

Disclaimer

- The company has not released any financial forecasts. However, the statements in this presentation regarding our business and financial aspects, including our perspectives on the company's future operations and industry development, may differ from actual future results. Such differences may arise from factors beyond our control, including the Russia-Ukraine war, the Israel-Palestine conflict, US-China trade competition, global economic conditions, the pace of inventory clearance, price and exchange rate fluctuations, and other risk factors.
- This presentation is based on information currently obtained by the company from various sources. In the event of future changes or adjustments, please refer to the information disclosed on the TWSE MOPS website as the primary source.

Davicom Semiconductor, Inc.

(Ticker Symbol : 3094)

Investor Conference

14:30 Dec. 19, 2025

Focusing on the niche markets, Mastering the high gross profit margins, Actively developing new businesses, and Pursuing the company operation growth.

- Due to trade tensions arisen under the impact of geopolitical risks, our company pays close attention to new regulations and policy requirements, export controls, and tariff changes. For key customer regions in major markets, we have established contingency plans to mitigating risks thus demonstrates resilience and adaptability.
- Focus remain on developing embedded industrial automation products targeting the application in niche markets. We maintain regular communication with existing clients to understand shifts in product market trends. Continuous efforts are made to strengthen cost control and optimize in our existing product lines' supply chain.
- We concentrate on research and develop energy-efficient, performance-enhancing niche products for embedded industrial control applications. By monitoring gross profit trends of high-volume products, we aim to achieve long-term sales growth and profitability goals. Overcoming challenges in R&D and production quality, we strive to meet product promotion targets as our reply to the trust and support of our shareholders, employees, management team, and clients have given.
- Continue to seek collaboration opportunities in related technical fields, enhancing integration of hardware and software in our product lines and pursuing industry-wide cooperation. By providing customers with agile, high-quality, cost-effective solutions, our goal is to expand market reach and boost revenue.
- Pursuing sustainable EPS growth. Implement ESG sustainability goals. Support the requirements corresponding to the EU CRA.

Core Technology

**Ethernet
MAC & PHY**

Mixed Signal

RFID Omni-Solution

**Networking Protocol
Stacks**

**AIoT
& Algorithms**

Video Decoder

USB & Interfaces

**Audio Signal
Processing**

DSP & Algorithms



Data-oriented IC Product Family

- **Ethernet Wired Networking**
 - Ethernet Transceiver with 10/100/1000Mbps
 - Ethernet Switch, Controller with USB and SPI
- **USB Connectivity**
 - USB 2.0 Full-Speed to UART
- **Video Decoder**
 - 1 and 4 channels; 720H and 960H resolution; mixer
- **E-Paper Display Driver (EPD)**
 - 36 segments; cascade-able



AI-oriented IC Product Family

- **Edge AI SoC**
 - RISC-V, CIS (CMOS Image Sensor)
- **Single Pair Ethernet (SPE) 10BASE-T1S**
 - IEEE802.3cg 10BASE-T1S standard compliant
 - Transceiver with MII/RMII/RGMII; Controller with SPI/SPI-OA
 - Davicom-advanced technology for deterministic control in IIoT and robot ecosystem

2025 Q1~Q3 Revenue and Profit

	<u>Q3 / 2025</u>	<u>Q1~Q3/2025</u>
Revenue	NTD 46,861K	NTD145,466K
Gross Profit Rate	70.91%	76.19%
EBT	NTD 13,872K	NTD 16,953K
EAT	NTD 12,449K	NTD 13,583K
EPS (Net)	NTD 0.15	NTD 0.16

2025 VS. 2024 Q1~Q3 Revenue and Profit

	<u>Q1~Q3 / 2025</u>	<u>Q1~Q3/2024</u>
Revenue	NTD145,466K	NTD122,524K
Gross Profit Rate	76.19%	67.70%
EBT	NTD 16,953K	NTD 6,458K
EAT	NTD 13,583K	NTD 5,688K
EPS (Net)	NTD 0.16	NTD 0.07



Performance Retrospective, 3/3

The company existed for 29 years providing high value-added services and a win-win strategy for DAVICOM and customers. The gross profit margin of our products maintains above 65%. In recent years, the shareholder dividend payout ratio has exceeded 80%, reflecting its commitment to rewarding shareholders for their support.



2025 Market and Company Business Review , 1/2

Impact of the U.S. tariffs and the status of major customer demand:

Major customers have been affected by geopolitical tensions from the China-U.S. tariff dispute, leading to partial relocation of manufacturing capacity out of China. Factors such as intensified price competition, foreign exchange fluctuations, weak end-market consumption, and sluggish demand for infrastructure project have further constrained product demand in both China's domestic and export markets. These factors have caused order delays and wait-and-see approach toward inventory replenishment among key industrial control customers. In the IIoT sector, customers rely mainly on export markets, supported by domestic policies, with production dependent on component procurement and inventory preparation for end products.



2025 Market and Company Business Review , 2/2

- The current situation of e-paper driver ICs: This year, sales performance of the company's e-paper driver ICs was affected because of overseas clients in the financial payment sector experiencing slow down.
- The newly developed health ring product from a client is currently being rolled out. Future demand will depend on market adoption, and we look forward to significant growth in e-paper driver IC sales.
- The UHF RFID project is a core technology that the company has been cultivating for many years. It is applied in factory material tracking and management systems, and we continue to develop new clients while launching upgraded system integration service solutions.



2026 Market & Business Outlook , 1/4

Market Overview (I)

- The United States' imposition of high global trade tariffs prompted customers to actively build up inventory levels in the first half of the year. DAVICOM benefited from this situation, the company's shipments increased, resulting in year-on-year growth in its performance. In the second half of the year, affected by slow and gradual depletion of previously prepared materials and subsequent impact of tariffs, although most customers continue to place orders, end customers' demand for component purchases was still lower than in the first half of this year. Nevertheless, the total annual revenue still increased compared to last year. Looking ahead to the fourth quarter, the performance is expected to be similar to that of the third quarter.
- Looking ahead to 2026, the promotion of automation application technologies and the expansion of end-market consumer demand for electronic components are expected to help gradually reduce customer inventory levels, supporting a steady recovery of the market. With government policies support continued expansion toward automated manufacturing, the company is expected to benefit from increased product sales and business growth.

Market Overview (II)

- As China Ethernet IC design companies continue to launch low-cost competitive products, the company faces challenges in developing new customers and maintaining existing ones. Market price competition for these products has become particularly intense and demanding, while the company must also confront market risks arising from the “China Chip” initiative and the broader trend of domestic substitution (Local for Local).
- In 2026, the company’s new products, featuring strong performance and lower costs, will be introduced to the market. By strengthening local support and close customer service, the company will continue to maintain existing clients and expand adoption of its solutions among new customers. Through deep engagement in several niche markets and by forming close collaborative relationships with China's local ecosystems, these efforts are expected to contribute to future business growth.



Company Business Outlook (I)

- DAVICOM has consistently focused on operating within niche markets for embedded systems. In recent years, in addition to sectors such as energy and power, construction automation, and retail payment automation hardware, it has also been dedicated to developing and promoting smart automation and Industry 4.0 IIoT-related solutions. These efforts aim to enhance customer service and expand business opportunities for the company's products.
- The expansion of electronic paper driver chip applications in 2026 is expected to boost market orders and improve driver chip sales performance.
- UHF RFID is a core technology of the Internet of Things. By integrating it with AMR, automated warehousing solutions and customized warehouse management systems, the company provides customers in logistics, warehousing, and manufacturing with a complete one-stop service.



2026 Market & Business Outlook , 4/4

Company Business Outlook (II)

- In 2026, the United States will continue to invest in expanding IIoT infrastructure, while China's "Made in China 2025" initiative will also advance toward the Industrial Internet Innovation and Development Action Plan. Relevant policies strongly promote digitalization, networking, and intelligent transformation, creating robust market demand for industrial Ethernet equipment. The industrial control industry is expected to emerge from its downturn in 2025, with a projected compound annual growth rate (CAGR) of approximately 15% over the next few years. This trend aligns with our company's product roadmap, and new product development will serve as a key driver of our future business growth.
- **In 2026, Davicom's new products will be gradually launched, and sales are expected to steadily recover, with business performance returning to growth!**



SPE T1S/SPI Product Innovation Application

Empowering the Intelligent Future

The world is currently at a critical turning point in smart automation and Industry 4.0, driven by two key forces:

1. The explosive demand for collaborative robots (COBOTs), becoming a rigid requirement in both manufacturing and service industries.
2. The intelligent logistics with autonomous mobile robots (AMR/AGV), created by massive demand in e-commerce, office environments, and smart factories.

DAVICOM's core technological advantages make it the optimal solution for COBOTs and AMRs. Our chip products can transmit both data and power over a single twisted pair, offering low latency, low cost, simplified wiring, lightweight design, and deterministic real-time performance. They support the DICP protocol (DAVICOM Intelligent Communication Protocol), TOE, and EU-CRA compliant security. New line target market size (based on market research data):

- Collaborative robots (COBOTs): projected CAGR of over 25% from 2026 to 2030
- Autonomous mobile robots (AMR/AGVs): projected CAGR of over 30% from 2026 to 2030

Evolution and Migration



Single Pair Ethernet, IEEE802.3cg 10BASE-T1S, AI-oriented neural network system of robot - fulfillment with native Ethernet, All-IP, TSN, EU-CRA compliant security



Connectivity Beyond Limits

