

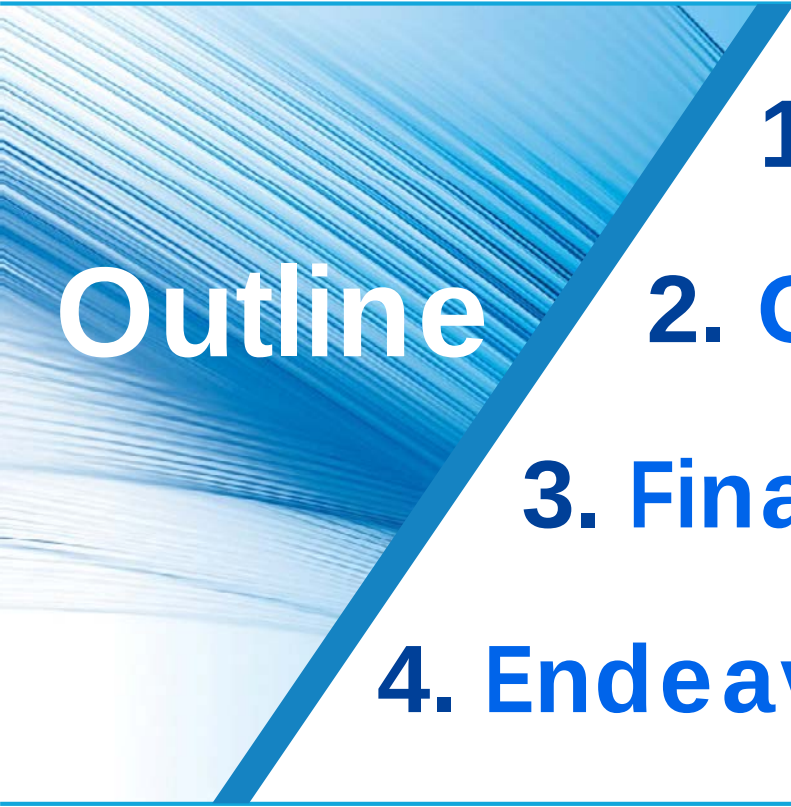
AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
September 24, 2025



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Outline

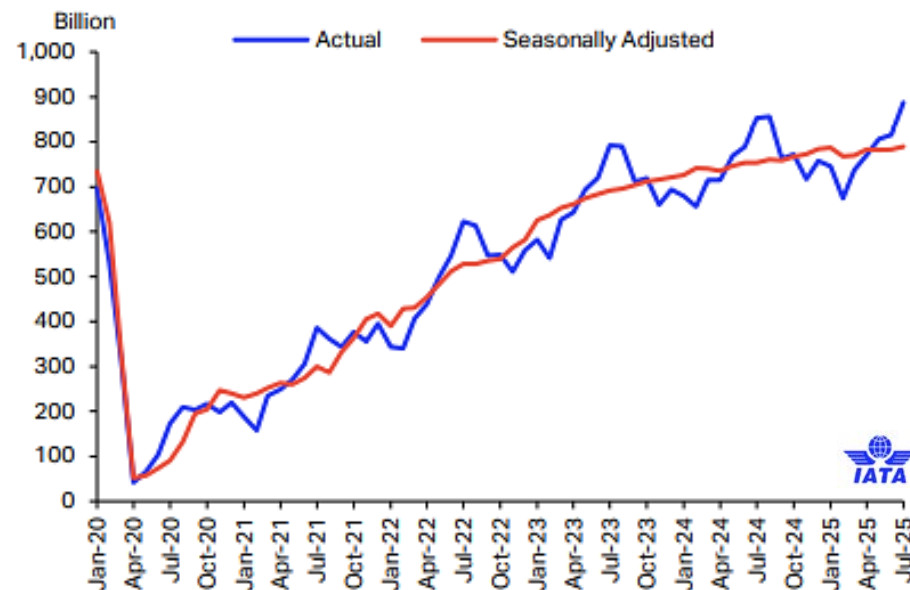
- 1. Market Outlook**
- 2. Operational Focus**
- 3. Financial Performance**
- 4. Endeavors & Prospects**

Market Outlook

Global aviation benefited from summer travel demand

The International Air Transport Association (IATA)'s report shows that both international and domestic markets continue to grow, which is benefited from summer travel demand.

Global air passengers, RPK



Source: IATA Sustainability and Economics, IATA Information and Data - Monthly Statistics

Global Air travel demand

(Compared with the same period last year)

+4.0%

International

+5.3%

Domestic

+1.8%

Sources: IATA (Monthly Statistics till July, 2025)

Market Outlook

Global market outlook

1. Commercial aircraft :

Airbus Global Market Forecast (2025-2044):



New Deliveries
43,420



Passenger Traffic
Avg. annual growth 3.6%



Single Aisle
34,250 (nearly 79%)

Boeing Global Market Forecast (2025-2044):



New Deliveries
43,600



Passenger Traffic
Avg. annual growth 4.2%



Single Aisle
33,285 (nearly 77%)

Market Outlook

Global market outlook

2. Business Jet: Honeywell Forecast: (2025-2034)



New Deliveries
8,500



Market Value
US\$ 280 Billion

3. Aero Engine: Forecast International: (2025-2034)



New Deliveries
159,671

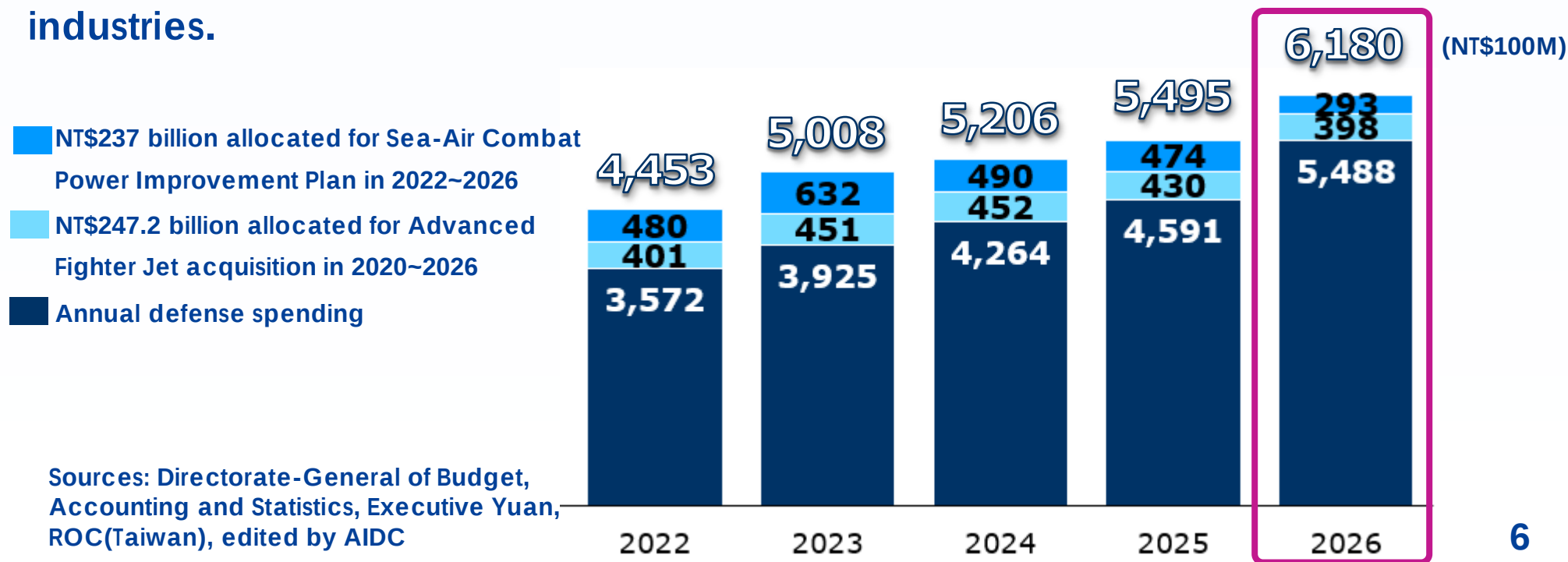


Market Value
US\$ 1.04 Trillion

Market Outlook

Domestic defense market prospect

The Executive Yuan has proposed the 2026 defense spending, which is nearly NT\$550 billion. Including the special budget, the total size is nearly NT\$620 billion. The government will continue to promote national defense independence and actively develop the drone and unmanned boat industries.

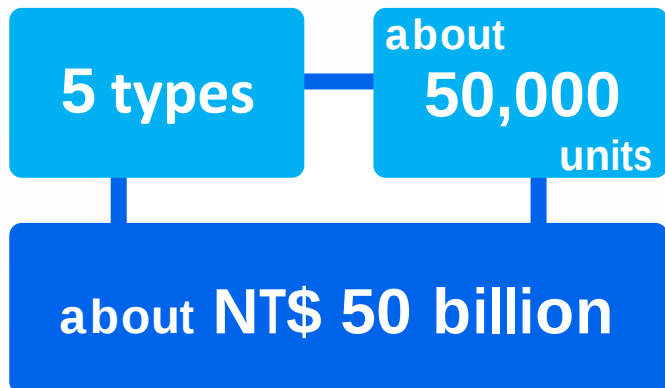


Market Outlook

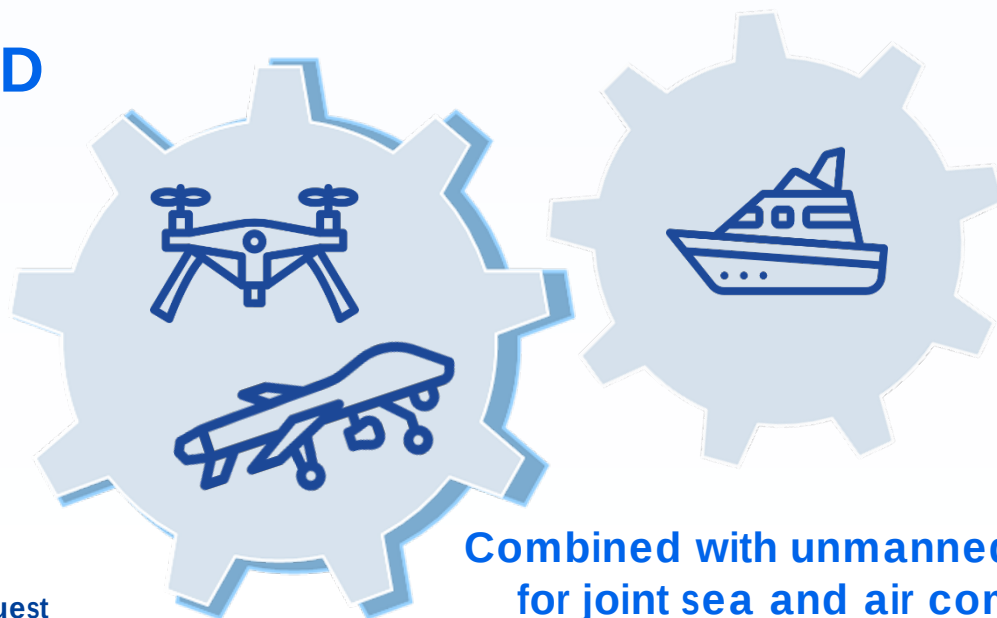
Drone market prospect

Drones demonstrated their power during the Russo-Ukrainian War, and the world has begun to view drones' mass-producing ability as a national strength. Ministry of National Defense(MND) also launches a new round of large-scale drone bidding, marking Taiwan's largest drone procurement program in history.

Armaments Bureau, MND 2026-2027



The Armaments Bureau released a public request for reference information on July 22nd, planning to procure 48,750 drones of five types for the next two years. Source: FTVNews finance, July 24th



Combined with unmanned boats
for joint sea and air combat

Market Outlook

Drone market prospect

As the U.S.-China technological competition goes on, the U.S. has strong demand for non-red drone supply chains, creating considerable opportunities for Taiwan. Related industries can take advantage of this opportunity to expand the drone market, win US orders, and actively enter the international supply chain, transforming from a mere supplier role to a strategic partner, thereby enhancing the global visibility of Taiwan's drone industry.

Market opportunities amidst the US-China rivalry



To counter China's military threat, the U.S. has strengthened its control over Chinese drones and their supply chains, and promoted the development of domestic manufacturing in the U.S.



China holds over 50% market share in the US commercial drone market, which is expected to be gradually replaced by non-red supply chains.

Operational Focus

Drone countermeasure systems debut

AIDC continues to cooperate with domestic companies to meet the MND's demand for mass production of drones, to ensure the security and stability of the key technology supply chain, and to actively seeking business opportunities in international markets with non-red supply chain needs such as the U.S., Japan, and Europe. In addition, AIDC uses its military aircraft avionics capabilities to actively invest in the development of drone countermeasure systems, and recently demonstrated initial results at the Taipei Aerospace & Defense Technology Exhibition.

AIDC independently developed a drone countermeasure system that integrates multiple equipment such as active/passive radars, lasers, and jammers. It has the capabilities of detecting drones' locations, identifying types, acquiring images, countermeasures, and tracking.



Monitor drone type, altitude and speed



Hard kill: directly destroy the drone and make it crash



Soft kill: end out jamming signals to drive away invading drones

Operational Focus

Cooperate with Shield AI to build an advanced unmanned system ecosystem

AIDC signs a formal teaming agreement with US defense technology company Shield AI, aiming to build a complete ecosystem for advanced unmanned systems, encompassing upstream and downstream, from manufacturing, assembly, testing, to maintenance.

AIDC will be responsible for local maintenance, while Shield AI for training Taiwanese engineers and technicians. This will gradually build technical capacity in Taiwan, and we will collaborate to integrate both parties' software and hardware technologies to create high-performance and competitively priced products.

Under this collaborative framework of "maintenance, training, and technical integration," there is potential to further replace product system components with those manufactured in Taiwan, increasing our domestic production rates and driving the growth of our local drone industry.



Shield AI develops unmanned aerial systems, and its strength lies in AI software. The V-BAT drone, which assisted the Ukrainian army in the Russo-Ukrainian War, is one of its well-known products. Its Hivemind AI software gives the V-BAT complex autonomous flight and anti-electronic warfare capabilities.

Operational Focus

Cooperate with Thunder Tiger to develop unmanned helicopters

AIDC and Thunder Tiger are collaborating on the development of the next-generation medium-to-large unmanned helicopter, the T-400. The T-400 can be used for defense reconnaissance, long-distance cargo delivery, offshore fishery exploration, and offshore wind turbine inspection, meeting both national defense and civilian needs.

Thunder Tiger possesses UAV design and testing capabilities and has actively invested in the development of medium-to-large unmanned vehicles in recent years, achieving significant results. Thunder Tiger leads the design of the T-400, with AIDC providing assistance with key functions such as airframe structural analysis, vibration reduction, and heat dissipation, ensuring high performance and reliability.

The collaboration has now reached the prototype stage. AIDC is not only helping Thunder Tiger accelerate development to capture future market opportunities, but is also proactively planning an independent mass production system to ensure product quality and supply chain stability, strengthening the resilience of drone supply chain from R&D to mass production.



medium-to-large unmanned helicopter, the T-400
(Source: Thunder Tiger)

Operational Focus

Cooperate with MAXAR on drone precision positioning technology

AIDC and MAXAR Intelligence, a leading US geospatial intelligence company, has officially signed a memorandum of understanding (MOU) for Raptor visual positioning and 3D mapping products. Raptor's visual positioning technology uses AI to combine real-time drone imagery with 3D maps and compare coordinates. This allows drones to maintain precise flight even when GPS signals are lost, significantly enhancing reconnaissance, rescue, and tactical autonomy capabilities.

AIDC will leverage its systems integration expertise to help integrate MAXAR's technology with Taiwan drone products. The collaboration encompasses technology introduction and integration, the establishment of a testing and validation center, the development of a supply chain ecosystem, the development of industry standards, and market expansion and promotion, aiming to continuously enhance drone reliability and supply chain resilience.

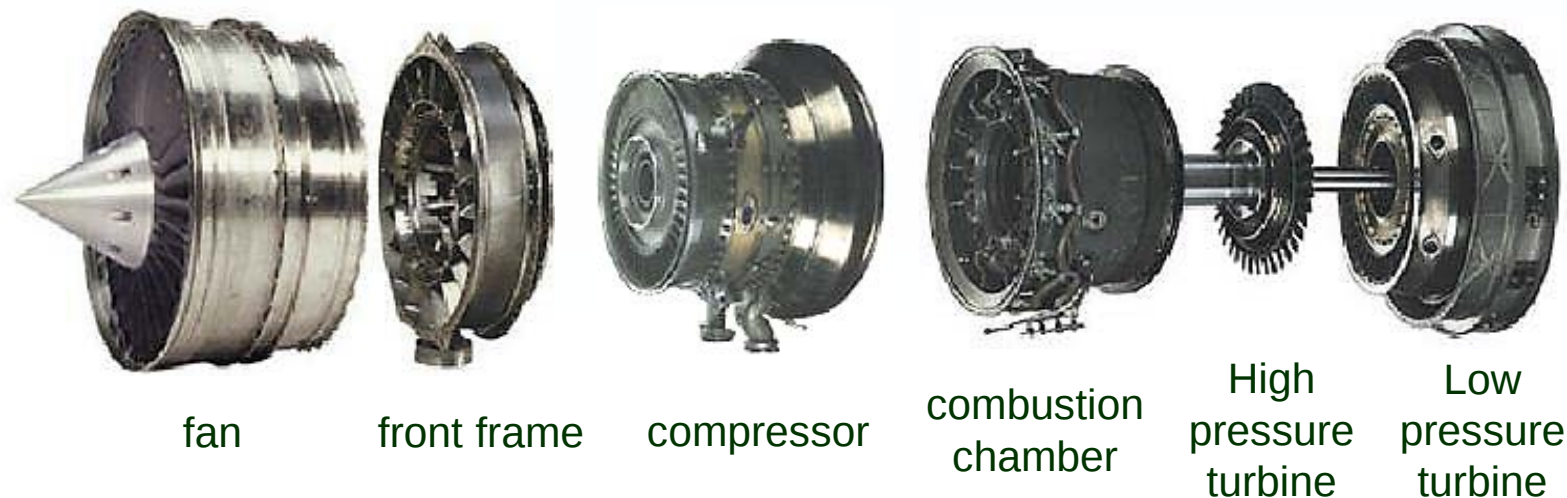


AIDC President Tsao Chin-Pin (right) and MAXAR Asia Pacific Vice President Peter Hawkins signed the agreement

Operational Focus

Continue to strengthen capabilities from engine case machining to forging and casting core components

AIDC is an indispensable long-term partner for major international manufacturers such as GE, Rolls-Royce, and Pratt & Whitney. Our engine business extends from case machining to forging and casting core components, continuously strengthening our vertical integration capabilities. With the recovery of civil aviation demand, our capacity utilization rate continues to improve, and our orders are steadily growing. We have also signed a long-term contract with a European aerospace manufacturer for engine components, with deliveries commencing next year and expected to contribute to our revenue.



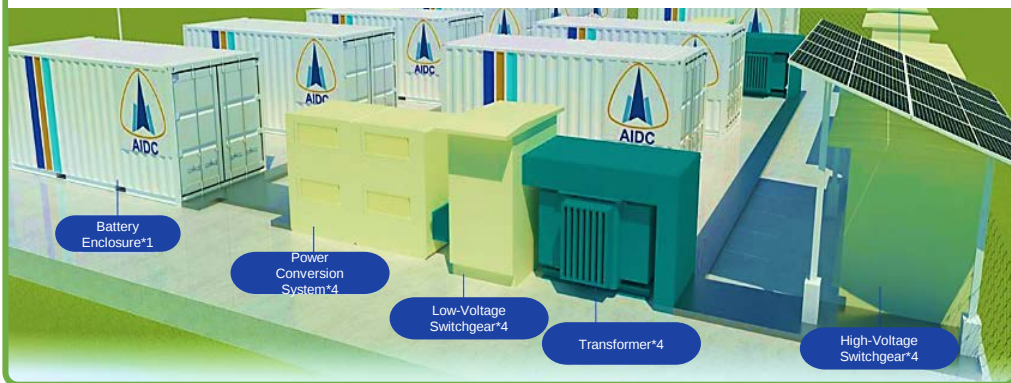
Operational Focus

Actively expanding domestic and international wind, solar storage, and power island business

AIDC is actively developing its power island business. AIDC's smart microgrid system is secure, reliable, scalable, manageable, and customizable, offering a comprehensive, one-stop turnkey service. Through wind, solar, and storage integration, peak shaving, and off-peak backup, it meets the energy conservation needs of large electricity users and supports energy independence on offshore islands.

Power island plan

AIDC is currently constructing Taiwan's largest power island at our Taichung complex, with 10MW/54MWh capacity. This island will be able to independently support the entire complex for 5-6 hours during a power outage and is expected to be operational in 2026.



Power island application



Scenario 1

Industry
Plants



Scenario 2

Medical
facility



Scenario 3

Military
base

Complete turnkey power island services:

- Core technologies: AIDC EMS energy management system, PCS bidirectional power conversion
- System-level integration: Collaboration with leading international energy storage companies, with UL, IEC, and CN safety certifications ensuring system safety
- Modular engineering: Standardized and scalable, shortening construction time, improving stability, and facilitating maintenance
- Full lifecycle services: Implementation, verification, maintenance, software optimization, and data services

Operational Focus

Nearly NT\$20 billion new orders have been received so far this year

Defense Business: continuing to prudently execute various projects and to expand our manufacturing, logistics, and maintenance business.

Civil Business: With the continued growth of global travel demand, we will stabilize existing orders and strive to expand our volume and share.

Technology Services Business: actively responding to government's energy industry policies, and expanding domestic and international energy generation, storage, and green energy business.

So far this year, AIDC has received new orders worth of nearly NT\$20 billion.



AJT - Yung Ying (Brave Eagle) mass production and maintenance



IDF Maintenance



AH-1W Helicopter Maintenance



A320neo



B737MAX



CL3500



Air Force Academy A/C Maintenance GOCO



F-16 Maintenance



UH-60M Helicopter Maintenance



CFM LEAP-X



GEnx



Pearl 15



BR725
BR710



Trent XWB

Operational Focus

Listed on 2025 Taiwan FINI 100

September 3rd, Mrs. King, our senior vice president, represented AIDC in receiving the '2025 Taiwan FINI 100', placing us alongside other prominent companies such as TSMC and Foxconn.

To be selected for the Taiwan FINI 100, companies must meet the following criteria: a market capitalization of US\$500 million, three consecutive years of positive revenue growth, and a top 80% corporate governance rating. This list evaluates a comprehensive range of criteria, including fundamental operational strength, international market expansion, sustainable development potential, and increase in foreign ownership. This selection signifies a company with strong financial performance and high international visibility.

AIDC has always prioritized corporate governance, closely following national policies and international trends. We play a key role in the defense and global aerospace supply chains. Recently, we have actively invested in the United States and promoted transformation. Driven by record-breaking defense budgets, the booming drone industry, and the expansion of international supply chain collaboration, our foreign ownership ratio has continued to increase, demonstrating our continued international recognition and our position as a trusted partner worldwide.



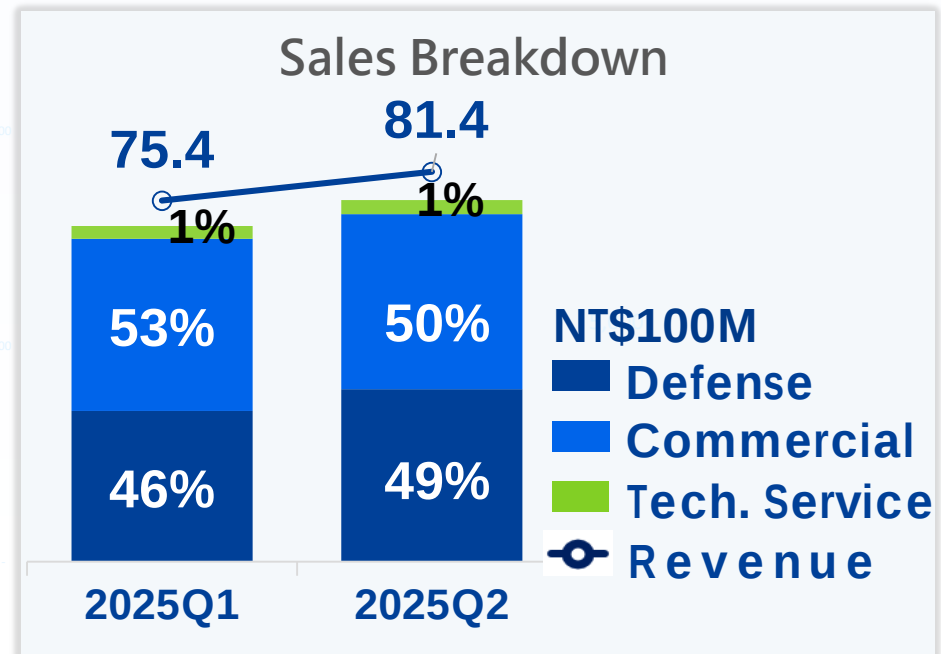
AIDC Senior Vice President Mrs. King (right) accepted the award.
(Source: Taiwan Institute of Directors)

Financial Performance

H1 2025

In H1 2025, revenue and profit growth slowed due to penalties from delayed AJT deliveries and a sharp USD exchange rate decline. The defense business is striving to accelerate delivery schedules to get back on track, while civil aviation continues to benefit from steady global travel demand recovery.

ITEM (100 Million NTD)	2025Q1		2025Q2		H1	
	Amt.	%	Amt.	%	Amt.	%
Sales	75.4	100%	81.4	100%	156.8	100%
Gross Profit	4.8	7%	6.3	8%	11.1	7%
Operating Expenses	2.9	4%	3.2	4%	6.0	4%
Profit From Operations	2.0	3%	3.1	4%	5.1	3%
Non-Operating Items	1.1	1%	-5.8	-7%	-4.6	-3%
Profit Before Income Tax	3.1	4%	-2.7	-3%	0.4	0%
Net Profit For The Period	2.4	3%	-2.2	-3%	0.1	0%
EPS(NTD/Share)	0.25		-0.24		0.01	



Endeavors & Prospects

Transforming into Blue Ocean for Sustainable Development

AIDC will continue to explore blue ocean business opportunities in the global aerospace industry, proactively respond to government policies to develop the military and energy industries, and invest in digitalization and transformation to maintain competitive in the future aerospace landscape, maintain a key position in the global supply chain, and achieve sustainable development.

- Expand business jet fuselage segment business.
- Strive to participate in the next-generation passenger aircraft business.
- Develop system parts, thermoplastic composite parts business, etc.

- Expand forging and casting, mechanism processing, etc, business.
- Towards integration of upstream and downstream industrial chain.

- Focus on energy creation such as power plants, energy storage such as power islands, green energy such as offshore wind electricity and other energy systems.
- Develop satellites, rocket structures and avionics business.
- Expand tracks and integrate virtual and real intelligence simulation business.

- Expand logistics maintenance, aircraft/system maintenance and flight services.
- Develop unmanned vehicles and military services, self-made system components, etc.



The background is a vibrant blue with a sense of motion, created by numerous fine, parallel lines that sweep across the frame from the bottom left towards the top right. On the right side, there is a large, faint white outline of a gear. Inside the gear, there is a smaller white circle containing a checkmark symbol. A thin white horizontal line runs across the middle of the image, starting from the left edge and ending just before the gear.

Q & A

Aerospace Industrial Development Corporation