

# Investor Conference

【 5258 】

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# Agenda

- Company Introduction
- Industry Overview
- Core Business
- Operation Overview
- Financial Overview
- Future Prospect

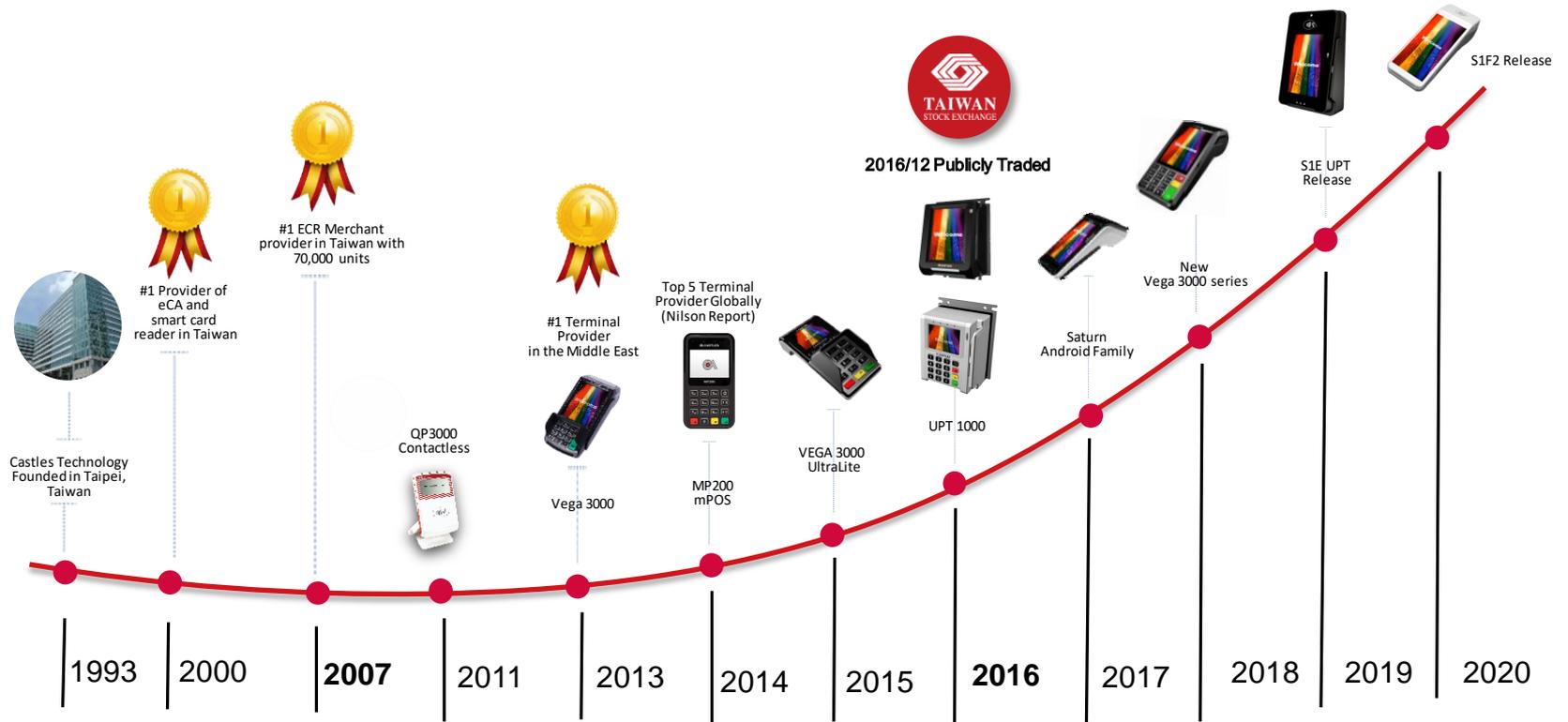




# Company Introduction



# Company History



# Castles Today



**2.5 M+**

Units sold in  
2018



**400+**

Global Employees



**100+**

Countries Served

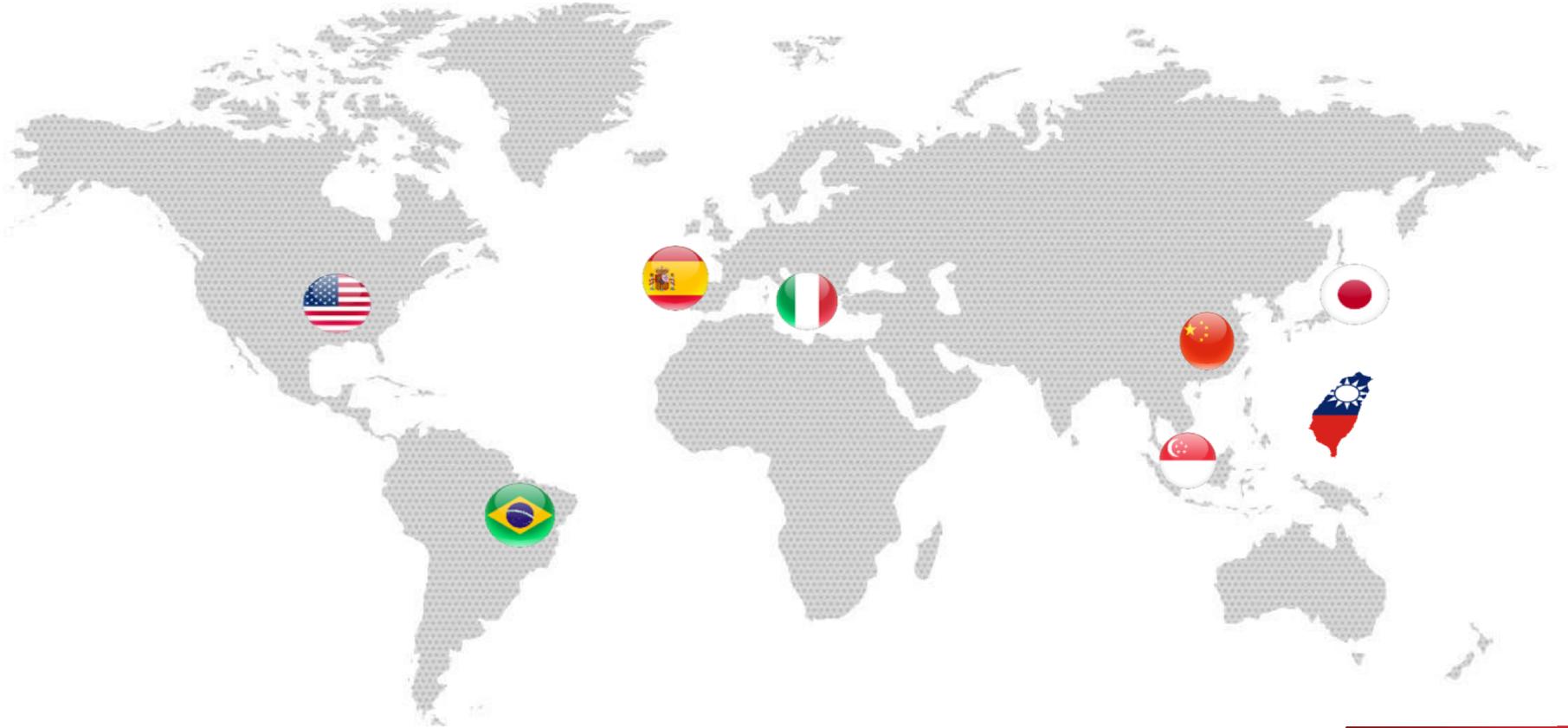


**2016**

Publicly Traded



# Global Operation Base



# Global Development Centers





# Industry Overview



# Introduction of Industry

- With the success of business strategy, more processor and acquirer want to build their own marketplace solution and get more recurring revenue from merchants.
- With the prevailing of e-payment, more and more stores are renewing their facilities to support diverse payment method. For example, payments terminals supporting barcode scanner and Biometric identification.
- Self-service application has been increasingly popular. Products supporting e-payment have become an industrial trend.
- An increased amount of POS providers are developing Android based products. To fulfill “All-in-One” solution, they are seeking for solutions integrating both hardware and software.
- The rising of eWallet has positive impact on the demand of contactless terminal.
- The rising of mPOS has positive impact on the industry.



# Core Business



# Product Lines



Android Payment Terminal

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Linux Payment Terminal

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Unattended Payment Terminal

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mPOS



# Product – Saturn Series (Android-Based)

NEW



S1F2



S1L



S1E



S1F



S7

- MSR, Contact, and Contactless Reader
- PCI 5.x certified PIN on Touch Technology
- Secure Android Platform
- Barcode reader
- Camera



# Application – Saturn Series (Android-Based)

Provides end customers diverse payment+ECR POS solutions.  
Our global customers, has been introducing Castles Android solutions.



# Product – Vega3000 Series (Linux-Based)

NEW



V3P3



V3M2



V3CT2



V3CT



V3M



V3P



V3UL

- MSR, Contact and Contactless Reader
- 3.5" Color Touch Screen or 2.4" Color TFT- LCD
- Countertop, Portable and PINPad models
- Secure Linux Platform
- 2G/3G/4G, Wi-Fi, Bluetooth, Ethernet, Modem



# Application – Vega3000 Series (Linux-Based)

Widely used in coffee shop and convenience stores,  
delivering the ultimate purchase experiences to customers



# Product – Unattended Payment Terminal Series

NEW



U1M

NEW



U1B

NEW



U1F

NEW



S1E UPT



U1L



U1K

- MSR, Contact and Contactless Reader
- 3.5" Color Touchscreen or 2.8"/2.4"/5" Color TFT- LCD
- Secure Linux Platform / Android Platform
- 2G/3G/4G, Bluetooth, Ethernet, RS-232 and USB



## Application – Unattended Payment Terminal Series

Widely used in vending machines and self-check system, delivering the ultimate purchase experiences to customers



# Product – mPOS



MP200

NEW



MP100R

- MSR, Contact and Contactless Reader
- Bluetooth, Wi-Fi, USB, 2G/3G/4G
- Integrates to any iOS, Android or Windows devices
- Long Lasting Battery



# Application – mPOS

Widely used in hospitality and retail industry delivering the ultimate purchase experiences to customers





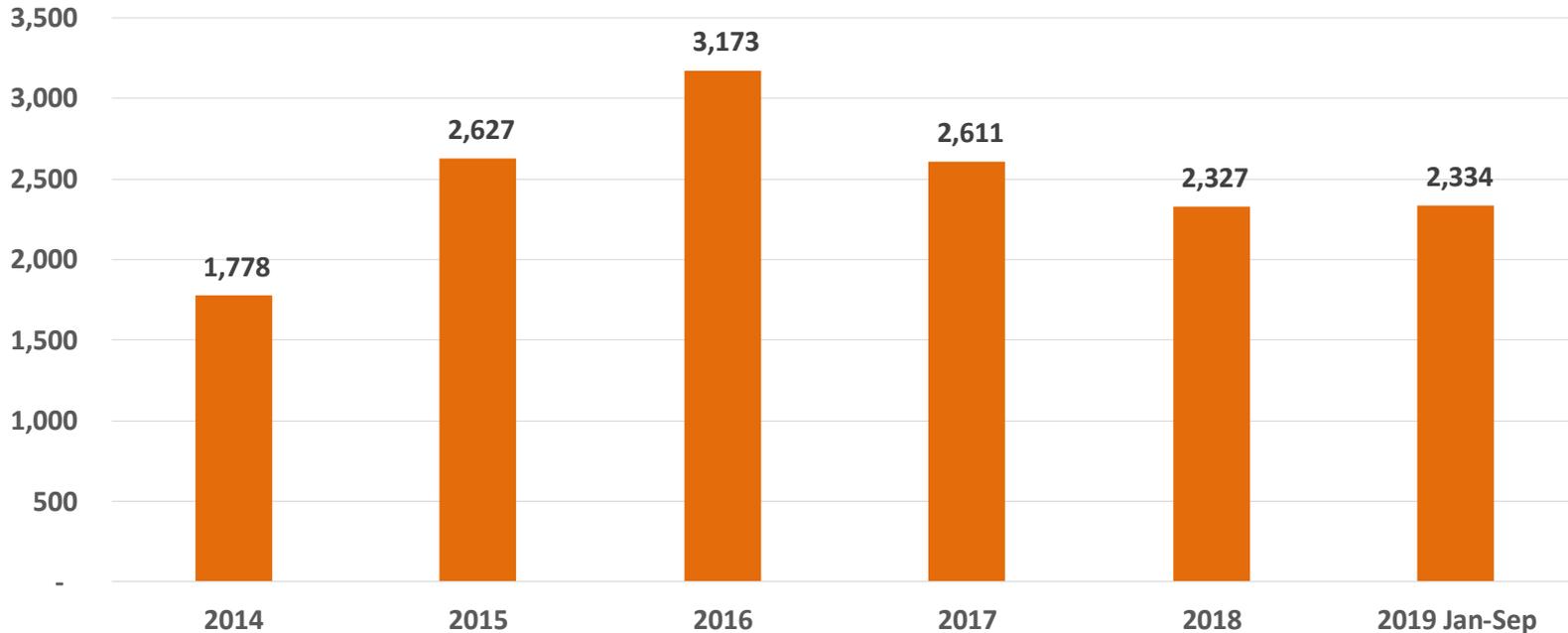
# Operation Overview



# Business Performance – Consolidated Revenue

Units : NTD Million

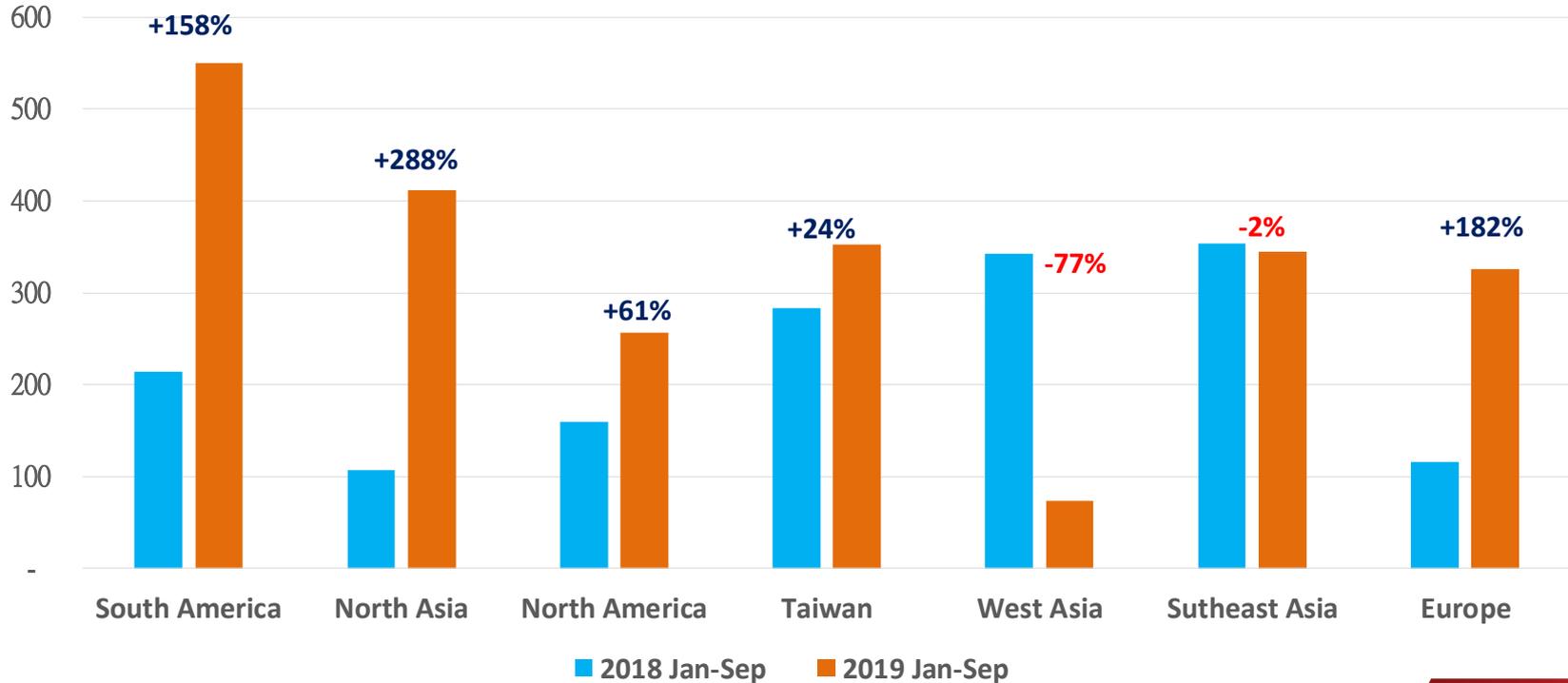
## 2014~2019 Jan~Sep Consolidated Revenue



# Operation Overview

Units : NTD Million

## Sales by Regions





# Financial Overview



# Consolidated Income Statement of 2018/2019

Units : NTD Million

Items	2019 Jan-Sep	%	2018 Jan-Sep	%	YoY
Revenue	2,334.7	100%	1,575.0	100%	48%
Gross profit	601.0	26%	474.4	30%	27%
Operating expenses					
Selling expenses	167.5	7%	159.7	10%	5%
Administrative expenses	63.1	3%	52.7	3%	20%
Research and development expenses	248.2	11%	217.7	14%	14%
Impairment loss	303.3	13%	72.9	5%	316%
Total operating expenses	782.2	34%	503.1	32%	55%
Net operating loss	(181.2)	-8%	(28.6)	-2%	
Profit before income tax	(173.0)	-7%	(9.0)	-1%	
Comprehensive income	(146.9)	-6%	(12.2)	-1%	
EPS(NTD)	(1.86)		(0.49)		

# Consolidated Income Statement of 2018/2019

Units : NTD Million

Items	2019 Q3		2019 Q2		QoQ	2018 Q3		YoY
	Amount	%	Amount	%		Amount	%	
Revenue	779.6	100%	847.5	100%	-8%	351.5	100%	122%
Gross profit	195.1	25%	215.7	25%	-10%	114.6	33%	70%
Operating expenses	133.4	17%	306.0	36%	-56%	170.2	49%	-22%
Net operating income (loss)	61.7	8%	(90.3)	-11%	168%	(55.5)	-16%	211%
Profit before income tax	56.4	7%	(70.4)	-8%	180%	(69.7)	-20%	181%
Comprehensive income	43.1	6%	(60.3)	-7%	171%	(61.2)	-17%	170%
EPS(NTD)	0.43		(0.74)		158%	(0.85)		151%



# Future Prospect



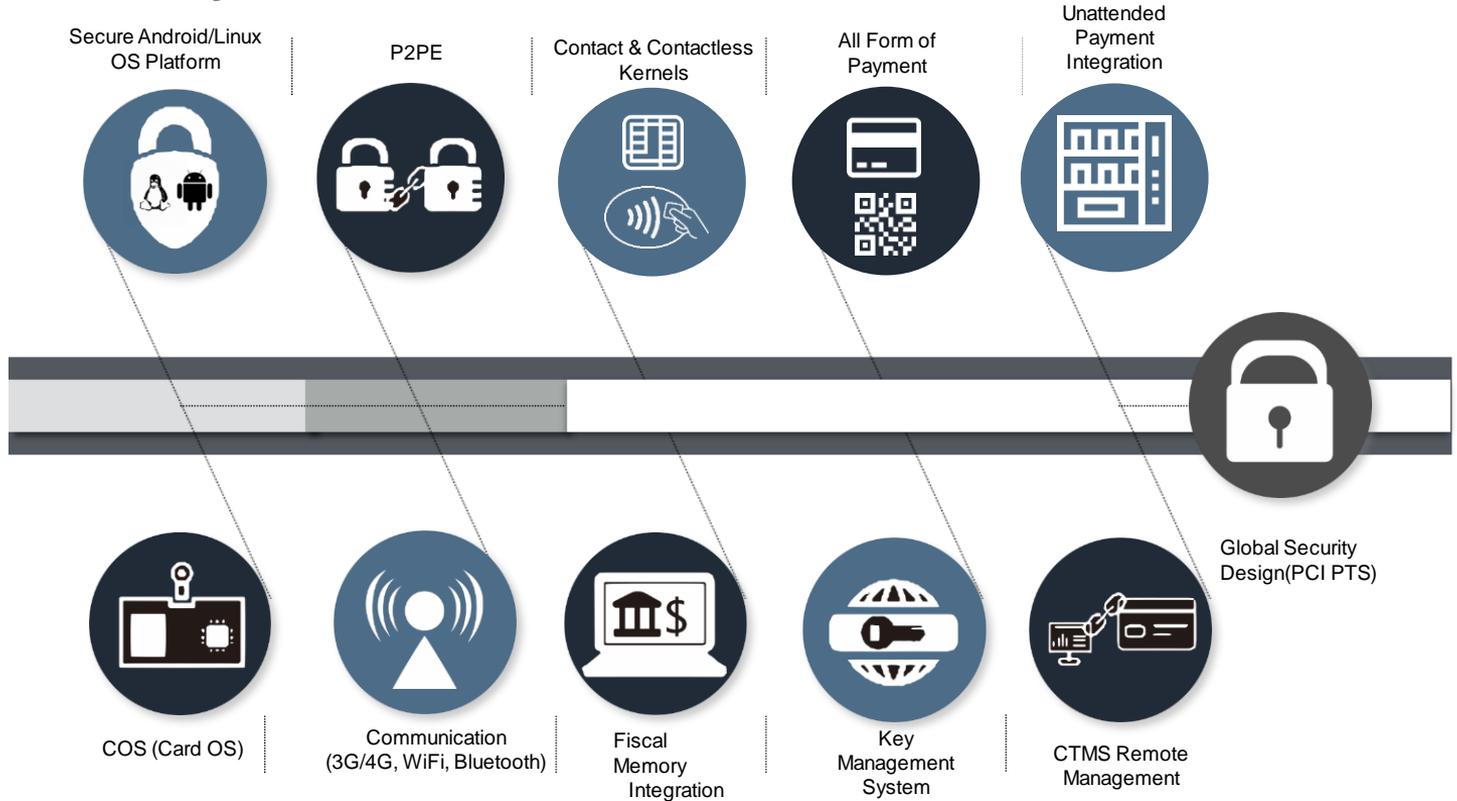
# Operational Strategy

1. High development and integration skills in both software and hardware engineering
2. Expanding global branches
3. Provide localized integral payment service
4. Provide software as well as service, improve product competitiveness
5. Provide cloud service for remote control



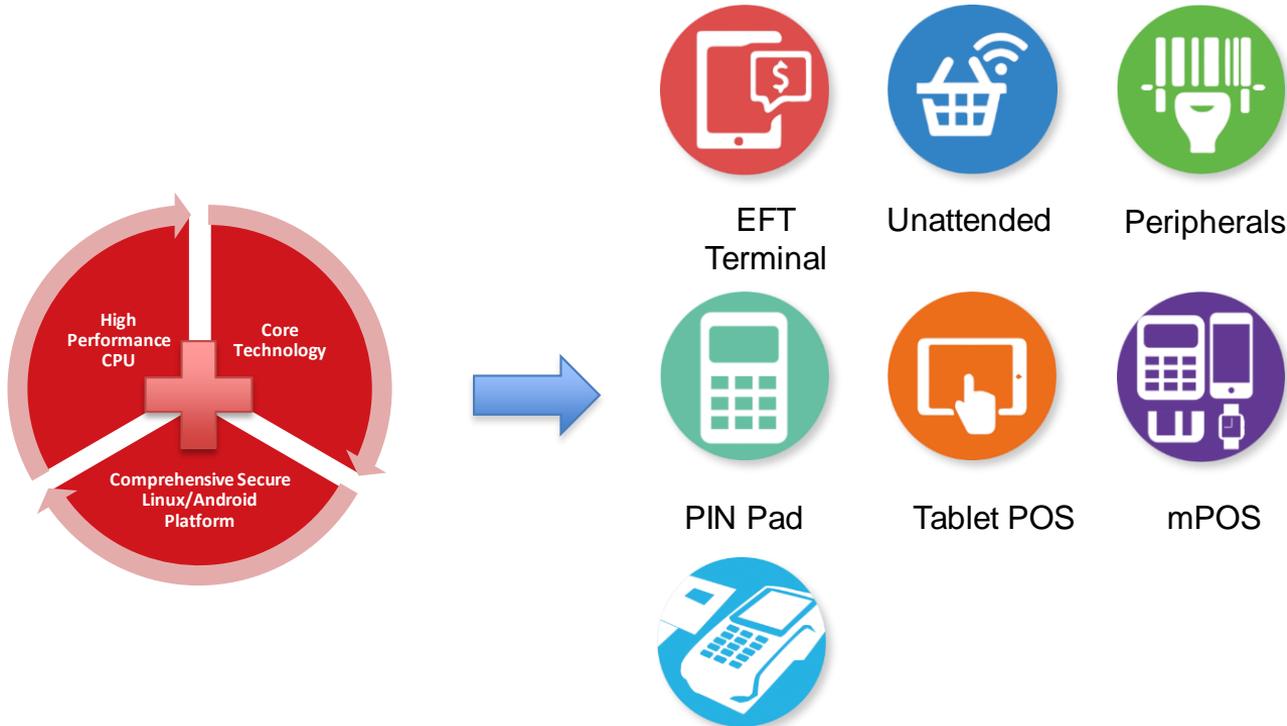
# Engineering Capability

Payment Security is our DNA

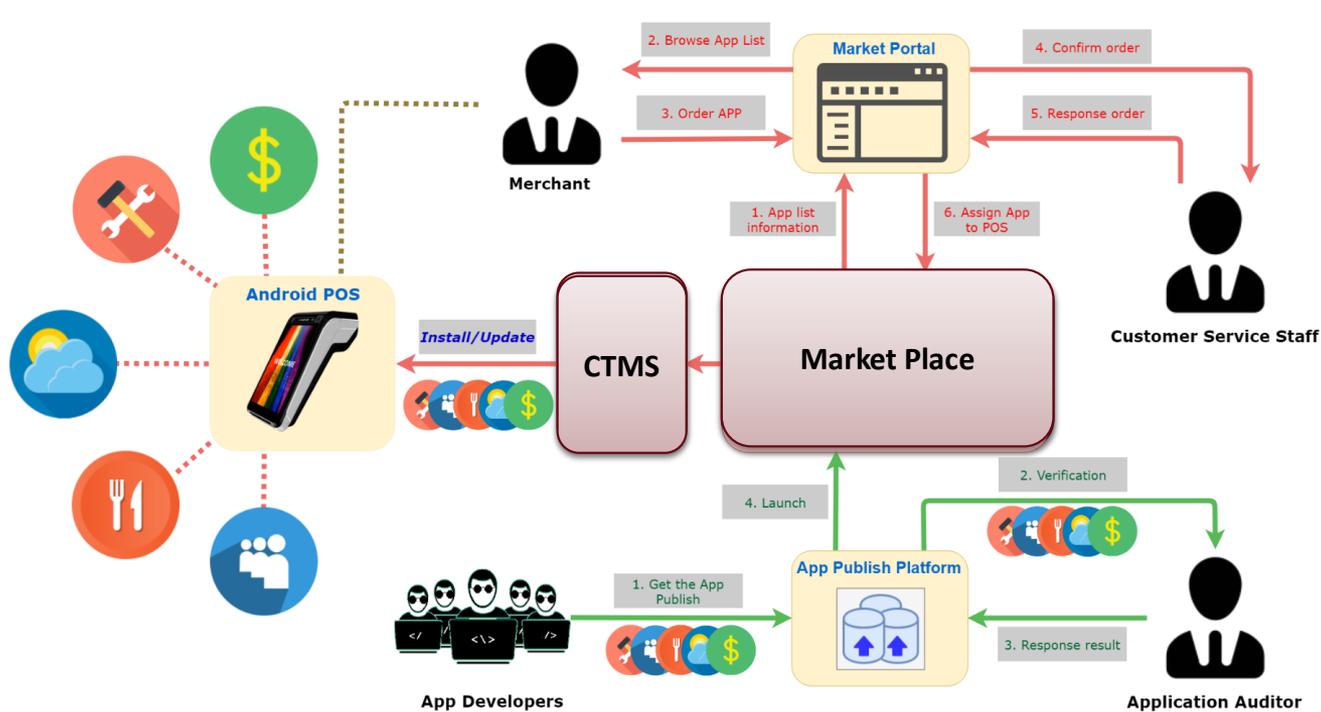


# Product Line

Innovative technology transform to a wide range of product selection



# Castles' Cloud Services



Text

Text

# Outlook

Looking into 2020, Castles Technology will focus on:

1. Europe, North America, and North-east Asia will still be the momentum of revenue growth
2. Optimize the cost to boost overall profit
3. The advantage of customization boosts the revenue share of software service.
4. Push the performance growth to a new high peak



**Thank you**

