

# AP Memory Technology Corporation

## Roadshow

2019.05.22  
KGI Security Comp.  
12F

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# OUTLINE

- Introduction
- Financial Information Highlights
- Product Line Summary
- Future Business Prospects

# Introduction: A challenging year !

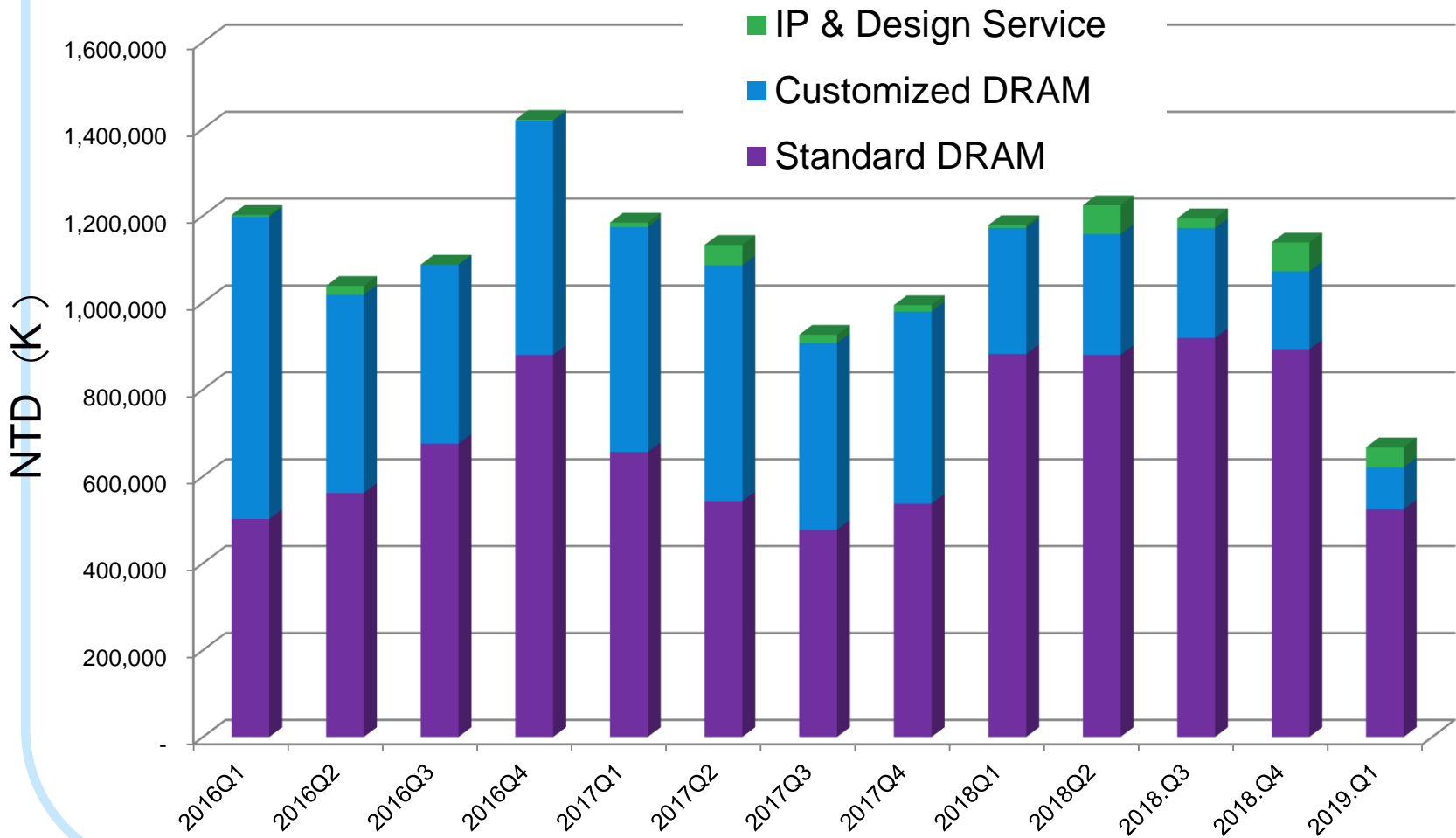
- Truthfully facing the tremendous complaint loss and modestly seeking for the improvements
- Seriously looking into the difficulties and prudently adjusting the strategy
  - Strengthen the internal managements
  - Specify the operation strategy
  - CEO to enhance the management
- AI/IoT/Wearables will bring up a long-term, stable and profitable future.

# 2019.Q1 F/S brief

- 2019.Q1 F/S summary
  - Net operating loss for NT\$125M.
  - Recognized NT\$342 million one-time loss
    - The loss will be paid by deducting the receivables in 3 years, which assuming no direct impacts on the cash flow.
    - Continuous cooperation with the customer
  - The inventories for NT\$1,742 million, over the usual balance but will depleting
  - Cash balance for NT\$ 413 million, will increase after the depletion of the inventories.

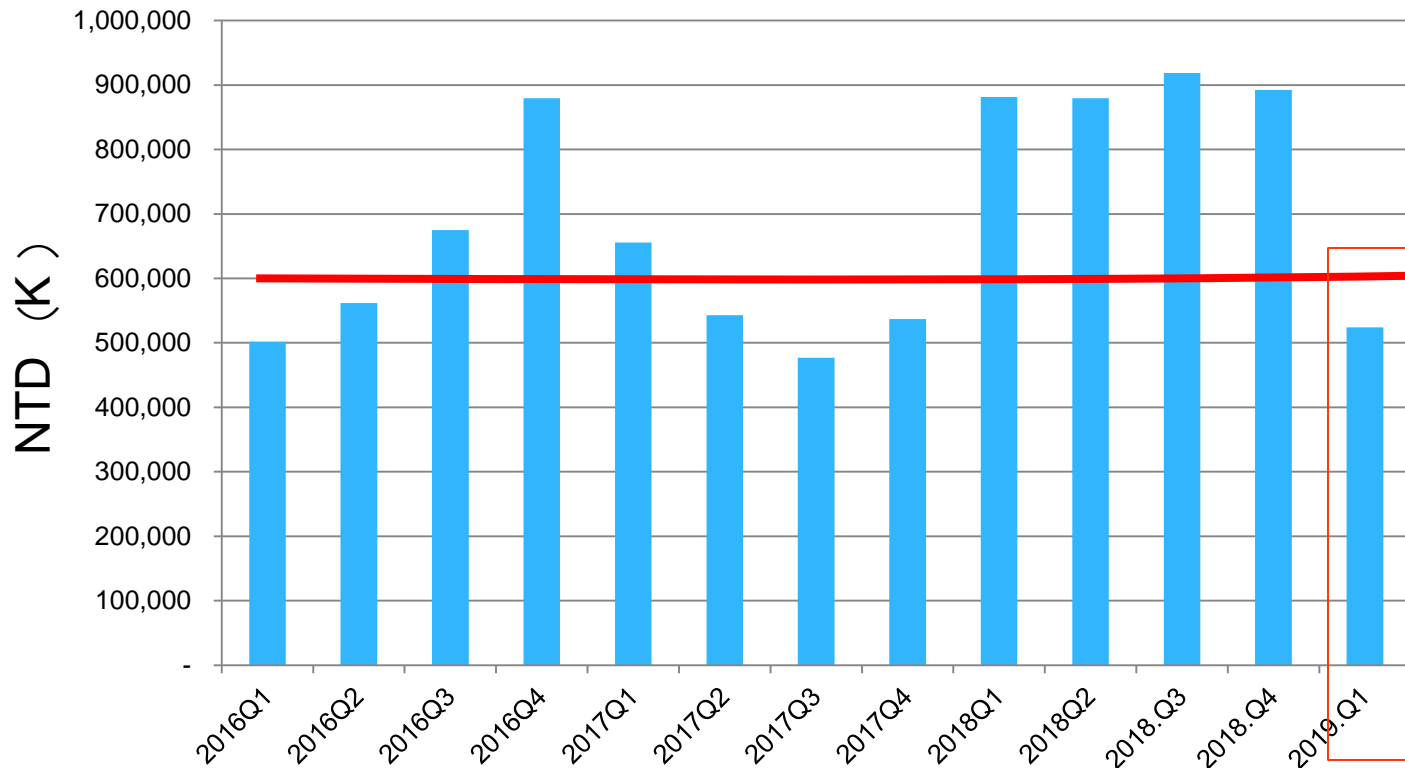
# Product Line Summary

# Product Line Revenue



# STD. DRAM: Stable market on the basis

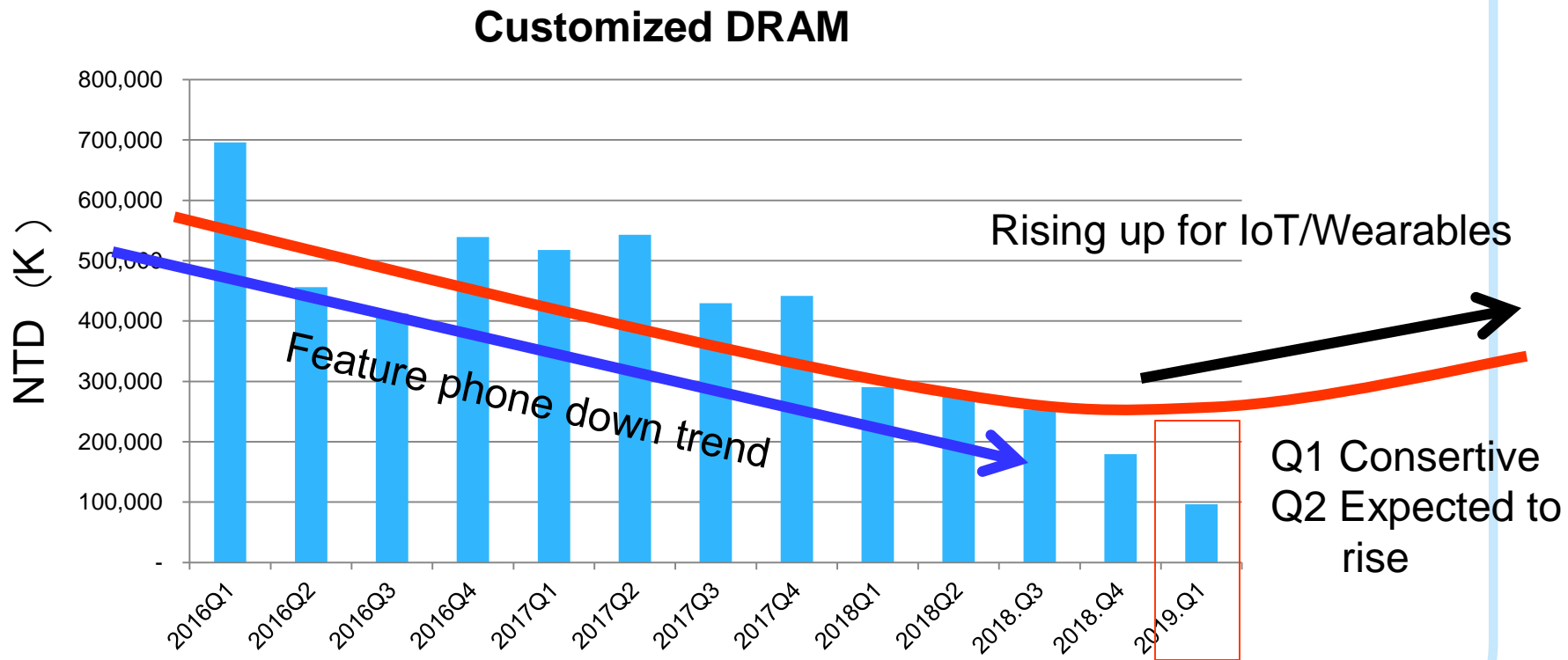
## Standard DRAM



- Stable profits over revenue
- Transform the products/markets to IP licensing model



# CUST.DRAM: Slide down but expected to rise

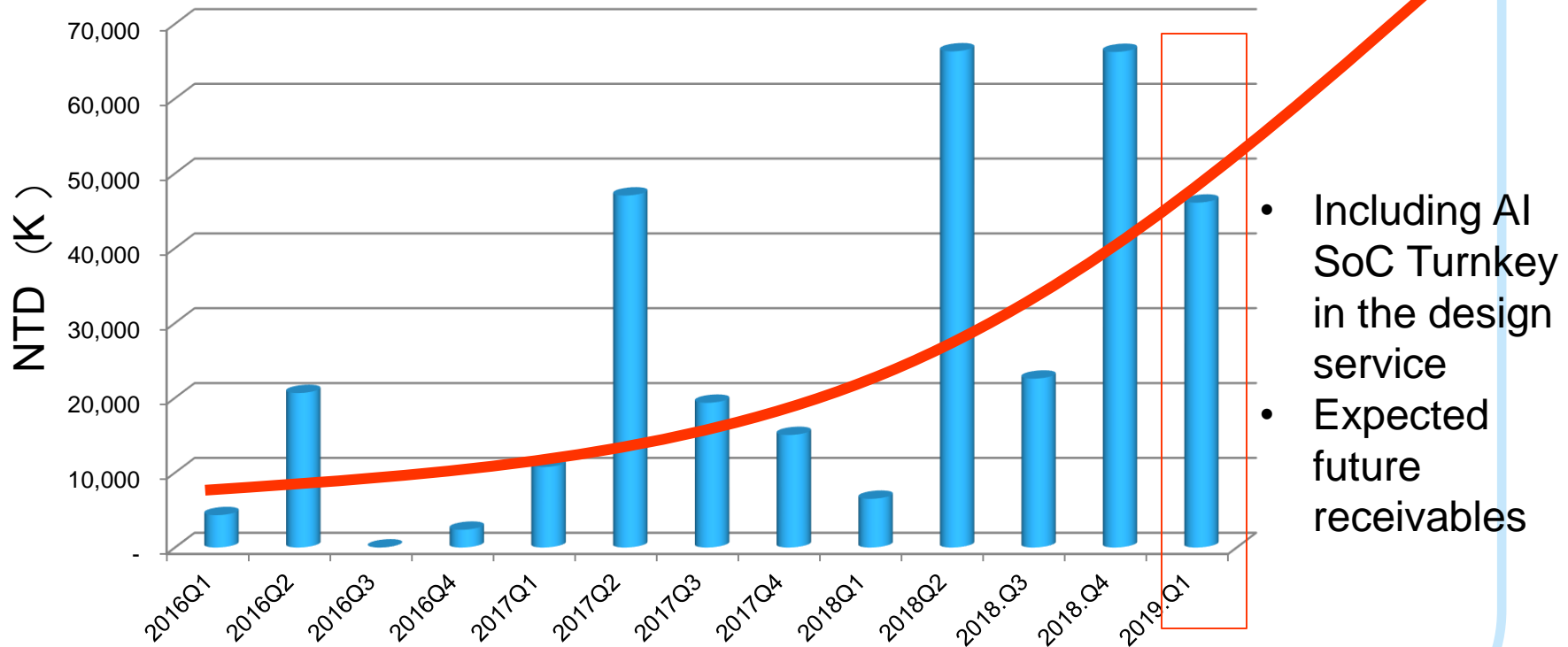


# Applications for the CUST.DRAM- More than Feature Phone!

- Feature Phone – Down trend
- IoT – Growing, expected to exceed the feature phone market
- Wearable – Growing, high-value-added
- AI – Initial, setting up the SPEC
- Other application market

# IP licensing/Design Service: Grow up gradually

## IP Licensing & Design Service

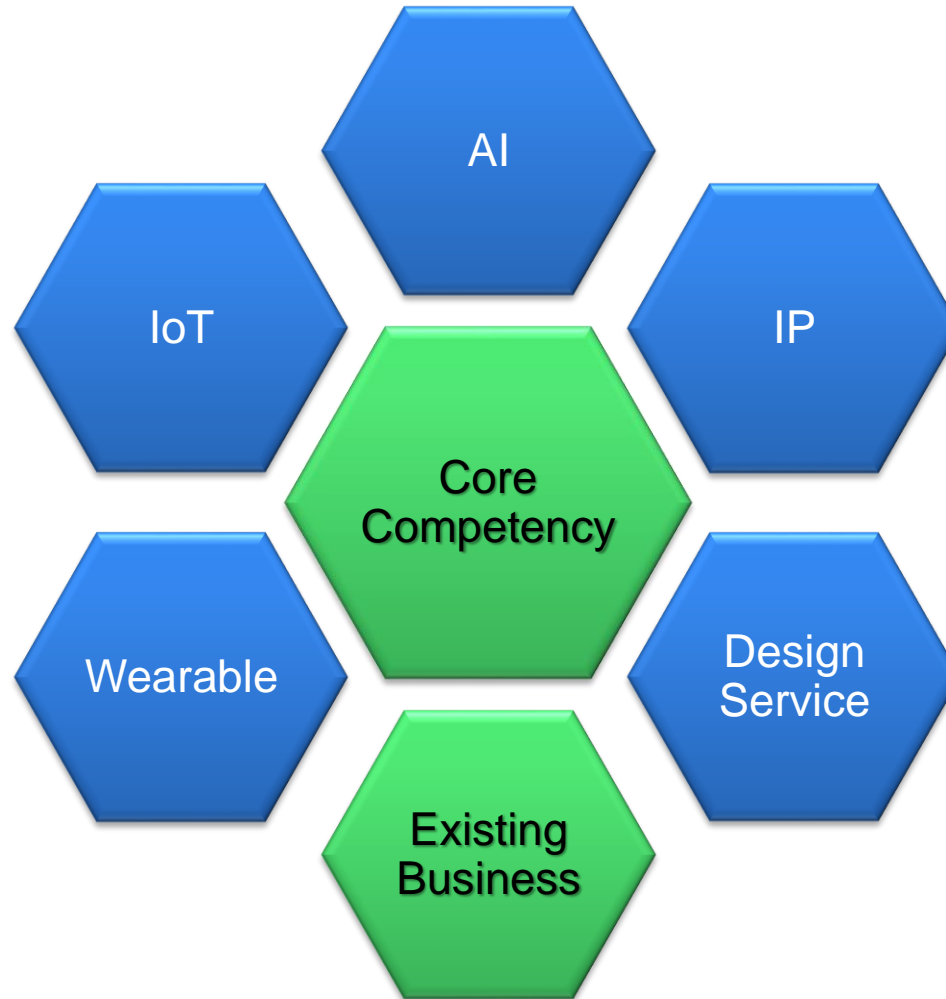


# Contents for design services

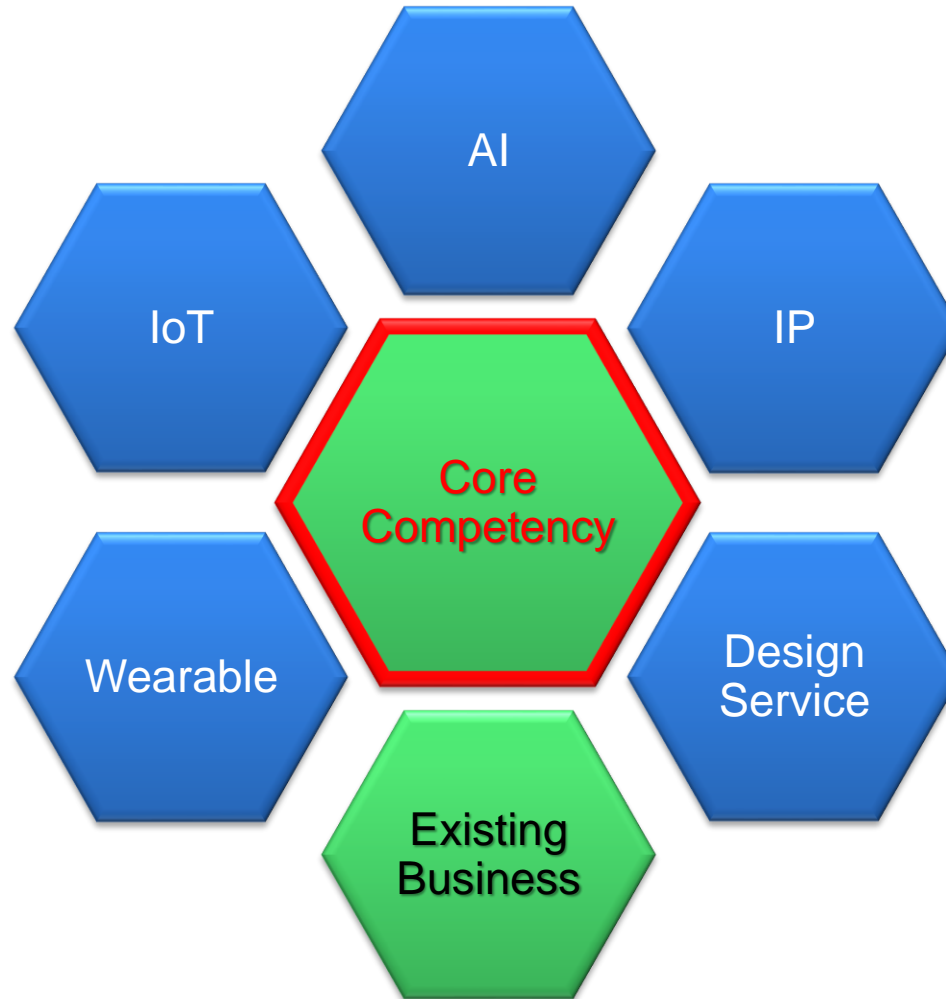
- DRAM
  - Provide technical service to the DRAM Foundry with stable revenue
- Logic + DRAM – AI SoC Turnkey
  - Early stage for design service income while late stage for product revenue
  - The ONLY design service partner with DRAM foundry platform.
- 3D DRAM – integration for memory & computing
  - Business model: IP licensing + 3D DRAM Product sale
  - Early stage for design service income while late stage for IP licensing + product revenue

# Future Business Prospects

# Growth Areas: Customized + IP



# Core Competence

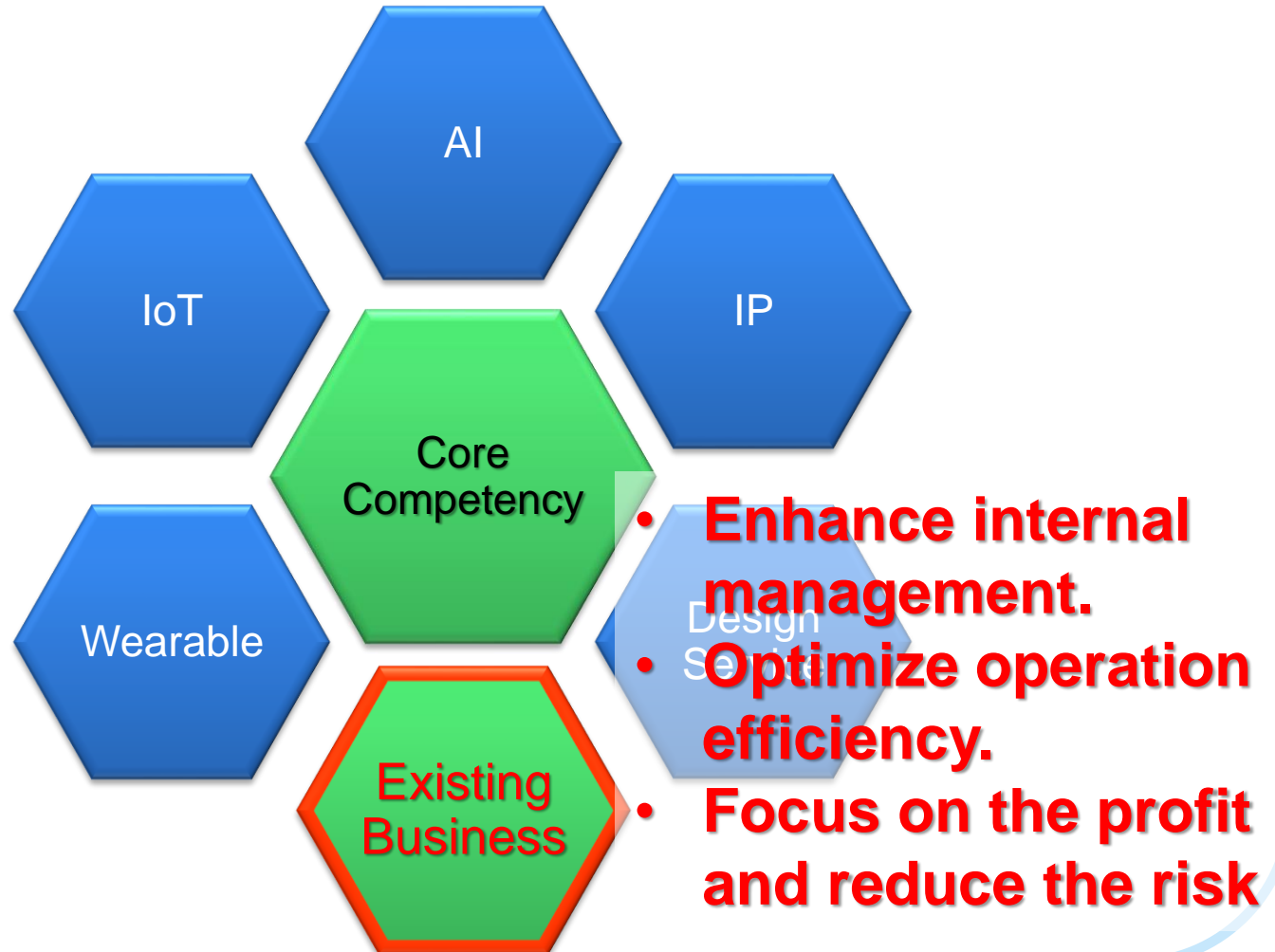


# Core Competence

- Strong Design Team
  - Design ability among high-performance-computing (HPC) and memory
- Innovation for the heterogeneous Integration among logic and memory IC
  - The key to optimize the performance of the next generation of the AI
- Strategic position in customized memory
  - Alliance with the foundry



# Existing Business

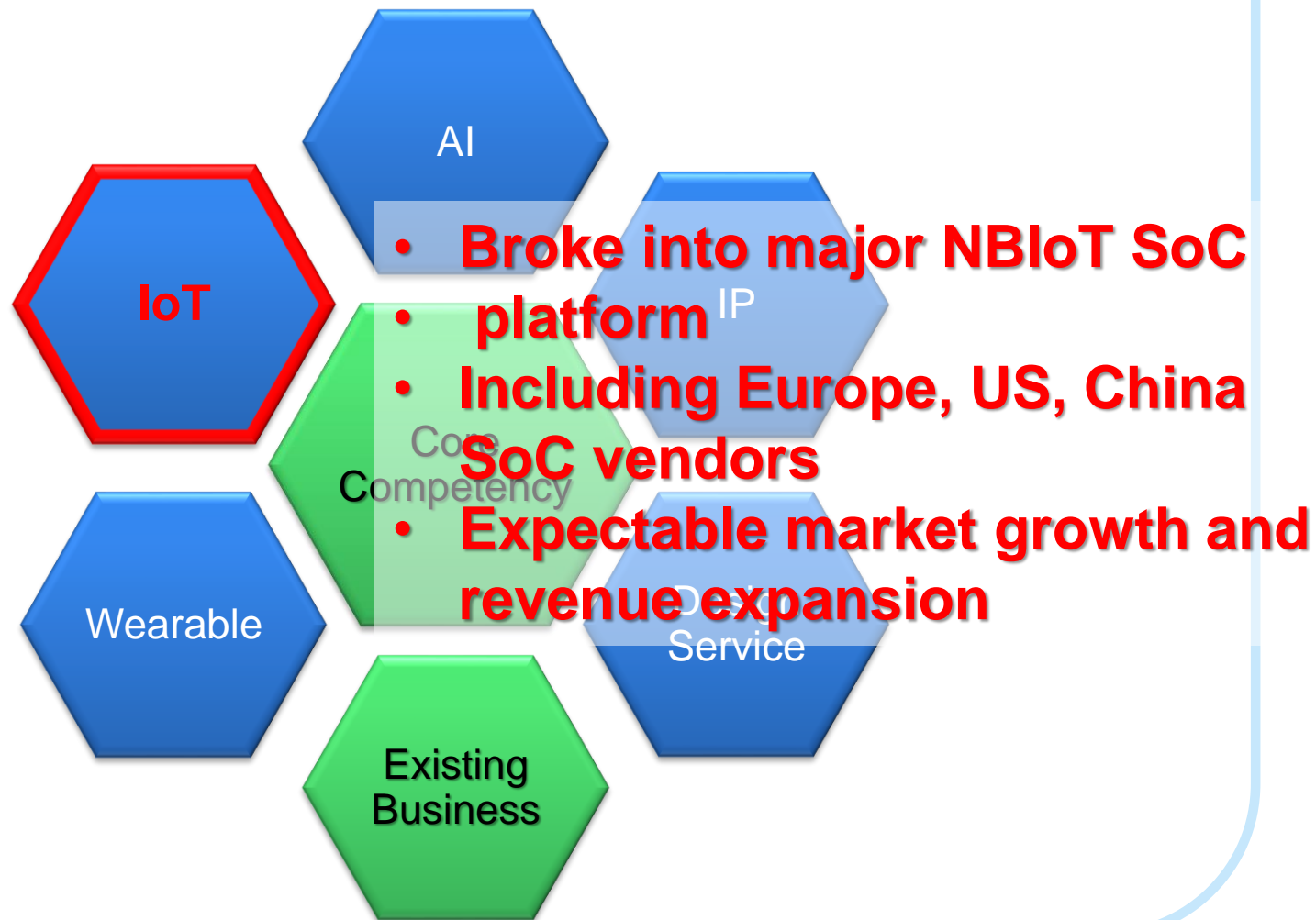


# Wearables: to be expanded

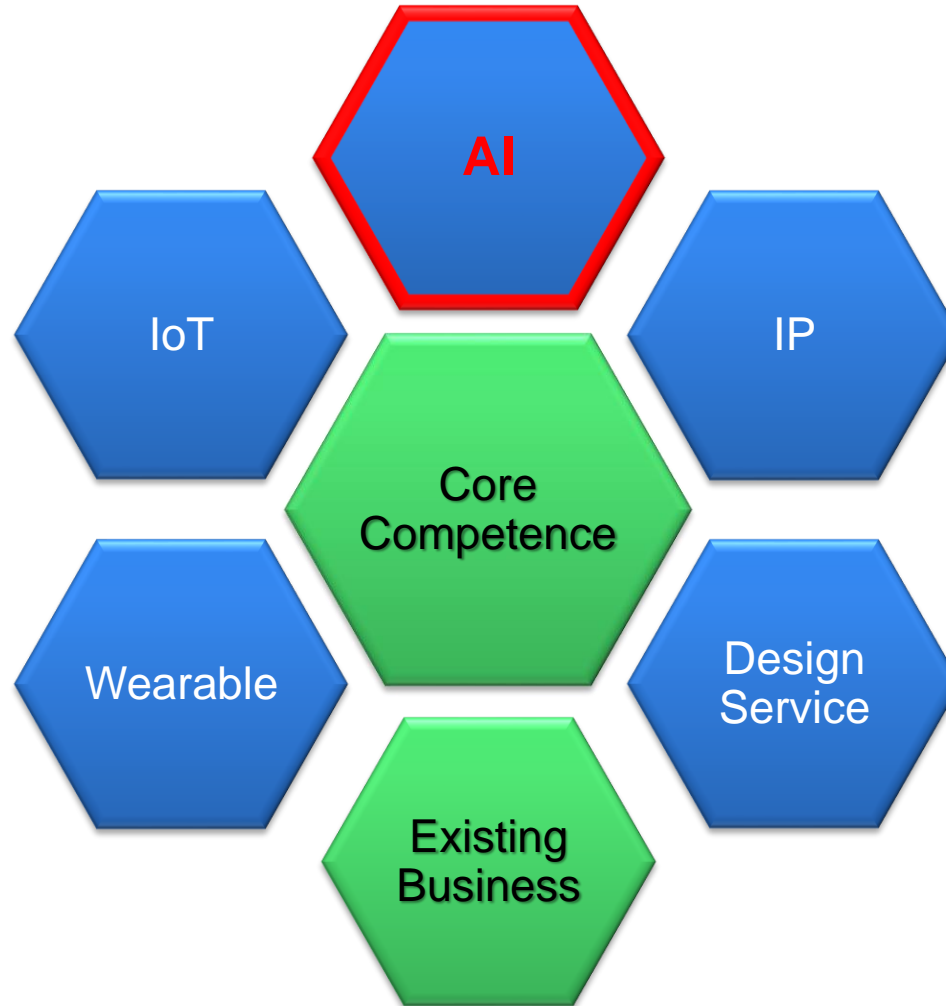
- Take the advantage of low power consumption for the MCU platform.
- Certified by several 1 tier customers in Europe, US, and China
- Initial growing market and will contribute in the revenue the coming years.



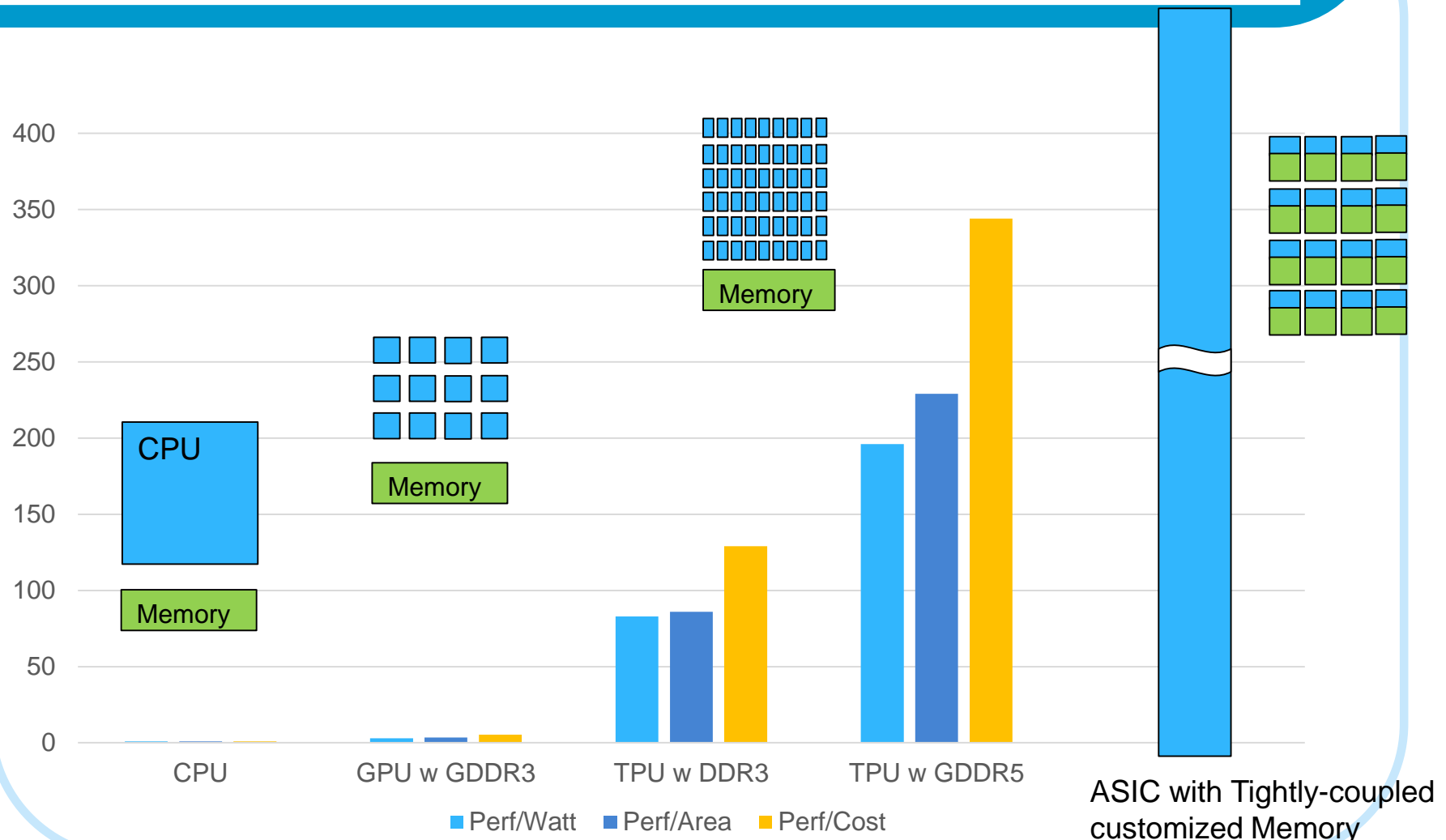
# IoT : Arrangement completed, expected for the huge market



# AI : New blue ocean

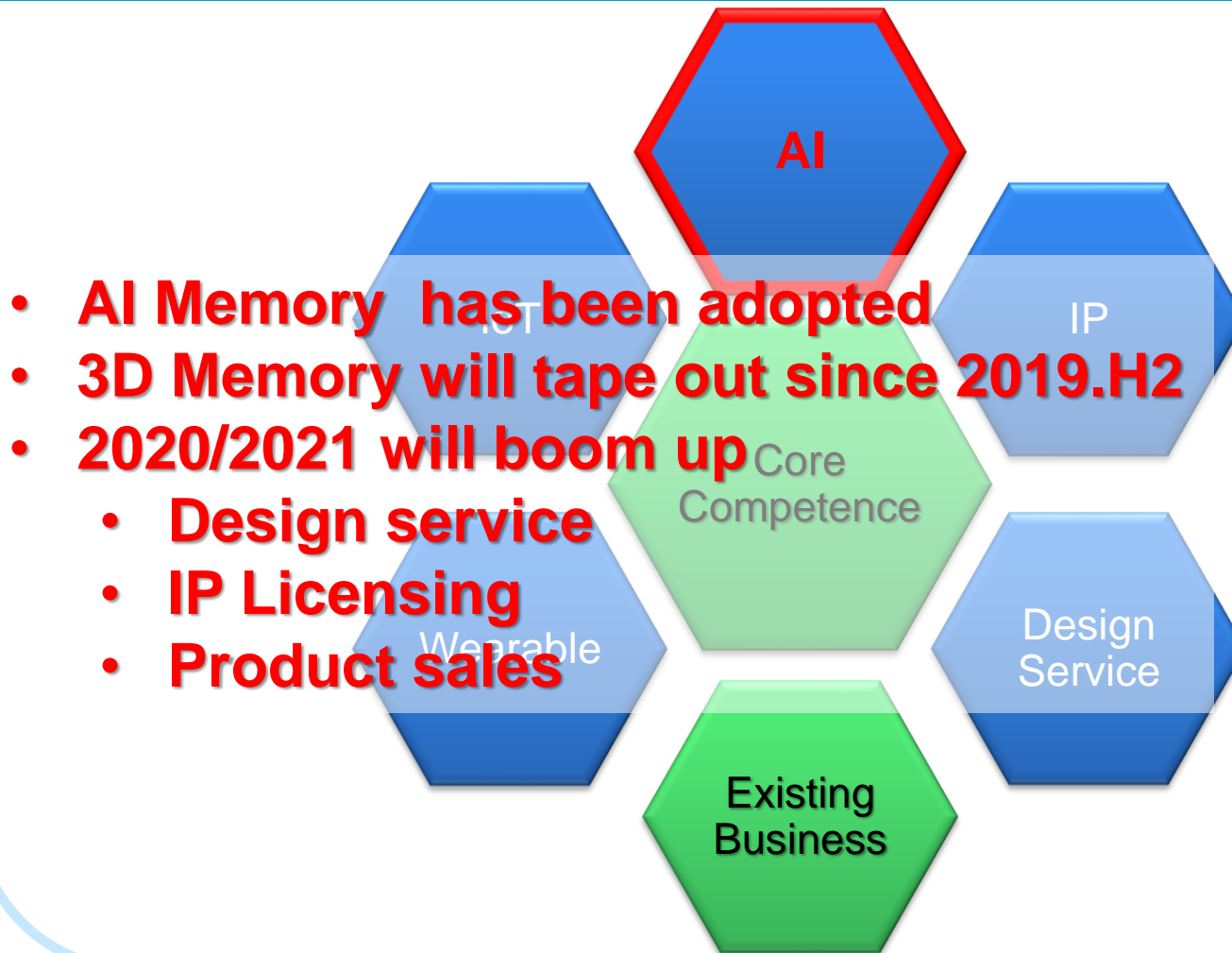


# MEMORY is the bottleneck for AI



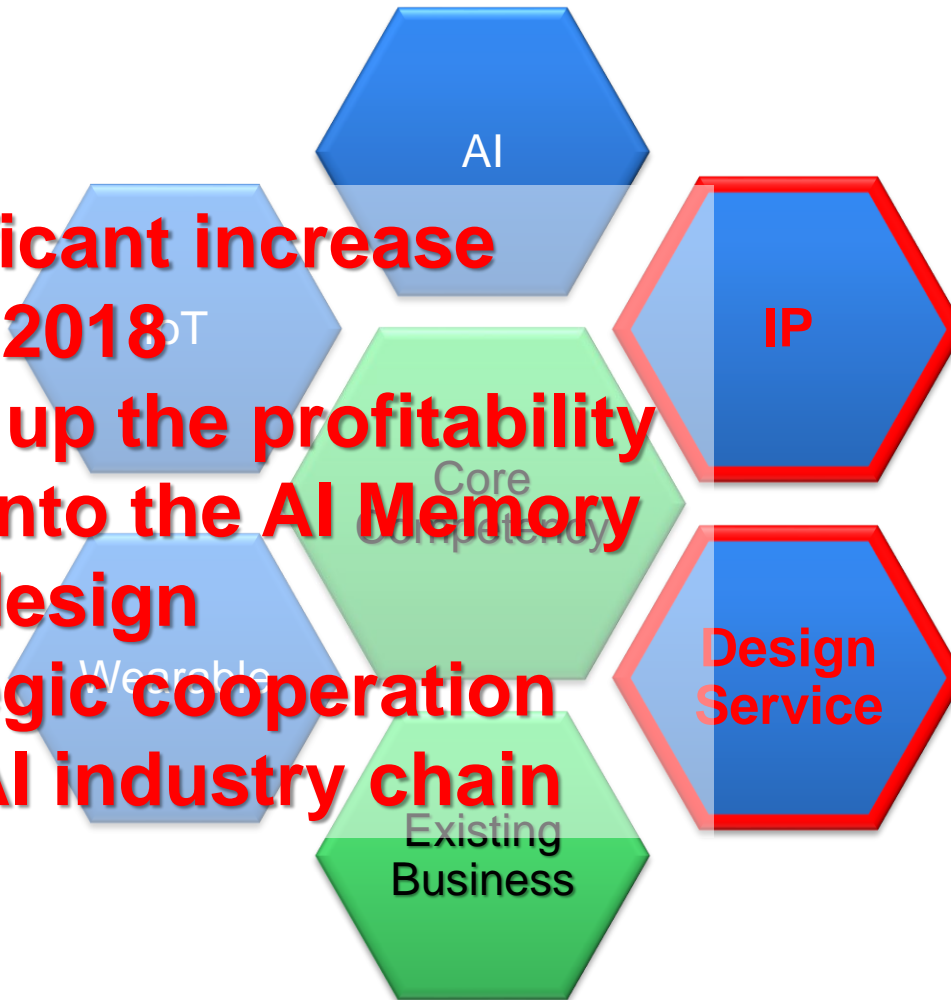
Source: Google, Bernstein Research, AP Memory Research

# AI : New blue ocean



# IP Licensing/Design Service: New kinetic energy for profitability

- **Significant increase since 2018**
- **Bring up the profitability Step into the AI Memory SoC design**
- **Strategic cooperation with AI industry chain**



# Conclusions

- Operation target
  - Current product line: continuous optimization and profit maximization
  - IP & Design Service : New tech and new direction to bring up profit.
- Managerial goal
  - Strengthen internal management
  - Implement with efficiency and effectiveness





## Q & A

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