百融云创
Bairong, Inc.

Leading AI Turnkey Service Provider

2023 Annual Results

Vision: To Be the Enabler of Digital Intelligent Economy

Leading AI Turnkey Service Provider

Efficient Business Model driven by Technology and Products

Gross Profit Margin > 70%
Productivity per capita RMB ~2 million[1]

Achieved the Rule of 40%[2] Revenue growth + EBITDA margin

Revenue increased by ~31%
Adjusted EBITDA Margin ~17%

Rapid Increase of Gross Facilitation Volume Delivered by AI

> RMB 50Bn
YoY increase 93%

Strong Technology DNA

R&D Staff accounted for ~50%
Cloud Platform Stability >99.998%

High Quality Client Base

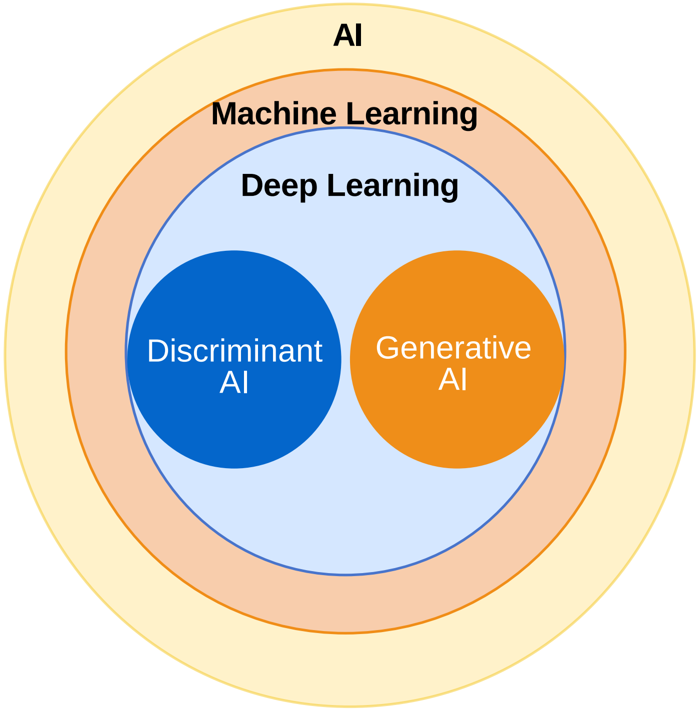
Institutional and Enterprise Clients
>7,000

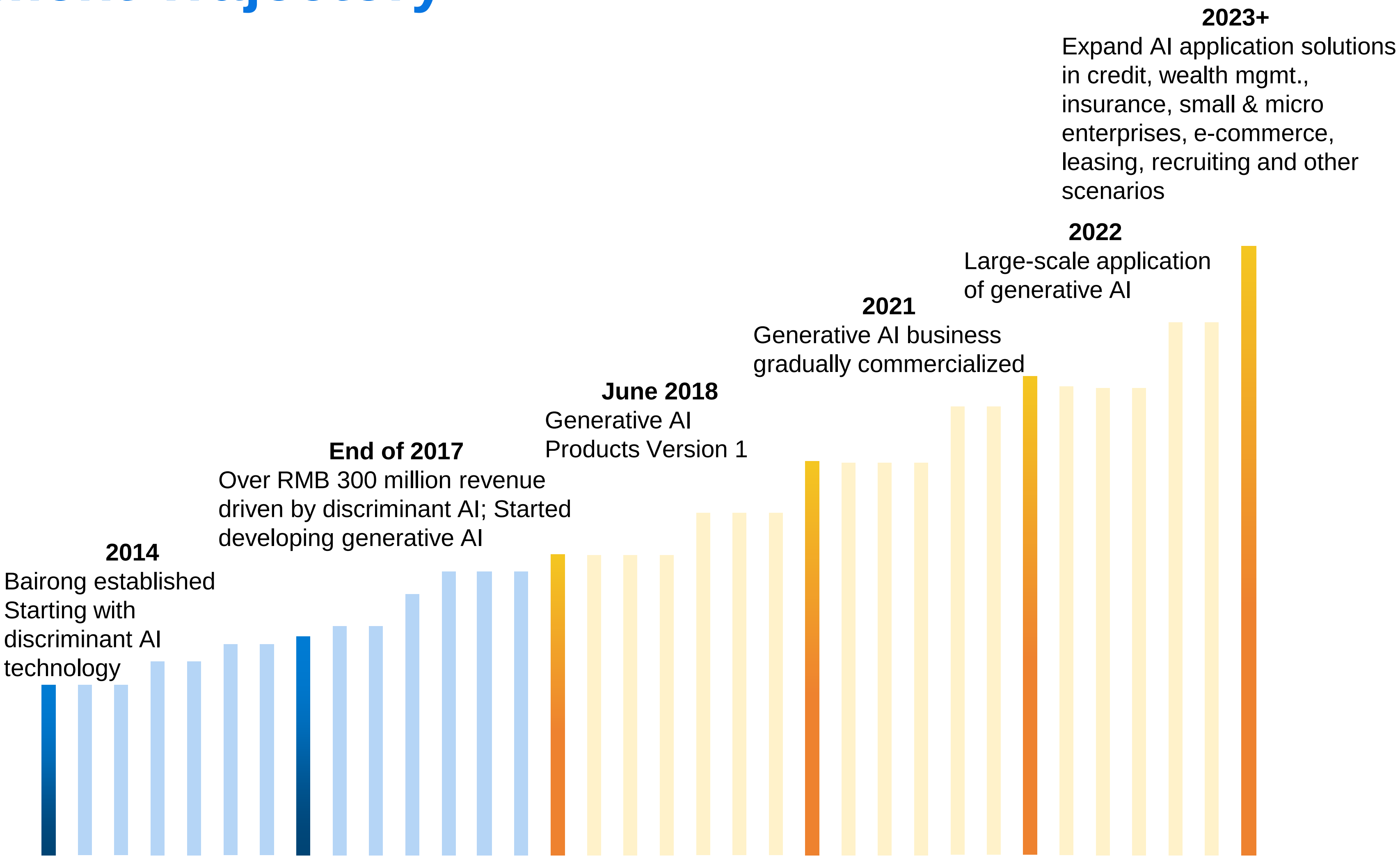
High Client Retention Rate driven by Competitive Advantages

Key Client Retention Rate[3] >99%

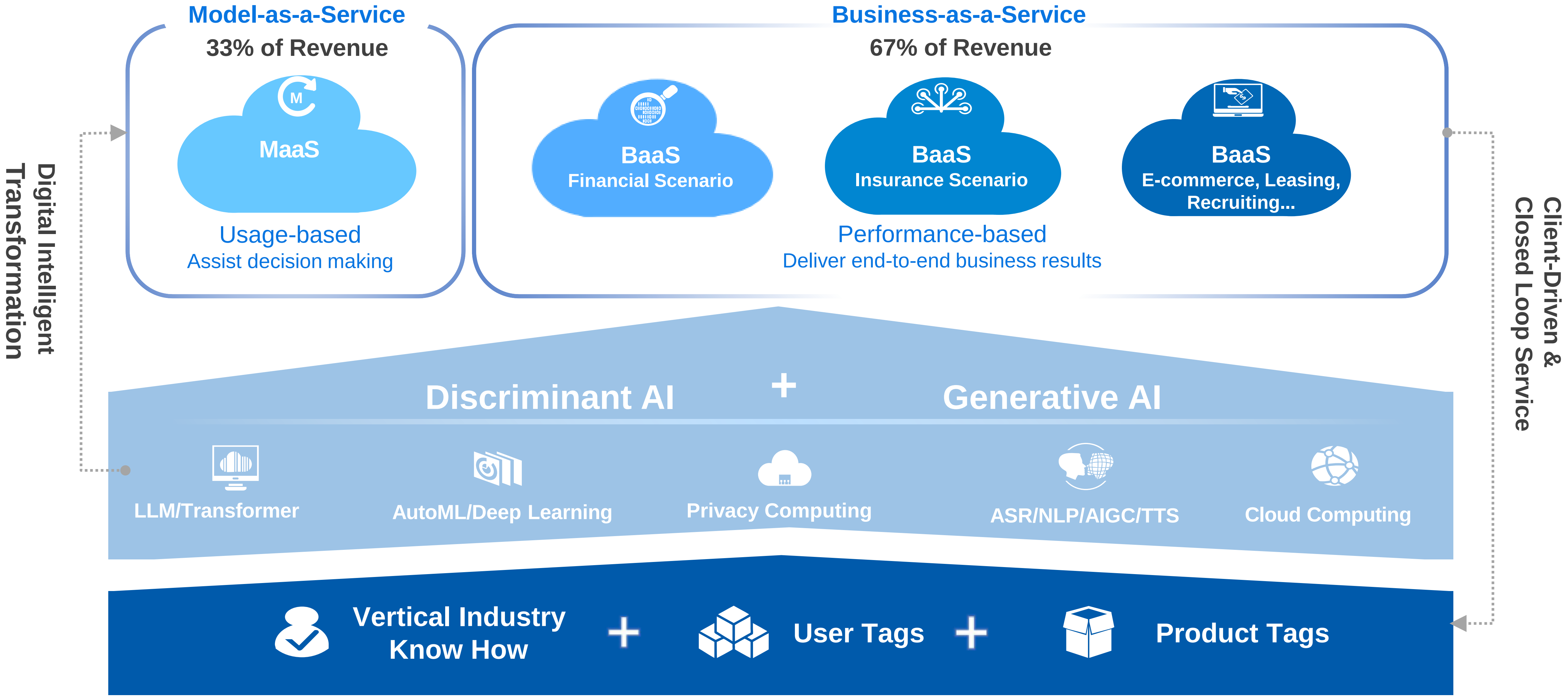
Note: The above are all 2023 annual data unless with notes
1. Annualized human efficiency as of 31 Dec 2023; 2. The formula of "40% rule" is "free cash flow / revenue + revenue growth rate", replaced by the most approximate caliber "EBITDA Profit Margin + revenue growth rate" ; 3. Key FSP clients are defined as licensed institutional customers with contribution of more than RMB300,000 during reporting period (2023FY)

Bairong AI Development Trajectory





Business Overview



Note: MaaS （Model as a Service）； BaaS （Business as a Service）

Financial Highlights

Revenue | RMB **2,680 Million** **31%** YoY

Gross Profit Margin | **73%** Maintain at high level

Adjusted Net Profit[1] | RMB **375 Million** **14%** Margin

Cash Balance[2] | RMB **4,032 Million** Share Repurchased HKD **220M**

Note：2023 annual data 1.Adjusted items：option fees；2. including cash and cash equivalents, time deposits, restricted funds, etc

Business Update for the Year

01

Continuous Expansion of Bairong AI Application Scenarios

Solutions for pain points of commercial organizations (enterprises, institutions)

Multi-Modal

Digital Human

Video

Audio

Text

Improve decision-making

Enhance customer acquisition

Improve user and asset operation capability

Internal AI employees

AvatarGPT

【More products...】

VoiceGPT

Matching scenario and product providers

【More products…】

Qualification assessment

Willingness assessment

Insurance underwriting risk analysis

【More products…】

Negative behavior analysis

Multi-platform behavior

Anti-fraud analysis

Joint modeling

Retail Banks (credit, SMEs)

Wealth Management (Banks, brokers, asset management)

Insurance (diversified scenarios)

Internet (ecommerce, travel, transport)

General Business

Diversified Scenarios

Highlights of Bairong AI Development Achievements

Product development oriented to tackle practical business pain points

MaaS	BR-Coder	ORCA-AutoML	VoiceGPT	Software Copyrights
300 million	10%	30%	30 million+	233
Serving over 300 million daily queries, with cloud platform stability 99.998%	BR-Coder assisted 10% of coding work automatically	ORCA-AutoML shortened data analysis modelling cycle by 30%	VoiceGPT saved cost by ~90%; 95% accuracy in identifying customer willingness; react within 500 milliseconds，close to real person; 20+ rounds of interaction dialogue; 30 million+ daily outbound calls	Obtained 233 patents and software copyrights, covering AI, machine learning, privacy computing, human-machine collaboration, multi-modal, etc.

Scenarios closer to users

Unique industry expertise

Higher efficiency

Continued Focus on Enhancing Corporate Social Responsibility

Empower SMEs and green finance

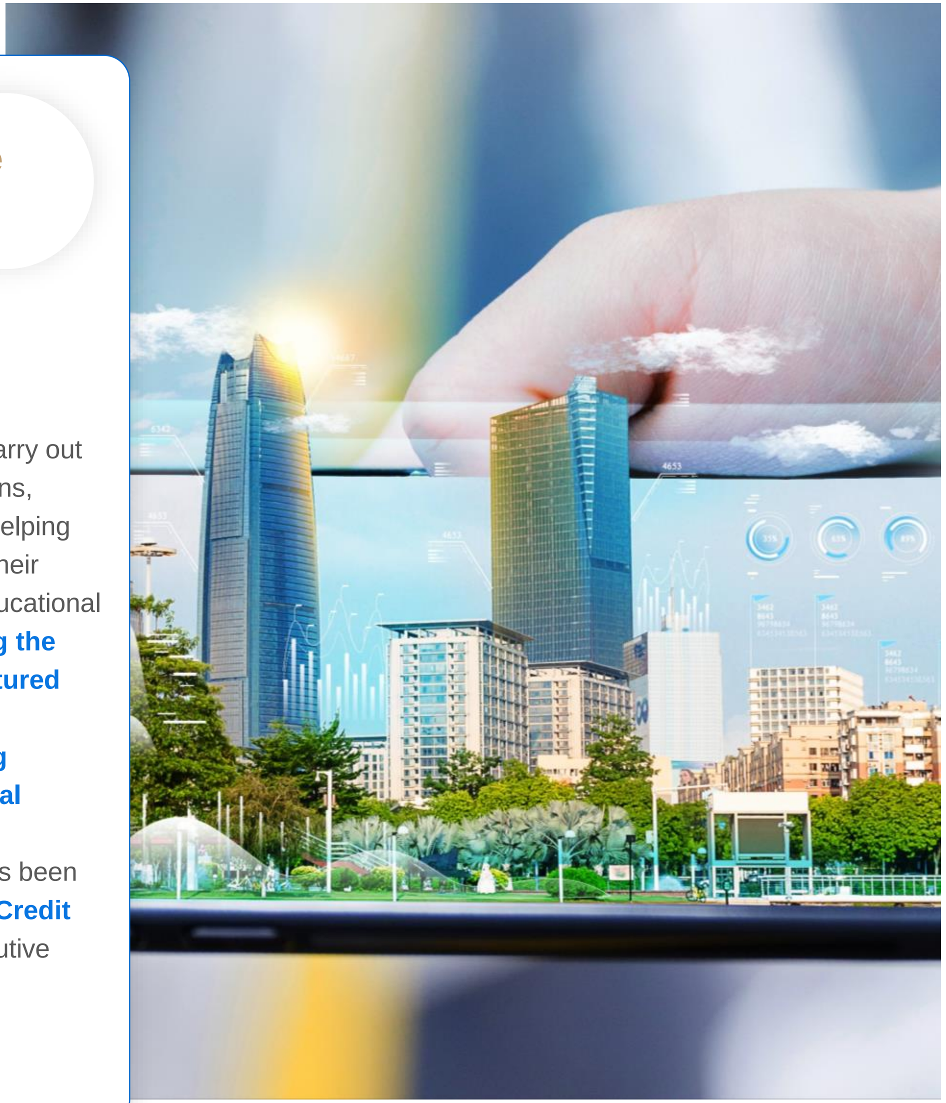
- In 2023, we cumulatively served over **200,000 micro and small enterprises**, smoothing their financing process and promoting their healthy growth through our smart product matching and smart marketing technology.
- We have undertaken **several green finance projects**, utilize Discriminant AI to empower various banks to accurately identify green projects, establish green finance systems that integrate green credit, green bonds, green investment, green leasing and green wealth management projects while automating the business processes

Multiple honorary awards

- In 2023, we received **44 awards, 82% of which were technology-related**, including the 2023 Outstanding Artificial Intelligence Enterprise Award from the Internet Weekly of the Chinese Academy of Sciences and the 2023 Generative AI Innovation Enterprise Award from the Huaxia Times.
- We jointly hosted the **2023 Future Science Prize Week Technology Forum** with the Future Science Awards Foundation and HKUST, assisting to build the “basic research and development-technological innovation-market transformation-re-research and development” bridge between mainland China and HK

Digital village construction

- In 2023, we continued to carry out social work for consumptions, industries and education, helping local villagers to increase their income, improving their educational conditions, and **supporting the development of local featured economies**.
- We won the “**Outstanding Contribution Unit for Rural Revitalization**” award in Shijingshan District and has been honored as "**Beijing AAA Credit Enterprise**" for six consecutive years



Business Strategies and Outlook

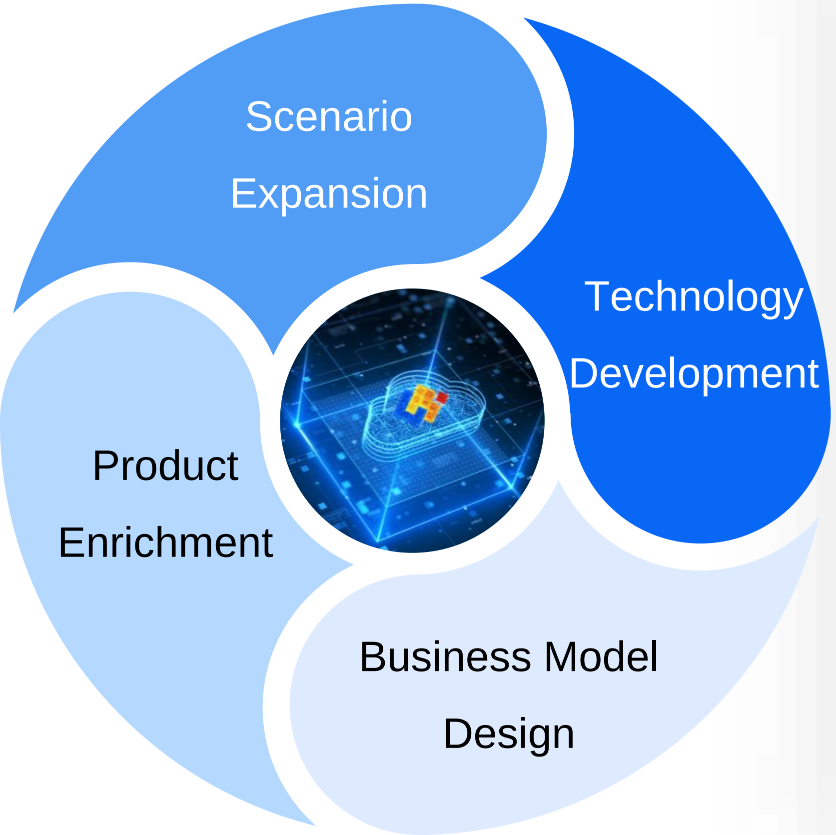
02

百融云创
Bairong, Inc.

Our Mission: To Be the Enabler of Digital Intelligence Economy

Our Opportunity: The Definite Long-term Megatrend {Digitization + Intelligentization}

Our Development Strategy



MaaS

- Continue to expand the leading edge of existing products
- Increase investment and development of high value-added products
- Actively explore new products

BaaS

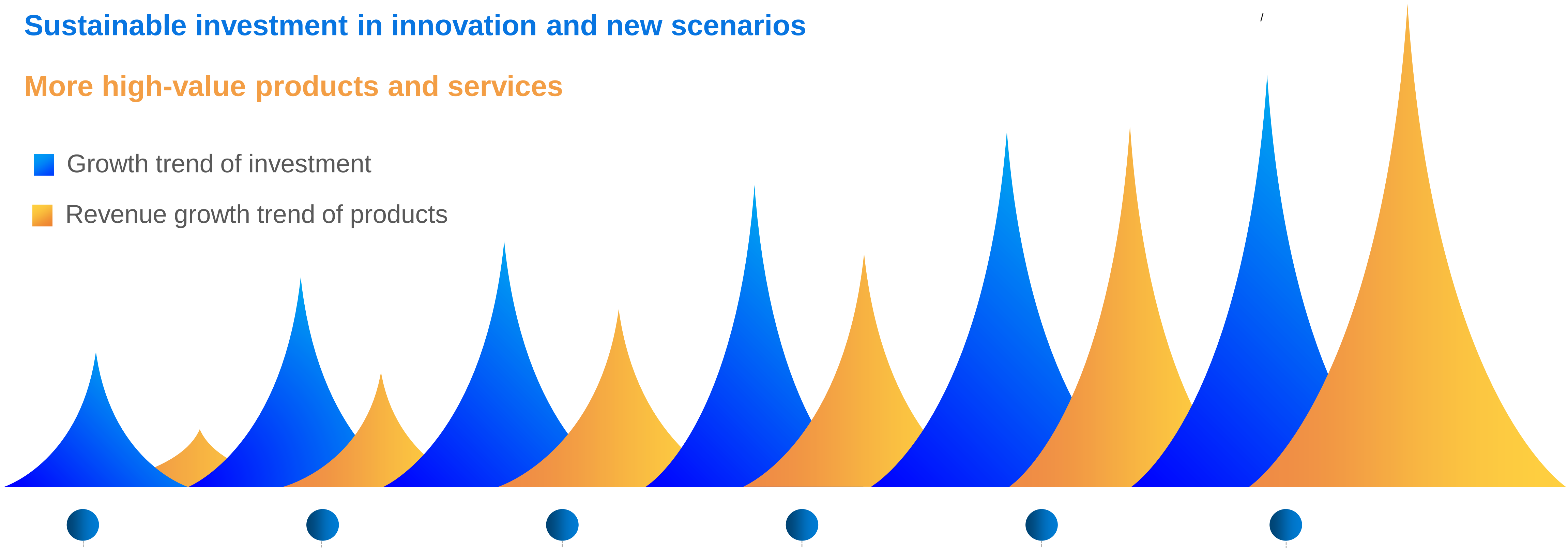
- Continue to expand Generative AI operations and expand the scale of services
- Continuously refine "Wealth + AI" and "Insurance + AI" capabilities

Demand-driven, Efficient R&D and Innovation

Sustainable investment in innovation and new scenarios

More high-value products and services

- Growth trend of investment
- Revenue growth trend of products



Discriminant AI
MaaS

Started to develop Generative AI
NLP,ASR,TTS

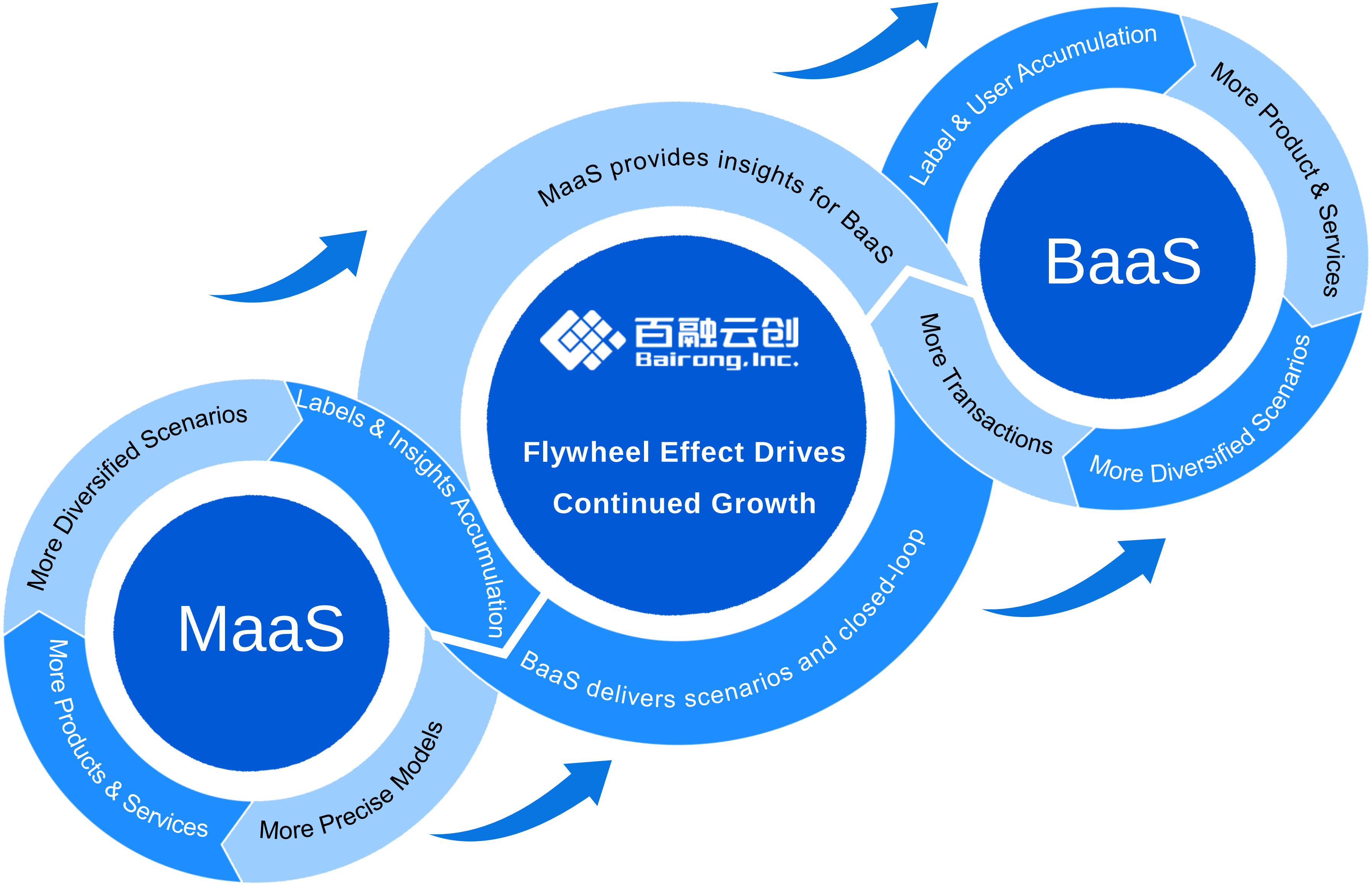
ORCA-AutoML

Voice GPT
BR-LLM
BR-Coder

Avatar GPT
Cybertron
Wealth Scenario
Insurance
Scenario
SMEs

AI Co-pilot
AI Agent

Strong Flywheel Effects of Our Business Drives Continued Growth



Financial Update for the Year

02

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Sustained Rapid Growth Profitably

Robust Revenue Growth

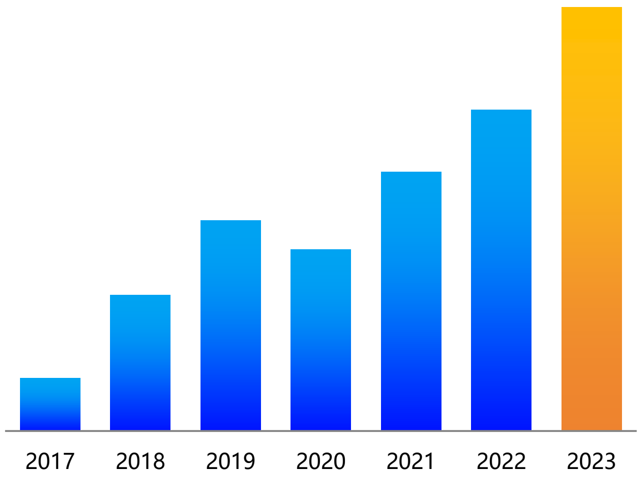
RMB million

2017	2018	2019	2020	2021	2022	2023
354	858	1,262	1,137	1,623	2,054	2,681

Stable High Gross Profit Margin

RMB million

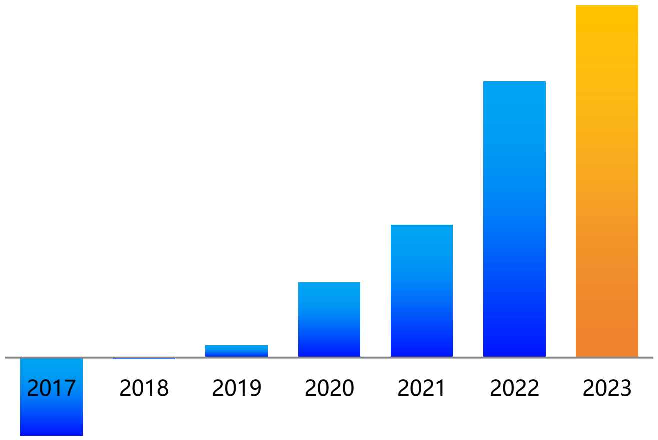
2017	2018	2019	2020	2021	2022	2023
244	626	972	838	1,195	1,481	1,955
68.8%	72.9%	77.0%	73.7%	73.6%	72.1%	72.9%



Consecutively Growing Adjusted Net Profit [1]

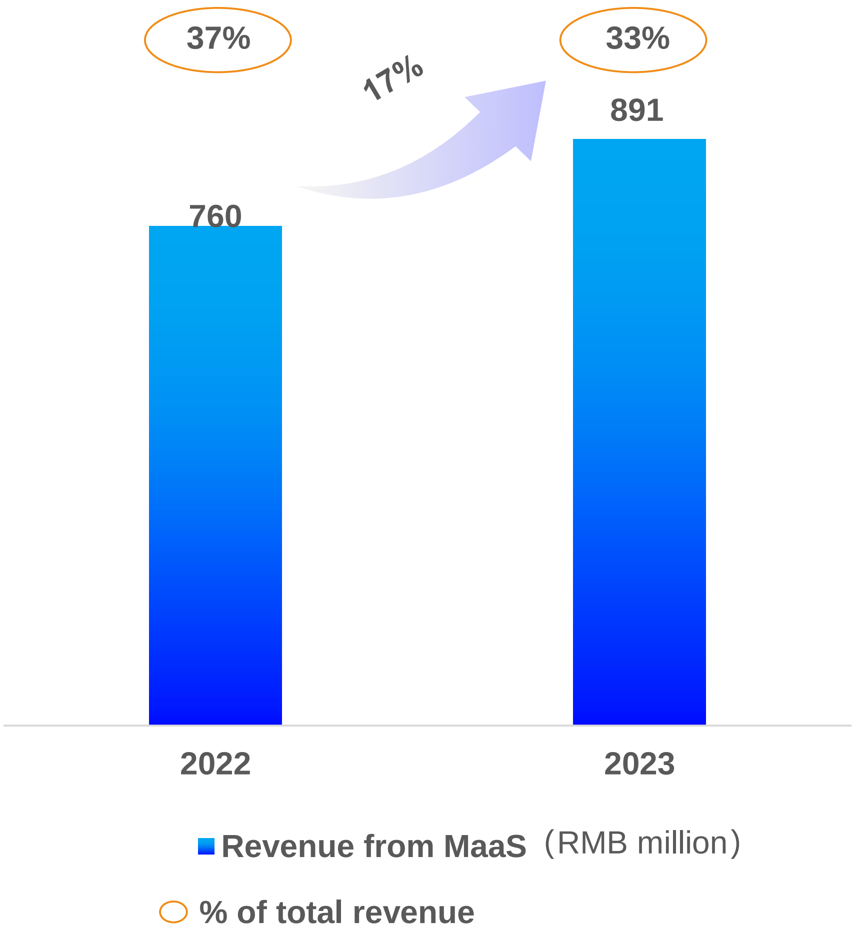
RMB million

2017	2018	2019	2020	2021	2022	2023
(83)	(2)	13	80	141	294	375
-23.5%	-0.2%	1.0%	7.0%	8.7%	14.3%	14.0%



Note: The adjusted net profit over the years added back: equity incentive, changes in fair value of redeemable and convertible preferred stocks

MaaS: Strengthen Leading Position

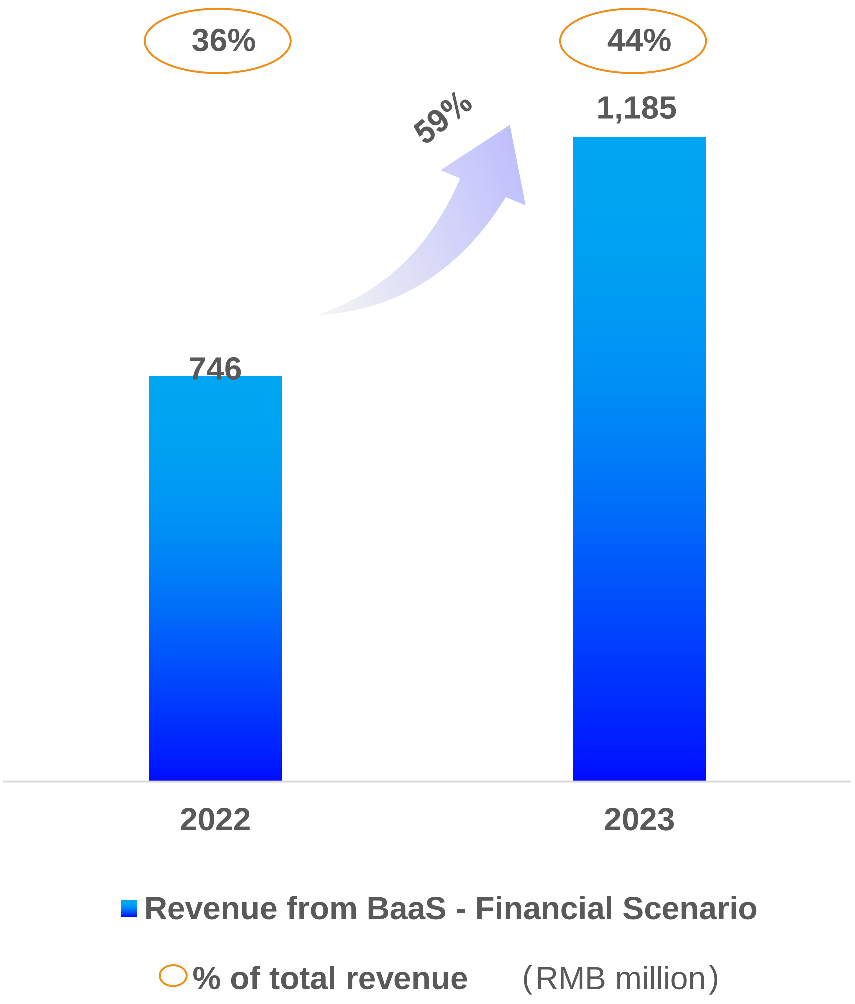


- In 2023, the revenue of MaaS reached RMB 891 million, with 17% YoY increase
- Number of key clients reached 213; the retention rate of key clients maintained at a high level of 99%
- We expanded product portfolio and application scenarios, and deepened the value proposition for clients
- We continue to strengthen our leading market position based on 10 years of technology expertise, service excellence and brand reputation

(RMB Million)	2022	2023	(%)
Revenue from MaaS	760	891	17
Revenue from Key clients	635	744	17
Number of Key Clients	187	213	14
Average revenue per Key client	3.40	3.50	3
Percentage of revenue from Key client	84%	84%	-0.05 pct
Retention rate of Key clients	98%	99%	1.69 pct

Note: Key clients are defined as licensed financial institutional customers with annual revenue of more than RMB 300,000 during the reporting period (2023FY)

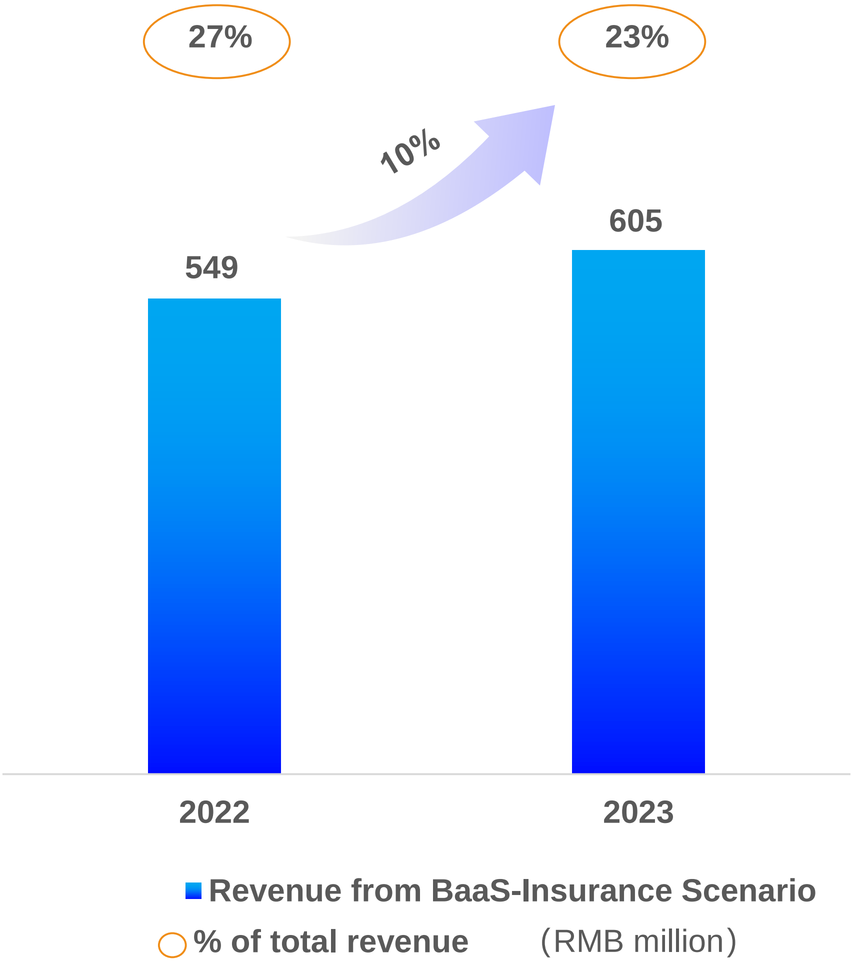
BaaS – Financial Scenario: Financial Performance



- In 2023, the revenue of BaaS - Financial Scenario grew rapidly to RMB 1,185 million, a YoY increase of 59%.
- The annual gross transaction value reached RMB 53.13 billion, increased by 93% YoY
- Thanks to deepened collaboration with clients and the enhanced Generative AI capabilities, our accumulated self-owned users in combination with Generative AI capability continue to improve our customer acquisition efficiency, and expand our presence in diversified scenarios
- BaaS business in wealth management scenario achieved initial success

(RMB Million)	2022	2023	(%)
Revenue from BaaS-Financial Scenario	746	1,185	59
Gross Value of Asset Transactions	27,480	53,130	93
Take Rate	2.71%	2.23%	-0.48 pct

BaaS - Insurance Scenario: Financial Performance



- In 2023, the revenue of BaaS - Insurance grew to RMB 605 million with 10% YoY increase
- The gross written premiums increased rapidly by 56% YoY to RMB 3,330 million. The persistency rate of continued to exceed 90%, ranking among the top in the industry
- The slower growth in revenue from premiums versus that in premiums is because of the decline of pay duration due to the slowdown of economy and income, and the insurance industry implementing new rules requiring consistency in commissions reported with the level actually paid. However, the growth rate of our insurance premium far exceeded the industry, which offsets the negative impact to a certain extent
- We demonstrated outstanding performance despite an overall fatigue across the insurance industry due to our improved technology advantage and operational efficiency

(RMB Million)	2022	2023	(%)
Revenue from BaaS-Insurance Scenario	549	605	10
Revenue from the first year premiums	453	508	12
Revenue from the renewal premiums	95	97	2
Total Premiums	2,133	3,330	56
First year premiums	1,133	1,952	72
Renewal premiums	1,000	1,377	38

Financial Summary

(RMB in Thousands)	2023	2022	2023 YoY	2023 As % of Revenue	2022 As % of Revenue
Revenues					
MaaS	891,248	759,614	17%	33%	37%
BaaS-Financial Scenario	1,184,729	746,045	59%	44%	36%
BaaS-Insurance Scenario	604,939	548,519	10%	23%	27%
Total Revenues	2,680,916	2,054,178	31%	100%	100%
Cost of sales	(726,383)	(573,057)	27%	(27%)	(28%)
Gross Profit	1,954,532	1,481,122	32%	73%	72%
Research and development expenses	(378,785)	(369,646)	2%	(14%)	(18%)
General and administrative expenses	(259,277)	(269,977)	-4%	(10%)	(13%)
Sales and marketing expenses	(1,072,988)	(784,644)	37%	(40%)	(38%)
Profit from operations	346,767	234,753	48%	13%	11%
Profit/(loss)	335,259	229,305	46%	13%	11%
Non-IFRS profit	375,065	293,992	28%	14%	14%
Share-based compensation	(39,805)	(64,687)	-38%	(1%)	(3%)
Non-IFRS EBITDA	463,782	385,248	20%	17%	19%

(RMB in Thousands)	**2023**	**2022**	**YoY**		
Net cash generated from operating activities	339,159	302,450	12%	-	-

(RMB in Thousands)	**As of 31 December 2023**	**As of 31 December 2022**	**YoY**		
Cash, cash equivalents and financial assets[1]	4,031,787	3,978,112	1%	4,031,787	-

Note: 1, including cash and cash equivalents, time deposits, restricted funds, etc

Capital Allocation Plan

Continued investment in innovation and R&D

Business expansion through selective strategic investments

Prudent cash management

Q&A Session

*__Onsite__： Please raise your hand and our staff will pass you the microphone

*__Question via phone__： Press ***1** on your phone to queue up

*__Online text question__： Type your questions in the “Q&A area” on the live broadcast page

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Thank you

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