

**Xxtechec Co., Ltd.**

**Stock No: 8477 Investor Presentation**

**Transforming into a Vertically  
Integrated E-commerce, Building a  
Shared Procurement Center**

Presenter: General Manager

Date: December 30, 2025

# Disclaimer

This presentation contains forward-looking statements. Actual results may differ due to market demand, macroeconomic conditions, supply chain factors, and competitive environment.

Except as required by law, the company has no obligation to update or revise the content of this presentation.

Financial data are based on publicly disclosed annual and quarterly reports; operational data are disclosed only to the extent permissible by law.

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Source: Market Observation Post System / Company Annual and Quarterly Reports

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# Company Overview

## Three Major Business Models of Xxtechec Co., Ltd.

### Life Market

Comprehensive B2C e-commerce platform operations

### Corporate Procurement Platform

Closed B2B procurement services

### Corporate & Manufacturing Material Retail

Entry point targeting general corporate needs, including office supplies, consumables, operational tools, and gifts

- ☐ Material retail serves as the initial entry, which then transitions to regular and structured service via the corporate procurement platform.

# Transformation Direction: From Subsidized Traffic to Supply Chain Efficiency

**Core Principle: Avoid the e-commerce subsidy battlefield and prioritize sustainable financial structure and operational efficiency**

## Three Strategic Pillars:

1

### **Lean Operations:**

Scale down low-margin operations to accelerate loss convergence

2

### **Vertical Integration:**

Focus on general materials to establish fixed procurement cycles and process stickiness, leveraging a shared procurement center to integrate volume and pricing, creating a supply chain moat

3

### **AI Tools & Modularization:**

Optimize data processes and modularize operations to enhance per capita productivity

# Transformation Progress



## Structural Adjustments (B2C, Offline Group Buying):

Proactively reallocating resources, downsizing low-margin operations



## B2B Corporate Procurement Pilot:

- Approximately 40 clients
- After onboarding: 1-2 fixed purchases per month
- Average transaction ~NT\$25,000
- Helped clients reduce procurement costs by ~10%



## AI Tools & Modularization:

Data cleaning, platform data segmentation, process restructuring, modularized operations

**Operational headcount reduced to 20%**



## Financial Position (2025 Q1-Q3):

Revenue for first three quarters: NT\$339,302 thousand  
Despite declining quarterly revenue, losses remained controlled

# 2025 Q1–Q3 Financial Overview: Revenue Reduction and Loss Control

## Quarterly Revenue

(In thousands of NT\$)

- Q1 : 139,644
- Q2 : 116,908
- Q3 : 82,750
- YTD : 339,302

## Quarterly EPS

(In NT\$)

- Q1 : -0.56
- Q2 : 0.10
- Q3 : -0.16
- YTD : -0.62

## Operating Net Loss

(In thousands of NT\$)

- Q1 : (23,811)
- Q2 : (23,992)
- Q3 : (25,727)
- YTD : (73,530)

❏ **NOTE :** The quarterly revenue decline reflects deliberate downsizing and resource reallocation. Operating losses were contained despite revenue contraction. Q2 EPS turned positive mainly due to the one-time sale of the Pcone platform; this is not considered recurring profit.

# P&L (Q1–Q3)



## Gross Profit (In thousands of NT\$ / Ratio)

- Q1 : 21,339 (15%)
- Q2 : 15,886 (13%)
- Q3 : 8,543 (10%)

## Operating Expenses (In thousands of NT\$ / Ratio)

- Q1 : 45,150 (32%)
- Q2 : 39,878 (34%)
- Q3 : 34,270 (41%)

## YTD Totals (In thousands of NT\$ / Ratio)

- Gross Profit: 45,768 (13%)
- Operating Expenses: 119,298 (35%)

Item	Q1	Q2	Q3	YTD
Revenue	139,644	116,908	82,750	339,302
Gross Profit	21,339	15,886	8,543	45,768
Operating Expenses	45,150	39,878	34,270	119,298
Operating Net Loss	(23,811)	(23,992)	(25,727)	(73,530)

**NOTE :** Gross margin declined due to smaller scale and competitive pricing on remaining top-selling products. Operating expenses decreased in absolute terms, but expense ratio increased in Q3 due to faster revenue contraction.

# Non-Operating Impact (Q1–Q3)

## Non-Operating Income & Expenses (In thousands of NT\$)

- Q1 : (11,905)
- Q2 : 30,251
- Q3 : 15,771
- YTD : **34,117**

## Pre-Tax Net Profit/Loss (In thousands of NT\$)

- Q1 : (35,716)
- Q2 : 6,259
- Q3 : (9,956)
- YTD : **(39,413)**

Quarter	Operating Net Loss	Non-Operating Income & Expenses	Pre-Tax Net Profit/Loss
Q1	(23,811)	(11,905)	(35,716)
Q2	(23,992)	30,251	6,259
Q3	(25,727)	15,771	(9,956)

**Note:** Q2 pre-tax positivity was primarily due to one-time platform disposal gains, which are not considered recurring profits.

# Balance Sheet (as of Sep 30, 2025)

(In thousands of NT\$)

## Liquidity Assets: (Excerpt)

- Cash : 102,060
- Financial Assets at Fair Value through P&L (Current) : 50,500
- Financial Assets at Amortized Cost (Current) : 30,980
- Financial Assets at Amortized Cost (Non-Current) : 200,200

## Operational Items: (Excerpt)

- Inventory : 23,389
- Accounts Payable : 59,335
- **Total Assets : 470,111**

**102,060**

Cash

**281,680**

Financial Assets

Including Current and Non-Current

**470,111**

Total Assets

**NOTE** : Cash and financial asset arrangements ensure liquidity flexibility during the transformation while supporting B2B operations and systematic investments.

# B2B Corporate Procurement

**Positioning: Closed corporate procurement**

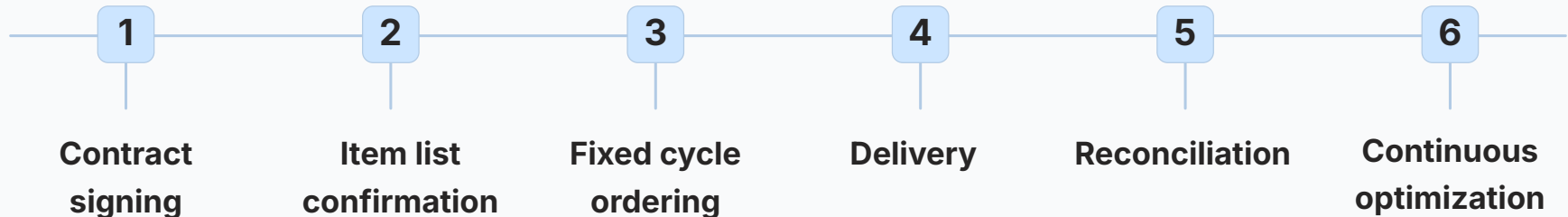
Entry through general materials with fixed corporate demand

Focus on building procurement process stickiness and replicable models, not short-term transaction volume

**Initial Categories:**

- General office supplies
- Consumables
- Factory operational tools
- Corporate gifts

**Service Process (Closed Flow):**



# Shared Procurement Center: Collaborative Model for Manufacturing



Shift in Competitive Strategy: From traffic subsidies → volume and price integration in the supply chain

## Volume Sources:

- Internal demand from manufacturing experience
- Supply chain partner demand
- Collaborative demand from customers and alliances

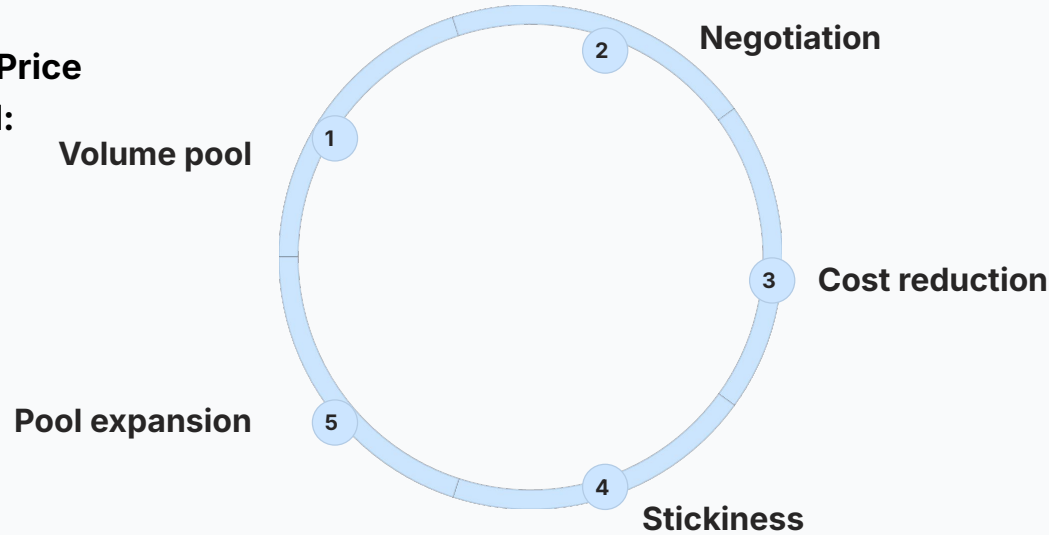
## Price Formation (Volume-Based):

- Aggregated demand → better negotiation → stable supply

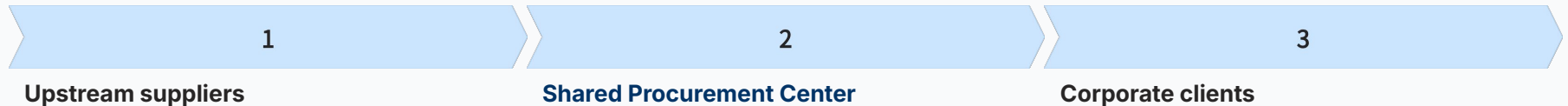
**For customers: cost reduction**

**For company: sustainable vertical integration moat**

## Volume-Price Flywheel:



## Supply Chain Role Map:



# AI Tools: Data Architecture & Operational Modularization

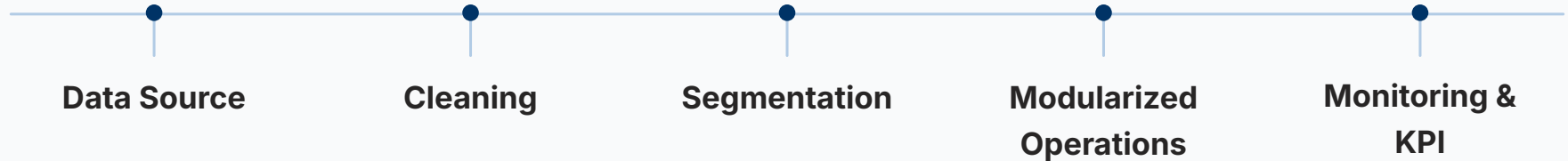
## Key Implemented Initiatives:

Data cleaning to improve product/platform data quality

Platform data segmentation to build scalable and manageable data architecture

Operational modularization: repeated tasks modularized for multi-scenario reuse

## Data Flow Architecture:



## Internal efficiency KPI

# Operational headcount reduced to 20%

# Disclosed Matters: Pcone Platform Disposal

- Considering the company's future operational strategy, the Board approved on April 29, 2025, the disposal of the Pcone platform business to a non-related party. Contract signed on May 5, 2025, with a disposal price of NT\$23,809 thousand.

# Conclusion: Short-Term Loss Control & Building a Vertically Integrated E-commerce Group Centered on the Shared Procurement Center

1

## **Short-Term – Financial Health:**

Control expenses and losses during revenue downsizing.

Maintain healthy financial structure.

2

## **Mid-Term – B2B Pilots:**

Expand B2B client base and fixed procurement frequency.

Promote replicable models.

3

## **Long-Term – Supply Chain Moat:**

Shared procurement center integrates volume and pricing AI tools and modularized processes improve efficiency.

Build vertically integrated e-commerce platform.

# Q&A

**Thank you to all valued investors!**