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

- 2019 1-3Q Financial Results
- Business Update
- Q&A
Financial Results
(Un-audited)
Financial Highlights

• **2019 Q3**
  - Revenue NT$377M, **-0.0% Y/Y**. Gross Profit NT$321M, **-3.2% Y/Y**
  - Operating Income NT$64M, **-25.2% Y/Y**, Operating Margin was 16.9%
  - Net Income NT$142M, **up 108.7% Y/Y**, Basic EPS reached $1.69, **up 111.3% Y/Y**

• **2019 1-3Q**
  - Revenue NT$1,053M, **-10.6% Y/Y**. Gross Profit NT$919M, **-11.7% Y/Y**
  - Operating Income NT$187M, **-40.9% Y/Y**, Operating Margin was 17.8%
  - Net Income NT$288M, **up 15.8% Y/Y**, Basic EPS reached $3.44, **up 17.4% Y/Y**

• **Balance Sheet**
  - Cash, cash equivalent & short-term investment at NT$2,683M as of end of 2019 Q3, accounting for 48.9% of total asset.
Other Financial Related Information

Revenue booking
• Net new deferred revenue was NT$ 5.72 million in Q3 and total deferred revenue grew to NT$ 34.28 million
• Estimated recurring revenue contributed by PC subscription in 2020 will exceed US$2 million

Selling Office in US
• CyberLink’s subsidiary, CyberLink.com, sold an office in US with a disposal gain US$ 3.08 million (equivalent to NT$ 95.93 million) booked in Q3
### 2019 Q3 Consolidated IS

<table>
<thead>
<tr>
<th></th>
<th>2019 Q3</th>
<th>2019 Q2</th>
<th>Q/Q</th>
<th>2018 Q3</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>376,859</td>
<td>349,019</td>
<td>100.0%</td>
<td>376,970</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>-55,928</td>
<td>-44,736</td>
<td>-14.8%</td>
<td>-45,409</td>
<td>-12.0%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>320,931</td>
<td>304,283</td>
<td>85.2%</td>
<td>331,561</td>
<td>88.0%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>-90,492</td>
<td>-85,996</td>
<td>-24.0%</td>
<td>-85,269</td>
<td>-22.6%</td>
</tr>
<tr>
<td><strong>S&amp;M</strong></td>
<td>-136,488</td>
<td>-119,311</td>
<td>-36.2%</td>
<td>-130,440</td>
<td>-34.7%</td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>-30,414</td>
<td>-29,498</td>
<td>-8.1%</td>
<td>-30,868</td>
<td>-8.2%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>-257,394</td>
<td>-234,805</td>
<td>-68.3%</td>
<td>-246,577</td>
<td>-65.5%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>63,537</td>
<td>69,478</td>
<td>16.9%</td>
<td>84,984</td>
<td>22.5%</td>
</tr>
<tr>
<td><strong>FX Gain (Loss)</strong></td>
<td>-1,497</td>
<td>9,640</td>
<td>-0.4%</td>
<td>-115.5%</td>
<td>6,278</td>
</tr>
<tr>
<td><strong>Investment Gain (Loss)</strong></td>
<td>-3,457</td>
<td>-16,034</td>
<td>-0.9%</td>
<td>78.4%</td>
<td>-41,003</td>
</tr>
<tr>
<td><strong>Other Income (Loss)</strong></td>
<td>137,843</td>
<td>38,459</td>
<td>36.5%</td>
<td>258.4%</td>
<td>36,903</td>
</tr>
<tr>
<td><strong>Non-operating Income (Loss)</strong></td>
<td>132,889</td>
<td>32,065</td>
<td>35.2%</td>
<td>314.4%</td>
<td>2,178</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>196,426</td>
<td>101,543</td>
<td>52.1%</td>
<td>93.4%</td>
<td>87,162</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>142,130</td>
<td>86,889</td>
<td>37.7%</td>
<td>63.6%</td>
<td>68,111</td>
</tr>
<tr>
<td><strong>EPS (NT$)</strong></td>
<td>1.69</td>
<td>1.04</td>
<td>62.5%</td>
<td>0.80</td>
<td>111.3%</td>
</tr>
</tbody>
</table>

* There is a deferred revenue of NTD 5.72M due to subscription. If added it back, 2019 Q3 operating income becomes NTD 69.26M and YoY becomes -18.5%.
# 2019 1-3Q Consolidated IS

<table>
<thead>
<tr>
<th>NT$ (K)</th>
<th>2019 1-3Q</th>
<th>2018 1-3Q</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,053,211</td>
<td>1,177,764</td>
<td>-10.6%</td>
</tr>
<tr>
<td>COGS</td>
<td>-134,256</td>
<td>-136,710</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>918,955</td>
<td>1,041,054</td>
<td>-11.7%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-264,678</td>
<td>-255,478</td>
<td>3.6%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>-381,278</td>
<td>-379,439</td>
<td>0.5%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-85,572</td>
<td>-88,920</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>-731,528</td>
<td>-723,837</td>
<td>1.1%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>187,427</td>
<td>317,217</td>
<td>-40.9%</td>
</tr>
<tr>
<td>FX Gain (Loss)</td>
<td>12,447</td>
<td>31,049</td>
<td>-59.9%</td>
</tr>
<tr>
<td>Investment Gain (Loss)</td>
<td>-44,379</td>
<td>-111,410</td>
<td>60.2%</td>
</tr>
<tr>
<td>Other Income (Loss)</td>
<td>220,345</td>
<td>85,638</td>
<td>157.3%</td>
</tr>
<tr>
<td>Non-operating Income (Loss)</td>
<td>188,413</td>
<td>5,277</td>
<td>3470.5%</td>
</tr>
<tr>
<td>PBT</td>
<td>375,840</td>
<td>322,494</td>
<td>16.5%</td>
</tr>
<tr>
<td>PAT</td>
<td>287,802</td>
<td>248,597</td>
<td>15.8%</td>
</tr>
<tr>
<td>EPS (NT$)</td>
<td>3.44</td>
<td>2.93</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

* There is a deferred revenue of NTD 34.28M due to subscription. If added it back, 2019 1-3Q revenue YoY becomes -7.7%, and operating income YoY becomes -30.1%.
Business & Product Update
Development of 4 New Revenue Growth Drivers are on the Right Track

FACE

Strong Demand

CREATE

PC Subscription should see rising recurring revenue contribution

CREATE

Complete Platform Coverage – iOS

iOS can generate higher revenue than Android

CREATE

Complete Platform Coverage – Mac

Many content creators are Mac users
Business Highlights from Q3 2019

• **PowerDirector 18** won the 10th consecutive Editors’ Choice in past 10 years, proved to be one of the world’s best video editing software.

• **PC Subscription** continued to perform well in Q3, and we expect Q4 performance to remain strong
  • Expecting to see good recurring revenue contribution starting from Q4 this year

• **FaceMe** (Facial Recognition) is quickly expanding, will become a significant growth driver of CyberLink in 2020.

• **AI-based License Plate Recognition solution** is ready for market promotion, can combine with FaceMe as a total solution for Security as well as a solution for smart parking lots.
  • May start generating revenue in H2 2020

• **U Communication Suite** partner with Chunghwa Telecom to be promoted to its customers.
  • May start generating revenue in 2020
PowerDirector 18
(10 PC Mag Editors’ Choices in a row, from v9 to v18)
PC Active Subscribers Continue Growing!

- Active subscribers continues to grow rapidly
  - Q2 increase by 10,211
  - Q3 increase by 11,151
  - Expect to exceed 58,000 by end of 2019
    - From these subscribers, expected recurring revenue to exceed $2M in 2020
      - assuming renewal rate 65%
      - Based on the data from 9/20 to 10/20, the actual renew rate from annual subscribers is 70%

- 90.4% active subscribers are Annual subscribers
- 2019 Q1-Q3 booked revenue is $3,058K
  - Note: 2018 numbers includes the Google Play 30% transaction fee for a fair apple-to-apple comparison

- We expect to see strong App revenue growth in 2020
  - Android version organic growth
  - iOS version will be released in December, expected to generate revenue in 2020.
AI License Plate Recognition

Parking Lot Entrance/Exit
In Smart Building and Smart Parking, it can recognize license plate and driver’s face, as an exit verification criterion, to prevent car stealing.

Police Patrol System
With police dash cam, it can instantly identify license plates and verify a stolen vehicles from the database.
Summary

• Expecting revenue of 2019Q4 continues to grow and remain this growing momentum in coming years.

• Starting from 2020, there will be 5 growth indicators:
  • **FaceMe & AI (License Plate Recognition & others)**
    • High business potential. Other than face recognition and car license plate recognition, we are also developing other related AI technologies.
  • **PC Subscription**: recurring revenue, would increase year over year.
  • **iOS** platform support (start contributing revenue from 2020)
  • **Mac** platform support (start contributing revenue from 2021)
  • **Perfect** Corp. investment performance
For more information about CyberLink:
www.CyberLink.com

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

Thank You!