



NetDragon Websoft Holdings Limited

Stock Code: 777 HK

2025 Annual Earnings Presentation

马上AI



March 27, 2026

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Opening Remarks

Dr. Simon Leung

Group Vice Chairman

Agenda

Topic	Speaker
2025 Highlights	Dr. Simon Leung, Group Vice Chairman
2025 Financials	Wood Lau, Group Interim CFO
Gaming	Lin Chen, Group Senior Vice President
Mynd.ai	Dr. Simon Leung, Group Vice Chairman
AI Now	Dr. Simon Leung, Group Vice Chairman
Outlook	Dr. Simon Leung, Group Vice Chairman
Q&A	

Key Highlights



Gaming

- Core segmental profit margin for gaming and application services business increased by 3.9 ppts YoY based on comprehensive AI adoption
- MAU of our flagship IP *Eudemons* grew by 11.1% YoY in 2025 and 7.1% HoH in 2H25, delivering four consecutive YoY and HoH growth
- Revenue from the *Conquer* IP and *Heroes Evolved* IP increased by 6.4% and 21.3% YoY, respectively
- Focus on AI-native games for future GROWTH



Mynd.ai

- Q4 2025 adj. EBITDA loss decreased by 62% QoQ, due to continual cost optimization amidst market uncertainties
- Our expanded installed base will allow us to introduce new features which include AI services
- Expanded product line (Digital Signage, Enterprise Solutions, and ActivPanel LE) to allow a larger addressable market
- Development of opportunities in both Africa and Asia

Financial Highlights

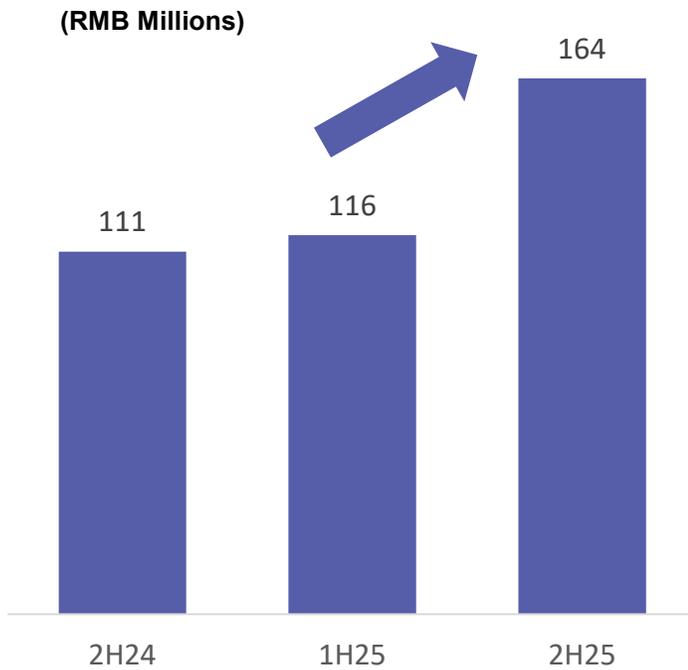


Wood Lau

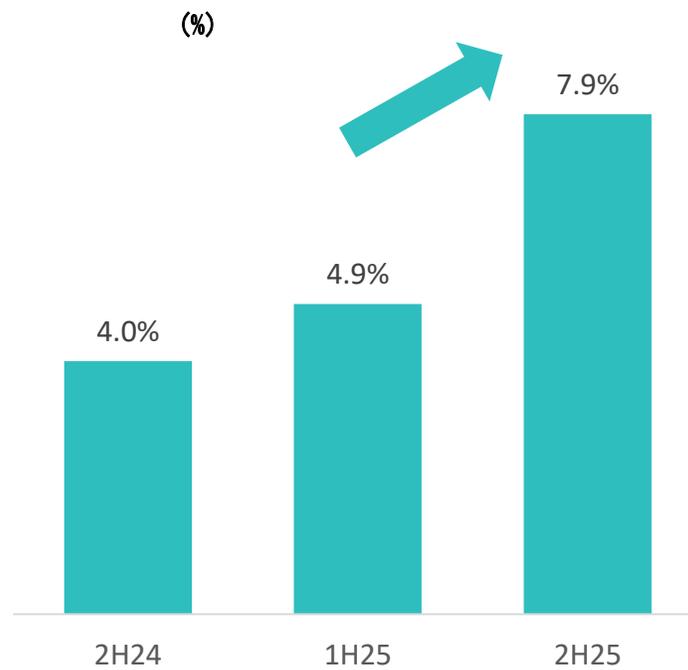
Group Interim CFO

Profitability recovered significantly in 2H25

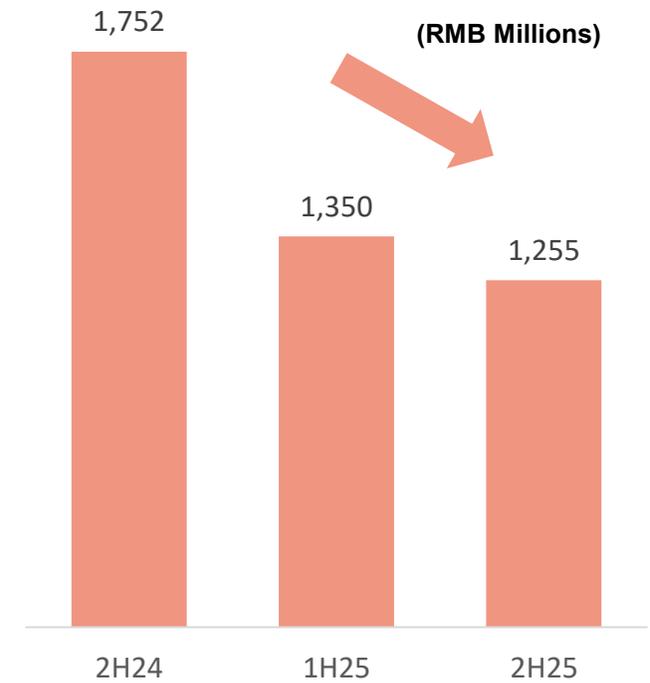
Operating Profit in 2H25 grew by 47.7% YoY and 41.4% HoH



Operating Margin in 2H25 grew by 3.9_{ppts} YoY and 3.0_{ppts} HoH



Opex in 2H25 dropped by 28.4% YoY and 7.0% HoH



Key Financial Highlights

(RMB million)	2025	2024	YoY	Notes
Revenue	4,475	6,047	-26.0%	
Gaming and Application Services	3,276	3,938	-16.8%	Optimization of flagship IP to support its long-term development and sustainability
Mynd.ai	1,197	2,106	-43.2%	Primarily due to the impact of disposal of Singapore early education business in the second half of 2024, and a prolonged demand adjustment cycle. Customer demand is expected to recover as market conditions stabilize
Gross Profit	3,146	3,942	-20.2%	
Selling & Marketing Expenses	659	758	-13.1%	Proactive measures to tighten our marketing spendings
as % of Revenue	14.7%	12.5%	+2.2 ppts	
Administrative Expenses	935	1,164	-19.7%	Effectively reduced the admin expenses
as % of Revenue	20.9%	19.2%	+1.6 ppts	
R&D Expenses	1,013	1,429	-29.1%	Further organization adjustment to fit in the AI era
as % of Revenue	22.6%	23.6%	-1.0 ppts	
Profit attributable to owners of the company	151	311	-51.4%	
Ethereum impairment provision/disposal gain	59	(140)	-142.1%	An impairment loss of our Ethereum holdings, comparing to the disposal gains in 2024
One-off severance payment	220	110	100.0%	One-off expenses associated with the staff optimization plan
Adjusted profit attributable to owners of the company	430	280	53.6%	Increase exclude two one-off expenses in 2025, demonstrating the core business remains resilient

Segmental Financial Highlights

(RMB million)	Gaming and Application Services			Mynd.ai		
	2025	2024	YoY	2025	2024	YoY
Revenue	3,276	3,938	-16.8%	1,197	2,106	-43.2%
Gross profit	2,852	3,399	-16.1%	299	547	-45.3%
Gross profit margin (%)	87.1%	86.3%	+0.8 pts	25.0%	26.0%	-1.0 pts
Core segmental profit (loss)	897	925	-3.0%	(358)	(297)	Enlarged by 20.5%
Segmental operating expenses						
- Research and Development	(820)	(1,227)	-33.2%	(193)	(202)	-4.5%
- Selling and Marketing	(406)	(488)	-16.8%	(251)	(266)	-5.6%
- Administrative	(658)	(705)	-6.7%	(211)	(362)	-41.7%

Gaming and Application Services

- **Revenue from gaming** represents 88% of our revenue in gaming and application services segment
- **Segmental Opex** down 22.1% YoY as we adhere to the “AI+ Strategy” whilst cost-saving effect fully kicks in
- **Core Segmental Profit** decreased by 3.0% as the lower revenue was partially offset by cost savings. Core segmental profit margin increased by 3.9 percentage points YoY to 27.4%

Mynd.ai

- **Revenue** down 43.2% YoY primarily due to the impact of disposal of Singapore early education business in the second half of 2024, and a prolonged demand adjustment cycle. Customer demand is expected to recover as market conditions stabilize
- **Segmental Opex** down 21.1% YoY as we continue to optimize our cost structure. Core segmental loss shrunk by 12.4% YoY in 2H 2025



GAMING

Lin Chen

Group Senior Vice President



Building Sustainable IP



Sustained Growth of Active Users

- MAU +11.1% YoY, PCU +7.8% YoY
- PC MAU +7.3% YoY, Pocket Edition MAU +43.9% YoY



New Formats & Regional Expansion

- *Legend of Eudemons* mini-game launched on major platforms - WeChat, Douyin, Huawei, and Meituan - driving incremental growth through new formats.
- Captured global mobile market opportunities with the launch of the English version of *Eudemons PC Mobile Cross-Platform*, with Portuguese and Spanish versions driving international expansion.



Content Innovation for Sustainability

- Jan 2025: Spring Festival event collaborated with National Cultural Heritage Yingge Dance; Jan 2026: introduced original "Celestial Chargers" (Year of the Horse) theme, boosting paying users YoY growth.
- Jun 2025: Partnered with Xishuangbanna Rainforest Foundation to launch "Future for Elephants" initiative, supporting ESG and expanding IP influence.

Reducing Payment & Return Barriers



Payment Threshold -30%, Payment Rate +30% YoY

User satisfaction continues to improve



Returning Users +10% YoY

Key return point thresholds continue to be lowered





Driving User Loyalty & Retention



- Anniversary Quests
- New/Returning Player Quests
- Horse Eudemons & Brand Day Previews



- Liuyang Cultural Collab
- Qishi Zone 8 Launch



- Annual Appearances
- Spirit Beast Expansion



- Spirit Eudemons



- 99 Carnival
- Autumn Eudemon Preview
- New Curios
- Qishi Zone 9



- Divine Fire Expansion Preview



Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec



- Spring Festival & Lantern Festival Online Quests
- Qishi Zone 8 Reservation



- Herod Tournament
- Spirit Beast Expansion Preview



- Spirit Beast Expansion Open Beta
- Family War
- Summer Carnival



- Miss EO



- Autumn Eudemon Launch
- Chinese Style Carnival



- Divine Fire Expansion
- Family War
- Goddess System Revamp
- Gloria Attire Update

2026 Eudemons Roadmap





MMO + Casual Social Games Driving Global Expansion of Martial Arts Culture



Overseas Business Achievements

- Overseas revenue +9% YoY (local currency +23.6%)
- Overseas revenue accounts for nearly 70% of total

Driving Global Expansion of Martial Arts Culture

- Two major updates "Martial Zen" and "The Spine of Dunes" combine martial arts culture with innovative gameplay.

Mini-Game Spin-offs Expanding into New Regions

- *Code Alpha* launched in Egypt and Indonesia, with publishing agreements signed with partners in Southeast Asia and Japan.

Full-Year Revenue: +6.4% YoY | H2: +10.9% YoY



"Content + Esports" Engine Driving Revenue Growth

- 10th Anniversary & Commercial Innovation: ARPPU +37.6% YoY
- Crossover with *Great Journey of Teenagers*: boosted player engagement; multiple major IP collaborations planned throughout 2026
- Esports Ecosystem Thriving: total online viewership exceeded 21 million
- PC revenue grew for three consecutive years, hitting a record high in 2025

IP Revenue: +**21.3%** YoY | PC Revenue: +**40.9%** YoY



"Game+" Strategy Continues Driving User Engagement



Eudemons Online × Wuyi Mountains
Oct 2025



Conquer Online × Three Lanes and Seven Alleys
Jan 2026



This Is Fujian
Feb 2026

"Game+" Strategy Expected to Drive Further Growth in 2026

- In 2025, NetDragon, guided by the Fujian Provincial Department of Culture & Tourism and in partnership with Xinhua and other institutions, launched the “Digital Mountains & Seas – Game Empowering Fujian Culture & Tourism” initiative, creating a new “**Game + Culture & Tourism**” integration model using digital technology.
- Leveraging a **28.9% YoY increase** in Spring Festival tourism revenue and **25.8% YoY growth** in visitor numbers in Fujian in 2026, the strategy aims to expand IP influence and drive cross-industry derivatives, including AI comic series and AI interactive mini-games.

AI-Driven Efficiency Deepens, Integrating Games into NetDragon's AIGC Strategy

2025 - AI Augmentation Era

- Operating margin +**3.9 ppts** YoY; R&D cost -**33%** YoY, achieving significant cost-efficiency gains.
- AI **now accounts for 25%** of total game development workload, deeply integrated into core production.
- Initial AI Content Factory rollout completed, transitioning from tool-based use to platform-level production.

2026 - AI-Native Era

- **Strategic Focus & Efficiency Goals:** Focus on "**AI-Native**" initiatives; deploy **1,000+ AI Agents** by end of 2026, with AI workload reaching **50%** (targeting 70-80% in 2027).
- **R&D Innovation:** Enable ultra-lean teams; "**2-3 people + AI**" can deliver a lightweight game within one month.
- **Formats & Gameplay Exploration:** Develop new AI-era formats such as "**short drama + game**" and "**RPG + casual**" hybrids.

Future-AGI

**AI-Driven
Organization**

AI-Native Game Development Matures; Multiple Projects Underway

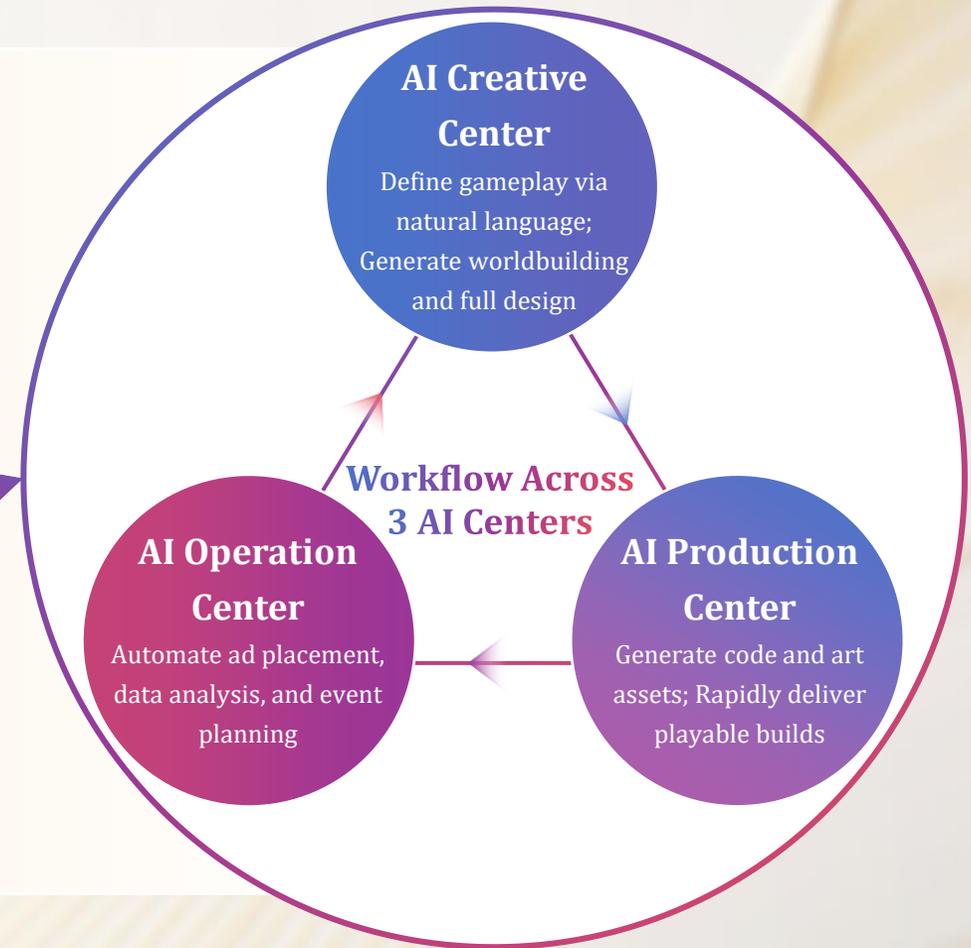
Core Transformation of R&D Models

Traditional Model

- Team Size: Dozens to hundreds; high communication costs
- Iteration Cycle: Monthly; heavy capital investment

AI-Native Model

- Team Size: 1-3 core creators; significantly improved efficiency
- Iteration Cycle: Days or even hours; substantially reduced costs



AI Applications Scaling Across Multiple Scenarios, Enhancing User Experience



AI Anti-Cheat

Our AI anti-cheat features have covered multiple core gameplay scenarios of Eudemons IP, further improving the in-game environment and ecosystem health.



AI Companion - Integrated into *Heroes Evolved*

Human-like, high-skill AI adapts to advanced play, providing a more realistic experience, enhancing onboarding, and boosting next-day retention for new users.



Intelligent NPCs - Integrated into *Zero Online*

Deployed 1,000 Gen-2 intelligent NPCs, capable of autonomous goal-setting, scheduling, and all in-game actions, enabling new player interactions and gameplay experiences.

AI Strategic Outlook



Sustained Operations of Existing IPs

1. AI-Enabled Content Development for Greater Efficiency
2. Intelligent NPCs Boost Retention & Monetization
3. AI-Driven Innovation in Operations



Exploration of New Opportunities

1. Exploration of 10+ AI games, spanning short drama + game, casual + game, etc.;
2. Exploration of AI-native games centered on intelligent NPCs;
3. Revival of classic IPs through AI.



AI Match-3

AI Rouge-like



A man in a brown polo shirt and grey shorts is standing in a meeting room, pointing at a large digital screen. The screen displays a complex diagram with various colored boxes and arrows. Several people are seated around a long white table, looking towards the screen. The room has a modern aesthetic with a perforated metal wall and two black speakers mounted on the wall. A whiteboard is visible on the right side of the room.

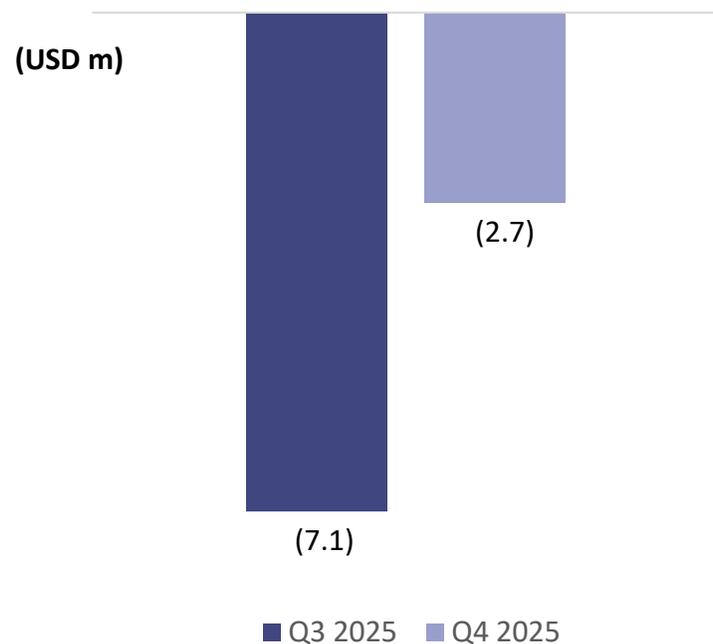
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Dr. Simon Leung

Group Vice Chairman

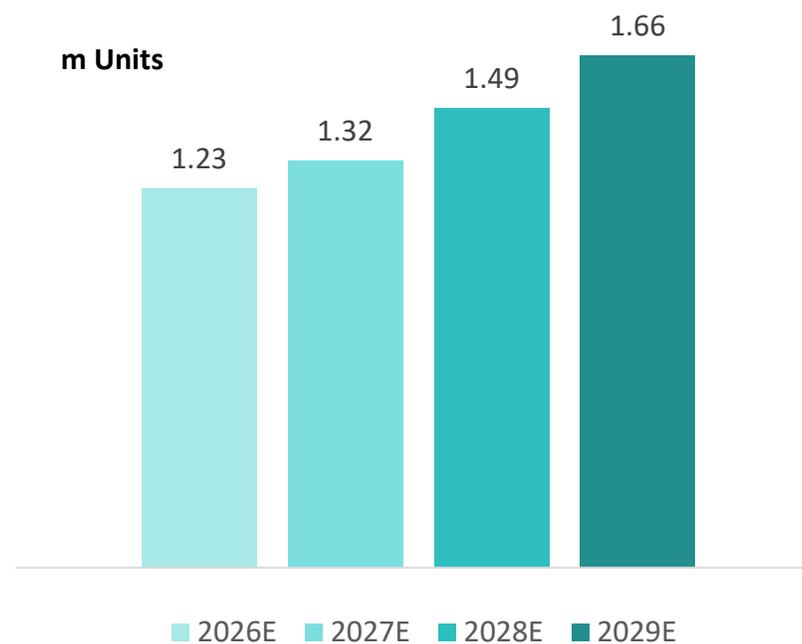
On track to capture the coming cycle of recovering demand

Adjusted EBITDA loss reduced significantly QoQ



4Q 2025 adjusted EBITDA loss decreased by 62% QoQ

Market demand* to resume growth



IFPD/IWB shipment to grow by 35%

*: global(ex. China) IFPD/IWB volume outlook by Futuresource "2025 Q4 Global Interactive Displays Market Report"

Rolled out next-gen solution to capture the growth

Brand New ActivPanel 10 Series – Freedom of Choice, Simplicity and Adaptability



The ActivPanel Suite™ Software – Bring AI Empowered Solutions to all OS Environments

Expanded portfolio to meet various demand segments



ActivPanel LE
- *Value Market*



ActivPanel D-Series
- *Digital Signage*

Extensive industry-wide accolades



Company of the Year at BETT Awards 2026

Best of Show Award at ISE 2026

Mar. 2025: Tech & Learning Awards of Excellence

AI Now



Dr. Simon Leung
Group Vice Chairman

AI Now – National Projects

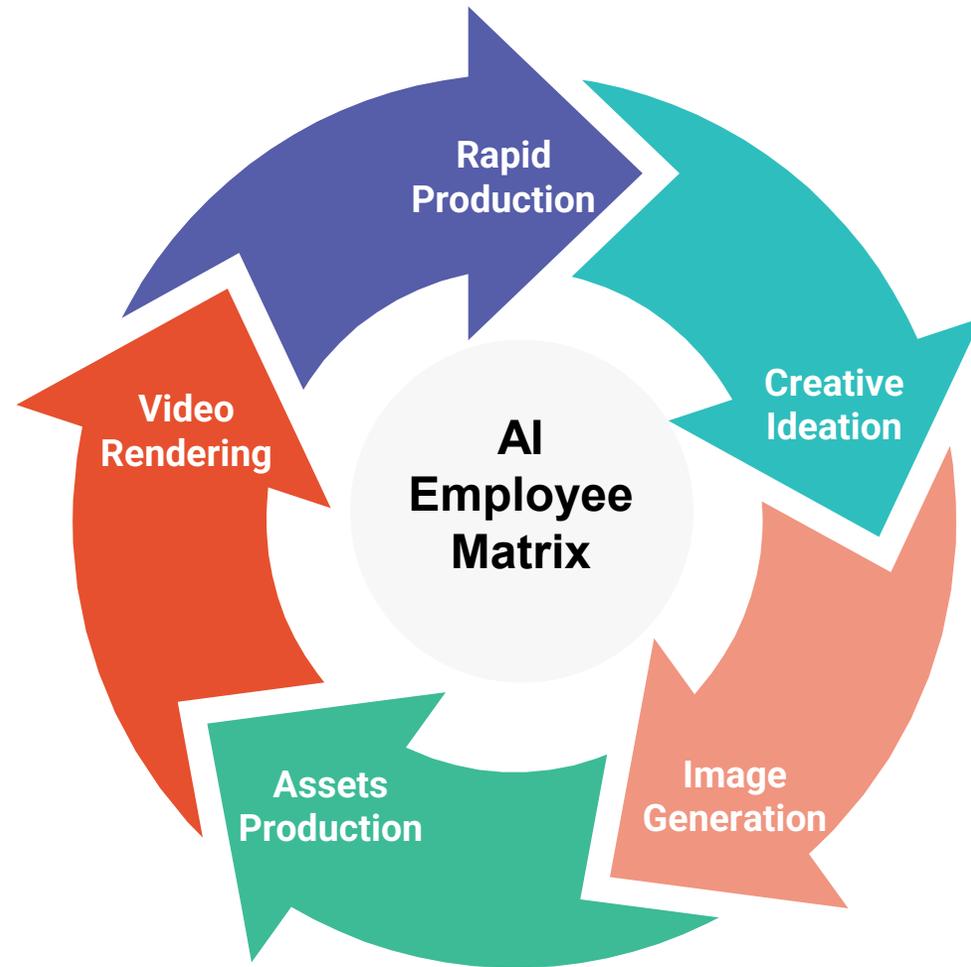


- In Thailand, our AI-driven vocational education project collaborated with the Ministry of Higher Education, Science, Research, and Innovation (MHESI) was officially launched in May 2025, providing nationwide training for university students and the broader youth community.
- Signed another MOU with MHESI in Feb 2026 to build the national AI-driven “Learn-to-Career” Ecosystem.



- In Cameroon, we launched the AI Smart Classroom project in Mar 2026, witnessed by the prime minister of the country. The project will integrate advanced interactive display technology, intelligent learning software, and AI-enabled teaching tool, serving as a pilot for broader digital education development in Cameroon and across the region.

AI Now – AI Employee Matrix



Building on the AI Content Factory, we launched the AI Employee Matrix recently

- **Reconstructs the entire content production chain**, breaking through the efficiency bottlenecks of traditional human-powered processes
- The AI employees complete the **full closed-loop workflow** 7X24 without interruption and with no human intervention
- Drives the content production to leap from “human-driven” to **“intelligence-driven”**, achieving the goals of standardization, scale, and extreme speed
- **Achieves “human-machine collaboration for intelligent co-creation and win-win outcomes”** centered on the AI Employee Matrix, injecting strong technological momentum into the large-scale supply and intelligent upgrading of content in fields such as education

Outlook



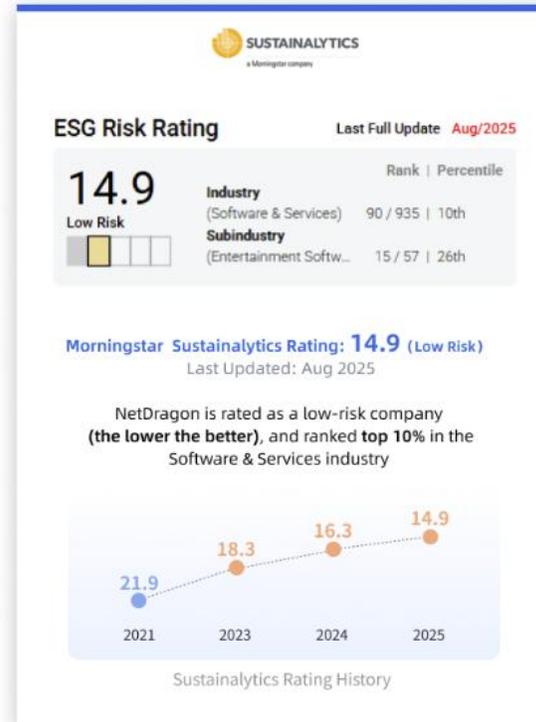
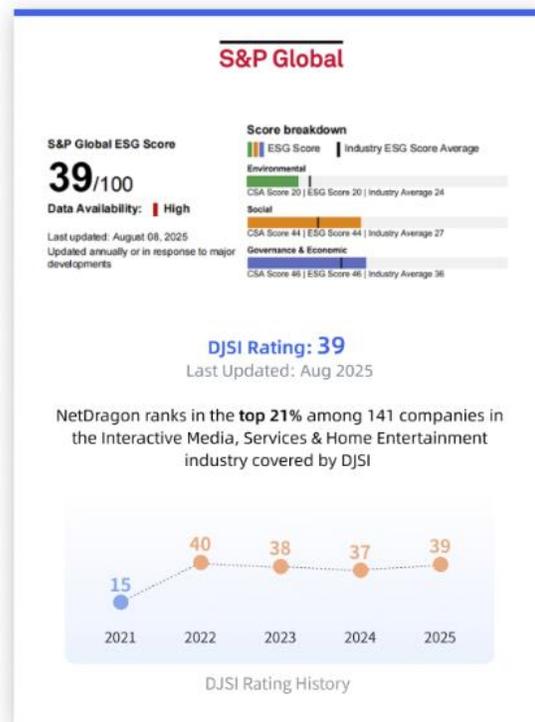
Dr. Simon Leung

Group Vice Chairman

Remain committed to enhancing shareholder returns

Total dividend for the year	Core segmental profit of gaming and application services business in 2025	Net cash and liquid investments by end of 2025	Expected total shareholder return in the next 12 months	Expecting shareholder return in the next 12 months on our investment
1.0HKD/share	897 million RMB	2 billion RMB	600 million HKD	XXX million HKD

Continue to excel in ESG performance



Our MSCI ESG rating rose to A



Gaming

- ◆ Continue to promote the in-depth development of our AI + gaming strategy
- ◆ Ensure our flagship IP *Eudemons* achieves evergreen growth
- ◆ Enhance our pipeline with AI native games to ensure future growth



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- ◆ Target EBITDA breakeven in 2026 with aggressive costs optimization (including the use of AI) and slight market recovery
- ◆ Optimized hardware product portfolio to capture the growth cycle
- ◆ AI services to enhance our product differentiation
- ◆ Realization of country strategy
- ◆ Sovereign Education LLM being developed



Q&A



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