

AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
December 18, 2025



Outline

1. Market Outlook & Business Layout
2. Operational Highlights
3. Financial Performance
4. Prospects & Conclusion

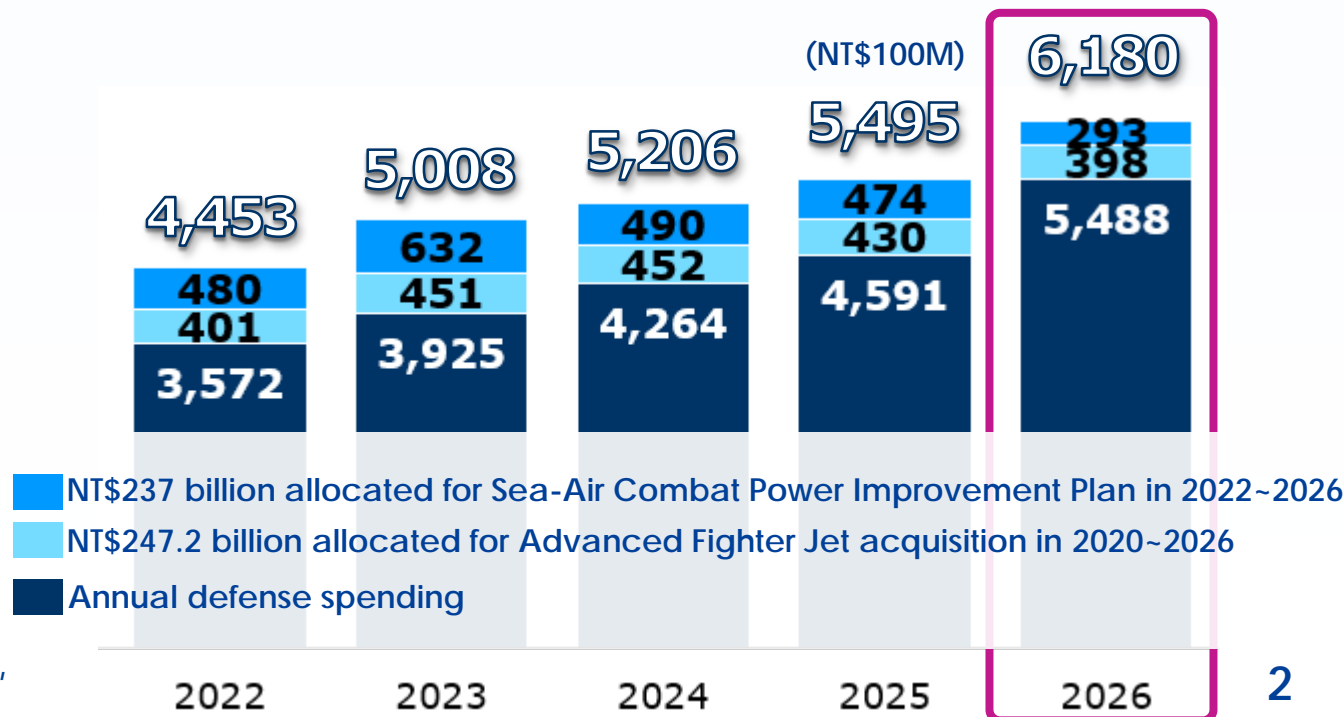
Market Outlook & Business Layout

Defense - Domestic Market Prospect

In response to the tense situation in the Taiwan Strait, our government continues to promote national defense independence and actively develop the drone and unmanned boat industries. 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.

On November 26, President Lai announced a draft of a NT\$1.25 trillion "Special Budget for Strengthening Defense Resilience and Asymmetric Warfare Capabilities" for 2026-2033. The budget aims to strengthen key combat capabilities such as precision artillery, long-range missiles, drones, air defense and anti-ballistic missiles, AI command, control and reconnaissance systems, combat readiness materials and arms production lines, and equipment jointly developed by Taiwan and the United States.

Sources: Directorate-General of Budget, Accounting and Statistics, Executive Yuan, ROC(Taiwan), edited by AIDC



Market Outlook & Business Layout

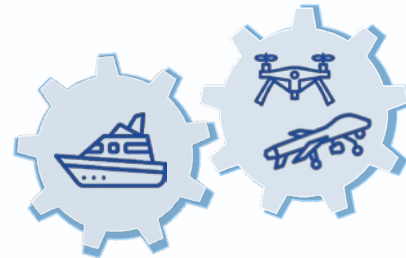
Defense - Unmanned Vehicles Market Prospect

Drones demonstrated their power during the Russo-Ukrainian War, and the world has begun to view the ability to mass-produce drones as a measure of 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

5 types

48,750 units



Combined with
unmanned boats for
joint sea and air combat

Source : Government e-Procurement System

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.
- U.S. Secretary of the Army Daniel Driscoll recently stated that the U.S. Army plans to procure at least one million drones over the next two to three years.

Market Outlook & Business Layout

Defense - Military Business Remains Stable

1. Business

Achievements

- Military aircraft manufacturing and performance enhancement;
- military aircraft maintenance;
- government owned, contractor operated business

Expanding

- Expand logistics and maintenance, maintenance of complete aircraft/systems, and flight services;
- expand into unmanned vehicles and countermeasures systems, services across Army, Navy and Air Force, and self-made system components

2. Research and development

In coordination with the independent defense policy, deploying integrated technologies to enhance the performance and combat capabilities of our own aircraft, and introducing key technologies related to the F-16 through Industrial Cooperation Program.



AJT - Yung Ying (Brave Eagle)
mass production and maintenance
(66 jets planned to be delivered
by the end of 2026)



F124 applied on AJT



TFE-1042
applied on IDF



IDF Maintenance



Helicopter
Maintenance



Air Force Academy
A/C Maintenance
GOCO

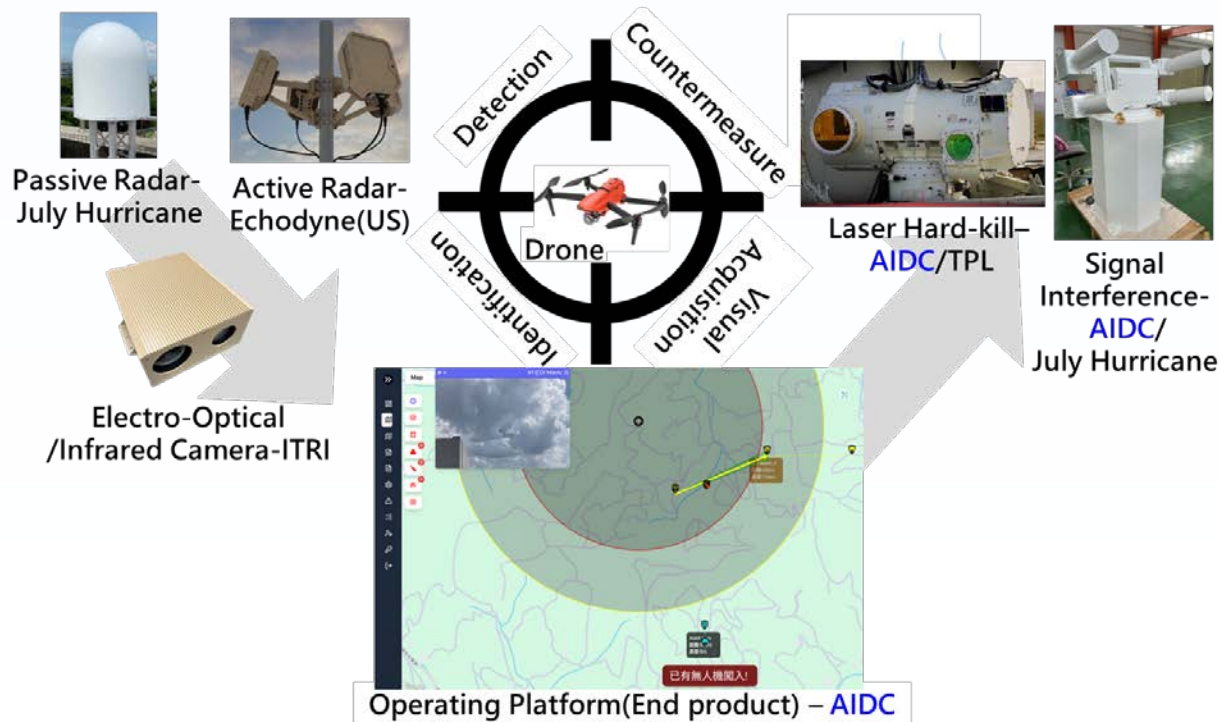


F-16 Maintenance

Market Outlook & Business Layout

Defense - Drone Countermeasure Systems

Our company possesses superior avionics capabilities and integrates domestically developed drone countermeasure systems for detecting, identifying, tracking, and countering illegal or hostile drones, protecting critical infrastructure, military bases, airports, and other important areas from potential drone threats.



Laser hard kill system



Interference station

Market Outlook & Business Layout

Commercial Market - Global Civil Aviation Market Continues to Grow

The International Air Transport Association (IATA) released a global air passenger market analysis report for October 2025, showing that both the international and domestic markets continue to grow with strong travel demand.

Global

Air travel demand

Compared with the same period
last year

+6.6%

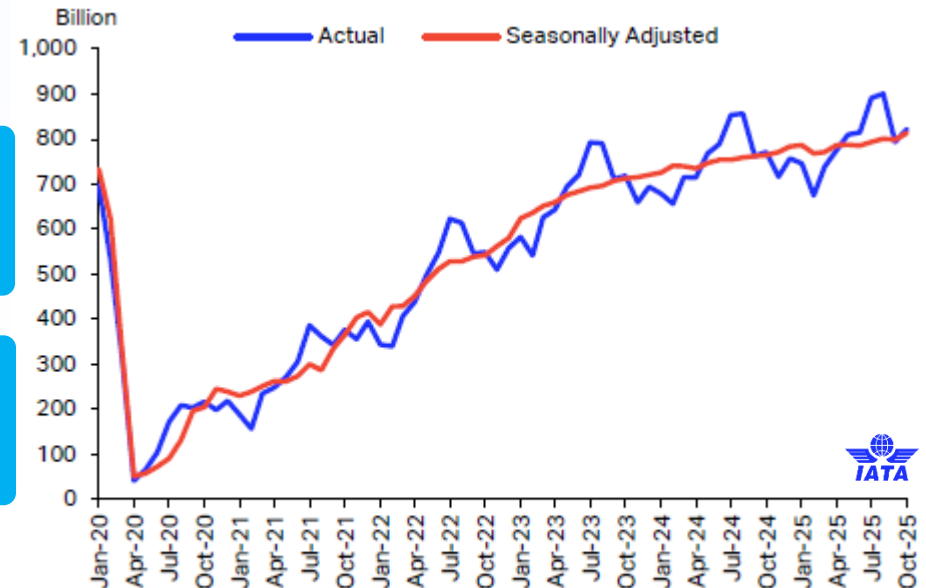
International

+8.5%

Domestic

+3.4%

Global RPK, Actual and Seasonally Adjusted, Billions



Sources: IATA (Monthly Statistics till October, 2025)

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

Market Outlook & Business Layout

Commercial Market - Global Aircraft and Engine Market Outlook

1. Commercial aircraft : Airbus & Boeing Global Market Forecast (2025-2044):



New Deliveries
43,420-
43,600



Passenger Traffic
Long Term CAGR
3.6-4.2 %



Single Aisle
33,285-34,250
(over 70%)

2. Business Jet: Honeywell Forecast (2026-2035):



New Deliveries 8,500



Market Value US\$ 283 Billion

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



New Deliveries 153,819



Market Value US\$ 1 Trillion

Market Outlook & Business Layout

Commercial Aircraft Sector – Stable Growth and Products Expansion

1. Business

Achievements

- Design, fabrication, and manufacturing of civil aircraft structural components

Expanding

- Expand business jet fuselage business
- Strive for commercial passenger aircraft assembly business
- Develop systems components, thermoplastic composite components, etc.

2. Research and development

Focusing on upgrade of key technologies for assembly and composite materials

Boeing



737

787

Airbus



A320



A220

Bombardier



CL3500



Global 7500

Market Outlook & Business Layout

Commercial Engine Sector – Vertical Integration

1. Business

Achievements

- engine component manufacturing

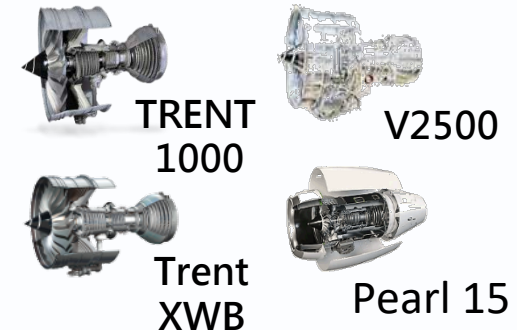
Expanding

- Expanding forging, casting, and assembly business;
- moving towards integrating upstream and downstream industry chains.

GE Aviation



Rolls-Royce



Casing

Mechanized processing

Rotating component

Assemblies

MRO

2. Research and development

- (1) Technology development and capability building for forging.
- (2) Expanding casting and assembly capabilities to provide customers with vertical integration value.

Market Outlook & Business Layout

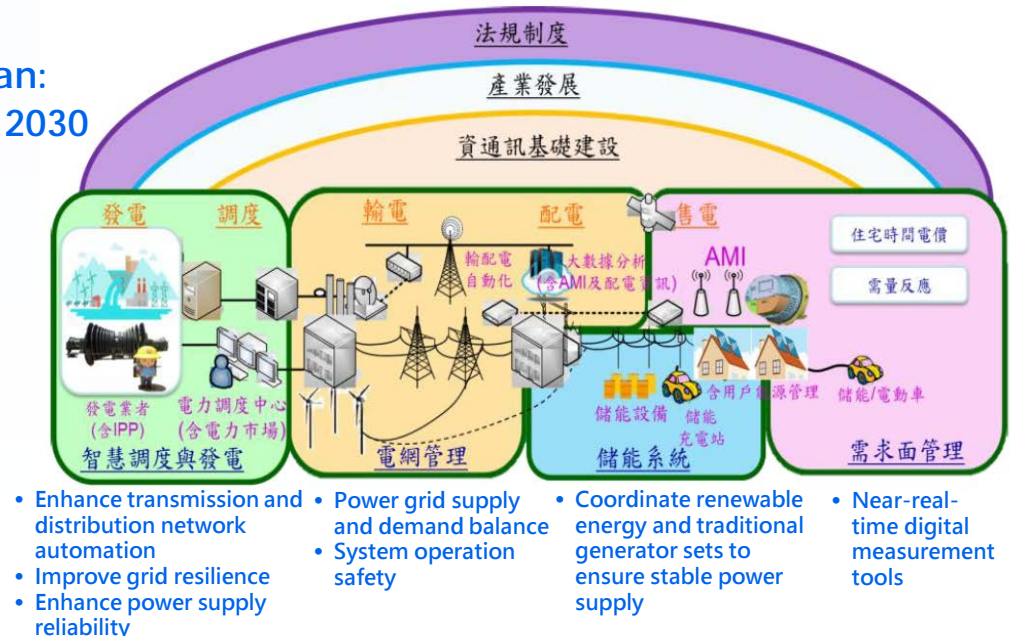
Technology Services - Energy Market Outlook

Following international trends toward net-zero emissions and energy transition, our government implements energy policies such as energy conservation and carbon reduction, and increasing the proportion of renewable energy. It also prioritizes the promotion of smart grids to ensure a stable power supply and energy security while developing a green economy and promoting environmental sustainability.

Ministry of Economic Affairs Renewable Energy Plan:
renewables generating 30% of total electricity by 2030

Type of Energy(GW)	2024	2030	2032
Solar Photovoltaic	14.3	31.2	32.7
Offshore Wind Power	3.0	10.9	13.9
Onshore Wind Power	0.918	0.979	0.979
Geothermal Energy	0.007	1.2	1.4
Bioenergy and Energy- from-Waste	0.751	0.810	0.840
Hydropower	2.123	2.140	2.180
Total	21.099	47.229	51.999

Source: 2024 actual results, Monthly Energy Statistics-2025.09



Source: Ministry of Economic Affairs' Electricity Supply and Demand Plan and Smart Grid Plan

Market Outlook & Business Layout

Technology Services - diversified growth momentum

1. Business

Achievements

- Businesses include energy, railway, space satellites, and integrated flight services

Expanding

- 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 business.
- Expand tracks and integrate virtual and real intelligence simulation business.

2. Research and development

Investing in energy management system development and enhance the development technology of micro grid and peak-shaving/valley-filling energy storage management systems.



Taipower plants renewal



CPC power generation equipment procurement



2MW/2.7MWh wind, solar and energy storage power island demonstration site



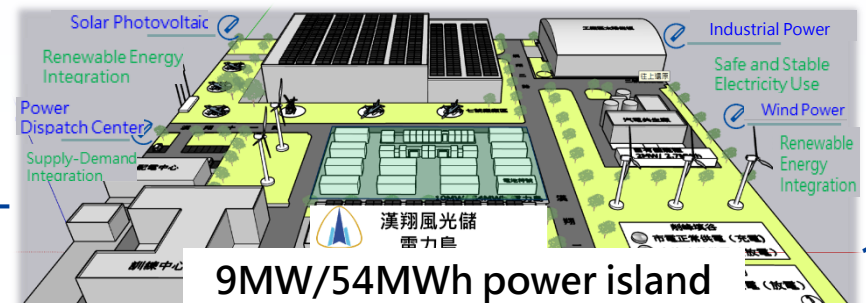
STATCOM



Satellite Structure



Simulator



Market Outlook & Business Layout

Laying the foundation for AIDC USA LLC

AIDC has established a factory in the United States through AIDC USA LLC to create a more stable supply chain. In the initial stage of factory construction, we will lay the foundation for our business by producing high-value engine components, and gradually expand to include different product categories.



Operational Highlights

Taiwan's largest power island construction begins

On Nov. 27, AIDC held a groundbreaking ceremony for a 9MW/54MWh power island, which is currently the largest micro grid application project in Taiwan and expected to operate by July 2026.

In order to respond to the global carbon reduction trend, support national policies, and implement corporate sustainability, AIDC leverages its strong aerospace engineering foundation to create power islands for large-scale electricity consumers, providing industry partners with comprehensive energy solutions.

AIDC has demonstrated the power islands' reliability at our own facilities. Following the commissioning of "2MW/2.7MWh Wind-Solar-Storage Demonstration Site" in March, and President Lai's praise for the power island's embodiment of "Resilient Energy, Taiwan's Strength" in September of this year, the commencement of "9MW/54MWh Project" further expands our business scope.



Operational Highlights

Signed a licensing agreement for drone positioning technology with Vantor

AIDC officially signed the “Raptor Guide Software Integration and Licensing Distribution Agreement” with U.S. company Vantor Technologies at I/ITSEC 2025, the world’s largest military training and simulation exhibition, on Dec. 2. Equipped with Raptor's precise visual positioning technology, UAVs can locate themselves without expensive anti-jamming antennas or radar, demonstrating high reliability, significantly reducing unit costs and simplifying logistics and maintenance.



AIDC President Tsao, Chin-Pin
and Vantor Transformation Chief Will Cocos

AIDC 's integrated aerospace engineering capabilities have been highly recognized by Vantor. We will tailor technology versions to different drone platforms, offering direct testing, verification, and technical support in Taiwan to accelerate the adoption of this technology for domestic drone manufacturers.

AIDC has clearly identified drones and countermeasure systems as one of our key future development focuses. This signing lays the foundation for entering this crucial technology sector and demonstrates our commitment to the drone market.

Financial Performance

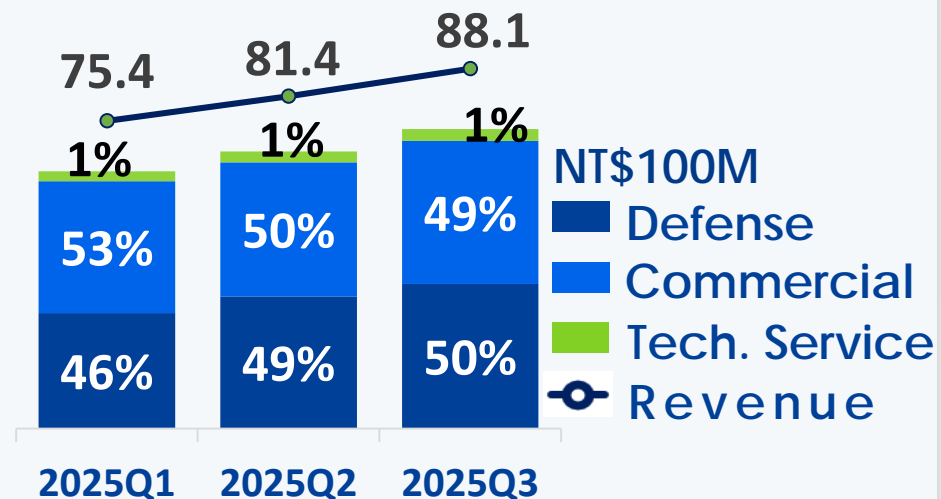
2025 Q3

In H1 2025, revenue and earnings momentum softened due to penalties from AJT delays and a sharp depreciation of the U.S. dollar. In Q3, supported by a rebound in the U.S. dollar and stronger defense and commercial business momentum, revenue increased 8% quarter-over-quarter, with EPS improving from the prior quarter.

Quarterly Earnings

ITEM (100 Million NTD)	2025			
	Q1	Q2	Q3	Q1~Q3
Sales	75.4	81.4	88.1	244.9
Net Profit For The Period	2.4	-2.2	1.9	2.1
EPS(NTD/Share)	0.25	-0.24	0.21	0.22

Sales Breakdown



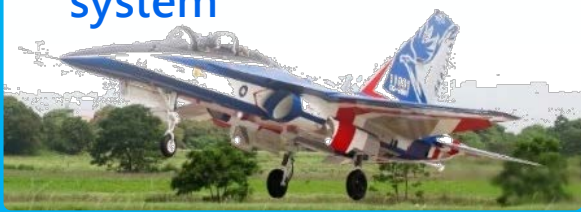
Prospects & Conclusion

AIDC has secured new orders exceeding NT\$20 billion to date, including military aircraft maintenance, manufacturing of components for mainstream commercial aircrafts, and national energy projects. The Company will continue to strengthen its presence in the three major sectors of military business, commercial business, and technology services:



Military- various opportunities

- Mass production and maintenance program of AJT
- Military aircraft performance upgrade and maintenance program
- Unmanned vehicles and countermeasure system



Commercial- stable progress

- Seize opportunities to increase customer base and expand business sources and steadily increase contracted items
- Expand forging and casting business and focus on high profit business



Technology services- low carbon energy transition

- Develop business opportunities in energy storage, control, and creation
- Utilize aerospace technology and capacity to expand the flight, information service, AI simulation, and space markets



9MW/54MWh power island

Prospects & Conclusion

Active Transformation, Sustainable Development

AIDC will continue to deepen its core strengths, expand into promising emerging fields, accelerate transformation and innovative applications, and invest in defense, aviation, energy, and smart technology development. AIDC will maintain a competitive advantage in the aerospace sector and a key position in the global supply chain, ensuring sustainable operation.



Enhancing
Capabilities



Creating New
Opportunities



Generating
Profits



Sustainable
Operation

-Thank you-

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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 solid 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