

Building a Full-Fiber Connected World to the Digital Transformation Era

December, 2021

ZTE

A Digital Driver of the Next Generation Economy

Unleash the Value of 5G for the world

Global leading supplier of integrated ICT solution

Serve Global Operators, Business Partners and Terminal Consumers

1985

Founded in

74,000

Employees

(R&D Personnel 45% +)

160+

Countries

2 Billion+

Subscribers

500+

Industry Partners

3 Major Businesses and Global Resources



Operator Network

Ultimate network Pursuer
Supreme simple
Supreme intelligent
Supreme Safe

11

Global R&D Centers

142

Global Sales Divisions



Government & Enterprise Business

Industries Energizer
Cost Reduction
Efficiency Increment
Quality Improvement

5

Smart Manufacturing Base
Nanjing/Shenzhen/Changsha/Heyuan/Xi'an

5+5↑

Global Delivery/Transfer Centers



Consumer Business

Intelligent Life Builder
Offering Full-Scenario Experiences

49+1↑

Global customer support Centers

Solid Foundation, New Horizons. Achieve High-Quality Growth

Revenue of RMB 53.1 Billion and over 100% Gain in Net Profit in H1 2021

2021 H1
Operating Revenue CNY

53.07 billion 12.4% ↑

Net cash flows from
operating activities CNY

7.03 billion 244.4% ↑

Net profit attributable to holders of
ordinary shares of the listed company
CNY

4.08 billion



2021 H1 Operating Revenue from 3 major businesses in
both domestic and international markets increased (CNY Billion)

13.2% ↑
35.95

31.75

China

10.8% ↑
17.12

15.45

Outside
China

0.2% ↑
35.05

34.97

Operator Network
Business

17.7% ↑
5.67

4.82

Government and
Enterprise Business

66.6% ↑
12.35

7.41

Consumer
Business

Problems Need to Be Solved in An Uncertain World

Rapid

Flexible

Cost-effective

Zero-touch

How to upgrade the bandwidth of FBB networks smoothly, and make the FBB networks more flexible?

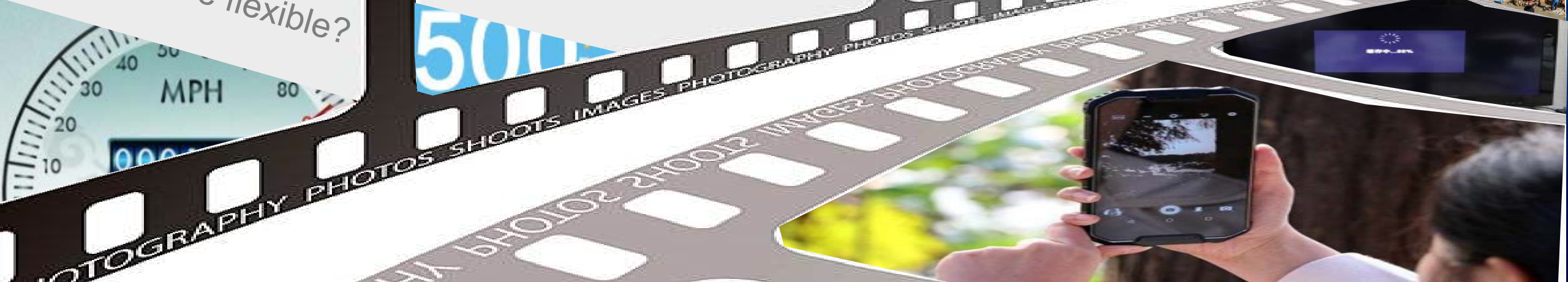
How to build an FBB network quickly in case of poor signals provided by mobile networks?

How to guarantee quality of services ?

How to ensure safety and reduce the risk in an uncertain world

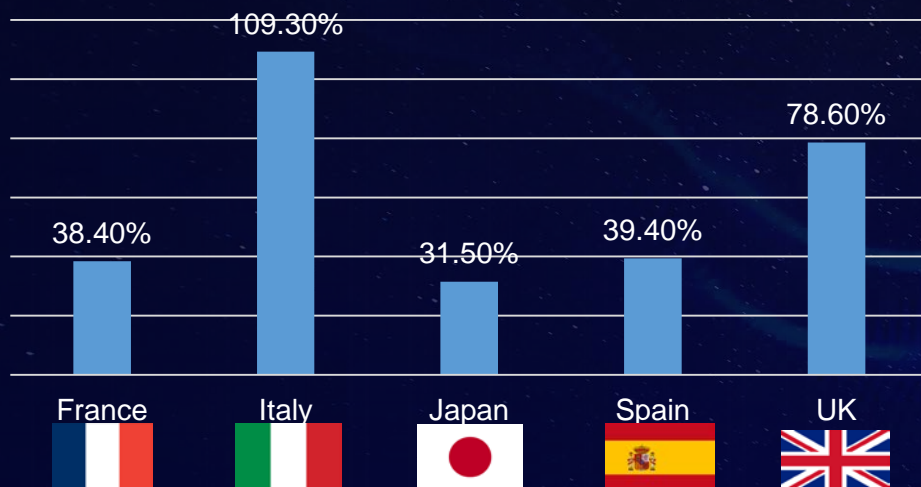


500

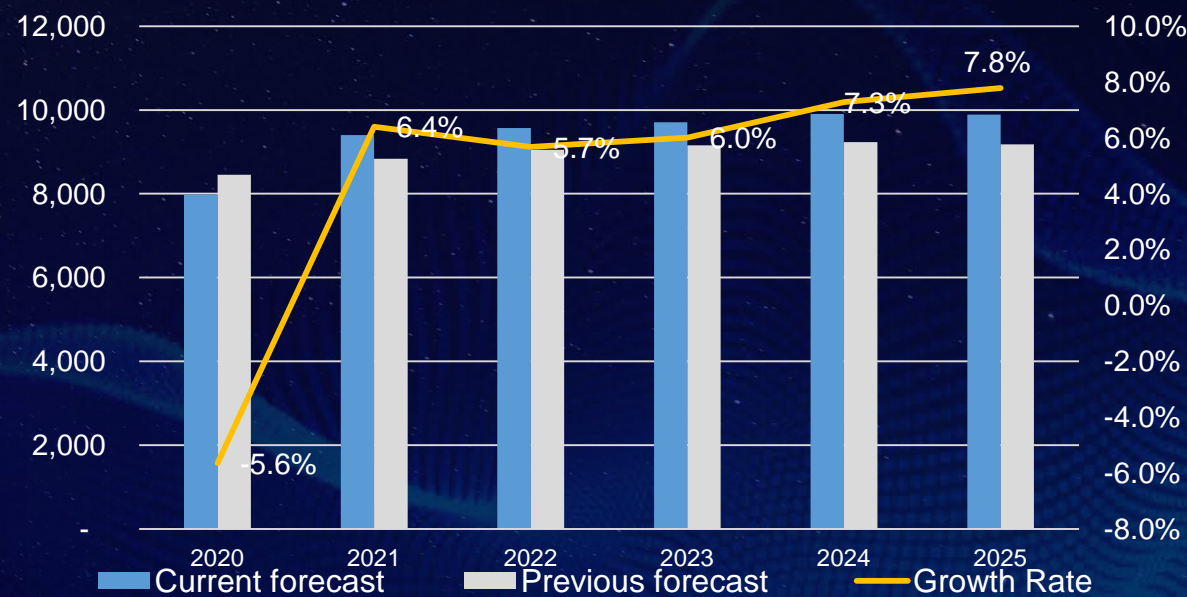


Industry Insight : the Market of FBB Continues to Increased due to the Pandemic

Broadband Traffic Increased During the Epidemic



2020-2025 Global FBB investment forecast (M\$)



Source: Omdia

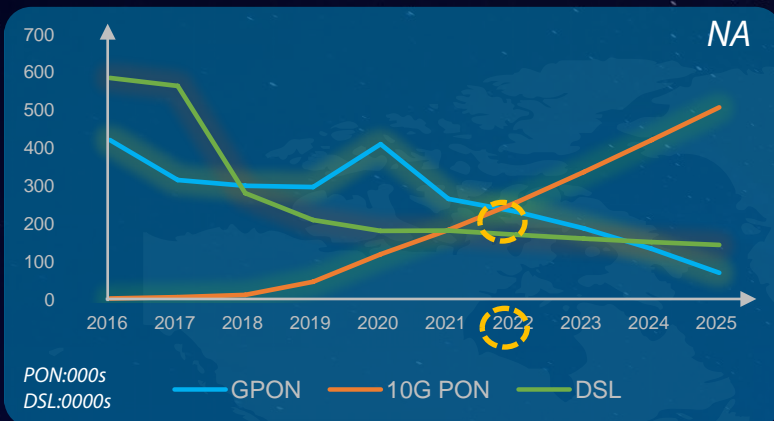
Strong growth in global PON demand

PON equipment revenue is expected to be close to US \$12 billion in 2026 by Omdia , with a compound annual growth rate of 10.0% from 2020 to 2026. China 5.1% ; AP (not including China) 5.1% ; EMEA 11.7% ; North America 8.6% ; Latin America and the Caribbean 7.7%.

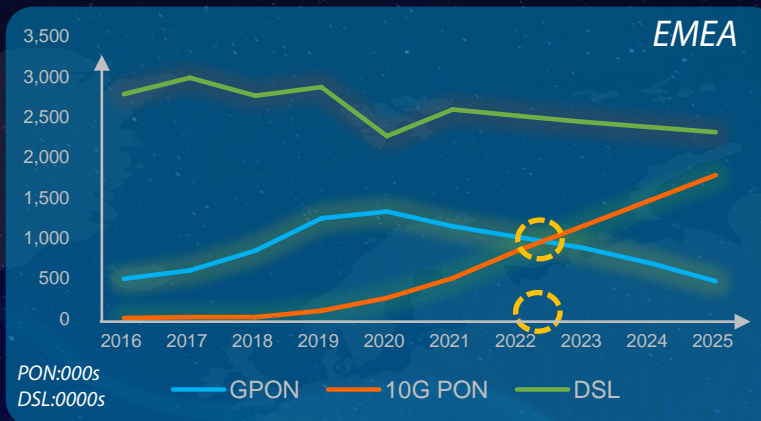




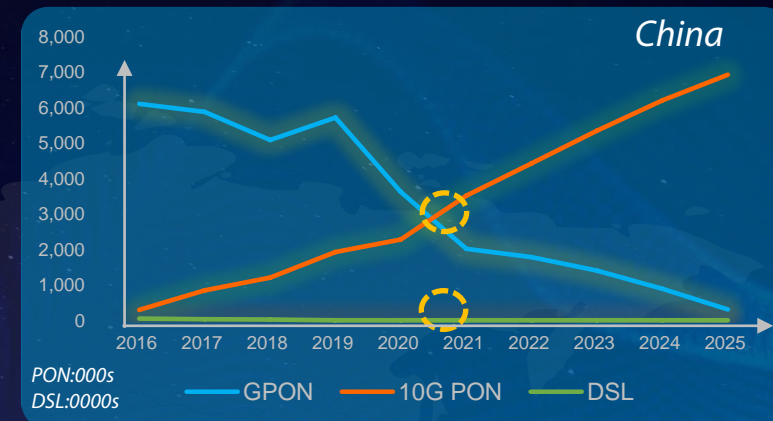
Upgrading to PON is Accelerating



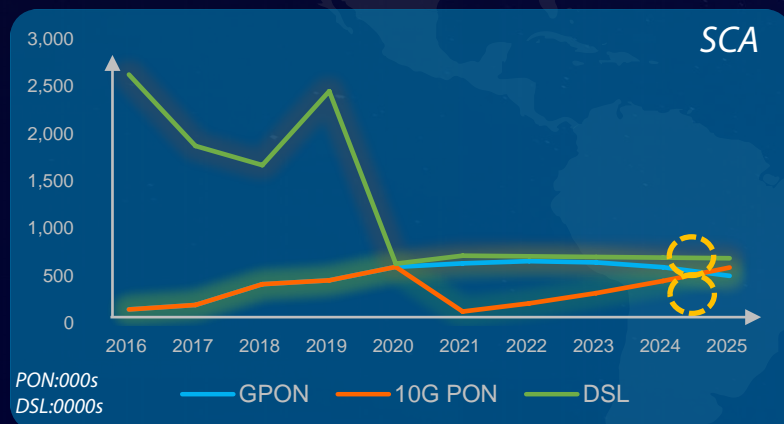
Cable is mainstream and 10G PON can be deployed quickly but on a small scale



By reusing copper networks, 10G PON will have late-mover advantage



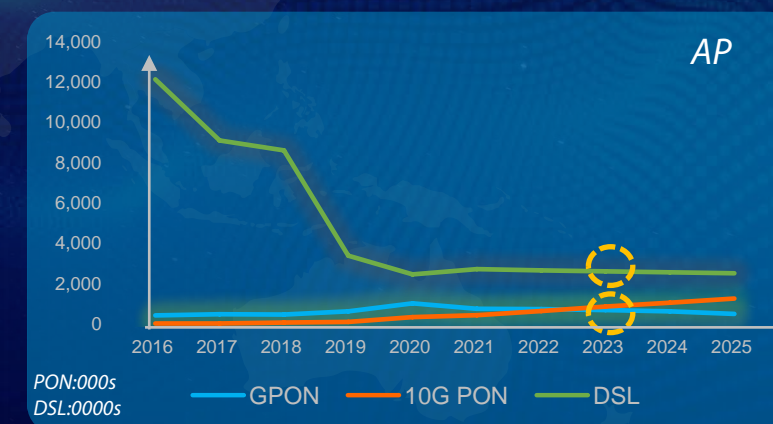
2021-2023, China will build 'Dual Gigabit Cities'



Cable networks transform to fiber

It is estimated that the shipment of 10G PON will exceed that of GPON in 2024

Source: Omdia, 2021Q1



GPON is mainstream and 10G PON will be gradually deployed

ZTE, a Global Leader in the FBB Markets and Technologies

25 M PON ports deployment

14 M PON OLT chips

No.2
PON ONT

No.2
PON Port

No.2
10G PON Port

430 M units CPE shipments

230 M PON ONT chips

No.1 OTT STB

No.1 IP STB

Source: Dell'Oro Group Q2 2021

Source: Omdia Q1 2021

américa
móvil

TIM



MTS

中国电信
CHINA TELECOM
世界触手可及

中国移动
China Mobile

A1

China
unicom 中国联通

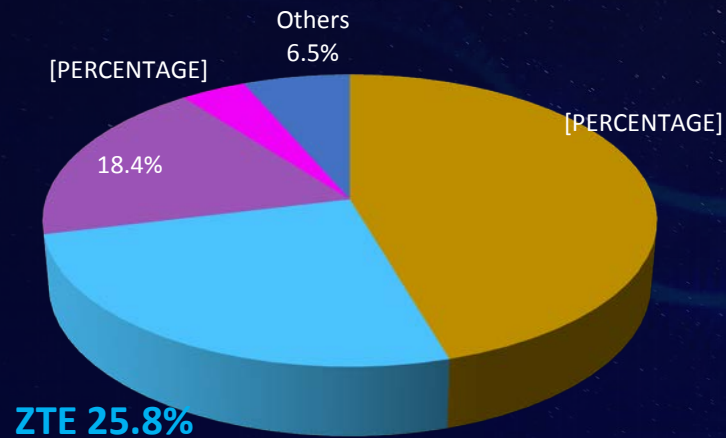
Telkom
Indonesia

Top Operators As Customers

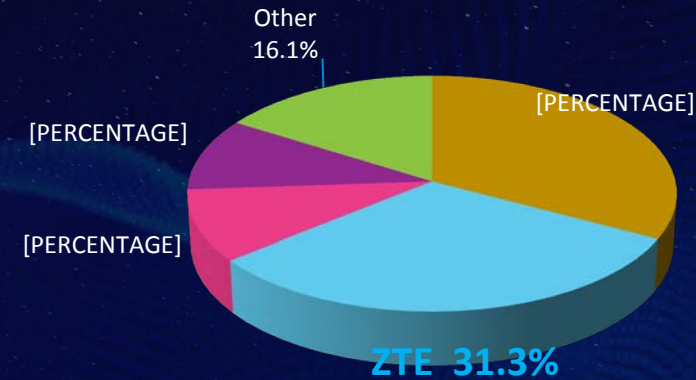
Fixed Network and Multimedia products have been deployed by **270+** operators in **100+** countries.

Top Rankings of ZTE in the Fixed Broadband Market in 2021

PON OLT Worldwide shipment market share
2021Q2



PON CPE Worldwide shipment market share
2021Q2



Source: Dell'Oro Group , Sept 2021

- ZTE **ranks #2** for PON OLT worldwide shipment 2021Q2 with a 25.8% market share.
- ZTE **ranks #2** for PON CPE worldwide shipment 2021Q2 with a 31.3% market share.

Innovative In-house Designed Chips Have Been Deployed On a Global Scale

Proprietary OLT chips



Low-power
GPON chip

2009

Industry's first 10G PON
ASIC chip

2011

Multi-mode
xPON chip

2016

High-density multi-
mode xPON chip

2018

Enhanced **CPU inside**
xPON chip

2020

Total shipments
14 million ports

2
10G PON ports / chip

8
10G PON ports / chip

16
10G PON ports / chip

5-in-1
Integration

Proprietary ONU chips



E/GPON & XG-PON
low-power ONU chip

2013-2014

E/GPON & 10G PON
multi-mode ONU chip

2015-2016

10G PON high-density
multi-mode ONU chip

2017-2018

PON ultra-transport
Performance ONU chip

2019-2020

Total shipments
230 million units

Industry chain



**Strengthen industry-
chain cooperation**

Powerful Production Capacity & Intelligent Production

Strong Production Capacity Servers 1/4 OLTs worldwide

- OLT: **6,000** sets / month
- PON card: **30,000** units / month
- MxU: **10,000** units / month
- CPE: **Million** units / month

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Automated Production Equipment

- Automated burn-in
- Automated optical module test
- Automated OLT assemble
- Automated FN product packaging

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30% Faster Supply Capability

Standardized production:

- Shortens **70%** of the supply period of emergency contracts

Customized dedicated line production

- Meets the requirements of high-end & customized contracts for rapid supply

Automated burn-in

Automated OLT
assembly line

Automated FN product
packaging line

Automated optical module
production equipment

SMT

Highly Recognized by the Industry with Dozens of Awards



- **Oct. 2021, 2021, In-Home Customer Experience Solution of the Year**
- **5G Fixed Wireless Solution of the Year**



Mar. 2020, TITAN
Optical network
innovation at Lightwave



May. 2019, TITAN
The Best Access Solution
at Broadband Forum Asia



Feb. 2019, Light Cloud
Innovative Power Award of
Access Network



Feb. 2018, Combo PON
Highly Commended award
at World Communication



Nov. 2017, TITAN
Fixed Broadband Innovation
of the Year in Telecom Asia

8 BBWF Awards

2007, InfoVision Award
2010, InfoVision Award
2012, InfoVision Award
2015, Best Broadband Partnership
2015, Best Connected Home Solution
2020, Best Innovation Award

2021, In-Home Customer Experience Solution of the Year
2021, 5G Fixed Wireless Solution of the Year

3 GTB Awards

2011, Innovation Award with TEO
2013, Innovation Award with BT
2016, Innovation Award with ETB

6 Telecom Asia Broadband Awards



Numerous Awards in China



GlobalData rated ZTE TITAN series as "**Leader**"

GlobalData rated ZTE DSL Access as "**Very Strong**"

Achievement and Market Performance Update



Italy

- TIM: Wi-Fi 6 CPE is large-scale commercial used.
- Windtre: ZTE got biggest market share of Wi-Fi 6 ONT.



Spain

- At the beginning of this year, ZTE won the biggest GPON share in Orange Spain.



Mexico

- Help Mexico IZZI and Megacable transform from Cable to FTTH.
- ZTE will complete more than **5 million** Homepass lines in the next two years.
- ZTE will provide more than **4 million** STBs for Mexico.



Thank you