



CyberLink

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

CyberLink (5203.TW)

Q4 2024 Investor Conference

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

February 27, 2025

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

- Q4 2024 & Full-Year Financial Results (Un-audited)
- Business Overview and Outlook

Q4 2024 & Full-Year Financial Results

(Un-audited)

Financial Highlights

Q4 2024 Income Statement

- Revenue NT\$ 522.2M +2.5% YoY
- Operating Income NT\$ 44.0M +29.7% YoY
- Net Income NT\$ 86.2M +668.6% YoY
- EPS NT\$ 1.09

Full-Year 2024 Income Statement

- Revenue NT\$ 2,068.4M, 10-year high +10.9% YoY
- Operating Income NT\$ 175.6M +17.0% YoY
- Net Income NT\$ 314.6M +41.7% YoY
- EPS NT\$ 3.98

- Due to the self-administration insolvency and reorganization of CyberLink's e-commerce payment service provider, asknet Solutions AG, CyberLink recognized an Expected Credit Loss of **NT\$46.2 million** in the first three quarters of 2024.
- There were no further expected credit losses in Q4 2024.

Q4 2024 Consolidated IS

NT\$ thousands	2024 Q4	%	2024 Q3	%	QoQ	2023 Q4	%	YoY
Revenue	522,196	100.0%	523,177	100.0%	-0.2%	509,482	100.0%	2.5%
COGS	(75,619)	-14.5%	(72,902)	-13.9%	3.7%	(70,508)	-13.8%	7.2%
Gross Profit	446,577	85.5%	450,275	86.1%	-0.8%	438,974	86.2%	1.7%
R&D Expense	(175,257)	-33.6%	(170,001)	-32.5%	3.1%	(169,269)	-33.2%	3.5%
S&M Expense	(195,505)	-37.4%	(188,991)	-36.2%	3.4%	(189,664)	-37.2%	3.1%
G&A Expense	(31,822)	-6.1%	(29,007)	-5.5%	9.7%	(30,564)	-6.0%	4.1%
Expected Credit Loss	0	0.0%	(9,637)	-1.8%	NA	(15,570)	-3.1%	NA
Operating Expense	(402,584)	-77.1%	(397,636)	-76.0%	1.2%	(405,067)	-79.5%	-0.6%
Operating Income	43,993	8.4%	52,639	10.1%	-16.4%	33,907	6.7%	29.7%
FX Gain(Loss)	44,963	8.6%	(29,066)	-5.6%	NA	(49,278)	-9.7%	NA
Investment Gain(Loss)	0	0.0%	0	0.0%	NA	0	0.0%	NA
Other Income(Loss)	12,111	2.3%	30,758	5.9%	-60.6%	50,159	9.8%	-75.9%
Non-Operating Income (Loss)	57,074	10.9%	1,692	0.3%	3273.2%	881	0.1%	6378.3%
Income before Tax	101,067	19.3%	54,331	10.4%	86.0%	34,788	6.8%	190.5%
Net Income	86,243	16.5%	43,904	8.4%	96.4%	11,221	2.2%	668.6%
EPS (NT\$)	1.09		0.56			0.14		

- Q4 gross margin decreased slightly due to higher third-party platform fees from the increased share of mobile app revenue.

- Valuation loss on financial investment in Q4 resulted in a decrease in other income.

Full-Year 2024 Consolidated IS

NT\$ thousands	2024	%	2023	%	YoY
Revenue	2,068,359	100.0%	1,865,022	100.0%	10.9%
COGS	(292,589)	-14.1%	(269,416)	-14.4%	8.6%
Gross Profit	1,775,770	85.9%	1,595,606	85.6%	11.3%
R&D Expense	(669,691)	-32.4%	(583,407)	-31.3%	14.8%
S&M Expense	(757,662)	-36.6%	(712,440)	-38.2%	6.3%
G&A Expense	(126,609)	-6.1%	(118,491)	-6.4%	6.9%
Expected Credit Loss	(46,240)	-2.2%	(31,153)	-1.7%	48.4%
Operating Expense	(1,600,202)	-77.3%	(1,445,491)	-77.6%	10.7%
Operating Income	175,568	8.6%	150,115	8.0%	17.0%
FX Gain(Loss)	82,467	4.0%	11,111	0.6%	642.2%
Investment Gain(Loss)	0	0.0%	0	0.0%	NA
Other Income(Loss)	118,389	5.7%	144,652	7.8%	-18.2%
Non-Operating Income (Loss)	200,856	9.7%	155,763	8.4%	28.9%
Income before Tax	376,424	18.3%	305,878	16.4%	23.1%
Net Income	314,595	15.2%	222,036	11.9%	41.7%
EPS (NT\$)	3.98		2.81		

- Create B2C's steady growth in 2024 drove overall revenue.

- R&D expenses increased YoY mainly due to the investment in AI, leading to higher personnel and equipment costs.

- Valuation loss on financial investment at the end of 2024 led to a decrease in other income.

Revenue Breakdown by Product Group

Revenue expressed in NT\$ thousands

Product Group	Q4 2024 Revenue	%	YoY
Create B2C	391,531	75.0%	4.8%
New Biz	19,735	3.8%	-16.5%
PC-OEM/ODD	110,930	21.2%	-1.1%
TOTAL	522,196	100.0%	2.5%

Product Group	2024 Revenue	%	YoY
Create B2C	1,522,821	73.6%	18.4%
New Biz	83,933	4.1%	1.5%
PC-OEM/ODD	461,605	22.3%	-6.9%
TOTAL	2,068,359	100.0%	10.9%

- In 2024, Create B2C (Creative editing software) reported a revenue of NT\$1.52 billion, marking a record high.
- In 2024, PC-OEM/ODD (PC-bundled software / optical disc drive-related software) posted a revenue of NT\$462 million, with a better-than-expected decline of 6.9%.

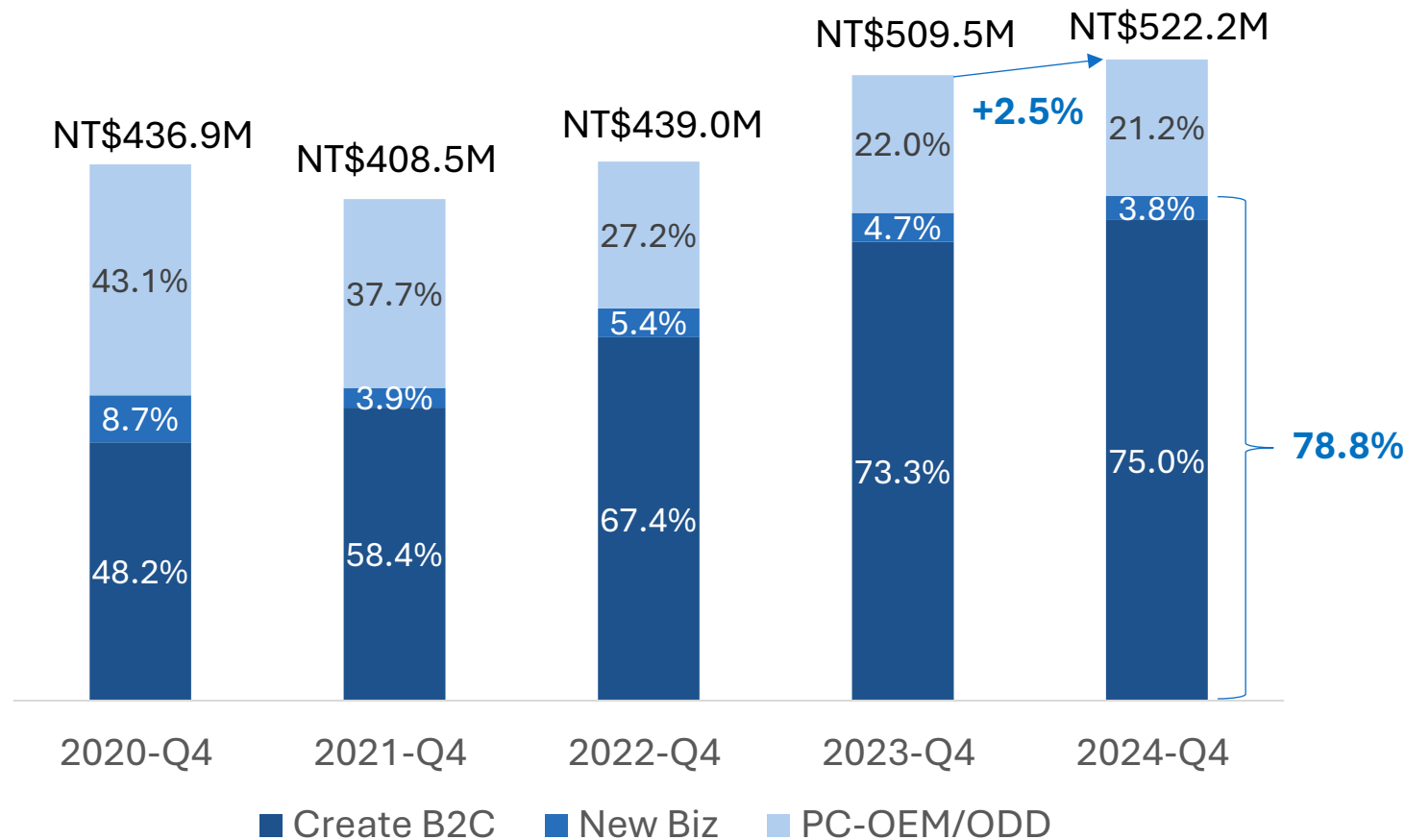
Revenue Overview by Product Group

- **Create B2C** (Creative editing software)
 - In 2024, group revenue reached an all-time high, driven by the growth of the subscription-based business model. The free-to-purchase **conversion rate** and **renewal rate** of major products, such as PowerDirector and PhotoDirector, significantly improved compared to the same period last year.
 - New products, **Promeo** and **MyEdit**, delivered **substantial revenue growth** in 2024
- **New Biz** (Facial recognition and others)
 - Japan, South Korea, Southeast Asia, and Taiwan markets continued to contribute revenues
 - Decreased concerns about facial recognition technology in the U.S. led to new customer orders.
- **PC-OEM/ODD** (PC-bundled software / optical disc drive-related software)
 - The decline in market demand for media player software slowed, and Q4 group revenue maintained a similar level as last year.

Revenue % by Product Group in Q4 2024

Create B2C revenue continued to grow, representing 75% of total revenue in Q4 2024

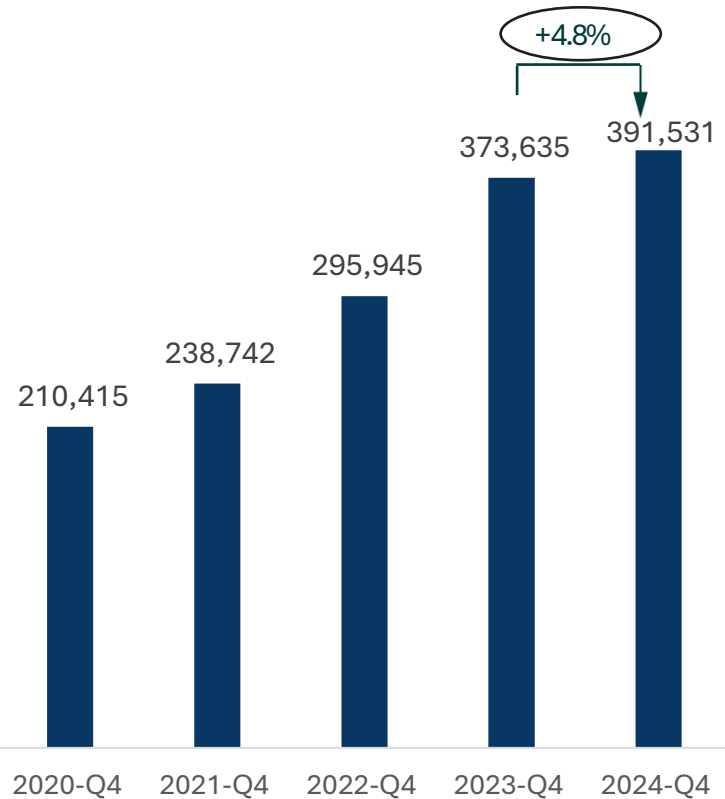
2020-2024 Q4 Revenue Percentage (%)



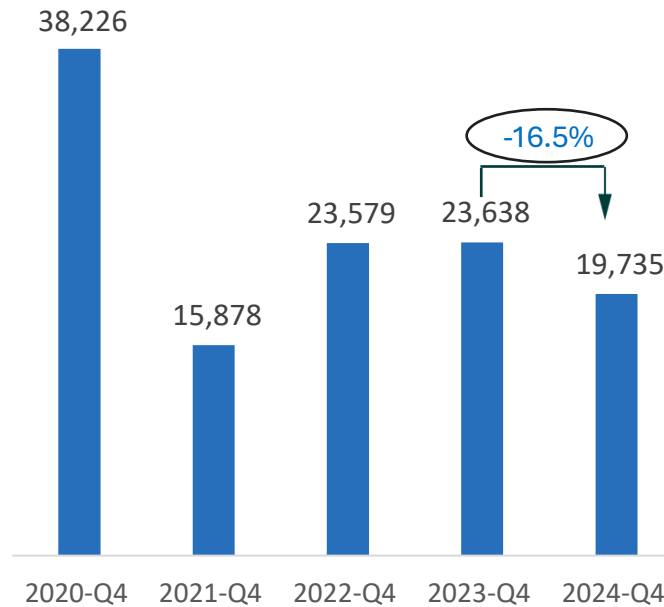
Revenue Trends for Three Product Groups in Q4 2024

Revenue expressed in NT\$ thousands

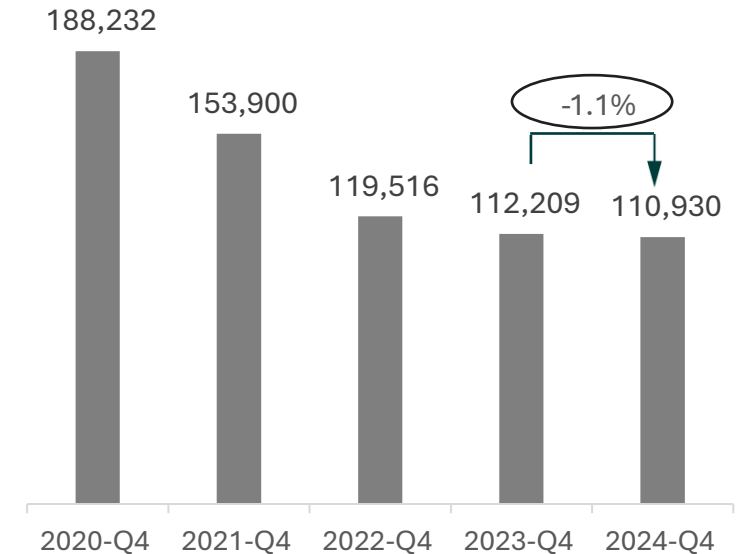
Create B2C revenue grew by 4.8% YoY to NT\$391.5M, representing 75% of total revenue



New Biz revenue declined by 16.5% YoY to NT\$19.7M, representing 3.8% of total revenue



PC-OEM & ODD revenue declined by 1.1% YoY to NT\$110.9M, representing 21.2% of total revenue



2024 Consolidated Balance Sheets

NT\$ thousands	2024	%	2023	%
Cash and cash equivalents	587,718	10%	441,661	8%
Current financial assets at amortized cost	1,696,883	28%	1,474,080	26%
Investment accounted for using the equity method	1,634,165	27%	1,501,661	26%
Property, plant and equipment, net	427,205	7%	432,977	8%
Investment property, net	1,203,641	20%	1,215,277	21%
Total assets	6,100,539	100%	5,727,388	100%
Current contract liabilities	435,006	7%	362,766	6%
Other payables	434,171	7%	381,136	7%
Total liabilities	1,376,195	23%	1,276,077	22%
Total equity	4,724,344	77%	4,451,311	78%

- Business growth led to the increase in cash and current financial assets.
- The equity method investment was in Perfect Corp.

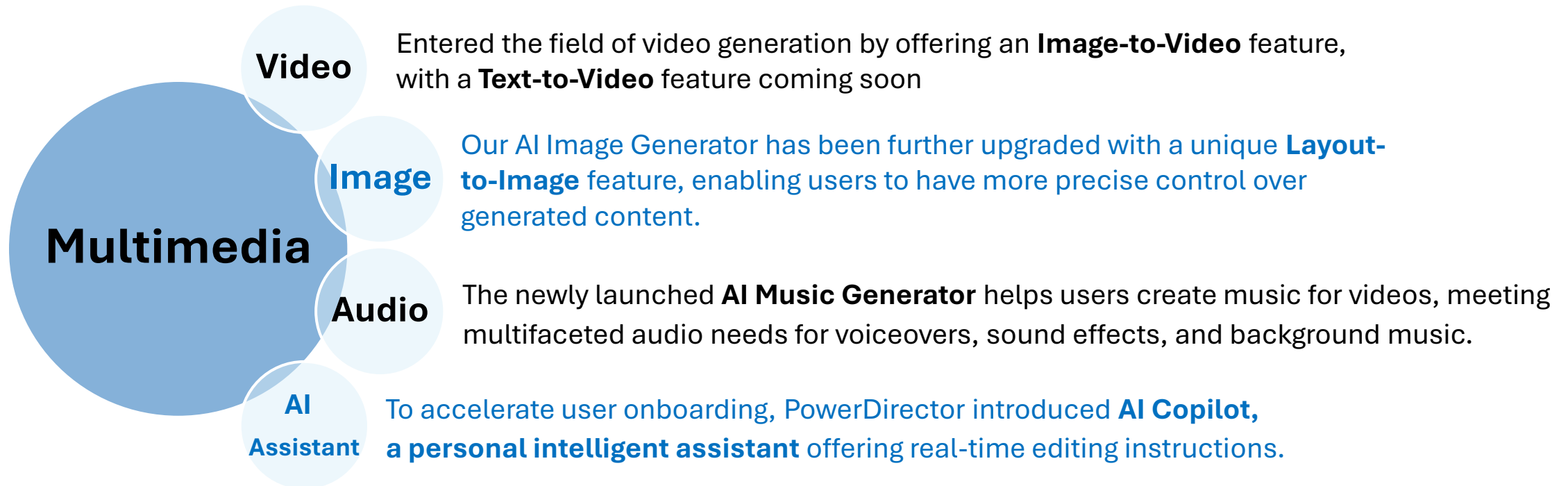
- **Business growth increased customer subscription prepayments, resulting in higher contract liabilities.**
- Primary funds came from shareholders and retained earnings, indicating a healthy financial structure.

Business Overview and Outlook

Create B2C Business Update (1/3)

More GenAI features provided

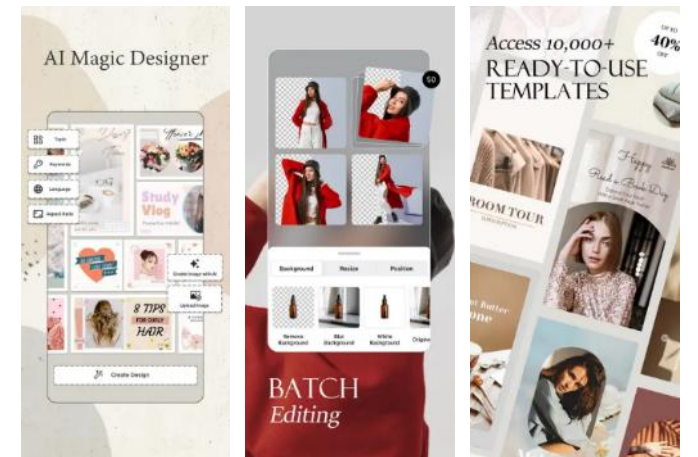
- Empowered traditional creative workflows with over 30 GenAI features to enhance our multimedia (video, image, audio, and AI assistant) creation solution



Create B2C Business Update (2/3)

Develop new products and new target audiences

- Targeted content creators, influencers, and business marketers by offering innovative solutions to meet their needs
 - PowerDirector: New **Talking Avatar** feature can easily create a virtual character video using a character photo with text or audio, unleashing creators' creativity.
 - MyEdit: Introduced **Podcast Studio** to target audio creators (Podcasters) with an online audio editing solution and developed the **AI Text-based Editing** feature to enhance editing efficiency.
 - Promeo: Geared towards e-commerce, digital marketing, and business marketing, Promeo added design templates for **product images** and **marketing posts** and introduced the new **AI Event Invitation** design feature.



Create B2C Business Update (3/3)

Strengthen the groundwork for AI PC business

- Partnering with leading PC chip companies and brands worldwide, we promoted the co-development of AI PC hardware and software and marketed products globally to enhance our brand awareness and market impact
- Newly added AMD as a chip partner

U.S. - Jan. 2025

AMD, Intel, ASUS, HP, MSI
Consumer Electronics Show (CES)



Japan - Dec. 2024

AMD Marketing Event



U.S. - Dec. 2024

Dell LNL Commercial Launch



AI Image to Video for Various Creative Applications

Users can easily create videos from selected images, sparking more creativity or business opportunities.

Animal



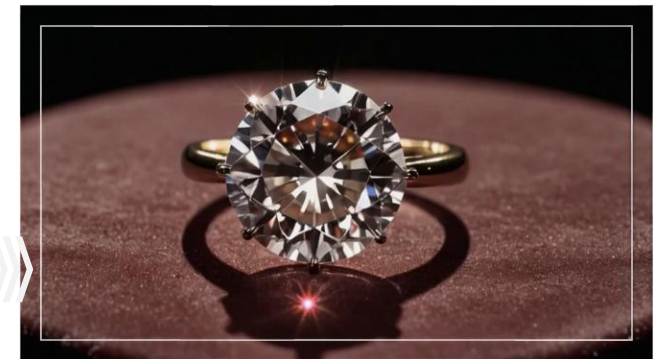
Human



Scenery

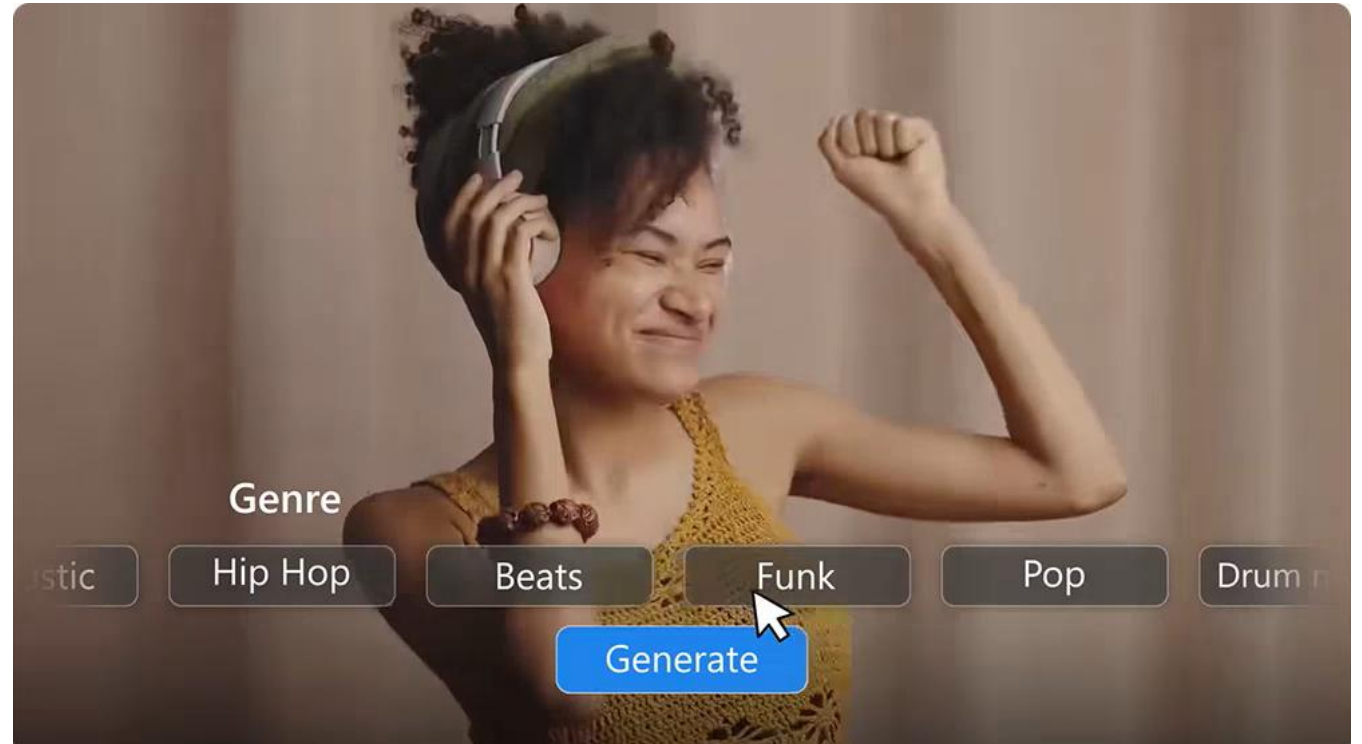


Product



AI Music Generator Creates Unique Background Music

- Users can select their desired music genre, mood, or theme, along with rhythm, intensity, and length, to quickly generate music matching their videos.
- Effortlessly add unique, royalty-free background music to social media clips, vlogs, or marketing materials

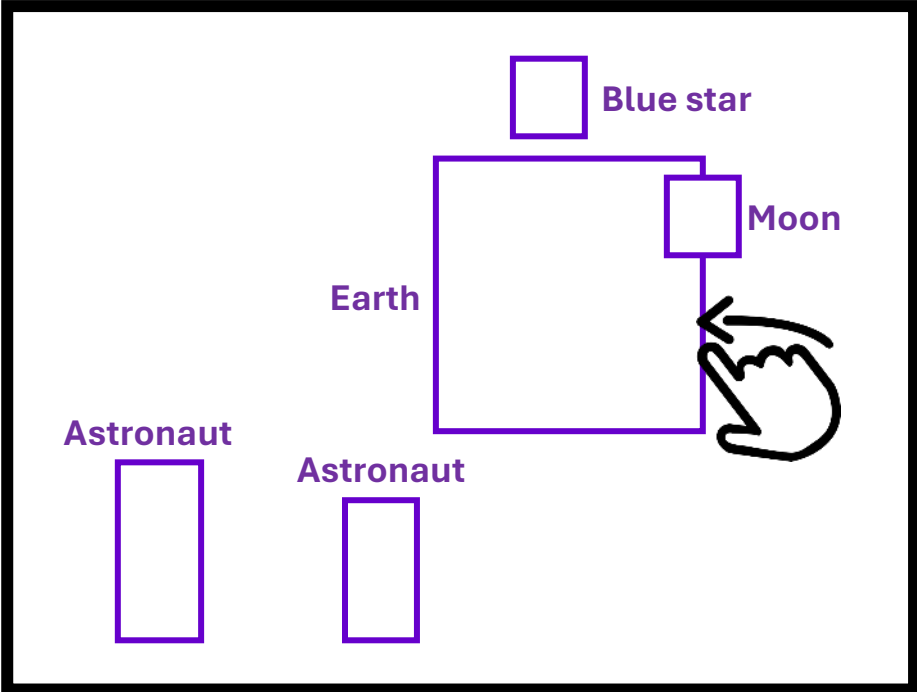


GenAI 2.0 Feature Upgrade

Unique AI Layout to Image Feature

Users can accurately generate the desired image by specifying the position of objects, with full control over the number, size, and color of objects.

1 A user designs the image layout



2 Image is precisely generated



AI Talking Avatar

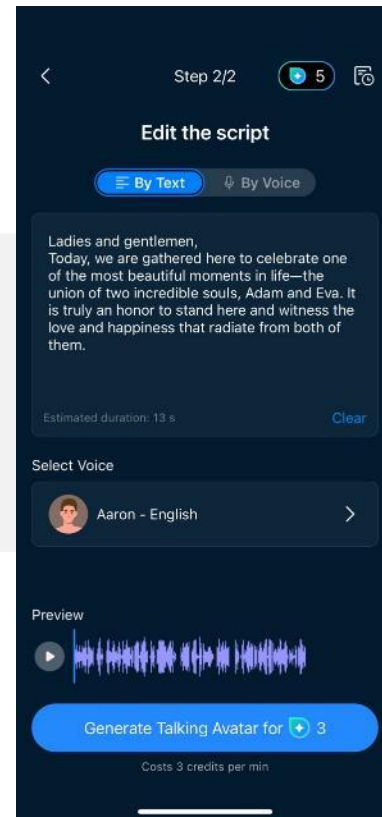
Transforming static images into dynamic characters.

Lively virtual anchors with voiceover deliver information in an eye-catching way.

Choose a Character



Decide Audio Content



Easily Create an Engaging Video

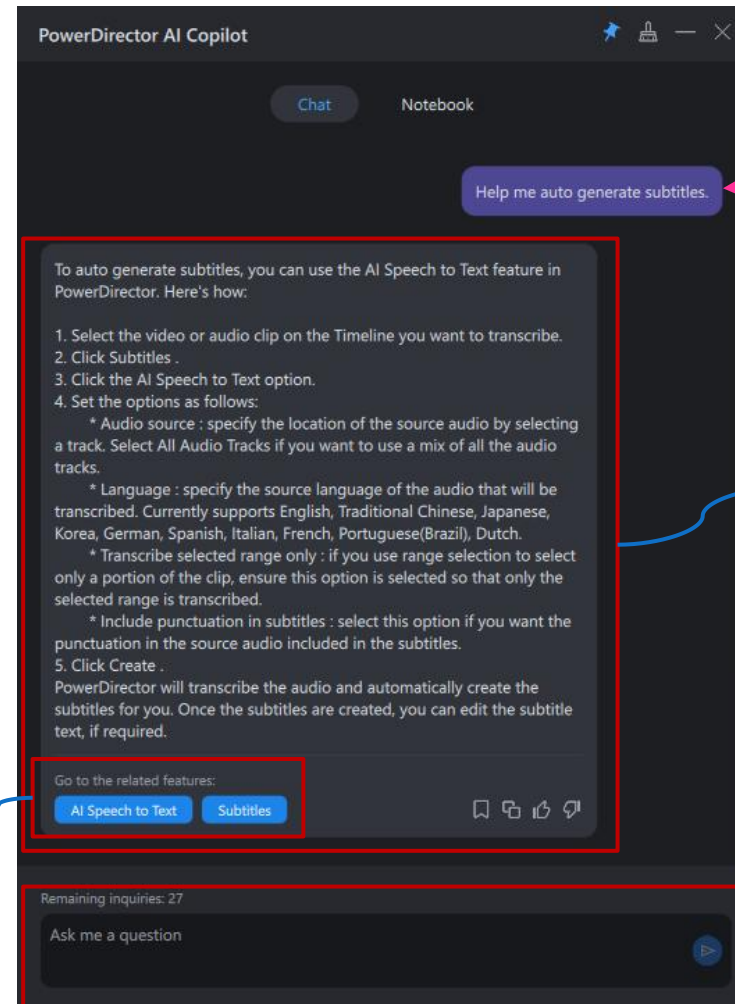


AI Copilot Makes it Effortless to Edit Videos

Integrated into PowerDirector, AI Copilot is powered by GenAI to provide users with real-time editing instructions.

It currently supports English, Japanese, and Traditional Chinese.

AI Copilot User Interface



User's question

2. AI Copilot offers real-time instructions

3. Quick indexing for relevant features

1. Users input a question

2025 Create B2C Development Strategy

- **Harness Global AI trends and Optimize Product Positioning**

Let AI Help You Create: PowerDirector and PhotoDirector

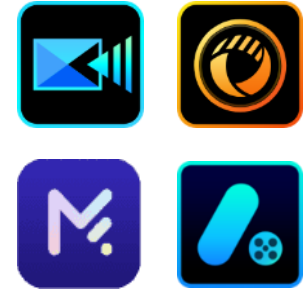
- Taking a user-centric approach, we **develop GenAI for practical editing scenarios** and improve the quality of and control over generated content.
- Identify audiences with growth potential, like **content creators, digital education, and makeup & beauty**, and introduce useful features.

Let AI Help You Design: MyEdit and Promeo

- MyEdit already offers creative editing for images and audio as well as varied AI features. It will add **video editing** and **online collaborative editing** to cover various multimedia needs.
- Promeo will add **new categories** for business needs, such as invitations, personal profiles, and web banner ads.

- **Enhance Marketing and Brand Strength, Solidify Key Channels**

- With our products and features being more extensive, we will strengthen digital marketing and media promotion under strict ROI control and deepen cooperation with third-party sales platforms abroad and domestically.
- By **co-marketing with AI PC partners**, we continue to build brand awareness. We are optimistic about the business opportunities brought by the growing AI PC industry.



FaceMe Business Update and Outlook

- **New representative cases**



FaceMe Security

Adopted by an **Asian international airport**, a **U.S. judicial institution**, and a **Southeast Asian govt. agency**.



FaceMe eKYC

More Taiwan clients' eKYC application cases are in progress

- **Looking ahead to 2025: Accelerating the development of access control, security, and intelligent finance and continuously creating business opportunities.**
 - Expanding the access control and security business in Japan, the U.S., South Korea, and Southeast Asia
 - Broadening the use of the FaceMe eKYC solution in Taiwan's financial sector
 - Advancing technology and system integration to support more SoC chips and Video Management Systems (VMS) and to enhance the new People Tracker and Line Crossing & Loitering Detection features
 - Enhancing security and fraud prevention by improving Deepfake Detection and Anti-Spoofing capability

FaceMe Security People Tracker solution & “Map View” feature

By uploading floor plans or building maps, administrators can track the movements of suspicious individuals in real-time, without the need for facial recognition, relying solely on clothing appearance.

The People Tracker solution displays footage from multiple cameras on a map, enabling intuitive target tracking.

The screenshot displays the 'Tracking Results' interface. At the top, there are search filters: 'Searching Criteria', 'Cameras: All Cameras', 'Date & Time: 06/16, 11 AM - 06/16, 4 PM', and 'Similarity: > 90%'. Below these filters is a table with three columns: 'Bodies', 'Faces', and 'Information'. The 'Information' column contains a list of tracking events with timestamps, locations, and similarity percentages. To the right of the table is a map view of 'Terminal 1' showing a floor plan with numbered markers (1-6) indicating the movement path of the tracked individual. The markers are connected by dashed lines, showing a path from the bottom left towards the top right of the terminal area.

Bodies	Faces	Information
		11:50:12 AM 1 Terminal 1 A17-2 91.52%
		11:51:07 AM 2 Terminal 1 A17-1 95.11%
		11:57:30 AM 3 Terminal 1 A17-3 96.37%
		12:03:47 PM 4 Terminal 1 A18-1 90.29%
		12:11:12 PM 5 Terminal 1 B1-1 90.34%
		12:11:12 PM 6 Terminal 1 B1-1 94.99%

Summary

- 2024 revenue grew by 10.9%, reaching a 10-year high.
- The thriving digital economy and the rapid development of AI are creating numerous business opportunities, and we remain optimistic about revenue and operating income growth in 2025.

For more information about CyberLink:

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Thank You!