



**BROGENT**  
TECHNOLOGIES INC.  
2023 Investor Conference



# Forward-looking Statement

Information included in this presentation that are not historical in nature are "forward looking statements". Brogent cautions readers that forward looking statements are based on Brogent's reasonable knowledge and current expectations and are subject to various risks and uncertainties.

Actual results may differ materially from those contained in such forward looking statements for a variety of reasons including without limitation, risks associated with demand and supply change, manufacturing and supply capacity, design win, time to market, market competition, industrial cyclicalities, customer's financial condition, exchange rate fluctuation, legal actions, amendments of the laws and regulations, global economy change, natural disasters, and other unexpected events which may disrupt Brogent's business and operations.

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# Market Updates



- New orders in the Middle East and Asia drive growth momentum.
- Under China's "consumption downgrading" trend, market demand has shifted to small and medium-sized rides.



- The withdrawal of a major competitor will increase Brogent's long-term market share.



- The increasing demand for content has become one of our long-term growth drivers.



- The post-pandemic leisure travel market is promising and we will continue to expand our operating sites around the world.



A group of people are seated on a boat, looking out at a vast lake filled with numerous icebergs. The scene is captured at sunset, with a colorful sky of oranges, pinks, and purples. The icebergs are a deep blue color, and the water is dark. In the background, there are snow-capped mountains under a cloudy sky. The overall mood is serene and scenic.

# Business Outlook

# Revenue Growth: We See Sliver Lining in 4Q23



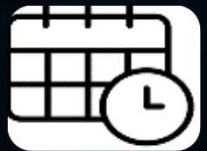
## Labor shortage:

The equipment installation delayed due to labor shortage.



## Our customers seize the benefits of reopening:

Our customers have a prosperous operation in 1H23; they tend to delay project construction and capture the benefits of reopening first to replenish the cash flow lost during the pandemic.



## Some projects postponed the opening :

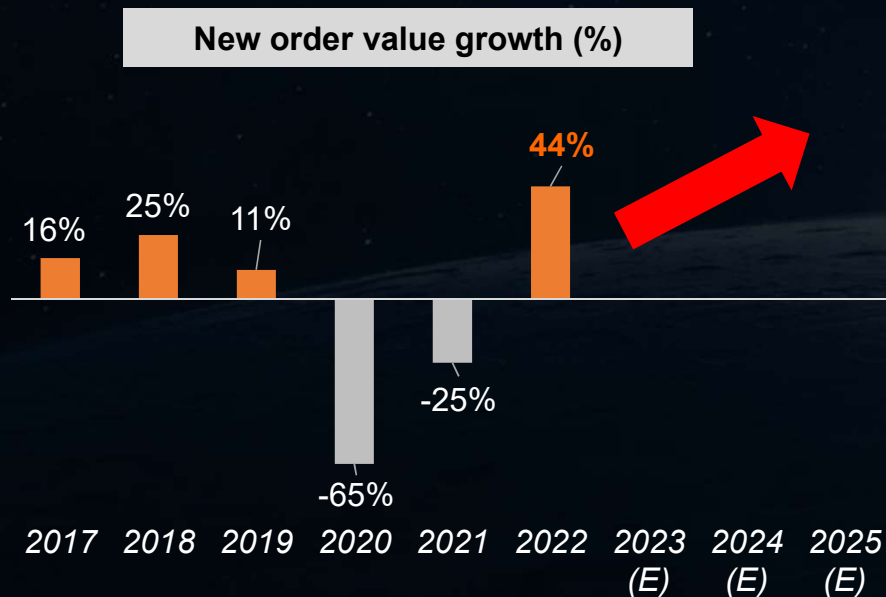
Due to global economic uncertainty, some projects have slowed down, the opening peak is concentrated in 2025.

- The leisure consumption doesn't disappear because of sluggish economy.
- Project progress delayed about two quarters than expected.

- Revenge travel has come to an end with the summer vacation, and customers will resume their investment plans.
- Customer projects start to advance in 4Q23, driving Brogent's revenue growth.

## Demand in the Middle East and Asia Drove Up New Orders in 1H23

- Before the pandemic, new orders revealed double-digit growth. Between 2020 and 2021, new orders showed negative growth due to the Pandemic. However, we saw a reversal signal in 2022 and new orders began to make a turnaround, **increasing by 40% compared to last year.**



- New customers in the Middle East plan to expand new entertainment projects, echoing the national plan "Vision 2030", which comprehensively facilitating the development of leisure & entertainment and tourism industries. Brogent grasped the business opportunities in the Middle East and **new orders in the Middle East accounted for 60% in 1H23.**
- The Saudi market has strong growth momentum and Brogent will continue to cultivate this market:
  - 7.8 million visitors in 1Q23 **(+64% YoY vs. 1Q19)**
  - 2023~2028 leisure & entertainment market size CAGR: **+10.44%**



Source: <https://reurl.cc/XmXnGM> ; Mordor Intelligence



# China's "Consumption Downgrade" Era is Coming

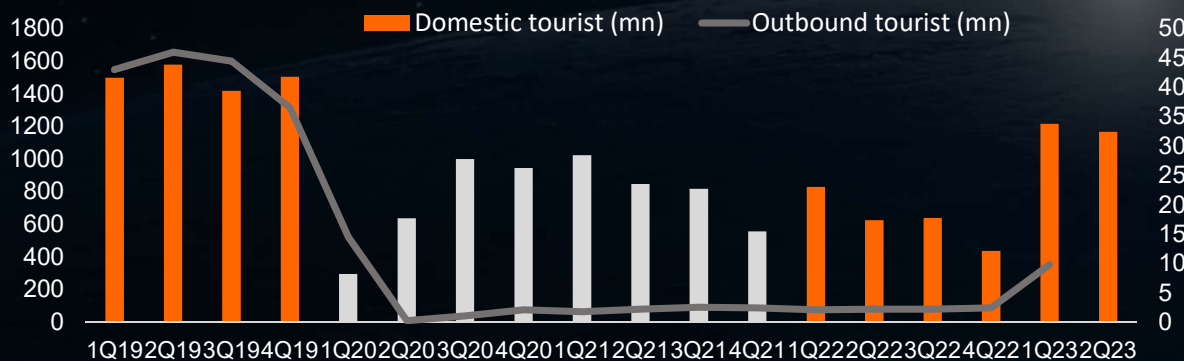
## Domestic tourism has replaced overseas travel

- China market is recovering slowly. Corporate are striving to operate more efficiently and slowing down their expense in capital expenditures. Individual consumers have increased savings and reduced their spending. "Consumption downgrade" era is coming.
- Consumption habits changed : consumers pursue low prices and stop buying houses, luxury brands and ordering delivery.
- Consumption can be downgraded, but happiness can't: domestic travel replaces overseas travel

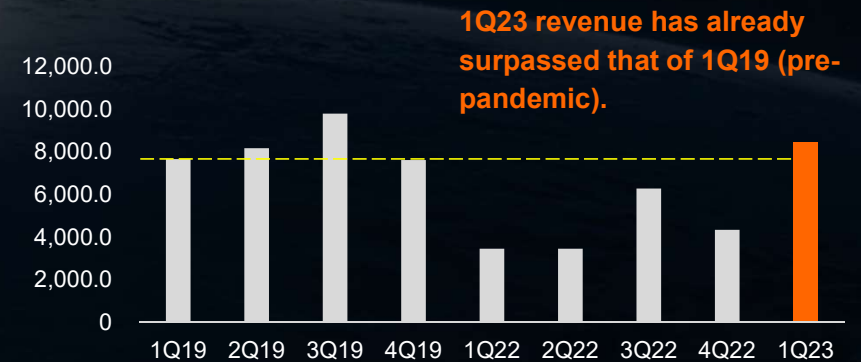
"It is expected that the total number of domestic tourists will reach 5.5 billion this year, and the domestic tourism revenue will reach CNY 5 trillion, recovering to 90% and 80% of the same period in 2019 respectively."

- 2023/7/28 China Tourism Academy

Unit: m	1H23	1H19	YoY
Cumulative number of domestic tourists	2,384	3,080	77.4%
Domestic tourism consumption (CNY)	2,300,000	2,780,128	82.7%
Unit: m	1Q23	1Q19	QoQ
Cumulative number of outbound tourists	10	43	22.8%



Trip.com Group (TCOM) quarterly revenue (Unit: CNY m)

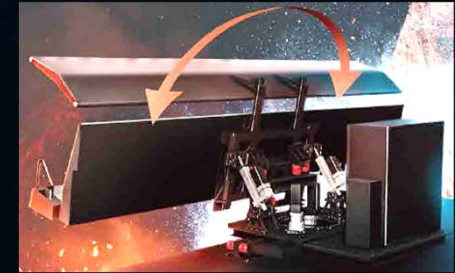


Source: Bloomberg

# China's "Consumption Downgrade" Era is Coming

Economical flying theaters, small and medium sized immersive rides become the mainstream of the market

- Economical flying theaters o-Ride are favored by the market  
Price : US\$ 3~5 m
- o-Ride features light weight, agile movement, with same passenger capacity as i-ride. It can rotate 180-degree and gives passengers a high level 3 DOF immersive experience.
- Small & medium sized immersive devices become the mainstream of the market  
Price: US\$ 100K~2 m
- Brogent has well-established small & medium sized product lines for a long time, including hot air balloon simulation, personal racing simulator and VR flight simulator.  
We believe product diversification will help us to comprehensively increase the market penetration rate.



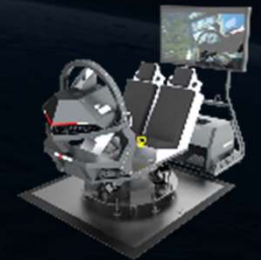
v-Ride360



Flight simulator



F1 Racing simulator

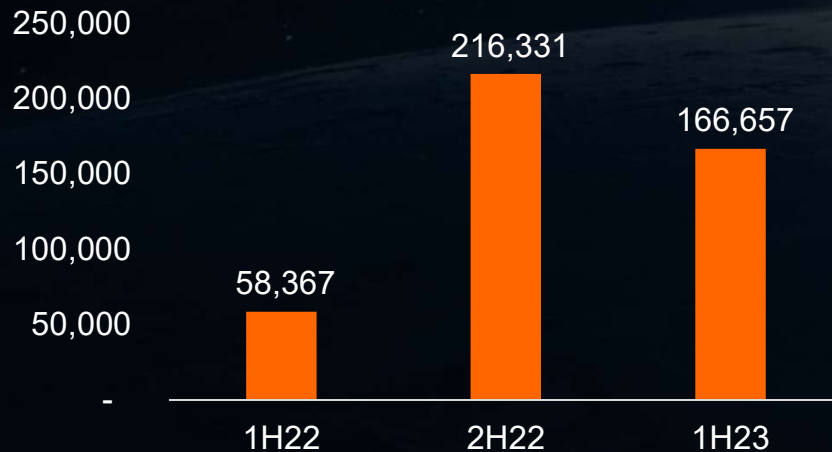


VR flight simulator



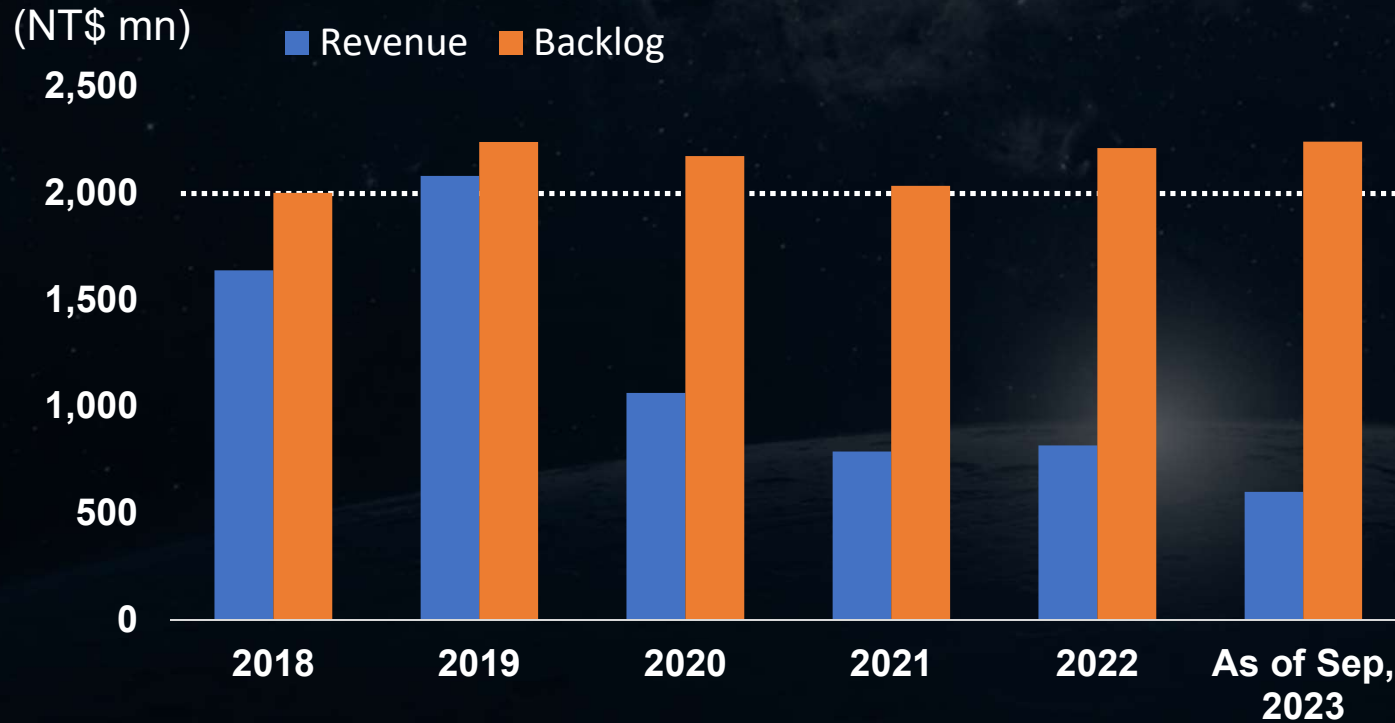
## However, We Still See Opportunities in China Market

- The trend of consumption downgrade has shifted China's demand for leisure to domestic tourism. In 1H23, the average domestic tourism consumption per capita was CNY 965, surpassing the same period in 2019 (CNY 903).
- The attendance of China's customer operation sites in 1H23 increased by multiples compared to 1H22. For example, the attendance of flying theater in Beijing Shijingshan Amusement Park in 1H23 is almost **3 times** that of 1H22.
- European and American international theme park operators have seen the consumption potential of China's domestic tourism market and continue to land projects in China. Local governments also actively facilitate large-scale theme park investment projects to promote the development of domestic tourism industry.



Source: Wikipedia; NBC Universal; <https://reurl.cc/YeAAra>; <https://reurl.cc/mDm1EY>

## Backlog Orders Support Our Sustainable Growth





- The backlog orders remains at a healthy level of NT\$2 billion.
- Most projects are scheduled to open in 2025, which is expected to make contribution to Brogent's revenue.



## The Withdrawal of a Major Competitor Has Further Strengthened Brogent's Leading Position in the Industry



	<b>Brogent</b>	<b>Peer D</b>  (Withdrawal from the market)	<b>Peer S</b> 
User Experience	Premium (6 DOF*)	Medium (2 DOF)	Premium (6 DOF)
Content Library	Yes	No	No
Capacity (per ride)	20-86 seats	33-84 seats	40-80 seats
Modularization	High (10 seats / module)	Low	Low

Note: DOF = Degree of Freedom

Image Credit: Adobe Stock, Vector Stock

# We Have 108 Entertainment Systems Operating Around the World (63 in operation, 45 under construction)

- We have entertainment systems around the world, including Taiwan, Canada, the United States, China, Japan, Vietnam, Spain, Germany, the Netherlands, the United Kingdom, Denmark, Iceland, Australia, Saudi Arabia, the United Arab Emirates, Kazakhstan, etc., in total 20 countries.





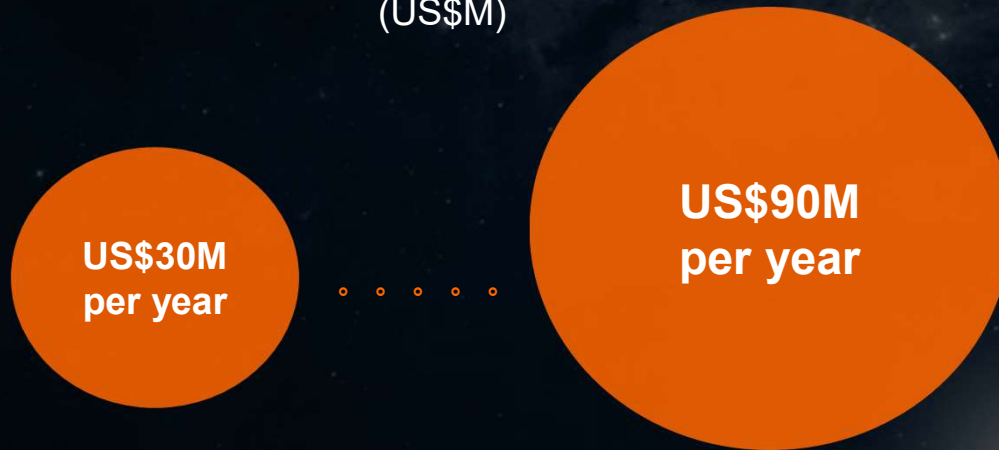


**Growth Potential  
and Strategy**

**ANIVERSE**  
KEELUNG

# The Increasing Demand for Content Has Become a Long-term Growth Driver

The value of each licensed content (US\$M)



Content Quality	Revenue Sharing (%)	Annual Value (US\$)
Normal	10%	30M
⋮	⋮	⋮
Premium	30%	90M

- The content replacement cycle of flying theater is about 3 years. After the pandemic, it will enter a new cycle of massive content replacement.
- The licensing model in the content market varies according to the content quality, type and the ticket revenue sharing percentage (10-30%). Based on the basic revenue sharing ratio of 10%, the value of each content is US\$30M per year.
- As the number of flying theaters and the viewership of licensed films increase, it will reduce the payback period and create recurring revenue.

The average film production cost is US\$2M. Assuming a single flying theater, with average annual visitors of 300,000, average ticket price of US\$20 and a basic profit-sharing ratio of 10%, each film can recoup the production cost in **3 years.**"

Note 1: In 2019, the attendance of flying theaters was approximately 15 million people. As the number of flying theaters increase, the attendance in 2023 is expected to increase to 18 million.

Note 2: Average ticket price is US\$20.



# Continue to Expand the Digital Content Library

## New content trailer: Attack on Titan 4 - Declaration of War (part 1)



The film is set to release in Taiwan in the first half year of 2024!



- **Brogent-made, World premiere**

The must-see blood-boiling animation masterpiece "Attack on Titan final season: Declaration of War" will be on the big screen!

- i-Ride 《 Attack on Titan 》 1-4th episodes initiated global authorization. Taiwan is the first to watch Attack on Titan 4.

- **Film Spec.**

**Display resolution : 8K**

Frame rate : 120 fps

Length : 8 min.



# Continue to Expand the Digital Content Library

New content trailer: **It's Africa (Coming 2024)**

## ➤ The world's first high-spec aerial shooting content with an African theme

- Cooperate with overseas film studio
- Fly Over Africa leads visitors to fly through the natural ecology and cultural landscapes of the African continent from a bird's eye view. Let's explore the mysterious charm of Africa!

- Film Spec.

**Display resolution: 10K**

Frame rate : 120 fps

Length : 7.5 min





# Improve the Efficiency and Output via New Technologies

Our long-term goal is to produce 20+ films each year



<Schematic Diagram - Use AI to assist drawing and scripting>

## Unreal Engine - Introduce efficient real-time computing game engine

- **Save rendering cost**  
Traditional method : US\$10,000-20,000 for 30 seconds  
Game engine : Free
- **Improve content production efficiency**

## AIGC - Use generative AI to speed up images generation

- Accurately present the atmosphere of the image and speed up the proposal
- **Generate images from images**, improve the efficiency of image output :  
**10 times** faster than the traditional method
- Traditional method : about 1 day  
AIGC: only 2-3 hours

# High-quality Content Can Be Extended to Various Platforms, from Theme Parks to Households

## The popularization of immersive entertainment

As any industry matures, it will inevitably go through a process of popularization and we believe that immersive entertainment will follow the same path in history. Starting from theme parks, the next step will be the penetration of immersive entertainment into cinemas and finally into households.

1

### Theme parks

The theme park was the first professional entertainment venue to adopt the flying theater concept and to introduce simulation rides. It is also our main customer base at present.

2

### Cinemas

We have received many inquiries about the transformation of cinemas, hoping to revitalize the space through immersive entertainment facilities and the content is expected to move towards joint broadcast in the future.

3

### Households

Brogent's content can also be converted into VR format and enter home entertainment market through streaming platforms.

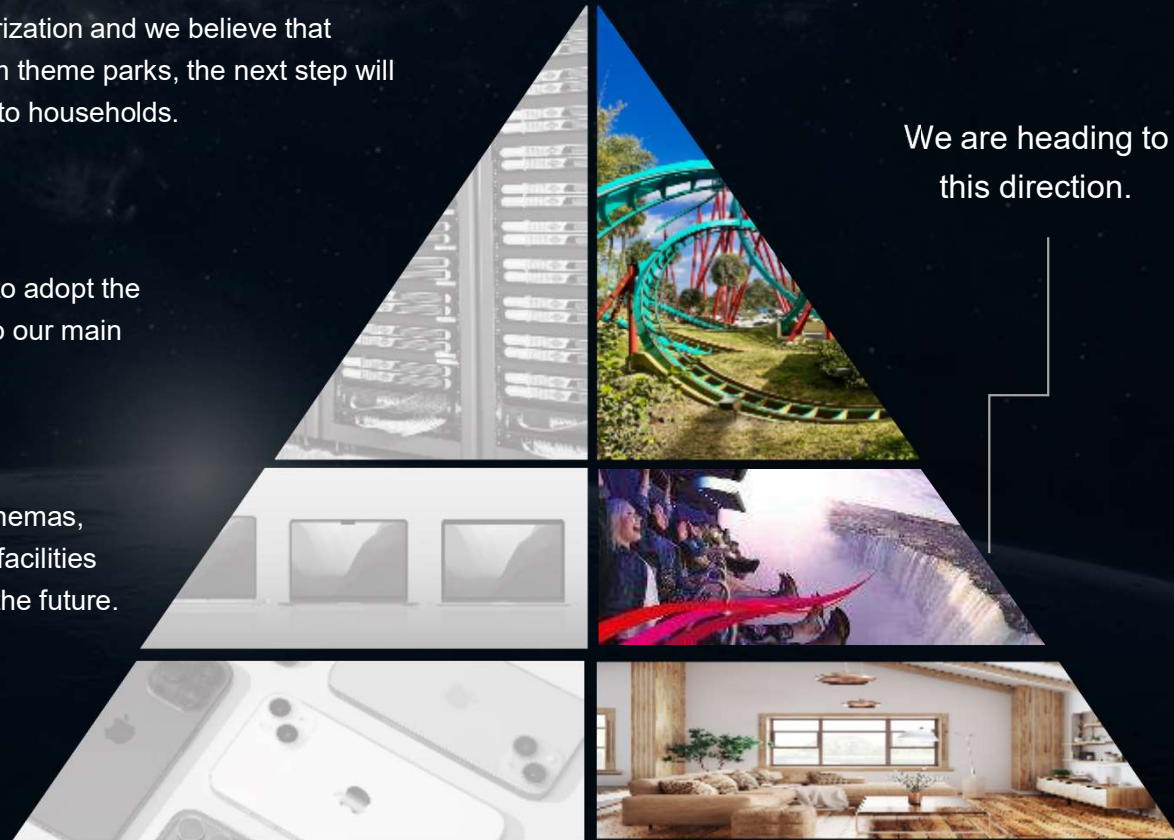


Image credit: Flyover Canada official website

# We Will Continue to Expand Our Operating Sites

Brogent continues to establish domestic self-operated and overseas investment operating sites



2017

Netherlands



- Amsterdam's first single attraction flying theater
- 2022/3/31 Formed a strategic alliance with Merlin Entertainments



2017

Kaohsiung



- The first self-operated i-Ride theater in Taiwan



2019

Taipei



- The second self-operated i-Ride theater in Taiwan



2021

New York



- The first museum-style flying theater in Times Square, New York



2022

Keelung



- The world's first metaverse experience hall
- The landmark of Keelung Guomen Square



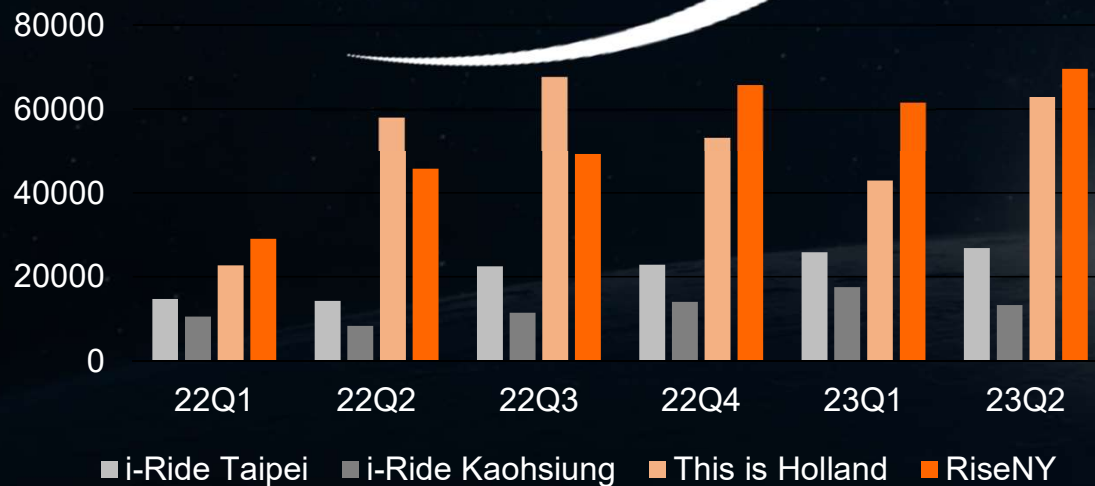
2025 2026 . . .



# The Post-pandemic Leisure Travel Market is Promising

Brogent's domestic and foreign operating sites have strong growth momentum in post-pandemic era

The attendance of Brogent's domestic and overseas operating sites



- Domestic self-operated operation sites: i-Ride Taipei / Kaohsiung
- Overseas investment and operation sites : This is Holland (Netherlands) 、 RiseNY (New York)

- The attendance of our domestic and foreign operation sites increased significantly :
- 2H22 v.s. 1H22 : over 50% YoY growth in all sites
- 1H23 v.s. 1H22 : 60~80% YoY growth in all sites



# Our Future Operating Sites

Take Flyover Canada as a benchmark, we have selected operating sites around the world

- The demand of tourists have changed from static viewing to **participatory experiences** in post-pandemic era and flying theaters are exactly the new generation of immersive entertainment.
- The outstanding performance of benchmark project Flyover Canada and existing operation sites prove that **the combination of virtual technology and tourist attractions is popular among visitors** and it can bring in stable cash flow.



Japan



New Zealand



Hawaii



Australia



Other selected locations

**FlyOver**  
CANADA



550,000~  
Annual Visitors



~ 11 million  
Annual Revenue



**>50%**  
**Operating**  
**Margin**



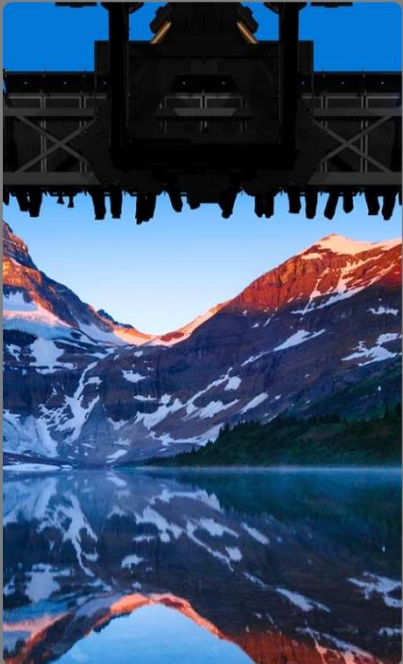
**>30%**  
**IRR**

# Over the Last Decade, We Have Made Many Breakthroughs in Technology, Content and Operational Experience

We want to build our own operating sites as well

A classic case in ten years ago...

Today, we can do it better



## Flyover Canada 2013

- **Capacity:** 61 Seats
- **Utilization:** 60%
- **Model:** i-Ride
- **Investment:** US\$19m
- **ATP:** US\$22
- **Annual revenue:** US\$11m
- **IRR:** 35%
- **NPV:** US\$30M



## IRR improved greatly through new technologies

- **Capacity:** 90 Seats
- **Utilization:** 60%
- **Model:** o-Ride
- **Investment:** US\$12m
- **ATP:** US\$22
- **Annual revenue:** US\$16m
- **IRR:** 70%
- **NPV:** US\$55M

More capacity!

+

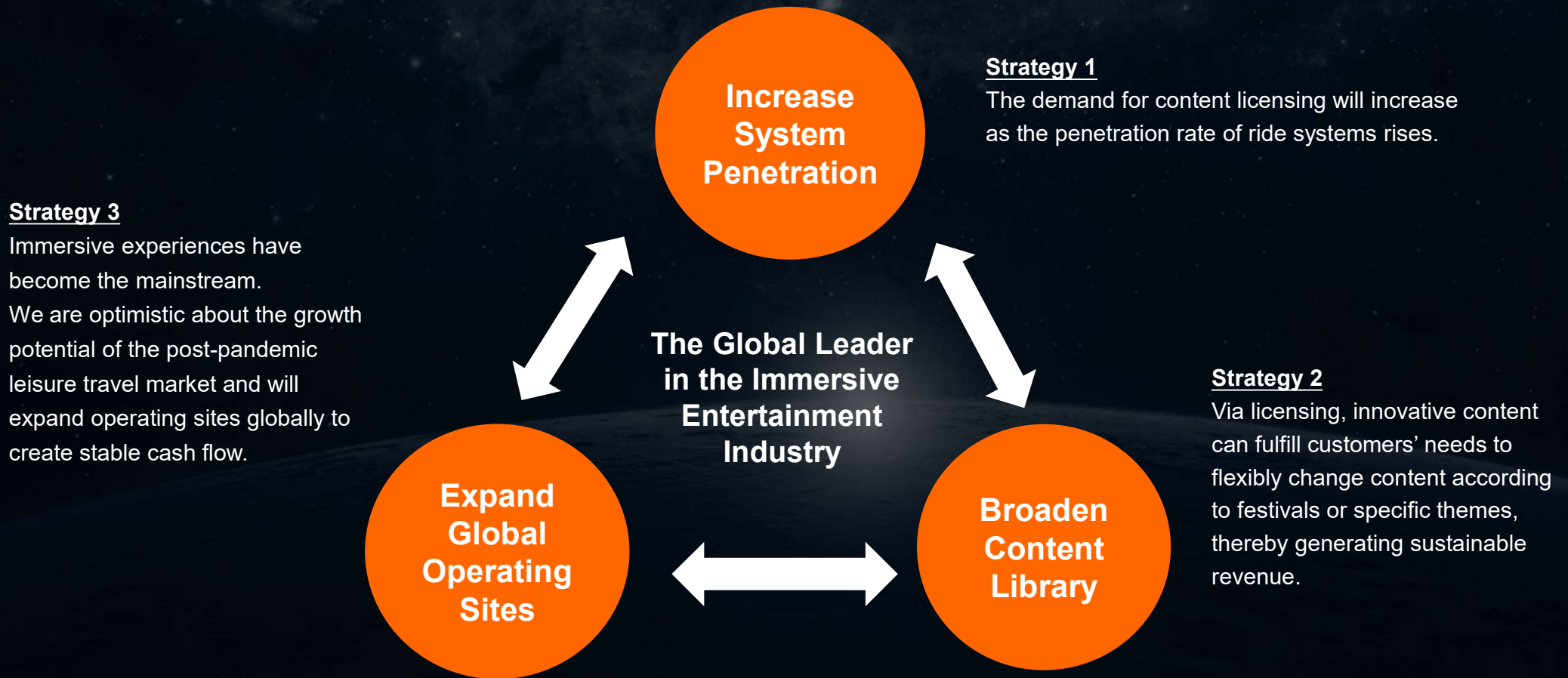
Significant  
cost reduction!

||

IRR improved  
greatly!



# Our 3 Major Business Strategies



**AN AMAZING JOURNEY IS ABOUT TO TAKE FLIGHT  
JOIN US!**

**BROGENT**  
TECHNOLOGIES INC.

For more information,  
please visit our company website at  
<https://www.brogent.com/>