

NetDragon Websoft Holdings Limited

Ticker: 777.HK

Investor Presentation

May 2023



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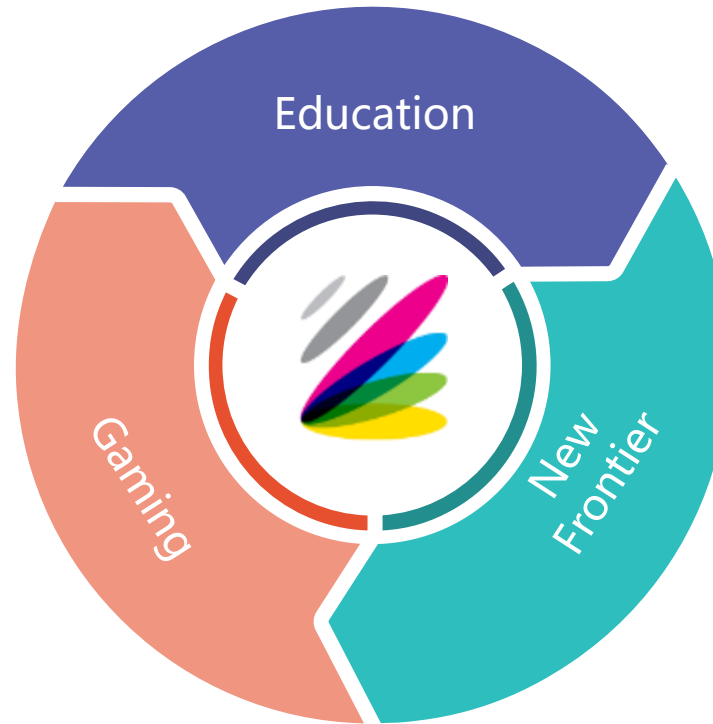
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NetDragon at a glance

- #1 global classroom technology brand* by shipment volume in FY22
- Best-in-class hardware + software to enable blended learning globally
- Education segment accounted for 63% of total revenue growth from FY18 to FY22

- Ranked amongst the TOP 15 gaming companies in China**
- 2.8x top line + 4.9x bottom line growth from 2016 to 2022
- Generated ~RMB 10B of core segmental profit during the same period

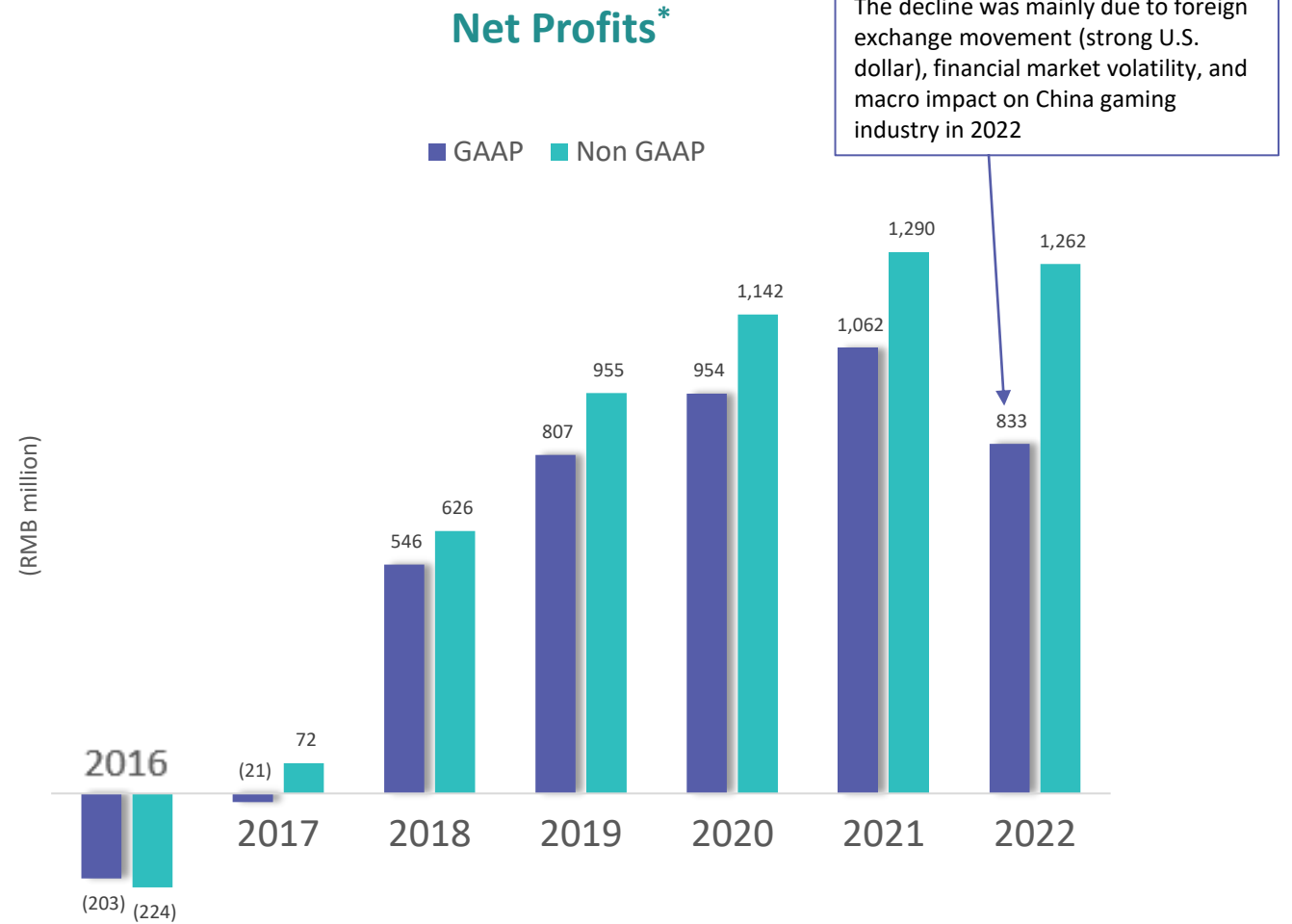
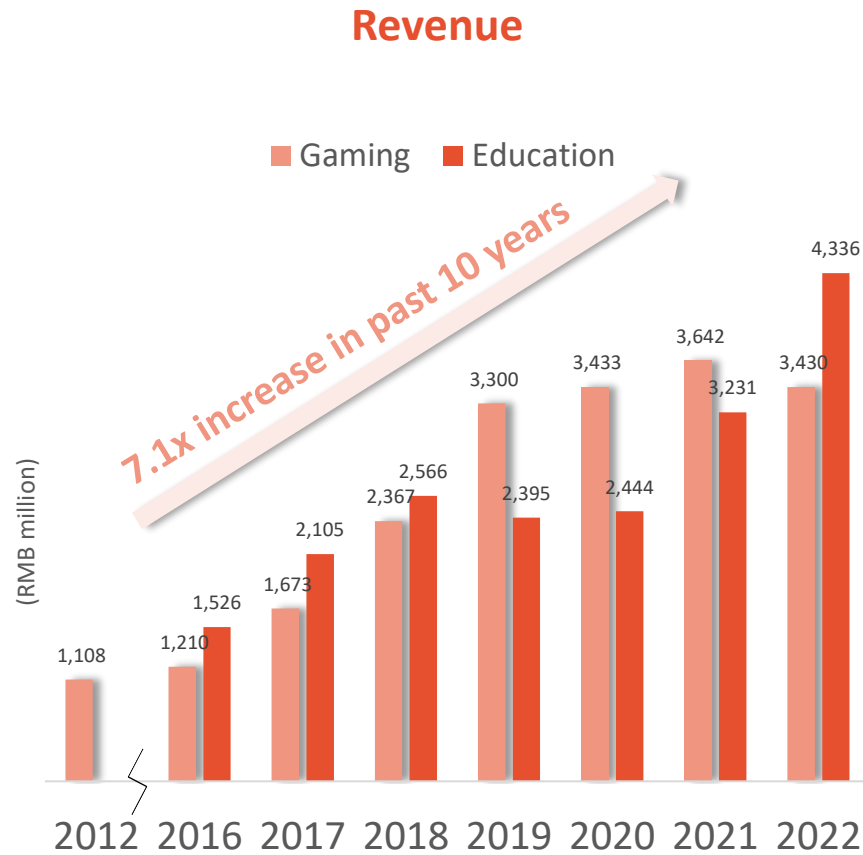


- Embracing AI in both businesses:
 - ✓ AI Enabled & Integrated Panels
 - ✓ AIGC in gaming production
- Incubating Metaverse ecosystems:
 - ✓ Neopets Metaverse
 - ✓ Investment in Zebra & ROKID

* According to the Futuresource Consulting <Quarter 4 2022 World Interactive Displays> report, Mar 2023

** Ranked by CGIGC "Competitive Report on Listed Gaming Enterprises in 2022" in terms of industry position, growth and stability

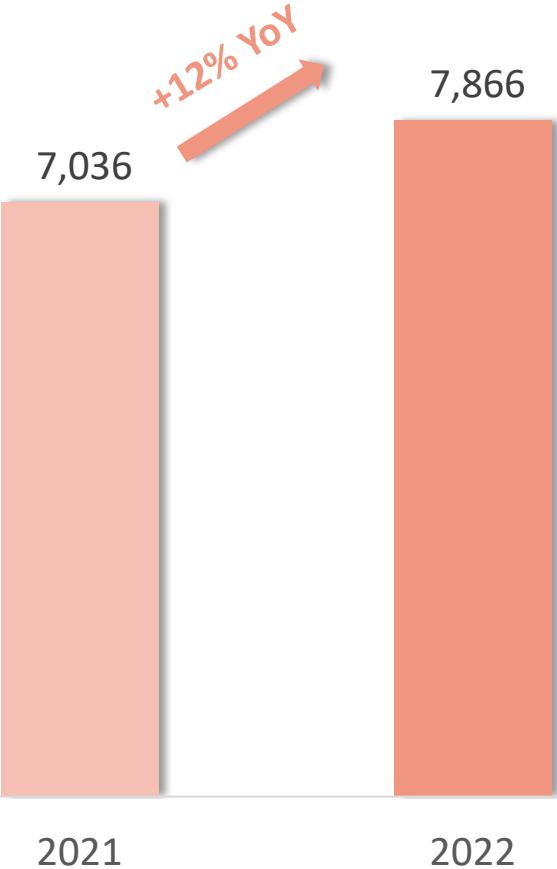
Track record of growth



* Net profit attributable to owners of the company

2022 financial highlights

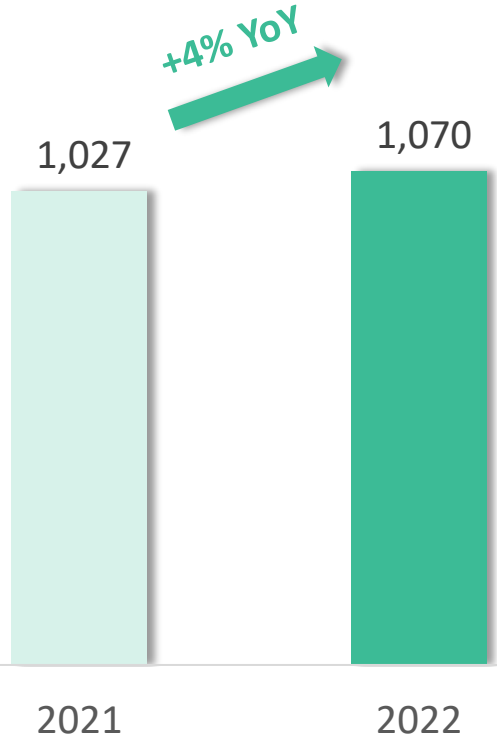
Revenue:
RMB 7.9 billion



Non GAAP Profit*:
RMB 1.3 billion



Operating Cash Flow:
RMB 1.1 billion



(RMB millions)

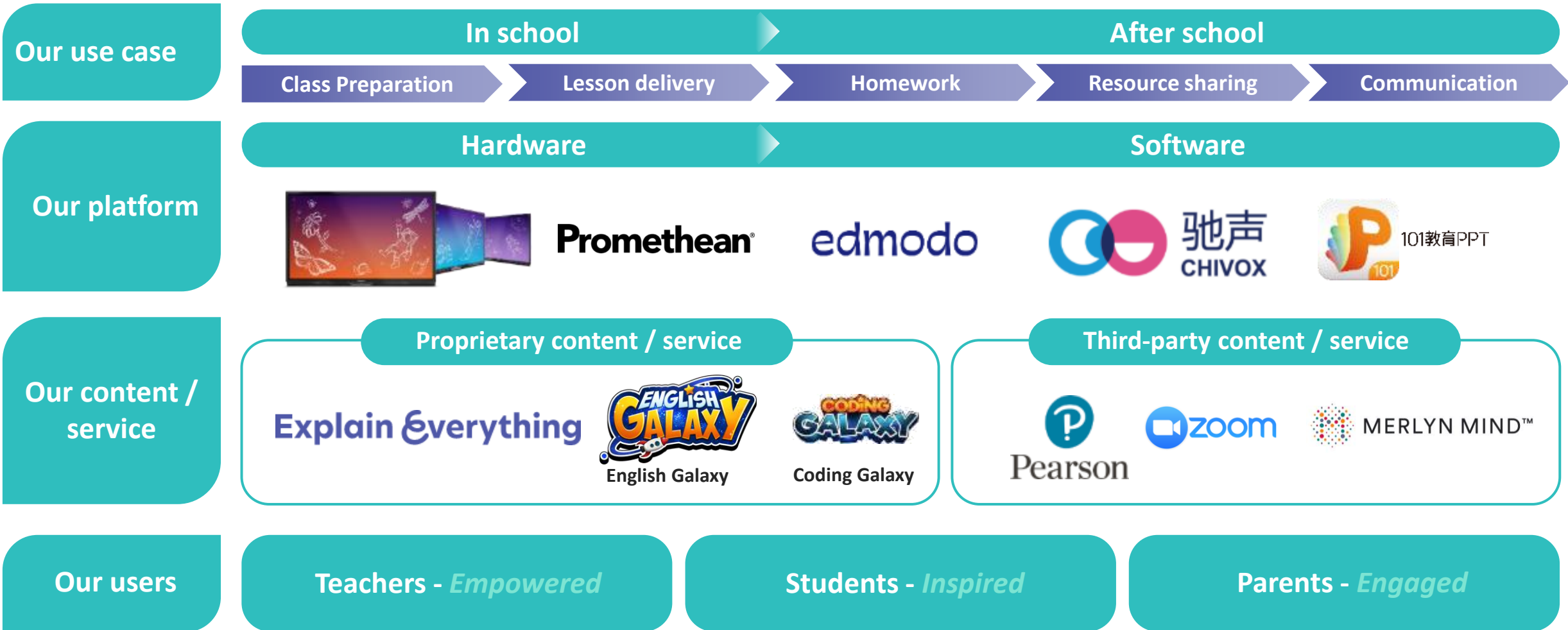
** Profit attributable to owners of the Company*



Education Business

Expanding into category dominant leadership

We are the only global EdTech player with tools and contents covering the entire blended learning value chain



Investment highlights

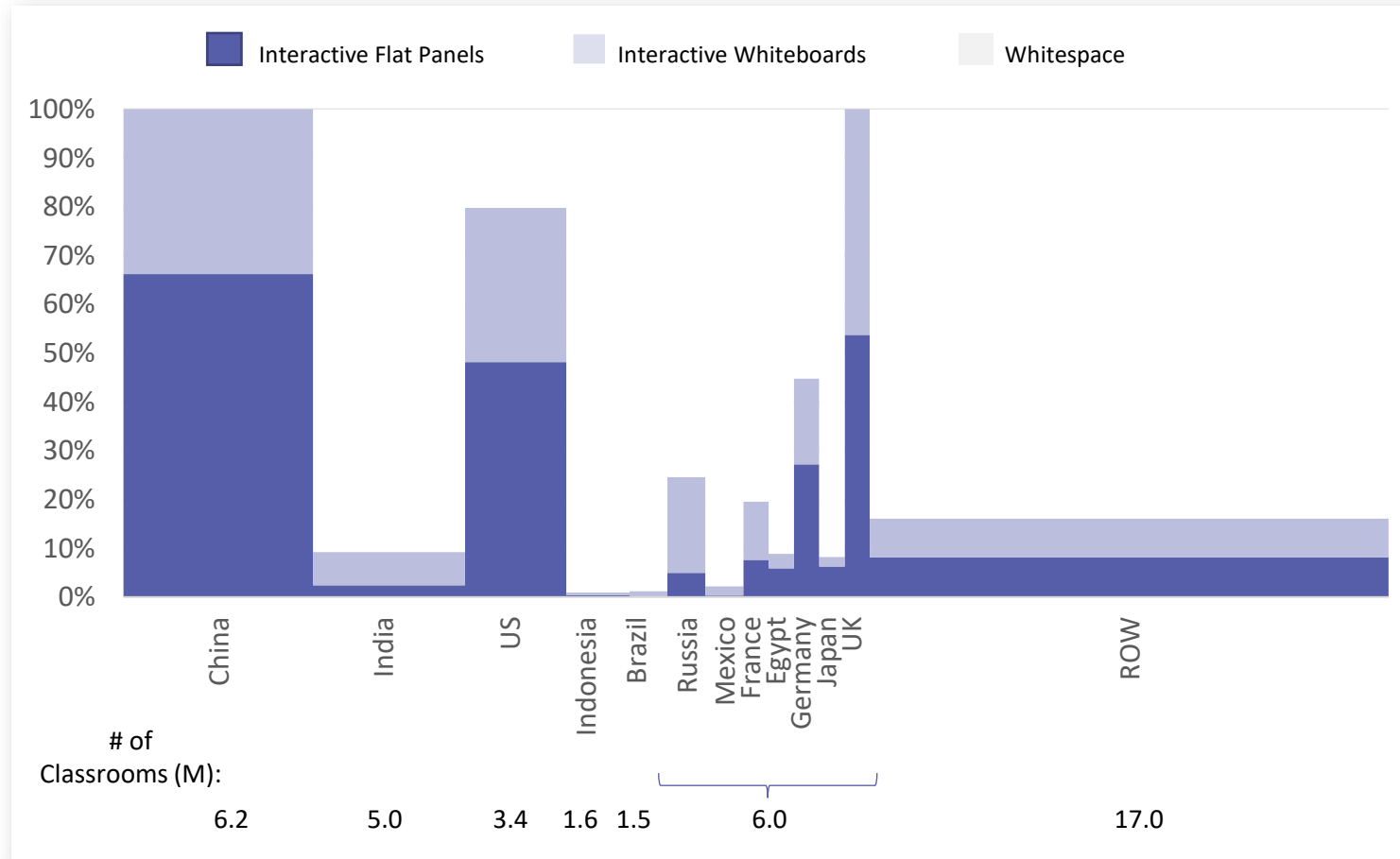
- 1 The #1 global market leader in a **US\$60B+ immediate addressable market**
- 2 Proprietary access to **extensive distribution channels** through **long-standing relationships** with local partners
- 3 Unrivalled **market-leading flagship products** with strong industry recognition and a sticky user base
- 4 On track to **roll out AI-enabled hardware + SAAS solutions** to put us in position to achieve category dominance
- 5 **Pioneer in country deployment model** empowered by our technology and our ability to integrate products
- 6 Well positioned to unlock value given recent signing of merger agreement to **spinoff overseas edtech biz for NYSE listing in Q3**



01

The #1 global market leader* in a US\$60B+ immediate addressable market

Global K12 Classroom Penetration of Interactive Display



~42M global # of classrooms



~ 76% un-penetrated



~\$2,000 ASP** of Interactive Classroom Display per Classroom



Immediate Addressable Market of ~\$64B

+ Upside Addressable Market from software, services, and contents...

* Market share and penetration numbers based on Futuresource Consulting <Quarter 4 2022 World Interactive Displays> report, Mar 2023

** ASP is for illustrative purpose only (Our ASP for the newest model ActivPanel 9 in 2022 was US\$ 2,229)

02

Proprietary access to extensive distribution channels through long-standing relationships with local partners



Deep channel network built over 20+ years to enable product reach into classrooms



Dedicated professional development and training team with local knowledge to ensure customized implementation on the ground



Global penetration supported by our local partner network to enable B2G (educational authorities) and B2B (schools) channel reach

Serving global markets for

20+ Years

with deep knowledge of educators' pain points

Cooperation with global partners

2,000+
Channel Partners

Countries Covered Worldwide

150+

03

Unrivalled market-leading flagship products with strong industry recognition and a sticky user base

Successfully grew Promethean into a market leader in classroom technology

Promethean®

Interactive Classroom Technology



Global #1 Market Leader in K12 Classroom Interactive Display*



Hardware + Software integration
(display panel + lesson prep.
& delivery software)



Enable interactive teaching and collaboration



1.9 Million
Classrooms**
(Installed base)

40+ Million
Students**

150+
Countries

#1
Market Share

* #1 market share by K12 classroom interactive display sales volume for global (ex. China) market, according to Futuresource Consulting <Quarter 4 2022 World Interactive Displays> report, Mar 2023

** Classroom data is based on the above Futuresource report, # of students is estimated according to the average class size for U.S. primary, middle and high schools (24.8 students/class) based on the most recent study by National Center for Education Statistics, the federal institution for all education related statistics in the U.S.

03

Unrivalled market-leading flagship products with strong industry recognition and a sticky user base



Leveraging our Promethean platform to add new revenue streams in software/content/SAAS

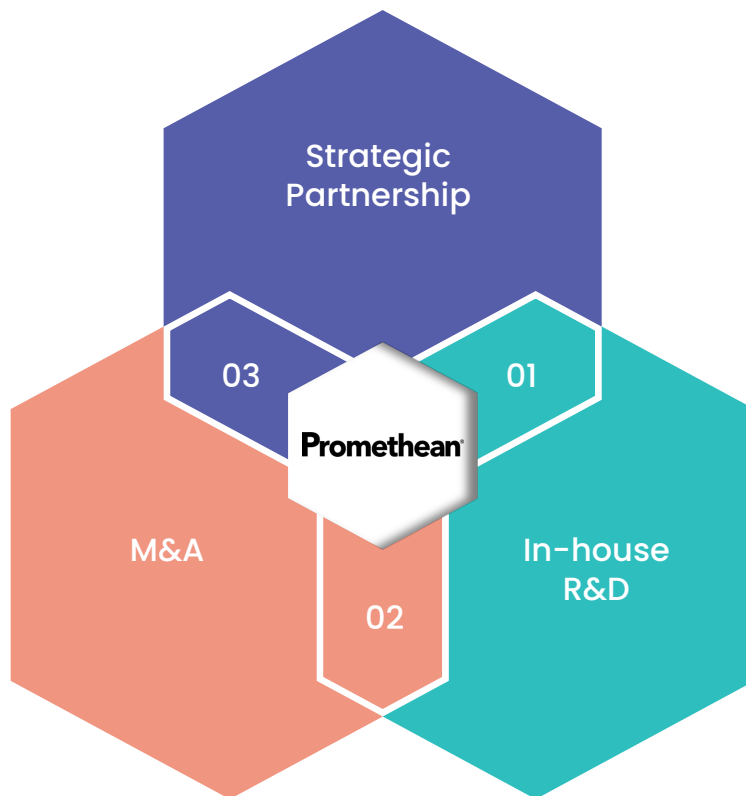


MERLYN MIND

- Leading SaaS-based voice-activated AI solution in the world targeted at K12 education
- Entered into a US-based exclusive partnership

- Actively pursuing M&A opportunities with intention to plug in ready-to-monetize content and software onto our Promethean platform
- Acquired Explain Everything, the leading whiteboard application, in Dec 2022, which started to monetize on *App Store* since 2015

Explain Everything



edmodo

- Started off as one of the most popular global learning platforms, well positioned to expand worldwide via B2G model



驰声
CHIVOX

- Top 2 educational voice AI solution provider in China



- Leading English and coding learning AI driven software for K12 students: English Galaxy® and Coding Galaxy®



Unrivalled market-leading flagship products with strong industry recognition and a sticky user base

 Our Overall Competitive Edge Puts us in a Great Position to Win in the Market



Understanding of Educators' Needs



Sales Network



Complex Implementation Capability



Installed Base



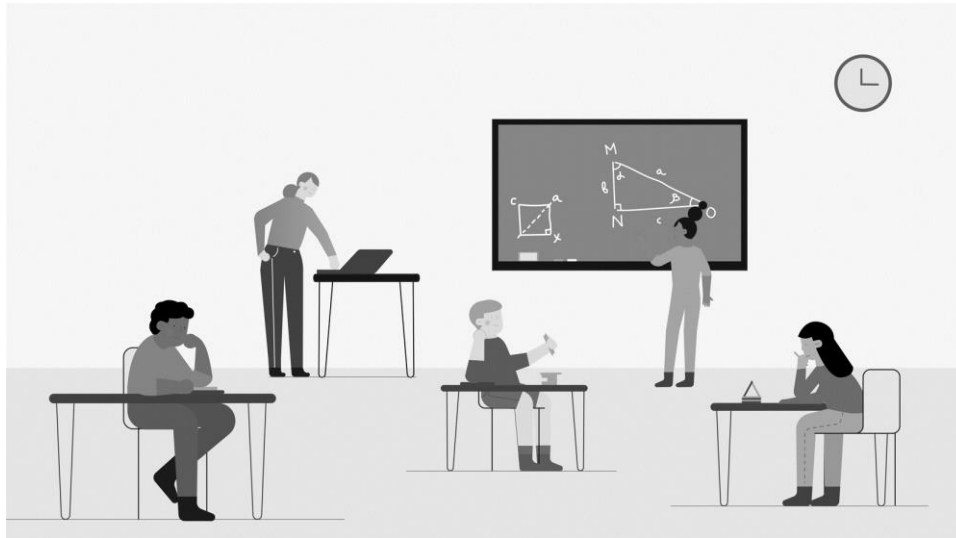
Brand Recognition

	Deep understanding of education	Leading global sales network	High	Largest globally (ex-China)	Top education brand
 Promethean®	Knowledge gained from serving all major markets for 20 years+	Over 2,000 Distributors and Resellers, covering 150+ countries	Track record of multiple large school district rollout and country rollout	Estimated 1.9M classroom installed based for future replacement sales	Market leader for >20 years and #1 in market share (ex-China)
 Other Brands	Major players are either not focused in education or entered edtech space only in recent years	Many new entrants are competing on price in setting up their sales network	Mostly Low to Medium with lack of track record	Mostly much smaller	All other large brands globally are not focused in education

On track to roll out AI-enabled hardware + SAAS solutions to put us in position to achieve category dominance

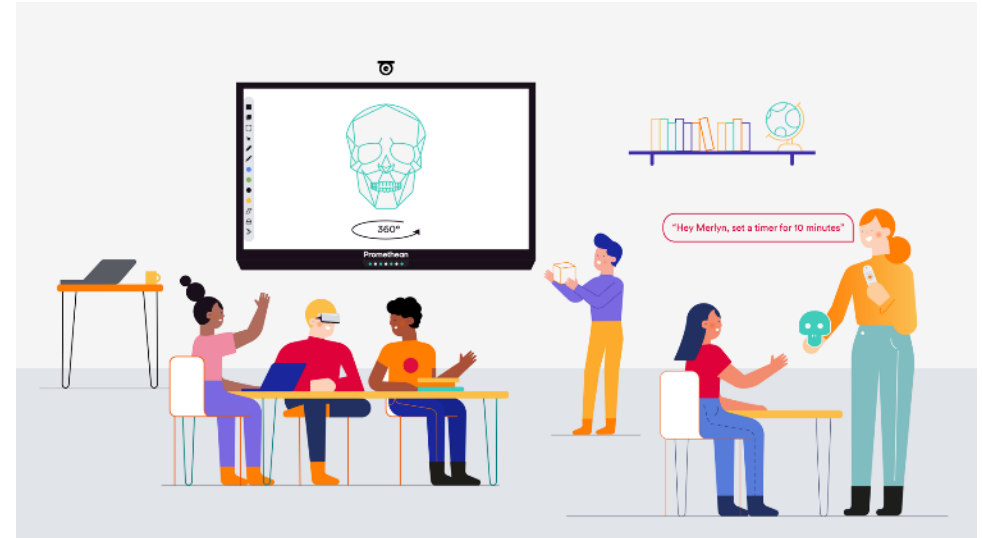
Leading to transformation of classroom experience and productivity....

Today's classroom



- ✗ Siloed devices
- ✗ No integration of AI in a classroom setting
- ✗ Teachers “tethered” to the blackboard / panel
- ✗ Too many applications = teacher fatigue and burnout

Our future AI-enabled classroom



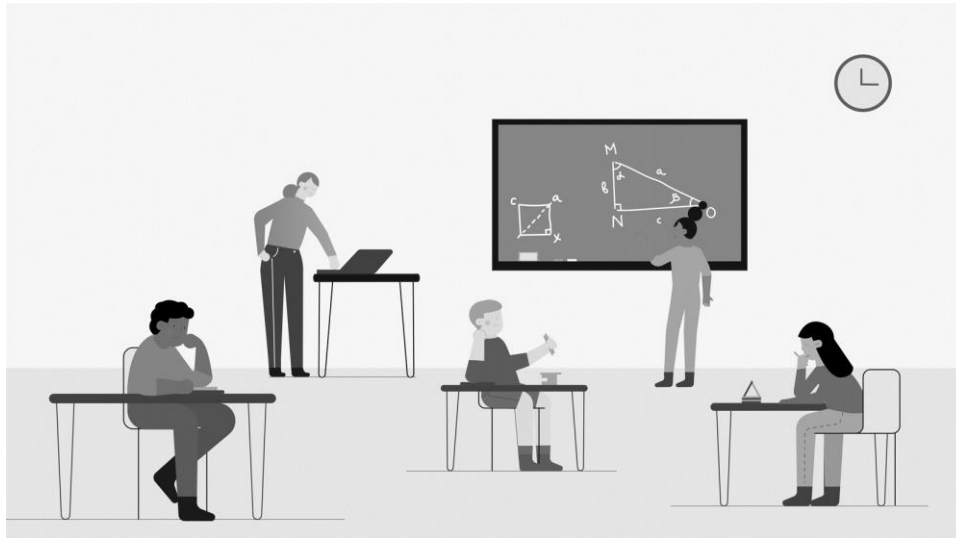
- ✓ Devices and applications connected with AI
- ✓ Integrated with generative AI
- ✓ “Un-tether” teachers and engage students
- ✓ Natural interaction with tech for teachers and students

04

On track to roll out AI-enabled hardware + SAAS solutions to put us in position to achieve category dominance

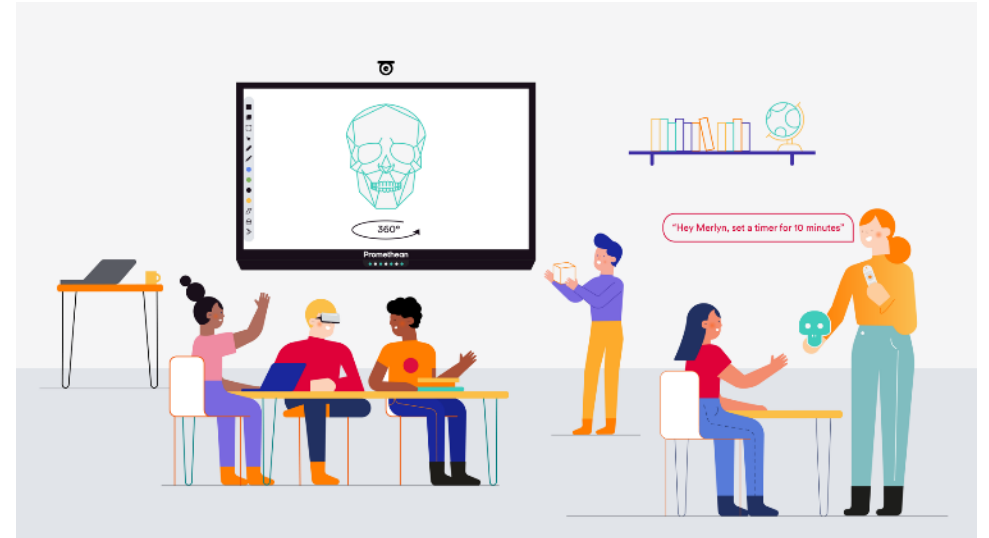
.... and transformation of revenue model with hardware + SAAS

Today's classroom



Predominant hardware sales business model

Our future AI-enabled classroom



Initiate AI SAAS recurring revenue at point of sale

04

On track to roll out AI-enabled hardware + SAAS solutions to put us in position to achieve category dominance



Our roadmap to become a category dominant leader in providing AI-enabled classroom solutions

Deliver panels with AI integration: leverage existing channels and installed base

1



Deliver **AI-enabled Integrated Panel** in next panel release

Introduce our installed base of **1.9M classrooms** to AI powered classroom technology

Leverage **275 sales professionals** and **2,000+ channel partners** to accelerate penetration of our new AI solutions in the market

Expand offerings with generative AI solutions for education

2



Bring generative AI solutions in the classroom to facilitate teacher productivity and student learning

Expand generative AI solutions to out of class experiences for teachers, students, and admins

Enterprise control and customizations of AI for state and local education agencies

3



Provide customized generative AI solutions that align with needs of purchasing education agencies around the world

Pioneer in country deployment model empowered by our technology and our ability to integrate products



China

- NetDragon is the selected technology provider for NCET* (direct edtech unit of China MOE*) in the development of the ***National K-12 Smart Education Platform*****, launched in March 2022
- *National K-12 Smart Education Platform* is the **go-to learning management platform intended by MOE for top-down nationwide adoption by K12 students in China**
- Amassed **82M registered users** until Apr 30th 2023, **MAU** for Apr reached **33M**
- Another nationwide 2G product – ***Virtual VR Lab****** platform launched in partnership with NCET, with adoption of schools across 31 provinces

* NCET = Center for Educational Technology and Resources Development (National Centre for Education Technology); MOE = Ministry of Education

** The MOE of China held a dedicated press conference to show case the progress of this platform: <http://www.moe.gov.cn/fbh/live/2022/54324/>

*** For further details of this product, please refer to the product website: <https://ndepc.101.com/product/3>

Pioneer in country deployment model empowered by our technology and our ability to integrate products



Egypt

- Signed definitive agreement in 1H22 for another 90k panels
- Rolling out *Edmodo World* nationally as the customized learning platform
- Aiming to distribute educational software, service and content via *Promethean + Edmodo* platforms

Pioneer in country deployment model empowered by our technology and our ability to integrate products



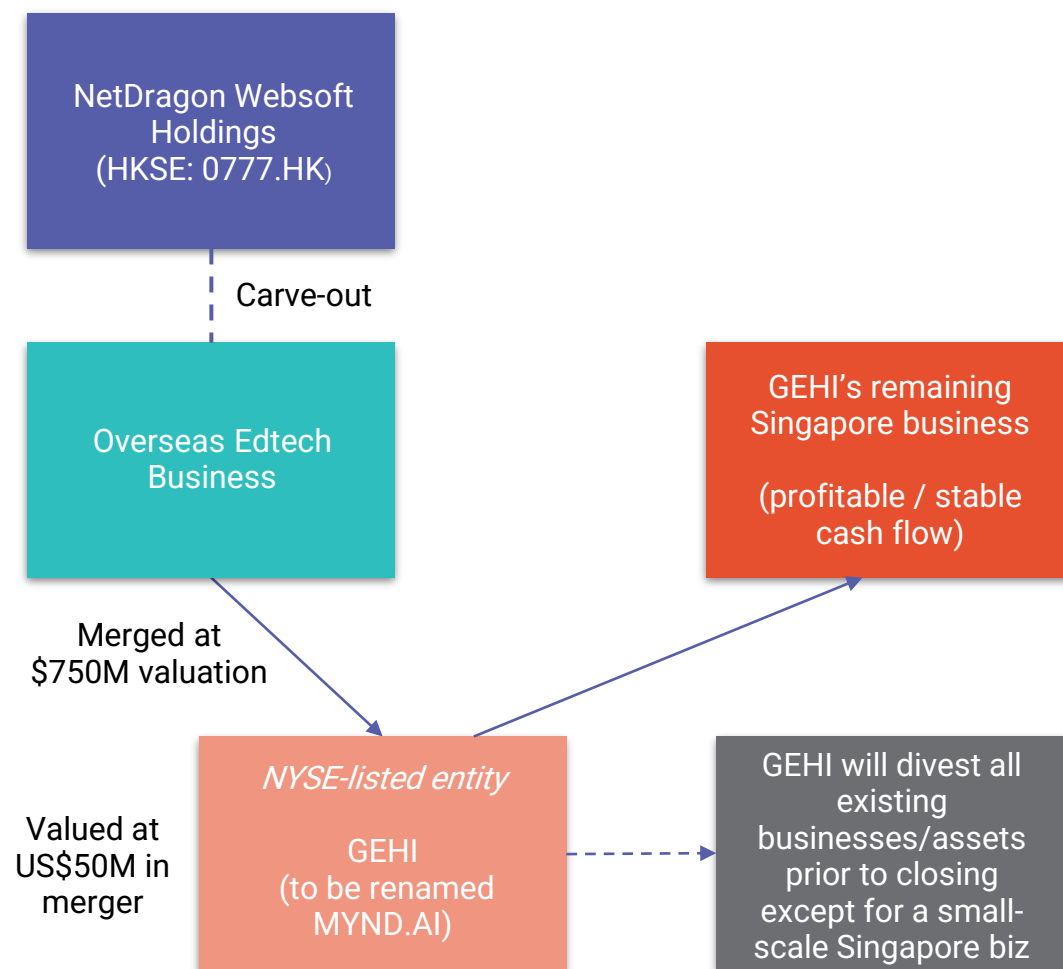
Thailand

- Positive results for the pilot program of English Smart Classroom Lab, powered by our *Chivox* and *English Galaxy* products to be operated on our *Edmodo* platform
- National roll-out of English Smart Classroom Lab expected in coming quarters
- Commercial-scale revenue to follow

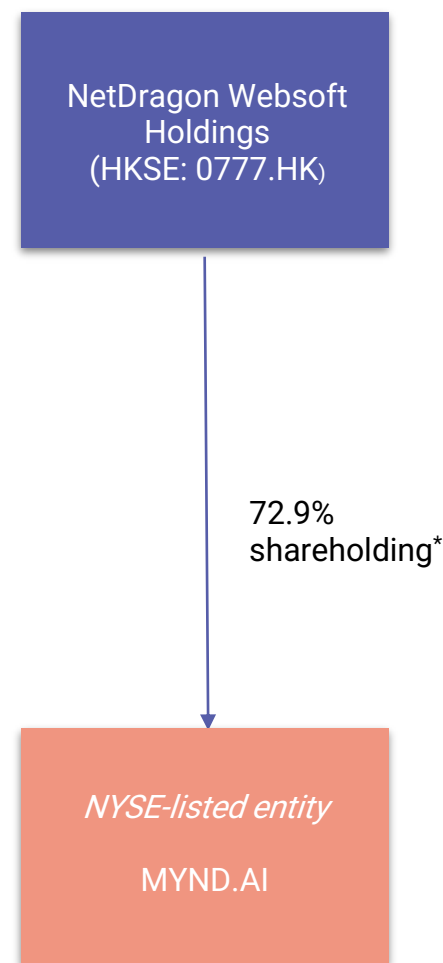
Well positioned to unlock value given recent signing of merger agreement to spinoff overseas edtech biz for NYSE listing in Q3

Spinoff to result in US-listed platform to be named “MYND.AI”

Transaction structure



At Completion (Q3 expected)



Transaction Overview

NetDragon will merge its core overseas education business (“NetDragon Education Business”) with Gravitas Education Holdings (NYSE: GEHI) at a valuation of US\$750 million for the NetDragon Education Business and US\$800 million for the merged entity.

The merged entity will be renamed to MYND.AI at closing of the transaction to reflect the new brand and the direction of the company to pursue the transformation of education with AI.

Expected closing of the transaction is Q3 2023.

06

Well positioned to unlock value given recent signing of merger agreement to spinoff overseas edtech biz for NYSE listing in Q3

 Valuation basis of the merger was based on comparison with 3 relevant groups of companies*

Comp against listed ed-tech companies

End-market and/or business model overlap w/ Mynd.ai



Ave. TEV / 2022 GP: 7.0x

Ave. TEV / 2023 GP: 6.2x

Comp against IoT Hardware Leaders

Similar business models & respective market standing



Ave. TEV / 2022 GP: 5.5x

Ave. TEV / 2023 GP: 5.2x

Comp against AI companies listed in US

AI-led business transformation & growth drivers



Ave. TEV / 2022 GP: 11.6x

Ave. TEV / 2023 GP: 9.7x

The implied range of valuation based on above is US\$650M – 1.7B TEV. We view **\$750M** equity value for our overseas edtech business as fair valuation for the Spinoff, with opportunity for appreciation post-closing

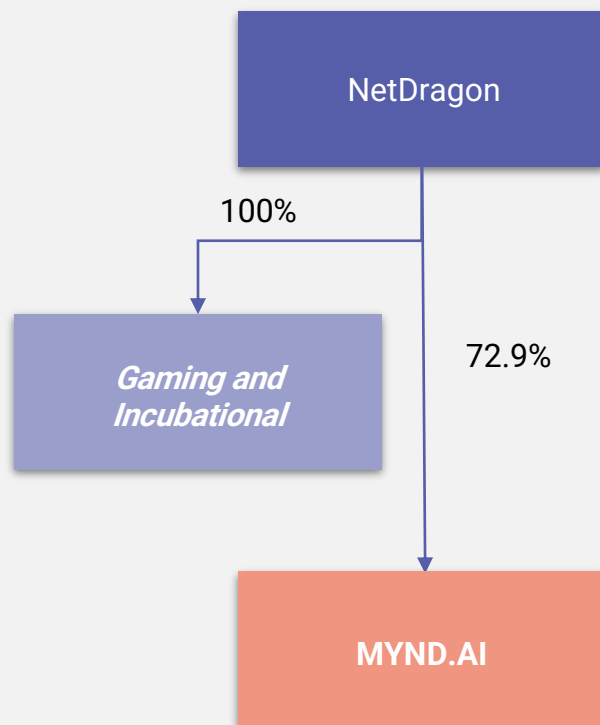
06

Well positioned to unlock value given recent signing of merger agreement to spinoff overseas edtech biz for NYSE listing in Q3

📝 Achieving multiple critical objectives with the listing



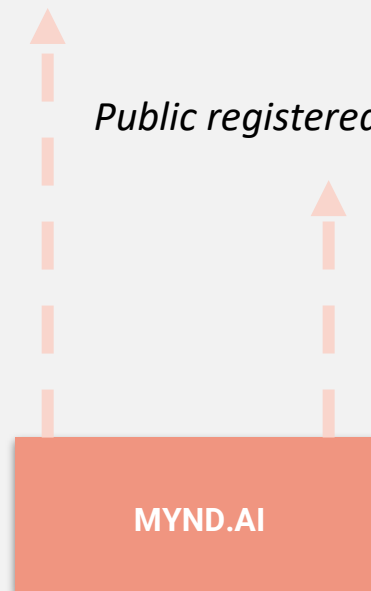
Unlock Shareholder Value



Fundraising Platform

PIPE from Strategic Investors

Public registered offering



Ensure Sustainable Growth

- Majority of our overseas education revenue is from the U.S. (>70% in 2022)
- Having our overseas education business in an U.S. listed entity will:
 - ✓ Ensure regulatory compliance in the U.S.
 - ✓ Provide the necessary strategic / operating flexibility to achieve sustainable growth

Growth drivers into the future

New Normal for Education



The pandemic has resulted in critical-mass adoption, and turned front-of-class interactive display into “must have”, hence setting the stage for widespread penetration globally

Growing Penetration in a largely untapped global market



Interactive classroom display penetration globally (ex. China) is still less than 12%*

Market Share Growth with Expansion in Value Segment



Expand beyond our traditional premium market segment with our lower-priced LX panel model launched in Apr 2023, further opening ourselves up to 40%-50% of the total addressable market

Break-out growth from our AI-enabled panels with hardware + SAAS revenue model



Planning to roll out our AI-enabled panel product in 2nd half 2023 with immediate SAAS revenue stream that goes along with sales of the hardware

* Futuresource Consulting <Quarter 4 2022 World Interactive Displays> report, Mar 2023



Gaming Business

Well-established and emerging IPs to drive sustained profitability growth

Gaming IP overview



Eudemons: 1st generation IP with unique scarcity value



Conquer: One of the most popular “Wuxia” MMORPG in overseas



Heroes Evolved: 1st domestic MOBA game in China



Neopets: 150m+ global fans since the 90s



Under Oath: New ACGN game with best-in-class visual design

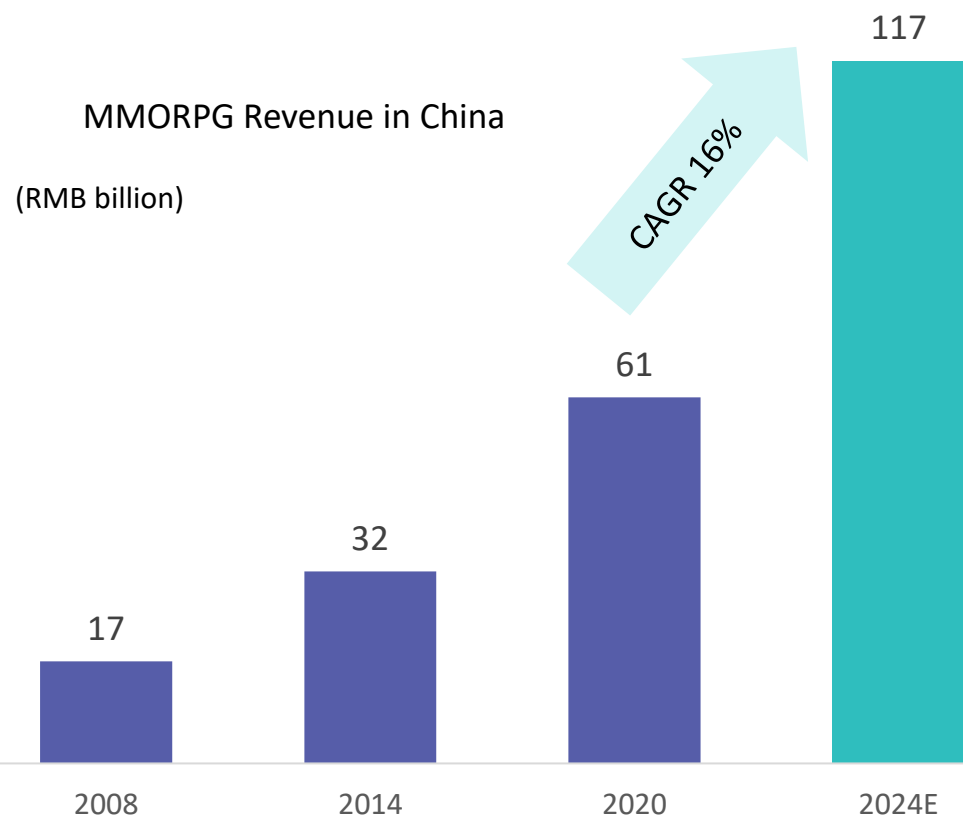
Investment highlights

- ① Our Core Market: MMORPG – fast growing genre with huge upside potential
- ② Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value
- ③ Exceedingly high R&D barrier to produce MMORPG titles of similar scale
- ④ Strong profitability with high margin riding on strength of IPs and heavy organic traffic
- ⑤ Growth strategy leveraging sustained growth of existing games and strong pipeline
- ⑥ Well positioned to expand into overseas market with proven business model

01

Our Core Market: MMORPG – fast growing genre with huge upside potential

Strong growth trajectory for MMORPG market in China



1

Chinese gaming market was **dominated by MMORPG** prior to the mobile game era (post-2014), creating a deep, loyal base of players in this genre

2

Successful cross-platform evolution of MMORPG games leading to a **CAGR of 16% from 2020 to 2024**

3

Unique gameplay and virtual community continue to attract multi-generations of gamers

4

MMORPG is best-positioned for evolving into **metaverse** era given its strong user interaction, and comprehensive virtual economic / social system

5

MMORPG genre accounts for more than **90% of our 2022** gaming revenue

Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value



First-mover and most influential western fantasy MMORPG in China



+21 Years

- Accumulated gross billings surpassed RMB 90 billion in China
- The IP is operated by Century Huatong in China, which is currently trading at **15.1x PE(2021)***, with FY17/21 revenue CAGR of 4%



+19 Years

- Continue to be a core revenue contributor to Activision Blizzard
- Microsoft announced in Jan 2022 to acquire Activision Blizzard for US\$68.7B by an all cash offer, at **18.3x EV/EBITDA (2021)**



+16 Years

- **Gross billing surpassed RMB 4 billion since 2019**
- **Robust pipeline of new games to drive revenue growth**

2000

2004

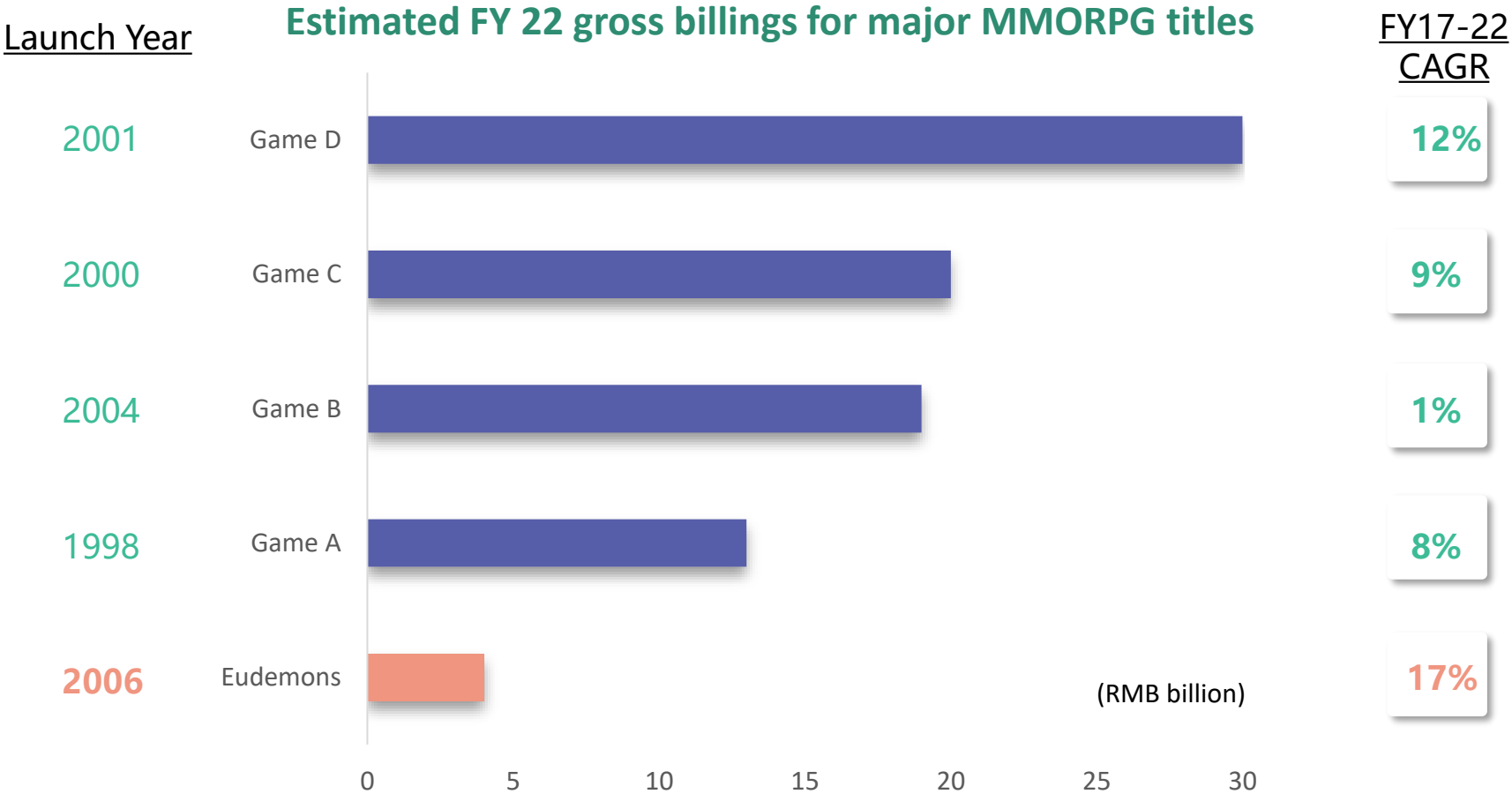
2006

What We Have In Common...

- Iconic IP from early era of online games with **high scarcity value**
- Continuous growth from efforts in **expanding the IP Ecosystem** to other media forms
- **“Brotherhood”** culture icon with huge population of closely-bonded hardcore players
- Core players reaching the life stage with increased and **strong paying capabilities**

02 Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value

Exceptional growth track record with massive room for future growth compared to other major titles



Along with a small group of iconic, non-replicable MMORPG IPs, our *Eudemons* IP demonstrated an exceptional track record of consistent historical revenue growth on the back of our innovation in content and gameplay enhancements that drove a **2.2x increase in MAU**, a **2.3x revenue increase** for our legacy Eudemons Online game (PC/Dual Platform), and a **2.2x revenue increase** for our *Eudemon* mobile games from 2017 to 2022.

Note: Gross billings and CAGR are estimated in reference to relevant company filings and industry research

Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value

- Value of iconic IPs is further proven by the recent success of “Remake Versions”

	<u>Launch Year</u>	<u>“Remake Version” performance</u>
	1997	Final Fantasy VII Remake Version was released in April 2020, and became one of the best selling PS games historically with the first three days sales reaching 3.5M copies, surpassing the IP’s most recent update (FF 15).
	2007	TLBB: Vintage Version (天龙八部：怀旧版) launched in 4Q20 boosted the gaming segment of SOHU significantly. For the eight quarters after the launch, average quarterly revenue was up ~50% comparing to 3Q20.
	2002	JXQY I: Gui Lai (剑网I: 归来) was ranked 3 rd on IOS games board in the first week of its launch in 4Q21. For the four quarters since the launch, average quarterly revenue was up more than 1/3.

The “Remake Version” bet on the nostalgia of gamers’ community by bringing back the original gameplay and artistic designs of the original IP title launched often more than one decade ago. The success of legacy MMORPG IPs’ “Remake Version” in recent years has reinforced the belief in IP longevity and user stickiness. **Our “Remake Version” of Eudemons IP is planned to be launched in 2024.**

Exceedingly high R&D barrier to produce MMORPG titles of similar scale

📌 Long development cycle combined with low hit rate means high scarcity value for existing MMORPG hits

A successful MMORPG title requires multiple years of effort and hundreds of millions (in RMB) in R&D cost, yet with a very low hit rate – **only four** new titles in past 5 years have generated more than RMB 5 billion gross billings in China:

Blockbuster new titles*	Duration (years)	Cost (RMB million)
New Game 1	3	650
New Game 2	4.5	400+
New Game 3	5	600
New Game 4	2.5	270

Our R&D expense for gaming reached **RMB 768 million** in 2022, representing **22.4%** of our gaming revenue

* Best performing MMORPG/ARPG titles since 2017, R&D duration and cost are based on media reports/ developers' announcement

04

Strong profitability with high margin riding on strength of IPs and heavy organic traffic

Unique strength of Iconic IP enabling a highly profitable business model...

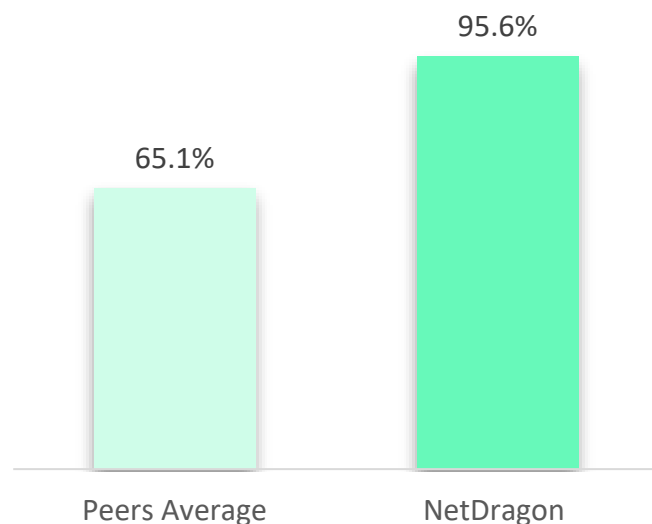


Note: based on our 2022 financials

Strong profitability with high margin riding on strength of IPs and heavy organic traffic

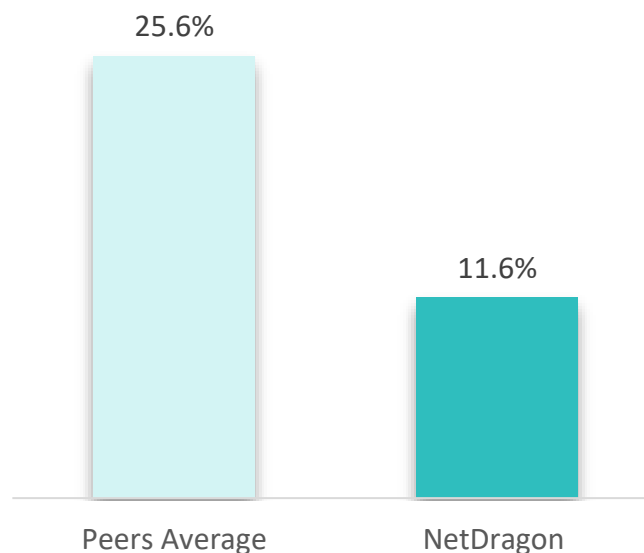
...putting us amongst the highest in terms of profitability compared to our peers

Gross Margin



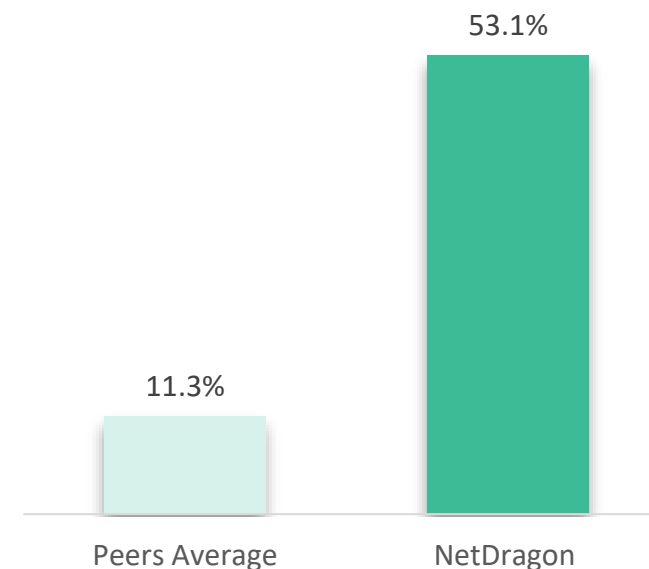
- 95% of our gaming revenue is from self-published titles
- 83% of our revenue is from PC games (ie. no 3rd party mobile platform revenue share)

Selling expense %



- We spent less than half of selling expenses per unit revenue of our peers on average, due to strong IP recognition and large loyal user base

EBIT Margin



- We are significantly more profitable than our peers (with all loss-making peers excluded, the average EBIT margin of peers is still below 20%)

Source: 1H22 company filings

Note: Peers include Tencent, NetEase, 37 Interactive, Century Hua Tong, Perfect World, G-Bits, Giant Network, XD.com, CMGE, and IGG. Some of them only disclose gross margin for gaming segment

05

Growth strategy leveraging sustained growth of existing games and strong pipeline

Our top titles launched > 5 years ago will continue to drive our revenue growth...

Top titles aged 5 + Years by FY22 Revenue

FY17-22 Revenue CAGR%

Eudemons Online CN

↑ 14%



Eudemons (Mobile)

↑ 13%

Eudemons Online EN

↑ 98%



Conquer (Overseas)

↑ 13%

Conquer CN

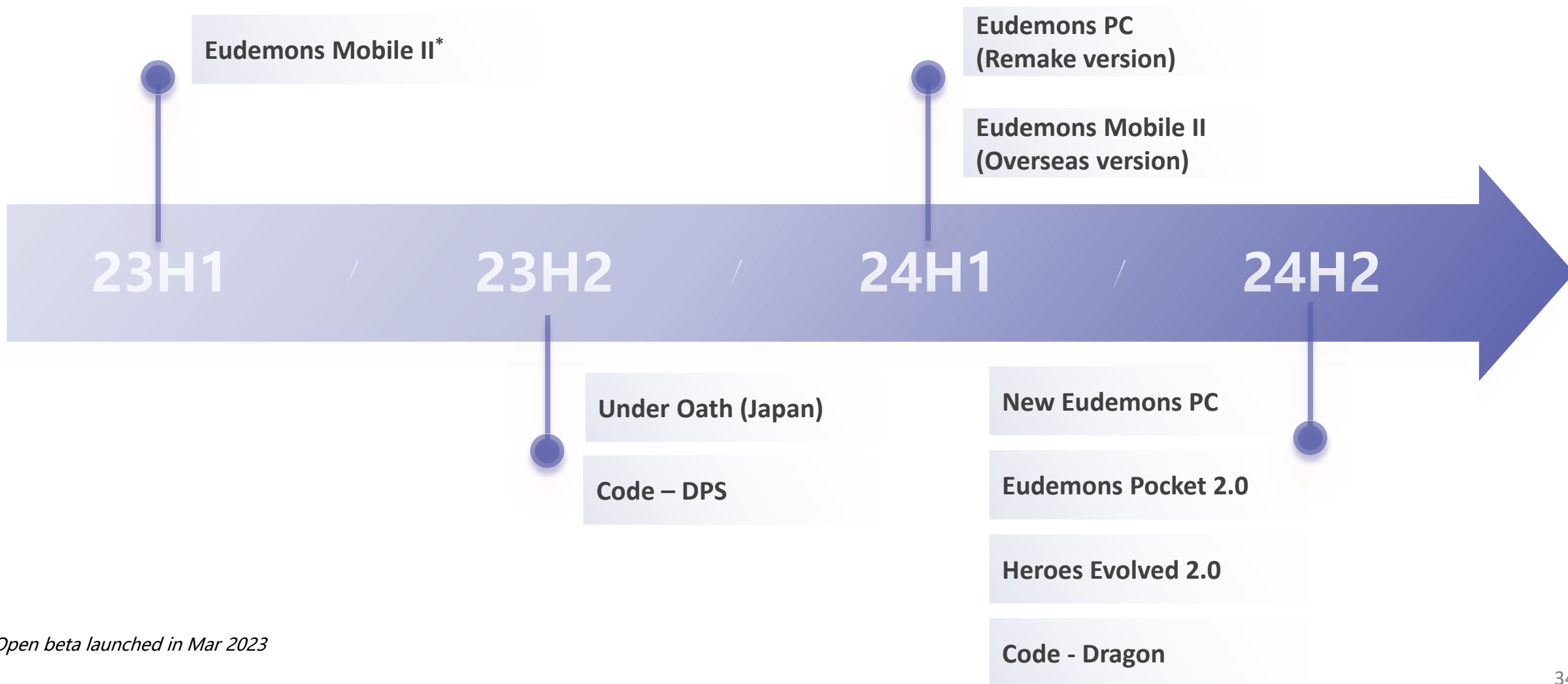
↑ 9%

Collectively represented
>90% of FY22 Revenue

05

Growth strategy leveraging sustained growth of existing games and strong pipeline

... together with our diversified pipeline of new games



* Open beta launched in Mar 2023



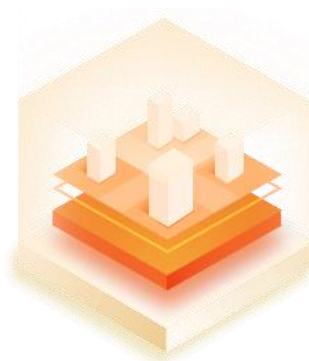
Strategic Partnership

- Partnering with a world renowned 3A gaming publisher for our ACGN game *Under Oath* in the overseas market
- First overseas ACGN game to be launched in Japan, followed by SEA, Korea, etc.



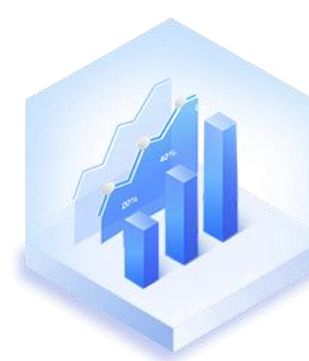
Scale with Proven Model

- Replicate our successful Egypt model for *Conquer Online* (>50% of *Conquer* overseas revenue with heavy localized strategy through on-the-ground channel) and expand into other emerging markets with similar user profile and huge growth potential



Expand with Localized Content / Gameplay

- Expanding our *Heroes Evolved* IP into Vietnam and Pakistan with stronger gameplay adaptivity for local players as well as localized contents (eg. heroes)
- *Heroes Evolved 2.0* (to launch in 2024) to target global audience



M&A

- Actively pursue global M&A opportunities to extend our overseas presence and drive growth



Financials & Capital Return Measures

2022 Financial Highlights

(RMB million)	2022	2021	YoY
Revenue	7,866	7,036	+11.8%
Gaming	3,430	3,642	-5.8%
Education	4,336	3,231	+34.2%
Gross Profit	4,315	4,523	-4.6%
Selling & Marketing Expenses	945	956	-1.0%
<i>as % of Revenue</i>	12.0%	13.6%	-1.6 pts
Administrative Expenses	975	956	+2.0%
<i>as % of Revenue</i>	12.4%	13.6%	-1.2 pts
R&D Expenses	1,224	1,160	+5.5%
<i>as % of Revenue</i>	15.6%	16.5%	-0.9 pts
Non-GAAP EBITDA	1,651	1,850	-10.8%
Non-GAAP Operating Profit	1,315	1,507	-12.7%
Non-GAAP Profit attributable to owners of the Company	1,262	1,291	-2.2%
Operating Cash Flow	1,070	1,027	+4.2%
Cash and Cash Equivalent	3,701	3,717	-0.4%

Segmental Financial Highlights

(RMB million)	Education			Gaming		
	2022	2021	YoY	2022	2021	YoY
Revenue	4,336	3,231	+34.2%	3,430	3,642	-5.8%
Gross profit	1,007	995	+1.2%	3,280	3,474	-5.6%
Gross profit margin (%)	23.2%	30.8%	-7.6 <i>ppts</i>	95.6%	95.4%	+0.2 <i>ppts</i>
Core segmental profit (loss)	(299)	(412)	-27.4%	1,821	2,120	-14.1%
Segmental operating expenses						
- Research and Development	(446)	(501)	-11.0%	(768)	(658)	+16.7%
- Selling and Marketing	(532)	(530)	+0.4%	(398)	(419)	-5.0%
- Administrative	(387)	(351)	+10.3%	(292)	(318)	-8.2%

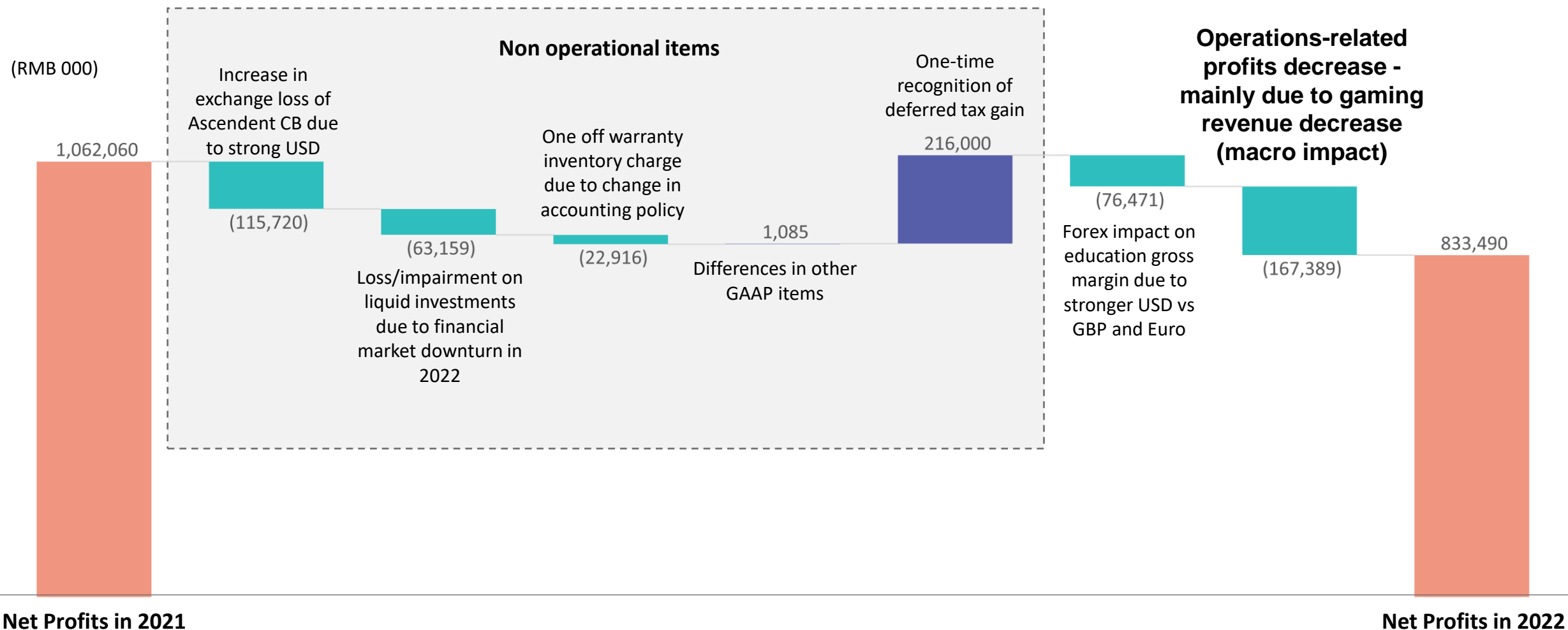
Education

- **Revenue** up 34.2% on the back of accelerated market penetration and broader product adoption
- **Gross margin** dropped by 7.6 ppt, mainly due to tariff accounting and currency impact (strong U.S. dollar); Adjusted gross margin (ex-tariff and forex-neutral) is 29.2% (2021 – 30.7%)

Gaming

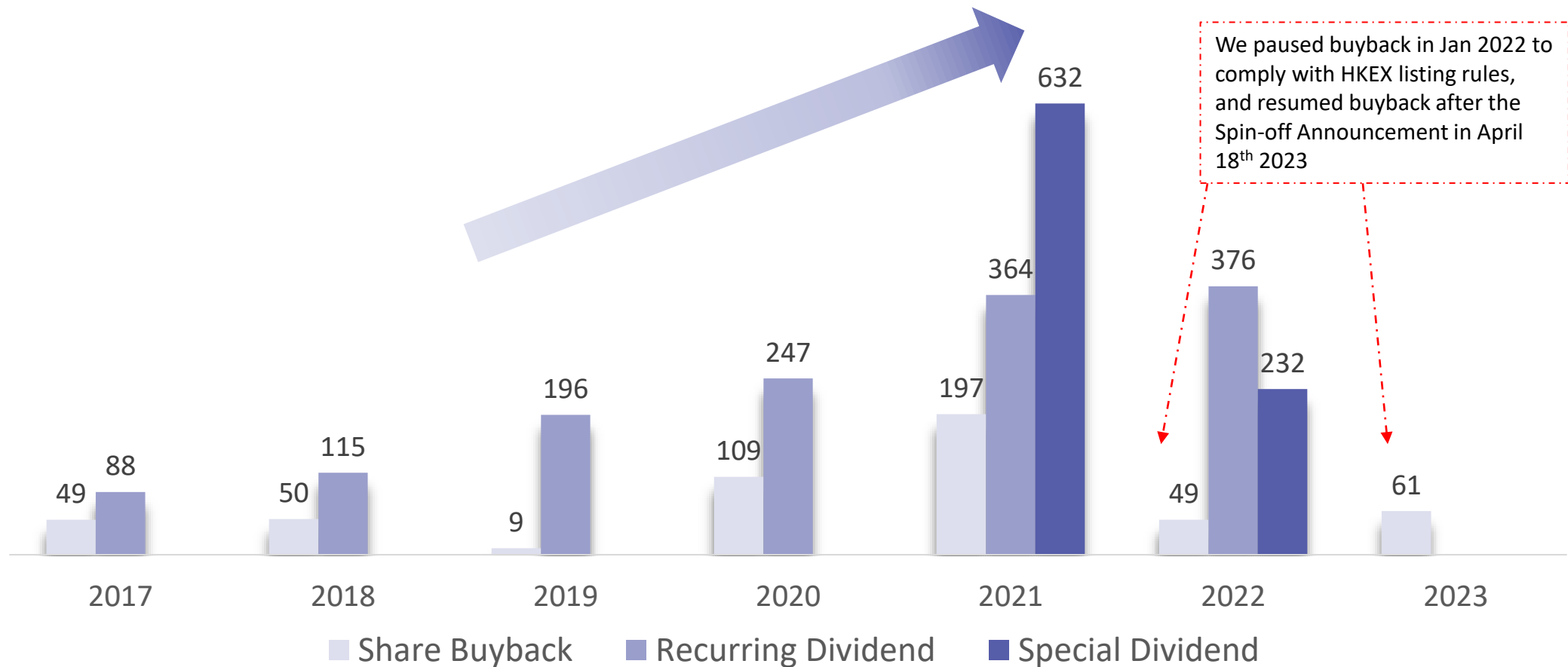
- **Revenue** decrease of 5.8% was macro-driven as in-game spending softened amidst Covid restrictions in 2022
- We **strengthened our R&D team** with 300+ headcount increase in 2022, leading to 16.7% increase in R&D expense

Net Profit Bridge



Steady increase in dividends and share buybacks

(RMB million)



Efforts to unlock valuation



Gaming



Education

Valuation Assumptions

- 2022 Gaming Net Profit¹ (RMB 1.6 billion) × Global Gaming Median P/E (19.2x²) = **USD 4.4 billion**
- MYND.AI is valued at US\$800 million in the proposed spin-off transaction
- This valuation is based on comparative study towards 3 buckets of listed companies: 1) ed-tech, 2) IoT hardware leaders, and 3) U.S. AI companies (US\$800M at the lower end of the range from US\$650 million to 1.7 billion)



SOTP Valuation

US\$ 4.4 billion



US\$ 0.6 billion³

Net Cash



US\$ 0.4 billion

Combined: US\$ 5.4 billion

Favorable Factors

Trending reduction in education segmental loss

- Gaming valuation currently dragged down by education's loss
- Education loss reduced by 27% YoY in 2022

Education Spin-off to unlock value of EdTech business

- NYSE listing of education business provides clarity for education valuation
- Listing transaction announced on April 18th 2023, and expected to close in 3Q23

Gaming business back on growth track

- With China entering “post pandemic” age, the regulatory and market environment has improved significantly
- As gaming business resumes its growth trend, we expect the valuation will be back to normal as well

¹ 2022 Gaming Net Income is pro forma number based on core segmental profit and an effective tax rate of 13.3%

² Bloomberg Average Estimate (May 10th, 2023)

³ US\$ 0.6 billion = US\$ 800 million × ND's % of total issued share capital (72.9%) post closing of the listing transaction

Note: SOTP valuation above is for illustrative purpose based on stated assumptions. Numbers are based on FX rate of 1HKD = 0.89 RMB = 0.13 USD



Management Team

Visionary, multi-disciplinary leadership team with unparallel commitment to build our business with global impact

Dr. LIU Dejian

Founder and Chairman

- Top 10 China Business Figures, 2016*
- Entrepreneur of the Year, 2013**
- Co-Dean of the Smart Learning Institute of Beijing Normal University
- Doctorate in Education from Beijing Normal University
- Ahead-of-the-curve product designer
- Conceived, successfully scaled and commercialized “first-mover” ideas including:
 - ① 1st gaming portal (17173.com)
 - ② 1st “free-to-play” MMORPG (Eudemons Online)
 - ③ Largest smartphone appstore platform (91 Wireless)

Dr. Simon LEUNG

Vice Chairman

- Former Chairman & CEO, Greater China, Microsoft
- Former President, Asia Pacific, Motorola
- Former CEO , Asia Pacific, Harrow International School
- Doctorate in business administration from Hong Kong Polytechnic University and honorary doctorate in laws from University of Western Ontario



* Awarded in award event hosted by ifeng.com & Phoenix TV

** Awarded in Cyzone Entrepreneur Conference in June 2013

A global executive management team with track record in execution



WANG Song
Chief Product Officer

Chief Designer of “Eudemons Online”, NetDragon’s most popular and most profitable MMORPG

Expert in game design and user experience



Ben YAM
Chief Financial Officer

Former Senior Vice President, Softbank Asia / SAIF Partners (Asian PE fund with US\$4B AUM)

Sat on board of 7 TMT portfolio companies

MS from Columbia University

CFA, CA, CPA



Vin RIERA
CEO, Promethean & Edmodo

Former Director and CEO of Collegis Education

Former Director and CEO of Edmentum

Served in executive leadership roles at Gateway, Inc. and Orange Business Services



CHEN Hong
CTO,
Fujian Huayu (China)

Former CTO of SVMsoft (Joint Venture of VMware and Sugon)

Former Director of VMware

10+ years of experience in software engineering and development

MBA from Tsinghua University



LI Jia
CTO,
TQ Digital

Former Director of R&D in YooZoo from 2017 to 2019

Co founded Shanghai Xinzhi Gaming in 2012, and successfully published *Magic Land M*, a MMORPG game with western fantasy backgrounds

15+ years experiences in gaming R&D, framework engine, middle office infrastructure buildup



LIN Chen
Senior Vice President

In charge of gaming design and QA

Joined NetDragon in 2009 and performed various roles in the gaming segment, such as Director of QA, Director of Design Centre, etc. promoted to Senior Vice President in 2018

BS from Tongji University



YU Biao
Chairman of Fujian Huayu (China)

Head of planning and operation of Huayu Education (China)

20+ years of experience in education management



LIN Wei
President of Fujian Huayu (China)

Responsible for sales operation and marketing of education products in China

15+ years of experience in IT, mobile Internet, and education industries



Garwin Chan
CSO, Overseas Edtech

Strategic development of overseas education business

8 years with Bain Capital in the US and in Asia. Led the private equity investment branch of a Chinese conglomerate. CFO of an e-commerce and blockchain startup.

MBA from Harvard University



Outlook

Outlook for 2023



Gaming

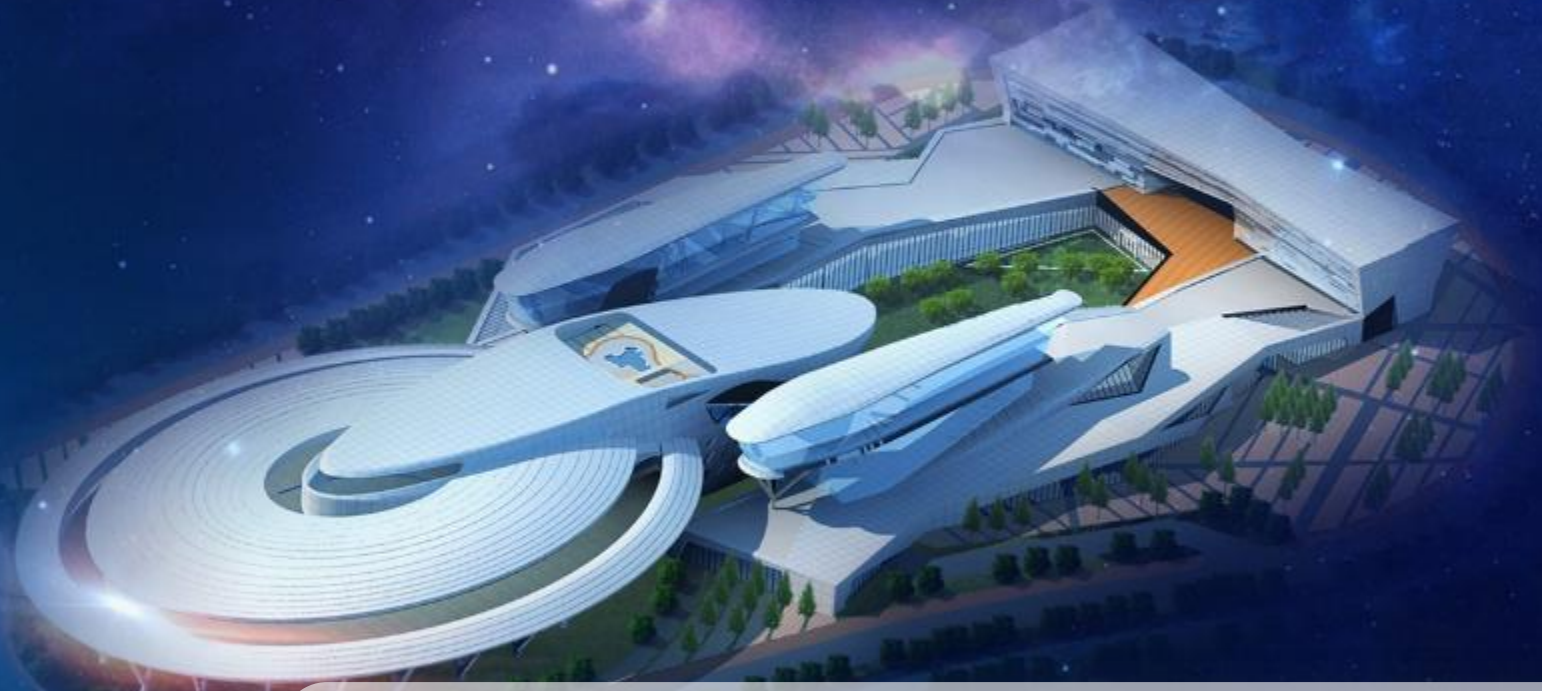
- ◆ Revenue growth expected to get back on track this year
- ◆ Expecting revenue growth from all our 3 major IPs
- ◆ 3 new game launches this year
- ◆ To step up our effort in M&A
- ◆ Targeting to double overseas revenue in 2 years



Education

- ◆ Launch AI-enabled integrated panel in next panel release
- ◆ Open up SaaS monetization opportunities
- ◆ Expand panel product offering to the “value segment” to capture a wider audience and grow market share

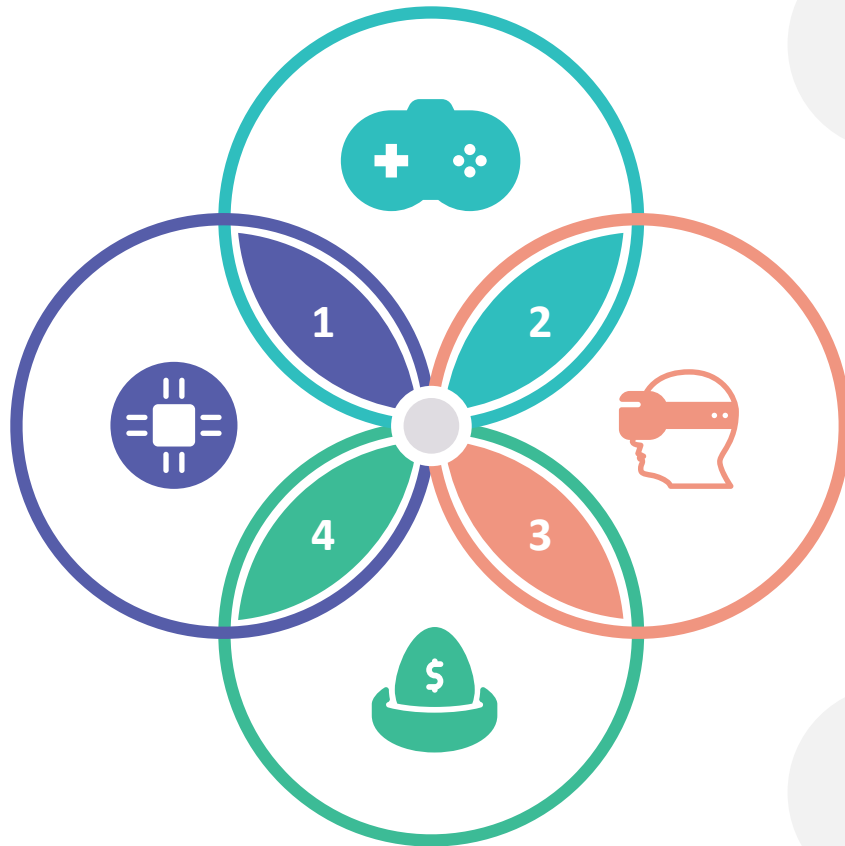
Q&A



Investor Relations Email: ir@netdragon.com

Appendix I: Progress in Metaverse

Recent progress in Metaverse



1. AI CEO

Appointed TANG Yu (AI virtual robot) as new Rotating CEO for our key subsidiary, Fujian NetDragon

2. Neopets

Neopets Metaverse game development on track with alpha launch in Q3

3. Fantasy Game

Initiated development of a new blockchain game themed with traditional Asian fantasy stories

4. ROKID

Signed definitive agreements to invest US\$40M in ROKID, a market leader in AR technologies, with exclusive partnership



TANG Yu, our AI-based CEO

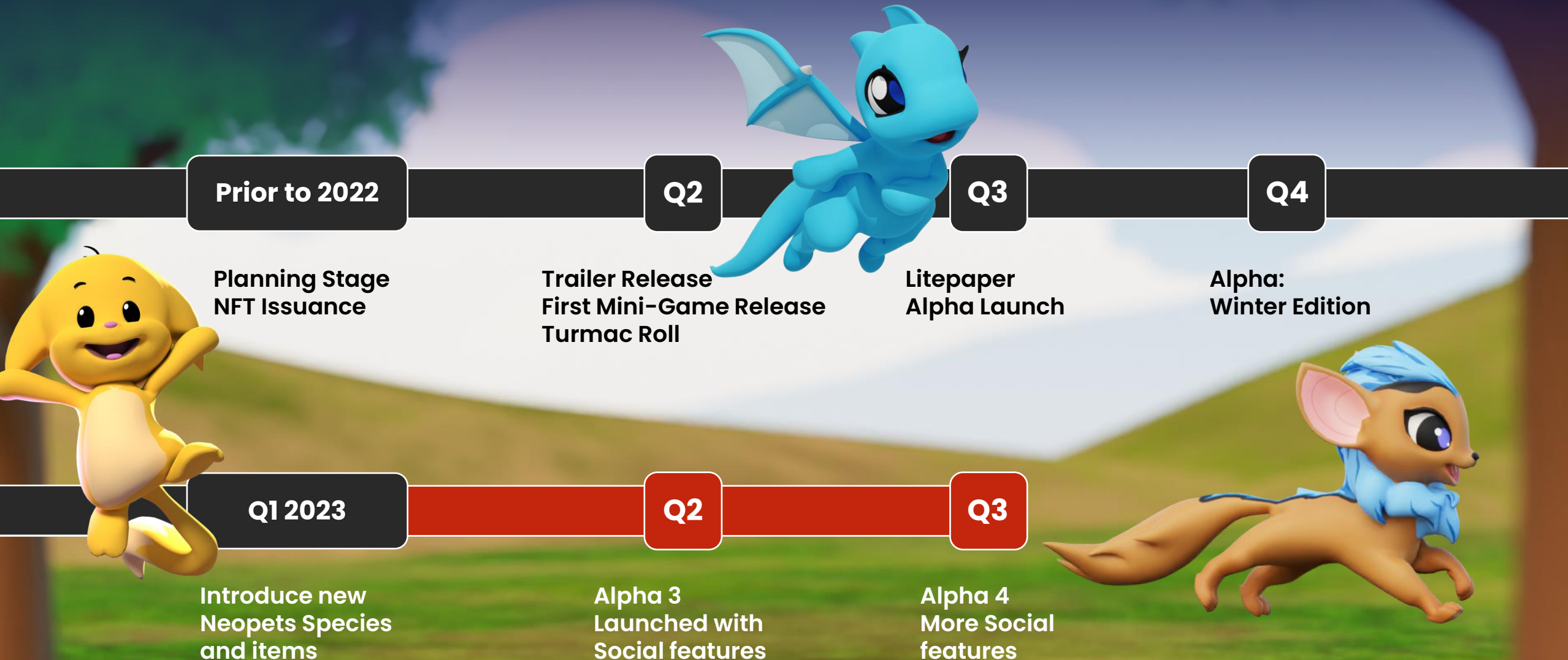
- Major milestone towards being a Metaverse organization
- To pioneer use of AI to transform corporate management and leapfrog operational efficiency to a new level
- Will streamline process flow and serve as analytical tool to support decision making in daily operations



US\$ 40M Investment in ROKID

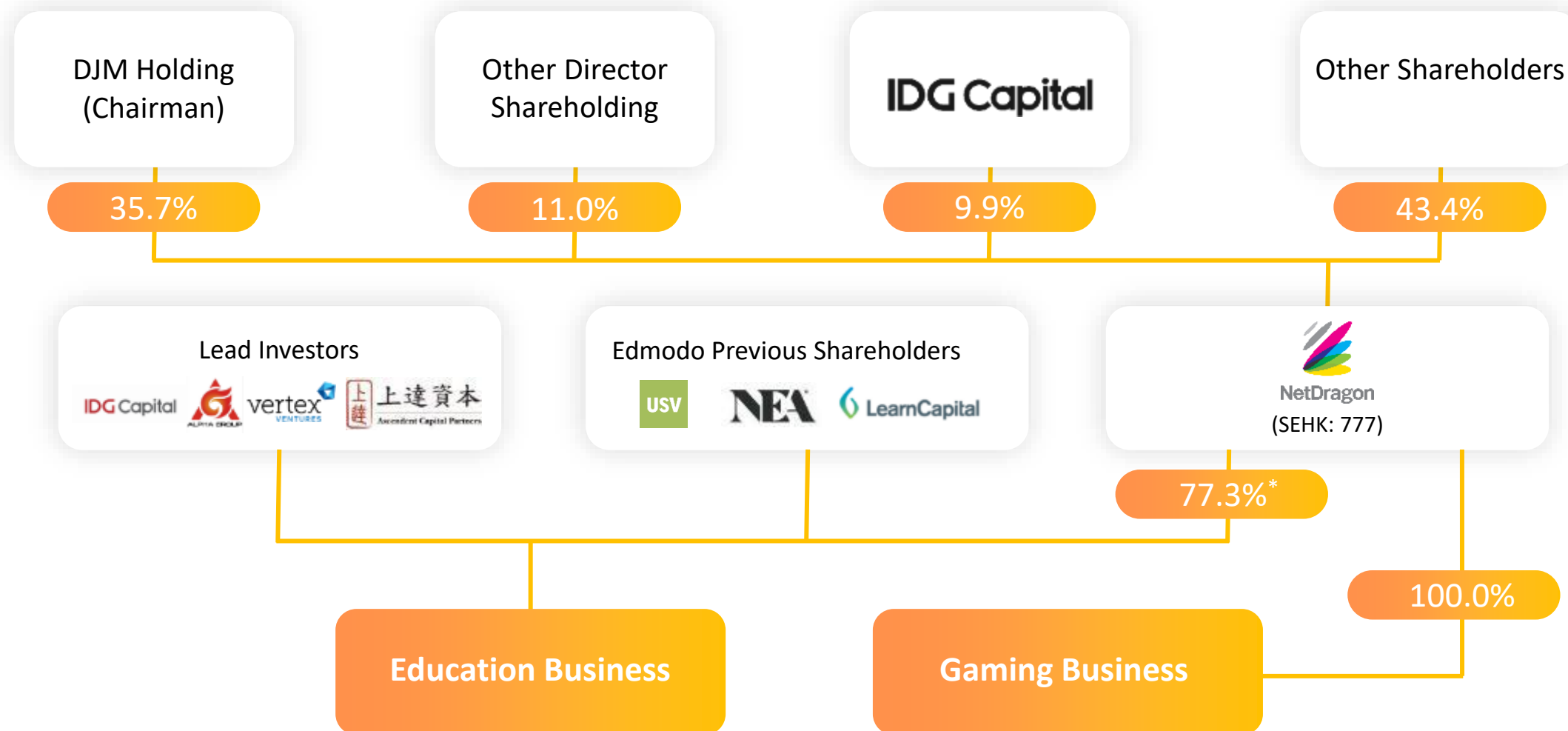
- Market leader in AR technologies, backed by Temasek, IDG, SenseTime, Walden, etc.
- One of very few AR companies with proprietary full stack technology competencies in hardware, software, OS and solutions offerings
 - 5-year strategic partnership formed to co-develop metaverse applications

Execution of Neopets Metaverse Roadmap on Track



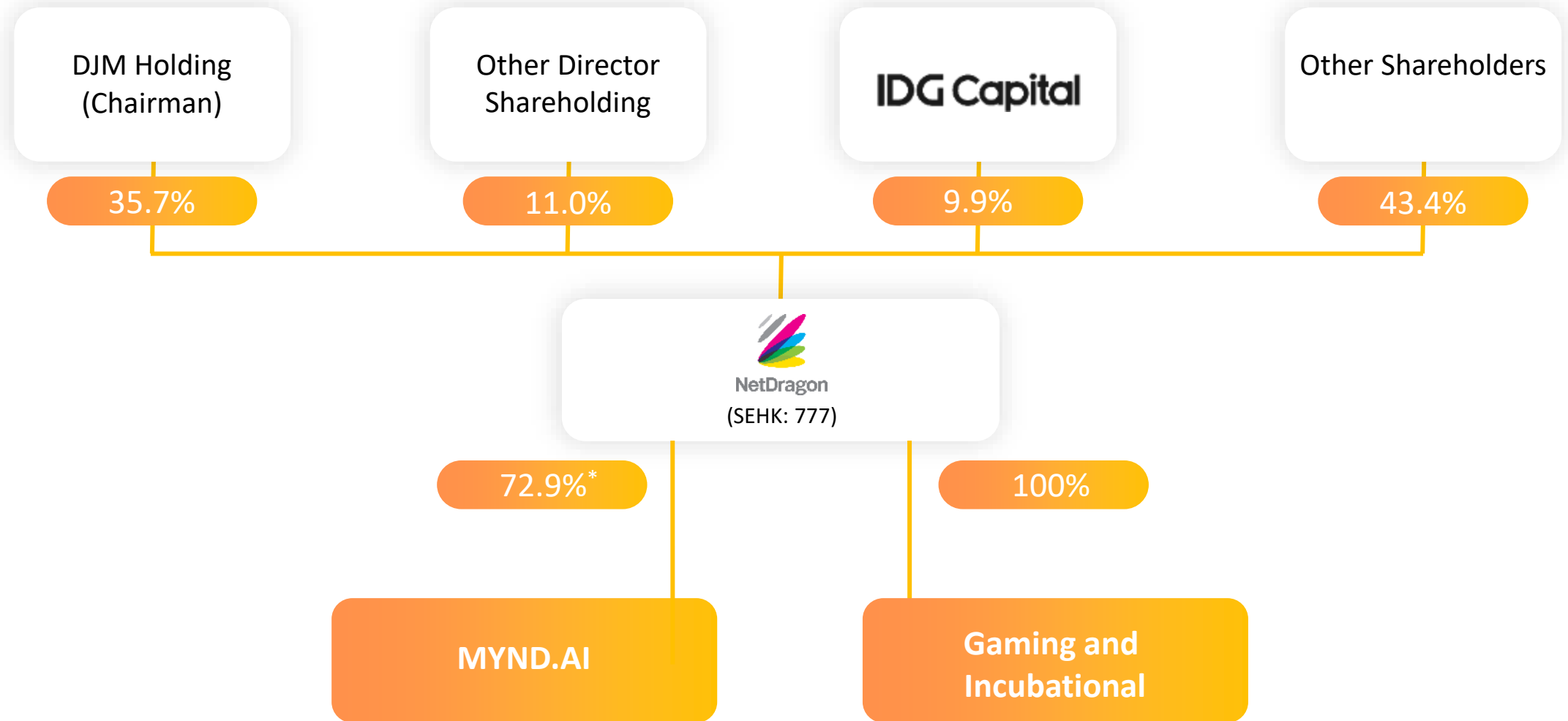
Appendix II: Shareholding Structure

Shareholding Structure



** On the issued share capital basis, immediately upon completion of the eLMTree Restructuring*

Shareholding Structure (post spin-off)



* On the issued share capital basis