



CyberLink

CREATE | PLAY | CONNECT
+ + + + +
FACEME & AI + + + + +

CyberLink (5203.TW) Investor Conference

The Innovative Solution Provider for **CREATE, PLAY & CONNECT** of Digital Media,
and **Facial Recognition & AI**.

April 14, 2022

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

- ◆ CyberLink's Spin Off - "Perfect Corp." to be listed on Nasdaq (hopefully Q3, 2022) by SPAC merger with Provident Acquisition Corp.
- ◆ CyberLink Business Transformation Success (2019-2021)
- ◆ CyberLink Business Growth Focus (2022-2024)
- ◆ CyberLink 2022 Outlook and Growth Strategy

CyberLink's Spin Off - "Perfect Corp." to be listed on Nasdaq
by SPAC merger with Provident Acquisition Corp.

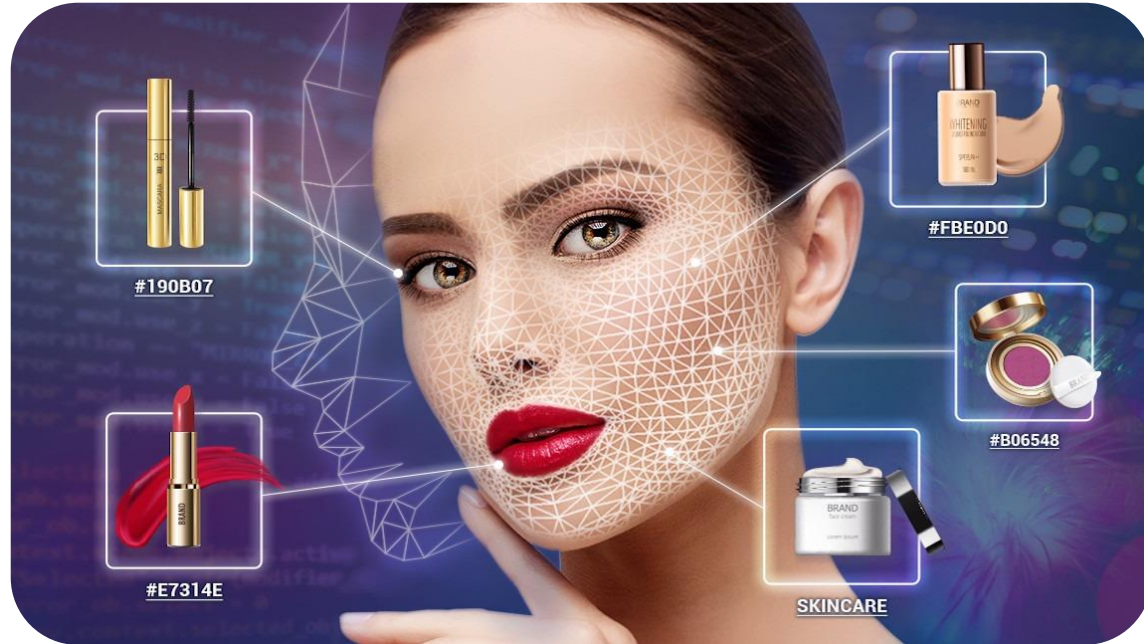
**SPAC Merger
Enterprise Value
US\$ 1.02B**

PERFECT

**The first software unicorn
from Taiwan to be listed on
NASDAQ!!**

 Nasdaq Ticker symbol : PERF

Perfect Corp. Highlights



AI + AR in Beauty Tech

- Perfect Corp is a spin-off from CyberLink in 2015
- Learn more about Perfect operations and the SPAC transaction:
 - <https://www.perfectcorp.com/business/investors>

- 1 The #1 Beauty SaaS Company in AI/AR BeautyTech
- 2 Over 400+ Global Beauty Brand Partners
- 3 Global Partners with Google, Snap and Facebook (Meta)
- 4 Full line of Beauty Tech for Makeup, Skincare, Hair & Fashion accessories.

The No.1 beauty tech solution provider

CyberLink's Potential Investment Gain on Perfect Corp.

- While Perfect got listed on Nasdaq as planned, CyberLink's ownership expect to be valued at **US\$366M**.
- CyberLink investment on Perfect expects to embrace **10X return**.
 - CyberLink has invested US\$36M on Perfect Corp (seed funding and series funding)

Perfect Valuation Rise vs CyberLink Investment Loss on Accounting

Perfect Valuation Rise

- Perfect received a significant valuation increase from SPAC IPO.
- Perfect Corp's **Convertible Preferred Shares** are classified as **financial liabilities** booked on Perfect's financial report in accordance with International Financial Reporting Standards (IFRS) requirement.
- **The increase in Perfect corporate valuation drives up the value of above financial liabilities, leading to a sizable net loss on Perfect.**

CyberLink recognizes Investment loss on Perfect

Operating Income

- Consolidated revenue for 2021 full year **NT\$1,577 million**.
- CyberLink **operating income of NT\$196.88 million** for 2021.

Non Operating Income

- Cyberlink adopts **the equity method** to recognize its investment gains and losses on Perfect.
- CyberLink recognized **an investment loss of NT\$796 million** for 2021, and total non-operating loss of NT\$698 million for 2021.

Net Income (Loss)

- **Net loss of NT\$562.76 million** for the full year of 2021.
- **EPS, net loss per share is NT\$ -7.21** for the year 2021.

CyberLink Financial Performance

Revenue expressed in NT\$ Millions
EPS expressed in NTD

2021 Q4 Income Statement

- Revenue NT\$408.5M , -6.5% YoY
- Operating Profit NT\$51M , -18.8% YoY
- Net Profit NT\$ -708.5 M
- EPS NT\$ -9.25

2021 Full Year Income Statement

- Revenue NT\$1577M , -3.9% YoY
- Operating Profit NT\$196.88M , -17% YoY
- Net Profit NT\$ -562.76 M
- EPS NT\$ -7.21

CyberLink 2021 Consolidated Income Statement

Revenue expressed in NT\$ Thousands
EPS expressed in NTD

NT\$ Thousands	2021		2020		YoY
Revenue	1,577,069	100.0%	1,640,662	100.0%	-3.9%
COGS	(255,296)	-16.2%	(282,826)	-17.2%	-9.7%
Gross Profit	1,321,773	83.8%	1,357,836	82.8%	-2.7%
R&D	(476,100)	-30.2%	(427,753)	-26.1%	11.3%
S&M	(531,170)	-33.6%	(576,781)	-35.1%	-7.9%
G&A	(117,621)	-7.5%	(115,853)	-7.1%	1.5%
Operating Expense	(1,124,891)	-71.3%	(1,120,387)	-68.3%	0.4%
Operating Income	196,882	12.5%	237,449	14.5%	-17.1%
FX Gain (Loss)	(14,278)	-0.9%	(41,081)	-2.5%	-65.2%
Investment Gain (Loss)	(796,163)	-50.5%	(50,653)	-3.1%	1471.8%
Other Income (Loss)	112,006	7.1%	107,901	6.6%	3.8%
Non-operating Income (Loss)	(698,435)	-44.3%	16,167	1.0%	turn negative
Income before Tax	(501,553)	-31.8%	253,616	15.5%	turn negative
Net Income	(562,766)	-35.7%	188,421	11.5%	turn negative
EPS (NT\$)	(7.21)		2.26		

CyberLink Dividend Distribution to Shareholders

- CyberLink's recent announcement on cash distribution for year 2021 by board of directors' resolution :
 - Date of the board of directors resolution: March 29th , 2022
 - Cash distribution from legal reserve and capital surplus to shareholders : **NT\$ 1.72 per share**
 - Total amount of cash distribution to shareholders : NT\$:135,345,596

Year	Cash Distribution (NT\$ per share)
2021	1.72

- CyberLink drives business transformation (2016-2020) on solid financial foundation, with proven track record in distributing dividends to shareholders every year.

Year	Cash Dividend (NT\$ per share)
2020	2.262
2019	3.638
2018	2.990
2017	1.691
2016	1.700

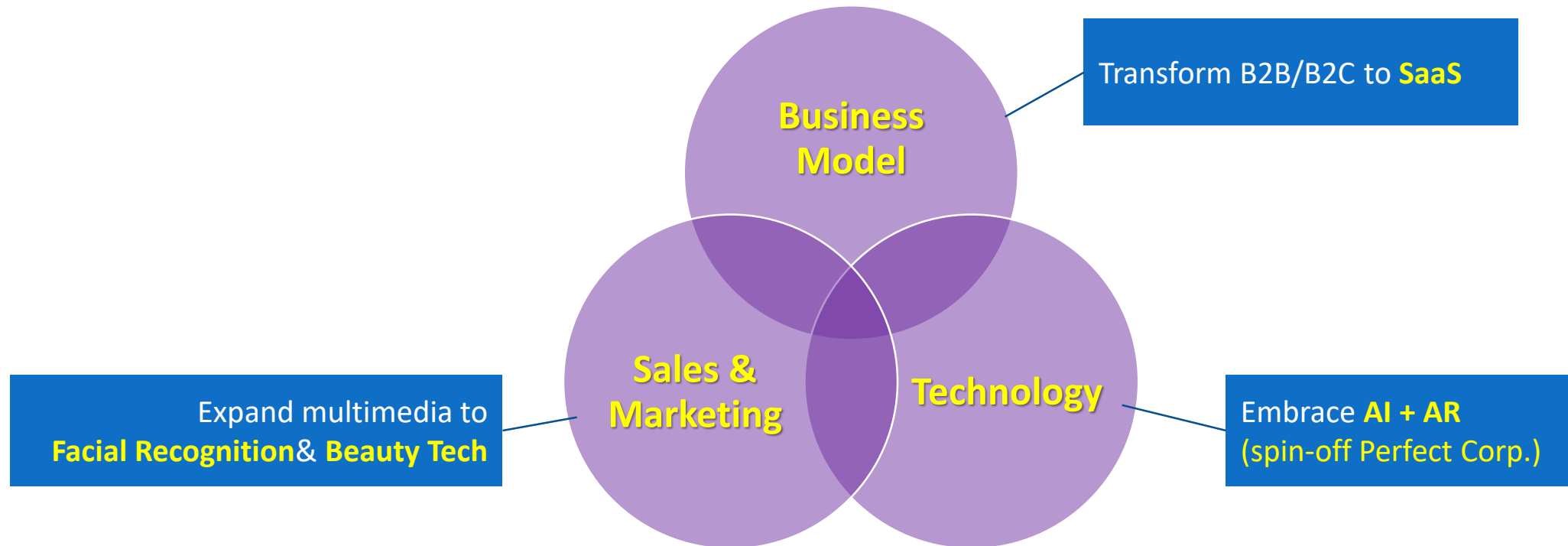
CyberLink Business Model Transformation Success

(2019-2021 performance)

Overall, the Phase-1 3-year Business Transformation (2019-2021) is a success.

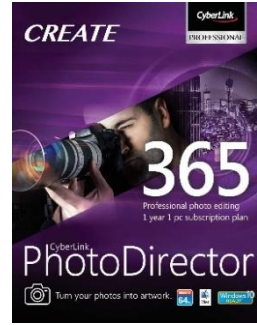
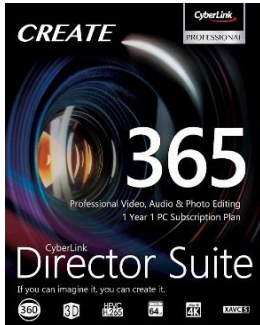
Business Model Transformation

1. Transform B2B/B2C to **SaaS**
2. Expand multimedia to **Facial Recognition & Beauty Tech**
3. Embrace **AI+AR**



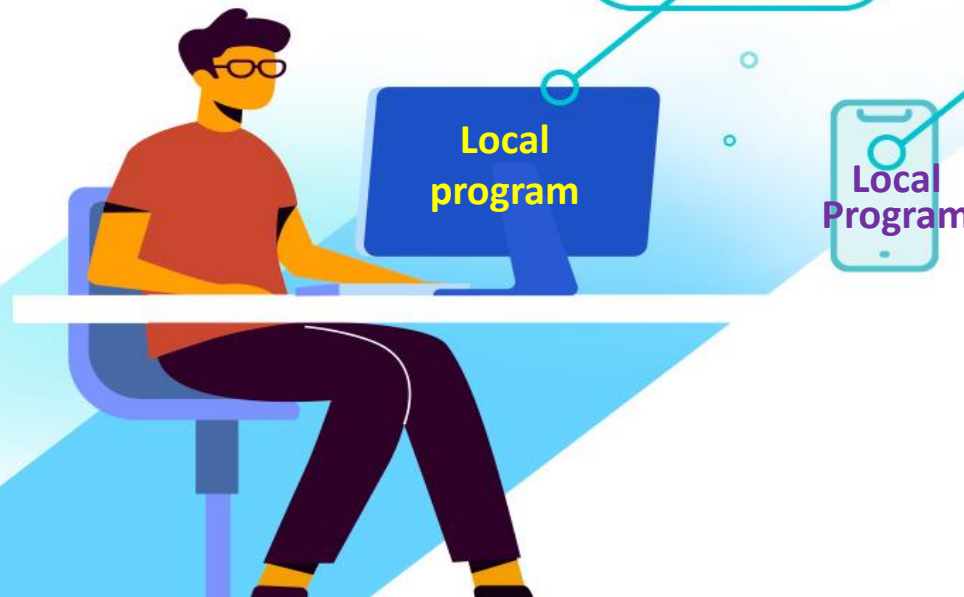
Compelling Services for Subscribers

Director Family 365 Products: SaaS model



High-Value Cloud Services:

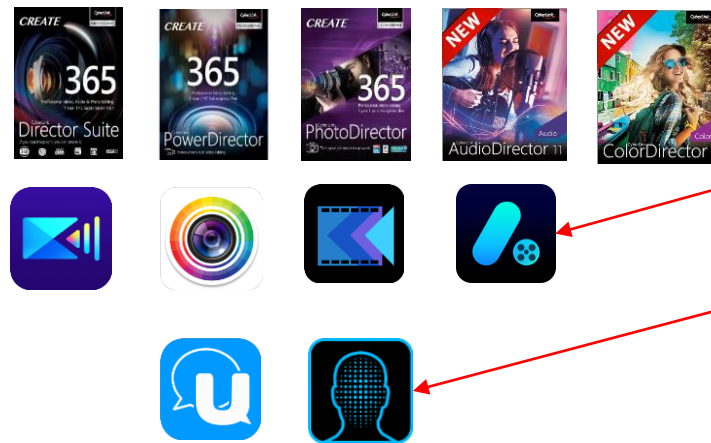
- 8 Million+ premium video/photo stocks from Shutterstock & Getty Images
- 7,000+ Background Music + Sound FX
- Effect packs (title, transition, stickers, AI styles, video templates, etc.)
- Quarterly added new features
- Cloud storage



Definition of “Business Segments”

• Growth Segments

- Group 1: Creativity PC/Mac (B2C)
- Group 2: Creativity Apps
- Group 3: New Business
(FaceMe + U Communications)



• Cash Cow Segment

- Group 4: PC-OEM + ODD related products
 - Although revenue is not growing, ROI is high



CyberLink 2019-2021 Major Achievements

- Turning to **subscription**-based revenue model on creativity software/app is very successful.
 - Subscription-based revenue grows 7.7X from 2018 to 2021 to reach US\$23.3M.
- **App**-based subscription revenue grows 4.5X from 2018 to 2021 to reach US\$10.4M.
- **FaceMe**, although 2021 revenue fell short of expectation, product line is covering more vertical solutions.
 - Expand from “Security & Surveillance”, “Health” to “FaceMe Fintech”
 - Will further expand into TimeClock and Smart Retail in 2022
- **Digital marketing** (SEO/SEM) is making good progress, delivers higher ROI and fueling revenue growth.

2021 Highlights

\$23.3 Million

Subscription-based revenue

55% YoY

Subscription-based revenue growth

\$33.3 Million

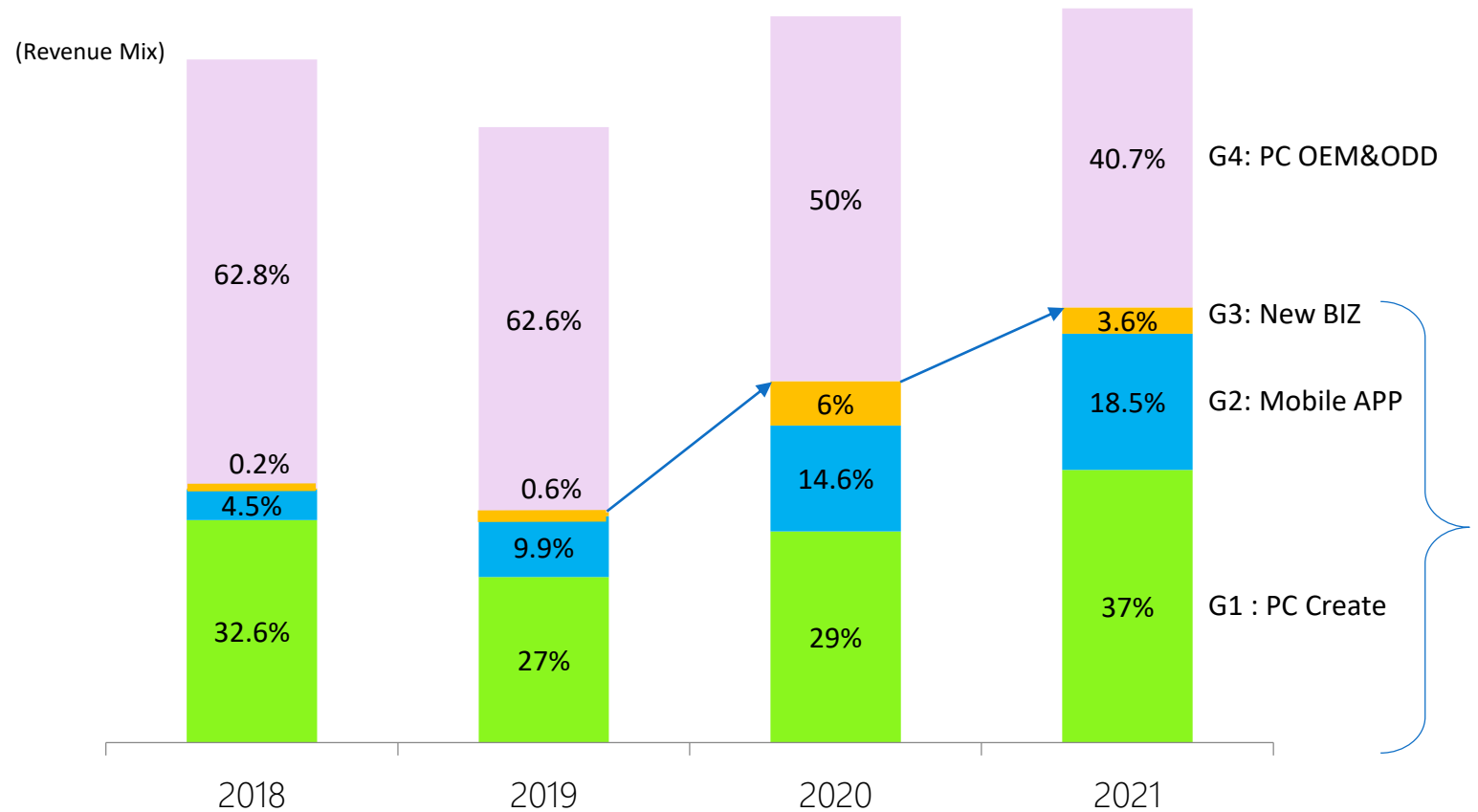
3 Growth segments combined revenue,
20% YoY growth in 2021

59.3%

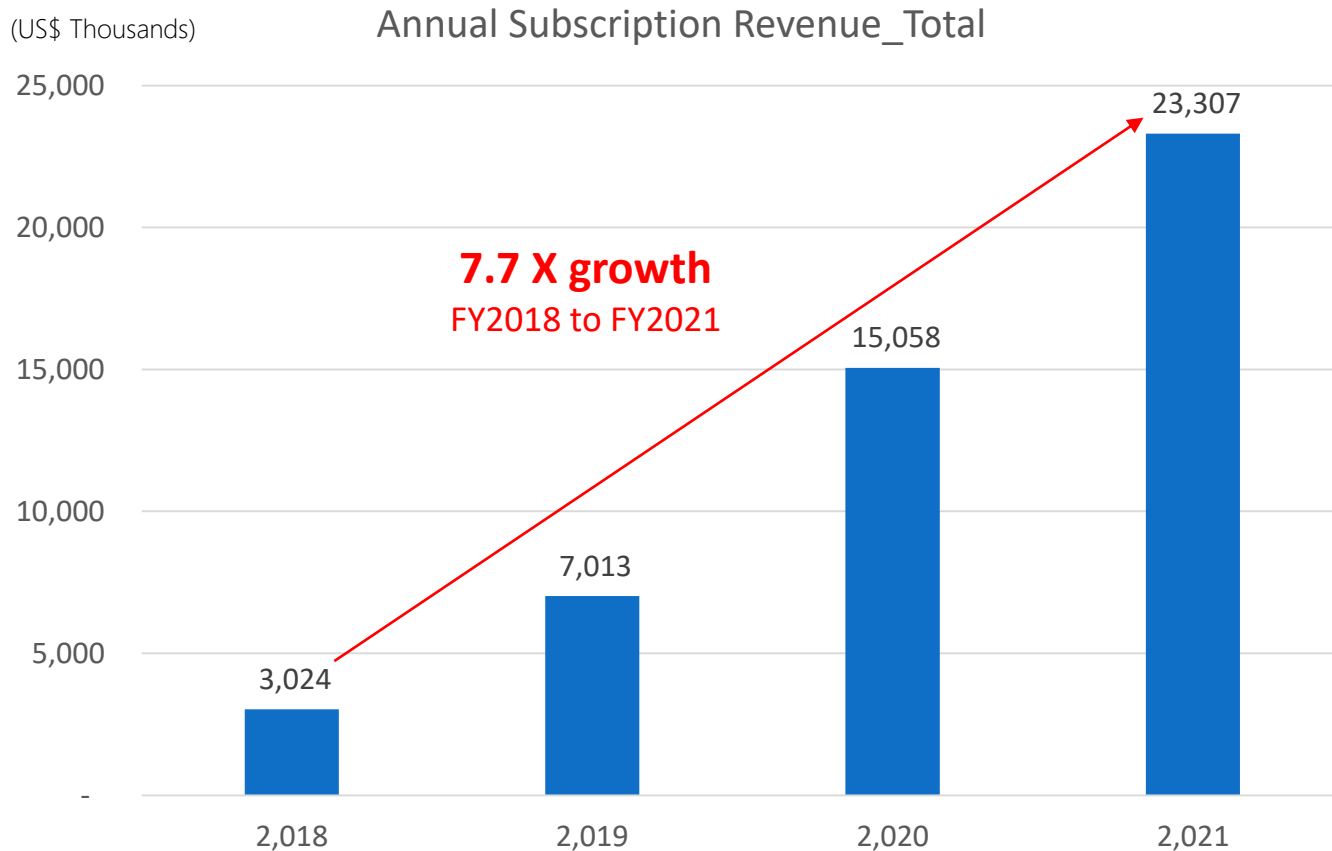
Total Revenue % from 3 Growth segments

Company Revenue by Business Segments

Contribution from 3 **Growth segments** grows from **37.2%** in 2018 to **59.3%** in 2021.

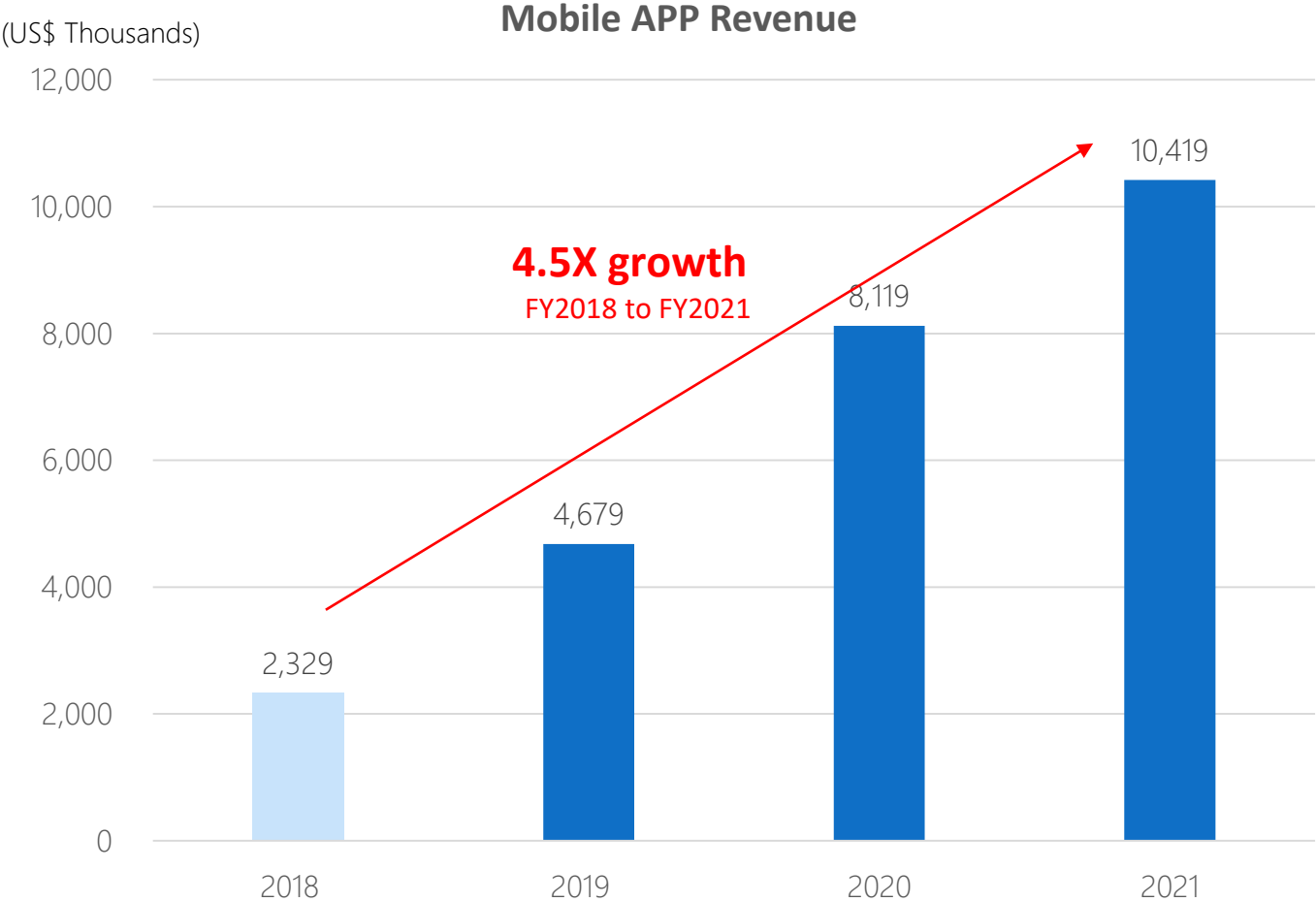


2018-2021: Annualized Subscription-based Revenue 7.7X Growth



- Subscription-based revenue in 2021 is **7.7X** of that in 2018
- From 2018 to 2021 annual view, subscription revenue grew at **97.53% CAGR**
- Subscription-base revenue are growing year by year, high renewal rate will fuel the future growth with recurring revenue

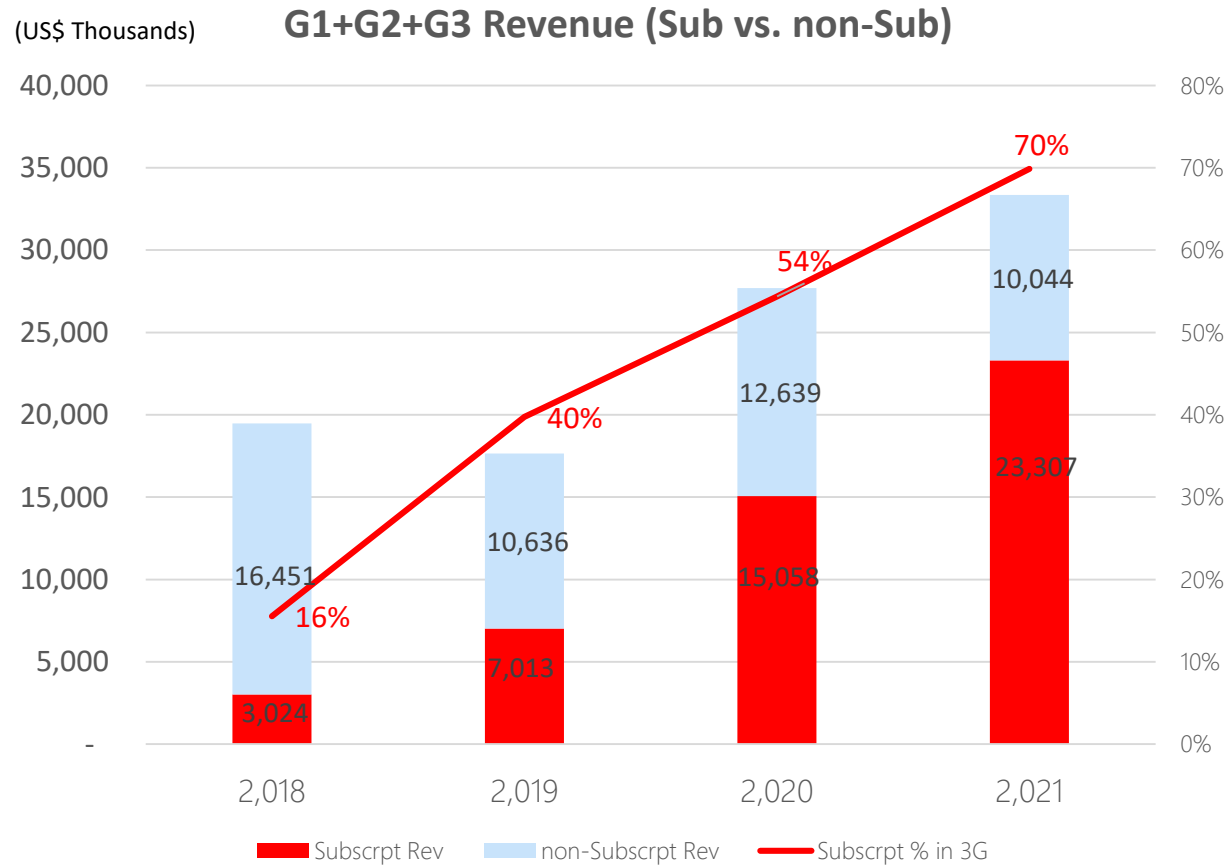
2018-2021: Mobile APP Revenue has grown 4.5X since 2018



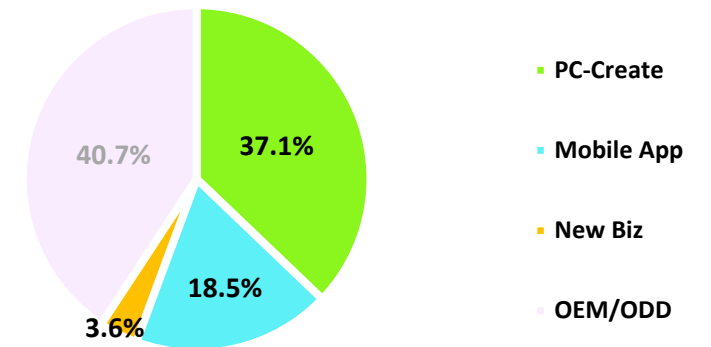
- Mobile APP revenue increase **4.5X** in last 3 years, from US\$2.3M in 2018 grew to US\$**10.4M** in 2021
- From 2018 to 2021 annual view, Mobile APP revenue contributes **65% CAGR**

3 Growth Segments represent nearly 60% of Total Revenue

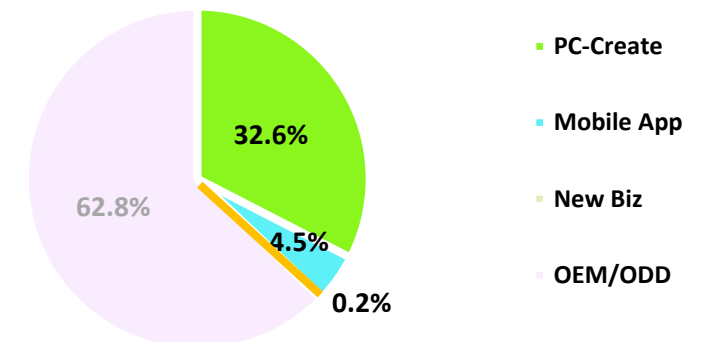
- In 2021 full year view, subscription-based revenue represents **70%** of 3 growth segments revenue -



3 Growth Segments represented 59.3% revenue in 2021



3 Growth Segments represented 37.2% revenue in 2018



FaceMe® - More Partnership to drive Future Growth

Continue to strengthen Partner Program to advance global market penetration :

- Video Management Systems (VMS)
- System on a Chip (SOC)
- IPC, Surveillance camera & Camera module suppliers

Mainstream Chipset (SoC) Makers



VMS & IOT Partners



A Delta Group Company



To Launch More FaceMe-based Vertical Solutions

- Other than **FaceMe® Security** and **FaceMe® Health**, **FaceMe® Fintech** is launched in 2021
- In 2022 Q2, Cyberlink will launch two more solutions: **TimeClock & Smart Retail**

Core Engine (SDK)



Cross-platform
AI Facial Recognition Engine



Target Market

AIoT/IoT Manufacturers

System Integrators

Vertical Solutions

FaceMe® Security

Facial Recognition for Smart
Surveillance

FaceMe® Health

Health Measurement & Mask
Detection

Newly launched in Q2, 2022

FaceMe® TimeClock

Time & Attendance

FaceMe® Smart Retail

Visitor Analysis, Visitor Dashboard

FaceMe® Fintech

eKYC & Video Meeting SDK for BFSI

Facial Recognition

ID Card

OCR

Voice

Video Meeting SDK

Target Market & Scenario

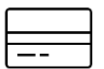
System Integrator/ Distributor/ VAR/ Reseller



Mobile Banks



Remote
Insurance



Cardless
ATM

Business Transformation in Phase-2: **2022-2024**

Strengthen Business Transformation in 2022-2024

1. Fully expand the potential of Creativity Product Line on all Platforms

- Online Editing Services
 - First launch in Q3 this year
- A shareable social platform for users to Create & Share their video/photo templates with others
 - First launch in Q2 this year
 - Covering (1) Video Intros, (2) Video Ad Templates and (3) Poster Ad Templates

2. Incubate FaceMe to become a sizeable BU





- Target to increase revenue with good YoY growth
- More products to cover more vertical markets and use cases
- Stronger sales force to grow revenue

Video/Audio Editing: Increasing demand post Covid-19

Global video and audio editing software market is projected to grow at a **CAGR of 8~9%** during 2021-2025 *

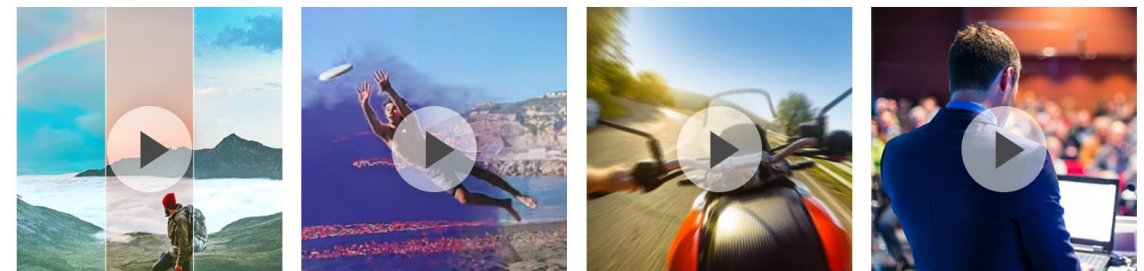
- Rise of content economy
 - Growing number of social media influencers
 - YouTubers content creation
- Surge in digital marketing
 - From enterprise to SMB proliferation
 - From website content to ad creatives
- AI technology makes cool effects easy
 - Video object tracking & object removal
 - Audio noise removal
 - Sky replacement, etc.



-  **PowerDirector**
Video editing for all creators, powered by AI
-  **PhotoDirector**
Reimagine your photos
-  **ColorDirector**
Precision color grading
-  **AudioDirector**
The ultimate audio editor

Let AI Do the Heavy Lifting

Simplify your creative workflow with AI—you'll be amazed at how quickly you finish your projects.



- NEW**
Sky Replacement
Enhance or totally replace the sky for perfect scenic shots.
- NEW**
Object Detection
Intelligently apply masks to seamlessly remove objects from images.
- NEW**
Wind Removal
Remove gusts of wind for crisp, clear, distraction-free audio.
- NEW**
Speech Enhancement
Reduce unwanted background noise for refined, high-quality vocal tracks.

* Source : Technavio

Global Facial Recognition Market Size

The global market size is projected to reach USD 20.63 billion by 2030 at a CAGR of **17.2 %**

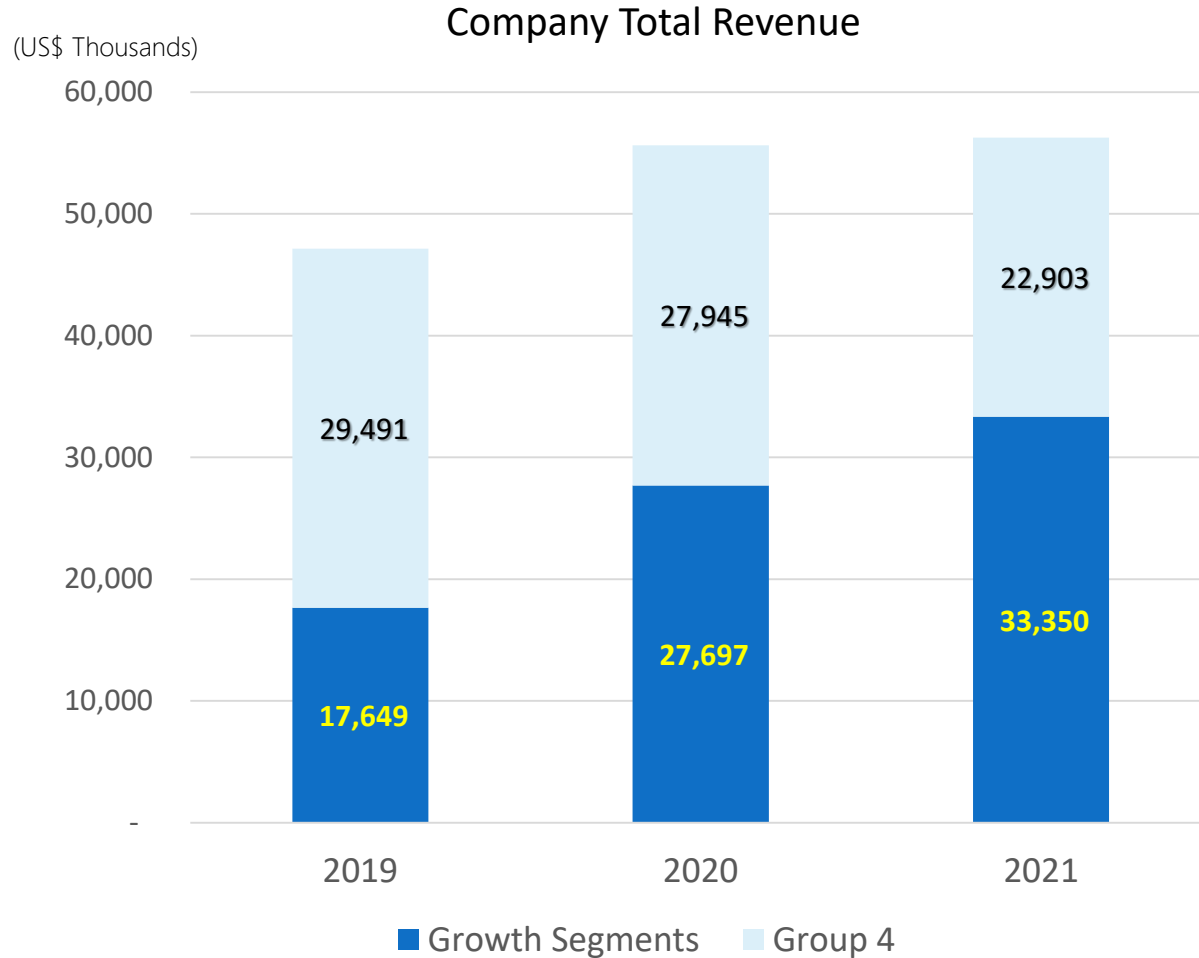
- Global facial recognition market will grow by 17.2% annually over 2020-2030 owing to the rising need for biometrics service and secure authentication technology. (Source: Report Ocean)
- CyberLink expands more vertical solutions using facial recognition technology
 - FaceMe® Security
 - FaceMe® Health
 - FaceMe® Fintech
 - FaceMe® TimeClock
 - FaceMe® Smart Retail (Q2, 2022)
- CyberLink will invest more on RD and grow sales force in 2022



Source: Report Ocean

2022 Outlook & Growth Strategy

Revenue Outlook for 2022



- **Growth Segments Revenue YoY:**

- 2020 vs. 2019: 57%
- 2021 vs. 2020: 20%
- Expecting YoY growth in 2022 to be similar or higher than 2021

- **Group 4 (PC OEM&ODD) Revenue YoY:**

- 2020 vs. 2019: -5%
- 2021 vs. 2020: -18%
- Expecting YoY decline in 2022 to be similar or slightly better than that in 2021

2022 Growth Strategy for Creativity Software/APP

Compelling Products & Services

- AI-powered cool new features
- Add more high quality effect packs & stock
- Keep improving UI/UX

Digital Marketing to Grow Subscription Base

- Invest more on digital marketing in more countries and on more products

Online Editing Tools

- Platform independent and easy-to-use tools to attract new users
- Tools to cover audio/photo/video editing needs

Social Networking Features

- Enable shareable & sociable video/photo templates in products
- Shareable “video intros” for PowerDirector (Q2’22)
- Shareable “video ads templates” for Ad Director & PowerDirector Business (Q3’22)

2022 Growth Strategy for FaceMe

World Leading Facial Recognition Algorithm

- Keep improving NIST ranking with improved algorithm

Cover More Vertical Solutions

- Launch FaceMe for Smart Office in Q2, 2022
- Launch FaceMe for Smart Retail in Q2, 2022

Establish Stronger Sales Team

- Grow sales force with expanded sales teams in US, Japan and Taiwan

Enable More Strategic Partners

- Enable more VMS partners
- Work tighter with SoC partners
- Enable more SI partners

Summary

- From 2019 to 2021, successfully turning business model to **SaaS/Subscription** model.
- **Growth Segments** reached revenue US\$33.3M in 2021, representing 59.3% of total revenue.
 - 70% of revenue in Growth Segments comes from SaaS/Subscription model
- **2022: will invest more in R&D** on product innovation to expand total addressable market.
- **2022: will invest more on sales & marketing for FaceMe** to accelerate revenue growth.
- Perfect Corp. has entered into a definitive SPAC merger agreement with Provident Acquisition Corp(Nasdaq: PAQC) , that sets **Perfect Corp.'s enterprise value at US\$1.02 billion.**

For more information about CyberLink:

www.CyberLink.com

For IR inquiries, suggestions and comments:

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Thank You!