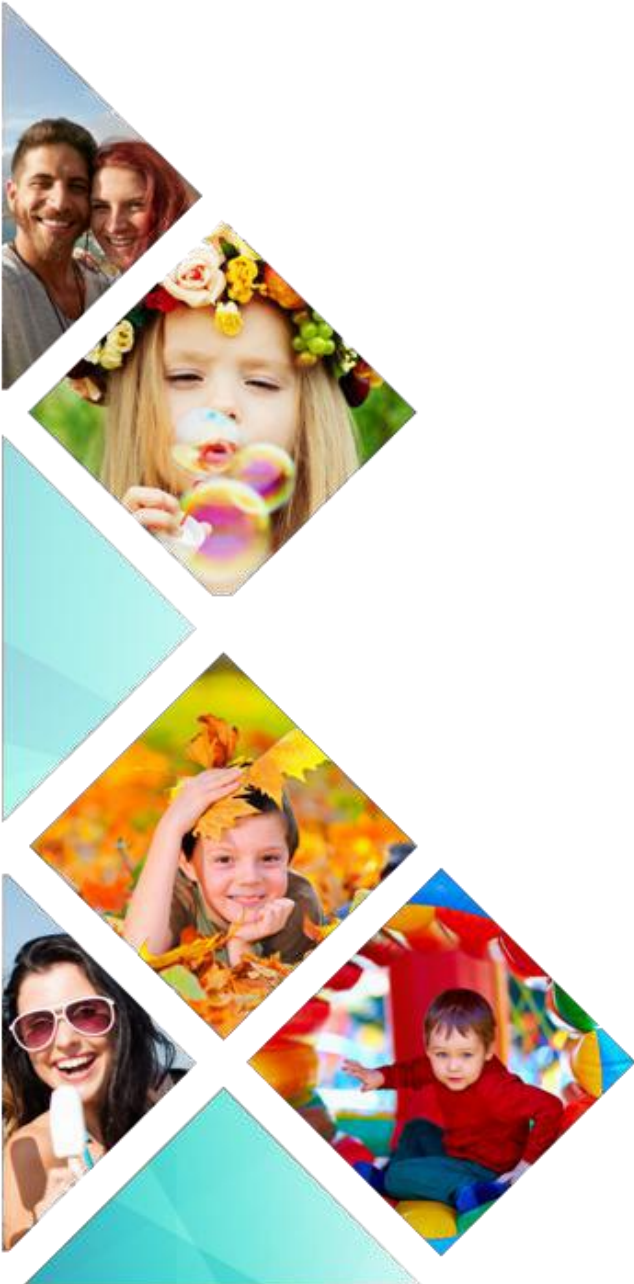


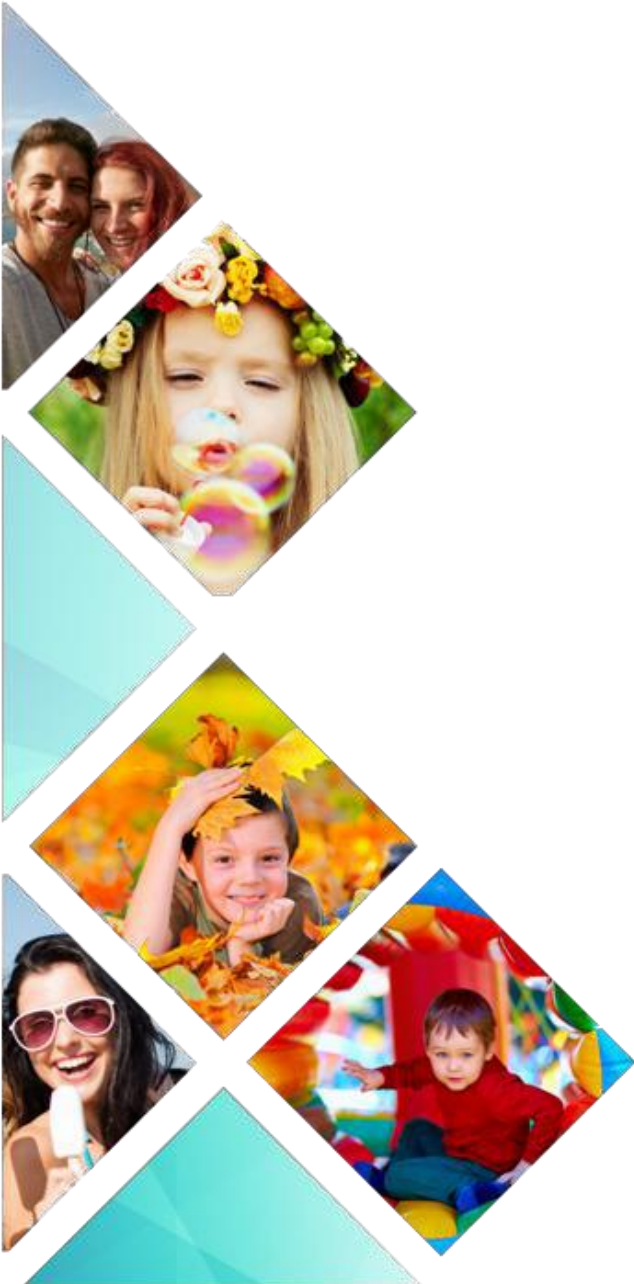


HiTi Digital Inc. 2019 Investor Conference

December 19 ,2019



- About HiTi
- Corporate Culture
- Manufacturing Plant
- Core Competence
- Current Product Line
- Financial Overview



- About HiTi
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About HiTi

HiTi Digital, Inc. was established in 2001 in Taipei and became a listed company in 2007 as a manufacturer and innovator in dye sublimation Technology. In 2006, its sister company CHC Technology was created to research and develop dye sub media, forming HiTi Group.



About HiTi



HIGH-TOUCH



IMAGING



TECHNOLOGY



INNOVATION

HiTi Group

 **hiti**

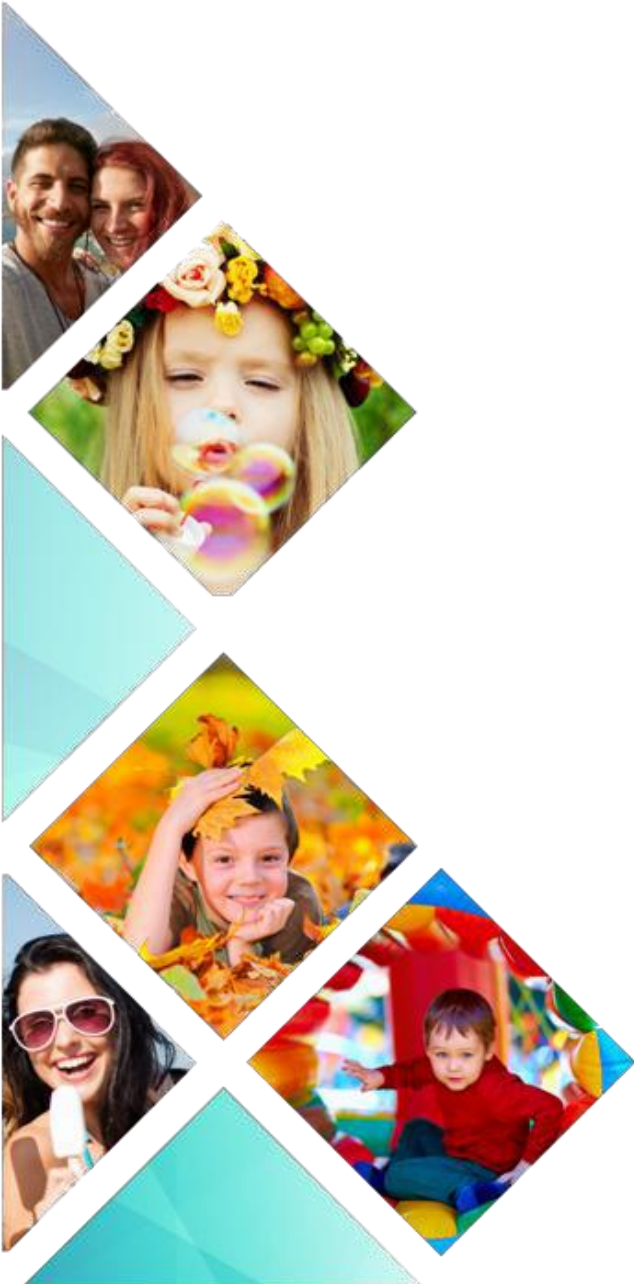
- Photo & ID card printer development
- Printer manufacture
- Own brand sales & marketing
- After market services



- Photo and ID card media development,
- Key component R&D
- New material R&D
- Media manufacture and supply

Global Sales Sites



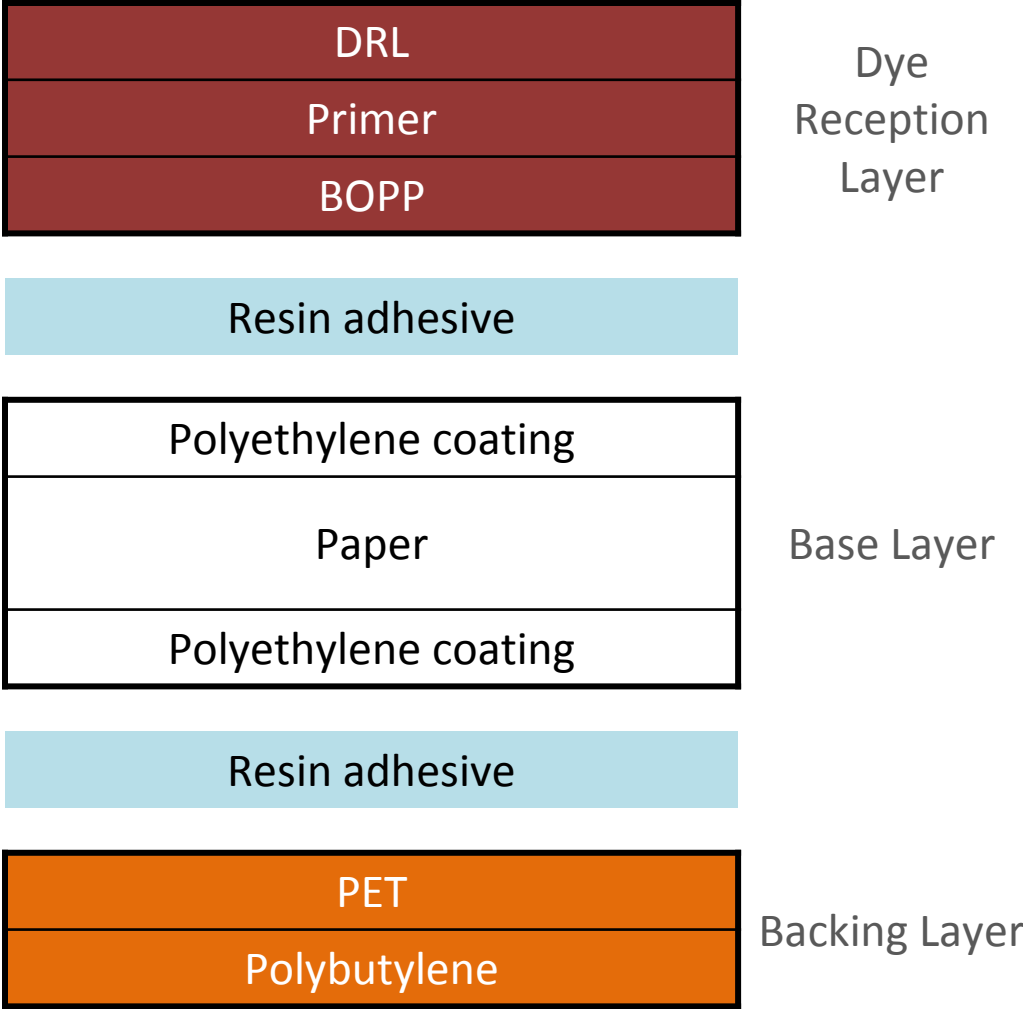


- About HiTi
- **Corporate Culture**
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Eco-friendly Innovation

Traditional Photo Paper

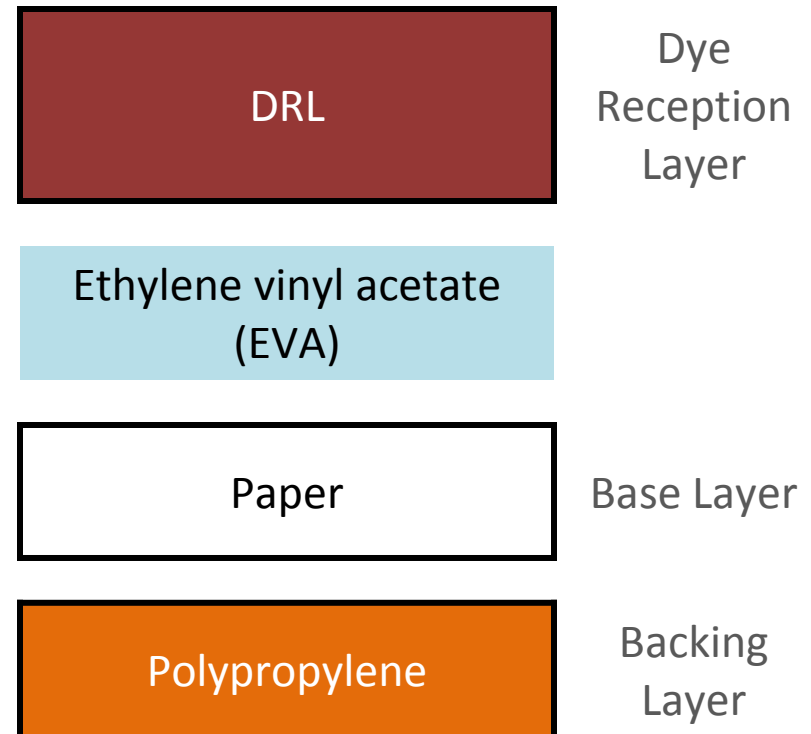
- ✗ Slow manufacturing
- ✗ Toxic organic solvents
- ✗ Labour intensive
- ✗ Higher cost



Eco-friendly Innovation

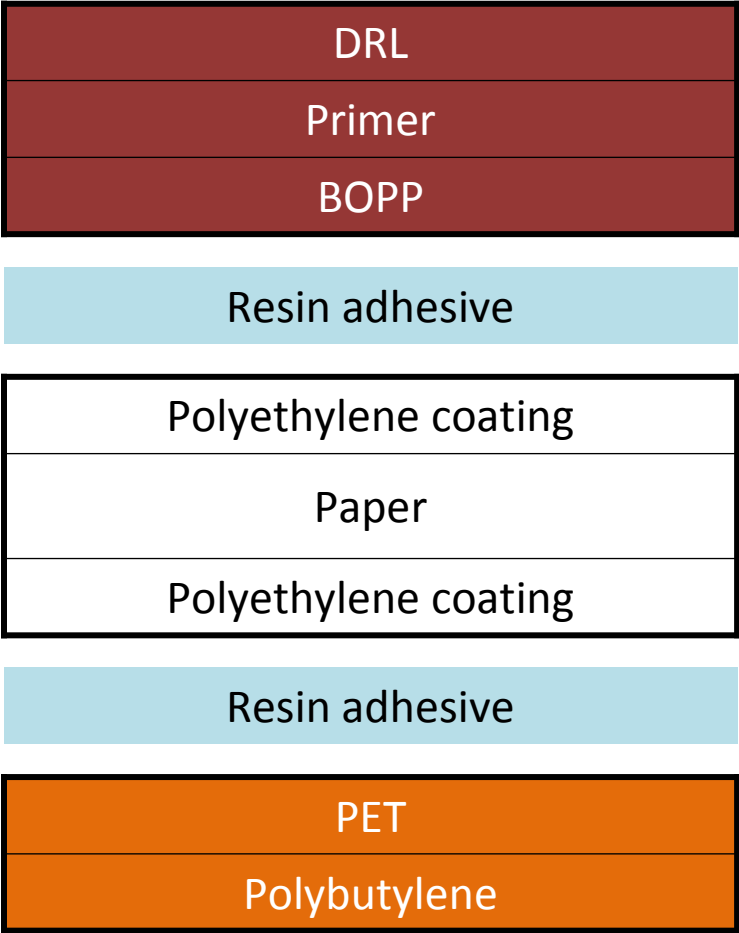
Eco Paper

- ✓ Fast 1 line manufacturing, scalable to large customer demands
- ✓ No solvents required
- ✓ Fully automated process with real time computerized quality control
- ✓ Drastic cost reduction through automation and innovation

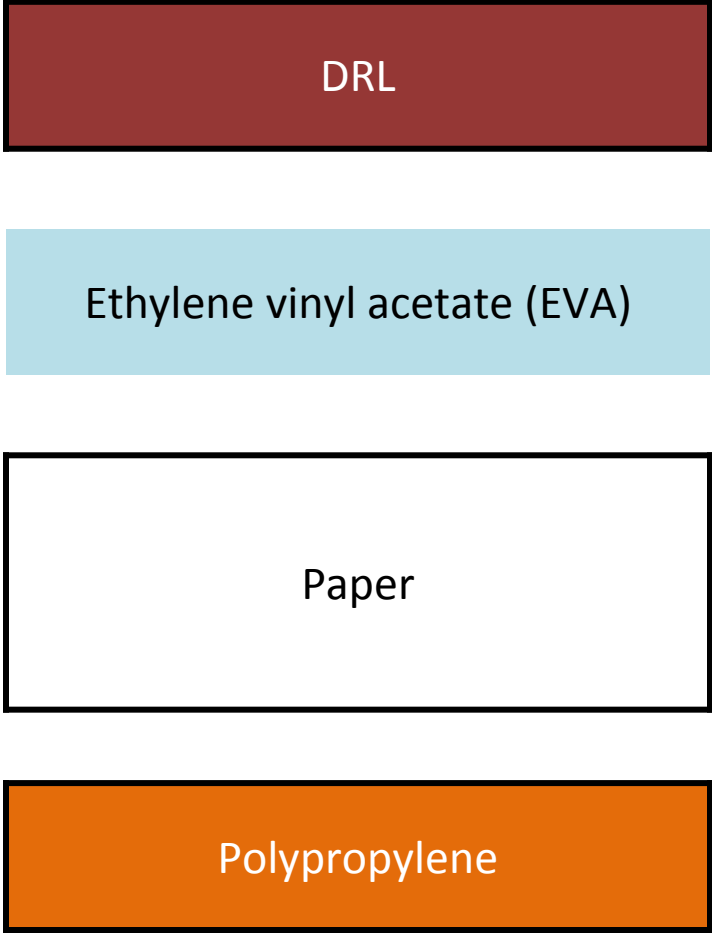


Eco-friendly Innovation

Traditional Photo Paper



ECO Paper



Dye Reception Layer

Base Layer

Backing Layer

Eco-friendly Innovation

Traditional Photo Paper	ECO Paper
<p>✗ Slow 8-step manufacturing process</p>	<p>✓ Fast 1 line manufacturing process</p>
<p>✗ Uses toxic toluene solvents</p>	<p>✓ No solvents required</p>
<p>✗ Labour intensive, quality subject to human error</p>	<p>✓ Fully automated process with real time computerized quality control</p>
<p>✗ Higher cost due to more labour required, more materials, and EPA fees</p>	<p>✓ Drastic cost reduction through automation and innovation</p>

A Green Technology for CO2e Reduction

In addition to the process changes of dye sub photo paper, production adjustments were also made to the ribbon. The G1.5 ribbon manufacturing technology incorporates the back-coating process into the BOPET film. Along with ECO paper manufacturing process, it is expected that the CO2 emission in the course of production will be reduced more than 2.5 times compared with conventional G1 process being used by the U.S and Japan companies.

With a yearly production of 1 billion 4x6 dye sub media, the reduction in carbon dioxide emissions from new manufacturing technology is close to the volume from 11 NY Central Parks.

	kg CO2e (Per 4x6)	Yearly Pro.(4x6/sh)	TTL kg CO2e
G1 R + G1 P	0.00827805	1,000,000,000	8,278,050
G1.5 R + ECO P	0.00328059	1,000,000,000	3,280,590
		(Diff)	4,997,460
Yearly CO2e Reduction by NY Central Park			453,590
# of NY Central Park			11.02



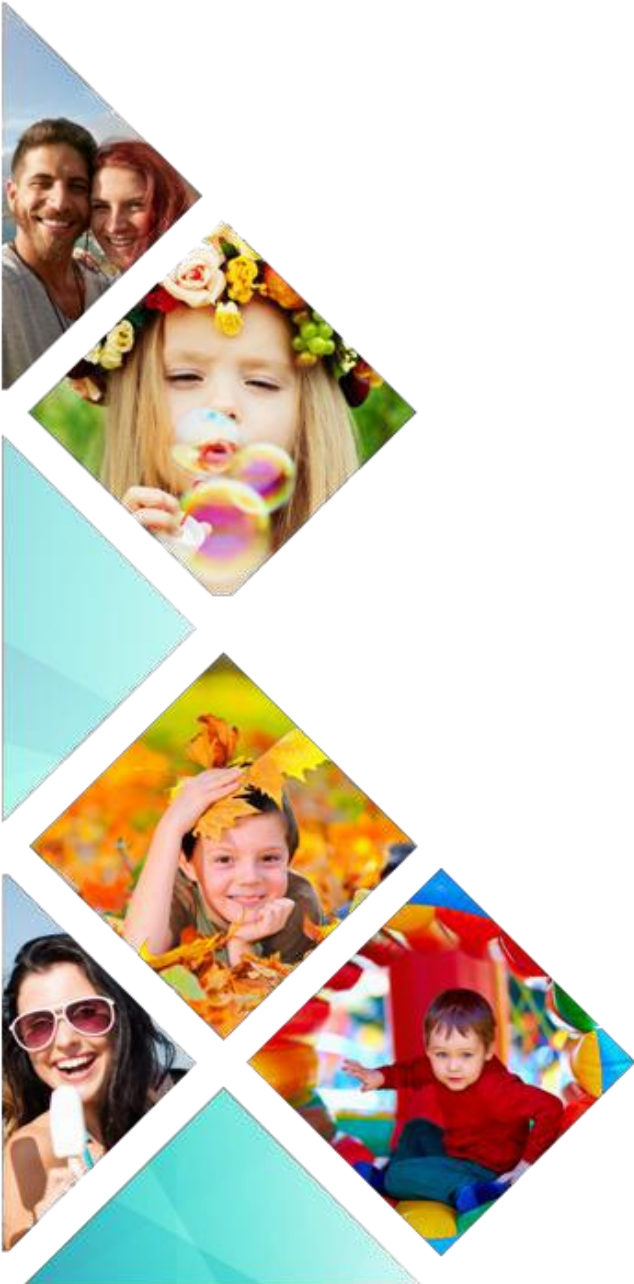
Solar Energy

Since 2016, HiTi Digital, Inc. has begun to set up solar panels for green power. By the mid of 2018, we've totally set up 5,022 pieces of solar panels, covering an area of 19,213 sqm and till now generate power 4,287,528 kWh accumulatively. Which equivalent to the volume of CO2e reduction from 6.03 NY Central Parks.



	Y2017	Y2018	Y2019	Total
Section I	707,067kWh	699,318kWh	613,596kWh	2,019,981kWh
Section II	N/A	1,031,257kWh	1,236,290kWh	2,267,547kWh
			(Total)	4,287,528kWh
	Yearly CO2e Reduction by NY Central Park	453,590	Total KgCO2e Reduction	2,735,443
			# of NY Central Park	6.03

1 KWh is equivalent to 0.638 kgCO2e



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Printer & Consumables Assembly

HiTi Digital, Inc.

■ Taichung Plant (Taiwan)

- Printer Assembly

- ◆ Sheet type, Roll type, ID card printer, and Tandem printer

- Consumables Assembly

- ◆ Sheet type, Roll type, ID card ribbon, and Tandem media



Consumables Raw Material MFG

CHC Technology

- Taichung Plant (Taiwan)
 - ◆ Ribbon Coating Line
 - ◆ Paper Line
 - ◆ BOPET Line
 - ◆ Ribbon Slitting & Rewinding
 - ◆ Paper Slitting & Rewinding



Powered by
chc

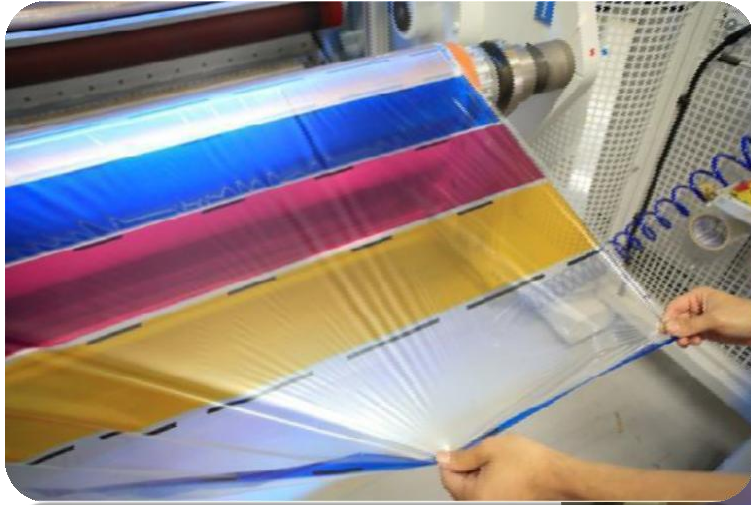
Consumables Raw Material MFG

Powered by
dhc

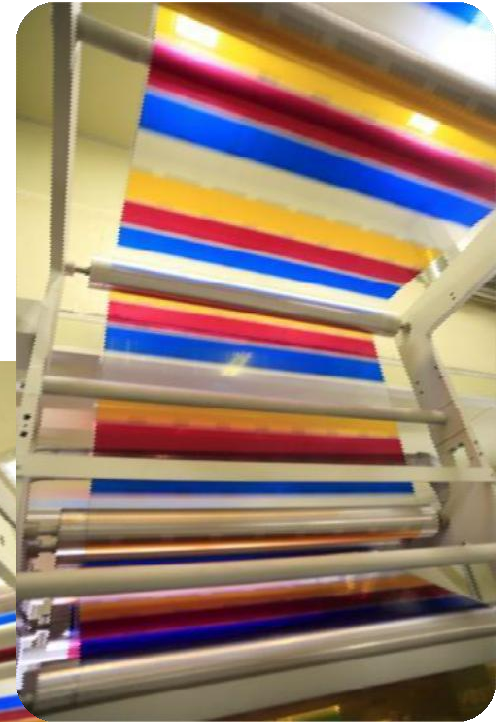
Brückner BOPET Drawing Machine
For ribbon film manufacturing

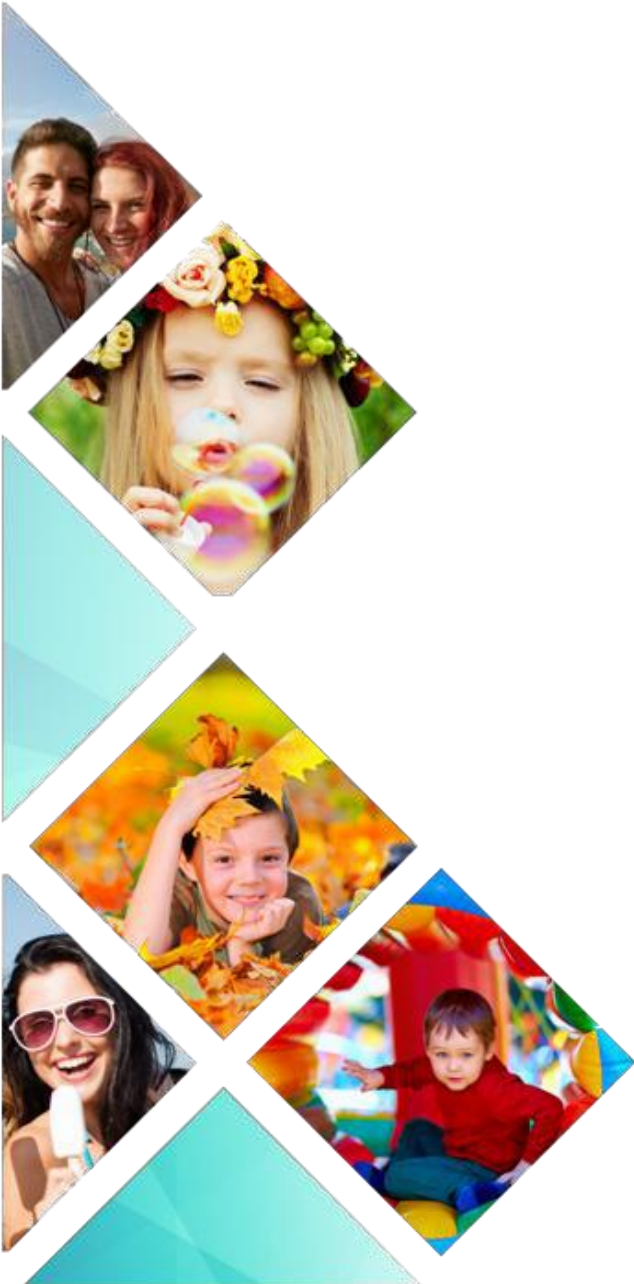


Consumables Raw Material MFG



Powered by
dhc





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Core Values

Strong emphasis in R&D covering Electrical, Mechanical, Software, Firmware, and Color Science.

Award-winning professional image quality

- DIMA Digital Printer Shoot-out Award: Y2004, Y2005, Y2006, Y2009
- DIMA Innovative Digital Product Award: Y2002, Y2006, Y2009
- TIPA Best Photo Kiosk Solution: Y2010
- Taiwan Excellent Award: Y2003, Y2004, Y2008, Y2009, Y2015, Y2016



Core Competence

Complete Patent Ownership

- Holding 64 global patents*
- Applying 16 patents (till Nov. 2019)



HiTi effective patent distribution	Total	US	TW	CN	JP	KR	EP
	43	23	11	6	1	1	1

CHC effective patent distribution	Total	US	TW	CN	JP	KR	EP	EG	FR	DE	IT
	21	2	8	2	3	1	1	1	1	1	1

CHC applying patent distribution	Total	US	TW	CN	JP	KR
	16	4	6	4	1	1

* 197 patents have closed

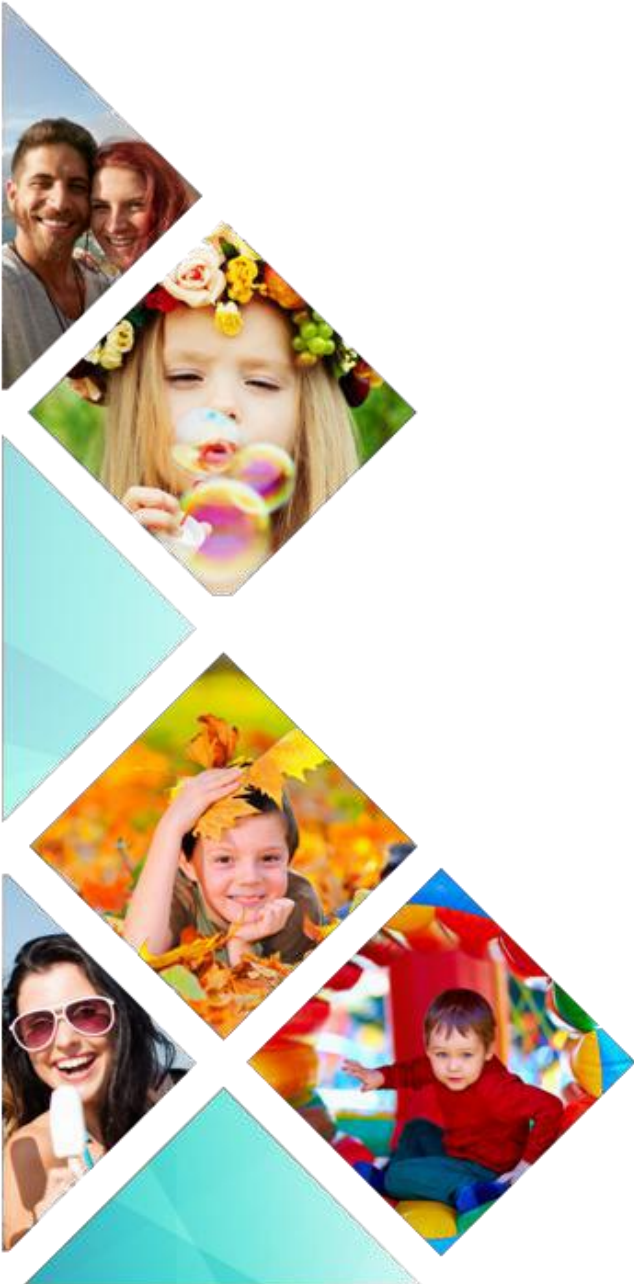
Key Differentiators

From raw material to finished good, we manufacture all of our consumables and most of our printers

Being a young company with a lean organizational structure makes us a fast and flexible supplier, ready to satisfy any customer needs

We are committed to becoming the largest dye sub media manufacturer in the World.





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Digital Photo Printer P320W

Print Size: 4x6"

Max Print Speed: 47s

- Phase-in latest ECO paper, which is flatter, brighter & whiter
- Designed for business ID photo and at home printing
- Optimized software for all users
- Lightweight and small footprint



Wireless Printing



Memory Card
Printing



Laptops



Tablets/iPads



Smartphones/
iPhones

Digital Photo Printer P525L

Print Size: 6x2", 5x5", 6x6",
4x6", 5x7", 6x8", 6x12"

Max Print Speed: 12.8s

- Phase-in latest ECO paper, which is flatter, brighter & whiter
- Suitable for photo booth, event photography, and instant photo kiosk
- Support wireless printing



Support
Wireless Printing



Support smart
NFC connection



Support Memory
Card Printing



Laptops



Tablets/iPads



Smartphones/
iPhones



Digital Photo Printer P750L

Print Size: 2x6", 5x5", 6x6",
4x6", 5x7", 6x8", 6x12"

Max Print Speed: 12.8s

- Apply latest ECO paper, which is flatter, brighter & whiter
- Large media capacity capable of 1,000 4x6 prints
- Suitable for photo booth, and photo kiosks



Support
Wireless Printing



Support smart
NFC connection



Support Memory
Card Printing



Laptops



Tablets/iPads



Smartphones/
iPhones

Digital Photo Printer M610

Print Size: 4x6", 6x8"

Max Print Speed: 14s

- Apply latest ECO paper, which is flatter, brighter & whiter
- Large media capacity capable of 750 4x6 prints
- Improved photo quality
- Suitable for photo booth, and photo kiosks



Digital Photo Printer P910L

Print Size: 8x12", 8x10"

Max Print Speed: 35s

- Apply latest ECO paper, which is flatter, brighter & whiter
- Design and assembly in Japan
- A4 size photo printing
- Jam free mechanism



Digital Duplex Photo Printer P530D

Print Size: 4x6", 6x6", 6x8"
Max Print Speed: 34s (duplex)

- Smallest duplex photo printer in the world with outstanding print quality
- Best choice for professional wedding photography
- Also suitable for instant photo kiosk



Impresión
inalámbrica



Laptops



Tabletas/iPads



Smartphones/
iPhones



[Direct-to-Card Printer]

Digital ID Card Printer CS-200e/220e

High speed with true edge-to-edge printing

Full range of encoding modules
Support transparent card printing

★ For use by government, financial institutions, or self-service card issuing kiosk



[Industrial Photo Printer]

Digital Photo Printer X610

Print Size: 4x6" to 6x56"

Max Print Speed: 1.5s

- ★ Longest panoramic photo printing
- ★ Suitable for online photo printing business, centralized photo printing center, and high volume printing photo studio



[Instant Photo Kiosk]

Self-Service Instant Photo Kiosk

New ECO paper, low ownership cost & end user printing cost

Intuitive & user-friendly software

High media capacity for increasing uptime and less staff interruption

Small footprint required (<1sqm)

★ Suitable for retail chain store and convenient stores

From 6x4in, up to 8x12in printing



Successful Cases

As of 2019.10...

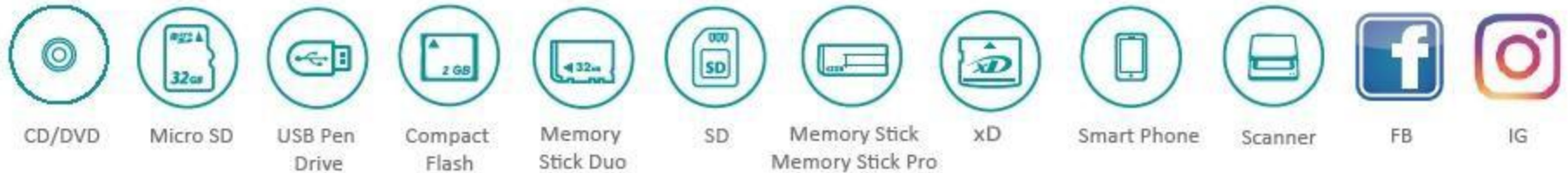
- ★ Installed in more than 1500 convenient stores in Taiwan
- ★ Installed in more than 400 chain stores in Mexico
- ★ Daily print volume per store is more than 300 prints



[Retail Kiosk Solution]

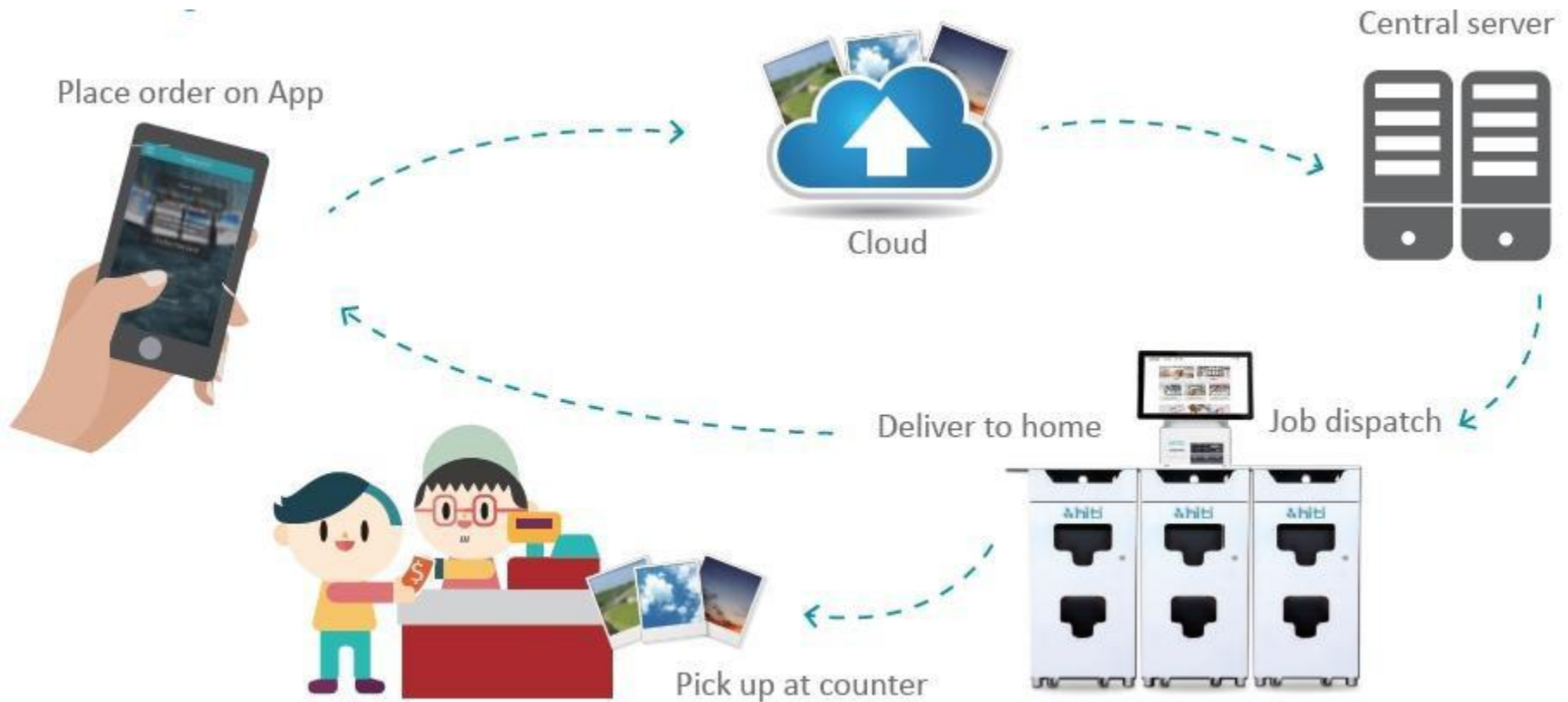
Retail Kiosk Solution (I)

Place & Pickup at Instant Photo Kiosk, Checkout at Counter



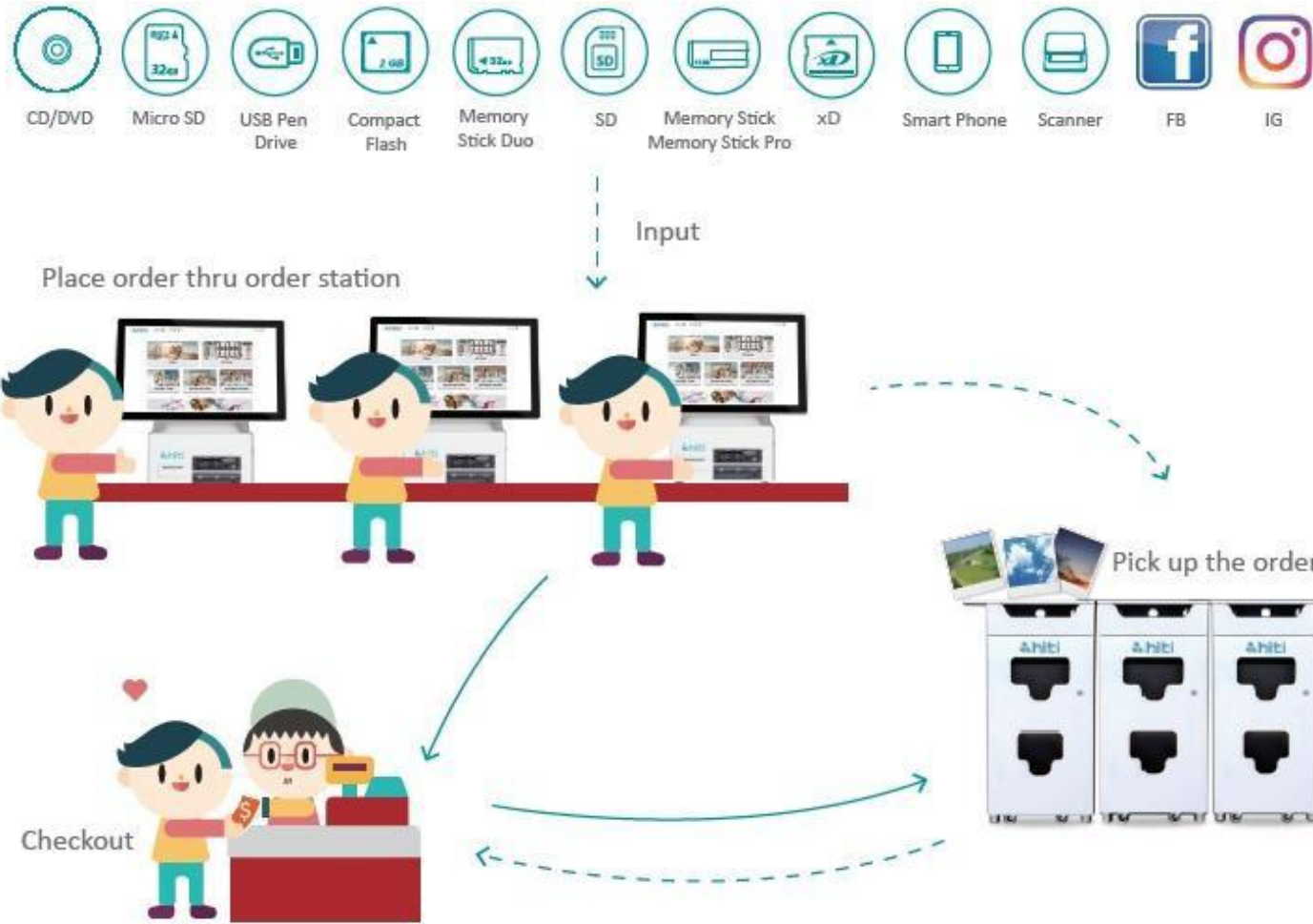
Retail Kiosk Solution (II)

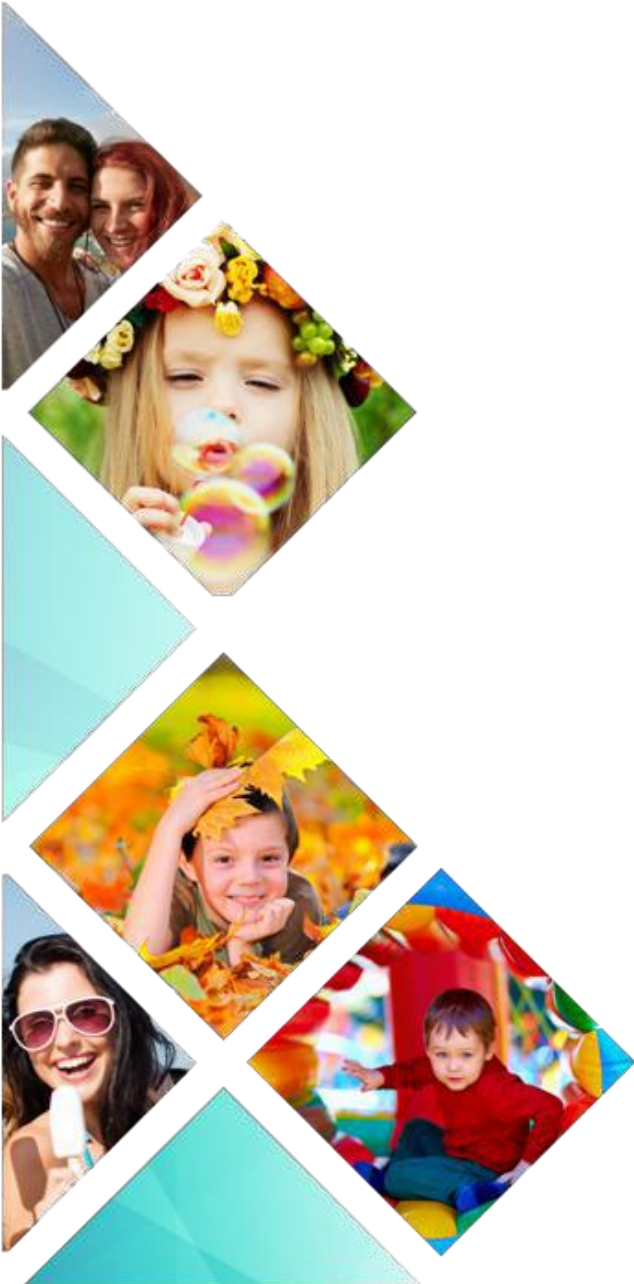
Place Order via HiTi App, Pickup at Counter or Deliver to Home



Retail Kiosk Solution (III)

Place Order thru Kiosk terminal, Pickup & Checkout at Counter





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Financial Overview - Balanced Sheet

Item (Unit: NTD '000)	2019Q3	%	2018	%	2017	%
Current Asset	\$ 1,096,089	29	\$ 1,068,381	30	\$ 1,533,215	38
Real Estate, Factory, & Equipment	1,956,870	51	1,975,650	55	2,062,586	50
Other Asset	758,441	20	555,745	15	524,904	12
Total Asset	3,811,400	100	3,599,776	100	4,120,705	100
Current Liability	736,434	20	830,450	23	1,033,277	25
Non-Current Liability	1,180,369	30	686,850	20	593,940	14
Total Liability	1,916,803	50	1,517,300	43	1,627,217	39
Total Equity	1,894,597	50	2,082,476	57	2,493,488	61
Average Collection Days	22.00		25.63		36.87	
Return on Requity(%)	(9.65)		(18.45)		(15.36)	

Financial Overview - Income Statement

Item (Unit: NTD '000)	2019Q3	%	2018	%	2017	%
Operating Revenue	\$ 770,948	100	\$ 1,225,841	100	\$ 1,226,823	100
Operating Costs	702,618	91	1,040,918	85	1,018,409	83
Operating Margin	68,330	9	184,923	15	208,414	17
Operating Expenses	332,934	43	511,377	42	495,720	40
Operating Loss	(264,604)	(34)	(326,454)	(27)	(287,306)	(23)
Non-Operating Revenue & Expenses	83,832	10	(90,955)	(7)	(131,967)	(10)
Loss Before Tax	(180,722)	(24)	(417,409)	(34)	(419,273)	(33)
Income Tax Benefit	11,131	1	4,834	-	(25,121)	(2)
Net Loss	(191,903)	(25)	(422,243)	(34)	(394,152)	(31)
Loss per Share (NTD)	(0.84)		(1.60)		(1.88)	

Financial Overview - Year On Year

Item (Unit: NTD '000)	2019Q3	2018Q3	Change (%)
Operating Revenue	\$ 770,948	\$ 859,864	(10.34)
Operating Costs	702,618	766,722	(8.36)
Operating Margin	68,330	93,142	(26.64)
Operating Expenses	332,934	358,966	(7.25)
Operating Loss	(264,604)	(265,824)	(0.46)
Non-Operating Revenue & Expenses	83,832	4,216	1888.43
Loss Before Tax	(180,722)	(261,608)	30.92
Income Tax Benefit	11,131	(8,635)	(228.91)
Net Loss	(191,903)	(252,973)	(24.14)
Loss per Share (NTD)	(0.84)	(0.97)	13.40

Thank you!

