Safe Harbor Notice

The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but they involve risks & uncertainties. Our actual results of operations & financial condition may differ significantly from those contained in the projections & estimates. The projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.
2017 Financial Results
Business & Products
Q&A
Financial Results
(Un-audited)
Financial Highlights

• **2017**
  • Revenue NT$1,704.2M, -10.1% Y/Y. Gross Profit NT$1,505.7M, -8.2% Y/Y
    ➢ In USD, Revenue $56.0M, -4.7% Y/Y. Gross Profit US$49.5M, -2.7% Y/Y
  • Operating Income NT$588.8M, -20.1% Y/Y and operating margin reached 34.6%
    ➢ In USD, Operating Income $19.3M with -15.3% Y/Y
  • Net Income NT$241.6M, basic EPS after tax hit $2.72
    • 2017 Average FX rate USD/TWD=30.43
    • 2016 Average FX rate USD/TWD=32.26

• **Balance Sheet**
  • Cash, cash equivalent & short-term investment at NT$2,922.6M as of end of 2017, accounting for 56.9% of total asset. No debt.
## Consolidated Income Statement 2017

<table>
<thead>
<tr>
<th>In NT$K</th>
<th>2017</th>
<th>%</th>
<th>2016</th>
<th>%</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>1,704,178</td>
<td>100.0%</td>
<td>1,895,941</td>
<td>100.0%</td>
<td>-10.1%</td>
</tr>
<tr>
<td><strong>Cost of goods Sold</strong></td>
<td>(198,493)</td>
<td>11.6%</td>
<td>(255,185)</td>
<td>13.5%</td>
<td>-22.2%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1,505,685</td>
<td>88.4%</td>
<td>1,640,756</td>
<td>86.5%</td>
<td>-8.2%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>(916,877)</td>
<td>53.8%</td>
<td>(904,175)</td>
<td>47.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(350,596)</td>
<td>20.6%</td>
<td>(347,474)</td>
<td>18.3%</td>
<td>0.9%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(448,756)</td>
<td>26.3%</td>
<td>(434,011)</td>
<td>22.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(117,525)</td>
<td>6.9%</td>
<td>(122,690)</td>
<td>6.5%</td>
<td>-4.2%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>588,808</td>
<td>34.6%</td>
<td>736,581</td>
<td>38.9%</td>
<td>-20.1%</td>
</tr>
<tr>
<td><strong>Non Operating Income (Loss)</strong></td>
<td>(222,313)</td>
<td>-13.1%</td>
<td>(232,601)</td>
<td>-12.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Foreign Exchange Income (Loss)</td>
<td>(107,125)</td>
<td>-6.3%</td>
<td>(57,579)</td>
<td>-3.0%</td>
<td>-86.0%</td>
</tr>
<tr>
<td>Investment Income (Loss)</td>
<td>(217,471)</td>
<td>-12.8%</td>
<td>(289,210)</td>
<td>-15.3%</td>
<td>24.8%</td>
</tr>
<tr>
<td>Other Income (Loss)</td>
<td>102,283</td>
<td>6.0%</td>
<td>114,188</td>
<td>6.0%</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>366,495</td>
<td>21.5%</td>
<td>503,980</td>
<td>26.6%</td>
<td>-27.3%</td>
</tr>
<tr>
<td>Income after Tax</td>
<td>241,557</td>
<td>14.2%</td>
<td>303,496</td>
<td>16.0%</td>
<td>-20.4%</td>
</tr>
<tr>
<td>Basic EPS after Tax (in NT$)</td>
<td>2.72</td>
<td></td>
<td>3.15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Create vs. Play

Create: Products of Creativity, burning, media management and others.

Play: Products of playback, media server/client, codec pack, etc.

B2B vs. B2C

B2B: Conventional hardware bundling.

B2C&Others: Direct sales to end users, site license, project income, etc.
Business & Products
Business & Products

• Transformation of business model continues. Expect to see performances in the 2nd half of 2018
  • Sales Channel – more revenue from B2C channels
  • Product – more revenue from non-ODD related products
  • New Market Segment – Work (U Webinar/Meeting/Messenger)

• Persistent investment in innovative technologies
  • Artificial Intelligence (AI)

• Media report about Perfect Corp.
CyberLink Product Offering: CREATE, PLAY, WORK

• CREATE
  • Video Editing: **PowerDirector** & ActionDirector
  • Photo Editing: **PhotoDirector** & MakeupDirector
  • Color Grading: ColorDirector
  • Audio Editing: AudioDirector

• PLAY
  • **PowerDVD** (DVD/BD/UHD-BD) + VR/360
  • PowerMediaPlayer MR

• WORK
  • **U-Meetings, U-Webinars, U-Messenger** for business collaboration & education webinars
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• Media report about \textit{Perfect玩美移動}
Continued transformation on business model (1/2)

<table>
<thead>
<tr>
<th>Overall</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C</td>
<td>45.9%</td>
<td>56.5%</td>
<td>61.4%</td>
<td>62.9%</td>
</tr>
<tr>
<td>B2B</td>
<td>54.1%</td>
<td>43.5%</td>
<td>38.6%</td>
<td>37.1%</td>
</tr>
</tbody>
</table>

**Channel Transformation**
- B2C grew from 46% (2014) to 63% (2017)
- This trend will continue in 2018

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>non-ODD</td>
<td>57.5%</td>
<td>56.8%</td>
<td>56.2%</td>
<td>63.5%</td>
</tr>
<tr>
<td>ODD</td>
<td>42.5%</td>
<td>43.2%</td>
<td>43.8%</td>
<td>36.5%</td>
</tr>
</tbody>
</table>

**Product Transformation**
- For B2C revenue, non-ODD revenue grew from 58% (2014) to 64% (2017)
- This trend will continue in 2018
Continued transformation on business model (2/2)

New Market Segment (Work)
Communication Tools Designed for Today’s Corporates & Education Organizations

Distance Presentation
Presenters to deliver engaging and interactive online presentations

Video Conference
Freedom to join a video meeting from anywhere on any devices

Team Communication
Teammates to communicate & share files at ease

U Webinar

U Meeting

U Messenger
Market Opportunities for

- E-Learning
- Telehealth
- HR Cloud Training
- SMB
U Webinar/ U Meeting is getting strong market interest

- U Product Seminar on 2/2/2018
Business & Products

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• Media report about Perfect Corp.
Sustained investment on innovative technology—AI

*AI-based Style Transfer on Video/Photo*

CyberLink & Perfect own most demanded innovative technologies – **2A+2R** (2A=AI+AR; 2R=VR+AR)
Business & Products

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• Media report about Perfect Corp.
玩美移動2018年成長動能強

《資訊服務》玩美移動2018年成長動能強
2019年擬IPO

訊連(5203)轉投資的玩美移動今天首次舉辦發展願景分享會，總經理張華禎指出，公司去年第4季收費以來，營收持續成長，預料2018年成長性更大，計畫2019年至少達到損平並且IPO，除了考慮在台灣上市外，也不排除在美國申請掛牌。
Summary

• 2017 Net income reached NT$241.6M and the basic EPS after tax was NT$2.72

• Transformation of business model continues. Expected to see performance in the 2nd half of 2018
  • Sales Channel, Product, New Market Segment (Work)
  • Continue releasing best CREATE & PLAY products and expand new offerings in WORK by U Webinar/Meeting/Messenger

• Persistent investments in AI technologies and new feature developments

• Media report about revenue potentials of Perfect Corp.
For more information about CyberLink: www.CyberLink.com

For IR inquiries, suggestions and comments: investor@cyberlink.com

Thank You!