



**Q4 2020
EARNINGS PRESENTATION
Mar 18, 2021**



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Group Revenues - Defined

1. SAAS Business

(a) Developer Service

- Subscription
- Value-Added Service

(b) Vertical Applications

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

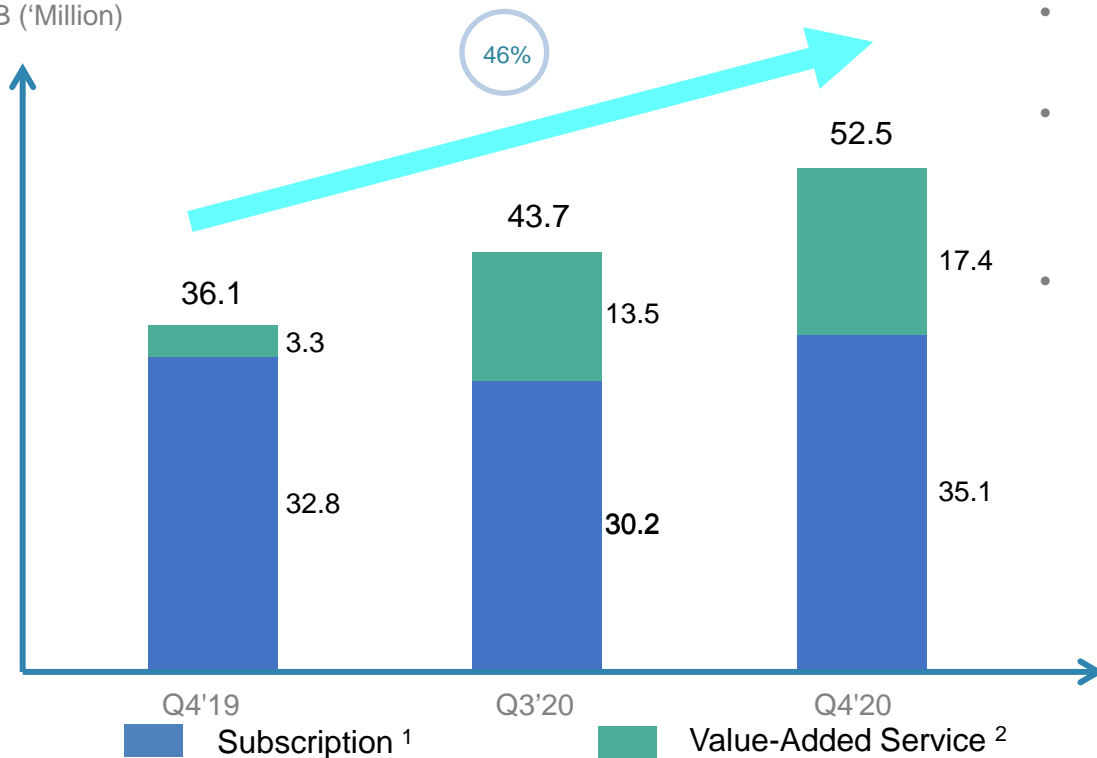
2. Targeted Marketing

(a) Discontinued as of 12/31/2020; no revenue contribution from 1/1/2021

Developer Service Revenue

(Subscription + Value-Added-Service)

RMB ('Million)



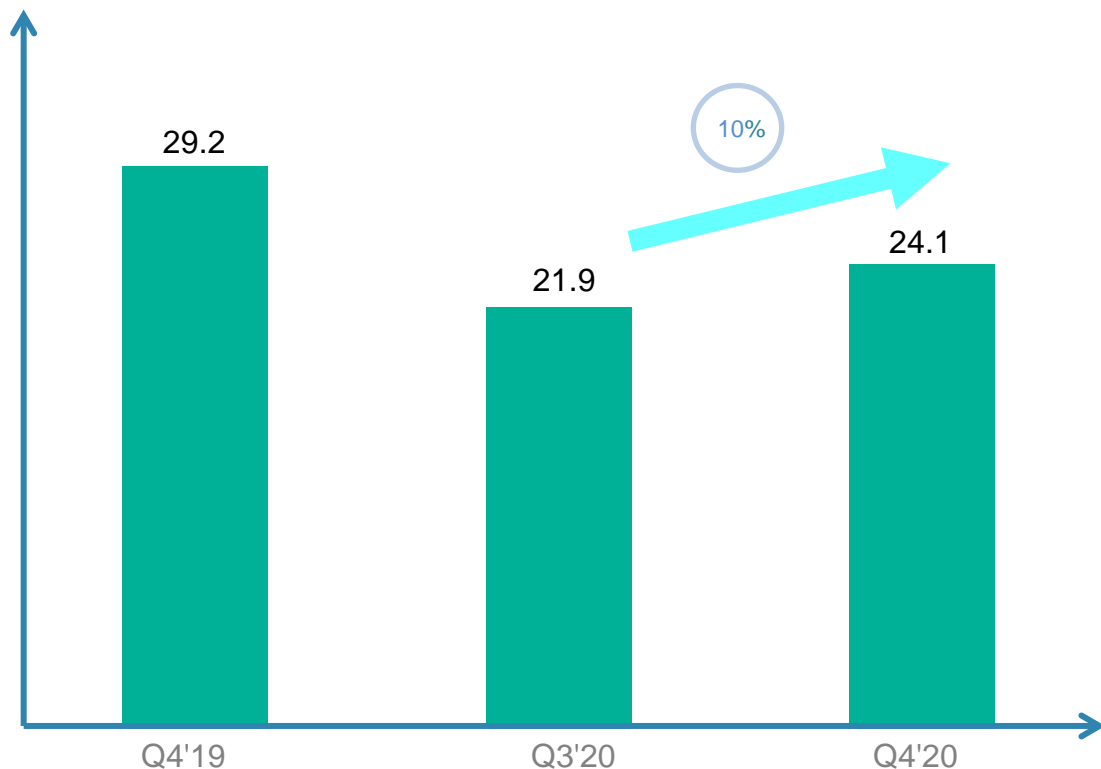
- **Strong growth in Developer Service revenue of 46% YoY**
- Subscription revenue:
 - YoY increased by 7% or RMB2.3M
 - QoQ increased by 16% or RMB4.9M
 - Driven mainly by increase in customer #
- Value-Added-Service revenue:
 - **YoY increased significantly by 432% or RMB14.2M** - mainly due to exponential revenue growth from JG Alliance products
 - **QoQ increased 29% from RMB13.5M in Q3'20 to RMB17.4M in Q4'20** - due to the sequential revenue growth of JG Alliance products
- Mini program demand continued to be the main consumer of JG Alliance products

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

2. Includes both JG Alliance products and Advertisement SAAS

Vertical Applications

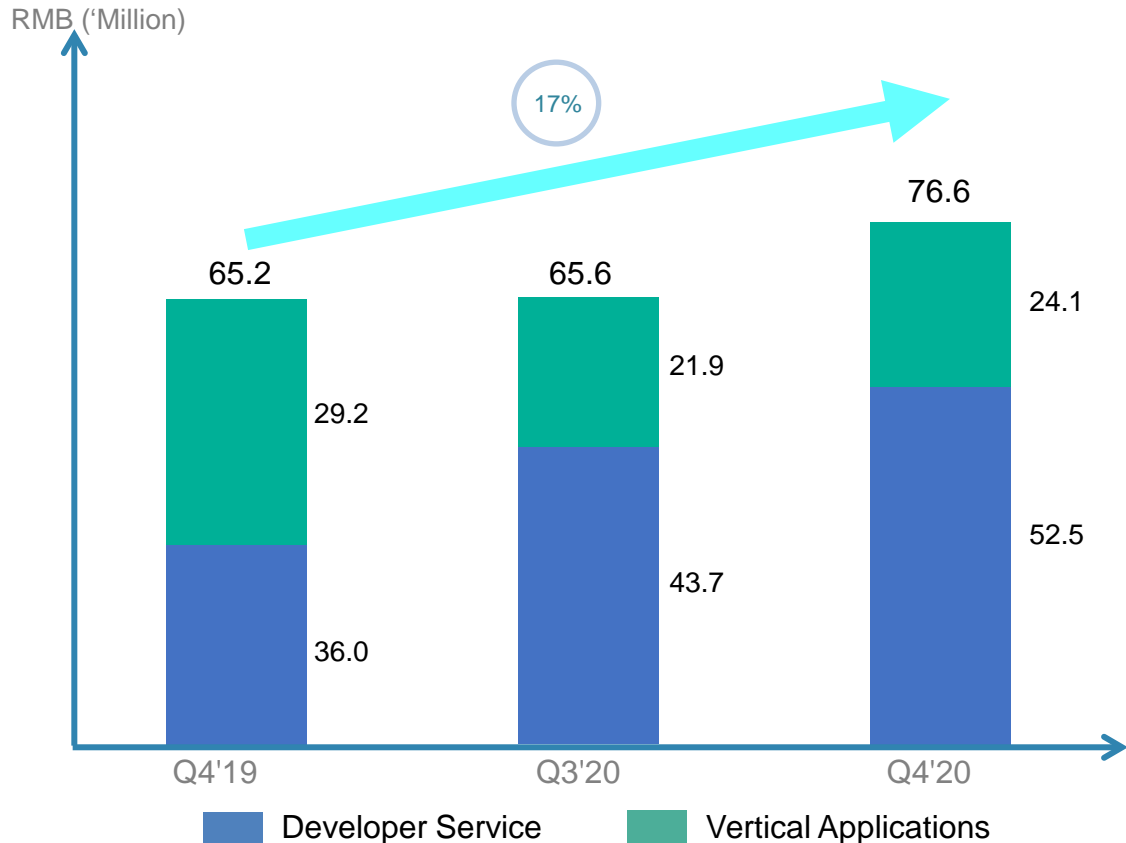
RMB ('Million)



- Include revenues from:
 - a) Market Intelligence
 - b) Financial Risk Management
 - c) Location-based Intelligence
- QoQ revenue continued to grow by 10% as demands continued to recover from pandemic, **particularly Financial Risk Management business has outperformed**
- Vertical Applications have recorded **sequential revenue growth in every quarter of 2020**

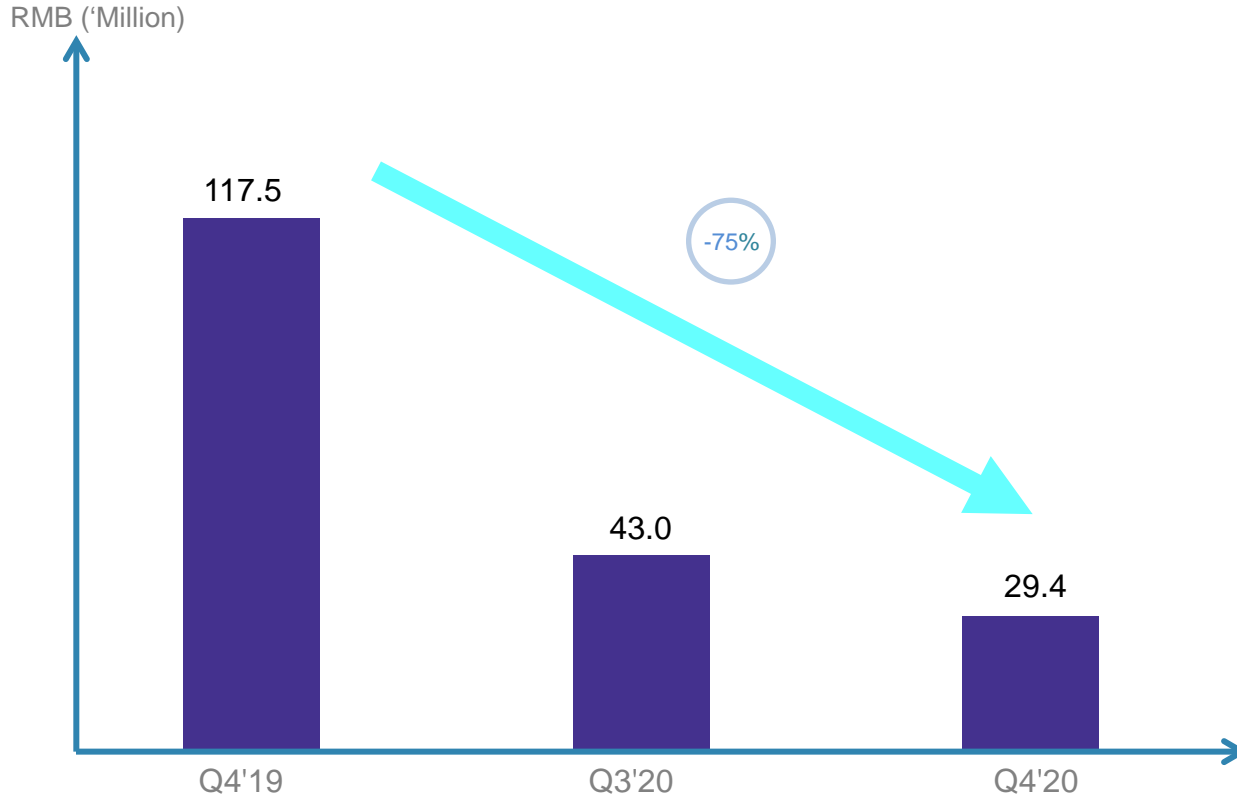
SAAS Business Revenue

(Developer Service + Vertical Applications)



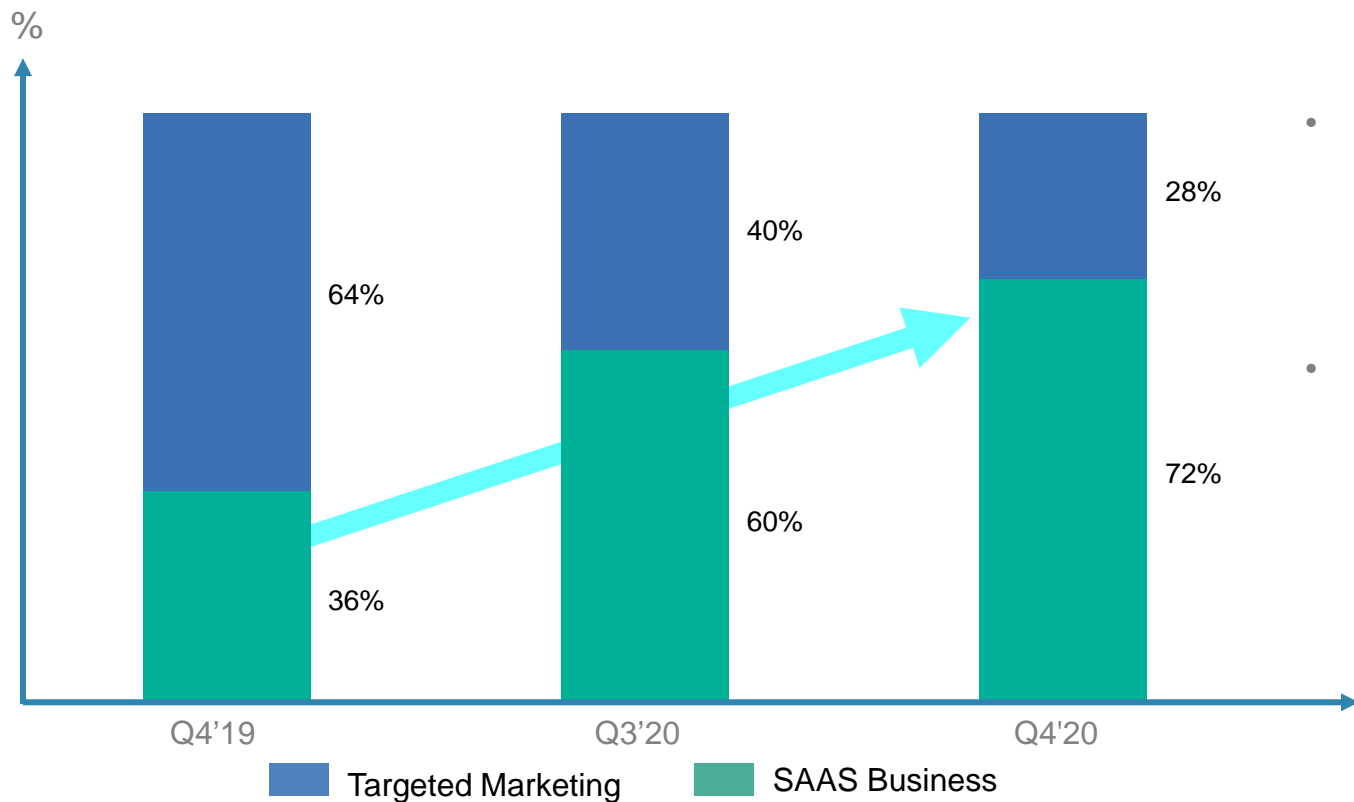
- YoY revenue grew by 17% or RMB 11.4M driven by 46% growth of Developer Service, partially offset by decline of Vertical Applications due to COVID19
- QoQ revenue increased by 17% or RMB 11M, as both Developer Service and Vertical Applications revenues continue to ramp up sequentially
- Q4'20 SAAS Business revenue of RMB 76.6M at upper end of guidance (of RMB 74M to RMB 78M provided in Q3'20 earnings call)

Targeted Marketing Revenue



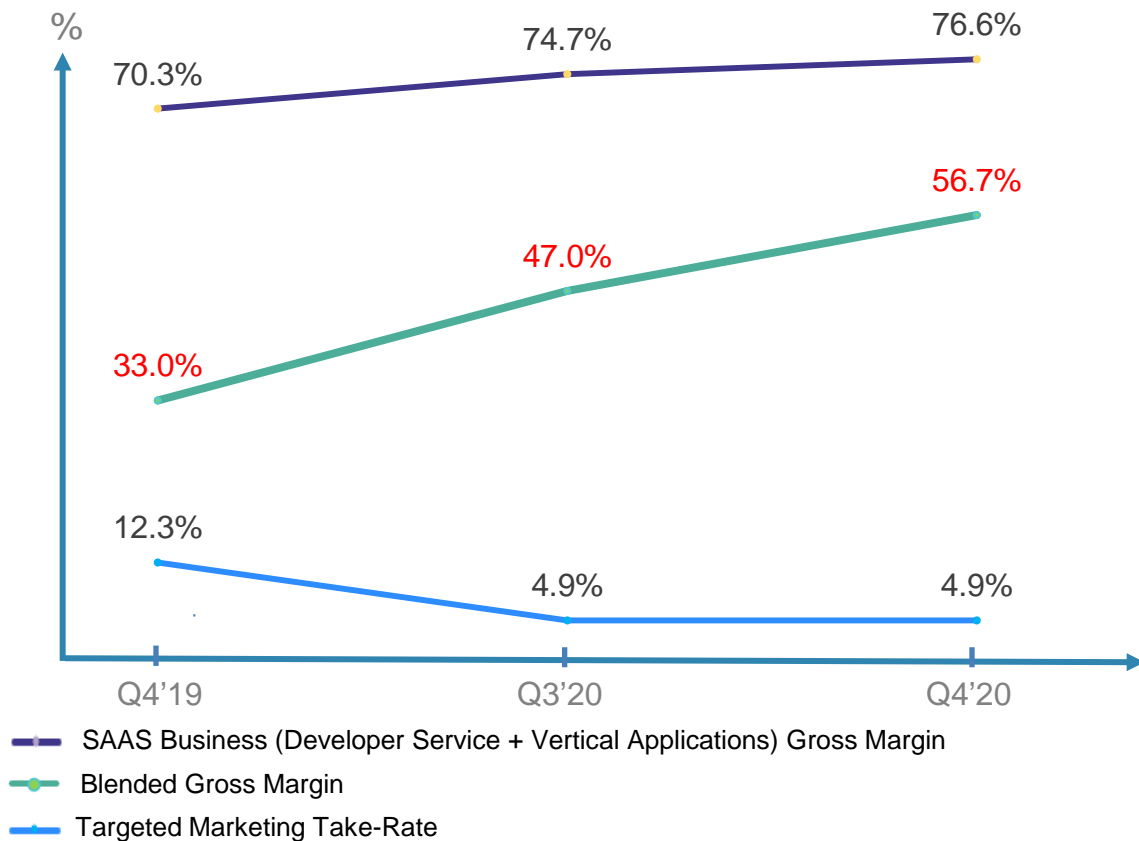
- Started to wind down low-margin Targeted Marketing business since Q3'2019
 - YoY revenue declined by 75% or RMB88.1M
 - QoQ revenue declined by 32% or RMB 13.6M
- **We have totally ceased and exited from the Target Marketing business by the end of 2020**
- **No revenue will be contributed by Targeted Marketing from 1/1/2021 onwards**

Revenue Contributions



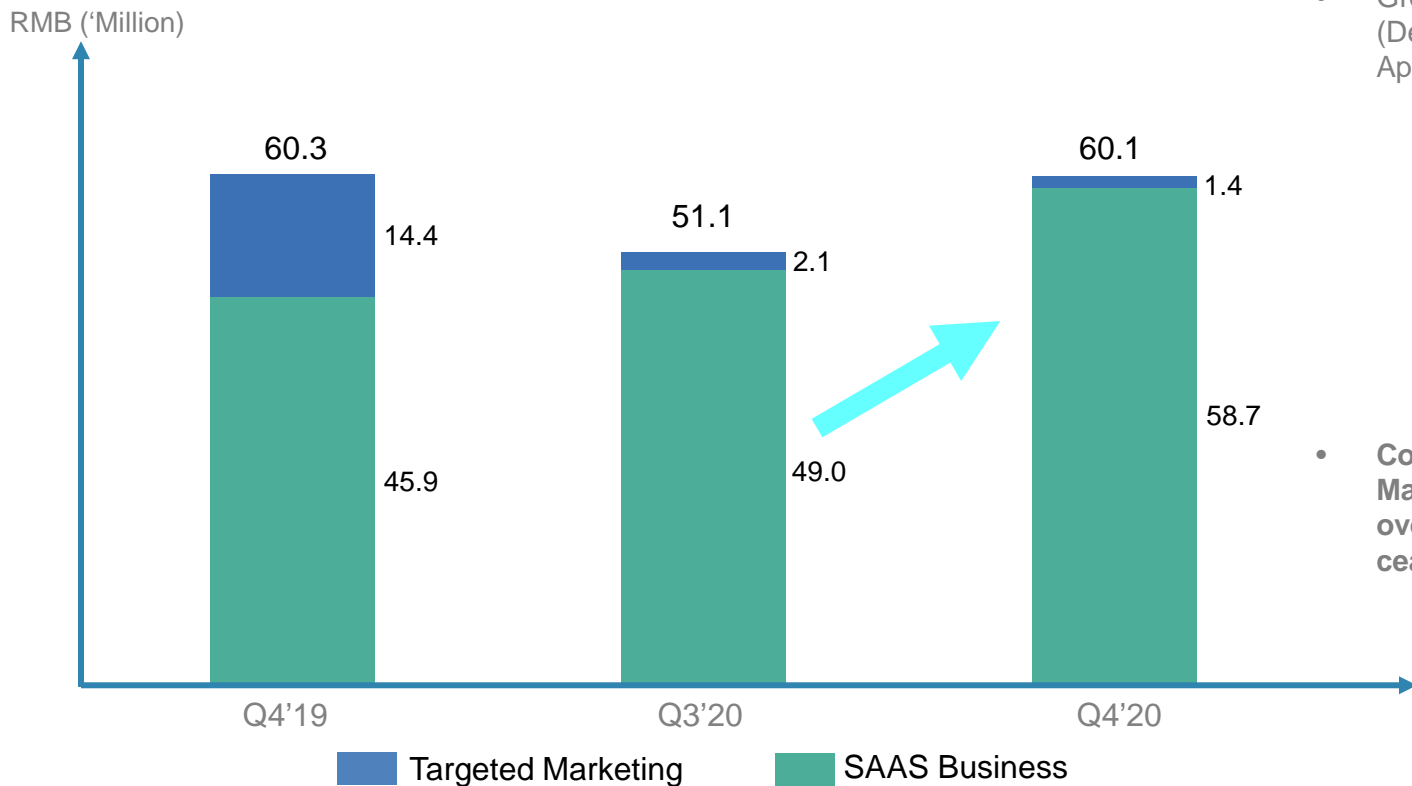
- Revenue contributions from high-margin SAAS Business have been **increasing rapidly from 36% in Q4'19 to 72% in Q4'20**
- The **sequential and continuous contribution growth** (SAAS Business) for each of the 4 quarters in 2020:
 - Q1 -- 39%
 - Q2 -- 51%
 - Q3 -- 60%
 - Q4 -- 72%

Gross Margins



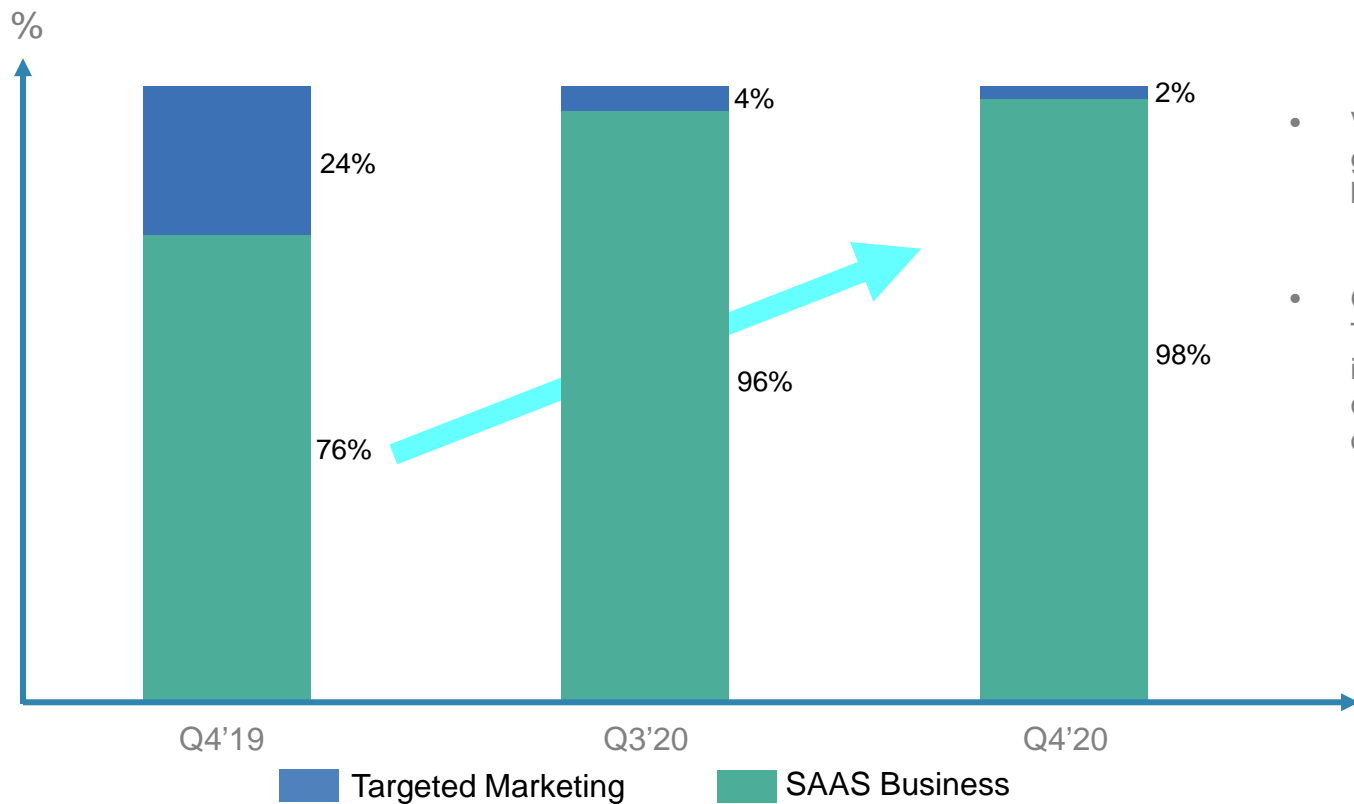
- **Achieved another new historic high Group gross margin of 56.7%** due to revenue mix shift to high margin SAAS Business and Targeted Marketing has been ceased by the end of 2020
- SAAS Business (Developer Service and Vertical Applications) margin was at **historic high of 76.6%** in the fourth quarter of 2020
- Our strategic focus, remains unchanged, is to **drive the growth of high margin SAAS Business**

Gross Profits



- Gross profits from SAAS Business (Developer Service and Vertical Applications) recorded :
 - YoY increased by 28% or RMB12.8M
 - QoQ increased by 20% or RMB9.7M.....mainly due to the YoY and QoQ revenue growth seen in the corresponding periods
- Contribution from Targeted Marketing has been declining over the periods and entirely ceased by the end of 2020**

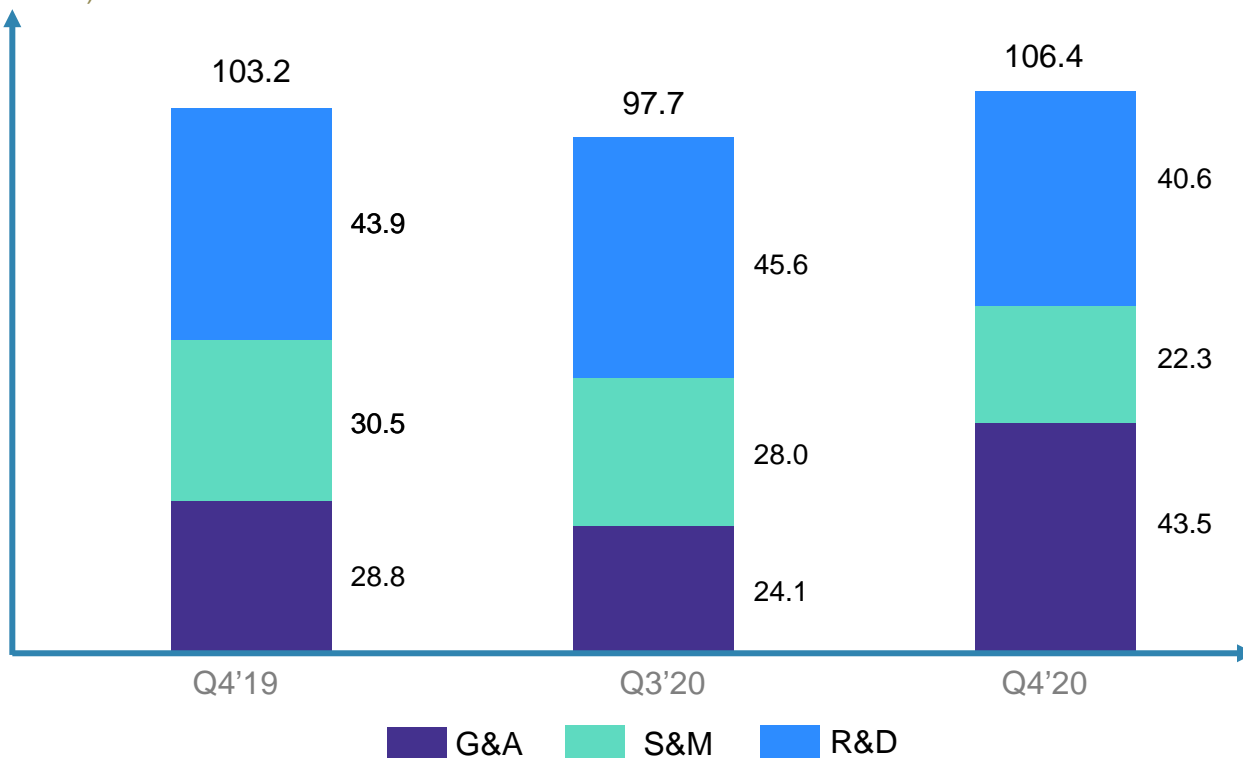
Gross Profit Contributions



- Vast majority of the Group's gross profit is **contributed by SAAS Business**
- Gross profit contribution from Targeted Marketing is insignificant and NIL contribution from 1/1/2021 onwards

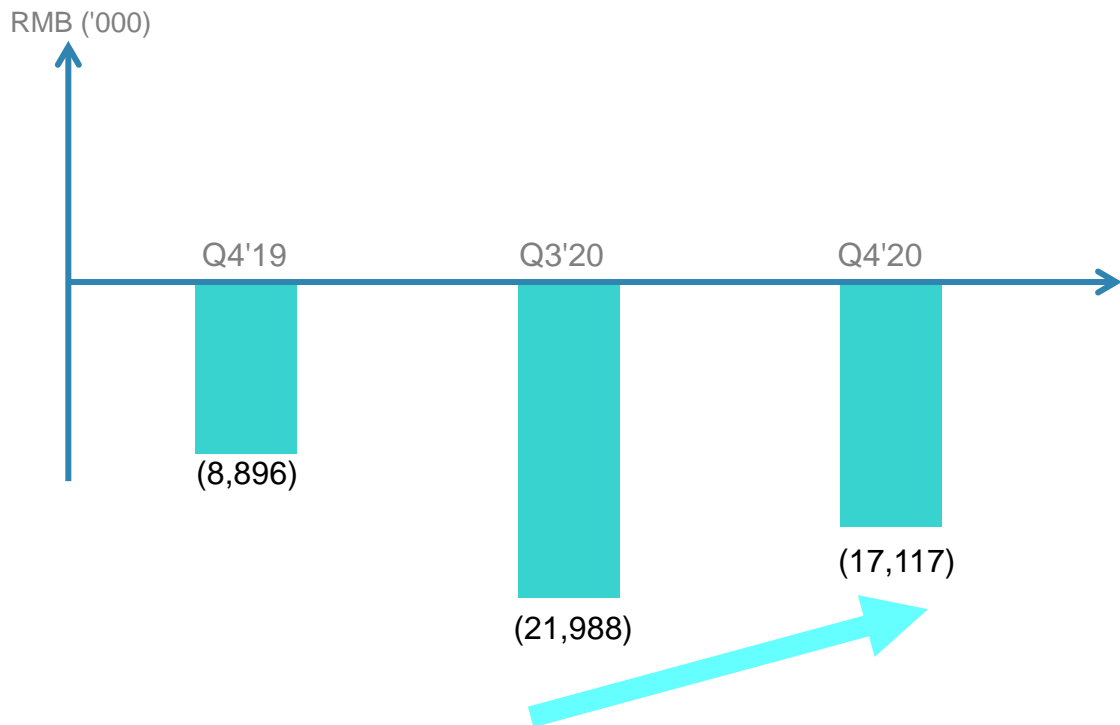
Operating Expenses

RMB('Million)



- **Operating expenses remained relatively stable** year-over-year and quarter-over-quarter
- The 9% QoQ increase in Operating Expenses is due to
 - PPE impairment charge due to “Going-Cloud” project
 - Higher professional fees
 - Bad debts provision
- **No significant or unexpected hikes are anticipated in the near future**

Adjusted EBITDA



Quarter-over-Quarter improvement due to:

- Margin growth from Developer Service (Subscription and Value-Added Service)
- Transitioning away from low margin business (Targeted Marketing)
- **Our best quarterly Adjusted EBITDA number in 2020**

Balance Sheet Highlights as of 12/31/2020

- Quarters with net operating cash in-flow
 - Indication of healthy working capital
- Cash and cash equivalents, restricted cash and short-term investments balance of:
- Deferred Revenue has strong YoY growth of:
 - Indication of strong SAAS business growth
- AR days reduced from 70 days in Q4'19 to 37 days Q4'20:
 - Sign of a much healthier financial condition, lowered working capital requirement, disciplined cash collection effort

3rd consecutive quarter

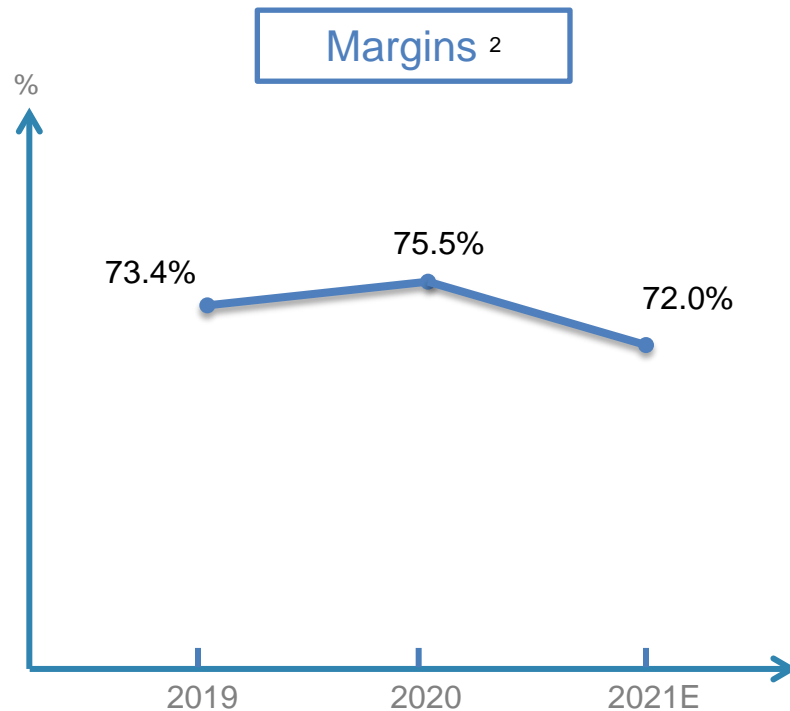
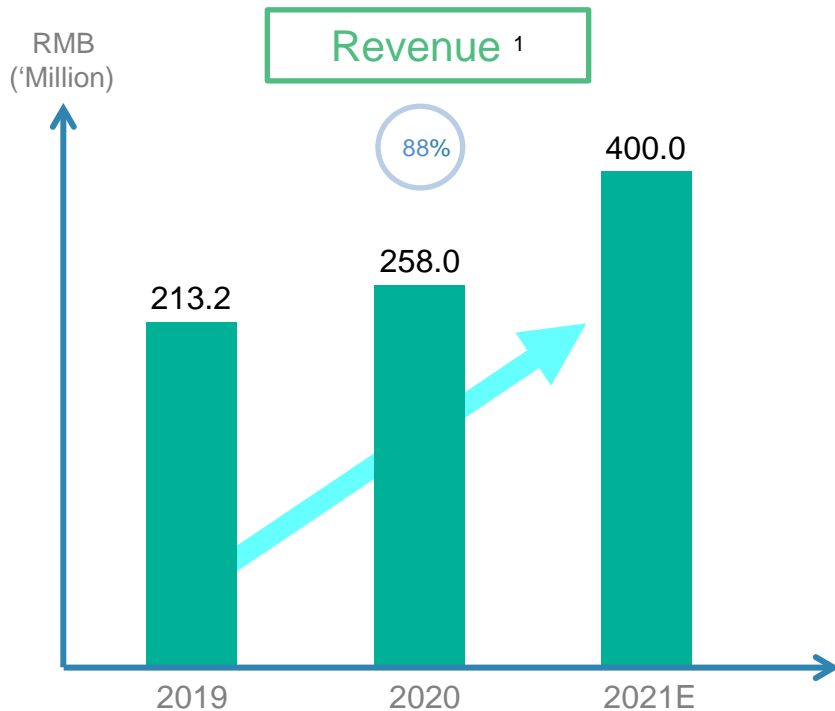
RMB436 million

**41% to RMB109M
as of 12/31/2020**

Improved by 33 days

SAAS Businesses – Revenue and Margins

(Developer Service + Vertical Applications)



1. Company's guidance for fiscal year 2021 revenue to be in the range of RMB 380M to 400M. The above RMB 400M is for illustrative purposes only

2. Company's guidance for fiscal year 2021 gross margin to be above 70%. The above 72% is for illustrative purposes only

Use of Non-GAAP Financial Measures

In evaluating the business, Aurora Mobile Limited, (“Aurora”, “The Company”) considers and uses three non-GAAP measures, adjusted net loss, adjusted EBITDA and SAAS Businesses revenue, 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 defines SAAS Businesses revenue as the total Group revenue excluding Targeted Marketing revenue.

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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