

# Duiba Group 兑吧集团

## 2020 Interim Results



**Stock Name: DUIBA**

**Stock Code: HK 1753**

**Listed : 2019/05/07**

# Disclaimer

This Presentation is for information purposes only and does not constitute an offer, solicitation or advertisement with respect to the purchase or sale of any security of Duiba Group Limited (the Company) and no part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This Presentation is being furnished to you solely for your information and may not be reproduced, redistributed or published, directly or indirectly, in whole or in part, to any other person.

This Presentation contains certain forward-looking statements relating to the business, financial performance, strategy and results of the Company and/or the industry in which it operates. Forward-looking statements are statements concerning future circumstances and results, and any other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements, including those cited from third party sources, contained in this Presentation are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand, competition and government policy, can cause actual events, performance or results to differ significantly from any anticipated development. Neither the Company nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person’s officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this Presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this Presentation. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this Presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, the accuracy, completeness or correctness of any information, including any projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein and, accordingly, none of the Company or its affiliates, its advisors or representatives or any of its or their parent or subsidiary undertakings or any such person's officers or employees accepts any liability (in negligence or otherwise) whatsoever arising directly or indirectly from the use of this Presentation.

By attending this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

This Presentation speaks as of its date. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

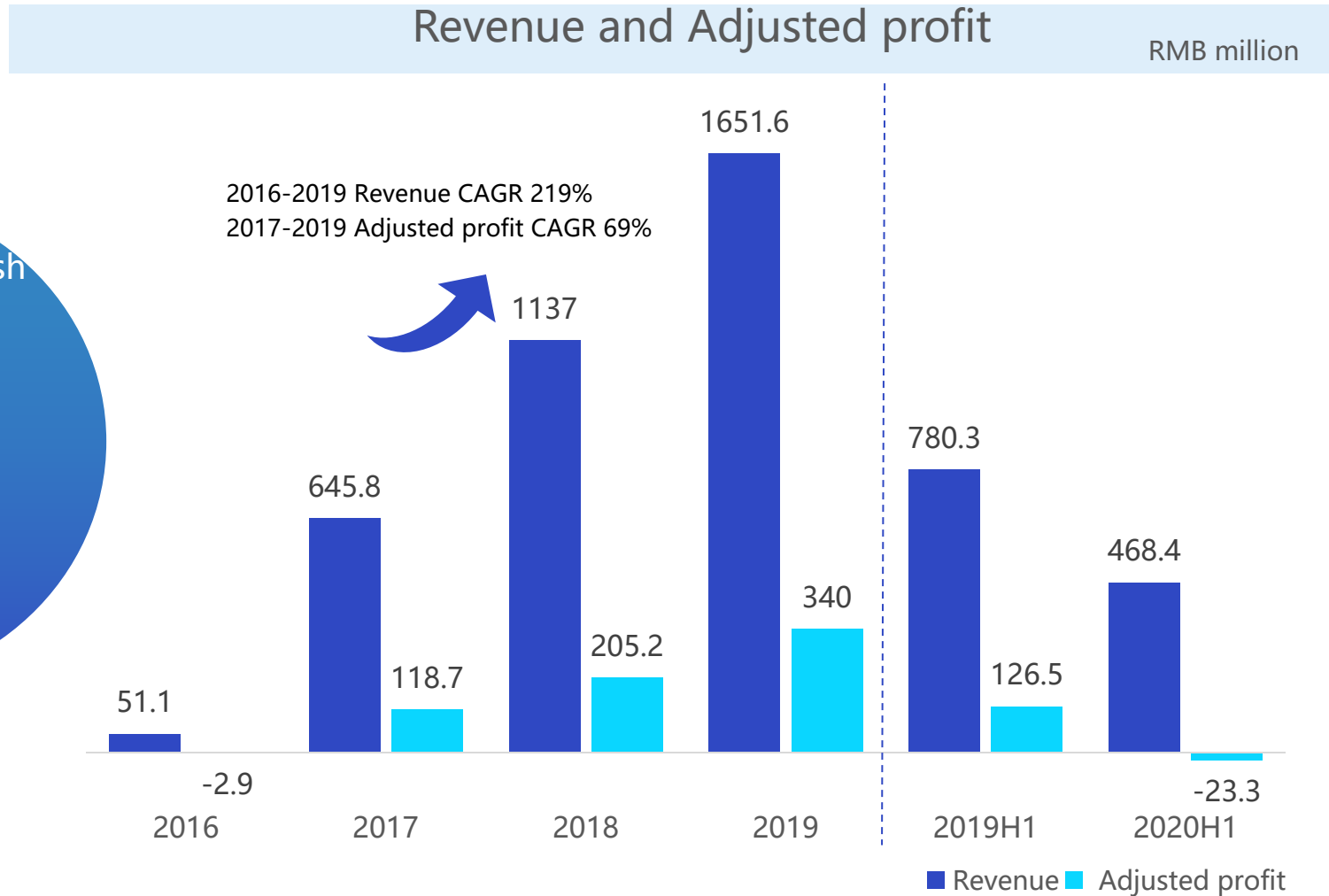
This Presentation may not be used, reproduced, copied, distributed, shared, or disseminated in any other manner. This Presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

*Duiba Group*  
兑吧集团

○ **Financial** ○  
**Performance of**  
**2020H1**

# Solid historical performance growth, strong recovery is highly expected

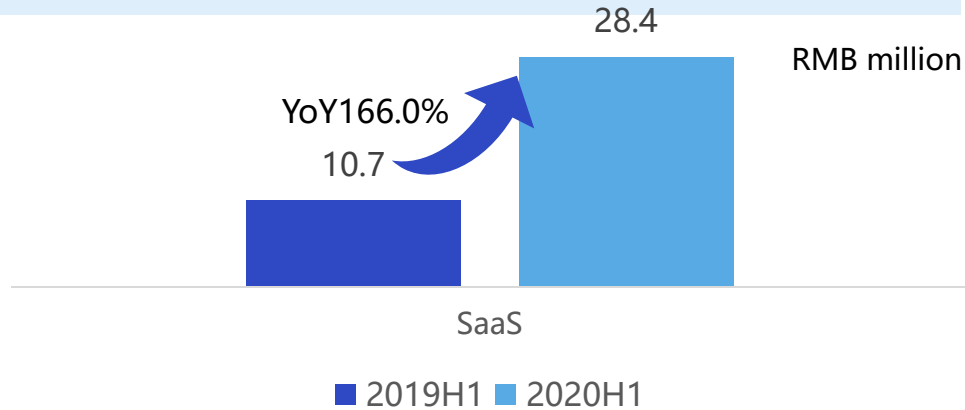
2020H1 Cash and cash equivalents  
+  
Financial assets  
**1,294**  
(RMB million)



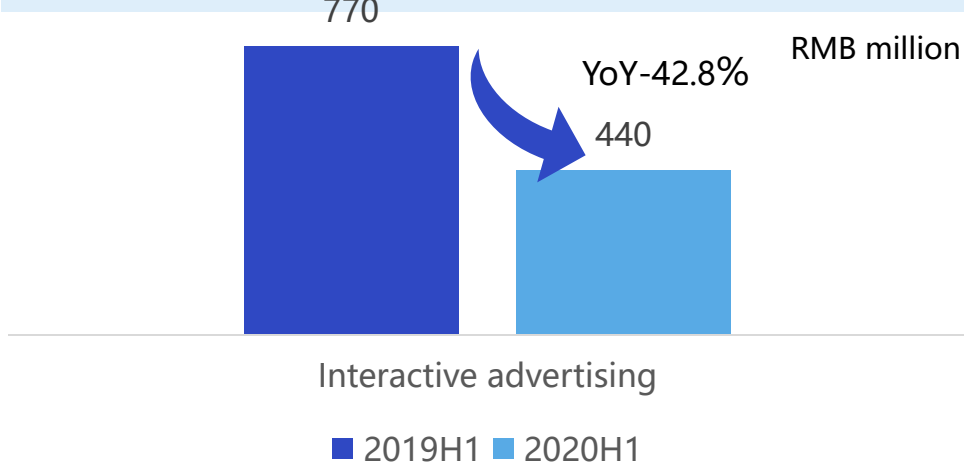
- In the first half of 2020, affected by the COVID-19 outbreak. The interactive advertising business is under pressure from the cutbacks in advertisers' budgets and the temporary stagnation of offline traffic. Advertisers' budget and offline traffic rapidly recovered after the COVID-19 outbreak end, and the traditional peak season of advertising industry is coming in the second half of the year. 4

# Rapid development of SAAS business , Interactive advertising faced a short - term fluctuation

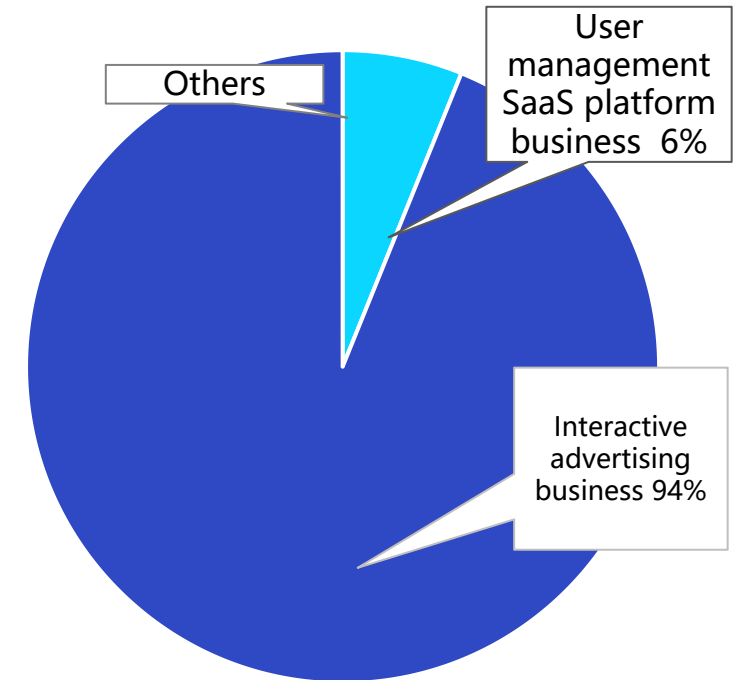
### Rapid development of SaaS business



### Interactive advertisement faced a short-term fluctuation



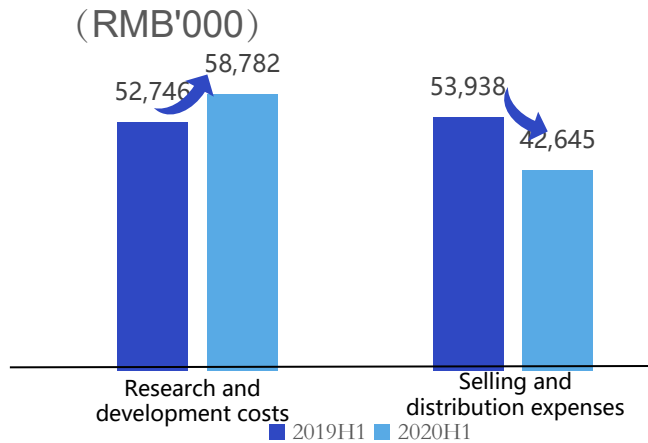
### Breakdown of our revenue by nature



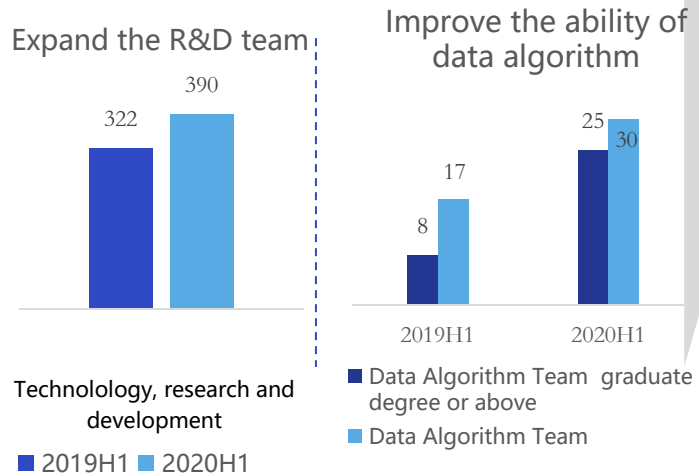
- Others
- User management SaaS platform business
- Interactive advertising business

# Stable operation ability

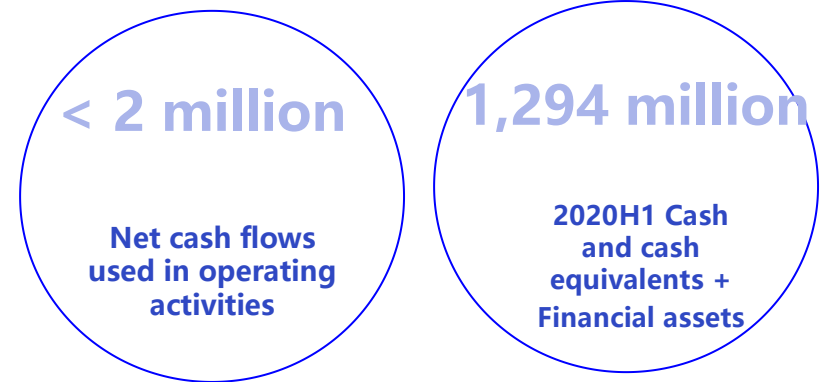
Operational efficiency improvement



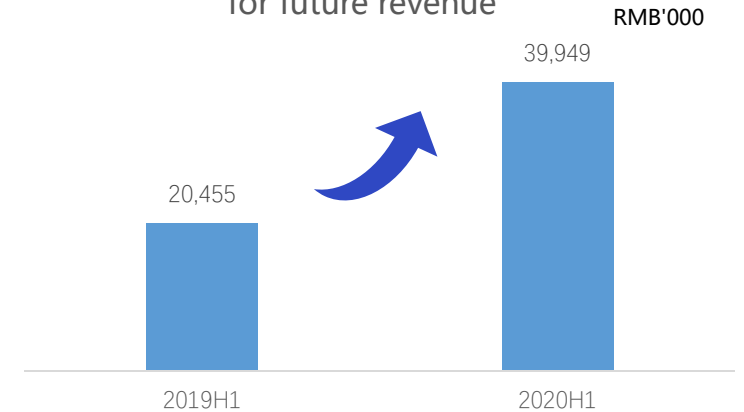
Keeping expanding technical team



Adequate cash reserves and solid cash flow provide a high margin of safety



High contract liabilities lay the foundation for future revenue



note : Contract liabilities means already signed but unamortized amount. Most of these liabilities come from SaaS business and will be amortized into revenue in the future.

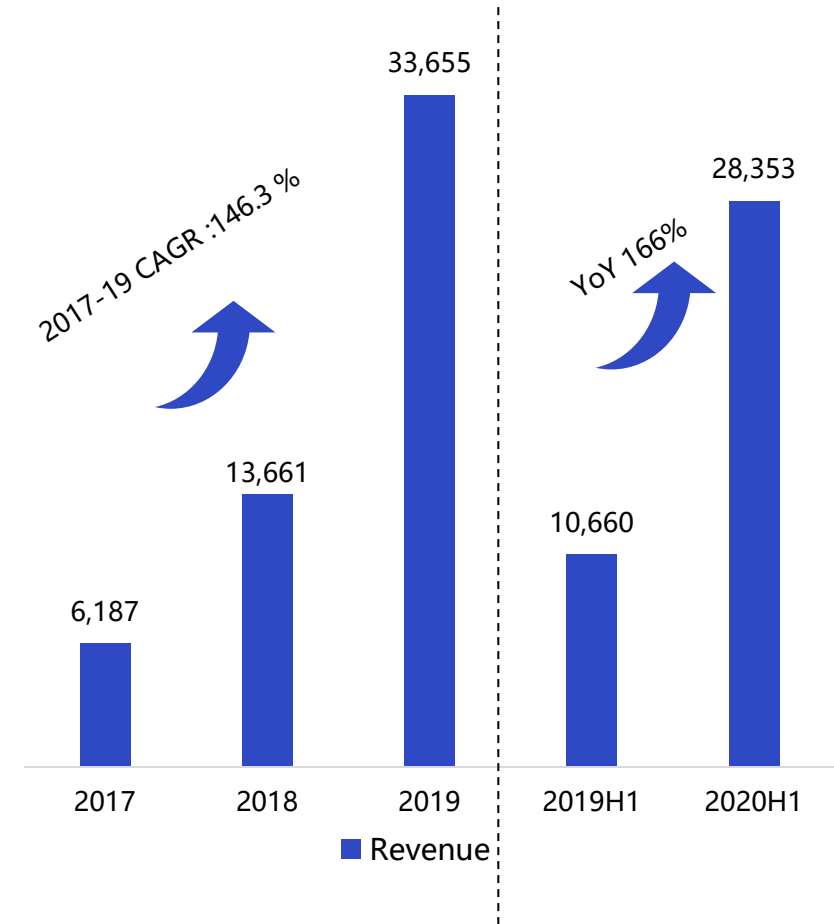
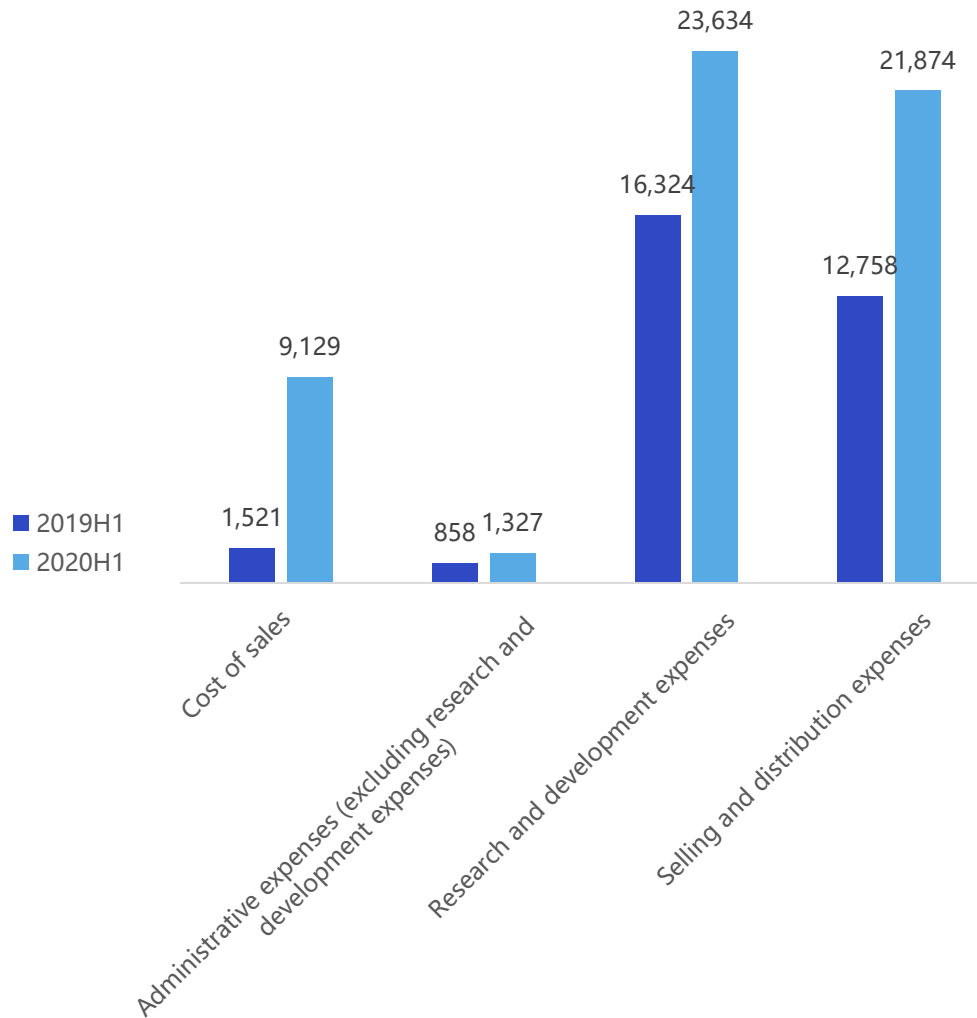
*Duiba Group*  
兜吧集团

# User management SaaS Introduction

# The rapid growth of users management SaaS business

## Financial performance of user management SaaS

RMB '000



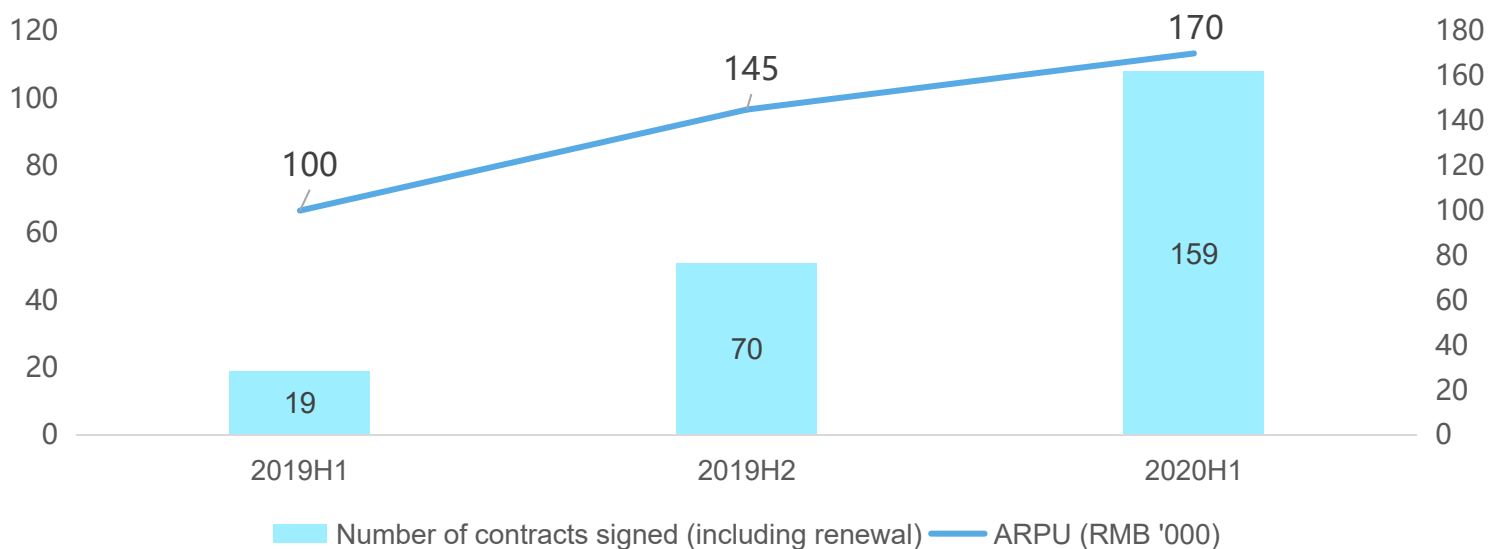


# 2020H1 Key achievements of user management SaaS business

## Outstanding Business Performance

Paying customer	<b>727</b>	<b>YoY 28%</b>	↗
New Contract (including renewal)	<b>345</b>	<b>YoY 31%</b>	↗
2020H1 Unit price	<b>115,000</b>	<b>YoY 98%</b>	↗
New Contract (including renewal) of Banking	<b>159</b>	<b>YoY 737%</b>	↗
Attrition rate	<b>6.5%</b>		

## Financial Industry contract



# 2020H1 Duiba Group SaaS clients distribution

New client industry in the H1 2020



## SaaS

Financial Served 159 clients

Offline Clients Served 568 clients

Online Clients

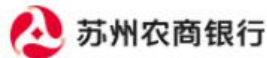
During the 618 in 2020, served 14 clients

Taobao brand merchants



# The financial industry—user management SaaS of Duiba Group

Duiba provides more advanced products and services for the bank to C business department (such as network finance Department/credit card Department), improves the bank's online active customers and customer acquisition ability, and promotes customers to use/purchase financial products and services at a higher frequency. Finally, it helps the bank to realize the innovation of online business mode and improve business efficiency.



## Fees in the financial industry :

User management saas  
VIP packages  
Price : 198000/year

Live show tool  
price : 50000-  
80000/once

Customized service  
price : Charge according to  
demand

Financial saas  
products

# Financial Industry -Introduction of Duiba Livestreaming SaaS

## Value of Duiba Livestreaming:

1. Assist the business to operate online in the general epidemic environment.
2. Interaction to obtain more accurate business leads.
3. Promote user fission to get more new users in the WeChat environment.



Livestreaming service RMB50,000-80,000 / 1 session, as of June 30, 2020, 3 banks and insurance clients have been contracted to provide multiple live sessions.

# Advantages of Duiba User Management SaaS



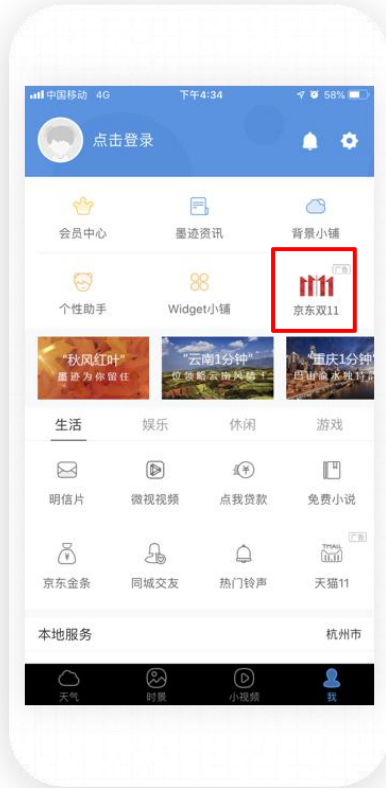
<ul style="list-style-type: none"><li>• Non-priority development with long lead times, usually on a monthly basis</li></ul>	<b>Reduced time</b>	<ul style="list-style-type: none"><li>• 1-2 weeks development time</li></ul>
<ul style="list-style-type: none"><li>• Single product manager or technical development of a monthly salary of RMB20,000, the team needs to operate with at least 5 people, a year to invest in RMB1.2million+</li></ul>	<b>Reduced costs</b>	<ul style="list-style-type: none"><li>• More experience and lower trial and error costs with a basic package price of only RMB60,000 and an upgrade package price of only RMB130,000.</li></ul>
<ul style="list-style-type: none"><li>• Due to the low level of informatization of offline enterprises and the lack of operational experience of user management, it is difficult to achieve the expected results.</li></ul>	<b>Increased effectiveness</b>	<ul style="list-style-type: none"><li>• Rich strategy, serving all kinds of online and offline large and medium-sized enterprises, experienced and effective.</li></ul>
	<b>Technological barriers</b>	<ul style="list-style-type: none"><li>• Highly stable user management SaaS system</li><li>• Highly scalable underlying architecture</li><li>• We use a secure and reliable encryption algorithm similar to the one used by Alipay for sensitive data.</li></ul>

*Duiba Group*  
兜吧集团

# Interactive advertising

## ○ Introduction ○

# What is Interactive advertising



Users click the entry



Enter the activity scene

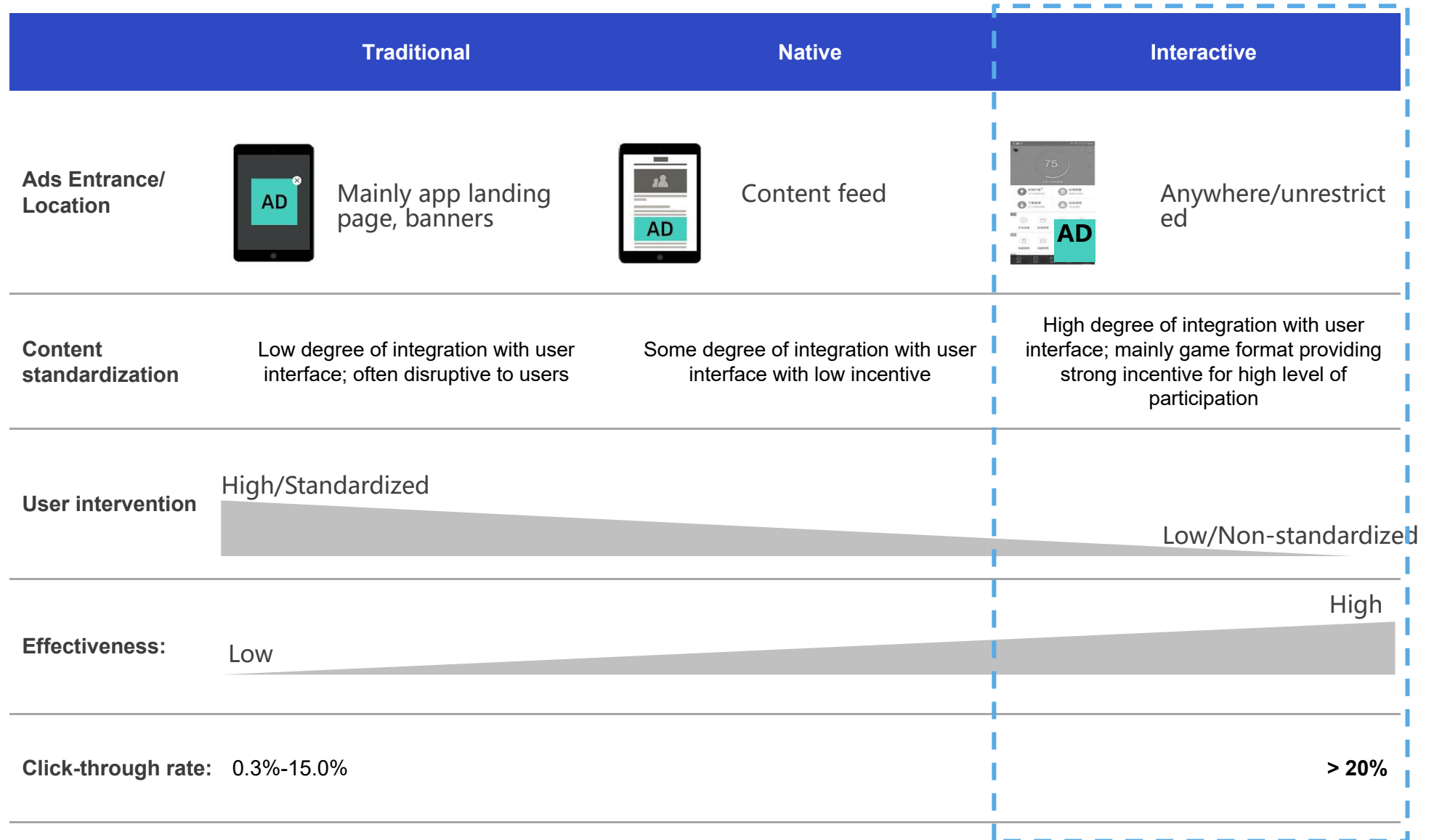


Click "Get it now"



Enter the advertiser landing page

# Comparing interactive advertisement with other mobile advertisement formats



Source: iResearch



# We served various verticals and high-quality advertisers



# Structure of traffic sources

4,909  
Media Partners  
1.3%  
2019H1-2020H1

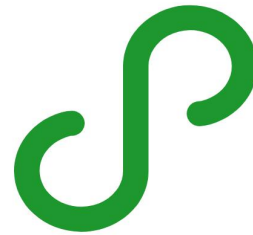


## Future - Interactive advertising traffic scenarios are more diverse



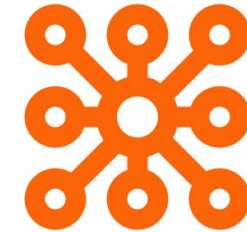
### Digital TV flow

2019H1 China's smart TV activation scale reached 203 million, and it is estimated it will reach 280 million in 2022. According to CBN's data, DVB+OTT/IPTV+OTT mode accounted for 83.4%, occupying the mainstream position.



### applet

In 2019, the number of small programs in China reached 3 million, the number of daily active users reached 330 million, and the transaction amount reached 1.2 trillion yuan.



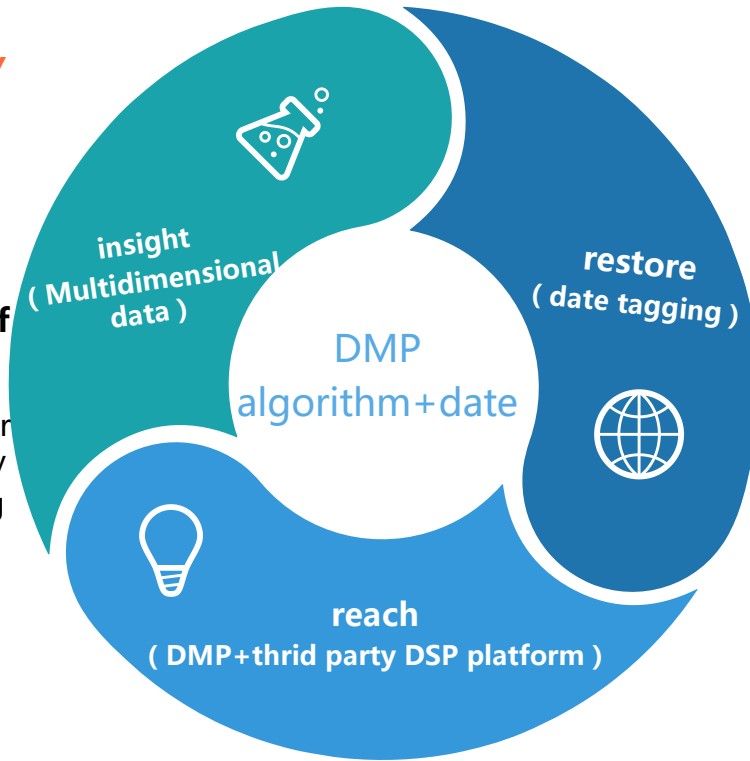
### IOT(Internet of Things)

In the 5G era, the IOT makes the Internet interact with people's life scene in a deeper level, and the IOT era will cover all kinds of entrances of human production and life in a more comprehensive way.

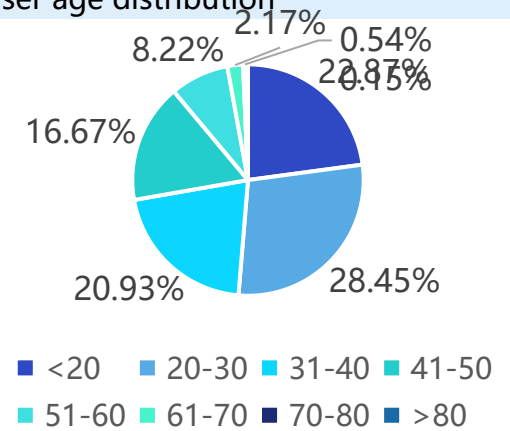
# The core of effect advertising : advanced data and algorithmic capabilities

2020 H1 R&D  
RMB 59 million **+12%YoY**

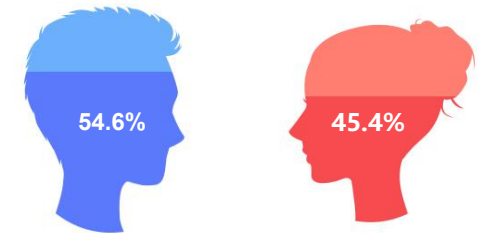
**Experienced technical staff**  
**CTO Xiuyi Chen**  
Master's degree in computer science from Peking University used to work as an advertising algorithm expert in BAT.



Tuia User age distribution



gender distribution



## SDK Project initiating

2019.9

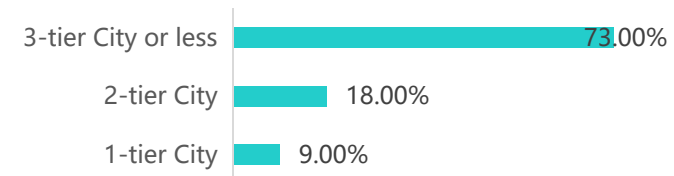


**SDK Initial benefit**

2020.6

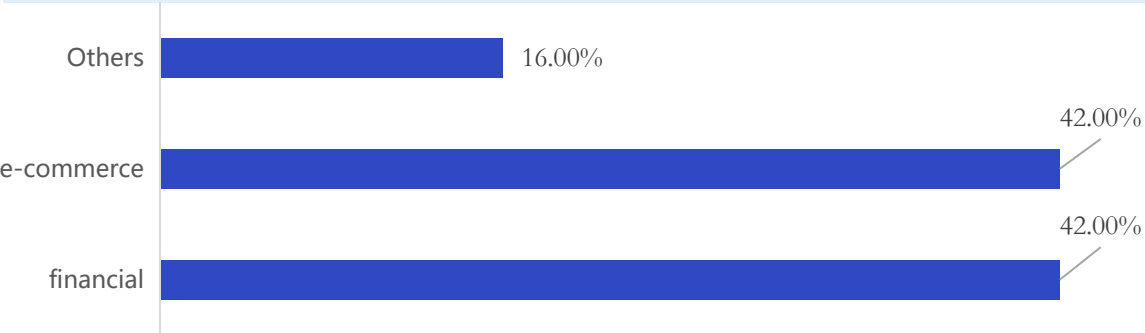
SDK UV > 5 million

## Delivery area of Advertising business

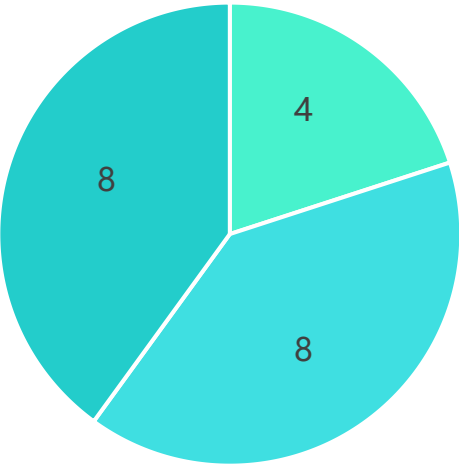


# Analysis of ultimate advertisers

Ultimate advertisers by industry

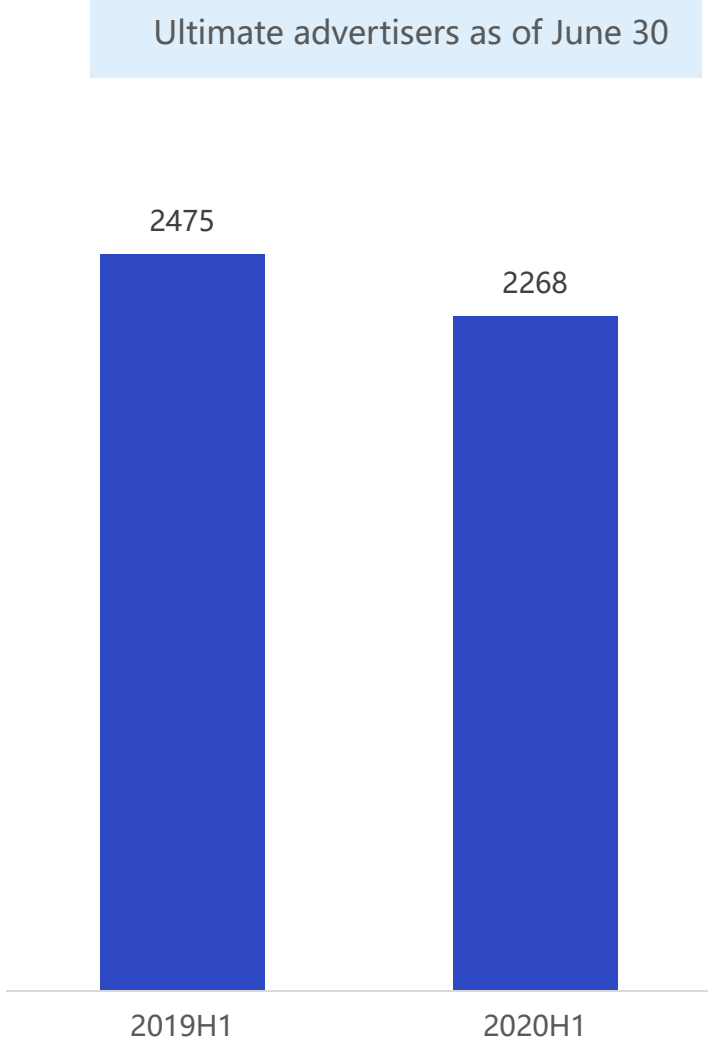


TOP20 Advertisers



■ Listed e-commerce platform   ■ Listed financial Platform   ■ Other

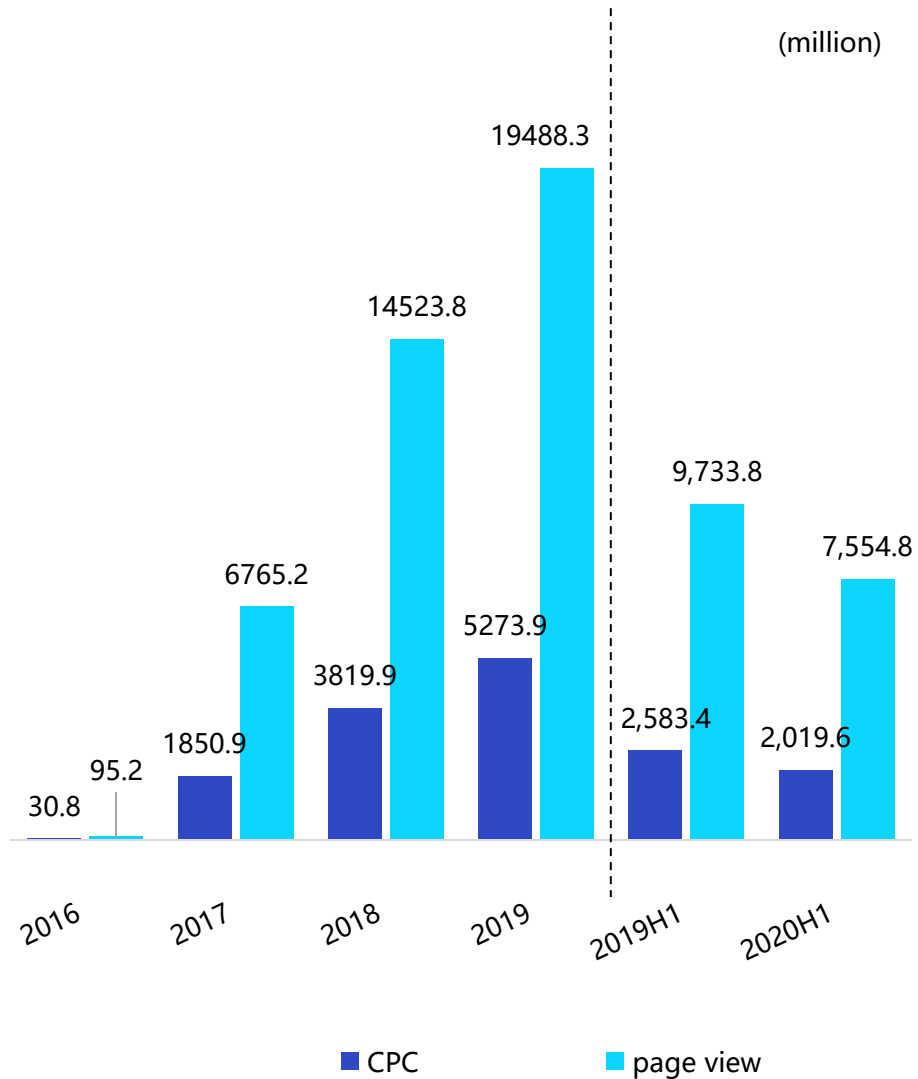
Ultimate advertisers as of June 30



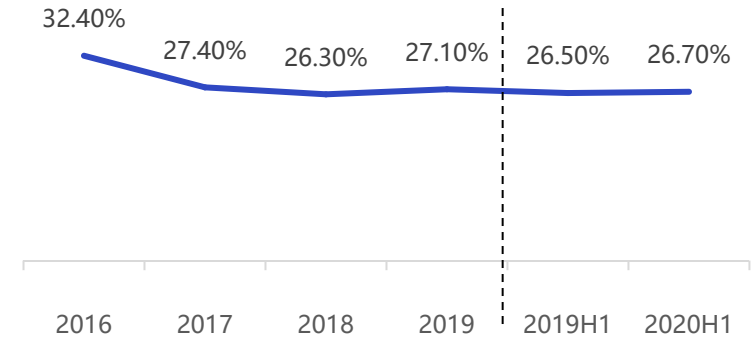
■ Number of advertisers as of June 30

# Advertising business data

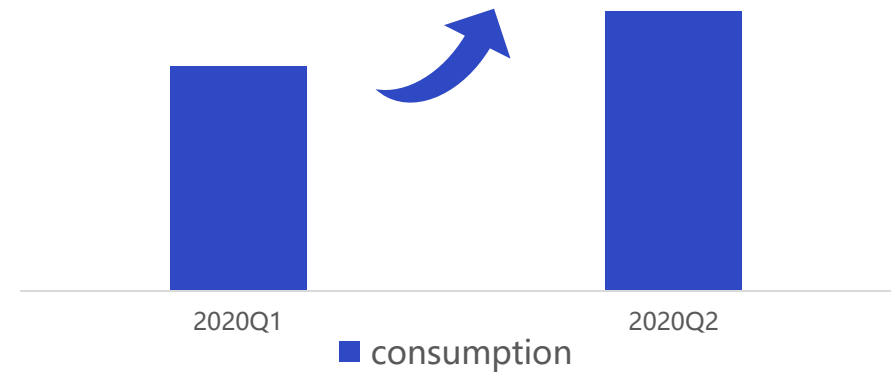
## Page view and Click



## Click Value Rate



Showed a rapid recovery in second quarter



**Duiba Group**  
兑吧集团

○ **Our vision** ○

# Our vision

The COVID-19 outbreak has a far-reaching impact on the future economy. Enterprises are further increasing their investment in digital transformation and upgrade, especially in industries where the main business still relies mainly on offline scenarios and channels, typically represented by the banking industry. During the COVID-19 outbreak, offline outlets are unable to carry out operations, and account managers cannot visit customers, thus greatly affecting the normal development of their business. Online user management and the creation of online new user scenarios become an extremely urgent need of major banks for their business upgrade. The Group will be deeply engaged in user management SaaS business in vertical industries, and continuously upgrade and innovate our products and services, so as to create greater long-term value for banking, retail and other industries.

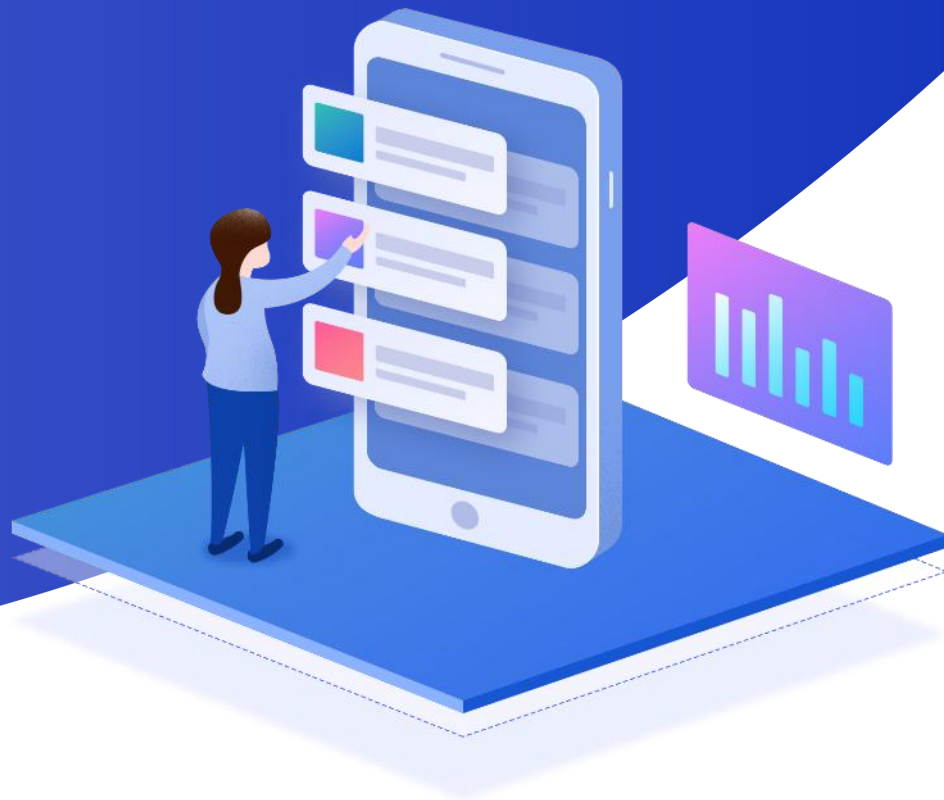
The COVID-19 outbreak has a significant impact on the interactive advertising business of the Group, with the phased stagnation of the traffic for the offline consumption scenario due to the outbreak, and the budget pressures on advertisers in the industry. However, with the recovery of the domestic economy, the two negative effects have been gradually eliminated, with a significant improvement in the market environment for the continuous growth of the interactive advertising business. Looking forward to the second half of the year, the Group will adhere to the diversified traffic structure strategy of online and offline, omni-channel and full-scenario coverage for advertising traffic. In addition to the offline consumption scenario, it will further expand the traffic from WeChat mini program, digital TV traffic, and various access to traffic in the Internet of Things era after the full coverage of 5G in the future.

It is the long-term relentless mission of Duiba, a young team, to help enterprises improve their efficiency!



# Appendix

*Duiba Group*  
兜吧集团



# Income statement

(RMB 000)	For the six months ended 31 December			For the six months ended 30 June	
	2017	2018	2019	2019H1	2020H1
<b>Revenue</b>	<b>645,792</b>	<b>1,137,032</b>	<b>1,651,636</b>	<b>780,294</b>	<b>468,404</b>
<i>YoY growth</i>	<i>1162.80%</i>	<i>76.00%</i>	<i>45.30%</i>	<i>64.50%</i>	<i>-39.97%</i>
Cost of sales	-403,766	-708,119	-1,084,138	-535,998	-400,981
<b>Gross profit</b>	<b>242,026</b>	<b>428,913</b>	<b>567,498</b>	<b>244,296</b>	<b>67,423</b>
<i>Gross profit margin</i>	<i>37.50%</i>	<i>37.70%</i>	<i>34.40%</i>	<i>31.30%</i>	<i>14.39%</i>
Other income and expenses	3,260	13,222	31,942	15,844	27,509
Selling and distribution expenses	-46,026	-107,156	-105,185	-53,938	-42,645
Administrative expenses	-82,213	-173,554	-221,813	-118,221	-103,669
Changes in fair value of financial liabilities at fair value through profit or loss	-18,605	-453,592	-475,790	-467,675	-
Other expenses	-79	-1,139	-5,774	-1,232	-5,998
Finance costs	-	-5,772	-244	-	-52
<b>Profit / (loss) before tax</b>	<b>98,363</b>	<b>-299,078</b>	<b>-209,366</b>	<b>-380,926</b>	<b>-57,380</b>
Income tax expense	-255	7,496	9,562	-1,517	9,541
<b>Profit (loss) for the year/period</b>	<b>98,108</b>	<b>-291,582</b>	<b>-199,804</b>	<b>-382,443</b>	<b>-47,839</b>
<b>Reconciliation of adjust profit/(loss)</b>					
Profit (loss) for the year/period	98,108	-291,582	-199,804	-382,443	-47,839
Share payment	1,991	12,247	28,769	8,983	24,563
Listing Expense	-	25,188	35,226	32,243	-
Changes in fair value of financial liabilities at fair value through profit or loss	18,605	453,592	475,790	467,675	-
Finance Cost <sup>(1)</sup>	-	5,772	244	-	-
<b>Adjusted net profit</b>	<b>118,704</b>	<b>205,217</b>	<b>339,981</b>	<b>126,458</b>	<b>-23,276</b>
<i>% of Revenue</i>	<i>18.40%</i>	<i>18.00%</i>	<i>20.60%</i>	<i>16.20%</i>	<i>-4.97%</i>

# Balance sheet

(RMB 000)	For the six months ended 31 December			For the six months ended 30 June	
	2017	2018	2019		
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	3,600	8,930	5,238		4,331
Intangible assets	96	894	679		534
Deferred tax assets	3,133	10,877	20,863		30,602
Prepayments, deposits and other receivables	327	1,979	1,606		875
<b>Total non-current assets</b>	<b>7,432</b>	<b>22,680</b>	<b>31,880</b>		<b>60,310</b>
<b>CURRENT ASSETS</b>					
Trade receivables	14,474	114,963	146,586		113,495
Prepayments, deposits and other receivables	13,819	46,570	124,155		128,104
Financial assets at fair value through profit or loss	224,882	426,172	1,072,857		1,182,280
Cash and cash equivalents	90,790	281,565	220,779		111,703
<b>Total current assets</b>	<b>356,041</b>	<b>869,270</b>	<b>1,564,377</b>		<b>1,535,582</b>
<b>Total asset</b>	<b>363,473</b>	<b>891,950</b>	<b>1,596,257</b>		<b>1,595,892</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	93,087	63,209	101,853		110,855
Other payables and accruals	90,195	88,443	109,277		92,834
Contract liabilities	27,522	20,657	20,455		39,949
<b>Total current liabilities</b>	<b>210,804</b>	<b>172,309</b>	<b>234,573</b>		<b>246,291</b>
<b>Net current assets</b>	<b>145,237</b>	<b>696,961</b>	<b>1,329,804</b>		<b>1,289,291</b>
<b>Total assets less current liabilities</b>	<b>152,669</b>	<b>719,641</b>	<b>1,361,684</b>		<b>1,349,601</b>
<b>NON-CURRENT LIABILITIES</b>					
Financial liabilities at fair value through profit or loss	144,680	1,151,391	-		-
<b>Total non-current liabilities</b>	<b>144,680</b>	<b>1,151,639</b>	<b>1,117</b>		<b>1,869</b>
<b>Net assets / (liabilities)</b>	<b>7,989</b>	<b>-431,998</b>	<b>1,360,567</b>		<b>1,347,732</b>
<b>EQUITY</b>					
Share capital	-	44	72		69
Treasury shares	-	-	-108,565		-
Reserves	7,989	-432,042	1,469,060		1,347,663
<b>Total equity/(net deficiency in assets)</b>	<b>7,989</b>	<b>-431,998</b>	<b>1,360,567</b>		<b>1,347,732</b>

# Cash flow statement

(RMB 000)	For the six months ended 31 December			For the six months ended 30 June	
	2017	2018	2019	2019	2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Profit/(loss) before tax</b>					
<b>Adjustments for:</b>	<b>98,363</b>	<b>-299,078</b>	<b>-209,366</b>	<b>-380,926</b>	<b>-57,380</b>
Interest income					
Investment income from financial assets at fair value through profit or loss	-112	-2,462	-3,111	-945	-882
Change in fair value of financial assets at fair value through profit or loss	-2,001	-8,021	-19,172	-5,047	-11,636
Change in fair value of financial liabilities at fair value through profit or loss	-501	-2,128	-1,586	-7,716	-9,605
Increase/(decrease) in trade receivables	18,605	453,592	475,790	467,675	-
Increase in prepayments, deposits and other receivables	-10,097	-101,102	-31,667	91,450	32,650
Increase/(decrease) in trade payables	-10,298	-34,368	-77,235	-849	-3,218
Increase/(decrease) in deferred revenue	88,172	-29,878	38,644	16,086	9,002
Increase in advances from customers, other payables and accruals	27,522	-6,865	-202	-8,931	19,494
<b>Net cash flows from operating activities</b>	<b>57,469</b>	<b>-1,752</b>	<b>20,834</b>	<b>12,502</b>	<b>-16,443</b>
<b>CASH FLOWS FROM INVESTING ADTIVITIES</b>	<b>269,764</b>	<b>-7,423</b>	<b>240,967</b>	<b>199,974</b>	<b>-1,932</b>
Purchases of financial assets at fair value through profit or loss					
Proceeds from disposal of financial assets at fair value through profit or loss	-378,381	-1,564,013	-3,065,898	-1,738,112	-1,394,440
Acquisition of equity interests in subsidiaries from the then shareholders	180,770	1,372,876	2,441,703	860,035	1,294,909
<b>Net cash flows from/(used in) investing activities</b>	<b>-199,826</b>	<b>-231,231</b>	<b>-625,740</b>	<b>-873,435</b>	<b>-104,077</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from financial liabilities at fair value through profit or loss	-	712,005	-	-	-
Dividends paid to the then shareholders	-	-18,228	-	-	-
Proceeds from issue of shares	-	35,579	574,640	574,640	-
Repurchase of shares	-	-255,890	-138,135	-3,340	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>403,550</b>	<b>304,397</b>	<b>543,429</b>	<b>-3,654</b>
<b>Net increase in cash and cash equivalents</b>	<b>69,938</b>	<b>164,896</b>	<b>-80,376</b>	<b>-130,032</b>	<b>-109,663</b>
Cash and cash equivalents at the beginning of the year/period	20,852	90,790	281,565	281,565	220,779
<b>Cash and cash equivalents at the end of the year/period</b>	<b>90,790</b>	<b>281,565</b>	<b>220,779</b>	<b>159,945</b>	<b>111,703</b>

The background is a solid blue color with various abstract geometric elements. In the top left, there is a large, light blue arrow pointing downwards. In the top center, there is a small, multi-colored triangle. In the top right, there is a large, light blue arc. In the center, the text "Thanks !" is written in a bold, white, sans-serif font. Below the text, there are several circular shapes: a large, light blue ring, a smaller light blue ring, and a small light blue circle. In the bottom left and bottom right corners, there are 3D bar charts with blue and purple bars of varying heights. The overall design is modern and clean.

**Thanks !**