

NetDragon Websoft Holdings Limited

Ticker: 777.HK

Investor Presentation

May 2024



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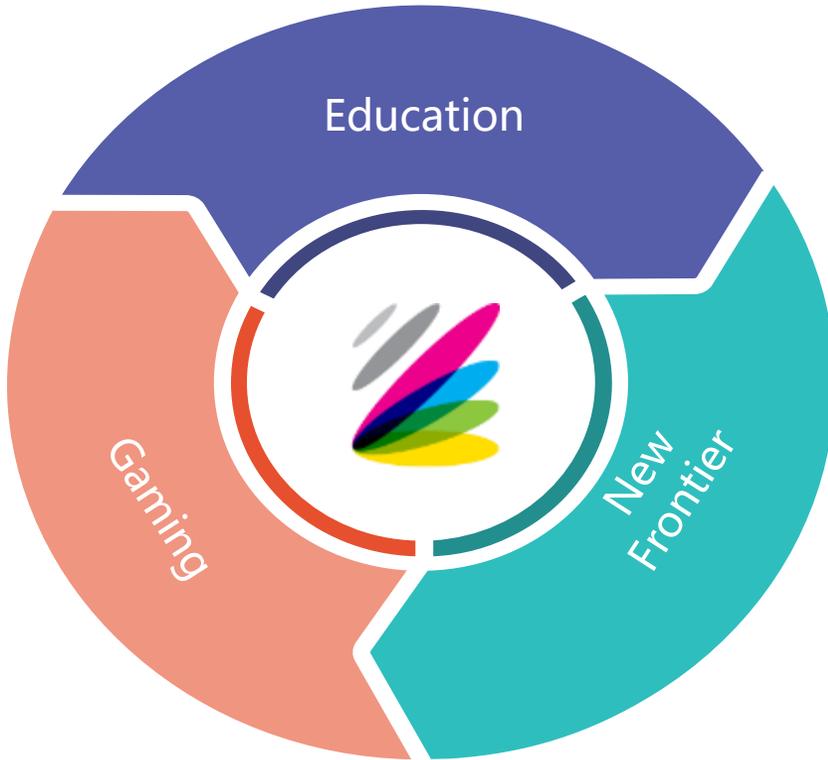
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NetDragon at a Glance

- #1 global classroom technology brand* in a US\$47B addressable market
- Global largest 1M classrooms' installed base (ex-China) puts us in the best position to rollout AI in classrooms
- Strong competitive moat as the top education brand in classrooms with global distribution channel built over 20 years as market leader



- Ranked amongst the TOP 15 gaming companies in China**
- 3.9x top line + 5.5x bottom line growth from 2014 to 2023
- Generated ~RMB 12B of core segmental profit during the same period

- Embracing the new AI paradigm:
 - ✓ *Integrated SAAS for classrooms*
 - ✓ *AIGC in gaming production*
 - ✓ *Actively exploring LLM partnership*

*#1 market share by shipment volume ex-China according to the Futuresource Consulting <Quarter 4 2023 World Interactive Displays> report, Mar 2024

** Ranked by CGIGC "Competitive Report on Listed Gaming Enterprises in 2022 - 2023" in terms of industry position, growth and stability

NetDragon Milestones

1999-2006

Pioneer in domestic online gaming R&D



1999: Founding of ND



2001: Founded the first gaming portal site 17173(sold to Sohu)



2002: Launched *Monster Online*, amassed more than 1M registered users



2003: Open beta of Wuxia themed MMORPG *Conquer*



2006: Open beta of the first western fantasy themed MMORPG *Eudemons*

2007-2014

Incubation of 91 Wireless; entering the EdTech space



2007: HKEX IPO, transferred to main board in next year



2010: Founded the first mobile app platform 91 Wireless



2010: Started EdTech incubation and launch the domestic Huayu brand



2013: Sold 91 Wireless to Baidu for US\$1.9B

2015-2022

Dual growth engine + M&A



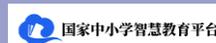
2015: Open beta of flagship mobile game *Eudemons Pocket Version*



2015: Acquired Promethean



2016: Included in the first batch of China Connect qualified stocks



2021: Won the bid to develop the National Smart Education Platform led by China MOE

2023 onwards

Accelerating gaming growth; Explore new Education + AI frontier



2023: Spun-off global education business as a separate US listed company: mynd.ai

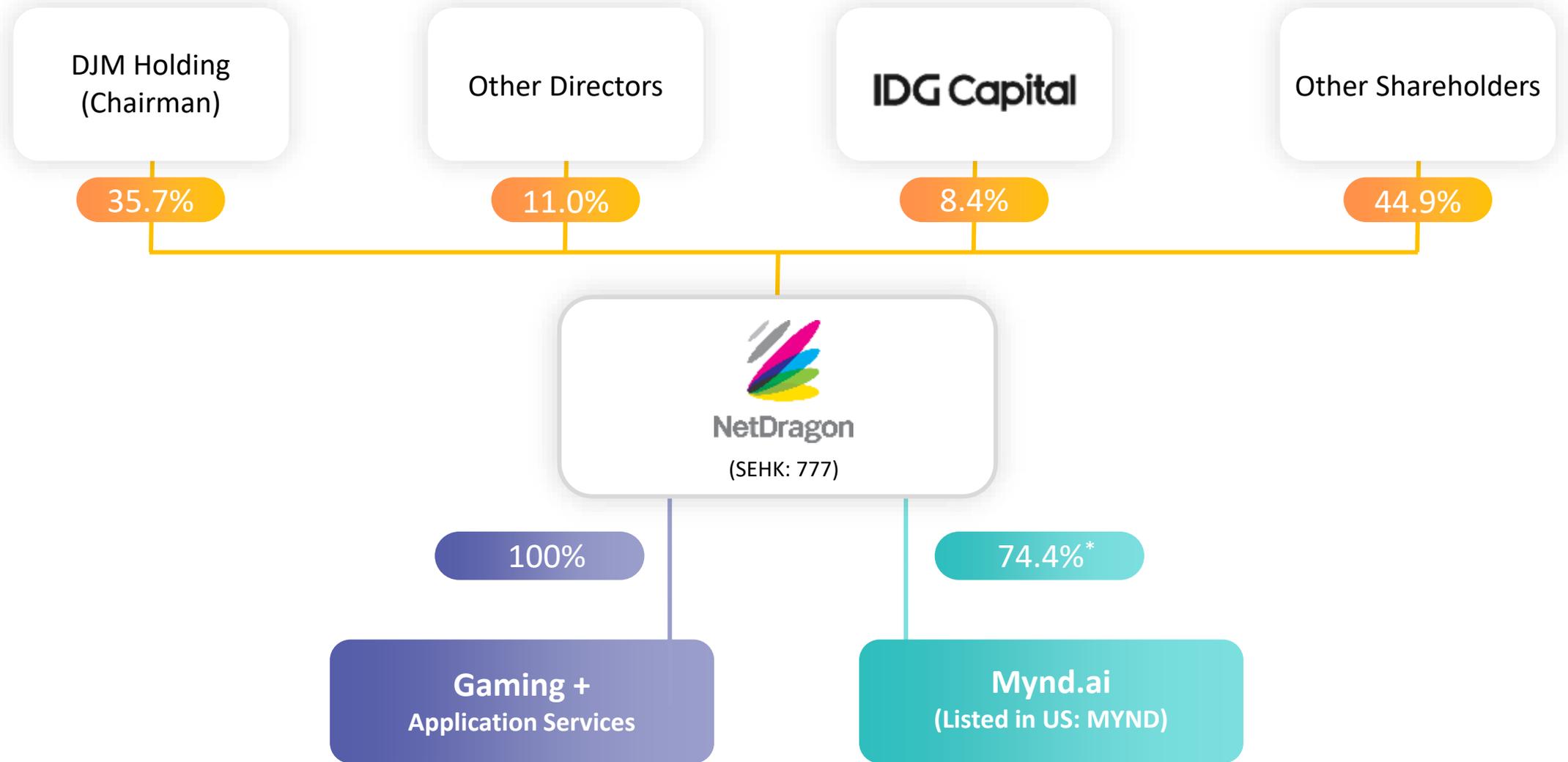


2023: Strategic investment in the leading AR technology provider ROKID



Accelerate growth of the gaming business, with intensive R&D investment to strengthen pipeline

NetDragon Structure



* On the issued share capital basis



Gaming Business

Well-established and emerging IPs to drive sustained profitability growth

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 **Strong profitability with high margin riding on strength of IPs and heavy organic traffic**
- 4 **Integrating AIGC in targeted areas to drive quality contents**
- 5 **Growth strategy leveraging sustained growth of existing games and strong pipeline**
- 6 **Well positioned to expand into overseas market with proven business model**

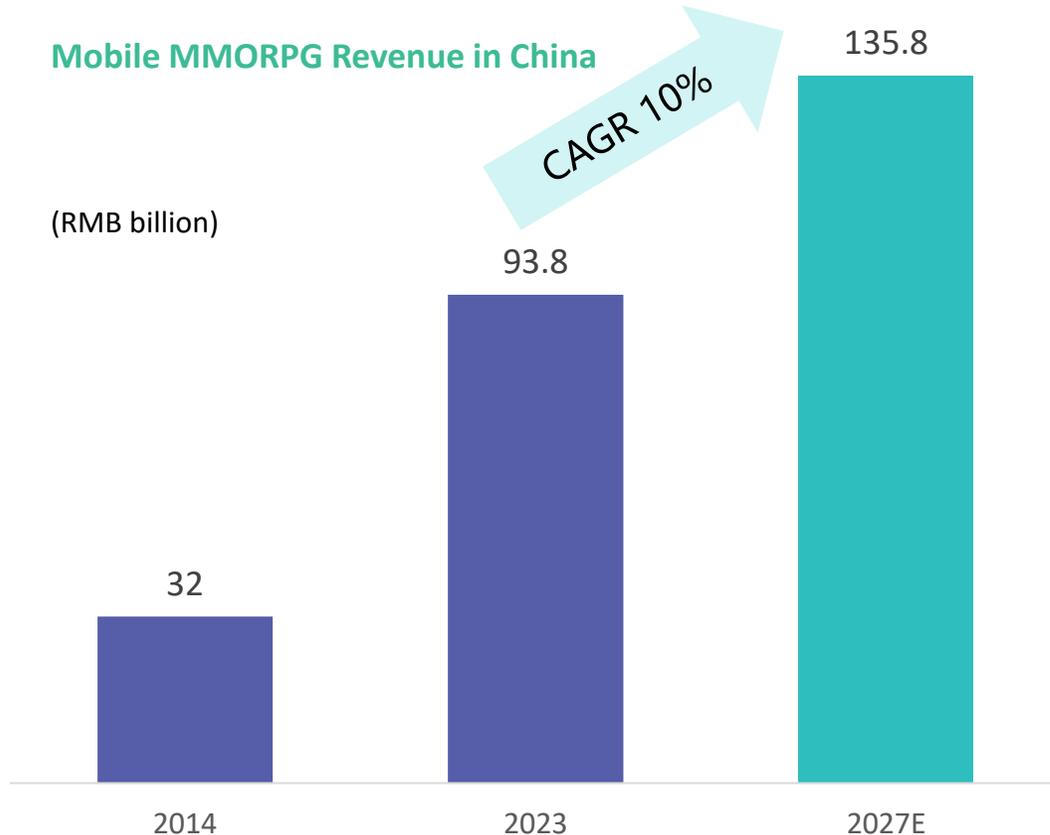
01

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

Strong growth trajectory for MMORPG market in China

Mobile MMORPG Revenue in China

(RMB billion)



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 10% from 2023 to 2027E**

3

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

4

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

5

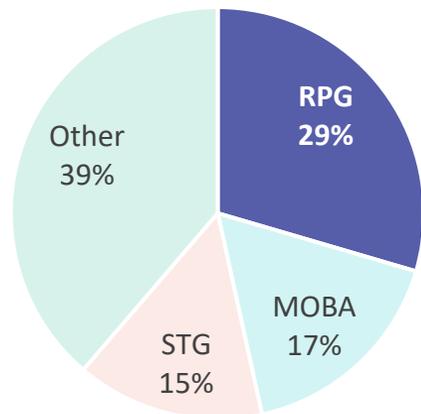
MMORPG genre accounts for more than **90% of our 2023 gaming revenue**

01

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

MMORPG is very unique due to its market size, user stickiness and entry barrier ...

Largest genre in China

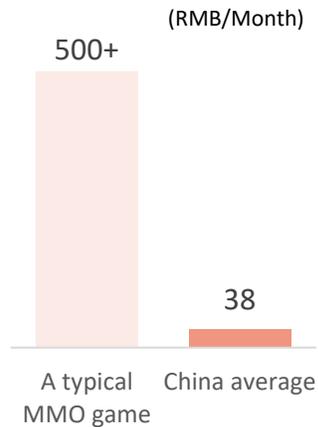


RPG revenue represents ~30% of top 100 mobile games in China 2023¹.

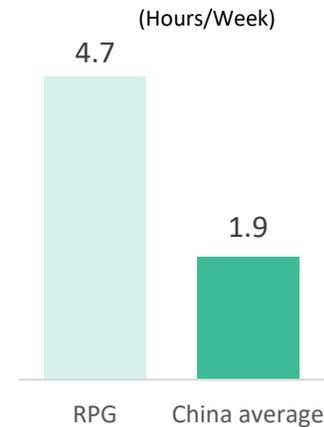


Significantly higher user engagement

Higher ARPU²



Longer time spent³



MMORPG is the gaming genre with the longest history and largest user base in China. It also has considerably higher user stickiness due to its gameplay features.



Very high entry barrier

Selected MMORPG Hits Launched in Recent Years

Hit Titles	R&D Spending ⁴	R&D time
<i>Lost Ark (PC only)</i>	\$ 100M	7 years
<i>Moonlight Blade</i>	RMB 2B	5 years
<i>Justice Online</i>	RMB 800M+	4 years
<i>Fantasy Chang An</i>	RMB ~600M	4 years
<i>Tower of Fantasy</i>	RMB ~700M	3 years
R&D Expenses of NetDragon in 2023	RMB 1.4B	on going

A decent MMORPG title usually costs 500M RMB+ to develop, which many new entrants can't afford.

¹ According to CGIGC/Gamma Data <2023 China Gaming Industry Report>

² China average ARPU is calculated by total gaming revenue/total gaming users (based on the same report above), Game A (<热血传奇>, Legend of Mir the "Hot Blood" version) is based on Century Huatong Corporate Filings (Jun 2018 number)

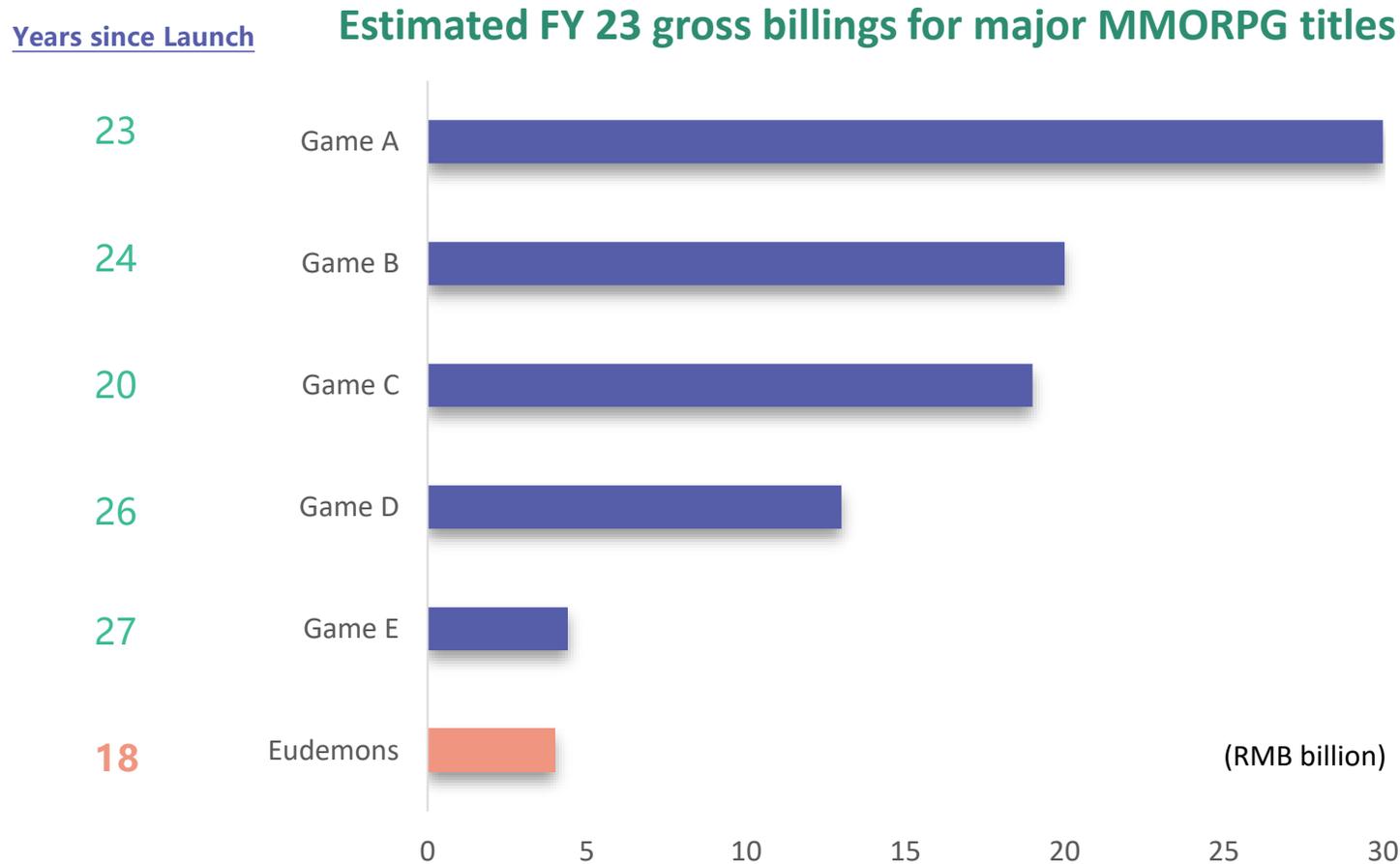
³ China average gaming time spent is indirectly estimated based on CNNIC <The 53rd China Internet Statistical Report> and Quest Mobile <2023 Content Monetization Insights>, average gaming time in RPG genre is based on Newzoo <Key Insights into RPGs>

⁴ The R&D time and spending of recent hit MMORPG titles were based on various corporate press releases or senior executive interviews

01

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

... usually leading to the “evergreen” status of successful IPs



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 **2.1x increase in MAU**, a **2.3x revenue increase** for our legacy *Eudemons* Online game (PC/Dual Platform), and a **2.0x revenue increase** for our *Eudemon* mobile games from 2017 to 2023.

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

First-mover and most influential western fantasy MMORPG in China



24 Years

- Accumulated gross billings surpassed RMB 100 billion in China since the introduction
- The PC-end IP publisher *Century Huatong* is currently trading at **19.6x PE(2023E)***, and the mobile-end operator Kingnet at **17.0x***

2000



20 Years

- Continue to be a core revenue contributor to Activision Blizzard
- Microsoft acquired Activision Blizzard in Oct 2023 for US\$68.7B by an all cash offer, at **18.3x EV/EBITDA (TTM)** valuation when the deal was announced

2004



18 Years

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

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

📄 100% original design + 100% IP control bring us many benefits ...

No royalty share

We collect 100% of Eudemons' revenue without sharing with 3rd parties for IP licensing

In comparison, in the case of another prominent game, the IP developer from Korea collects ~15% of IP royalty fee from the game publisher in China: <https://en.topdaily.kr/articles/963>

Zero dispute over IP rights

We have direct and full control of *Eudemons* IP with zero legal disputes over its originality since inception of the IP

In comparison, it's been widely reported that there were multiple lawsuits related to famous Korean MMORPG IPs during the past two decades over IP rights: <https://clarivate.com/blog/game-ip-china-korea/>

No IP dilution issue

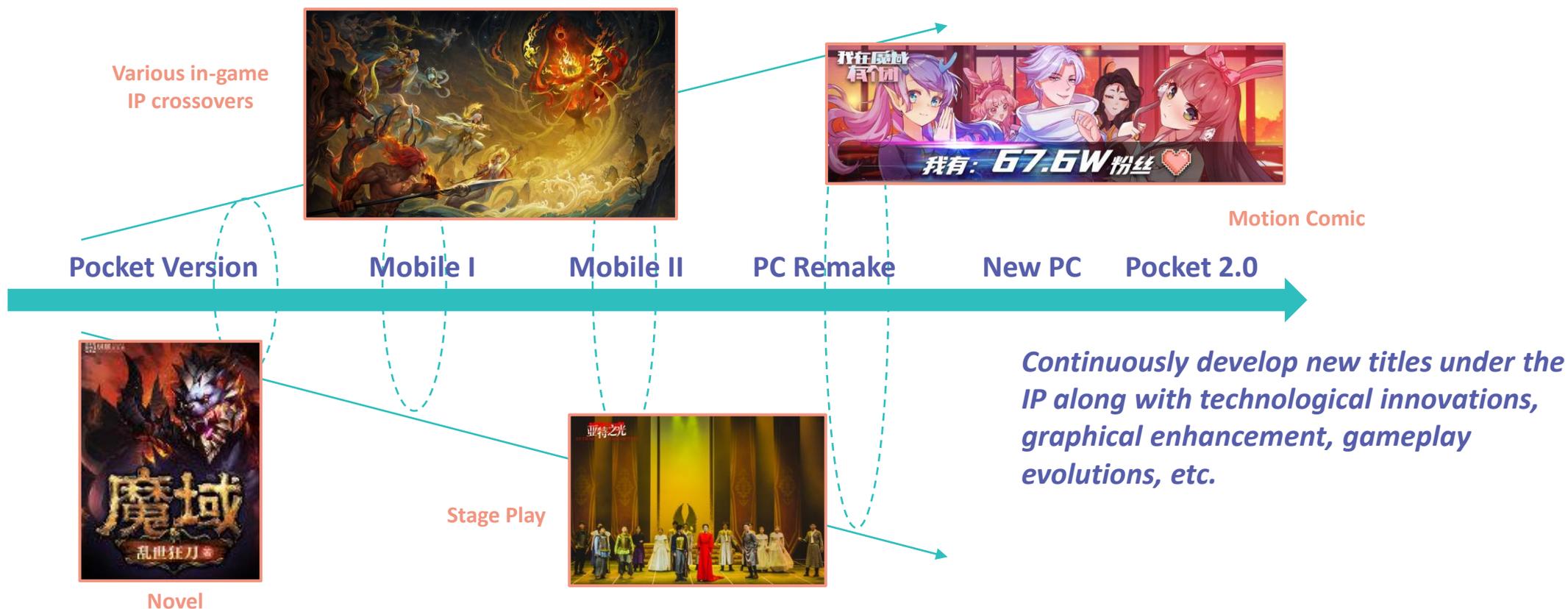
We have direct and full control of *Eudemons* IP and there has been no meaningful copycats of it for the past 18 years

Often times when it comes to tier-one IP, a new game operated by one publisher has to face competition from another publisher using the same IP: https://www.sohu.com/a/716264662_250147

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

... putting us in a position to expand and extend our IP value

Expand Eudemons' market influence by showcasing the IP via various new pan-entertainment channels



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

Execution on track with strong performance in 2023

1

PC revenue up **14.0%** YoY

Effective execution of an “evergreen” growth strategy to create long-term value

2

MAU of Cross-Platform (Mobile) version up **50.4%** YoY

Mobile cross-platform MAU accounted for 36.2% of total, significantly broadening players’ engagement

3

Average playing time spent up **50.4%** YoY

Driven by focus on delivering an immersive gaming experience

4

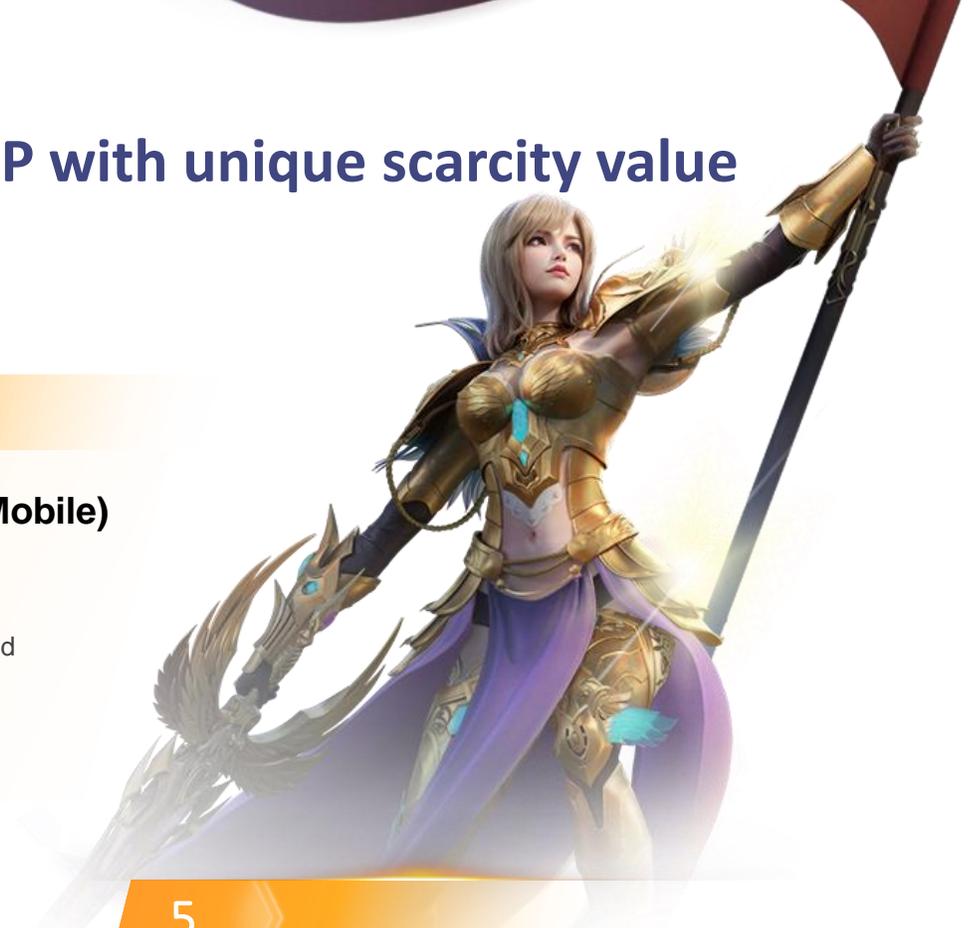
Mobile revenue up **4.6%** YoY

Driven by optimization of publishing strategy and constant increase in content quality

5

Paying conversion rate of new users reached **11.6%**, a **1.5x** YoY increase

Large scale adoption of AIGC leading to efficient production of high quality content and spending willingness



03

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

Unique strength of IPs enabling a highly profitable business model...



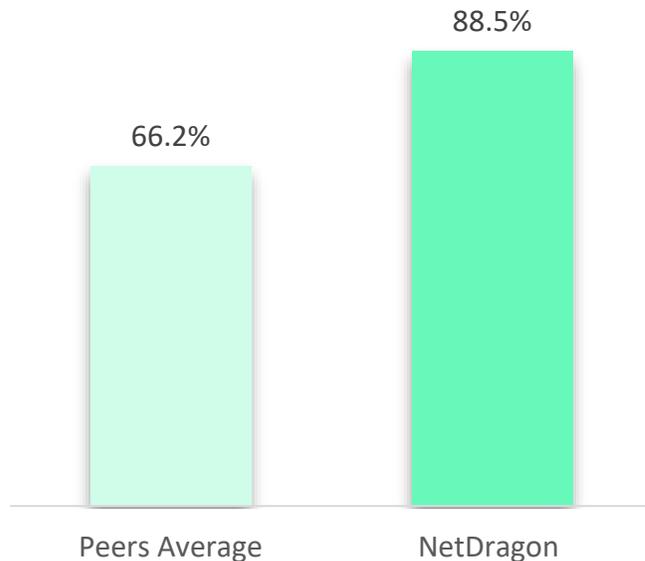
Note: Based on our 2023 financials

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



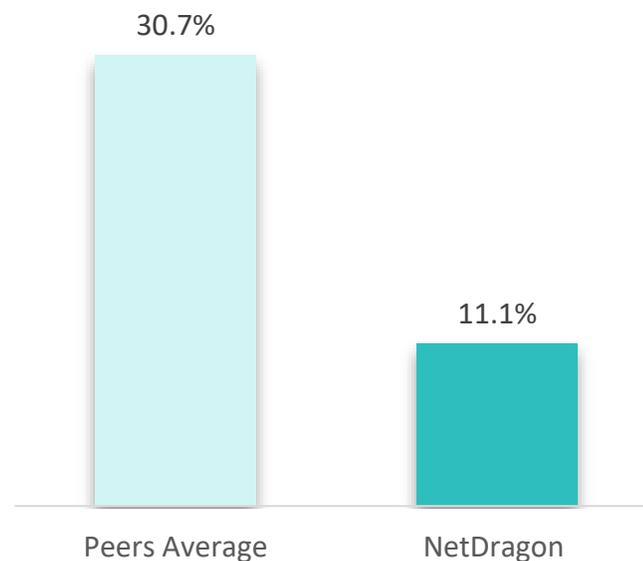
...putting us amongst the highest in terms of profitability compared to our peers

Gross Margin



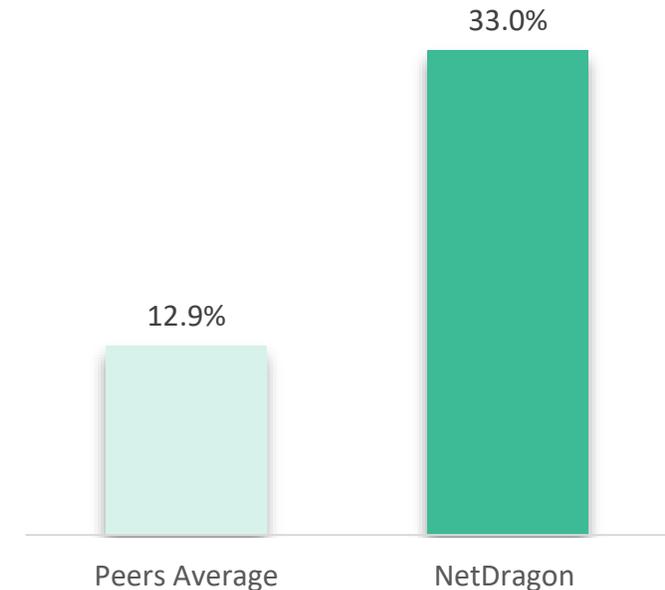
- 95% of our gaming revenue is from self-published titles
- 84% of our revenue is from PC games (i.e. no 3rd party mobile platform revenue share)

Selling expense as % of Revenue



- We spent less than 1/3 of selling expenses per unit revenue comparing to our peers on average, due to strong IP recognition and large loyal user base

EBIT Margin



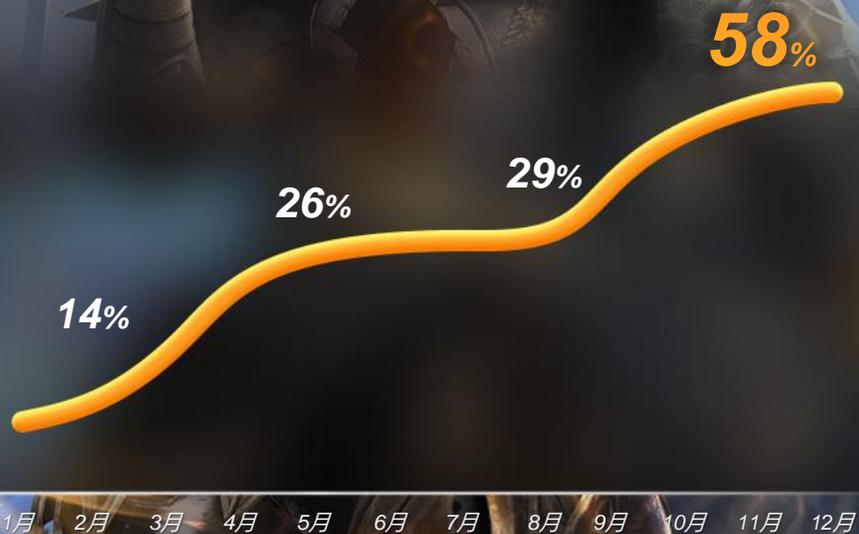
- Our unique business model result in significantly higher profitability comparing to our peers

Source: FY23 company filings (Gaming and Application Services segment)

Note: Peers include Tencent, NetEase, 37 Interactive, Century Hua Tong, Perfect World, G-Bits, Giant Network, XD.com, CMGE, and IGG

04 Integrating AIGC in targeted areas to drive quality content

 Strong progress in generative AI



AI adoption rate in graphics design tasks increased to **58%** in Q4 from **14%** in Q1

Workload “savings” from AI up by **300%+** during the period

04 Integrating AIGC in targeted areas to drive quality content

On track with AI model training to deliver increasingly high quality production



- Our application of AI model training specializes in proprietary art style using extensive data from our originally designed artwork resources
- Enabling substantial increase in our content production efficiency, leading to more frequent updates of contents

Note: Excerpted from our annual results presentation, Mar 28th 2024

04 Integrating AIGC in targeted areas to drive quality content

 Increasing players' retention with AI gaming companion

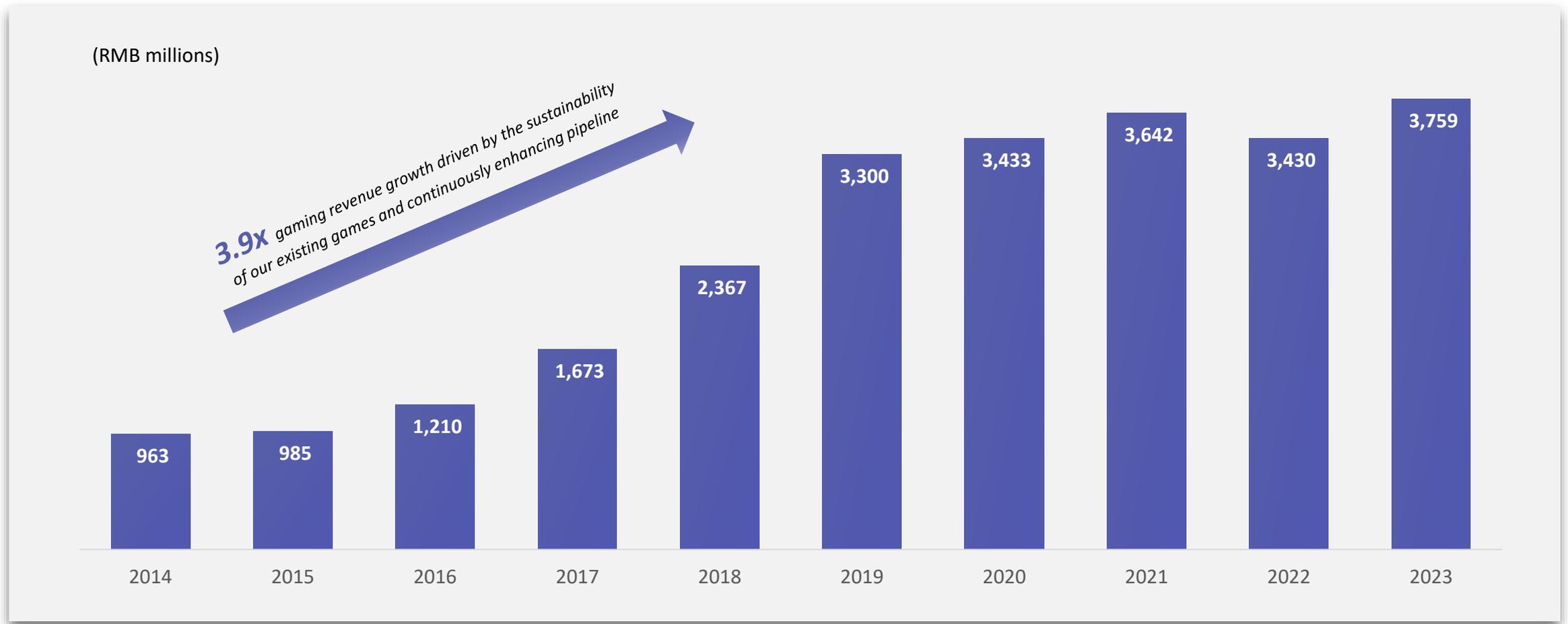


AI gaming companion

- Completed the development of “**human-like behavior**” technology to make AI perform more closely to real human
- Completed the development of “**expert behavior**” technology to allow AI to meaningfully participate in high-level games
- Onboarding experience substantially improved for beginners, increasing the next day retention rate of new users by **6.6%**

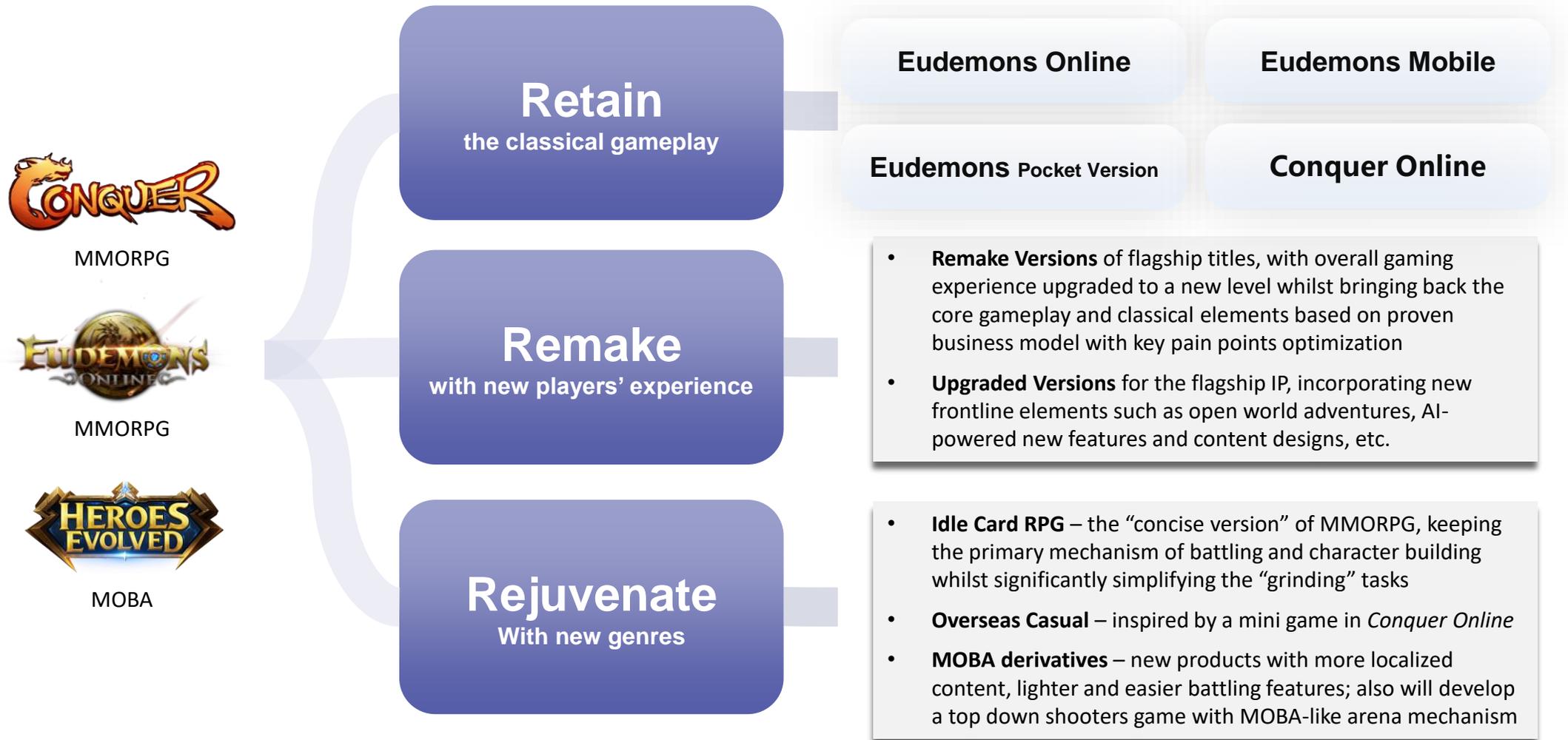
Growth strategy leveraging sustained growth of existing games and strong pipeline

 Our gaming revenue grew by 3.9x in the past 10 years, mainly driven by a two-pronged strategy ...



Growth strategy leveraging sustained growth of existing games and strong pipeline

... riding on proven business models and deep operational knowhow



05

Growth strategy leveraging sustained growth of existing games and strong pipeline

Our top existing titles continue to be a core component of our revenue growth...

Top titles aged 5 + Years by FY23 Revenue

FY17-23 Revenue CAGR%



Eudemons Online

↑ 17%



Eudemons (Pocket Version)

↑ 12%



Eudemons Mobile I/II

↑ 26%



Conquer Online

↑ 5%

Collectively represented
>90% of FY23 Revenue

Growth strategy leveraging sustained growth of existing games and strong pipeline

... which is augmented by our new gaming pipeline



Eudemons Remake Version
(MMO PC Game)
Estimated Launch: 24H2

**Eudemons Mobile 2:
Overseas Version**
(MMO Mobile Game)
Estimated Launch: 24H2

New Eudemons PC
(MMO PC Game)
Estimated Launch: 25H1

**Eudemons
Pocket Version 2.0**
(MMO Mobile Game)
Estimated Launch: 25H2



**Heroes Evolved Pocket
Sci-Fi Version**
(MOBA Mobile Game)
Estimated Launch: 24H2

Code – Nirvana
(MOBA Mobile Game)
Estimated Launch: 25H2

Heroes Evolved 2.0
(MOBA Mobile Game)
Estimated Launch: 25H2



Code – Alpha (Overseas Casual)
(Casual Mobile Game)
Estimated Launch: 24H2

New IPs

Code – Dragon
(MMO Mobile Game)
Estimated Launch: 24H2

Code – Ge Cao
(Top-Down Shooter Mobile Game)
Estimated Launch: 24H2

**Under Oath
Overseas Version**
(ACGN Mobile Game)
Estimated Launch: 24H2

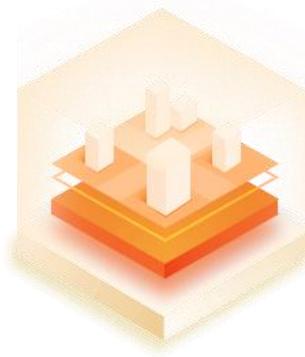
**Huan Kong Cheng
Zhan Ge**
(Idle Card RPG Mobile Game)
Estimated Launch: TBD

Well positioned to expand into overseas market with proven business model



Localized Content

- Expanding our **Heroes Evolved** IP into the Middle East with unique gameplay adaptivity for local players as well as localized contents (eg. heroes, skins)
- Heroes Evolved 2.0 to target global audience



Localized Marketing Strategy

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



M&A

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



Mynd.ai

Expanding with path to become the unified platform for digital content in K12 education

Key products of Mynd.ai

ActivPanel 9



Flagship panel in the high-end market, with higher ASP

ActivPanel LX



Panel positioned in the low-to-mid end market, with significantly lower ASP

SaaS (Explain Everything)



SaaS offering recently launched, integrated with our hardware panels

Investment highlights

- 1 The #1 market leader in a **US\$47B+ immediate addressable market**
- 2 Unique 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 Our **Differentiation in the Market** Puts Us in a Position to Win Market Share
- 5 Recently launched our **integrated SaaS offerings** to expand into software subscription
- 6 **Completed spin-off of overseas education business as a U.S. listco** to unlock shareholder value



01

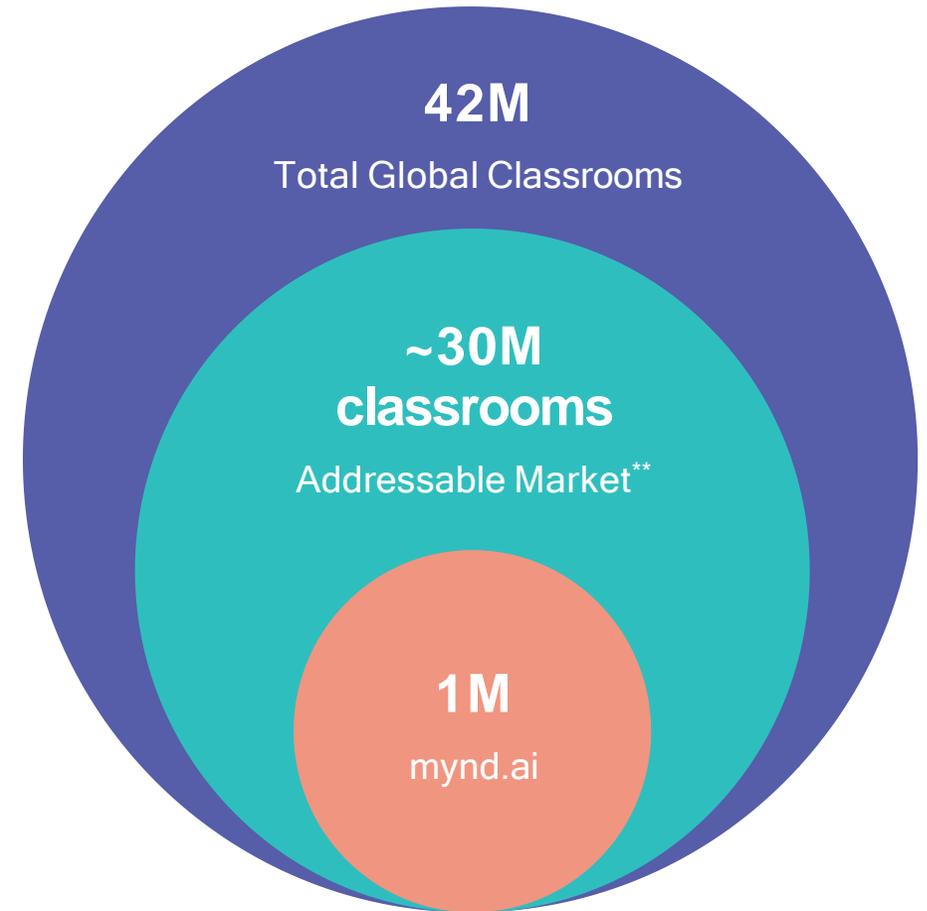
The #1 global market leader in a US\$47B+ immediate addressable market

Long Growth Runway

Current penetration of **1 million** classrooms:

- Solid relationships with teachers and IT professionals
- Entrenched relationships
- Ability to become the pipeline for software

Significant market opportunity with remaining **42 million** classrooms globally



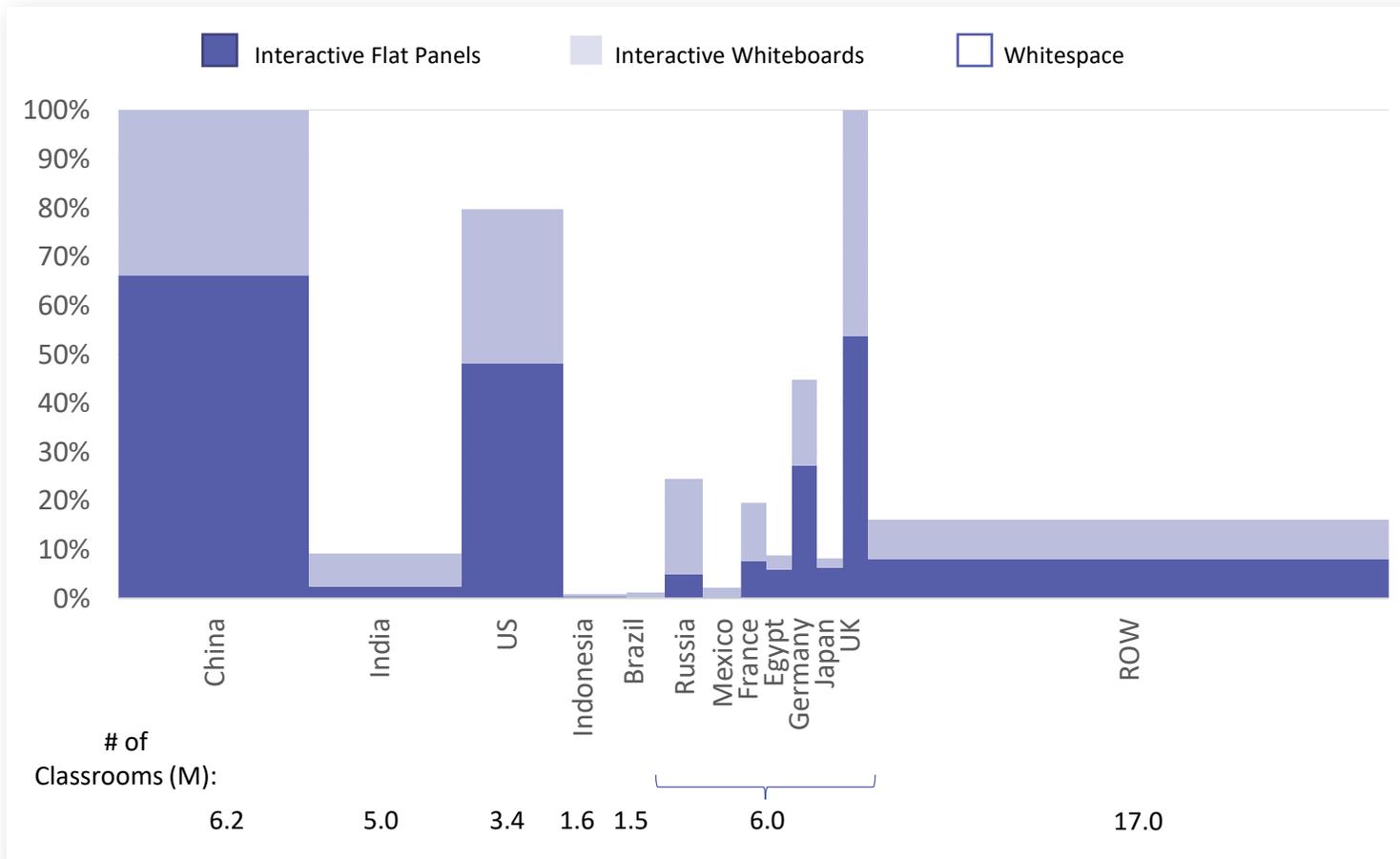
* Market share and penetration numbers based on Futuresource Consulting <Quarter 4 2023 World Interactive Displays> report, Mar 2024

** Total addressable market does not include China and India (Indian is currently a lower margin market which we will continue to monitor for the right timing of entry)



The #1 global market leader¹ in a US\$47B+ immediate addressable market

Global K12 Classroom Penetration in our Addressable Market



~30M global
of classrooms
in our addressable market²

~ 76%
un-penetrated

~\$2,000 ASP³
of Interactive Classroom Displays
per Classroom

~\$47B
Immediate Addressable Market of

¹ Market share and penetration numbers based on Futuresource Consulting <Quarter 4 2023 World Interactive Displays> report, Mar 2024

² Excluding China and India

³ ASP is for illustrative purpose only (Our ASP for the newest model ActivPanel 9 in 2023 was US\$ 2,180)

02

Unique 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

4,000+
Channel Partners

Countries Covered Worldwide

150+

03

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

Strong industry recognition and a sticky user base successfully grew Promethean into the market leader in classroom technology



>1 Million Classrooms*
(installed base)



40+ Million Students*



150+ Countries



#1 Market Share**



Promethean® Interactive Classroom Technology

- Global #1 Market Leader in K-12 Classroom Interactive Display**
- Hardware + Software integration (display panel + lesson prep & delivery software)
- Enables interactive teaching and collaboration

* Classroom data is based on to Futuresource Consulting <Quarter 4 2023 World Interactive Displays> report, Mar 2024, # 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.

** #1 market share by K-12 classroom interactive display sales volume for global (excl. China) market, according to the same Futuresource report

03

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

Our overall competitive edge positions us to stand out among competitors



Promethean

Other Brands

	Understanding of Educators' Needs	Sales Network	Complex Implementation Capability	Installed Base	Brand Recognition
Deep understanding of education Knowledge gained from serving all major markets for 20 years+	Leading global sales network Over 4,000 distributors and resellers, covering 150+ countries	High Track record of multiple large school district rollouts and country rollouts	Largest* globally (ex.-China) Estimated >1M classroom installed base for future replacement sales	Top interactive front-of-class brand Market leader for >20 years and #1 in market share (excl. China)	
Major players are either not focused on 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	Most other large global brands do not serve K-12 as their primary market	

* According to Futuresource Consulting <Quarter 4 2023 World Interactive Displays> report, Mar 2024

03

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

Launched the all new ActivPanel LX panel in June 2023 to expand our offerings to the low-to-mid end segment

2Q23

Product launched; Shipment started in June in the U.S. (our largest market)

>40%

Estimated % of global ex. China addressable market (untapped by Promethean in the past prior to LX launch)

>5M

units of installed base* globally with the old IWB (Interactive Whiteboard) technology to be replaced by IFP in next several years (our LX panel as an entry-level product is best positioned for this replacement market)

1M

units of installed base of Promethean displays globally including a significant share using IWB** providing a large direct customer base looking to replace with LX panels



* According to the Futuresource Consulting <Quarter 4 2023 World Interactive Display> report, Mar 2024 (Global classrooms with IWB installed)

** Based on company estimates according to historical shipment records



- ✓ **Huge installed base** of existing Promethean users as the market leader, which is conducive for replacement sales and SaaS software sales
- ✓ **Unparalleled focus in education** with a deep understanding of the needs of schools
- ✓ **Unique ability to understand and meet the needs** of schools/teachers in different use cases with professional training by our inhouse team of education consultants
- ✓ **Comprehensive support structure post-sales** to ensure seamless integration into teachers' workflow
- ✓ **Well-established global network** of over 4,000 distributors/resellers built over 20 years with deep understanding of the value of Promethean panels
- ✓ **Promethean's market reputation and its long history** as the market leading brand lead to confidence that we can be a long-term technology partner

For a more complete understanding of Promethean's competitive differentiation, please see our "Customers' Stories" here in this link: [Case Studies | Promethean World](#)

Seamless integration

Explain Everything +  Promethean

2015

Founded in 2015, as one of the earliest digital whiteboard app in the market

24M+

Accumulated over 24M registered users of the Explain Everything Whiteboard App; New version released can be integrated with all mainstream LMS

4,000+

Now riding on Promethean's GTM channel of more than 4,000 distributors/resellers worldwide

User Reviews*:

"Explain Everything has been a godsend for our teachers and students in our district. Each department uses it and enjoys the features of the program."

"In the Whiteboard territory, Explain Everything is by far, the best option. It has to be one of the 7 wonders of the world, it works almost perfectly. I really want to use it, by all the time, that I have."

"I love this software because it can import media from a variety of sources, and that makes the work more easy. That used to cost me a lot of extra hours. But with Explain Everything I do not take more than 5 minutes. The work never was so easy and fun, with this software I can collaborate in real time with my partners by voice chat. And the last but not least important, it save presentations to the cloud. And that is a huge help to all my crew."

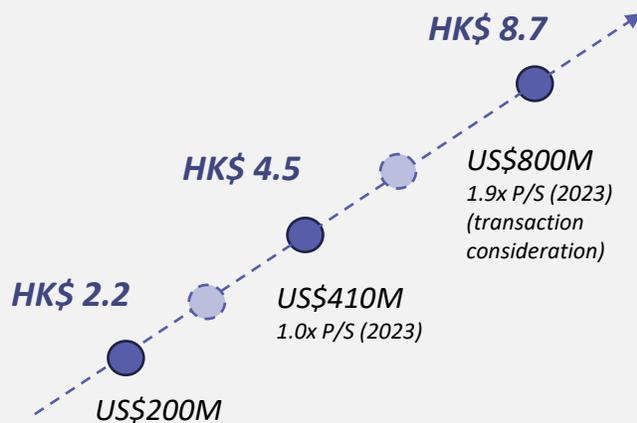


Spun-off mynd.ai to unlock shareholder value, ensure sustainable growth and secure more capital market flexibility



Unlock Shareholder Value

Inherent share price contribution to ND



Estimated Mynd market cap



Fundraising Platform

PIPE from Strategic Investors

Public registered offering

MYND.AI



Ensure Sustainable Growth

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



Outlook

2024 Outlook



Gaming

- ◆ Drive revenue growth with focus on quality contents
- ◆ Aiming to launch several new games
- ◆ Expand our genres, including social casual, idle and ACGN games
- ◆ Step up our application of AIGC



Education

- ◆ Well positioned to grow our market share
- ◆ Continue to invest in software R&D
- ◆ Drive sales of SaaS offering with our channel
- ◆ Explore “new horizon”



Financials & Capital Return Measures

Financial Highlights

(RMB million)	2023	2022 (Restated)	YoY	Notes
Revenue	7,101	7,866	-9.7%	
Gaming and Application Services	4,189	3,931	+6.6%	Driven by our gaming business getting back on a growth trajectory
Mynd.ai	2,910	3,919	-25.7%	Went through normalization of the market post-Covid
Gross Profit	4,398	4,315	+1.9%	Above Bloomberg consensus estimate
Selling & Marketing Expenses	807	945	-14.6%	Driven by optimization of our sales and promotion initiatives
as % of Revenue	11.4%	12.0%	-0.6ppts	
Administrative Expenses	1,199	975	+23.0%	Largely driven by one-time expenses including spinoff listing (overall admin expense increased by 2% excluding one-time effect)
as % of Revenue	16.9%	12.4%	+4.5ppts	
R&D Expenses	1,382	1,224	+12.9%	Driven by a larger gaming R&D team to enhance pipeline of new games
as % of Revenue	19.5%	15.6%	+3.9ppts	
EBITDA	1,325	1,450	-8.7%	Above Bloomberg consensus estimate
Operating Profit	821	1,150	-28.6%	Excluding one-time GAAP items, operating profit decreased by 7% YoY
Net Profit Attributable to Owners of the Company	550	834	-34.1%	Excluding one-time GAAP items, net profit decreased by 4% YoY
Operating Cash Flow	1,115	1,070	+4.2%	Driven by effective working capital management
Non-GAAP Operating Profit	1,148	1,315	-12.7%	
Non-GAAP Profit Attributable to Owners of the Company	962	1,281	-24.9%	

Segmental Financial Highlights

(RMB million)	Gaming and Application Services			Mynd.ai		
	2023	2022 (Restated)	YoY	2023	2022 (Restated)	YoY
Revenue	4,189	3,931	+6.6%	2,910	3,919	-25.7%
Gross profit	3,708	3,375	+9.9%	728	927	-21.5%
Gross profit margin (%)	88.5%	85.9%	+2.6 pts	25.0%	23.7%	+1.3 pts
Core segmental profit (loss)	1,399	1,239	+12.9%	(93)	30	n/a
Segmental operating expenses						
- Research and Development	(1,186)	(1,019)	+16.4%	(196)	(204)	-3.9%
- Selling and Marketing	(463)	(514)	-9.9%	(327)	(419)	-22.0%
- Administrative	(649)	(618)	+5.0%	(267)	(263)	+1.5%

Gaming and Application Services

- **Revenue** from gaming represents 90% of our revenue in Gaming and Application Services segment
- **Gross Margin** improved by 2.6 pts driven by server cost rationalization to increase efficiency
- **Higher R&D** due to increased headcount to drive development of new games

Mynd.ai

- **Revenue** dropped 25.7% driven by the normalization of the education market returning to pre-pandemic levels
- **Gross Margin** improved by 1.3 pts due to lower materials and freight cost, and forex fluctuation impact
- **Segmental operating expenses** decreased by 10.8% driven by lower variable sales expense partially offset by public-readiness reorg

A rare case on the HKSE: Decade-long continued dividend payout

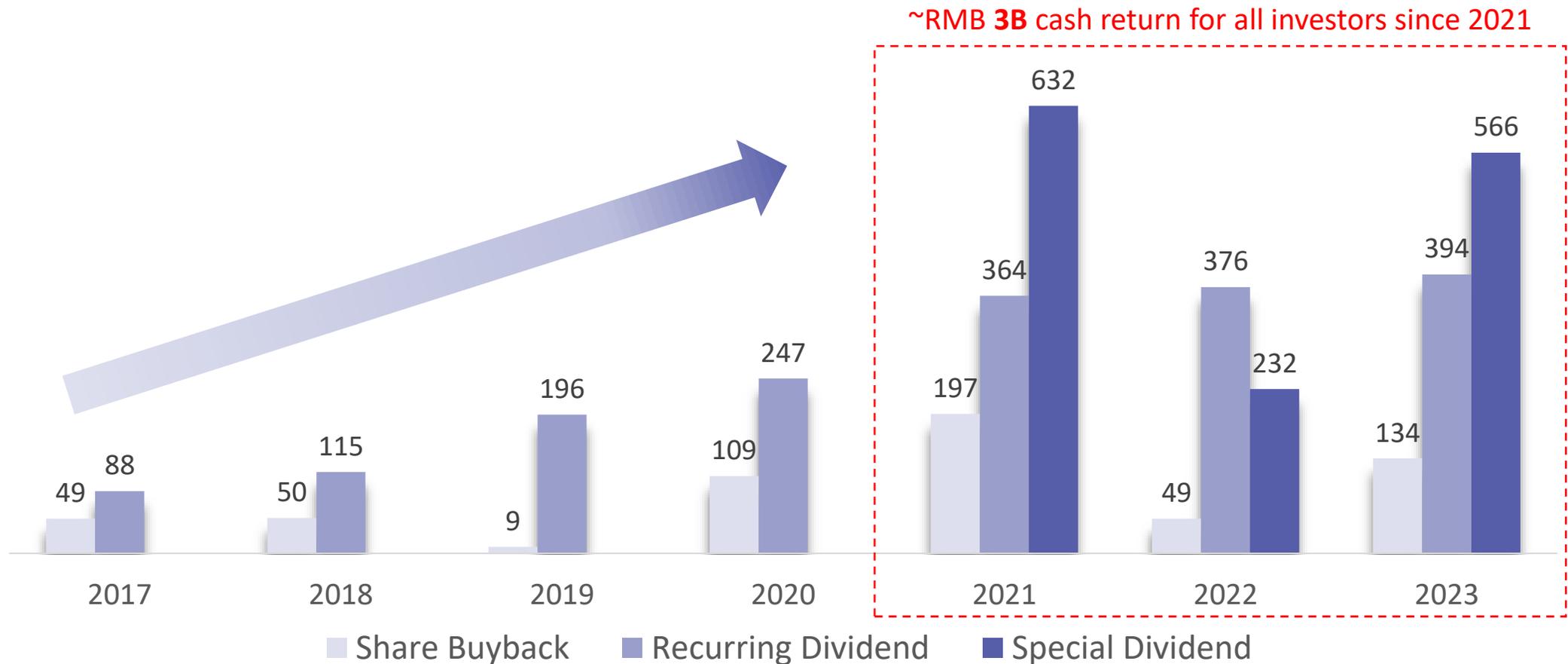


Our cumulative dividends have surpassed HK\$ 17/ordinary share since our IPO in Nov 2007

* Special dividend in 2013 representing share of our capital gain from the strategic sale of 91 Wireless
 ** Including ~\$0.14/ordinary share as a result of the Mynd.ai spin-off merger

Our shareholder return totaled RMB 3B since 2021

(RMB million)



NetDragon continues to excel in ESG performance



MSCI
ESG RATINGS



CCC B BB **BBB** A AA AAA

RATING ACTION DATE: December 20, 2023
LAST REPORT UPDATE: December 20, 2023

MSCI Rating: BBB

Last Updated: December 2023

NetDragon is ranked in the upper-middle of the 67 companies in the Media & Entertainment industry covered by MSCI, and is leading in Privacy & Data Security.



MSCI Rating History



ESG Score Result

40



Last Updated: February 17, 2023. Updated annually or in response to major developments.

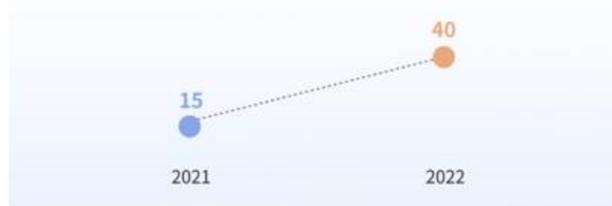
Data Availability: ■ Very High

DJSI Rating: 40

Last Updated: February 2023

NetDragon ranks in the top 7% among 182 companies in the Interactive Media, Services & Home Entertainment industry covered by DJSI

NetDragon is included in the first China Edition of S&P Sustainability Yearbook (only the **top 15%** of corporations in each industry are eligible for inclusion and only **88** out of 1600 corporations evaluated were included in the Yearbook)



DJSI Rating History



ESG Risk Rating CORE

18.3 Low Risk



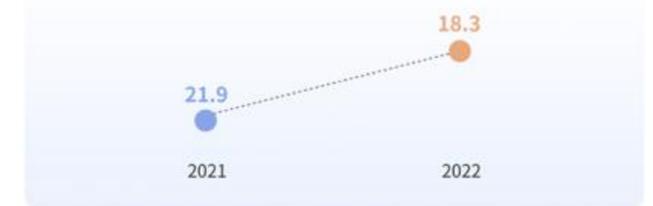
Last Full Update: **May 22, 2023**

Last Update: **May 22, 2023**

Morningstar Sustainalytics Rating: 18.3 (Low Risk)

Last Updated: May 2023

NetDragon is rated as a low-risk company (**the lower the better**), and ranked **top 20%** in the Software & Services industry covered by Morningstar Sustainalytics



Sustainalytics Rating History



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:
 - 1st gaming portal (17173.com)
 - 1st “free-to-play” MMORPG (Eudemons Online)
 - Largest smartphone Appstore platform (91 Wireless)

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

** Awarded in Cyzone Entrepreneur Conference in June 2013



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

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 of mynd.ai

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

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

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 excelled in several progressive roles in the gaming segment, including 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

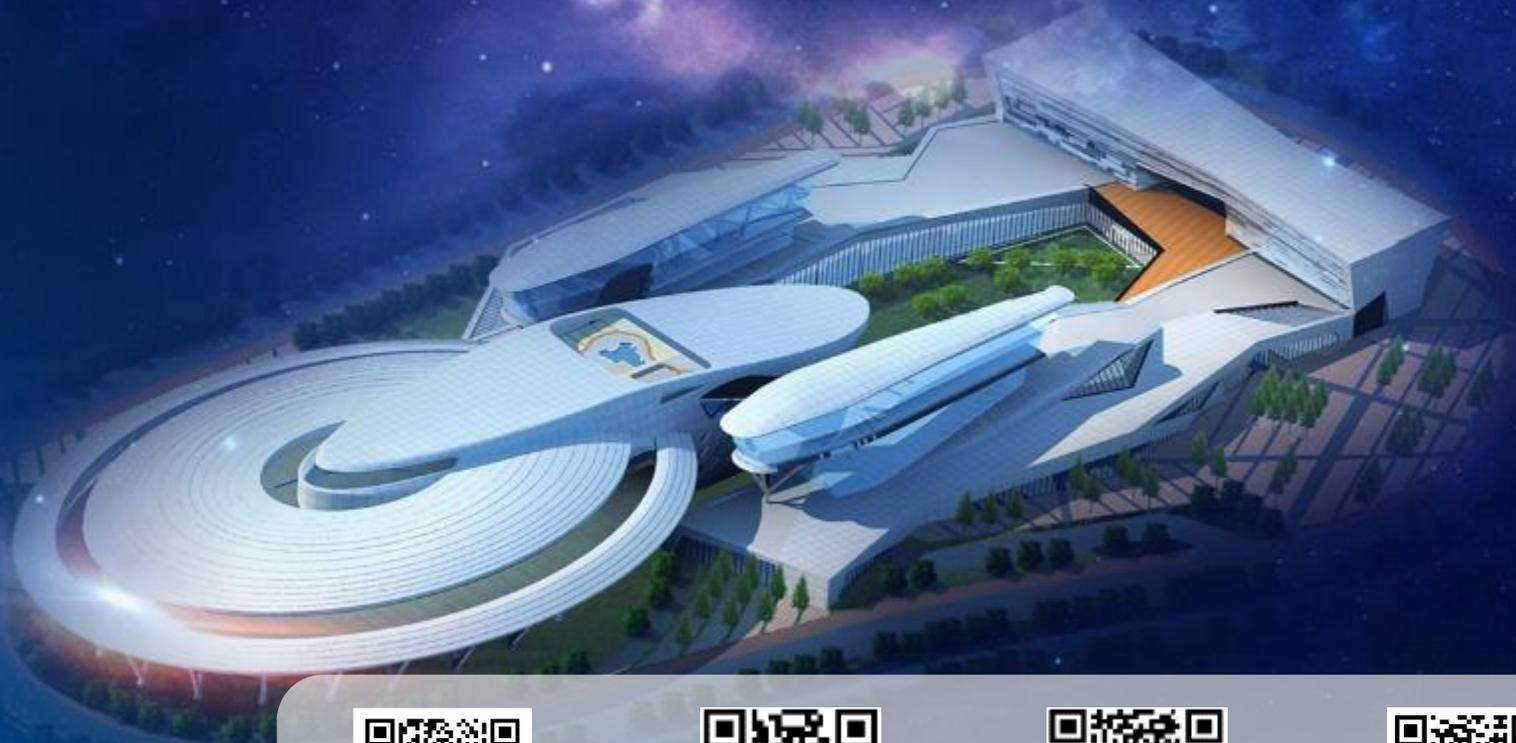


LIN Wei
President of Fujian
Huayu (China)

Responsible for sales operation and marketing of education products in China

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

Q&A



Investor Relations Email: ir@netdragon.com