CyberLink (5203.TW)
2020 Q4 Investor Conference
The Innovative Solution Provider for CREATE, PLAY & CONNECT of Digital Media, and Facial Recognition & AI.

February 24th, 2021
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

- 2020 Q4 Financial Results
- Business Update
Key Points

• Overall, we are pleased about 2020 Q4 performance and remain positive on future direction of products and business model, and remain bullish on future growth
  • CREATE B2C (PC & App) would maintain its pace of strong growth
  • Stronger market demand on FaceMe business

• Revenue (USD-denominated) of 3 growing segments +66% YoY in Q4’20; their revenue contribution grew from 40% in Q4’19 to 57% in Q4’20
  • PC-Create (B2C): +31% YoY
  • Mobile App: +80% YoY
  • New Biz: +1045% YoY

• 2020 Q4 financial performance:
  • In line with our expectation, higher S&M and R&D expense caused operating profit -11.4% YoY
  • Unexpectedly, higher investment loss caused net profit -88.9% YoY. However, it’s an one-off event and has no impact to core business.
Perfect Corp.

- Perfect Corp. raised US$50M Series C led by Goldman Sachs, a leading global investment bank, with an offering price, US$ 0.6829 per share, which was almost double compared to previous round.
- The new funding will be used in scaling up operations, AI tech investment and global market expansion.
- Post-Series C, CyberLink hold 38.3% shares and Perfect’s valuation is around US$ 370M. Also, due to higher company valuation, there was a valuation loss caused by financial liabilities and one-time expense for Series C (e.g. attorney’s fees) which attributed investment loss around NT$ 53M for CyberLink.
Financial Results
(Un-audited)
Financial Highlights

2020 Q4 IS
- Revenue NT$437M, +8.8% YoY
- Operating profit NT$ 63M, -11.4% YoY
- Net profit NT$10M, -88.9% YoY
- EPS NT$0.13, -88.1% YoY

2020 IS
- Revenue NT$1,641M, +12.8% YoY
- Operating profit NT$ 237M, -8.2% YoY
- Net profit NT$188M, -50.4% YoY
- EPS NT$2.26, -50.1% YoY

2020 Q4 revenue +8.8% YoY; operating profit -11.4% YoY
- S&M and R&D expense increased
  - S&M expense increased around NT$40M YoY, up 28.3% YoY, and we don’t expect the Ads spending will increase much in 2021
  - RD expense increased around NT$16M more YoY, up 14.8% YoY

2020 Q4 Net profit -88.9% YoY; EPS NT$0.13
- Investment loss increased around NT$88M YoY, which was mainly attributed by one-time expense for Series C and valuation loss from financial liabilities due to higher company valuation of Perfect Corp. after Series C.
## 2020 Q4 Consolidated IS

<table>
<thead>
<tr>
<th>NT$ (K)</th>
<th>2020 Q4</th>
<th>2020 Q3</th>
<th>QoQ</th>
<th>2019 Q4</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>436,873</td>
<td>432,148</td>
<td>1.1%</td>
<td>401,435</td>
<td>8.8%</td>
</tr>
<tr>
<td>COGS</td>
<td>-41,181</td>
<td>-56,076</td>
<td>-13.0%</td>
<td>-53,715</td>
<td>-23.3%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>395,692</td>
<td>376,072</td>
<td>5.2%</td>
<td>347,720</td>
<td>13.8%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-120,739</td>
<td>-108,838</td>
<td>10.9%</td>
<td>-105,206</td>
<td>14.8%</td>
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<tr>
<td>S&amp;M</td>
<td>-180,249</td>
<td>-167,443</td>
<td>7.6%</td>
<td>-140,532</td>
<td>28.3%</td>
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<tr>
<td>G&amp;A</td>
<td>-31,670</td>
<td>-29,047</td>
<td>9.0%</td>
<td>-30,832</td>
<td>2.7%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>-332,658</td>
<td>-305,328</td>
<td>9.0%</td>
<td>-276,570</td>
<td>20.3%</td>
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<tr>
<td>Operating Income</td>
<td>63,034</td>
<td>70,744</td>
<td>-10.9%</td>
<td>71,150</td>
<td>-11.4%</td>
</tr>
<tr>
<td>FX Gain (Loss)</td>
<td>-15,252</td>
<td>-12,537</td>
<td>-21.7%</td>
<td>-29,984</td>
<td>49.1%</td>
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<tr>
<td>Investment Gain (Loss)</td>
<td>-52,962</td>
<td>-11,876</td>
<td>-346.0%</td>
<td>34,807</td>
<td>-252.2%</td>
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<tr>
<td>Other Income (Loss)</td>
<td>34,476</td>
<td>22,529</td>
<td>53.0%</td>
<td>23,778</td>
<td>45.0%</td>
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<tr>
<td>Non-operating Income (Loss)</td>
<td>-33,738</td>
<td>-1,884</td>
<td>-1690.8%</td>
<td>28,601</td>
<td>-218.0%</td>
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<tr>
<td>PBT</td>
<td>29,296</td>
<td>68,860</td>
<td>-57.5%</td>
<td>99,751</td>
<td>-70.6%</td>
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<tr>
<td>PAT</td>
<td>10,229</td>
<td>52,039</td>
<td>-80.3%</td>
<td>92,143</td>
<td>-88.9%</td>
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<tr>
<td>EPS (NT$)</td>
<td>0.13</td>
<td>0.63</td>
<td>-79.4%</td>
<td>1.09</td>
<td>-88.1%</td>
</tr>
</tbody>
</table>
# 2020 Consolidated IS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,640,662</td>
<td>1,454,646</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>-185,805</td>
<td>-187,971</td>
<td>-1.2%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1,454,857</td>
<td>1,266,675</td>
<td>14.9%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>-427,753</td>
<td>-369,884</td>
<td>15.6%</td>
</tr>
<tr>
<td><strong>S&amp;M</strong></td>
<td>-673,802</td>
<td>-521,810</td>
<td>29.1%</td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>-115,853</td>
<td>-116,404</td>
<td>-0.5%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>-1,217,408</td>
<td>-1,008,098</td>
<td>20.8%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>237,449</td>
<td>258,577</td>
<td>-8.2%</td>
</tr>
<tr>
<td><strong>FX Gain (Loss)</strong></td>
<td>-41,081</td>
<td>-17,537</td>
<td>-134.3%</td>
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<tr>
<td><strong>Investment Gain (Loss)</strong></td>
<td>-50,653</td>
<td>-9,572</td>
<td>-429.2%</td>
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<tr>
<td><strong>Other Income (Loss)</strong></td>
<td>107,901</td>
<td>244,123</td>
<td>-55.8%</td>
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<tr>
<td><strong>Non-operating Income (Loss)</strong></td>
<td>16,167</td>
<td>217,014</td>
<td>-92.6%</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>253,616</td>
<td>475,591</td>
<td>-46.7%</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>188,421</td>
<td>379,945</td>
<td>-50.4%</td>
</tr>
<tr>
<td><strong>EPS (NT$)</strong></td>
<td>2.26</td>
<td>4.53</td>
<td>-50.1%</td>
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</tbody>
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Business & Product Update
2020 Q4 Product Mix

- Robust growth in revenue +80% YoY
- +31% YoY in revenue which is contributed by growth of subscribers and renewal revenue
- +1045% YoY in revenue
- Revenue -17% YoY which was attributed by OEM bundle business

• 2020 Q4 topline growth is 16% YoY & revenue of 3 growing segments up 66% YoY
2020 Product Mix

- +27% YoY in revenue which is contributed by growth of subscribers and renewal revenue
- 29% PC-Create (B2C)
- 15% Mobile APP
- 50% PC-OEM, ODD & Others
- 6% New Biz
- +1096% YoY in revenue
- Revenue -5% YoY which was attributed by OEM bundle business and PowerDVD

- 2020 topline growth is 18% YoY & revenue of 3 growing segments up 57% YoY

*USD-denominated
Product Mix YoY Trend

**2020 Q4**
- US$ 5.2M
  - 29% (10% 60%)
  - 33% (15% 43%)
- US$ 8.6M

**2020**
- US$ 17.6M
  - 27% (10% 62%)
  - 29% (15% 50%)

**2019**
- US$ 17.6M
  - 27% (10% 62%)

**2019 Q4**
- US$ 5.2M
  - 29% (10% 60%)
  - 9% (6% 43%)

**2020 Q4**
- US$ 8.6M
  - 33% (15% 43%)

+66% YoY

*Revenue of 3 growing segments maintain strong growth pace*

- PC-Create (B2C)
- Mobile APP
- New Biz
- PC-OEM, ODD & Others

*USD-denominated
• Expect PowerDirector macOS version which were released in December will contribute revenue growth in coming quarters.
PC-CREATE(B2C) Subscription Continue to Grow

- Number of subscribers increased significantly by 18,415 in 2020 Q4
- Annual subscriber accounts for 94% of total subscribers in 2020 Q4
- Expect total subscriber will continue to grow and the increase of new and renewal subscribers creates solid and foreseeable growing trend
2. Mobile App Revenue Trend

- App revenue grew 80% YoY in Q4’20 and 74% in 2020
- Expect the revenue of this segment continue to grow in 2021

*USD-denominated
3. FaceMe Revenue Trend

- Based on latest NIST report, FaceMe® ranked 6th globally in WILD 1E-5 and ranked 1st if excluding vendors from China.
- Newly released FaceMe® eKYC and fintech solution can be applied for identity verification, or second factor authentication while maintaining the high level of security.
- Positive on long-term market demand for facial recognition technology and continue to expand market presence.

<table>
<thead>
<tr>
<th></th>
<th>2019 Q4</th>
<th>2020 Q4</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>US$K</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019 Q4</td>
<td>3,789</td>
<td>4,961</td>
<td>7,969</td>
<td>16,172</td>
</tr>
<tr>
<td>2020 Q4</td>
<td>1,298</td>
<td>2,341</td>
<td>6,583</td>
<td>8,119</td>
</tr>
<tr>
<td>1045% YoY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>116</td>
<td>1,333</td>
<td>7,969</td>
<td>27,945</td>
</tr>
<tr>
<td>2020</td>
<td>285</td>
<td>3,406</td>
<td>12,685</td>
<td>16,172</td>
</tr>
<tr>
<td>1096% YoY</td>
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</tbody>
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*USD-denominated
4. PC-OEM, ODD & Others

- Revenue down 17% YoY in Q4’20 and down 5% YoY in 2020 which is attributed by PC-OEM and PowerDVD
- Expect a mild decline in 2021
2021 Key Focus

CREATE

- Continue to deepen CREATE market presence for both PC/Mac and Mobile App
- Continuous product refinement and digital marketing enhancement to attract more subscriber and raise retention rate
- PowerDirector 365 macOS version was released in Q4’20 and 4 major OS platform were covered which can further increase brand awareness and subscribers.

FaceMe

- Partnership with leading AIoT and SoC companies to speed up the global penetration in AIoT industries and provide comprehensive application to expand customer base
- Build up more use case, e.g. eKYC in smart banking
- Strengthen digital marketing and build up global leader brand image.
For more information about CyberLink:

www.CyberLink.com

For IR inquiries, suggestions and comments:

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Thank You!