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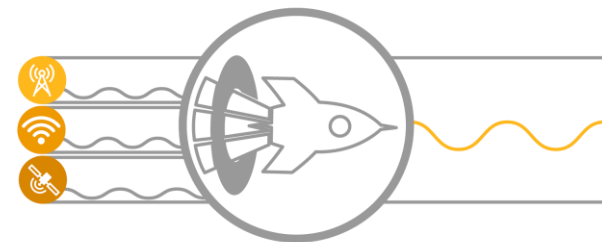
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We provide Unbreakable Connectivity Anytime Anywhere

- Founded in 2006 and listed in July 2016 on Stock Exchange of Hong Kong
- Develop and market enterprise networking products under “**Peplink**”, “**Pepwave**” and integrated cloud platform
- **SpeedFusion** – Unique capability to combine multiple links (including fixed lines, 4G LTE/5G, satellite links, etc.) to create a high-speed and unbreakable connectivity in any situation
- Global R&D resources in Hong Kong, Taiwan and Lithuania

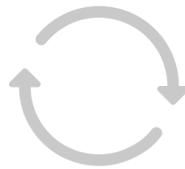


SpeedFusion combines multiple wired and wireless links to form a high-speed, highly resilient and secure connection



Wireless first – reliable wireless routers enable enterprise workloads in a wide range of situations, including on vehicles and ships

Unbreakable connectivity
– When one link fails, other links seamlessly takeover without interrupting the connection



plover bay
technologies



Cloud management – Remotely configure, manage and troubleshoot from a single dashboard, save time and cost

5G: Enlarging wireless connectivity market

Draw factors for enterprise wireless adoption in 5G-era

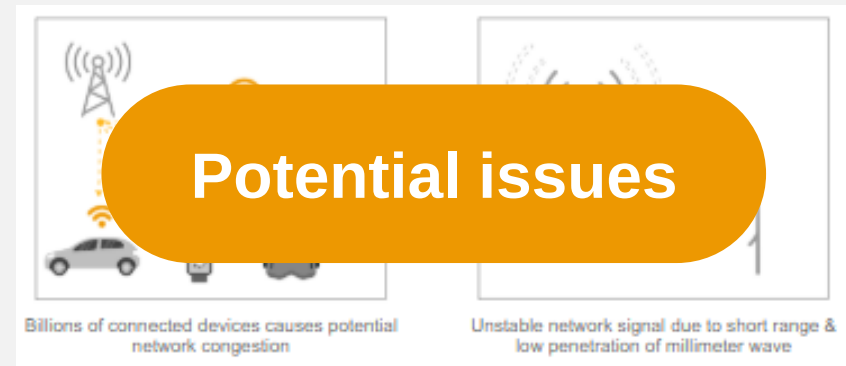


- Bandwidth and latency that matches fiber... without fiber's last-mile problems
- Much lower data cost than traditional fixed network
- Generate new revenue opportunities arising from 5G-enabled applications
- Untethered to fixed infrastructure

What this leads to:

- Growing wireless connectivity market from enterprise adoption

Issues holding back companies from adopting wireless

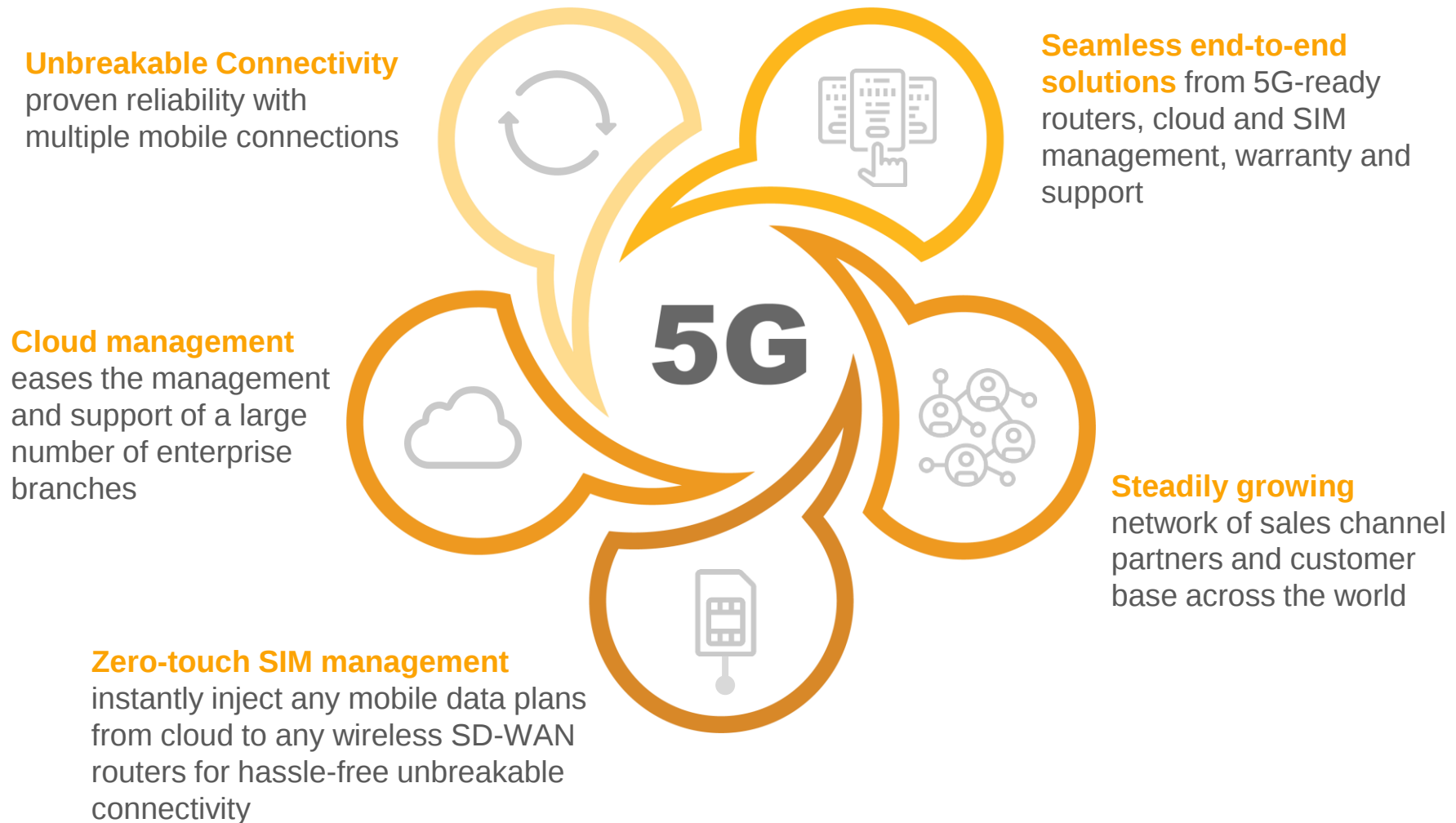


- Common perception that mobile network is less reliable than wired infrastructure
- Hard to manage a large number of physical SIM cards or eSIMs deployed in different locations
- Complexity in choosing suitable mobile operators at each deployment location

What this leads to:

- Enterprises need a reliable, easy-to-manage solution wireless networking solution

Making 5G wireless enterprise happen



Well positioned for the arrival of 5G

Key initiatives in 2020

- Launch of **FusionSIM**, a technology that enables instant injection of SIM cards from cloud to any device, simplifying the deployment of wireless enterprise networks
- Launch of **PrimeCare** subscription: one single subscription for router device, cloud management, SpeedFusion licenses, warranty and support, maximizing scalability of our products and minimizing complexity for customers
- Set up **regional warehouses** in the US and Europe to improve shipment turnaround, increase channel efficiency and realign channel with our business growth
- Established **new team in Lithuania** to support development of new products and enhance sales and business development in the EMEA region



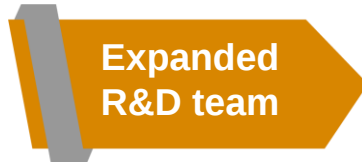
FusionSIM



Prime
Service Plan



Regional
Warehouses



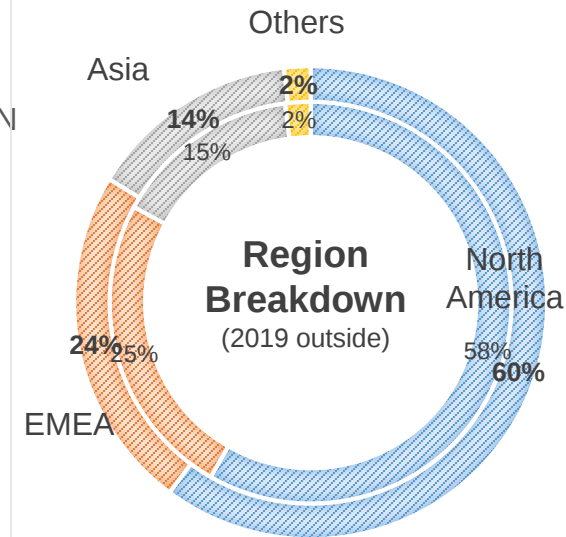
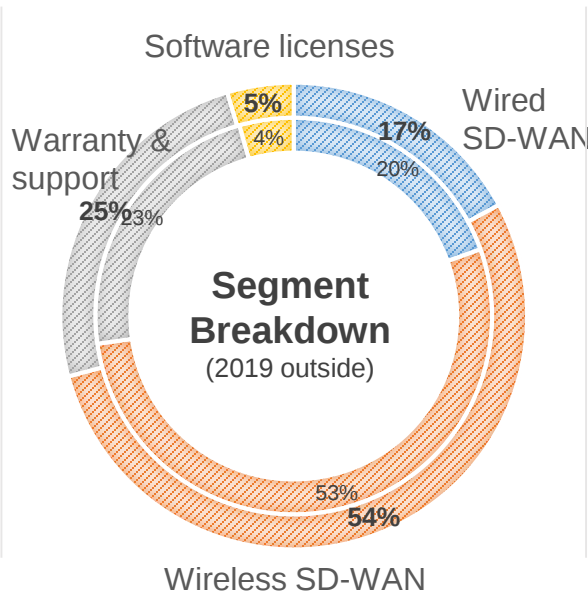
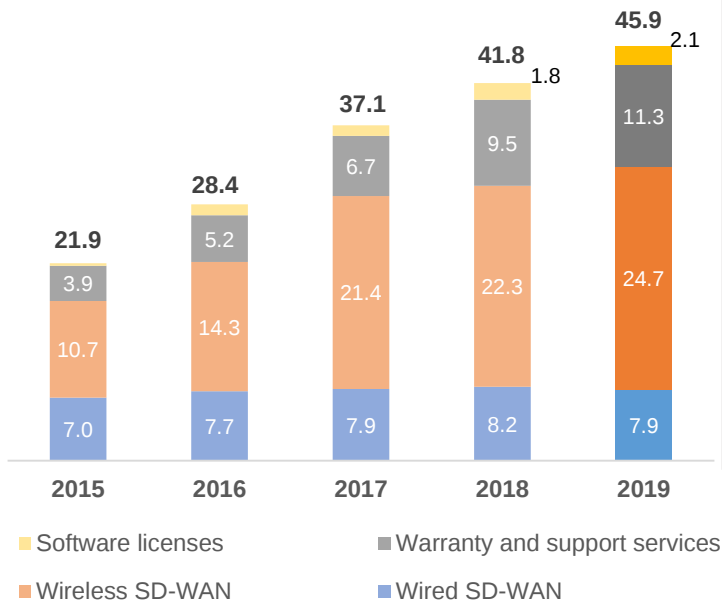
Expanded
R&D team

Financial Highlights

Financial year ended 31 December (USD'000)	2018	2019	Change
Revenue	41,806	45,910	+10%
Gross profit	26,189	28,774	+10%
Operating expense, Other income & Finance cost	(13,976)	(14,780)	+6%
Profit before tax	12,213	13,994	+15%
Reported net profit	10,620	12,089	+14%
Gross profit margin	62.6%	62.7%	+0.1 pt
Net profit margin	25.4%	26.3%	+0.9 pt
Diluted EPS (US cents)	1.00	1.14	+14%
Dividend per share (HK cents)	8.80	11.11	+26%

Revenue Analysis

Revenue by product
(USD million)

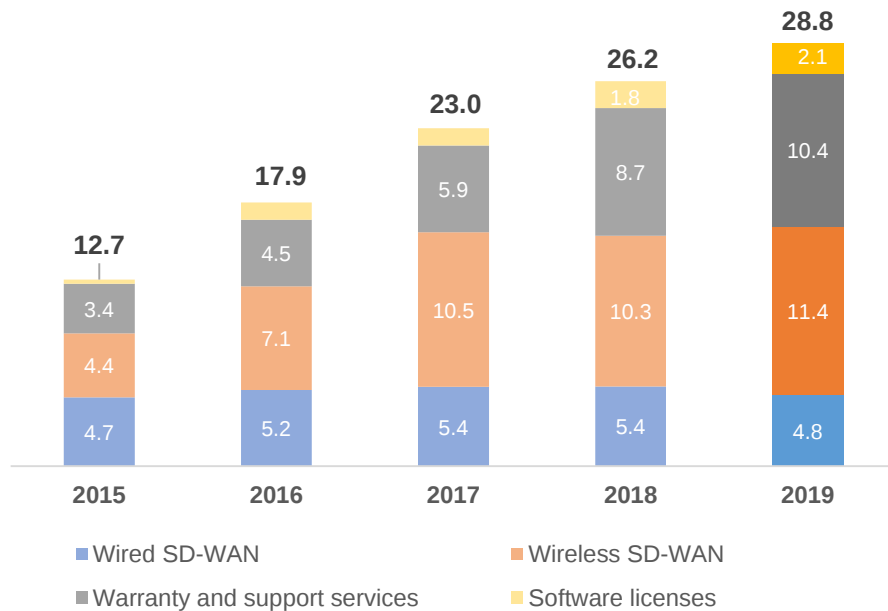


Overall revenue growth of 10% YoY, highlighted by strong shipment growth of multi-purpose, volume-based SD-WAN routers, strong uptake of new 5G-ready modular routers and continued growth in warranty and support services.

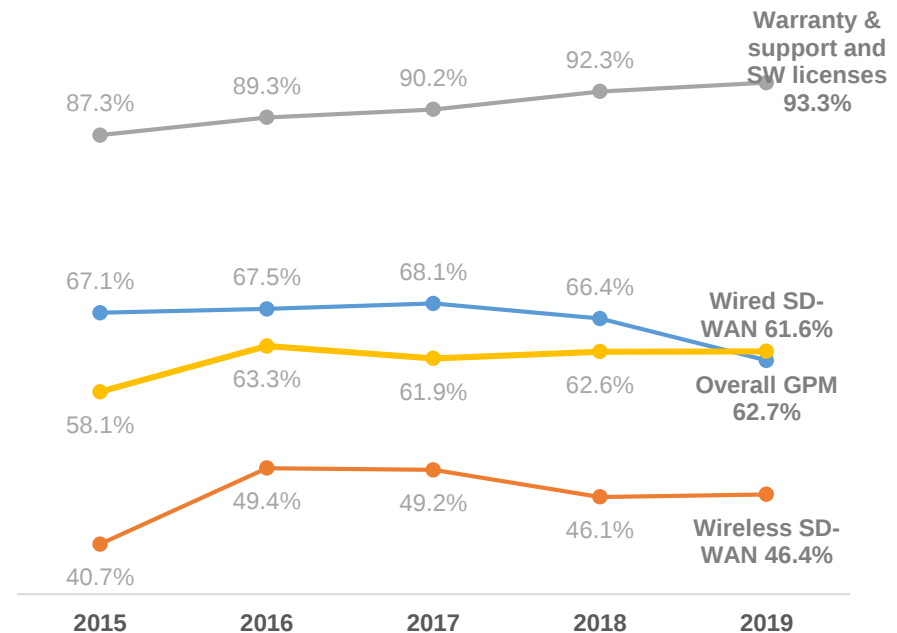
Recurring warranty and support services reached 25% of total revenue. As at 31 Dec 2019, registered user base of cloud platform has reached around 207,000 (2018: 162,000).

Gross Margin Analysis

Gross profit by product
(USD million)



Segment Gross Profit Margin



Overall GPM remain stable at 62.7% compared to 2018.

Cost of sales benefited from improvements in procurement processes, streamlined design of router hardware platforms and better economies of scale from the growth in overall router shipment.

Operating Expenses Analysis

Year ended 31 December	USD'000		Percentage of revenue	
	2018	2019	2018	2019
Selling & distribution expenses	2,107	2,411	5.0%	5.3%
Admin expenses	4,814	5,537	11.5%	12.1%
R&D expenses	7,318	7,221	17.5%	15.7%
Total operating expenses	14,239	15,169	34.1%	33.0%
Total staff cost (including share options exp.)	7,749	8,135	18.5%	17.7%
Total share option expenses	761	510	1.8%	1.1%

Increase in Admin expenses is driven by growth in headcount and salary, increased amortization, and new depreciation charge on right-of-use assets due to adoption of new HKFRS 16.

Lower R&D expenses is primarily due to lower expenses incurred on R&D consumables.

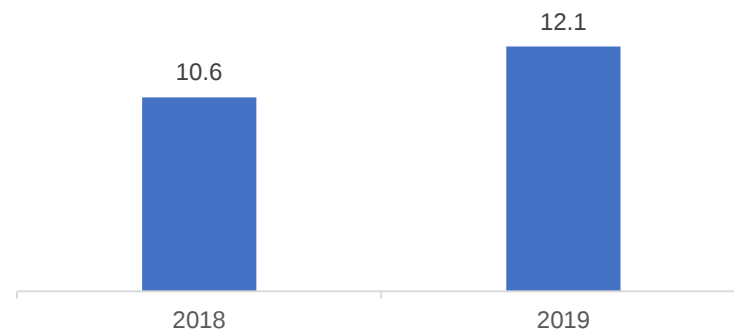
Total headcount expanded to 159 (2018: 128) after the addition of new team in Lithuania during the year.

Net profit, EPS and Dividend

For the year ended	2018	2019
Profit before tax	12,213	13,994
Pretax operating margin	29.2%	30.5%
Income tax	(1,593)	(1,902)
<i>Effective tax rate</i>	<i>13.0%</i>	<i>13.6%</i>
Net profit	10,620	12,089
EPS data (US cents)		
Basic EPS	1.04	1.17
Diluted EPS	1.00	1.14
Dividend per share (HK cents)		
1 st interim dividend paid	2.92	3.49
2 nd interim dividend declared	4.36	4.64
Special dividend declared	1.52	2.98
Total dividend per share	8.80	11.11

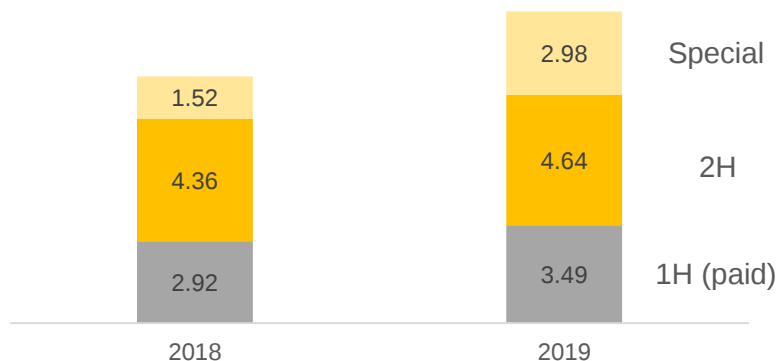
Net profit

(USD million)



Dividend per share

(HK cents per share)



Effective tax rate of 13.6% represents Hong Kong regular tax rate of 16.5% minus potential tax deductions from qualified R&D expenses implemented by the HKSAR Government.

Cash Flow and Balance Sheet Summaries

Cash Flow Statement Summary

Year ended 31 December (USD'000)

2018

2019

Cash flows from operating activities	19,491	15,951
Cash flows from investing activities	5,822	(777)
Cash flows from financing activities	(8,078)	(13,094)

Balance Sheet Summary

At 31 December (USD'000)

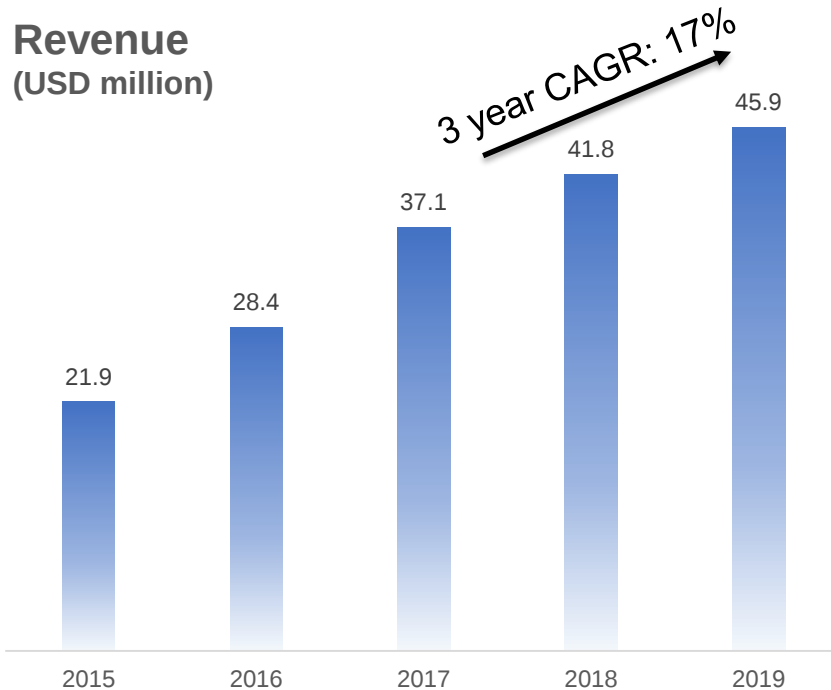
2018

2019

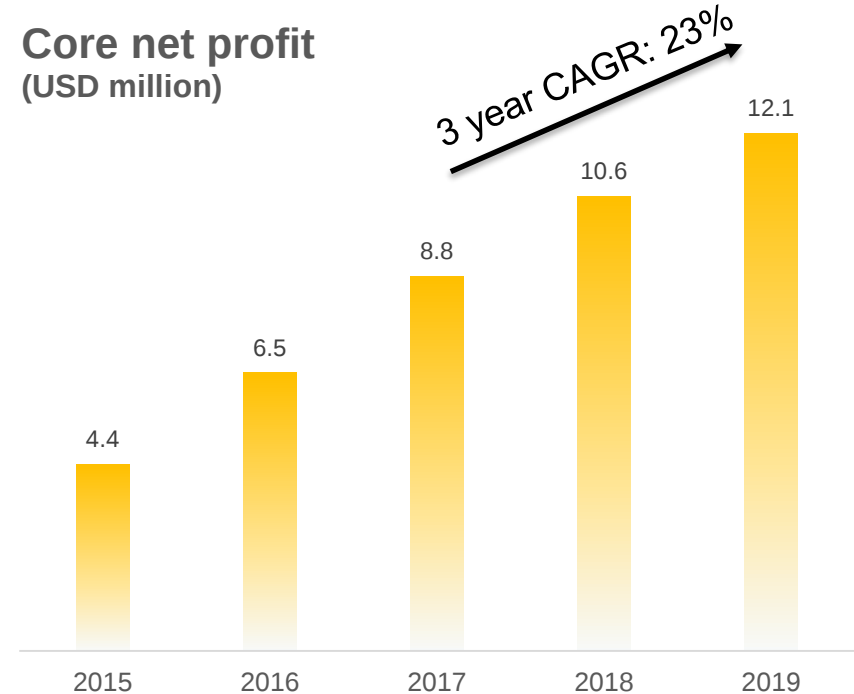
Trade and other receivables	6,413	8,245
Inventories	8,372	7,387
Trade and other payables	2,274	2,615
Total contract liabilities	8,672	8,890
Total bank borrowing	1,306	393
Cash and cash equivalents	26,850	28,926

Investment Highlights

Revenue
(USD million)



Core net profit
(USD million)



- Consistent revenue growth
- Strong profitability and return on equity
- Efficient and scalable business model
- Increasing recurring revenue and operating cash flows



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