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.
Agenda

- 2019H1 Financial Results
- Business Update
- Q&A
Financial Results (Un-audited)
Financial Highlights

• 2019 1H
  • Revenue NT$676M, -15.5% Y/Y. Gross Profit NT$598M, -15.7% Y/Y
  • Operating Income NT$124M, -46.7% Y/Y, Operating Margin was 18.3%
  • Net Income NT$146M, -19.3% Y/Y, Basic EPS reached $1.74, -18.3% Y/Y

• Balance Sheet
  • Cash, cash equivalent & short-term investment at NT$2,959M as of end of 2019 1H, accounting for 55.9% of total asset. No debt.

• Dividend Distribution
  • The distribution of NT$3.0 cash dividend was approved by Annual General Meeting in June.
### 2019 1H Consolidated IS

<table>
<thead>
<tr>
<th>NT$ (K)</th>
<th>2019 1H</th>
<th>2018 1H</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>676,352</td>
<td>800,794</td>
<td>-15.5%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>(78,328)</td>
<td>(91,301)</td>
<td>-14.2%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>598,024</td>
<td>709,493</td>
<td>-15.7%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>(174,186)</td>
<td>(170,209)</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>S&amp;M</strong></td>
<td>(244,790)</td>
<td>(248,999)</td>
<td>-1.7%</td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>(55,158)</td>
<td>(58,052)</td>
<td>-5.0%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>(474,134)</td>
<td>(477,260)</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>123,890</td>
<td>232,233</td>
<td>-46.7%</td>
</tr>
<tr>
<td><strong>FX Gain (Loss)</strong></td>
<td>13,944</td>
<td>24,771</td>
<td>-43.7%</td>
</tr>
<tr>
<td><strong>Investment Gain (Loss)</strong></td>
<td>(40,922)</td>
<td>(70,407)</td>
<td>41.9%</td>
</tr>
<tr>
<td><strong>Other Income (Loss)</strong></td>
<td>82,502</td>
<td>48,735</td>
<td>69.3%</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>179,414</td>
<td>235,332</td>
<td>-23.8%</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>145,672</td>
<td>180,486</td>
<td>-19.3%</td>
</tr>
<tr>
<td><strong>EPS (NT$)</strong></td>
<td>1.74</td>
<td>2.13</td>
<td>-18.3%</td>
</tr>
</tbody>
</table>

* There is a delay booking of USD920K due to subscription. If added it back, 1H 2019 revenue YoY becomes -12.1%.
<table>
<thead>
<tr>
<th>NT$ (K)</th>
<th>2019 Q2</th>
<th>2019 Q1</th>
<th>Q/Q</th>
<th>2018 Q2</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>349,019</td>
<td>327,333</td>
<td>6.6%</td>
<td>420,479</td>
<td>-17.0%</td>
</tr>
<tr>
<td>COGS</td>
<td>(44,736)</td>
<td>(33,592)</td>
<td></td>
<td>(49,277)</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>304,283</td>
<td>293,741</td>
<td>3.6%</td>
<td>371,202</td>
<td>-18.0%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(85,996)</td>
<td>(88,190)</td>
<td>-2.5%</td>
<td>(83,178)</td>
<td>3.4%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(119,311)</td>
<td>(125,479)</td>
<td>-4.9%</td>
<td>(135,732)</td>
<td>-12.1%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(29,498)</td>
<td>(25,660)</td>
<td>15.0%</td>
<td>(30,419)</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(234,805)</td>
<td>(239,329)</td>
<td>-1.9%</td>
<td>(249,329)</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>69,478</td>
<td>54,412</td>
<td>16.6%</td>
<td>121,873</td>
<td>-43.0%</td>
</tr>
<tr>
<td>FX Gain (Loss)</td>
<td>9,640</td>
<td>4,304</td>
<td>1.3%</td>
<td>60,626</td>
<td>-84.1%</td>
</tr>
<tr>
<td>Investment Gain (Loss)</td>
<td>(16,034)</td>
<td>(24,888)</td>
<td>-7.6%</td>
<td>(27,137)</td>
<td>40.9%</td>
</tr>
<tr>
<td>Other Income (Loss)</td>
<td>38,459</td>
<td>44,043</td>
<td>13.5%</td>
<td>24,953</td>
<td>54.1%</td>
</tr>
<tr>
<td>PBT</td>
<td>101,543</td>
<td>77,871</td>
<td>30.4%</td>
<td>180,315</td>
<td>-43.7%</td>
</tr>
<tr>
<td>PAT</td>
<td>86,889</td>
<td>58,783</td>
<td>47.8%</td>
<td>141,229</td>
<td>-38.5%</td>
</tr>
<tr>
<td>EPS (NT$)</td>
<td>1.04</td>
<td>0.70</td>
<td>48.6%</td>
<td>1.67</td>
<td>-37.7%</td>
</tr>
</tbody>
</table>
Other Financial Related Information

**Invested in Perfect Corp.**
- Lead investor is an international big company with strategic value in growing Perfect’s future business.
- Perfect and the lead investor will announce more details at an appropriate time.

**Selling Office in US**
- CyberLink’s subsidiary, CyberLink.com will be selling an office in US with an estimated earning at USD2.74 million dollars.
  - In the process of closing. Once fully closed, should be booked in Q3.
Business Update
Business Highlights

• A solid **3-year** (2019-2021) plan for strong business growth from new revenue streams

• **FaceMe** (Facial Recognition) is again ranked among the world’s top 20 vendors in the latest NIST-Wild Face Recognition Test. This makes it a **new growth driver** for CyberLink
  • We will heavily invest in FaceMe & AI to make it a big business

• **PC Subscription**-based business model continues to perform well in Q2.
  • Expecting to see good recurring revenue contribution from Q4 this year

• **Two new revenue streams**, iOS & Mac support, are under development and will start significant revenue contribution from 2020
4 New Revenue Growth Drivers

**FACE**

- *FaceMe*
  - Strong Demand
  - Engaged with hundreds of customers in various use cases

**CREATE**

- *SUBSCRIBE*
  - PC Subscription should see rising recurring revenue contribution

**CREATE**

- Complete Platform Coverage – iOS
  - iOS generates higher revenue than Android

**CREATE**

- Complete Platform Coverage – Mac
  - Many content creators are Mac users
FACE
RECOGNITION
VENDOR TEST
## Top 20 Vendors in NIST July 2019 Report (Wild, FMR 1E-4)

<table>
<thead>
<tr>
<th>Vendor Ranking</th>
<th>Company</th>
<th>FNMR</th>
<th>Algorithm Ranking</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hikvision</td>
<td>2.71%</td>
<td>1</td>
<td>China</td>
</tr>
<tr>
<td>2</td>
<td>N-Tech Lab</td>
<td>2.75%</td>
<td>2, 4</td>
<td>Russia</td>
</tr>
<tr>
<td>3</td>
<td>Imperial College London</td>
<td>2.76%</td>
<td>3, 8</td>
<td>UK</td>
</tr>
<tr>
<td>4</td>
<td>DeepGlint</td>
<td>2.78%</td>
<td>5</td>
<td>China</td>
</tr>
<tr>
<td>5</td>
<td>Ever AI</td>
<td>2.78%</td>
<td>6, 15</td>
<td>US</td>
</tr>
<tr>
<td>6</td>
<td>Vocord</td>
<td>2.80%</td>
<td>7, 10</td>
<td>Russia</td>
</tr>
<tr>
<td>7</td>
<td>Toshiba</td>
<td>2.82%</td>
<td>9, 58</td>
<td>Japan</td>
</tr>
<tr>
<td>8</td>
<td>VisionLabs</td>
<td>2.85%</td>
<td>11, 12</td>
<td>Netherlands</td>
</tr>
<tr>
<td>9</td>
<td>Camvi Technologies</td>
<td>2.88%</td>
<td>13, 18</td>
<td>US</td>
</tr>
<tr>
<td>10</td>
<td>Anke Investments</td>
<td>2.88%</td>
<td>14, 20</td>
<td>China</td>
</tr>
<tr>
<td>11</td>
<td>Panasonic R+D Center Singapore</td>
<td>2.95%</td>
<td>16, 56</td>
<td>Japan</td>
</tr>
<tr>
<td>12</td>
<td><strong>CyberLink</strong></td>
<td><strong>2.98%</strong></td>
<td>17</td>
<td><strong>Taiwan</strong></td>
</tr>
<tr>
<td>13</td>
<td>Innovatrics</td>
<td>3.01%</td>
<td>19, 62</td>
<td>Slovak</td>
</tr>
<tr>
<td>14</td>
<td>Hengrui AI Technology Ltd</td>
<td>3.03%</td>
<td>21, 99</td>
<td>China</td>
</tr>
<tr>
<td>15</td>
<td>Neurotechnology</td>
<td>3.03%</td>
<td>22, 38</td>
<td>Lithuania</td>
</tr>
<tr>
<td>16</td>
<td>KanKan Ai</td>
<td>3.04%</td>
<td>23, 26</td>
<td>China</td>
</tr>
<tr>
<td>17</td>
<td>Vigilant Solutions</td>
<td>3.06%</td>
<td>24, 33</td>
<td>US</td>
</tr>
<tr>
<td>18</td>
<td>Saffe Ltd</td>
<td>3.08%</td>
<td>24, 113</td>
<td>Germany</td>
</tr>
<tr>
<td>19</td>
<td>Idemia</td>
<td>3.09%</td>
<td>27, 77</td>
<td>France</td>
</tr>
<tr>
<td>20</td>
<td>Tech5 SA</td>
<td>3.10%</td>
<td>28, 88</td>
<td>South Africa</td>
</tr>
</tbody>
</table>

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Wild Test will test faces at any angle (including profile faces and blurry faces) which is different from test only frontal faces such as in VISA Test.

Major use cases of Wild Test will include Smart Surveillance, Smart City, Smart Retail including scenarios of using security camera to identify VIP or blacklist guests.

CyberLink is ranked as #12 vendor in this test with only 0.27% minor difference from the top vendor. If not including vendors in China and Russia, CyberLink is ranked #7 worldwide.
Global Facial Recognition Market is quickly expanding
Smart Retail: Digital Sign to Smart Kiosk

- Detect and extract customers’ facial attributes
  - Gender/Age/Emotions
FaceMe® – Designed for Smart Solutions

- Smart Banking
- Smart Office
- Smart Home
- Smart Retail
- Mobile Banking
- Digital Sign
- Visitor Profiling
- Door Access
- Surveillance
- Security
- ATM
4 New Revenue Growth Drivers

FACE

Strong Demand
Engaged with hundreds of customers in various use cases

CREATE

PC Subscription should see rising recurring revenue contribution

CREATE

Complete Platform Coverage – iOS
iOS generates higher revenue than Android

CREATE

Complete Platform Coverage – Mac
Many content creators are Mac users
PC-based 365 Subscription Family

Director Suite 365
PowerDirector 365
PhotoDirector 365
PC Active subscribers continue growing!

- 86.8% active subscribers are Annual
- Active subscribers continues to grow rapidly
  - Q2 increase by 10,211
  - Q1 increase by 11,130
  - Expect to exceed 58,000 by end of 2019
  - From these subscribers, expected recurring revenue to exceed $2M in 2020 (assuming renewal rate 65%)
4 New Revenue Growth Drivers

**FACE**

*Powered by CyberLink*

**Strong Demand**

Engaged with hundreds of customers in various use cases

**CREATE**

*SUBSCRIBE*

PC Subscription should see rising recurring revenue contribution

**CREATE**

*Complete Platform Coverage – iOS*

iOS generates higher revenue than Android

**CREATE**

*Complete Platform Coverage – Mac*

Many content creators are Mac users
Apple store's Top non-Game Publishers Are Earning 232% More Than Google Play's on Average

- AND, mobile Users are willing to **pay more & more** for apps

- **Strong Growth.**
  - 2019 YoY: 31% / 43%
  - 2018 YoY: 76% / 69%

(iOS / Android)
Android Apps Performance in H1 2019

- 2019 H1 booked revenue is $1,478K
  - This is pure profit after Google Store tax (30%)
  - Original revenue is $2,112K

- 2019 H1 YoY growth: 113%

- We expect to see strong App revenue growth in 2020:
  - Android version organic growth
  - iOS version will be released in December.
4 New Revenue Growth Drivers

**FACE**
- Strong Demand
  - Engaged with hundreds of customers in various use cases

**CREATE**
- Rising recurring revenue contribution & lowering retention spend

**CREATE**
- Complete Platform Coverage – iOS
  - iOS generates higher revenue than Android

**CREATE**
- Complete Platform Coverage – Mac
  - Many content creators are Mac users
Many content creators are Mac users
Paid video editing software for Mac
(much less competition in the market)

Professional

Prosumer

to be released by
2020/E

Consumer
With full support of all 4 platforms, the **brand awareness** and the **subscriber number** would both benefit & grow.
Major Milestone

- **2018**
  - PC Subscription 1st Annual Renewal
  - 2019 Q4

- **2019 Q4**
  - iOS Coverage

- **2020 Q1**
  - 2020 Q1

- **2020 Q4**
  - Mac Coverage

Powered by CyberLink FaceMe®
New Revenue Streams Into Next 3 years

<table>
<thead>
<tr>
<th>Product</th>
<th>Revenue Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>PC Subscription</td>
<td></td>
</tr>
<tr>
<td>iOS App support</td>
<td>High contribution</td>
</tr>
<tr>
<td>Mac support</td>
<td>High contribution</td>
</tr>
<tr>
<td>FaceMe &amp; AI</td>
<td>Very high contribution</td>
</tr>
</tbody>
</table>
Summary

• Expecting 2019H2 to be better than 2019H1 in terms of revenue. 2020 will be better than 2019. 2021 will remain strong.

• Starting from 2020, there will be 5 growth indicators:
  • FaceMe & AI
    • Very high business potential, we will invest heavily in this new business opportunity
  • PC Subscription: recurring revenue
  • iOS platform support
  • Mac platform support
  • Perfect Corp. investment performance
For more information about CyberLink:
www.CyberLink.com

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

Thank You!