, marital status, language, religion, political affiliation, place of origin, birthplace, appearance, disability, etc.</p> <p>We provide effective protection for labor rights and a friendly and harmonious labor-management relationship. We implement fair employment, salary and benefits, training, evaluation, and promotion opportunities and provide effective and appropriate complaint mechanisms to prevent and respond to any harm to employees' rights and interests.</p>
<b>Provide safe and healthy working environment</b>	<p>We provide a safe and healthy work environment with necessary health and emergency facilities to eliminate factors that may affect employee health and safety in the workplace and reduce occupational hazards. We actively monitor and manage colleagues' workload to avoid overwork and provide regular training on occupational health and safety.</p>
<b>The right to freedom of association</b>	<p>Respect employees' fundamental human rights and uphold their right to organize unions and engage in collective bargaining. Provide diverse communication channels and platforms to ensure a harmonious and win-win labor-management relationship</p>
<b>Assisting employees in maintaining physical and mental health and achieving work-life balance.</b>	<p>We care about the physical and mental health of our employees and actively organize health management seminars. In addition to stress-relieving massage measures, we offer diverse activities such as art, sports, and family days, encouraging participation from employees and their families. We also expand interpersonal interaction among colleagues through participation in various clubs, enriching the concept of work-life balance and taking care of the physical, mental, and spiritual health of our employees.</p>

# Environmental Sustainability Goals

2025

Installing solar panels in the factory area.  
Greenhouse buildings and rainwater harvesting facilities.  
Using energy-efficient equipment and replacing old equipment  
Effectively controlling waste and greenhouse gas emissions, reducing target by 5% annually.

2030

Developing the low power and environmentally friendly product continuously.  
Innodisk plan to reduce greenhouse gas emissions by 50%. (Base on 2021 GHG Result)

2050

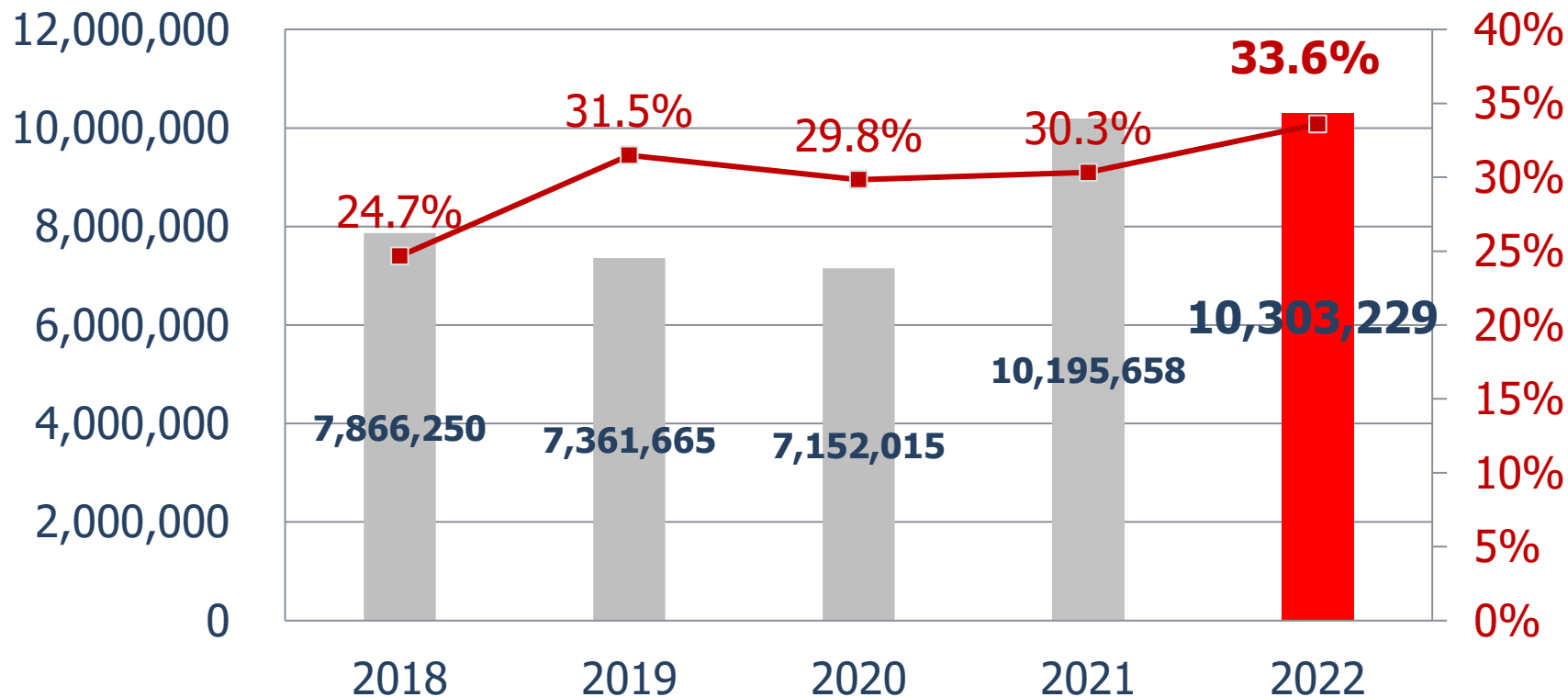
Achieve corporate carbon neutrality.  
Continuously prioritize environmental protection.  
Net zero carbon emissions.

# Financial information

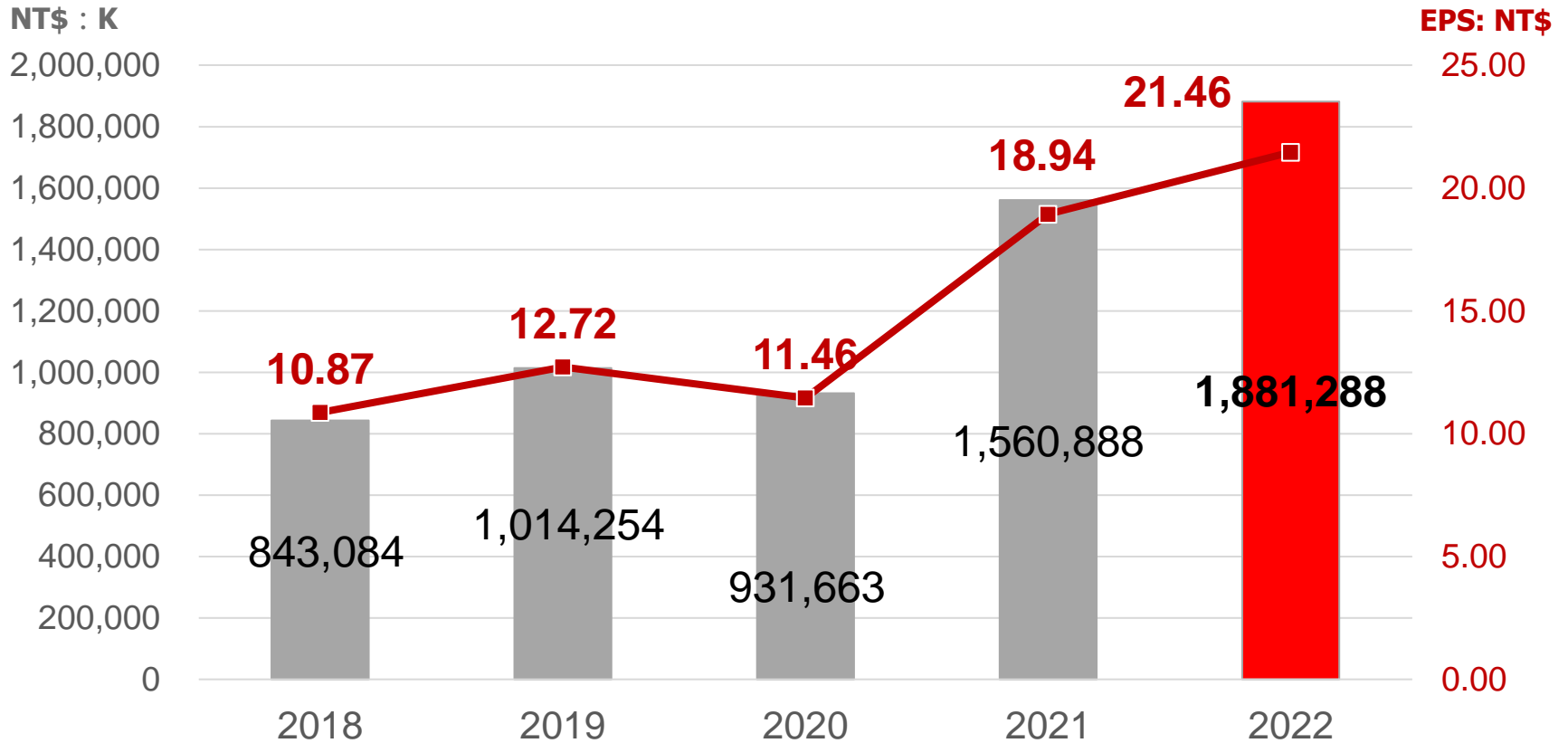
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# Revenues and GPM over last 5 years

NT\$:K

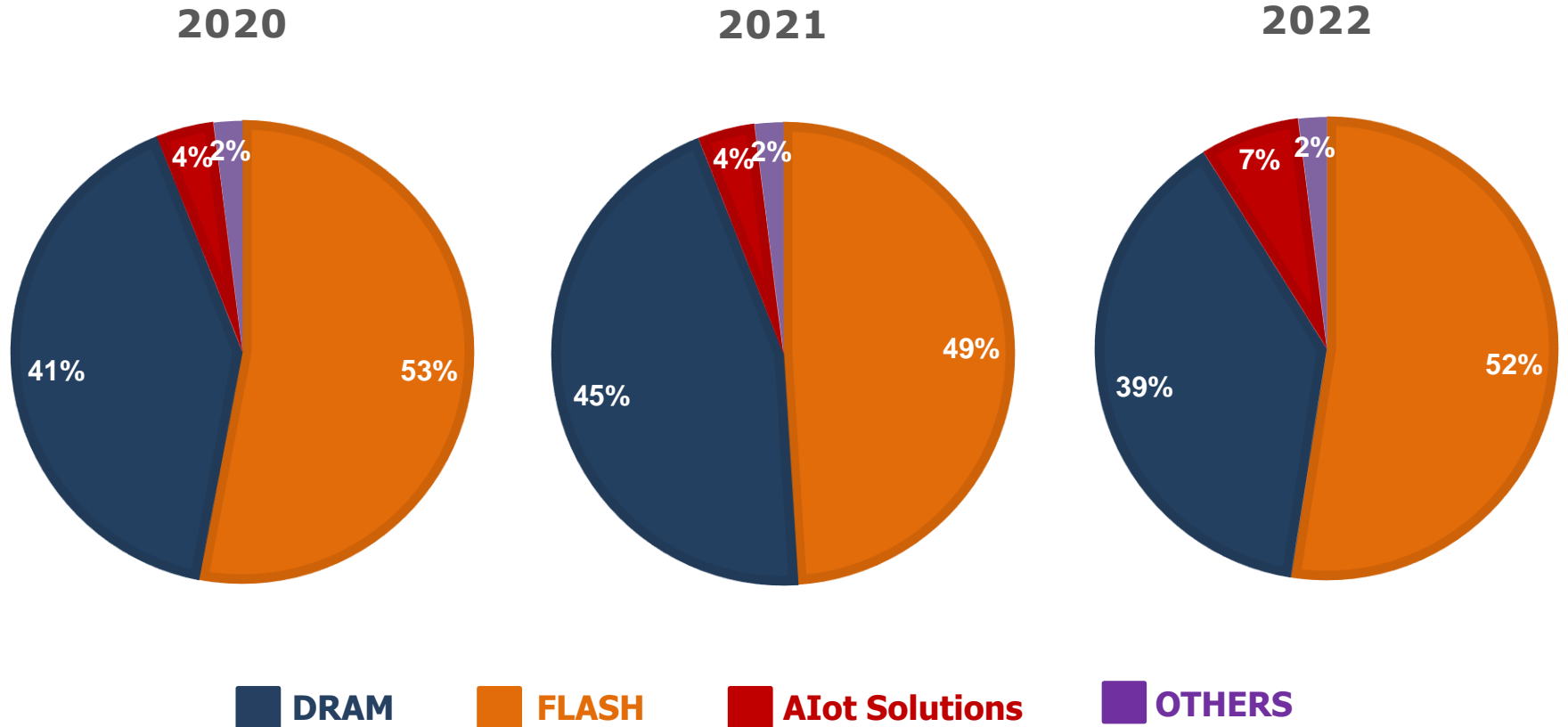


# Net Profits and EPS over last 5 years

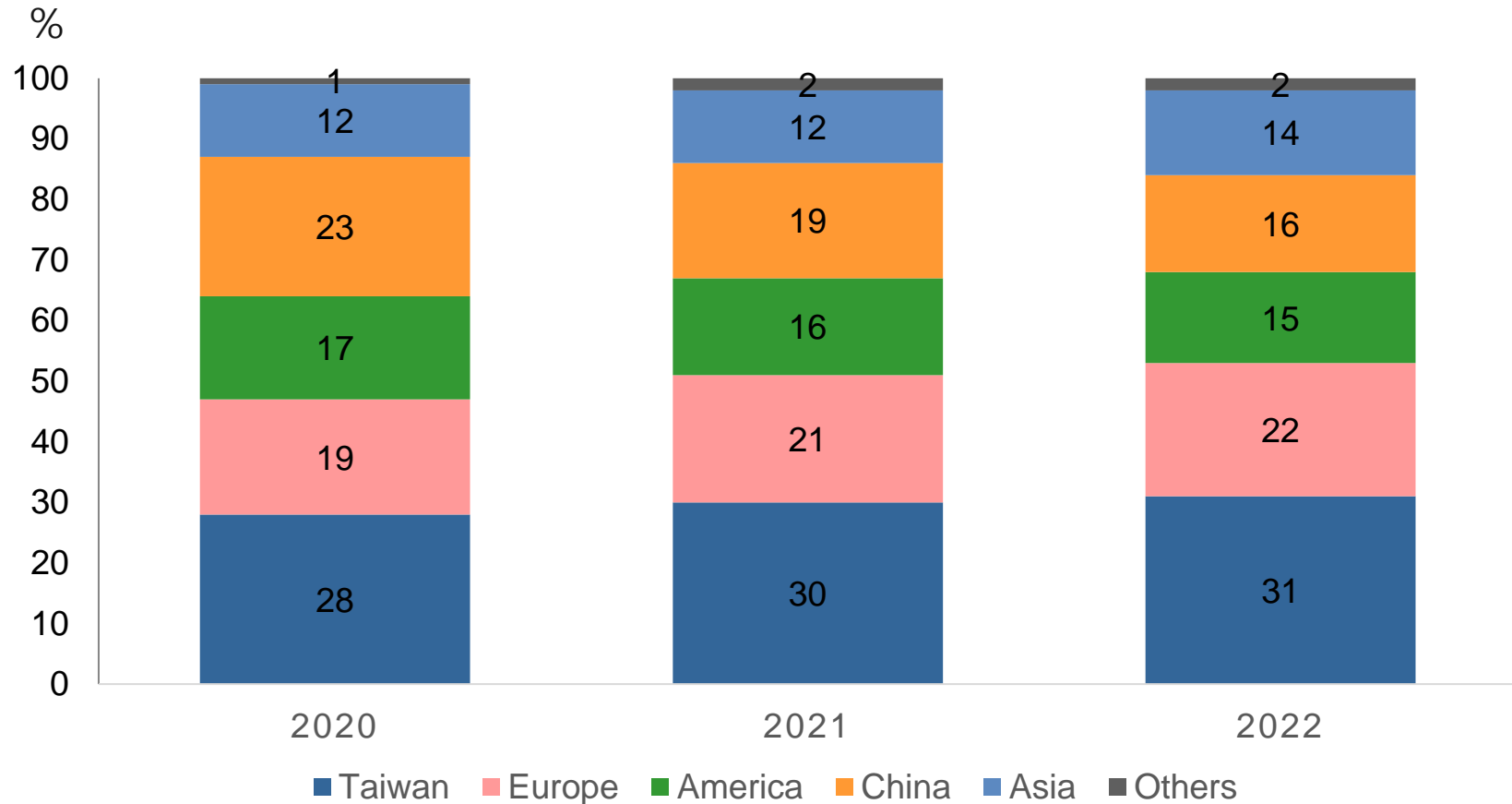




# Revenue Breakdown by Product Lines



# Revenue Breakdown by Regions



# Annual Income Statement

	2020	2021	2022	YoY
Revenues	<b>7,152,015</b>	<b>10,195,658</b>	<b>10,303,229</b>	<b>1.1%</b>
Cost of good sold	5,018,288	7,103,440	6,844,611	-3.6%
<b>Gross profit</b>	<b>2,133,727</b>	<b>3,092,218</b>	<b>3,458,618</b>	<b>11.8%</b>
Operation expenses	926,434	1,142,972	1,419,157	24.2%
<b>Operation profits</b>	<b>1,207,293</b>	<b>1,949,246</b>	<b>2,039,461</b>	<b>4.6%</b>
Non-operating income and expenses	(39,697)	22,808	226,866	894.7%
<b>Profit before tax</b>	<b>1,167,596</b>	<b>1,972,054</b>	<b>2,266,327</b>	<b>14.9%</b>
Income tax expense	227,063	390,173	385,039	-1.3%
<b>Net profits</b>	<b>940,533</b>	<b>1,581,881</b>	<b>1,881,288</b>	<b>18.9%</b>
Non-controlling interests	8,870	20,993	31,099	
<b>Net profit attributable to parent company</b>	<b>931,663</b>	<b>1,560,888</b>	<b>1,850,189</b>	<b>18.5%</b>
<b>EPS</b>	<b>11.46</b>	<b>18.94</b>	<b>21.46</b>	
Gross margin	29.8%	30.3%	33.6%	
Operating margin	16.9%	19.1%	19.8%	
Net profit rate	13.2%	15.5%	18.5%	

# Q & A

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Innodisk Corporation

