

SYSGRATION®

Applying automotive-grade engineering to meet the demanding requirements of AI data centers

Sysgration Ltd. (5309 TT)

Investor Conference

October 7, 2026



Automotive-Grade
Manufacturing

Fully Automated BBU
Production

Localized Drone
Manufacturing

World-Class
Customers

SYSGRATION®

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Sysgration at a Glance (5309 TT)

 **Founded**
1977/10/14

 **Headquarters**
Neihu, Taipei

 **Market Capitalization**
NT\$14.5 Bn
(September 30, 2026)

 **Chairman**
Mark Lee

 **R&D and Manufacturing Experience**
40+ Years

 **Paid-in Capital**
NT\$2.3 Bn

 **President**
TF Hsieh

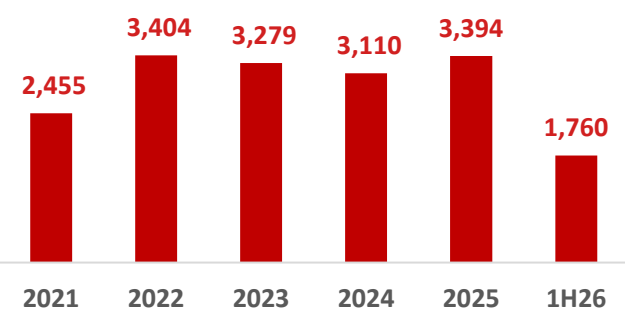
 **Three Core Product Lines**

 **Tire Pressure Monitoring Systems (TPMS)**

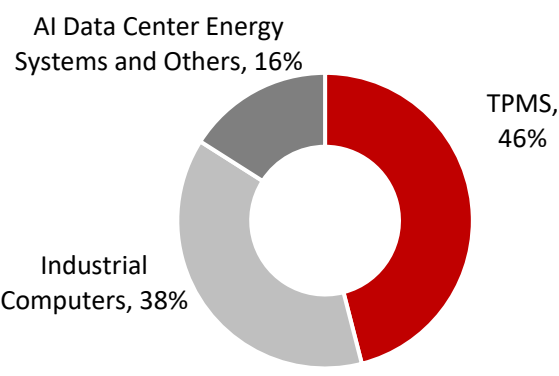
 **Industrial Computers (including Drones)**

 **AI Data Center Energy Systems (Power Tank Energy)**

Revenue (NT\$ Million)



Revenue Mix by Product (1H26)



Manufacturing Sites



4 Manufacturing Sites:
Zhenjiang, Jiangsu, China
Huizhou, Guangdong, China
Nangang, Nantou, Taiwan
Plano, Texas, USA

Agenda

- 1** Business Update
- 2** AI Data Center BBUs Poised for Volume Ramp-Up
- 3** Expanding from Rugged Industrial Computers to Mission-Critical Unmanned Systems
- 4** Building U.S.-Based BBU Manufacturing Capabilities at the Plano, Texas Facility
- 5** Financial Results



Business Update

➔ Aim to Surpass NT\$10 Billion in Revenue by 2028



Three Growth Engines in Motion: BBU, IPC, and Drones

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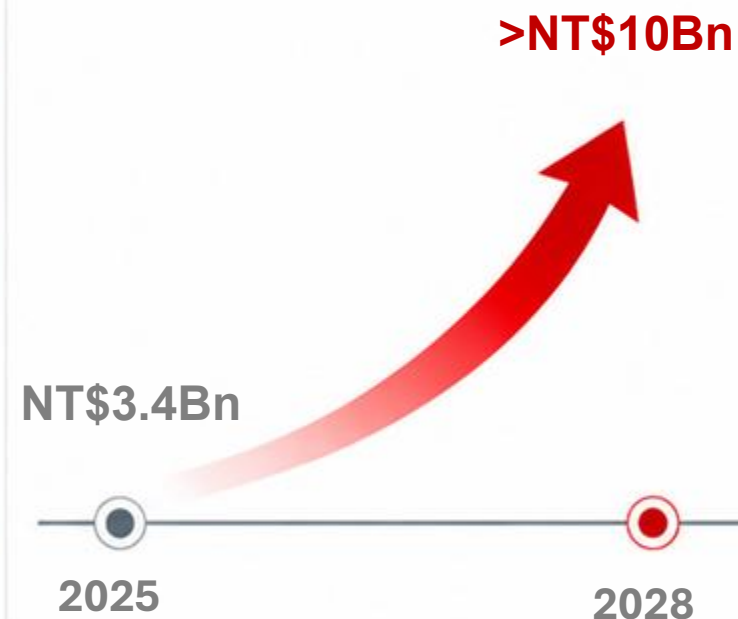
Clear Growth Prospects Across Three Core Businesses



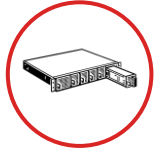
Focused on World-Class Customers



Mid-Term Revenue Target of NT\$10 Billion



Three Core Businesses: Production Ramp-Up, Customer Expansion, and Manufacturing Readiness



AI Data Center Energy Systems

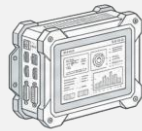
Targeting a Severalfold Revenue Increase in 2027

- BBU products have passed UL 9540A and other key tests, validating safety and technical capabilities while narrowing the gap with Tier 1 leaders.
- 3kW, 5.5kW, and 11kW BBU products are advancing through qualification and market adoption, with supply readiness aligned with customer requirements.
- The Plano, Texas facility is enhancing automated BBU manufacturing capabilities and readiness to support flexible, localized production in North America.
- Through the strategic alliance with Celxpert Energy, Sysgration has begun receiving customer inquiries for drone batteries, further expanding its product portfolio.



Industrial Computers (IPC)

Targeting a Revenue CAGR of Over 30% from 2026 to 2028



Rugged Industrial Computers

- New projects entered mass production in 3Q25, driving 150% YoY IPC revenue growth in 1H26.
- Targeting high-margin niche projects with product lifecycles of 5–7 years and monthly volumes of 500–1,000 units, with new project wins driving continued revenue growth.

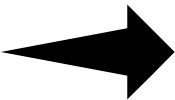
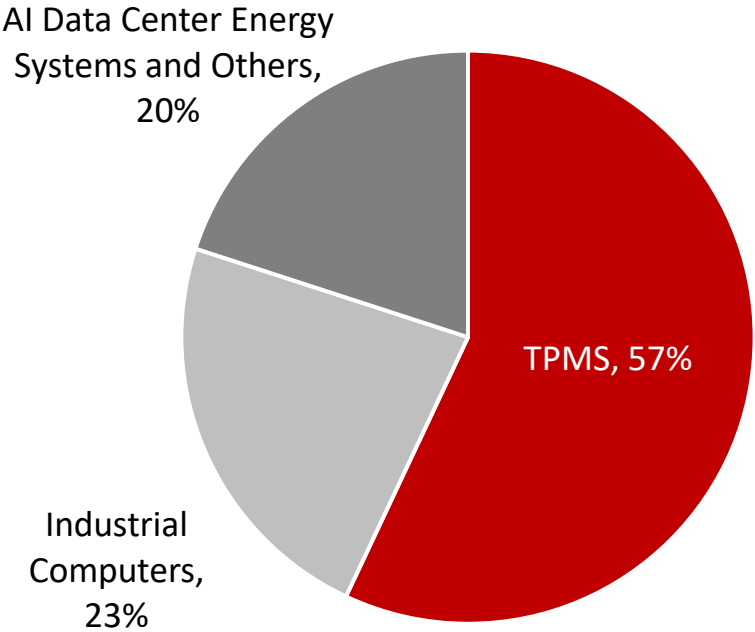


Drones

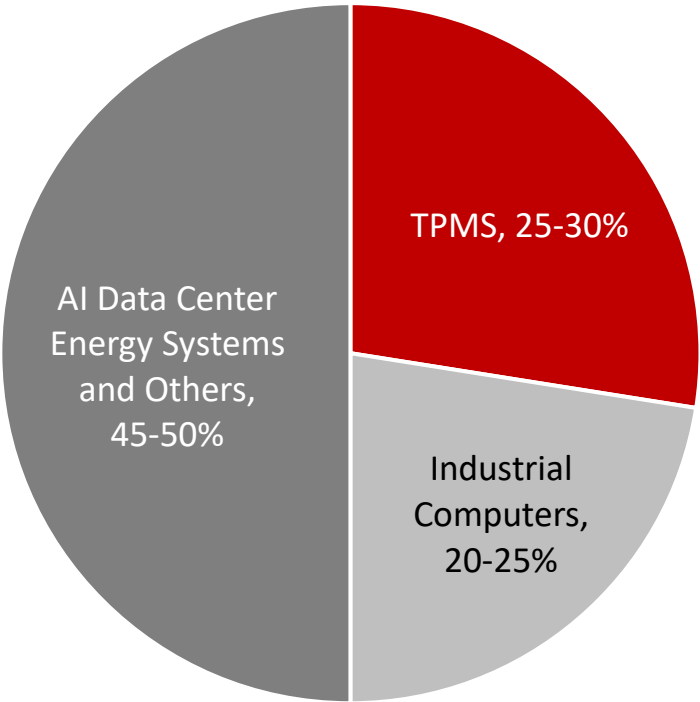
- Ground Control Station (GCS) products are advancing through qualification and mass-production readiness to support future demand.
- Customer engagements are increasing, while partnerships with Quantum Systems and Vantage Robotics expand the drone portfolio and create new growth opportunities.

Three Core Product Lines Supporting Resilient Growth

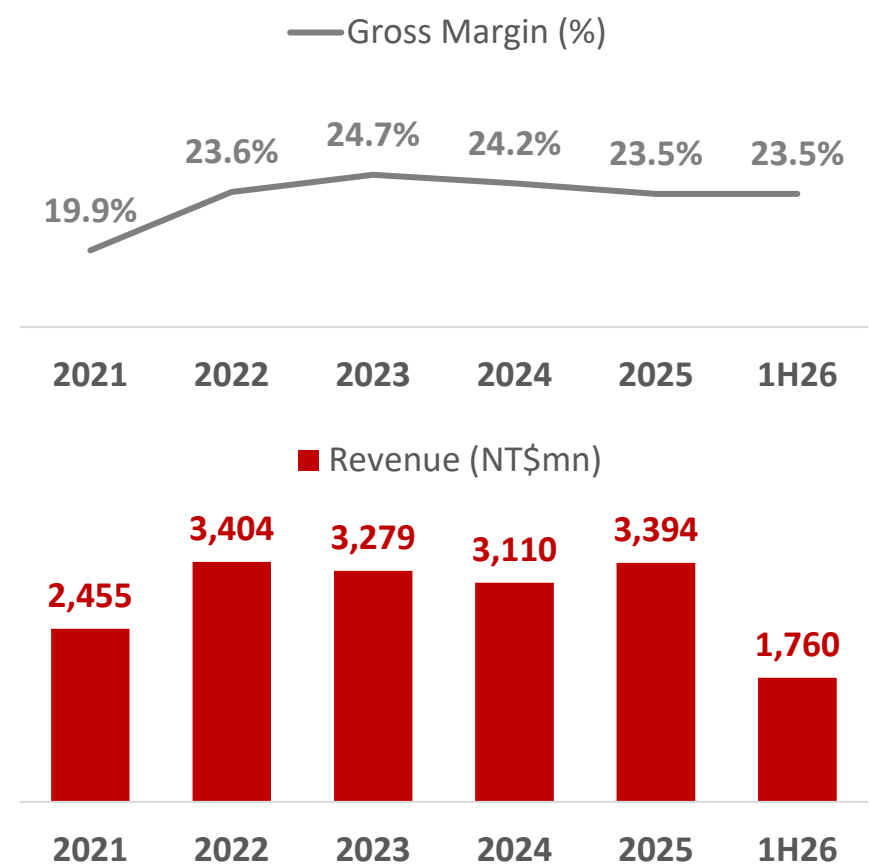
**2025 Revenue Mix
by Product**



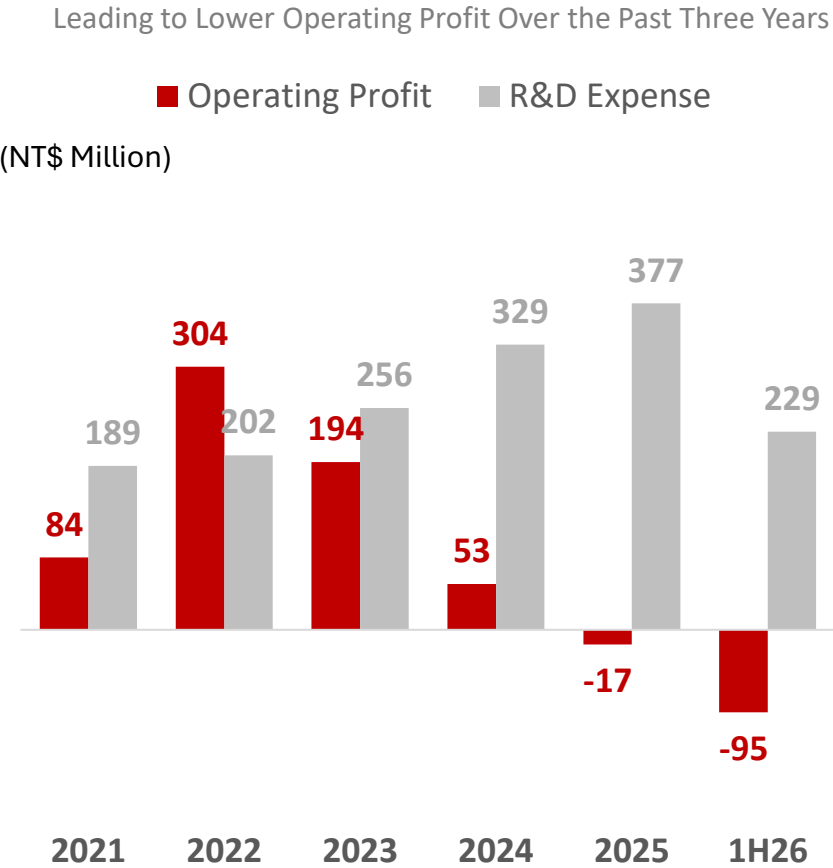
**2028 Target Revenue Mix
by Product**



Revenue Above NT\$3 Billion for Four Consecutive Years, with Stable Gross Margin



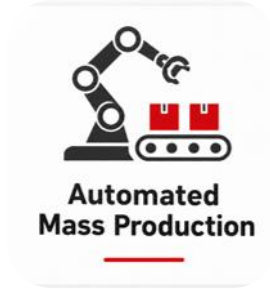
Continued R&D Investment to Win Leading Global Customers



As Revenue Scales Up,
Profit Growth
Is Expected to Outpace
Revenue Growth

AI Data Center BBUs

Poised for Volume Ramp-Up





AI Data Center



Semiconductor &
High-Tech Companies



4G/5G Telecom
Base Stations

Battery Backup Unit (BBU)

Battery Pack/Rack for UPS

Switching Mode Rectifier (SMR)



HV BBU (NCA)
234V / 6kW
30min backup



HV BBU (NCA)
189V / 11kW
120sec backup



HP BBU (NCA)
50.4V/ 8.8kW
90sec backup



Module
25.6V / 17.9kW (7C)
Cabinet
512V / 358.4kW (7C)
<15min backup



Module
25.6V / 10.2kW (4C)
Cabinet
512V / 204.8kW (4C)
15~30min backup

(With a Proven Track Record of Shipments
to Leading Semiconductor Companies)

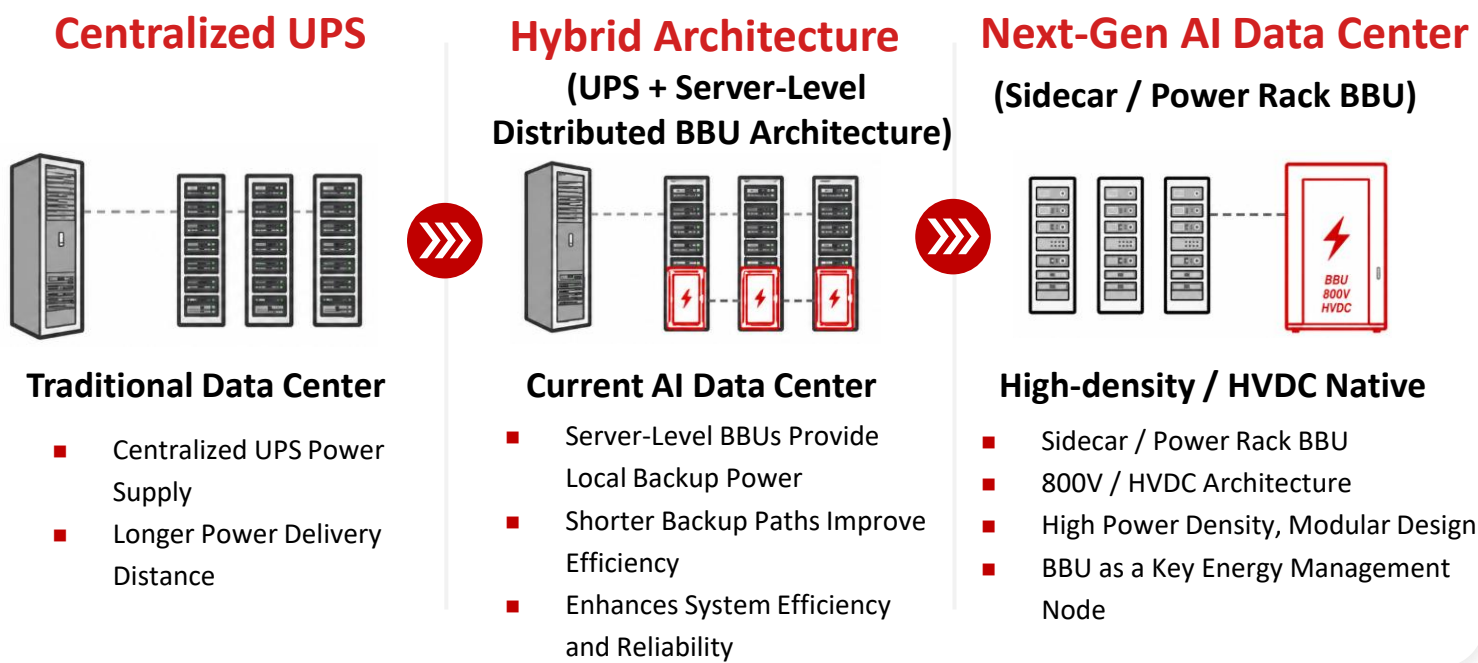


Module (LFP)
51.2V / 5.12kW (1C)
60min backup



Module (NCA)
46.8V / 2.56kW (1C)
60min backup

AI Data Center Power Evolution Drives Higher BBU Penetration and Value per Rack



Roles of Backup Power Systems in AI Data Centers

CBU	Supercapacitors	Millisecond Response to Load Fluctuations
BBU 	Battery Backup Units	30–90 Seconds of Uninterrupted Power Supply
UPS	Uninterruptible Power Supply	Facility-Level Backup Power
BESS	Battery Energy Storage Systems	Minute-Level Energy Dispatch



High Power Density

Rising AI Rack Power Makes Short-Duration Backup More Critical



Architecture Upgrade

Shift from Centralized UPS to Sidecar / Power Rack BBU



HVDC Adoption

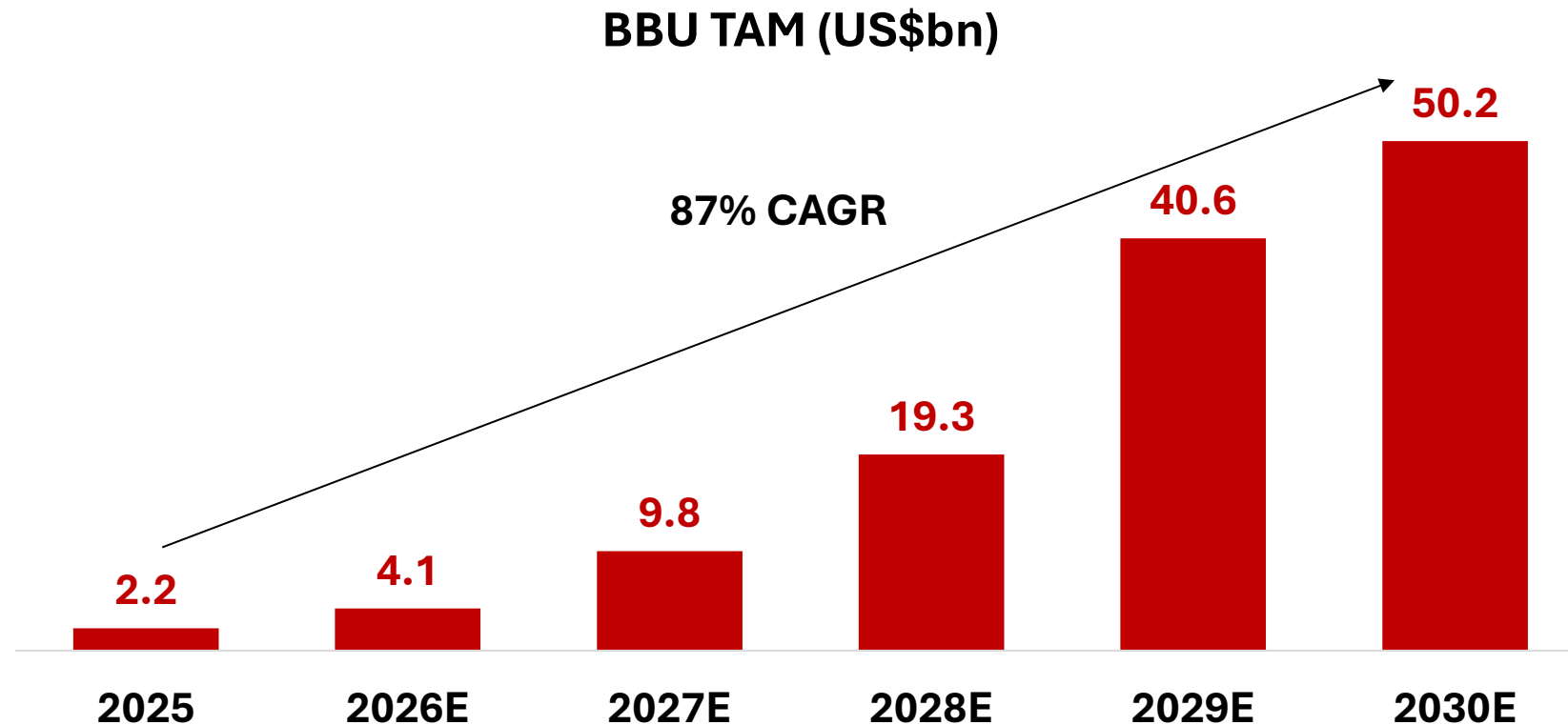
800V Architecture Raises BBU Specifications and System Value



Barriers to Entry

BMS, Thermal Management, Safety Certification, and Integration Become Key Differentiators

BBU TAM Could Reach US\$50 Billion by 2030



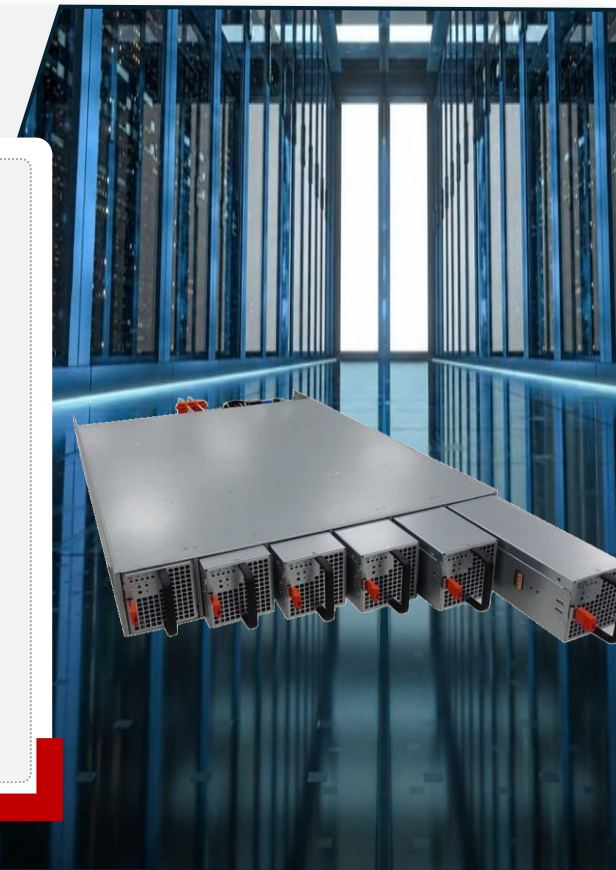
Source: Goldman Sachs Global Investment Research, 24 September 2026



Sysgration's Automotive Expertise Strengthens Its Competitive Position

- **Methodology** : Design for Six Sigma
- **Engineering Philosophy** : Perform mechanical calculations and interference-fit analysis before tooling.
- **Process** : Even with a failure rate as low as 1 in 500, we rigorously analyze corner radii (R) and geometric tolerances—with zero compromise.

A decade of meeting world-class automakers' requirements has equipped Sysgration to meet the stringent engineering and quality standards of the data center market.



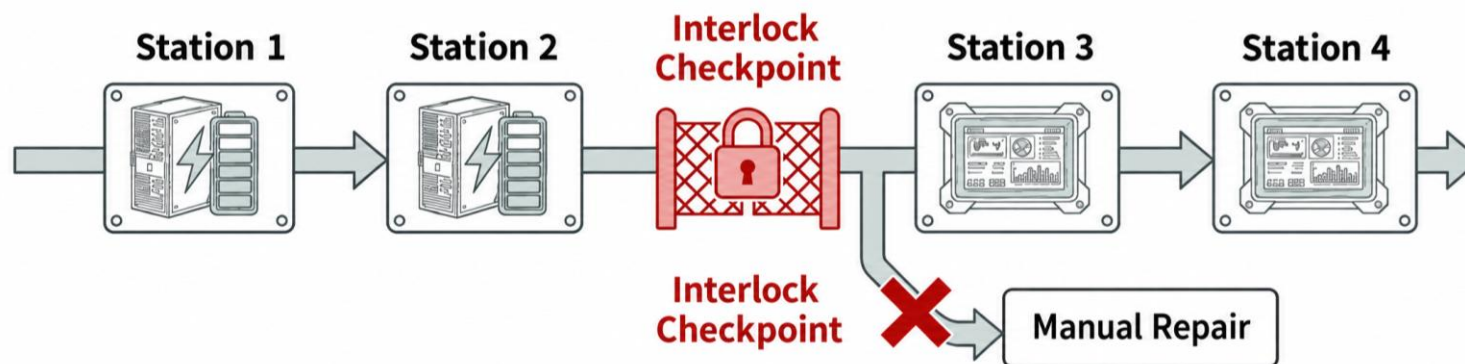


Automated Production Interlocks

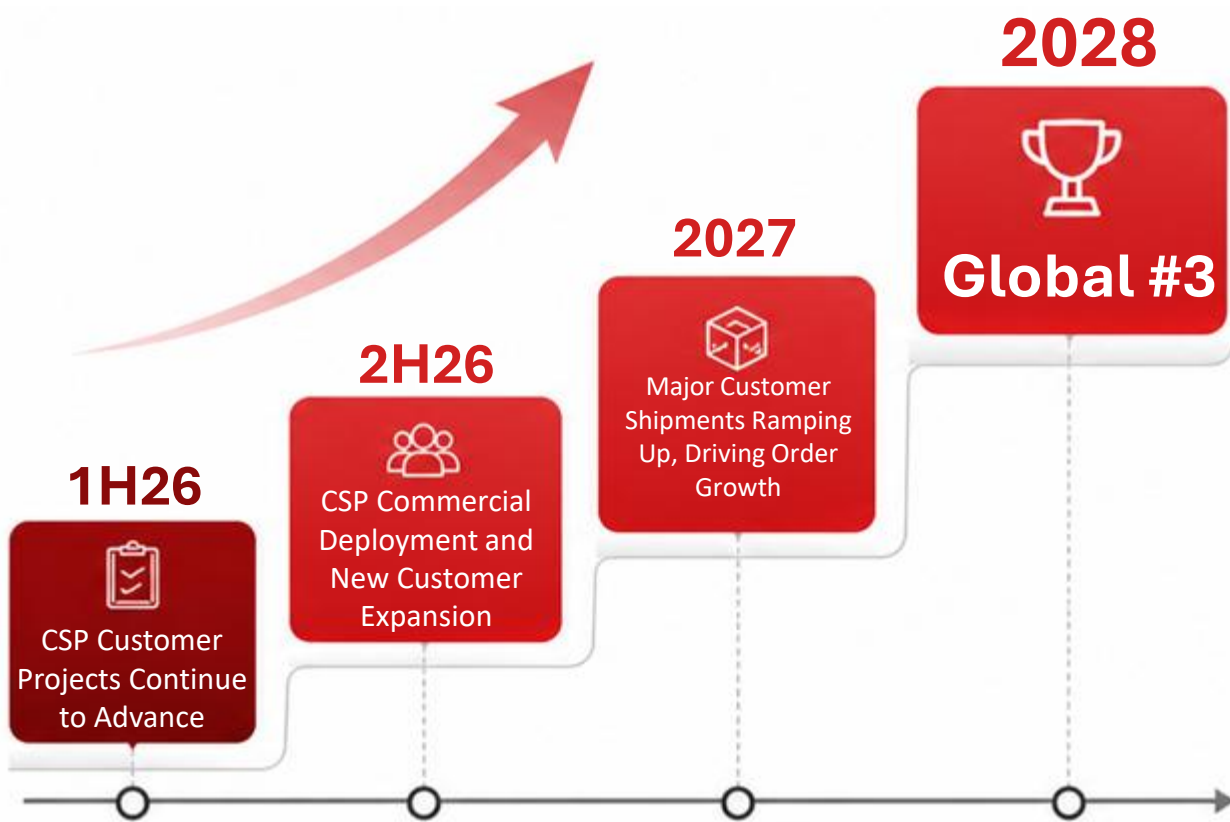
- Each production station is strictly interlocked. If the previous step is incomplete or an operation is repeated, the next station automatically stops.
- Minimizes human error arising from factors such as fatigue or distraction.

Eliminating the Risks of Manual Rework

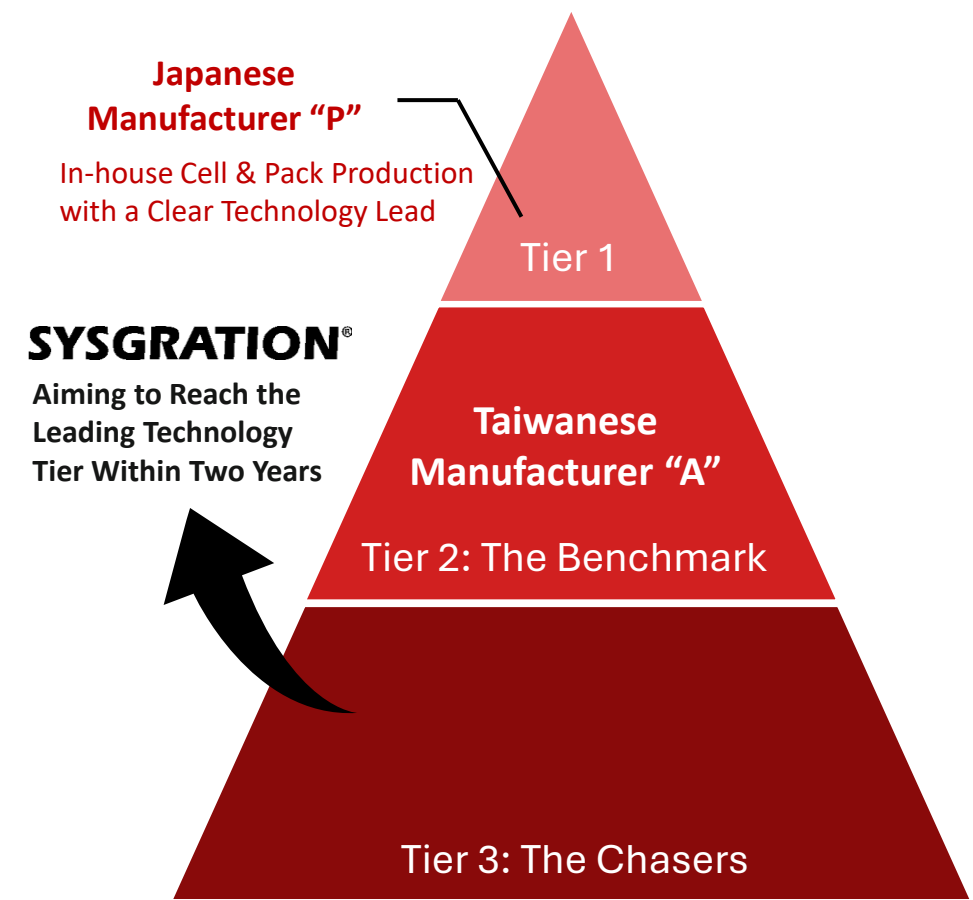
- **Sysgration's approach:** End-to-end automated monitoring to eliminate human variability.
- Ensures that every BBU shipped meets consistent quality standards, strengthening CSP customers' confidence.



BBU Business Growth Roadmap



Automated BBU Production Plan



Industrial Computers

Expanding from Rugged Industrial Computers
to Mission-Critical Unmanned Systems,
Creating a High-Margin Growth Engine





Collaboration with Qualcomm Strengthens Sysgration's Technology Advantage

COMPUTEX 2026 CEO Keynote: Qualcomm

Thank you Taiwan ecosystem partners



Qualcomm

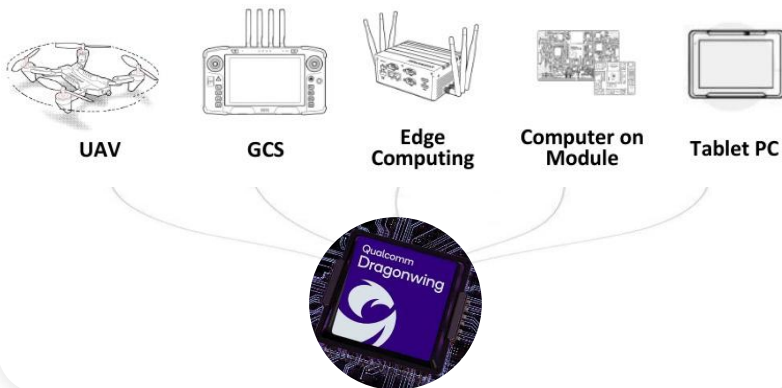




Leveraging Qualcomm's Technology Strengths to Expand into High-Margin Long-Tail Markets

1 Qualcomm Platform Expertise Creates Barriers to Entry

- ➔ Sysgration's rugged industrial computers are primarily built on the Qualcomm platform, meeting customer needs for low power consumption, energy efficiency, and integrated connectivity.
- ➔ The Qualcomm platform carries a high barrier to entry, requiring significant hardware and software investment. Sysgration's in-house computing and design capabilities provide a clear technology edge.



2 Targeting High-Margin Niche Markets

- ➔ Sysgration targets niche applications such as specialty vehicles and geospatial equipment, capturing scalable, high-margin long-tail opportunities.



3 Sustained Growth and Stable Cash Flow

- ➔ Rugged IPC projects offer high margins, product lifecycles of 5–7 years, and monthly shipments of 500–1,000 units, supporting stable recurring cash flow.
- ➔ Each project requires about two years of development, creating a high barrier to entry. As new projects ramp up, revenue is expected to grow steadily.



High Margin × Long Cycle × High Entry Barrier

Long-tail Market Drives Sustainable Growth



1 AI Compute Modules



Qualcomm Dragonwing-based SoM and SMARC solutions accelerate drone development and shorten customer time-to-market.

2 Ground Control Stations (GCS)



Sysgration's military-grade rugged GCS delivers 48 TOPS of AI computing power in 2026, scaling to 100 TOPS in 2027, while supporting integrated control of sUGVs, UAVs, and USVs.

3 End-to-End Manufacturing Capabilities in Taiwan and the U.S.



Strategic partnerships with Quantum Systems and Vantage Robotics, with Sysgration handling sales and manufacturing in Taiwan.



The 100,000 ft² Dallas facility can produce NDAA- and TAA-compliant drones.



Focused on Mission-Critical Applications

Developing Qualcomm-based products for defense, law enforcement, and public safety markets.



Expanding from Standalone Products to Integrated Solutions

Building an end-to-end presence across AI compute modules, ground control stations, and system manufacturing.



Generating High-Margin Revenue over Long Product Lifecycles

Targeting high-specification, high-value markets to drive sustainable growth.



Three Strategic Entry Points Advancing in Parallel, with Commercialization Beginning in 4Q26

Drone Market Landscape

Rotary-Wing UAVs


Micro Reconnaissance
(<1kg / nano)




Aerial Photography UAV
(1–3kg)




Agricultural UAV




Logistics / Heavy Payload



Fixed-Wing UAVs


Mid-Range Inspection / Reconnaissance




Long-Range Reconnaissance (50–300 km)



Next-generation drones are shifting toward autonomous flight, driven by VIO navigation, vision-based flight, and real-time AI recognition. For platforms requiring up to ~200 TOPS, Qualcomm solutions are expected to deliver sufficient AI performance while reducing power consumption and cost by approximately 40% versus high-power GPUs.

Three Strategic Entry Points

1



Military-Grade Rugged GCS & Compute Modules

- Several GCS projects are under development, with the first entering mass production in 4Q26, targeting law enforcement and public safety.
- AI compute modules are being co-developed with customers, with volume ramp-up expected in 2028.

2



Fixed-Wing Medium- and Long-Range Reconnaissance

- Strategic partnership with Quantum Systems, targeting defense and law enforcement tenders, with two project wins targeted in 2026.
- A drone production line is planned in Taiwan for 2Q–3Q26, supporting local assembly and module production for final assembly in the U.S.

3



Micro Drones for Defense & Law Enforcement Reconnaissance

- Strategic partnership with Vantage Robotics, leveraging its micro-drone expertise, with Sysgration handling assembly and manufacturing in Taiwan. Two defense and law enforcement projects are targeted in 2026.
- A production line is planned in Taiwan for 2Q–3Q26.



Actively Expanding Drone Opportunities Through Partnerships with Global Leaders

Sysgration's Proprietary X-DRONE Series

Integrating Multirotor Drones with Real-Time Video Streaming



SYSGRATION® × **VANTAGE ROBOTICS**

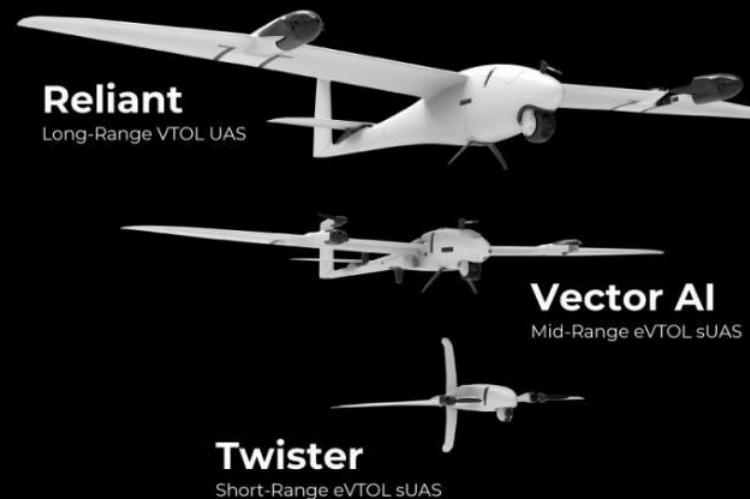
Smart Drone Applications for Inspection & Public Safety

VESPER

TRACE



SYSGRATION® × **QUANTUM SYSTEMS**



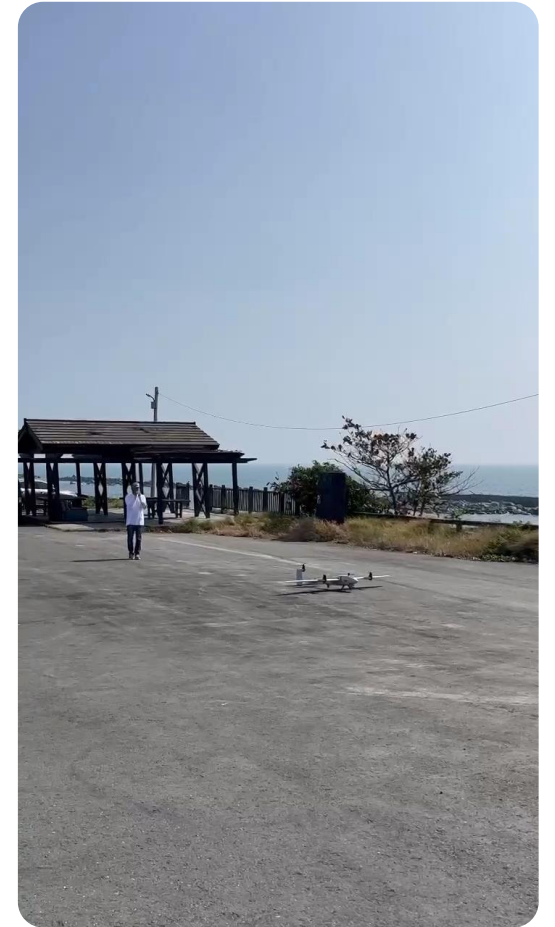
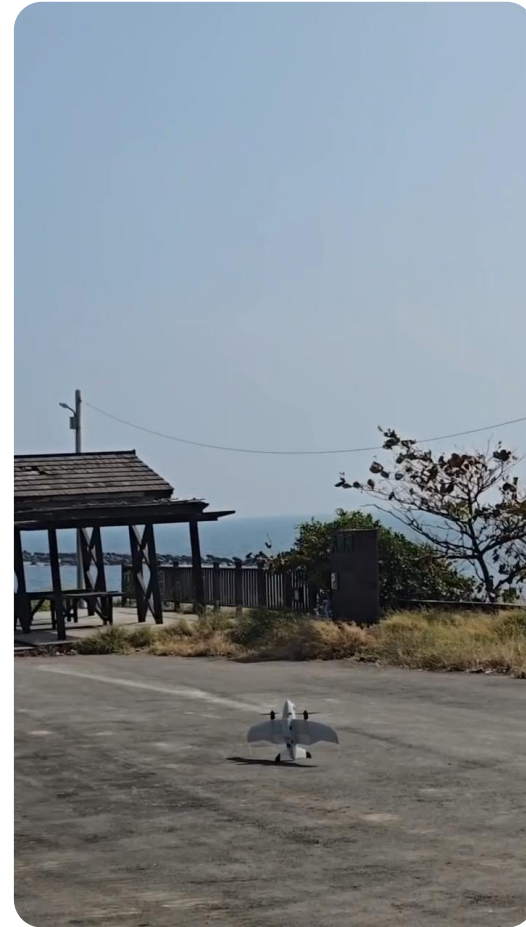
Sysgration Partners with Quantum Systems to Advance Localized UAS Manufacturing, Technology Integration, and Logistics Support in Taiwan

- Quantum Systems' UAS platforms have been deployed in operational environments across Europe and the U.S., providing real-time imagery and tactical terrain mapping, with endurance of more than 10 hours for a broad range of mission requirements.
- Sysgration will serve as Quantum Systems' strategic partner in Taiwan, covering exclusive sales, local manufacturing, joint procurement, lifecycle support, maintenance, and training across Quantum Systems' full portfolio of short-, medium-, and long-range AI ISR drones.



Joint Development, Manufacturing in Taiwan and the U.S., and Global Sales of Unmanned Systems

- ➔ On January 28, 2026, Sysgration held a drone flight demonstration featuring four UAV models: Quantum Systems' Twister and Vector, and Vantage Robotics' Trace and Vesper.
- ➔ Both Quantum Systems and Vantage Robotics are on the U.S. Department of Defense's Blue UAS list, offering VTOL and micro multirotor drones for reconnaissance, aerial imaging, and remote sensing.
- ➔ Sysgration collaborates with partners on drone development and provides complete drone manufacturing services in Taiwan and the U.S. It also develops its own ground control systems (GCS) for global sales, demonstrating its AI edge computing capabilities.



Building U.S.-Based BBU Manufacturing Capabilities at the Plano, Texas Facility



Plano, Texas Facility: Local BBU Manufacturing



Plano, Texas Facility

A Key U.S. Manufacturing Base



“Made in the U.S. for Fast Delivery”

- The Plano, Texas facility is a key part of Sysgration’s North American footprint. It supports local BBU manufacturing and is production-ready, with a roadmap covering 11kW, 5.5kW, 3kW, and HVDC solutions aligned with customer and supply-chain needs.
- U.S. manufacturing brings Sysgration closer to North American customers, improving delivery efficiency, supply flexibility, and development collaboration while optimizing logistics and service.
- Leveraging Sysgration’s global manufacturing and supply-chain expertise, the Plano facility will enhance service for North American customers and support the Company’s medium- to long-term growth.



Three Competitive Advantages of the Plano Facility

1

Early-Mover Capacity Expansion: Production Coming Online in 2026, Ahead of Peers

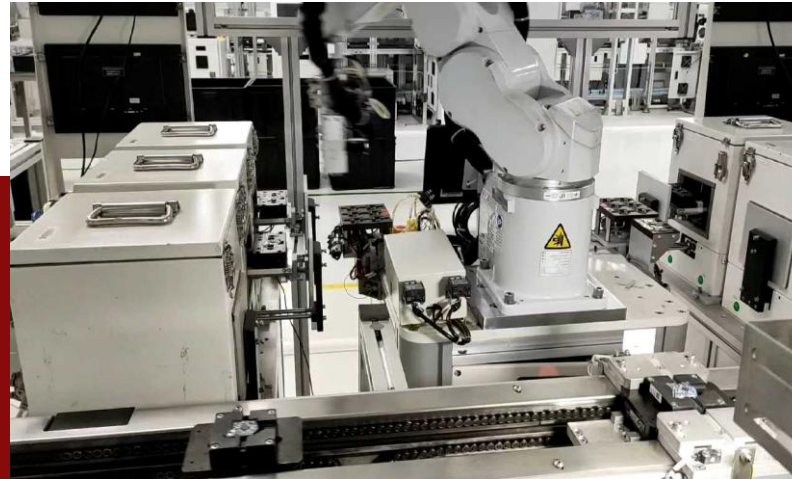
The 100,000 ft² facility will begin production in 2026, supporting flexible manufacturing of BBUs, industrial computers, drones, and TPMS products to meet U.S. localization needs.



2

Fully Automated Lines Reduce Labor Costs

The facility uses fully automated lines with robotic arms, requiring only 3–5 operators per line and supporting expansion to up to eight lines.



3

Proximity to the AI Server Supply Chain Significantly Shortens Lead Times

Located near a cluster of Taiwanese server manufacturers and suppliers in Texas, the facility enables local production, lowers freight costs, and can shorten lead times from 5–6 weeks to 2–3 weeks, improving responsiveness to customer demand.

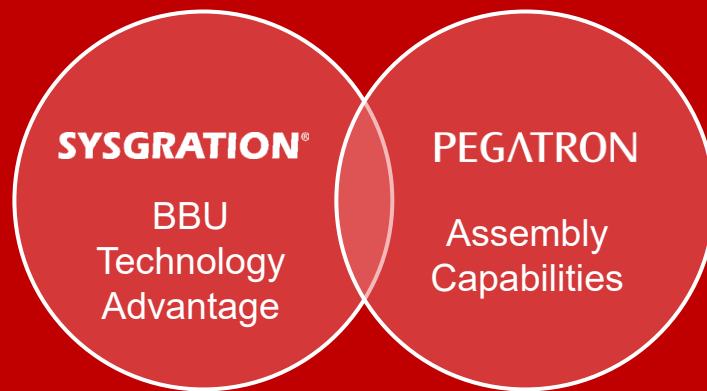


Strategic Investment by Pegatron to Expand U.S. AI Server Manufacturing

SYSGRATION®

Strategic Investment Overview

- In February 2026, Pegatron acquired a 9.6% stake in Sysgration through a private placement, becoming a strategic shareholder.
- The partnership targets U.S. AI server manufacturing opportunities, with mass production and shipments from both companies' U.S. facilities expected to begin in 2H26.



Advancing U.S.-Based AI Server Manufacturing

Deepening Collaboration Around Three Key Synergies

01 Joint Procurement

Joint procurement of key materials and components will improve cost efficiency through economies of scale, supporting further gross margin expansion.

02 U.S. Manufacturing Opportunities

Combining the companies' U.S. manufacturing resources will help them capture demand for locally manufactured AI infrastructure, serve CSP customers more closely, accelerate deliveries, and strengthen local engineering support.

03 Complementary Sales Channels

Complementary sales channels and customer referrals will expand market reach and support growth across product lines.

Capacity Ramp-Up to Meet Regional Manufacturing Needs

SYSGRATION®

2024-2025

- Facility & Equipment
- Build-Up



2026



Data Center
BBUs



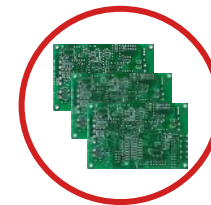
LIB Pack for UPS



SMR Battery
Pack



TPMS



PCBA for AI
Servers



Drones

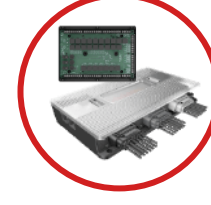
2027



IPC



AR Head-Mounted
Devices (HMD)



Automotive
ECU / BCM

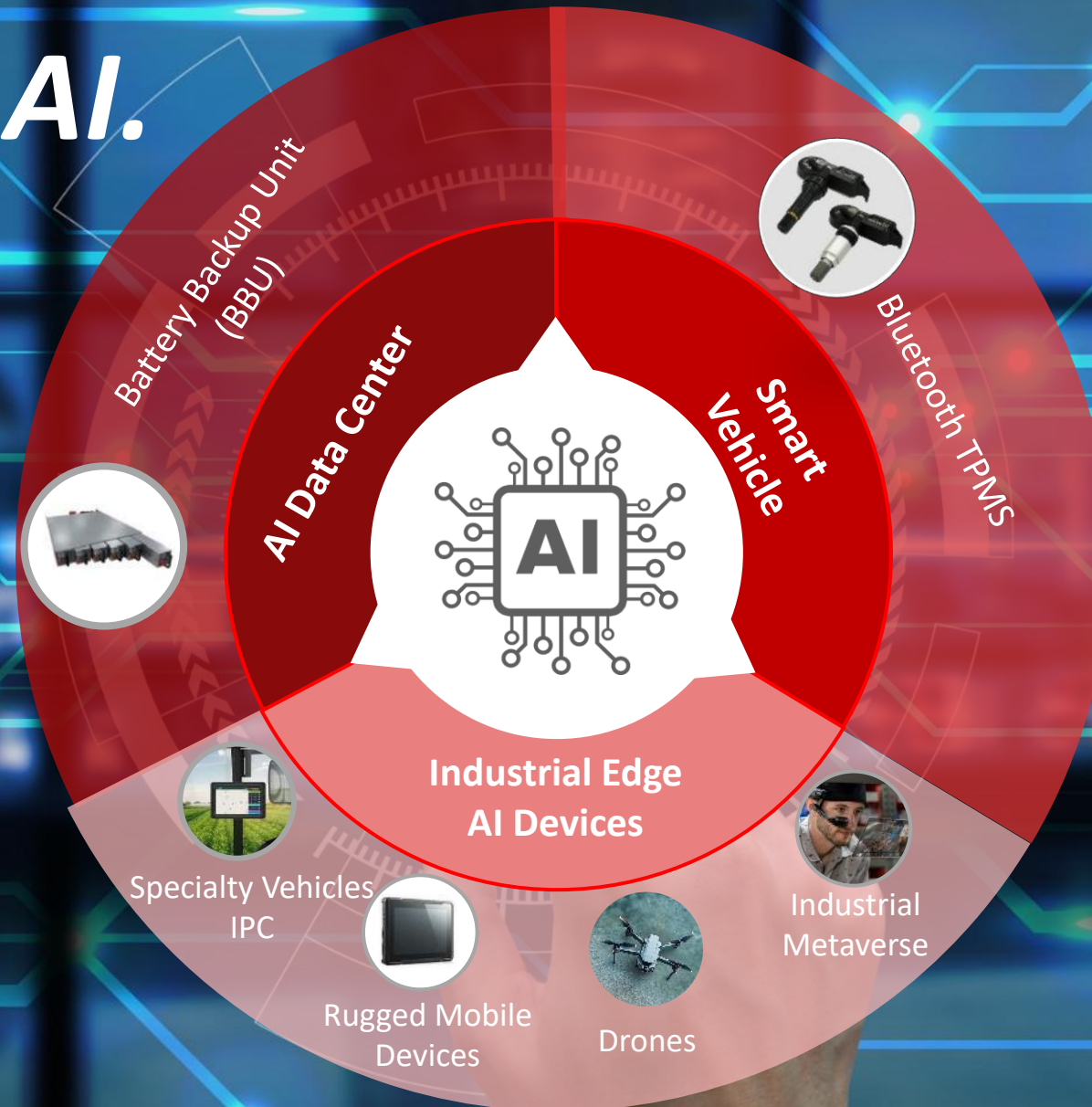


Autonomous
Mobile Robot
(AMR)

Sysgration's Global Manufacturing Footprint



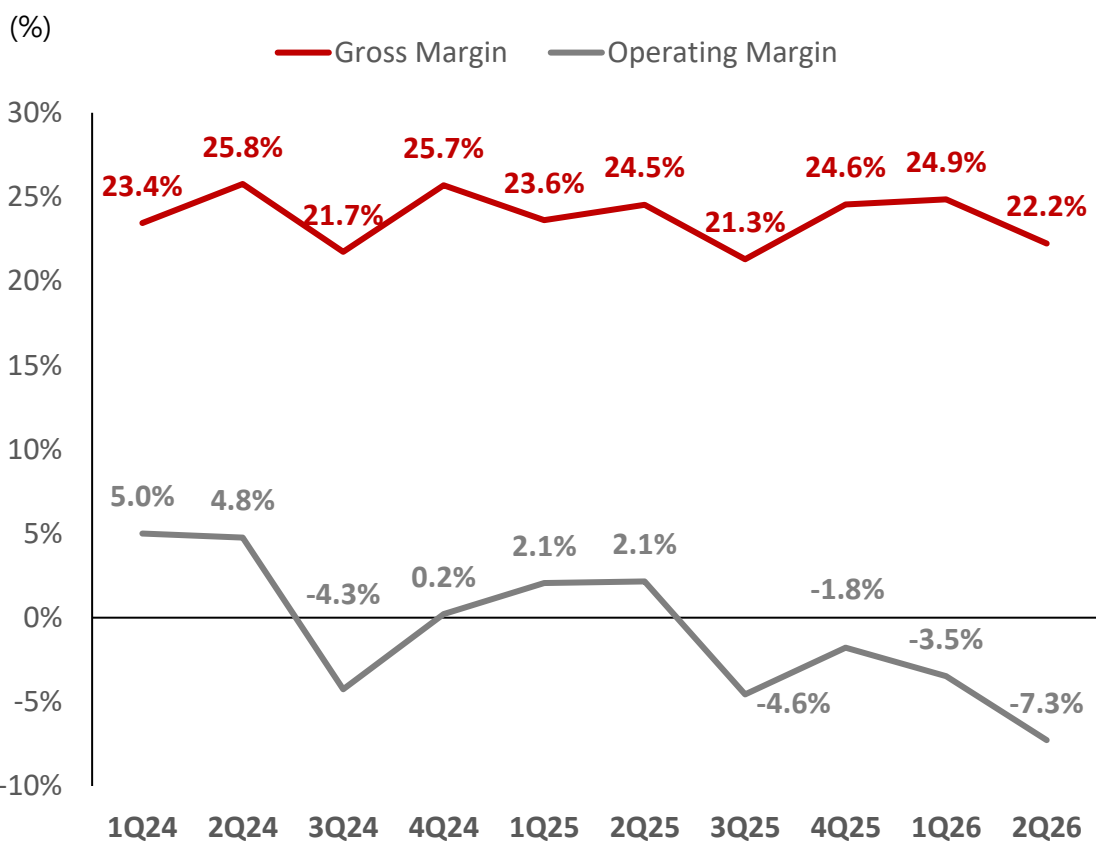
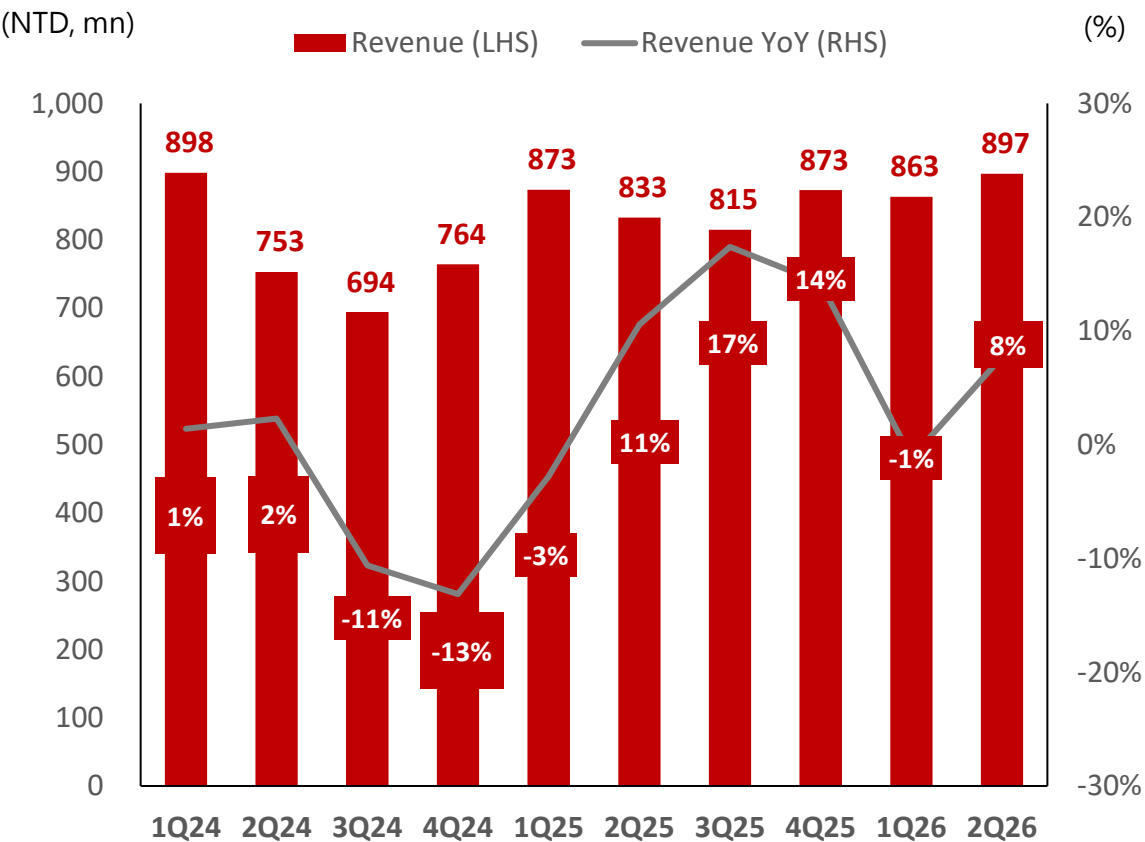
All About AI.



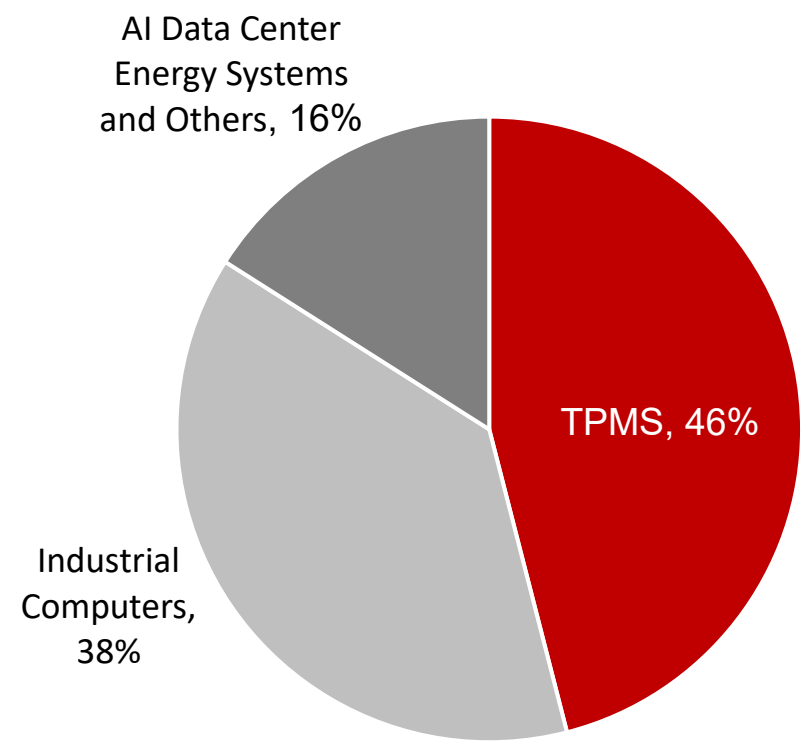


Financial Results

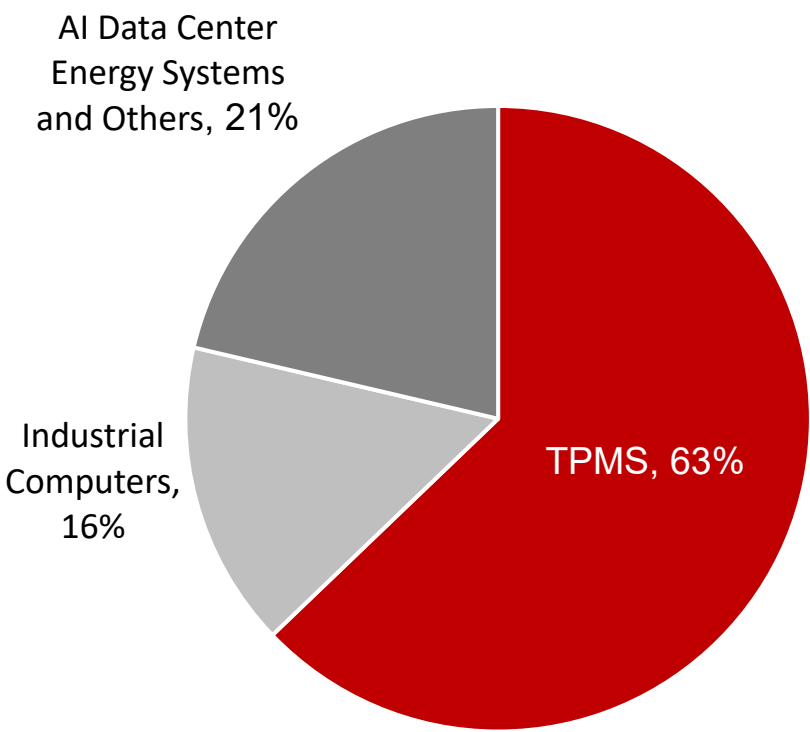
Quarterly Financial Performance



1H26
Product Revenue Mix



1H25
Product Revenue Mix



2Q26 Income Statement

Unit: NT\$ million, unless otherwise stated

	2Q26	1Q26	2Q25	QoQ (%)	YoY (%)
Revenue	897.0	863.3	832.7	3.9	7.7
Gross Profit	199.4	214.7	204.3	-7.1	-2.4
Gross Margin (%)	22.2%	24.9%	24.5%	-2.6pp	-2.3pp
Operating Expenses	264.7	244.6	186.5	8.2	41.9
Operating Expense Ratio (%)	29.5%	28.3%	22.4%	1.2pp	7.1pp
Operating Profit	-65.3	-29.9	17.9		
Operating Margin (%)	-7.3%	-3.5%	2.1%	-3.8pp	-9.4pp
Non-Operating Income	43.9	35.2	-16.0		
Pretax Profit	-21.4	5.2	1.9		
Income Tax	-0.8	1.5	6.6		
Net income attributable to owners of the parent	-5.7	19.1	4.2		
Net Profit Margin (%)	-0.6%	2.2%	0.5%	-2.9pp	-1.1pp
Basic Earnings per Share (NT\$)	-0.02	0.09	0.02		

1H26 Income Statement

Unit: NT\$ million, unless otherwise stated

	1H26	1H25	YoY (%)
Revenue	1,760.4	1,706.1	3.2
Gross Profit	414.0	410.6	0.8
Gross Margin (%)	23.5%	24.1%	-0.5pp
Operating Expenses	509.2	374.9	35.8
Operating Expense Ratio (%)	28.9%	22.0%	7.0pp
Operating Profit	-95.2	35.8	
Operating Margin (%)	-5.4%	2.1%	-7.5pp
Non-Operating Income	79.0	-13.2	
Pretax Profit	-16.2	22.5	
Income Tax	0.6	8.6	-92.6
Net income attributable to owners of the parent	13.4	27.1	-50.6
Net Profit Margin (%)	0.8%	1.6%	-0.8pp
Basic Earnings per Share (NT\$)	0.06	0.14	-57.1

Balance Sheet

Unit: NT\$ million, unless otherwise stated

	2Q26		1Q26		2Q25	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	3,336	39%	3,639	43%	765	16%
Receivables	892	11%	946	11%	816	17%
Inventory	542	6%	527	6%	474	10%
Property, Plant and Equipment	2,111	25%	2,017	24%	1,374	29%
Total Assets	8,451	100%	8,554	100%	4,756	100%
Current Liabilities	1,130	13%	1,313	15%	1,503	32%
Long-term Interest-bearing Debt	1,562	18%	1,578	18%	158	3%
Total Liabilities	2,786	33%	2,953	35%	1,728	36%
Total Equity	5,664	67%	5,601	65%	3,028	64%
Financial Ratios						
Days Sales Outstanding	93		100		92	
Days Inventory Outstanding	70		67		64	
Days Payable Outstanding	78		85		80	
Cash Conversion Cycle	86		81		77	
Annualized Return on Equity (%)	-0.4%		1.7%		0.6%	

Historical Operating Performance

Unit: NT\$ million, unless otherwise stated

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,145	1,520	1,459	1,042	1,327	2,455	3,404	3,279	3,110	3,394
Gross Profit	221	165	216	94	263	489	805	811	752	798
Net Income Attributable to Owners of the Parent	-302	-255	-185	-285	-98	95	338	255	116	53
Depreciation and Amortization	134	111	90	107	85	94	115	154	203	218
Earnings Per Share (NT\$)	-1.42	-1.20	-1.22	-1.88	-0.65	0.62	2.14	1.41	0.61	0.27
Dividend per Share (NT\$)	0	0	0	0	0	0	0	0.7	0.7	0.5
Payout Ratio (%)	0%	0%	0%	0%	0%	0%	0%	50%	115%	185%
Cash and Cash Equivalents	721	513	763	459	904	841	1,229	2,164	1,798	2,612
Property, Plant and Equipment	552	454	380	405	418	418	453	555	1,289	1,935
Paid-in Capital	2,136	2,136	1,512	1,512	1,541	1,555	1,680	1,903	1,915	2,050
Return on Equity (%)	-15.4%	-14.9%	-12.4%	-22.9%	-9.1%	8.4%	21.5%	10.4%	3.8%	1.5%
Debt Ratio (%)	31.4%	27.4%	20.9%	35.5%	51.1%	58.4%	45.6%	37.7%	35.3%	42.0%



SYSGRATION®

**When Safety and Reliability Matter More
Than Cost in Data Centers, That Is Where
Sysgration's Value Stands Out.**

THANK YOU

