

Array Networks

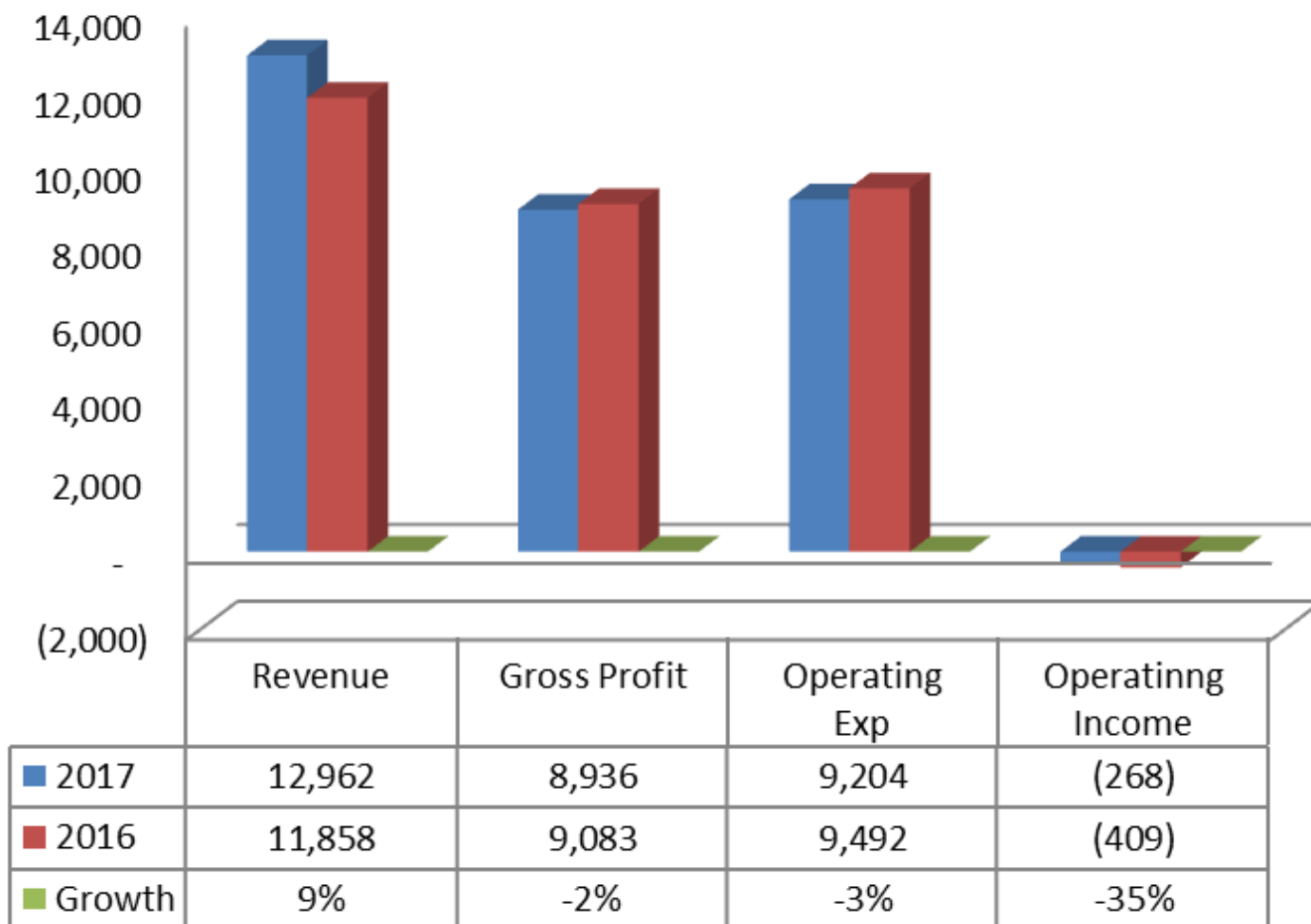
Q3 FY17 INVESTOR UPDATE

- This presentation may contain certain "forward-looking statements" concerning the business, operations and financial condition of Array, Inc. Although Array believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, there can be no assurance that its expectations will be realized.
- "Forward-looking statements" consist of all non-historical information, including the statements referring to the prospects and future performance of Array. Actual results could differ materially from those projected in Array forward-looking statements due to numerous known and unknown risks and uncertainties.
- Array does not undertake any obligation to publicly update any forward-looking statement to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.

Year-to-date results

- US\$12.962M (NT\$396M) in revenue
- 69% gross profit margin
- 9% revenue growth vs. YTD 2016
- 205% revenue growth in China vs. YTD 2016
- 3% revenue growth in India vs. YTD 2016
- 12% and 66% revenue growth in APV/AVX and AG Product line
- Headcount increase 7% vs. YTD 2016
- Operating expense decrease -3% vs. YTD 2016
- Operating loss decreased by -34% vs. YTD 2016

3Q YTD - Growth Trends FY17 vs. FY16 (US\$1,000)



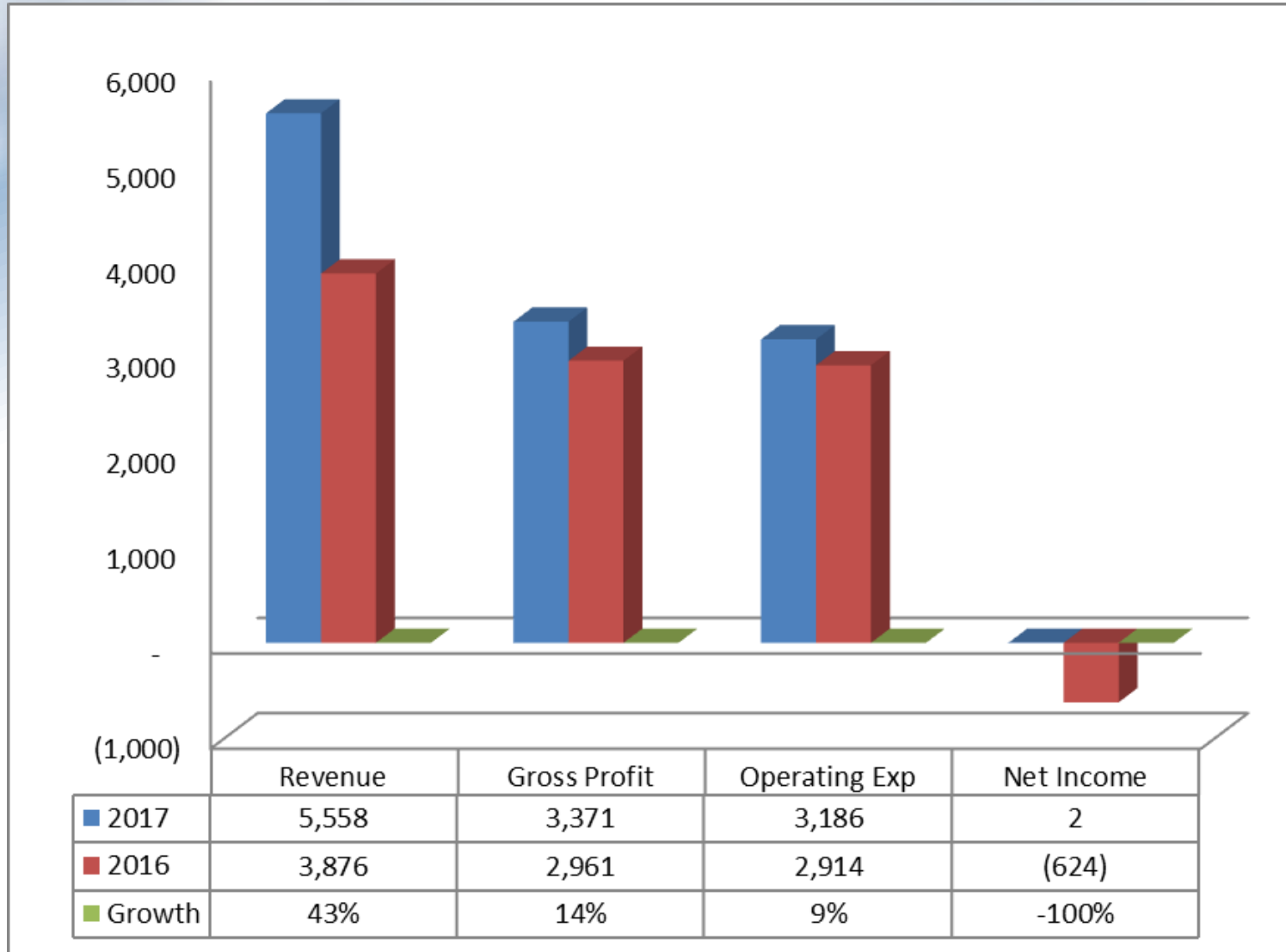
Statements of Comprehensive Income

USD-TWD Average Rate	2017/9/30 30.539			2016/9/30 32.428			Comparison (US\$ base)	
	Jan. - Sep., 2017			Jan. - Sep., 2016			2017 vs 2016	YY Change
	(US\$1,000)	(NT\$1,000)	% of Rev.	(US\$1,000)	(NT\$1,000)	% of Rev.		
Operating Revenue, Net	12,962	395,839	100	11,858	384,519	100	1,104	9%
Operating Cost	-4,026	-122,949	-31	-2,775	-89,988	-23	-1,251	45%
Gross profit	8,936	272,890	69	9,083	294,531	77	-147	-2%
Operating Expenses								
Sales expenses	-5,502	-168,032	-42	-5,726	-185,683	-48	224	-4%
Administrative expenses	-2,085	-63,666	-16	-2,075	-67,288	-17	-10	0%
R&D expenses	-1,617	-49,372	-12	-1,691	-54,832	-14	74	-4%
Total operating Expenses	-9,204	-281,070	-71	-9,492	-307,803	-80	288	-3%
Operating (Loss) Income	-268	-8,180	-2	-409	-13,272	-3	141	-34%
Non-operating Income & Expenses								
Other income	6	177	0	27	868	0	-21	-79%
Interest income	82	2,505	1	71	2,305	1	11	16%
Exchange gain (loss), net	-26	-804	0	-104	-3,358	-1	78	-75%
Finance expense	-19	-589	0	-17	-546	0	-2	13%
Total Non-operating Income & (Exp)	42	1,289	0	-23	-731	0	65	-283%
(Loss) Income before income tax	-226	-6,891	-2	-432	-14,003	-4	206	-48%
Income tax expense	-189	-5,767	-1	-189	-6,133	-2	0	0%
Income from discontinued operations	-3,041	-93,185	-24	-2,549	-82,661	-21	-492	19%
Consolidated Net (Loss) Income	-3,456	-105,843	-27	-3,170	-102,797	-27	-286	9%
Other comprehensive income and expense								
Exchange differences on translating foreign operations	1,388	-26,336	-7	-563	-70,663	-18		
Unrealized gain on available-for-sale financial assets	4	141	0	1	46	0		
Total Comprehensive (Loss) income	-2,064	-132,038	-33	-3,731	-173,414	-45		
EPS - Basic (NT\$)		-1.53			-1.38			
EPS - Basic (NT\$) from continuing operations		-0.18			-0.27			

3Q FY17 results

- USD\$5.558M (NT\$169M) in revenue
- 61% gross profit margin
- 43% Q3 revenue growth vs. Q3 2016
- 86% Q3 revenue growth in APV/AVX Product line
- 70% Q3 revenue growth in AG Product line
- 90% Q3 revenue growth in India vs. Q3 2016
- 342% Q3 revenue growth in China vs. Q3 2016
- Operating Expense USD\$3.186M (NT\$96M)
- Net Profit for Q3 USD \$2K (NT\$0.2M)

3Q - Growth Trends FY17 vs. FY16 (US\$1,000)

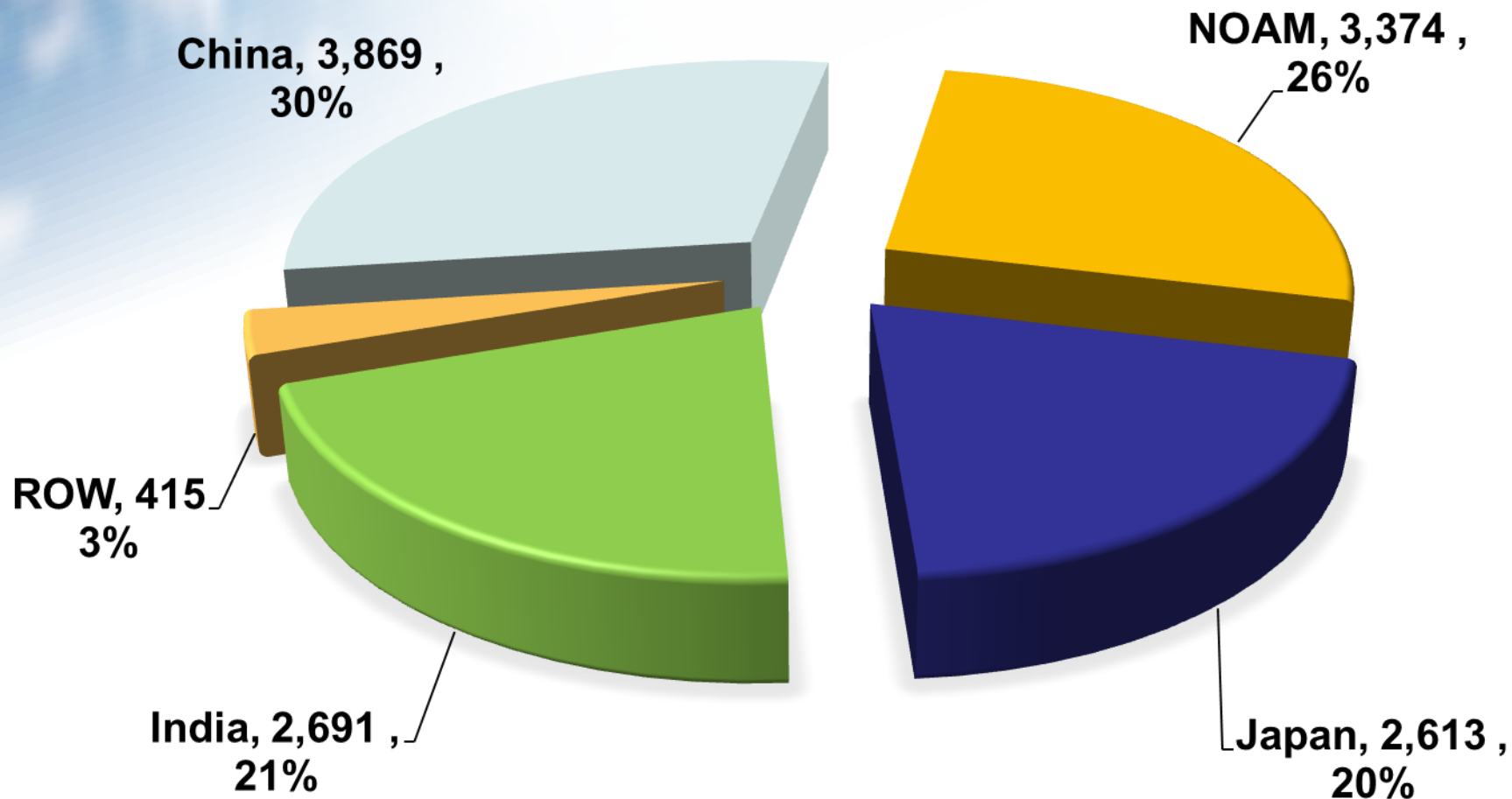


Q3 Statements of Comprehensive Income

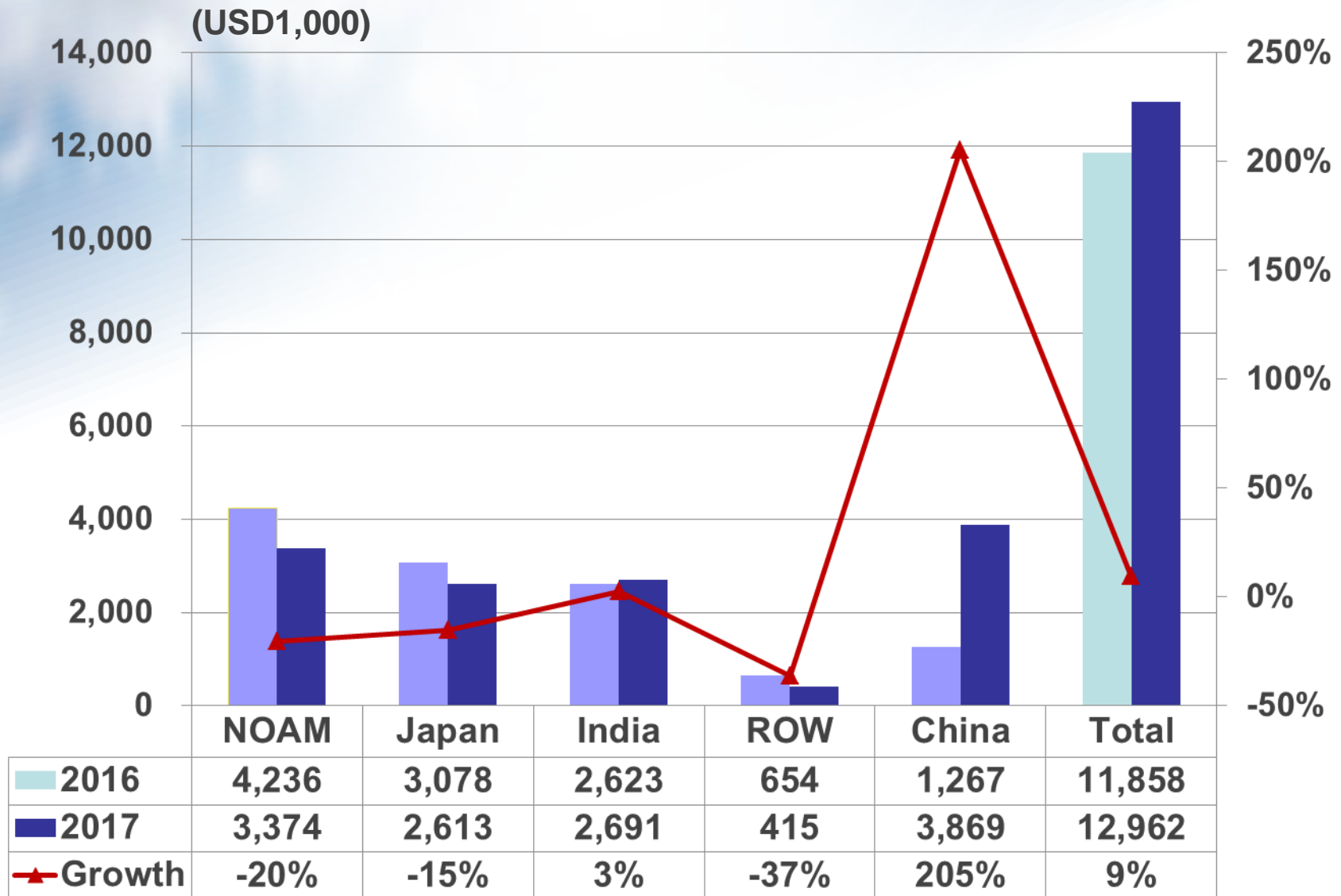
USD-TWD Average Rate	2017/9/30 30.539			2016/9/30 32.428			Comparison (US\$ base)	
	Q3, 2017			Q3, 2016			Q3 17 vs Q3 16	Q/Q Change
	(US\$1,000)	(NT\$1,000)	% of Rev.	(US\$1,000)	(NT\$1,000)	% of Rev.		
Operating Revenue, Net	5,558	168,740	100	3,876	122,852	100	1,682	43%
Operating Cost	-2,187	-66,538	-39	-915	-29,010	-24	-1,272	139%
Gross profit	3,371	102,202	61	2,961	93,842	76	410	14%
Operating Expenses								
Sales expenses	-1,756	-53,103	-31	-1,843	-58,375	-48	87	-5%
Administrative expenses	-675	-20,408	-12	-661	-20,921	-17	-14	2%
R&D expenses	-756	-22,979	-14	-411	-12,863	-10	-346	84%
Total operating Expenses	-3,186	-96,490	-57	-2,914	-92,159	-75	-272	9%
Operating (Loss) Income	185	5,712	3	47	1,683	1	138	291%
Non-operating Income & Expenses								
Other income	3	86	0	2	51	0	1	35%
Interest income	26	788	0	27	872	1	-1	-5%
Exchange gain (loss), net	-6	-167	0	-22	-660	-1	16	-75%
Finance expense	-5	-163	0	-4	-127	0	-1	29%
Total Non-operating Income & (Exp)	18	544	0	3	136	0	14	421%
(Loss) Income before income tax	203	6,256	4	51	1,819	1	152	300%
Income tax expense	-55	-1,650	-1	-82	-2,636	-2	28	-34%
Income from discontinued operations	-146	-4,376	-3	-592	-18,504	-15	446	-75%
Consolidated Net (Loss) Income	2	230	0	-624	-19,321	-16	626	-100%
Other comprehensive income and expense								
Exchange differences on translating foreign operations	1,113	26,896	16	-148	-36,619	-30		
Unrealized gain on available-for-sale financial assets	1	24	0	-1	-28	0		
Total Comprehensive (Loss) income	1,116	27,150	16	-772	-55,968	-46		
EPS - Basic (NT\$)		0.00			-0.27			
EPS - Basic (NT\$) from continuing operations		0.07			-0.01			

Revenue By Region – Q1-Q3, FY17

(USD1,000)

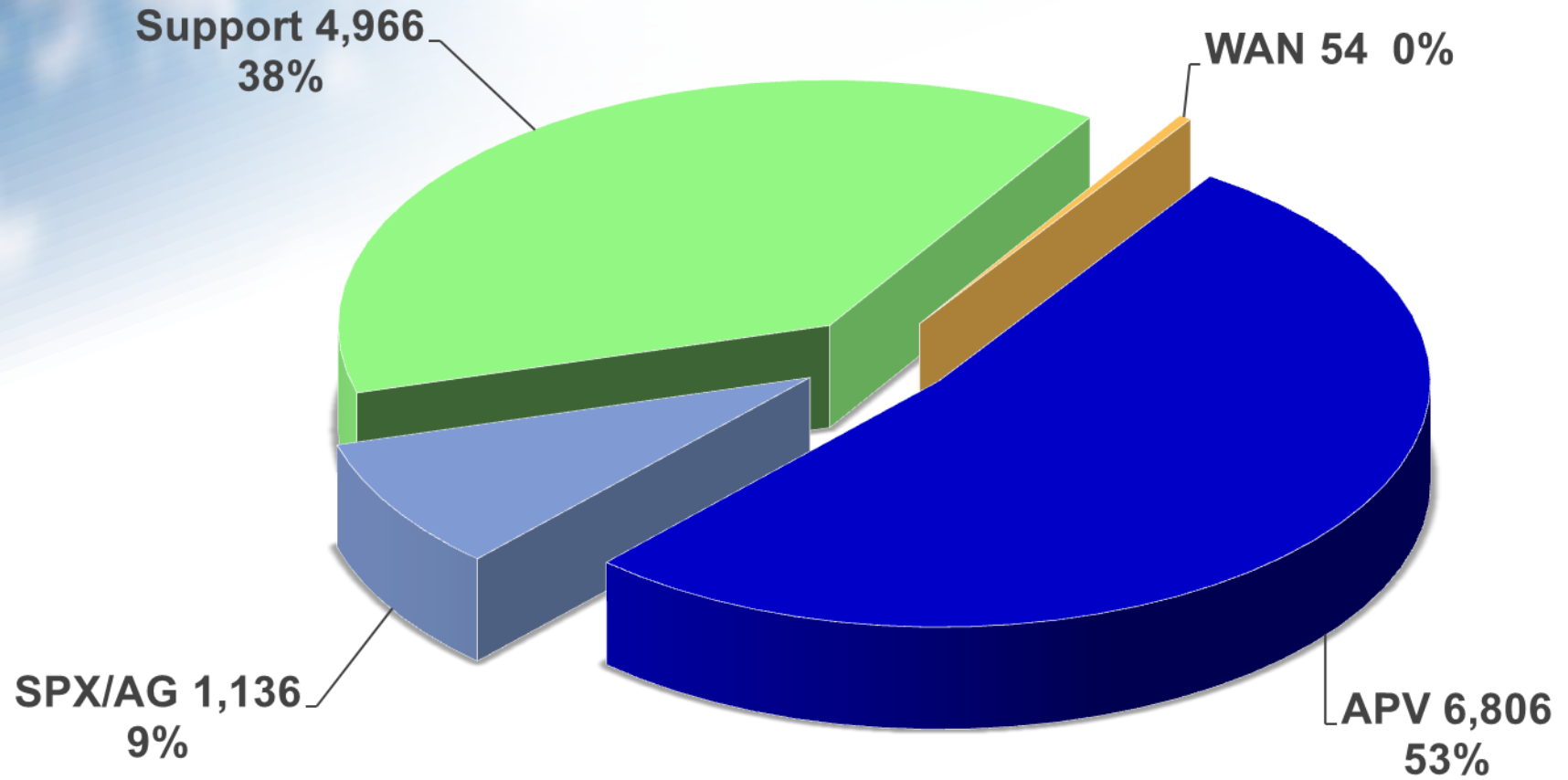


Growth by Region – Q1-Q3, FY17 vs. FY16



Revenue By Product – Q1-Q3, FY17

(USD1,000)



Performance By Product – Q1-Q3, FY17 vs. FY16



Operating Expense Growth – Q1-Q3, FY17 vs. FY16

	2016	2017	Growth
Headcount	71	76	7%
IFRS Operating Expense	9,492	9,204	-3%
Option Expense	90	-27	-131%
Additional AR Reserve	119	-22	-119%
Operating exp. (Excluded AR reserve & Option exp.)	9,283	9,253	-0%

Balance Sheet - Assets

USD-TWD Ending Rate	30.260			31.360			32.250		
	2017.9.30			2016.9.30			2016.12.31		
	US\$1,000	NT\$1,000	%	US\$1,000	NT\$1,000	%	US\$1,000	NT\$1,000	%
Current Assets									
Cash and cash equivalents	\$23,547	\$712,538	56	\$29,573	\$927,396	64	\$23,049	\$743,317	50
Available-for-sale financial assets	263	7,969	1	263	8,233	1	257	8,292	1
Notes receivable	204	6,173	0	1,265	39,667	3	0	0	0
Accounts receivables	5,237	158,463	13	6,071	190,395	13	3,349	108,006	7
Other receivables	4,965	150,255	12	16	502	0	18	570	0
Inventory	1,810	54,762	4	2,507	78,613	5	2,128	68,631	5
Non-current Assets Held for Sale	0	0	0	0	0	0	12,338	397,905	27
Other current assets	213	6,438	0	602	18,880	1	181	5,827	0
Total of current assets	36,239	1,096,598	86	40,296	1,263,686	87	41,320	1,332,548	90
Non-current assets									
Financial assets at cost - non-current (ArrayChina 18% ownership)	1,080	32,681	3	0	0	0	0	0	0
Property, plant and equipment	361	10,936	1	841	26,368	2	418	13,488	1
Intangible Assets									
Computer software	322	9,738	1	427	13,393	1	455	14,707	1
Goodwill	3,521	106,544	8	3,521	110,417	8	3,521	113,550	8
Brand	114	3,452	0	285	8,943	1	243	7,817	\$0
Deferred income tax assets	111	3,369	0	106	3,319	0	107	3,452	0
Refundable deposits	33	1,010	0	392	12,306	1	33	1,076	0
Other financial instruments	32	968	0	32	1,004	0	32	1,032	0
Total of non-current assets	5,575	168,698	13	5,604	175,750	13	4,809	155,122	10
Total Assets	\$41,814	\$1,265,296	99	\$45,900	\$1,439,436	100	\$46,129	\$1,487,670	100

Balance Sheet – Liabilities & Equity

USD-TWD Ending Rate	30.260			31.360			32.250		
	2017.9.30			2016.9.30			2016.12.31		
	US\$1,000	NT\$1,000	%	US\$1,000	NT\$1,000	%	US\$1,000	NT\$1,000	%
Current Liabilities									
Accounts payable	\$1,097	\$33,184	3	\$663	\$20,783	1	\$753	\$24,286	2
Income Taxes payable	55	1,678	0	46	1,443	0	74	2,374	0
Other payalbes	8,318	251,695	20	2,458	77,077	5	1,215	39,170	3
Liabilities Directly Associated with Non-Current Assets Held for Sale	0	0	0	0	0	0	3,443	111,043	7
Deferred revenue - current	4,176	126,360	10	5,497	172,392	12	3,975	128,185	9
Other current liabilities	85	2,583	0	252	7,902	1	94	3,028	0
Total current liabilities	13,731	415,500	33	8,916	279,597	19	9,554	308,086	21
Non-current liabilities									
Deferred revenue - non-current	2,621	79,324	6	2,997	93,982	7	2,432	78,446	5
Other non-current liabilities	35	1,048	0	23	735	0	26	853	0
Total non-current liabilities	2,656	80,372	6	3,020	94,717	7	2,458	79,299	5
Total Liabilities	16,387	495,872	39	11,936	374,314	26	12,012	387,385	26
Equity attributable to owners of the parent									
Capital	15,922	533,746	42	23,036	747,345	52	23,036	747,345	50
Capital surplus	10,905	356,572	28	11,019	356,598	25	11,162	361,215	24
Retained earnings									
Legal reserve	339	10,535	1	339	10,535	1	339	10,535	1
Special reserve	21	134	0	21	134	0	21	134	0
Unappropriated retained earnings	302	3,638	1	2,860	80,582	5	3,888	114,261	8
Other Equity	(140)	(74,195)	(6)	(514)	(41,258)	(3)	(1,532)	(44,391)	(3)
Treasury Stock	(1,922)	(61,006)	(5)	(2,797)	(88,814)	(6)	(2,797)	(88,814)	(6)
Total Equity	25,427	769,424	61	33,964	1,065,122	74	34,117	1,100,285	74
Total 'Liabilities and Equity	\$41,814	\$1,265,296	100	\$45,900	\$1,439,436	100	\$46,129	\$1,487,670	100

Array Networks

THANK YOU!