

Gemtek Investor Conference

Feb, 2021

Gemtek Confidential
Distribution Prohibited

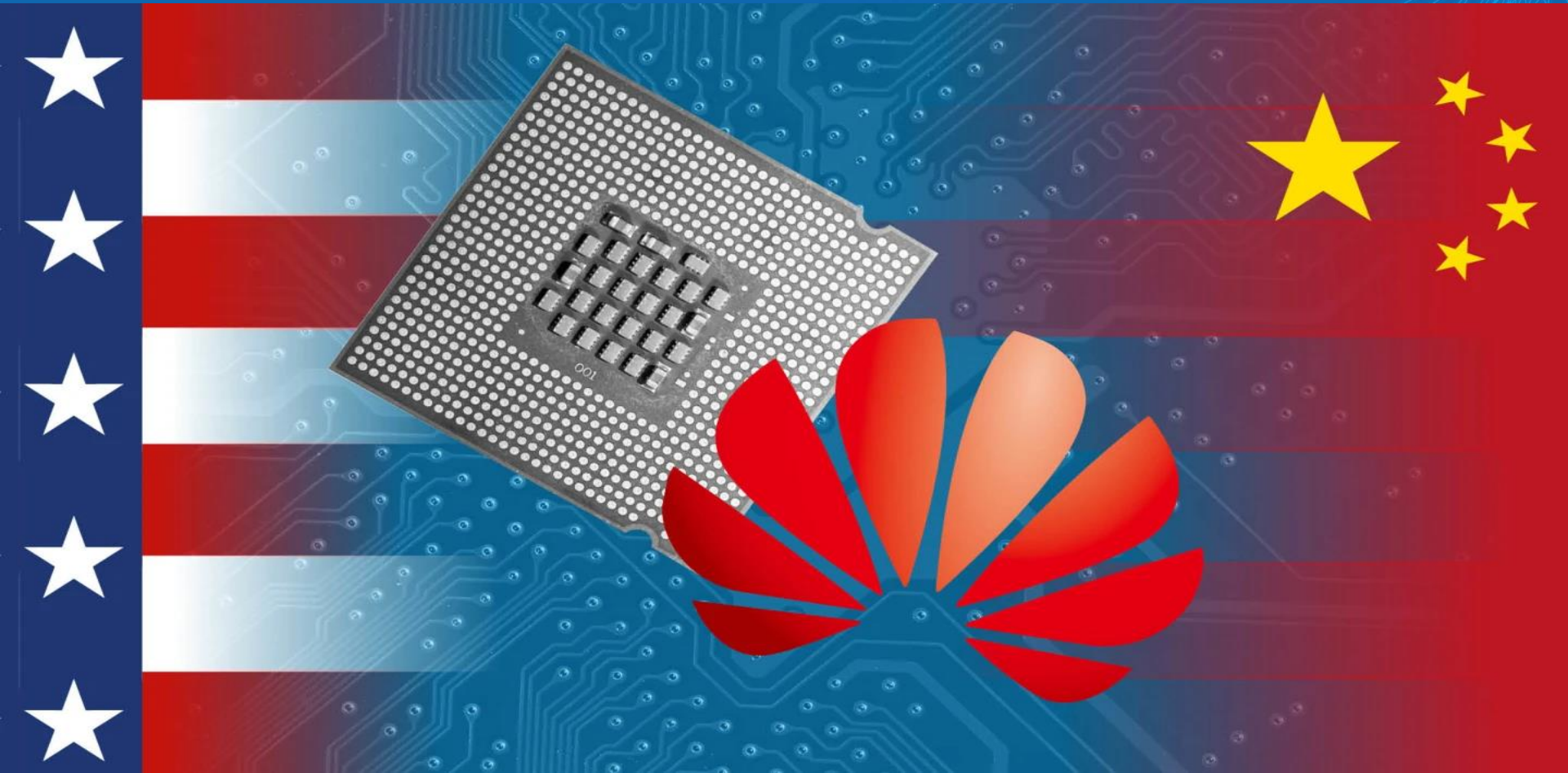
- **The following presentation may contain forward-looking statements regarding, among other things, our financial condition, future expansion plans and business strategies based on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions.**
- **The company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. The actual results could differ materially from those contained in these forward-looking statements.**

The Impact of US-China Confrontation

U.S.— China Trade War



Technology Confrontation



Financial War



Capacity Planning

Manufacturing Capacity



	Hsinchu,Taiwan	Ha Nam,Vietnam	Kunshan & Changshu
Capacity (by production)	≈ 12%	≈ 38%	≈ 50%
Capacity (by revenue)	≈ 5%	≈ 40%	≈ 50%
Product	Pilot Run	Wi-Fi Product, LTE, Gateway, GPON, Module, Sip Module	Wi-Fi Product, LTE, Gateway, GPON, Module, Sip Module

Challenges and Opportunities

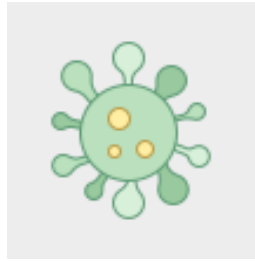
Challenges



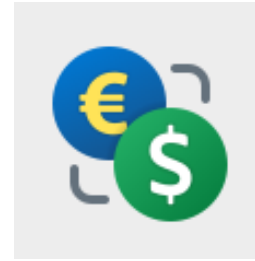
Tariff



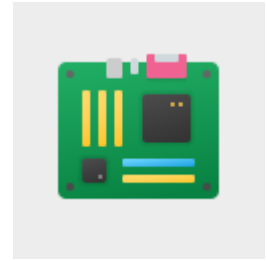
Worsen
Condition of
China
Manufacturing



COVID 19

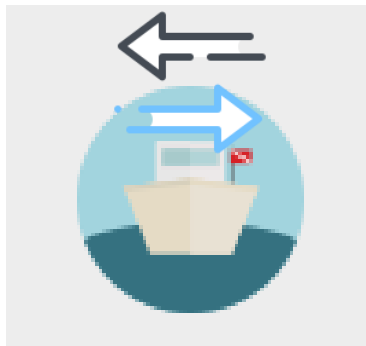


Currency
Risk

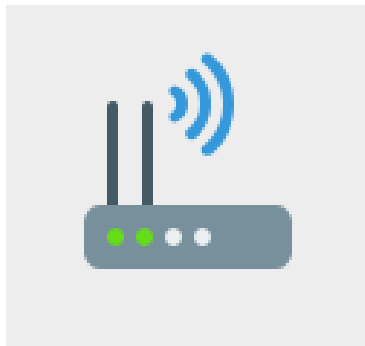


Material
Shortage

Opportunities



Transfer Order Effect



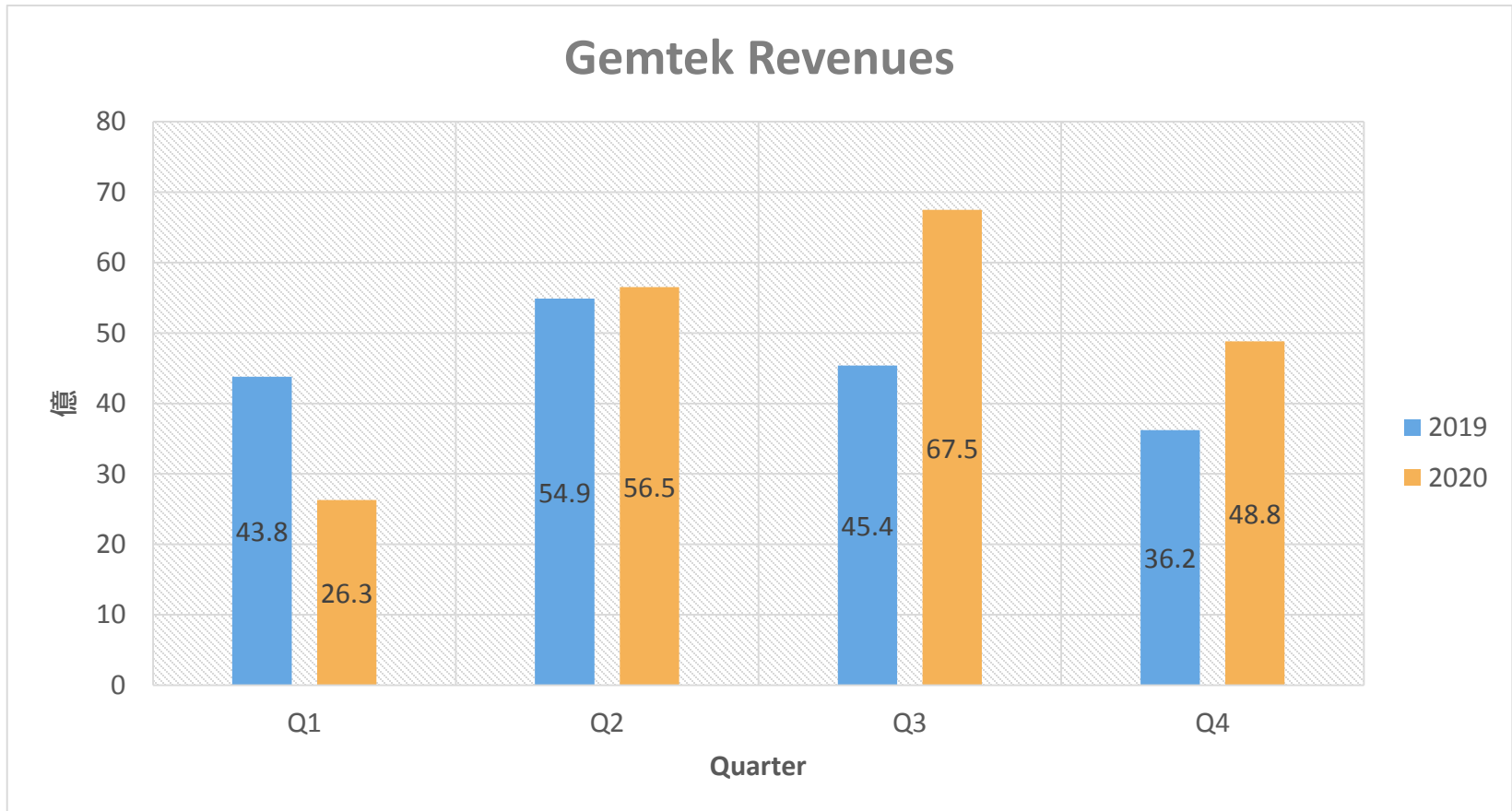
Clean Network



Declining
Competitiveness of
China

Financial Results

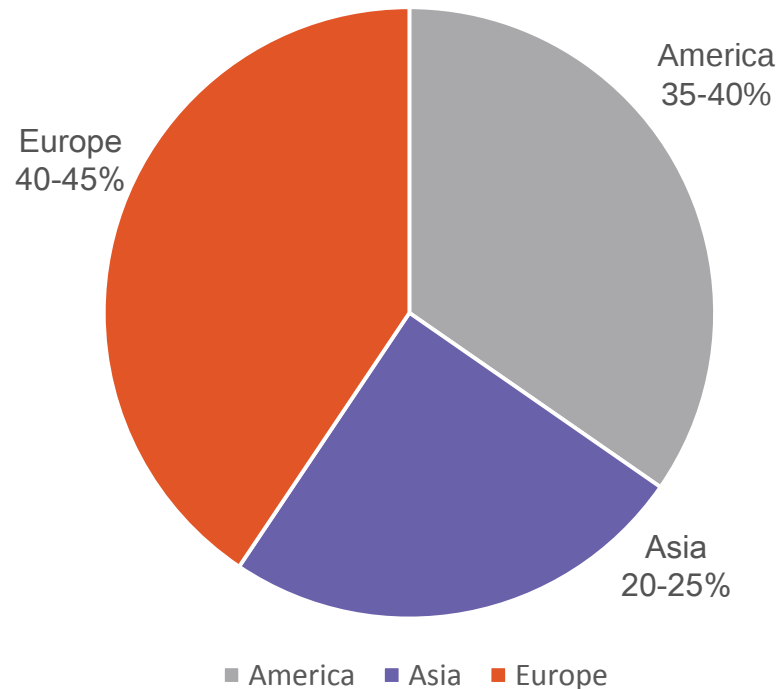
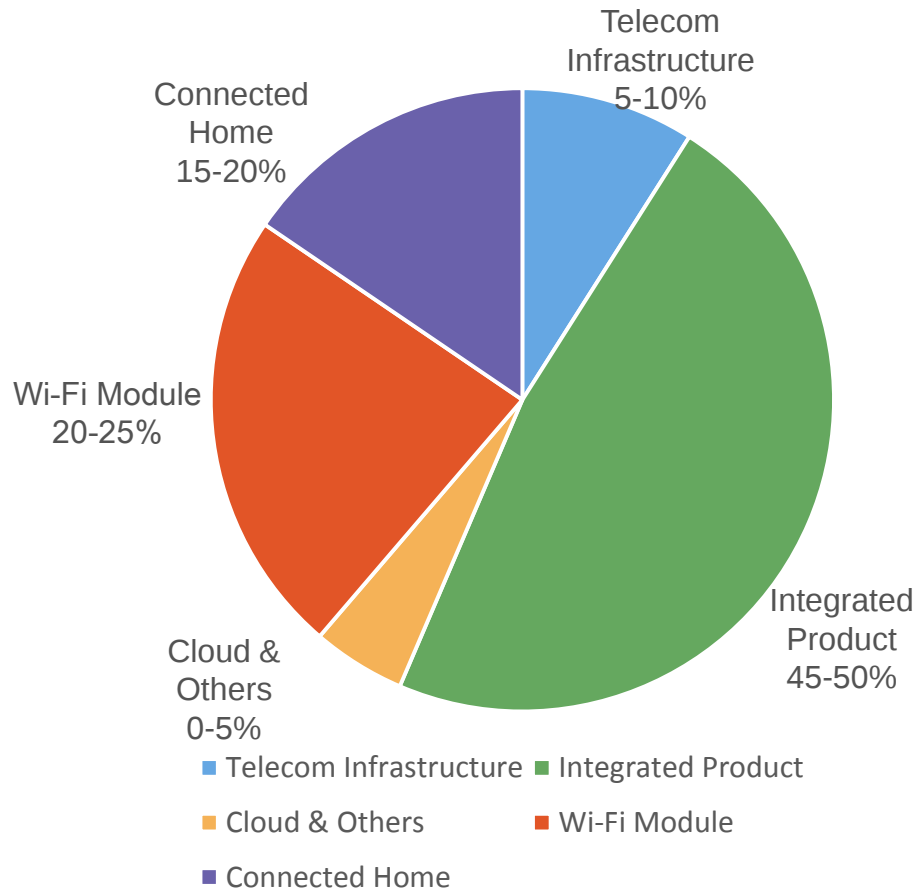
2020 Revenue Increase



Consolidated Comprehensive Income (IFRS)

<i>In NTD\$ Thousands</i>	3Q 2020	3Q 2019	YOY	1Q-3Q 2020	1Q-3Q 2019	YOY
Operating Revenue	6,752,034	4,547,164	+48%	15,040,706	14,429,289	+4%
Gross Margin Rate	11.91%	10.57%	+13%	11.50%	9.42%	+22%
Operating Expenses	495,840	418,526	+18%	1,352,428	1,285,751	+5%
Operating Income	308,120	62,214	+395%	377,274	73,631	+412%
Non-Operating Income and Expenses	1,038,776	60,220	+1625%	1,075,967	302,098	+256%
Net Income	1,239,707	92,279	+1243%	1,295,913	286,903	+352%
Net Income Rate	18.36%	2.03%	+804%	8.62%	1.99%	+333%
EPS (NTD)	3.48	0.25	+1292%	3.54	0.8	+343%

2020 Product Breakdown (by revenue)



2020 Summary

1H2020



Production has been impeded due to shortage of labor and materials



Deferred shipment to 2Q20



WFH trend from COVID-19

2H2020



WFH brings new business opportunities



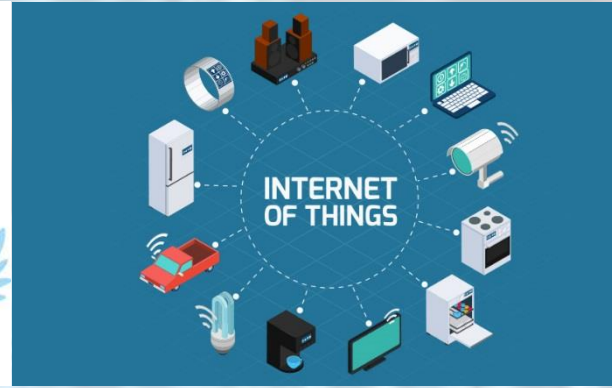
Spin off Ampak, increase non-operating income



Company operation are getting better

Outlook

2021 Outlook



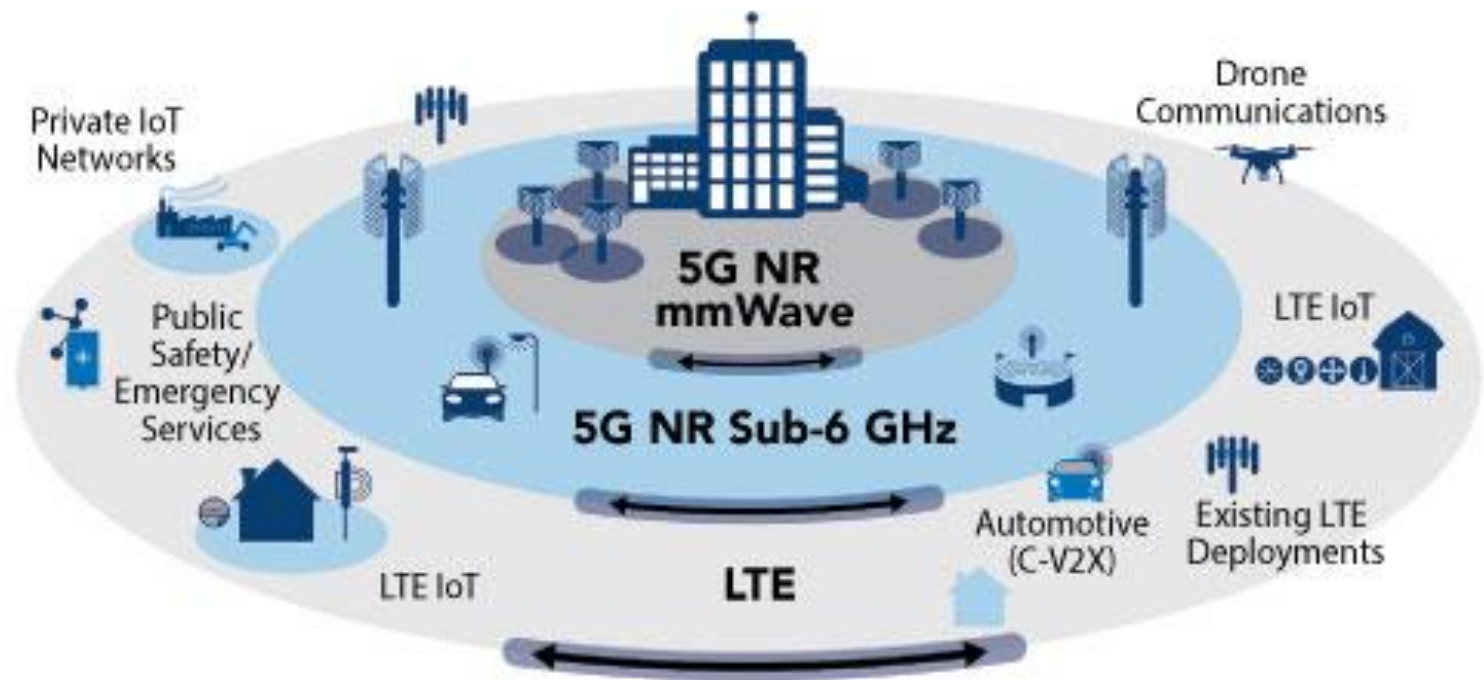
New Technology

New Customers

New Applications

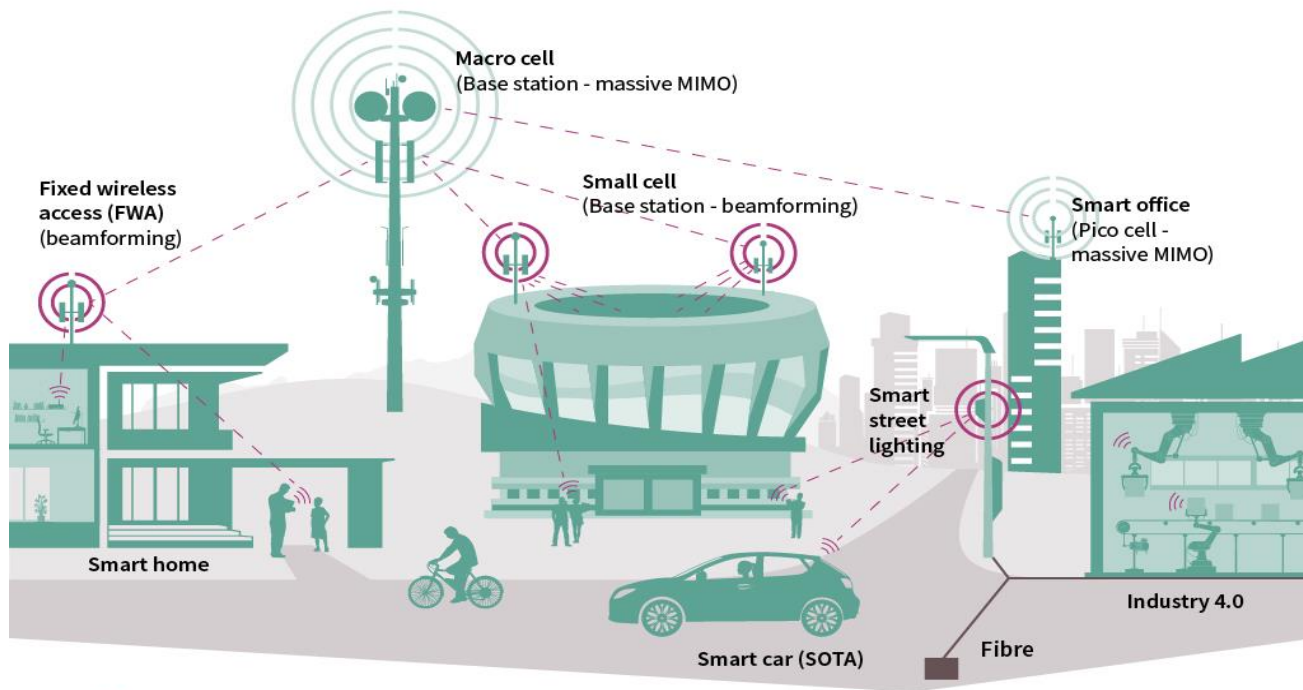
Market Trends

5G Frequency Band Comparison



Telecom Infrastructure

Smart and connected - the communication of tomorrow with 5G



Base station (Macro cell, massive MIMO) < 6GHz



Small Cell (Beamforming) > 6 GHz

SOTA (Software over the air)

Base Station

Small Cell

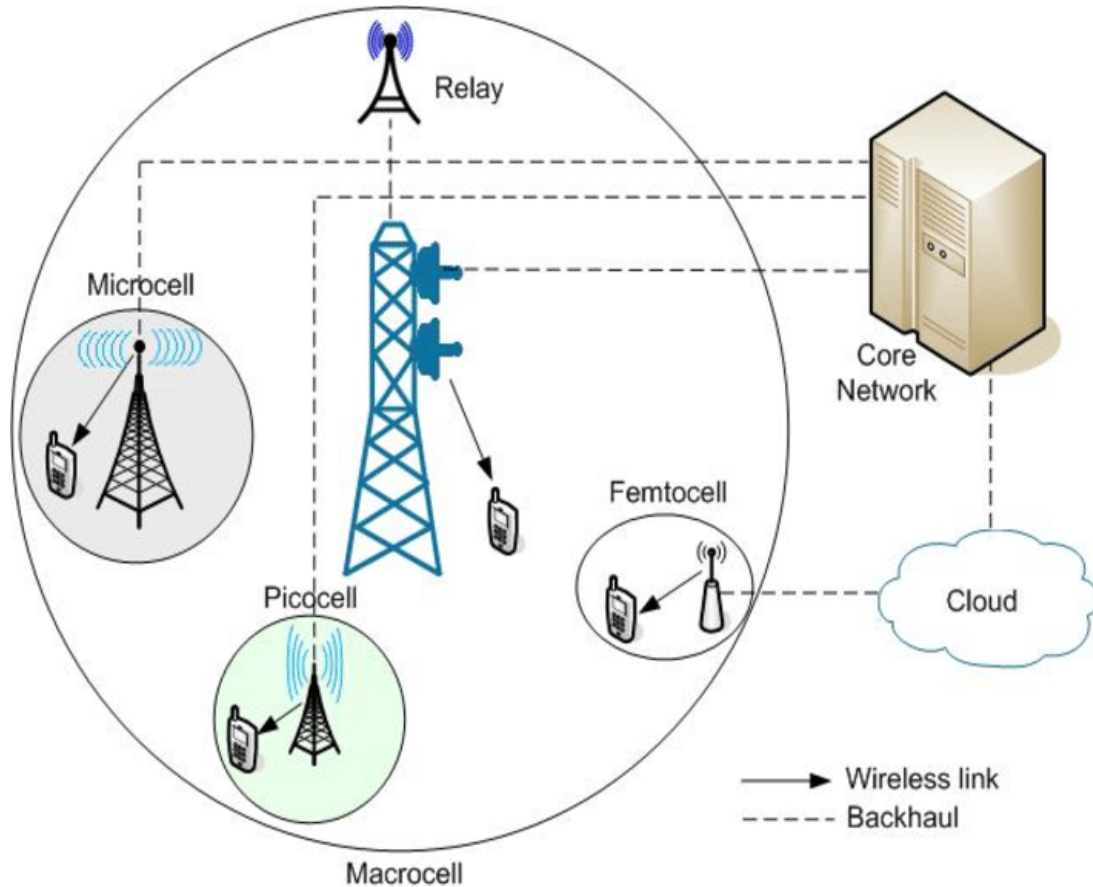
Mobile Terminal Equipment

Fixed Terminal Equipment

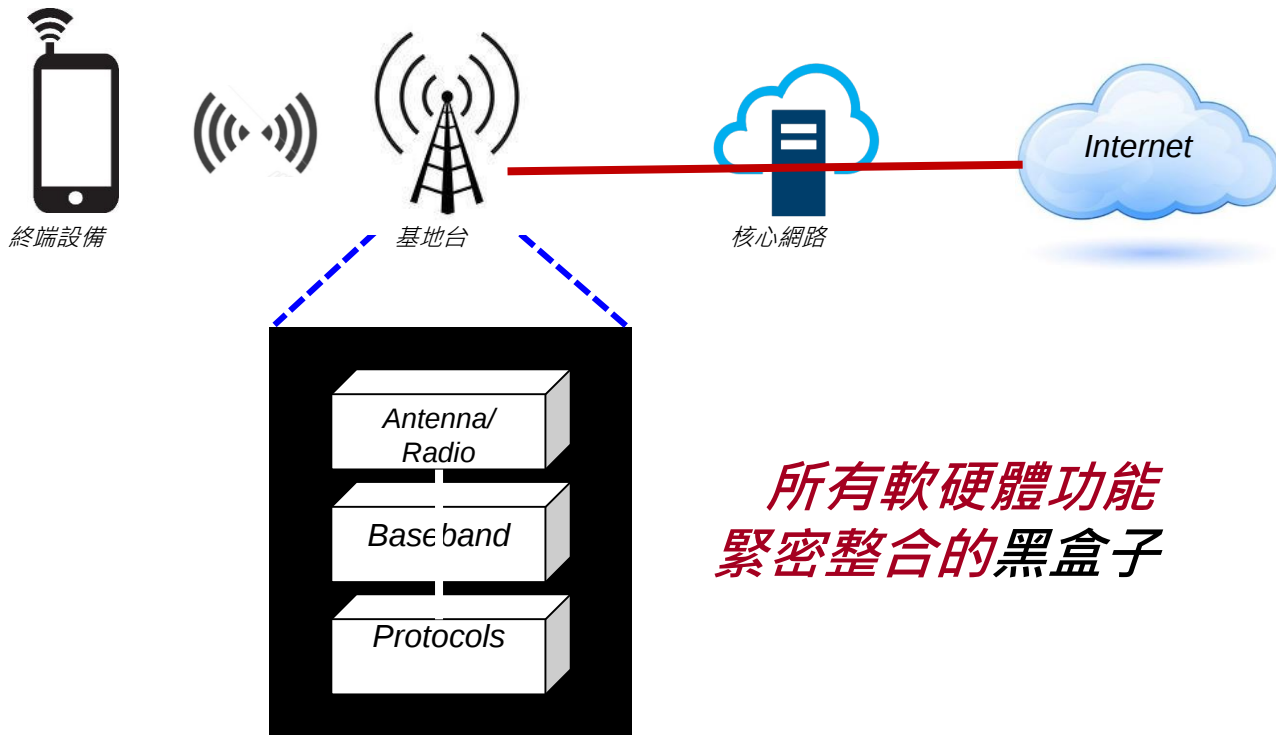
MERC

Switch

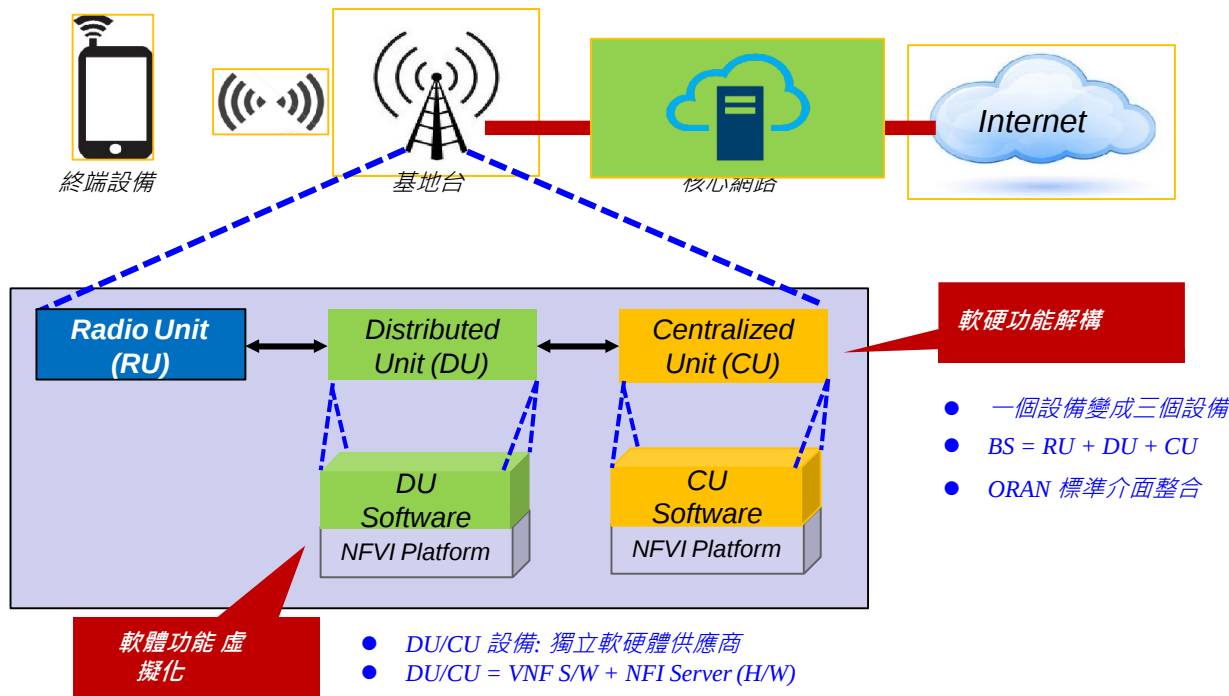
Telecom Infrastructure



傳統無線電網路

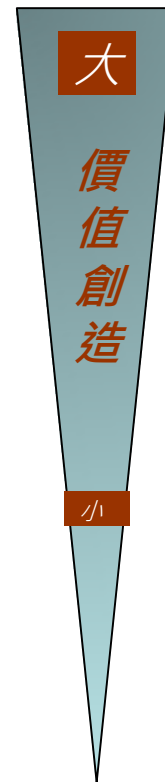
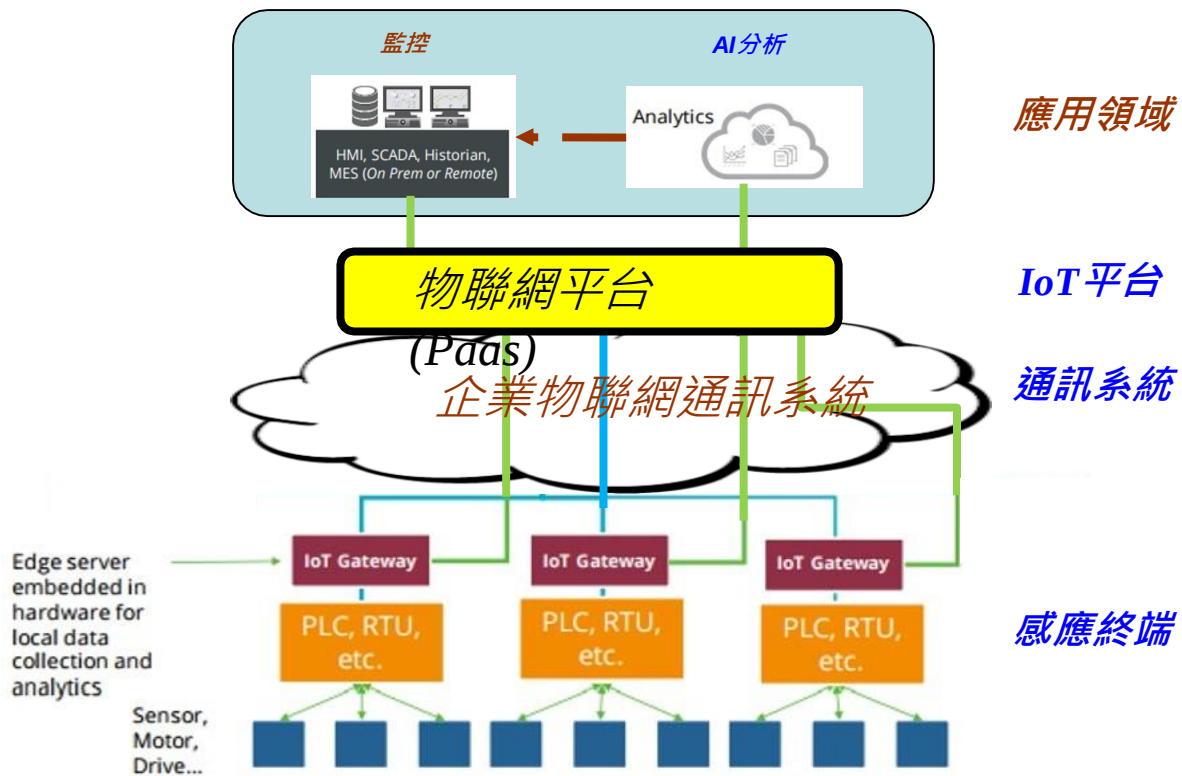


開放無線電網路 (Open RAN)

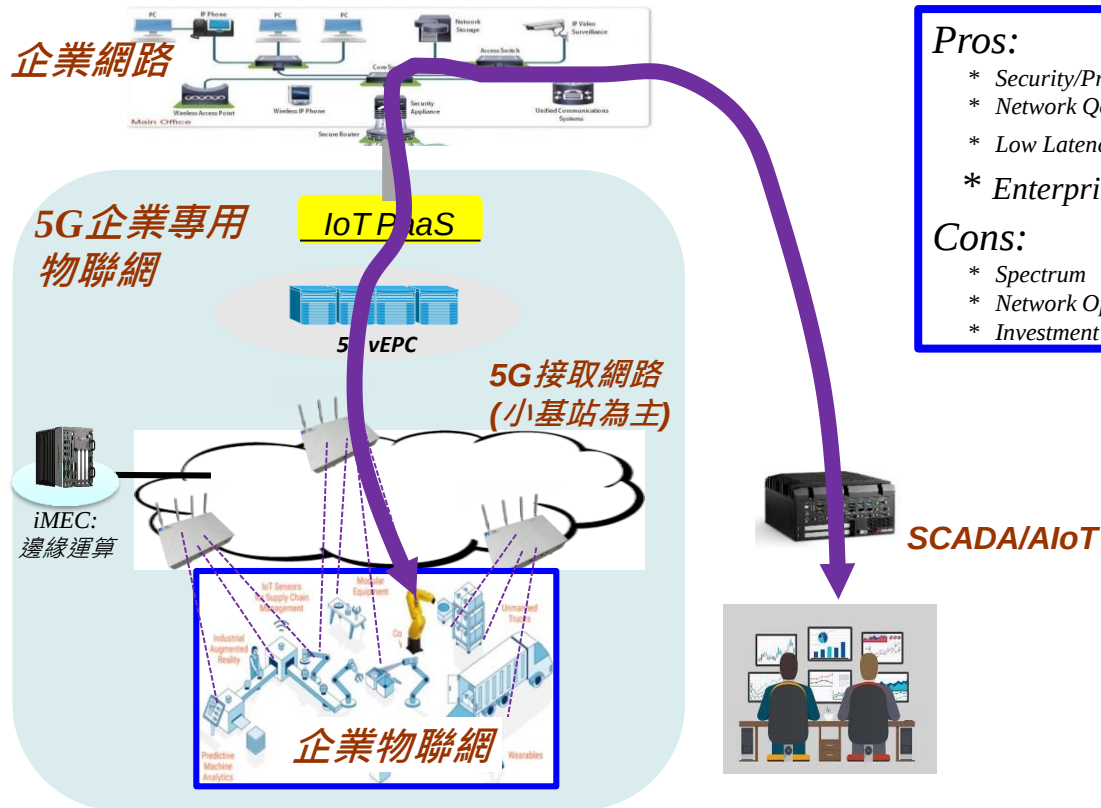


基地台設備供應商：一個變成三~五個供應商

Enterprise Vertical Applications



5G Enterprise Private Network



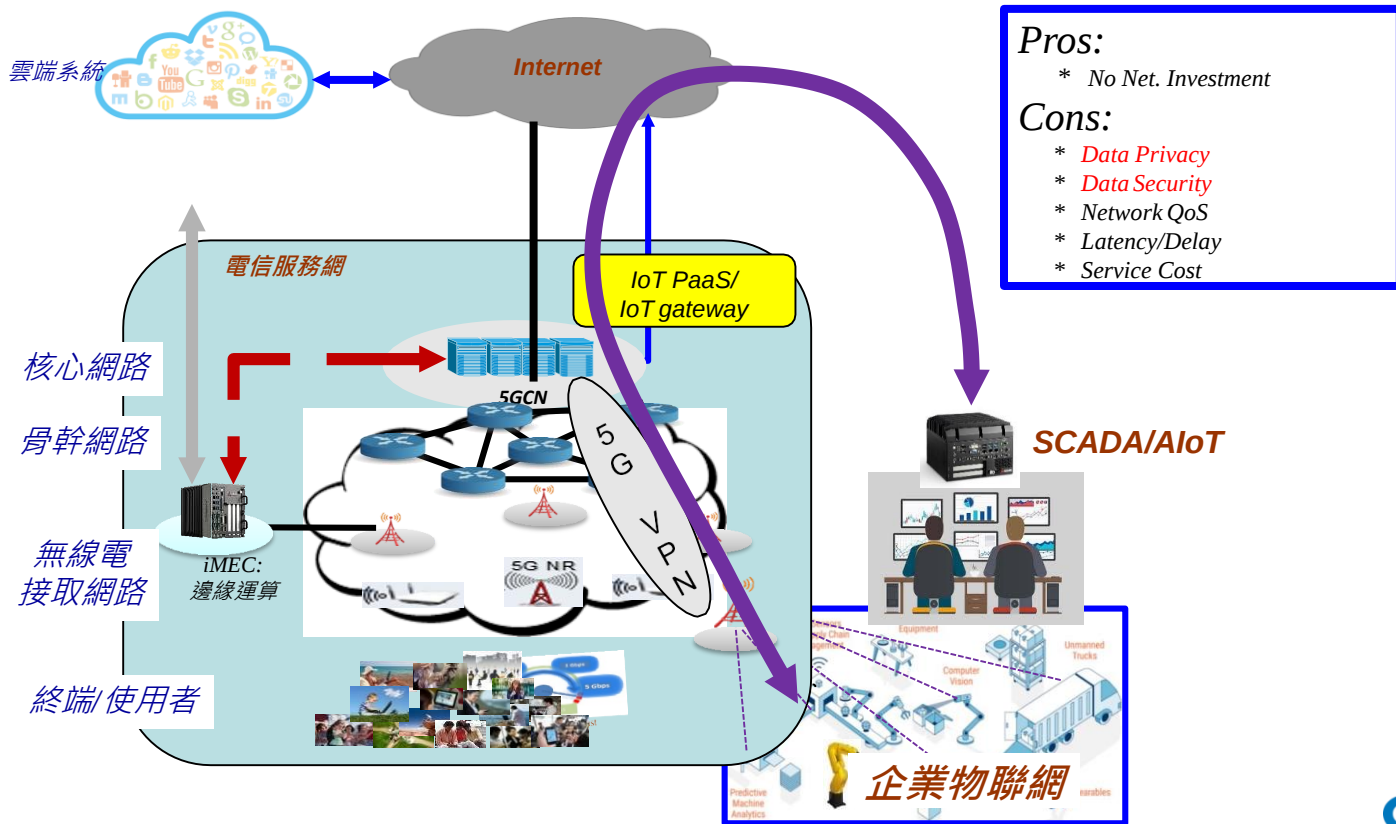
Pros:

- * Security/Privacy
- * Network QoS
- * Low Latency
- * Enterprise Net. Integration

Cons:

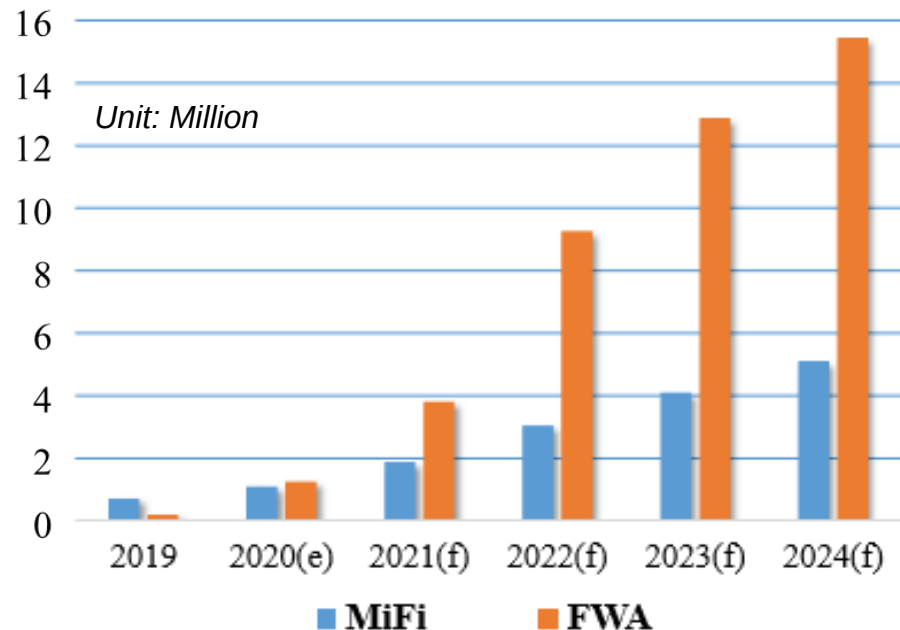
- * Spectrum
- * Network Operation
- * Investment Cost

Operators 5G Enterprise Network

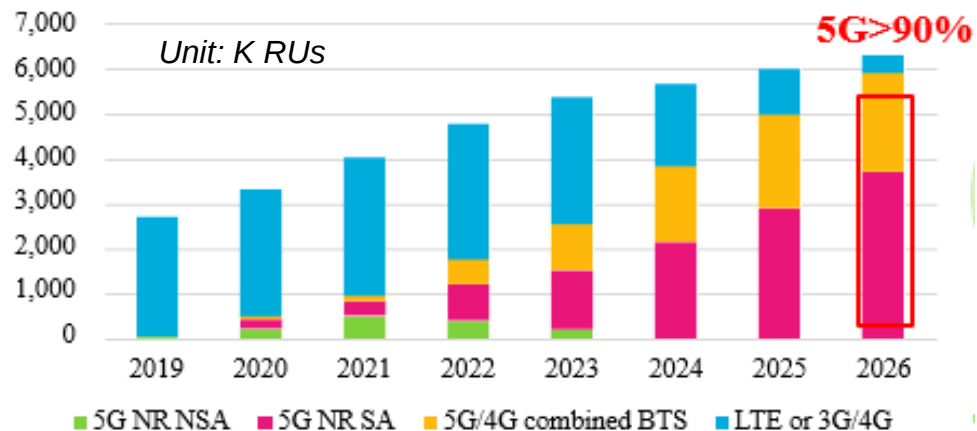


5G Forecast

Global 5G CPE shipment forecast



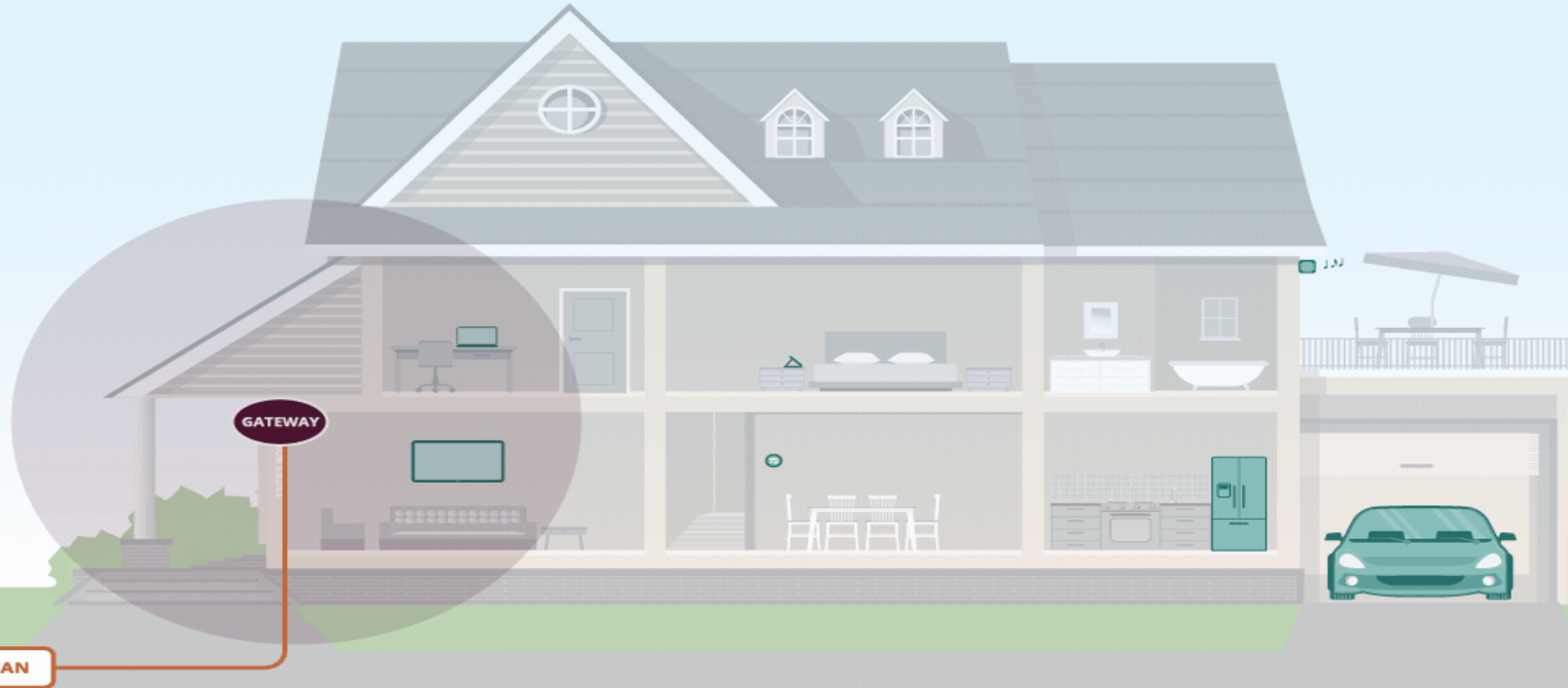
Global small base station market forecast



Source: MIC

New Technology – Wi-Fi 6

Wi-Fi CERTIFIED EasyMesh™: Smart, extended coverage home Wi-Fi®



Wi-Fi 6E brings Wi-Fi® into 6 GHz

Features



More, contiguous spectrum



Wider channels



Less interference

Benefits



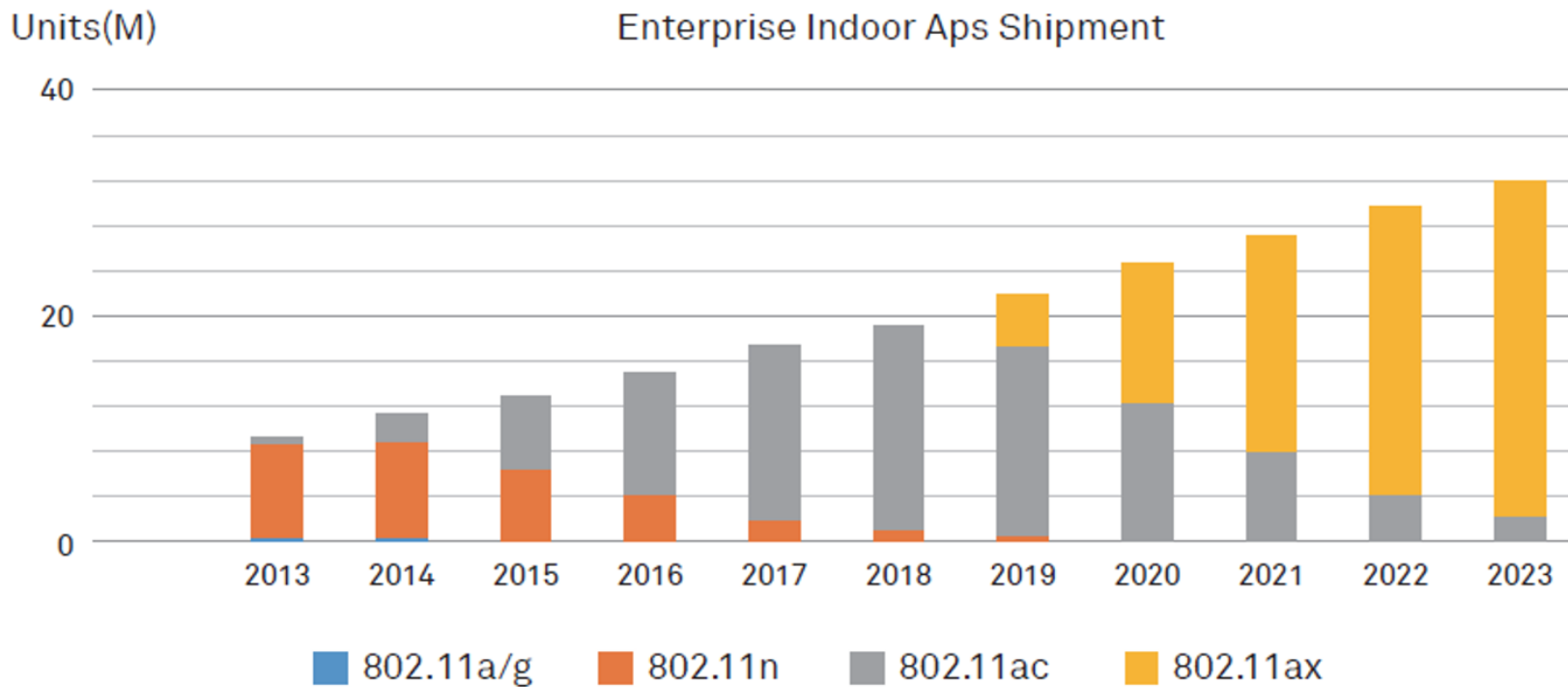
Gigabit speeds



Extremely low latency



High capacity



Source: Radiotech corp

New Products

Recently



Broadband:
DSL, Cable, PON



IP STB

MOSTLY STB PRODUCTS

BULK SHIPMENT

Outlook



- *Broadband Gateway with 11ax*
 - GPON Router
 - 10G EPON
 - XGS-PON
 - NG-PON2

NEW PRODUCTS

NEW CUSTOMERS

TELECOM MARKET

Recently



- ***4G LTE CPE
Mass Produce***



- ***LTE Small Cell
For Private
Network***



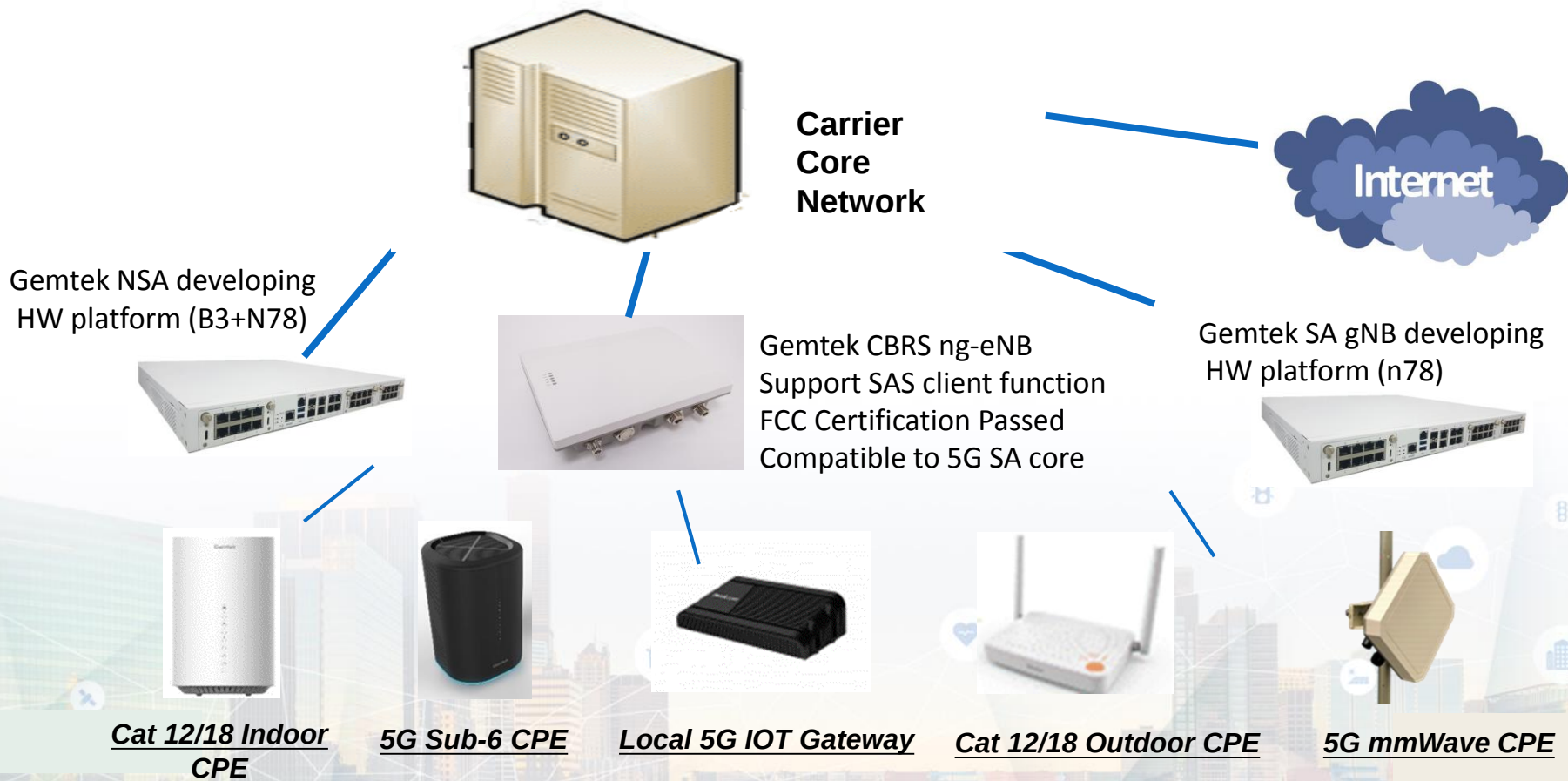
- ***5G CPE (Sub-6)
Start Shipping***

Outlook



- ***5G Products Start to MP***
- ***Customers will have better
chances to compete with
Huawei in the telecom market***

Gemtek 5G End to End Total Solution



Recently



- *Wi-Fi 5 → Wi-Fi 6*
- *Work From Home Brings New Demand*

Outlook



- *Wi-Fi 6 & Wi-Fi 6E Products*
- *AP, Router, Repeater*
- *CPE with Wi-Fi 6*

Wi-Fi 6 Products



Router



Repeater



USB Dongle



GPON

Recently



Spin-Off



Outlook



- Wi-Fi 6 & 6E module start shipment
- COVID 19 brings WFH trend

Recently



LoRa Temperature & Humidity Sensor



Cat M1/NB1 Car Tracker



*System Integrated Software
Combined With Hardware*

- **LoRa/NB-IoT/ Cloud Technologies**

Outlook



- **LoRa/NB-IoT Products**
- **Cloud/Network Management System**

2021 Outlook



**New Product
New Technology**



New Trend



**New Opportunities
New Customers**



**Other Uncertainties
(COVID 19 etc.)**



THANK YOU



Q & A