



**Q2 2020
EARNINGS PRESENTATION
SEPT 10, 2020**



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Group Revenues - Defined

1. SAAS Business

(a) Developer Services

- Subscription
- Value-Added Service

(b) Vertical Applications

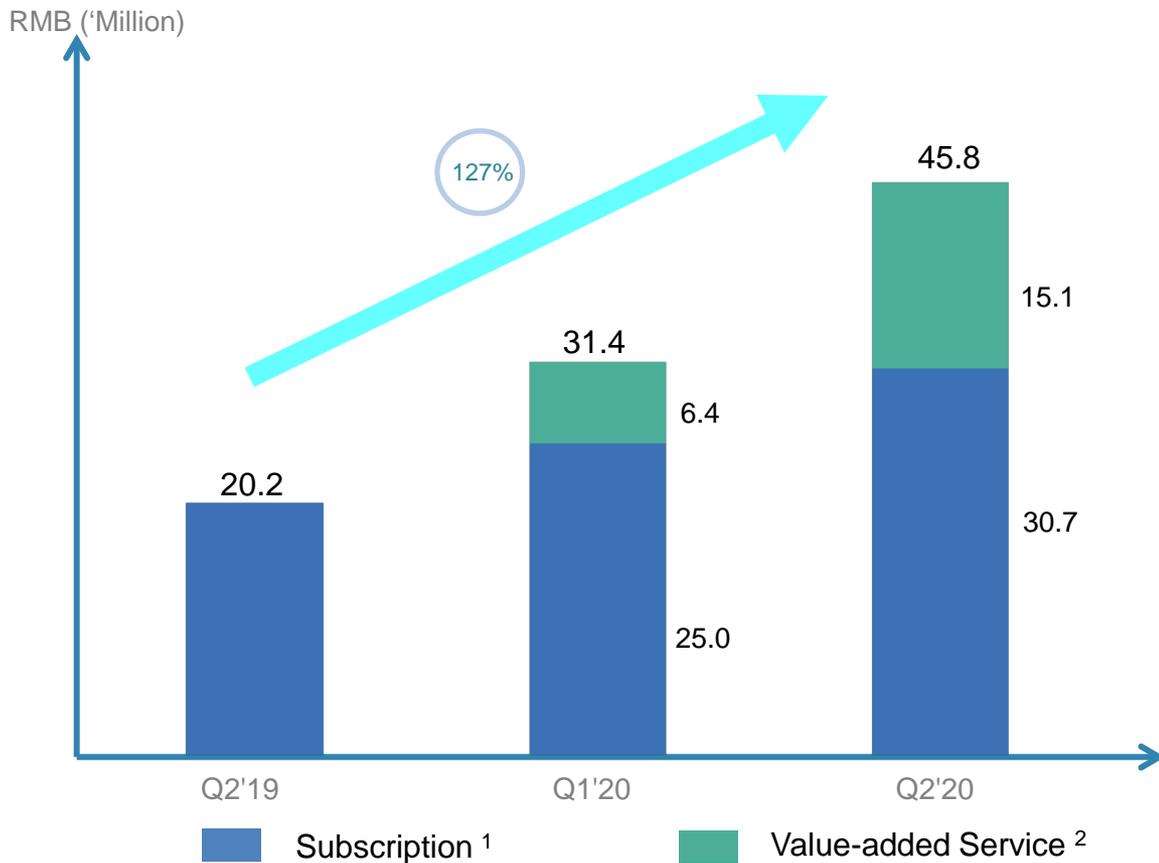
- Market Intelligence
- Financial Risk Management
- Location-based Intelligence

2. Targeted Marketing

- (a) To be discontinued by the end of 2020

Developer Service Revenue

(Subscription + Value-Added-Service)

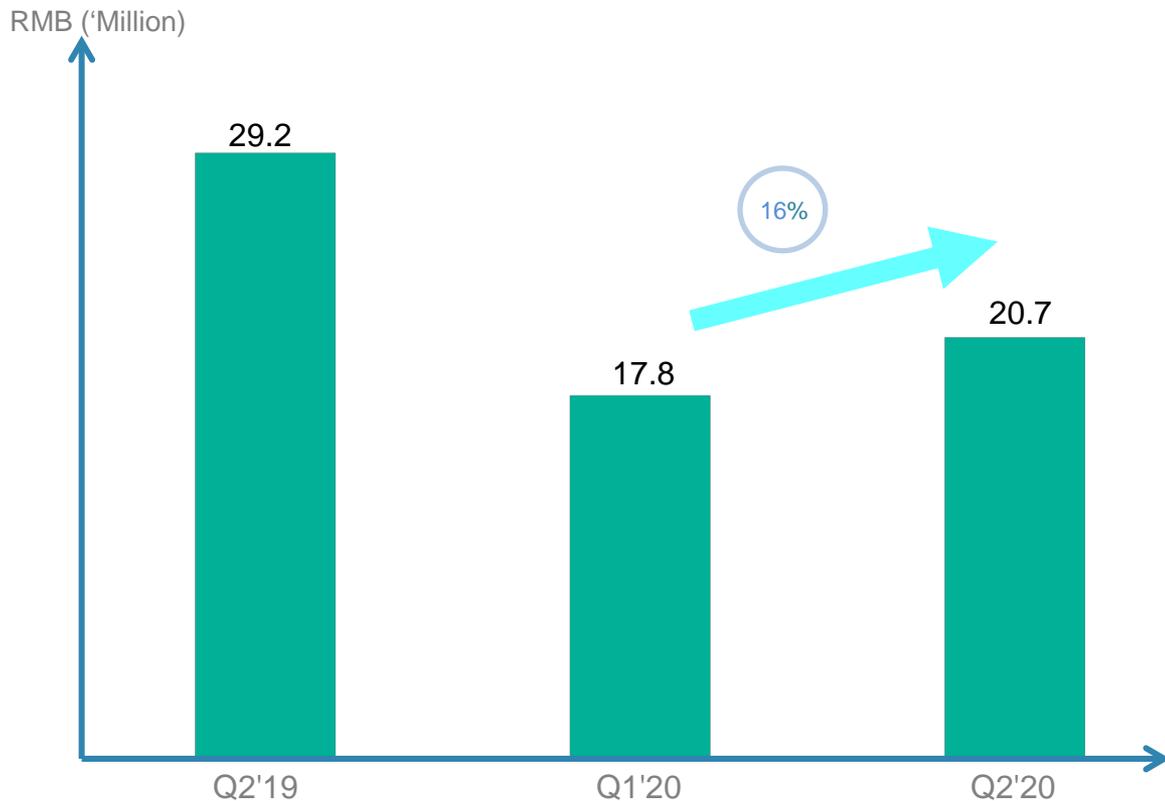


- **Solid growth in Developer Service revenue of 127% YoY and 46%QoQ**
- Subscription revenue:
 - YOY increased by 52% or RMB10.6M;
 - QoQ increased by 23% or RMB5.7M
- Value-Added-Service revenue:
 - YoY increased from nil to RMB15.1M
 - **QoQ increased by 134% or RMB8.6M**
 - driven by strong demand from mini programs

¹. Includes push notification, sms, verification and other subscription based developer services

². Includes business primarily related to the JG alliance, such as light push etc.

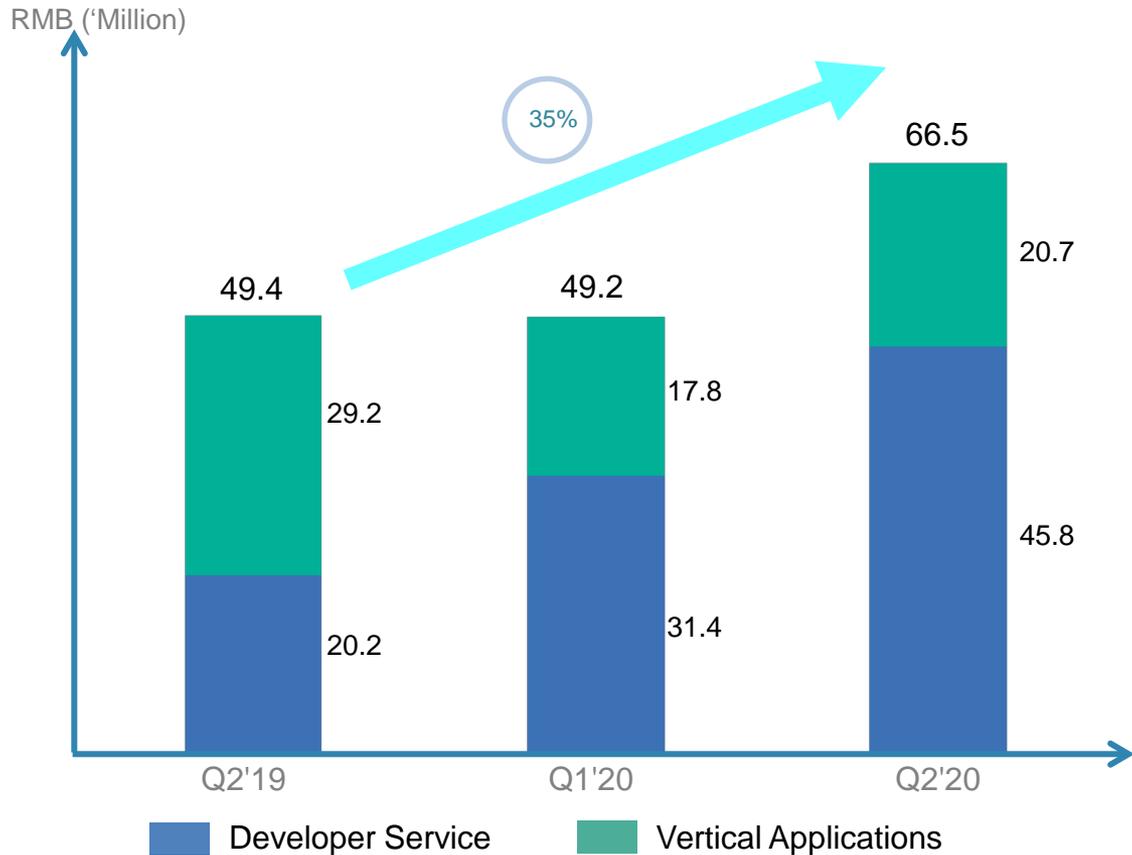
Vertical Applications



- Include revenues from:
 - a) Market intelligence
 - b) Financial Risk Management
 - c) Location-based Intelligence
- YoY Vertical Applications revenue decreased by RMB8.5M, due to COVID-19 impact
- **QoQ revenue has shown recovery and grew by 16%**

SAAS Business Revenue

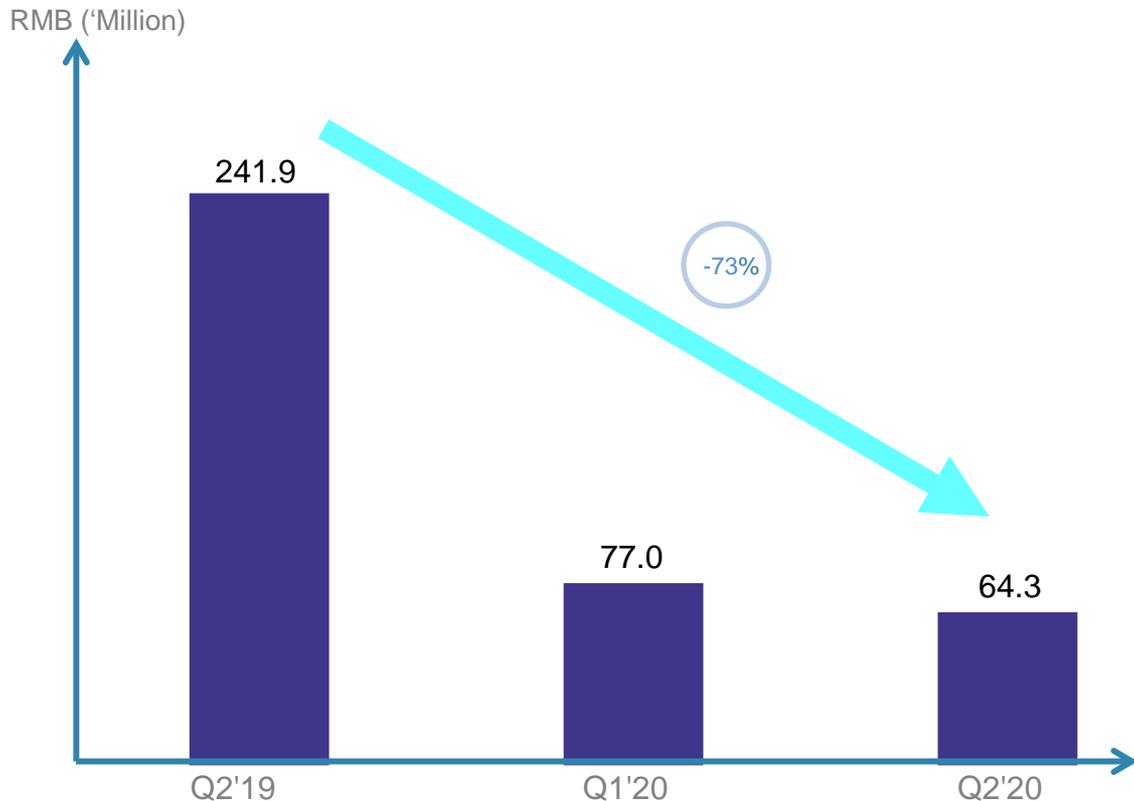
(Developer Service + Vertical Applications)



- Q2'2020, SAAS Business revenue continued with high growth trend
- YoY revenue grew by 35% or RMB 17.1M
- QoQ revenue grew by 35% or RMB 17.3M

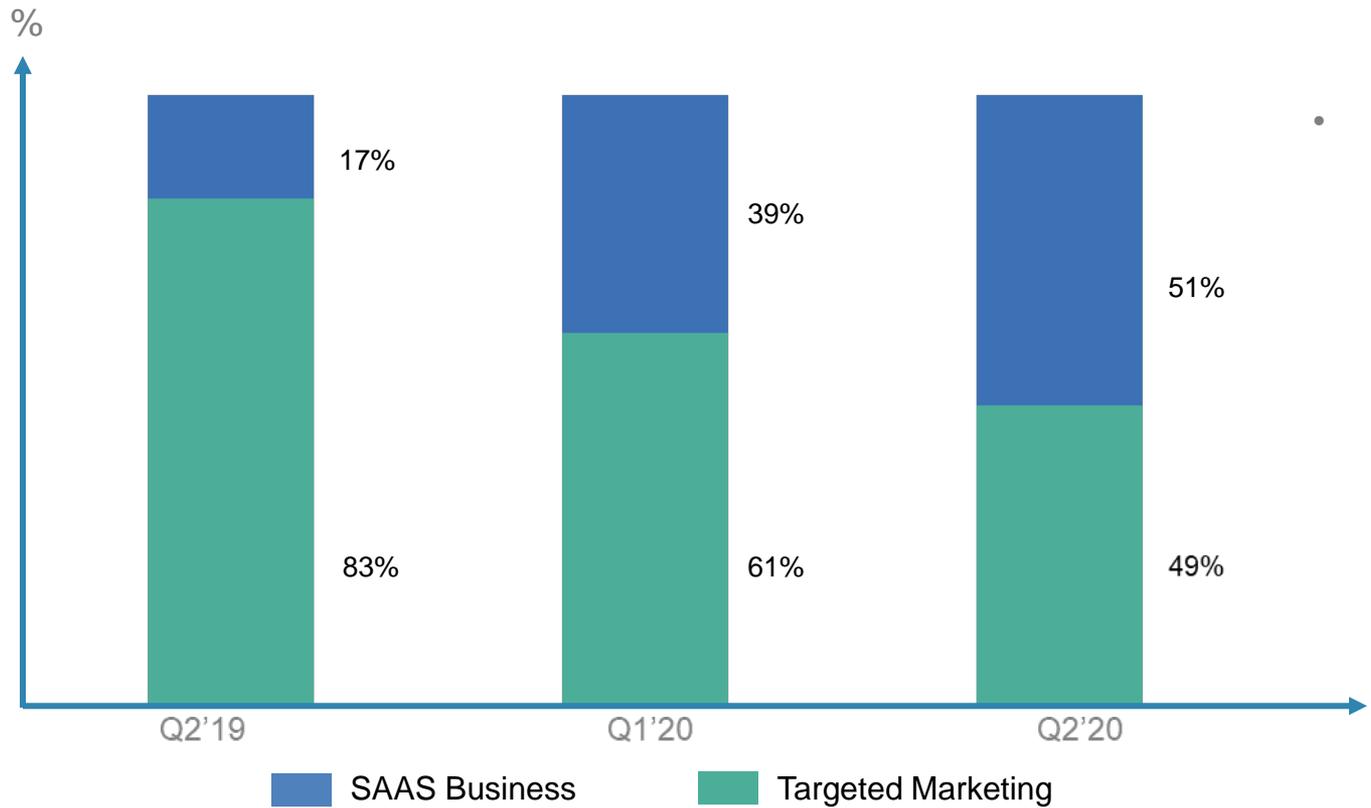


Targeted Marketing Revenue



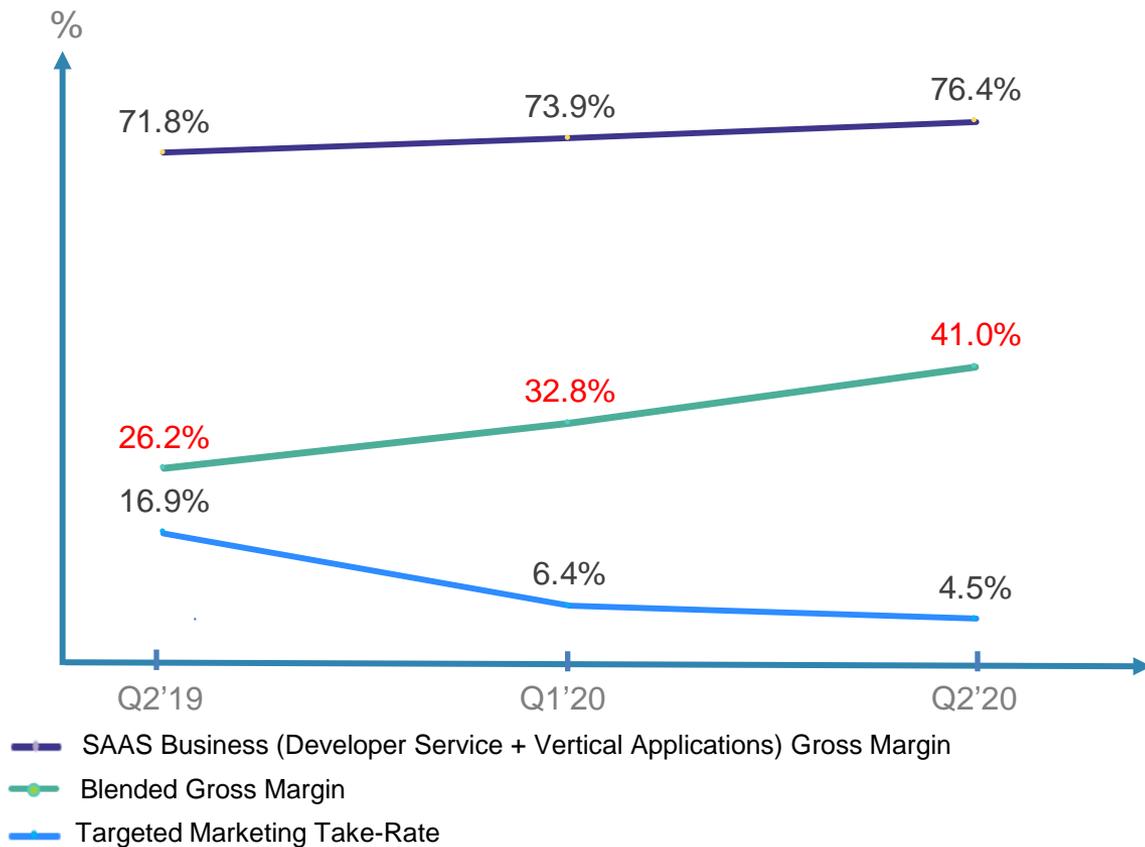
- Started to wind down low-margin Targeted Marketing business since Q3'2019
- YoY revenue declined by 73% or RMB177.6M
- QoQ revenue declined by 16% or RMB 12.7M
- **Expect full wind down by the end of 2020**

Revenue Contributions



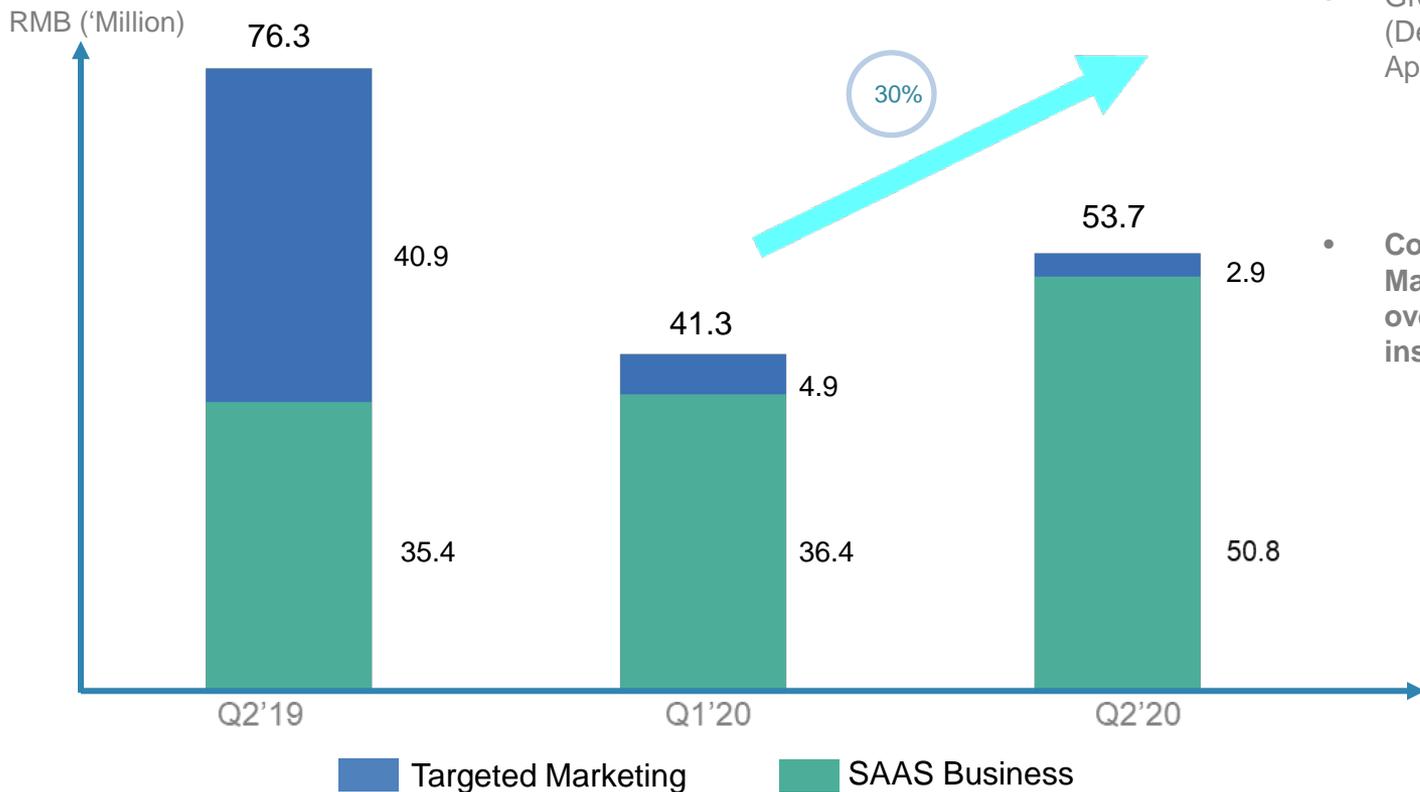
- Revenue contributions from high-margin SAAS Business has been increasing rapidly

Gross Margins



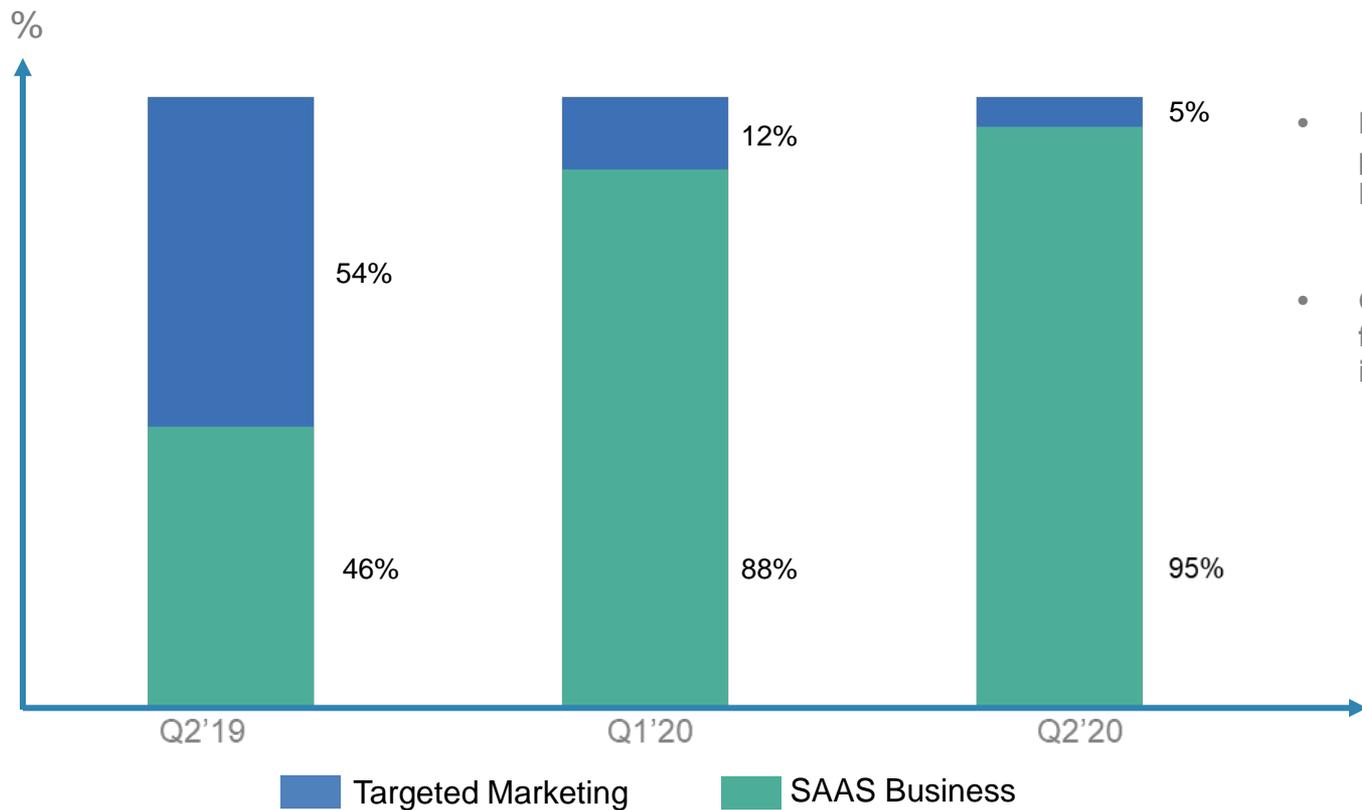
- Margins expansion in the SAAS Business (Developer Service and Vertical Applications)
- **Achieved historic and record high Group gross margin of 41.0%**
- Our strategic focus is to:
 - Drive high margin SAAS Business
 - Reduce Targeted Marketing business which has low (single digit) margin

Gross Profits



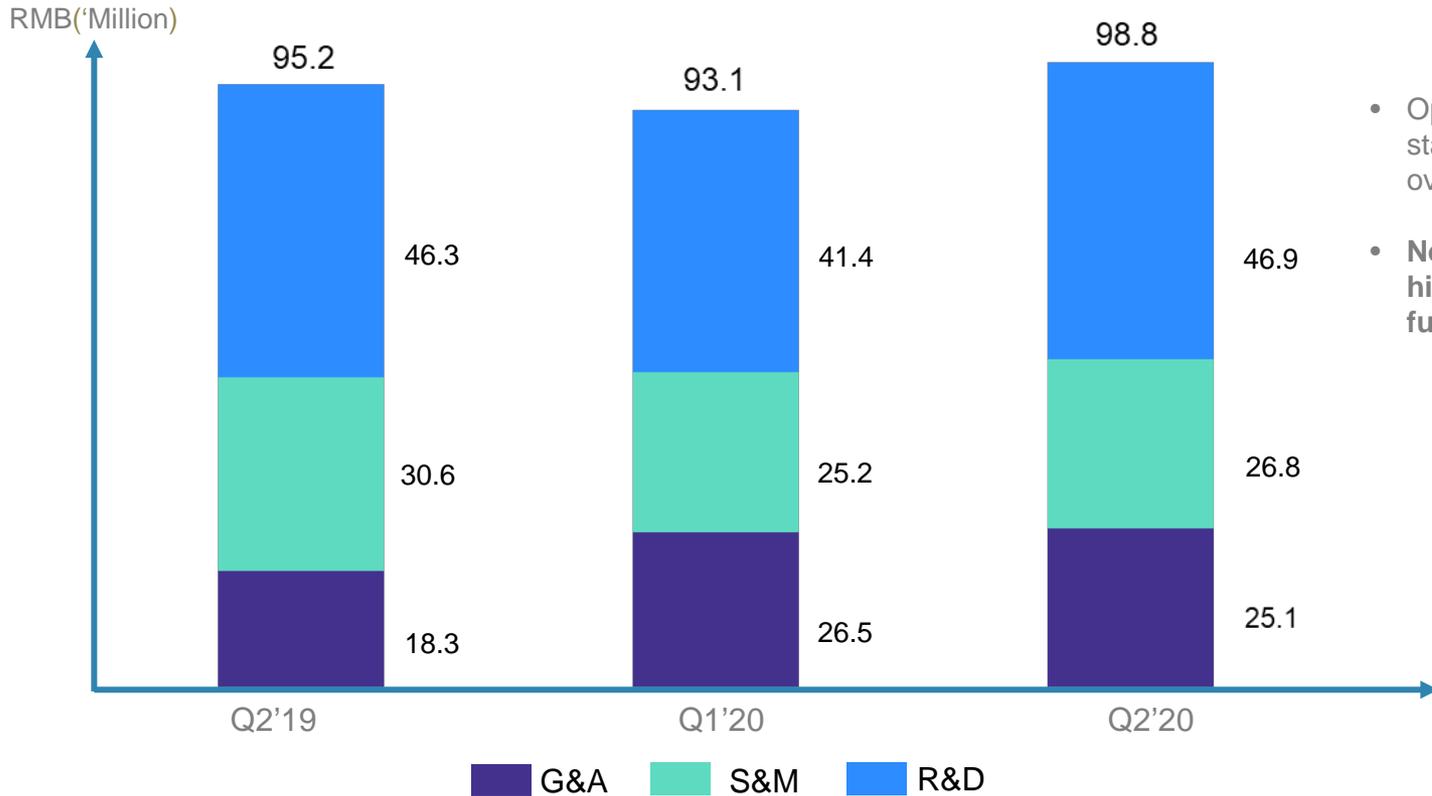
- Gross profits from SAAS Business (Developer Service and Vertical Applications) are growing at:
 - YoY by 43% or RMB15.3M
 - QoQ by 39% or RMB14.4M
- **Contribution from Targeted Marketing has been declining over the period and becoming insignificant**

Gross Profit Contributions



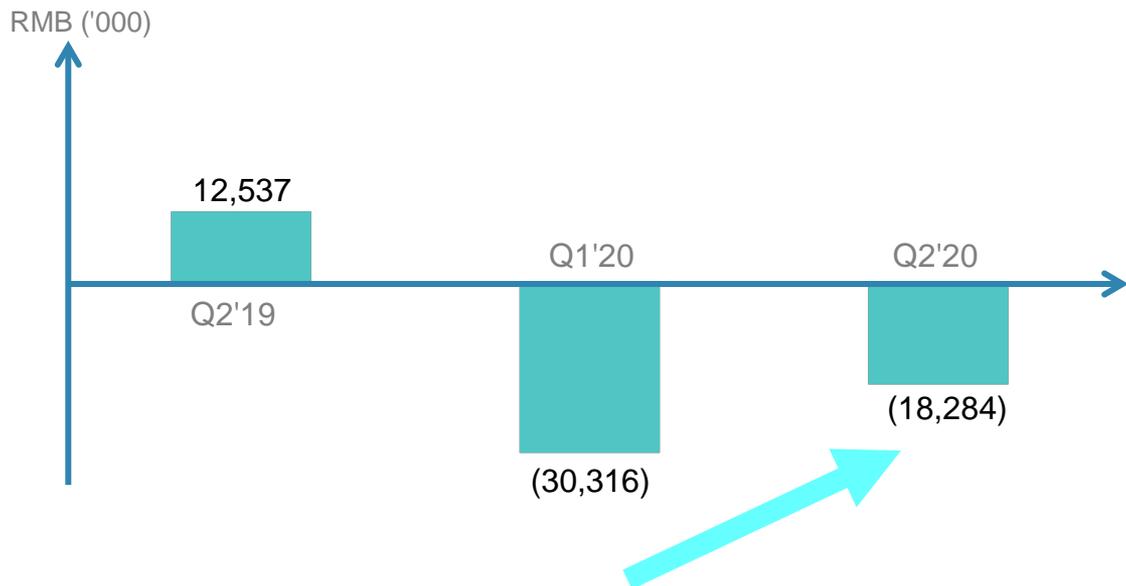
- Majority of the Group's gross profit is contributed by SAAS Business
- **Gross profit contribution from Targeted Marketing is insignificant**

Operating Expenses



- Operating expenses remained stable year-over-year and quarter-over-quarter
- **No significant or unexpected hikes are expected in the near future**

Adjusted EBITDA



Sequential improvement due to:

- Margin growth from Developer Service (Subscription and Value-Added Service)
- Transitioning away from low margin business (Targeted Marketing)
- Effective operating expense control

Use of Non-GAAP Financial Measures

In evaluating the business, Aurora Mobile Limited, (“Aurora”, “The Company”) considers and uses two non-GAAP measures, adjusted net loss and adjusted EBITDA, as a supplemental measure to review and assess its operating performance. In this presentation, these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. The Company defines adjusted net loss as net loss excluding share-based compensation, reduction in force charges, fair value loss/(gain) of long-term investment, and change in fair value of derivative liability. The Company defines adjusted EBITDA as net loss excluding interest expense, depreciation of property and equipment, amortization of intangible assets, income tax (expense) benefit, share-based compensation, reduction in force charges, fair value loss/(gain) of long-term investment, and change in fair value of derivative liability.

The Company believes that adjusted net loss and adjusted EBITDA help identify underlying trends in its business that could otherwise be distorted by the effect of certain expenses that it includes in loss from operations and net loss. The Company believes that adjusted net loss and adjusted EBITDA provide useful information about its operating results, enhance the overall understanding of its past performance and future prospects and allow for greater visibility with respect to key metrics used by the management in their financial and operational decision-making.

The non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using adjusted net loss and adjusted EBITDA is that they do not reflect all items of income and expense that affect the Company’s operations. Further, the non-GAAP financial measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited.

The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating the Company’s performance. The Company encourages you to review its financial information in its entirety and not rely on a single financial measure.

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