百融云创
Bairong.Inc.

A Leading AI Turnkey Service Provider

2024 Interim Results

Vision：To Be the Enabler of Digital Intelligence Economy

2024 Interim Business Update

01

百融云创 Bairong, Inc.

Business Overview: MaaS-Anchor Business & BaaS-Second Growth Curve

Digital Intelligent Transformation

Model-as-a-Service

32% of Revenue

MaaS

Usage-based
Assist Decision Making

Business-as-a-Service

68% of Revenue

BaaS
Financial Scenario

BaaS
Insurance Scenario

BaaS
E-commerce, Leasing, Recruiting...

Performance-based
Deliver End-to-end Business Results

Closed Loop Service

Discriminant AI + Generative AI

Industry Know-How + User Tags + Product Tags

7,000+ institutional clients, covering top banks, insurance companies, and internet giants etc.

Bank: 中国工商银行 INDUSTRIAL AND COMMERCIAL BANK OF CHINA; 交通银行 BANK OF COMMUNICATIONS; 中国邮政储蓄银行 POSTAL SAVINGS BANK OF CHINA; 平安银行 PING AN BANK; 中国光大银行 CHINA EVERBRIGHT BANK

Digital Finance, Insurance Company: 中国人寿 CHINA LIFE; 中国太平 CHINA TAIPING; 泰康 Taikang; 太平洋保险 CPIC

Internet Technology Companies: Alibaba.com; Baidu百度; ByteDance 字节跳动; 美团外卖; 小米; JD.COM

A Profitable GenAI Company.

Technology-driven Business Model

Gross Profit Margin > 73%
Productivity per capita [1] ~ RMB 2 mn[1]

Improving Efficiency

Net Profit[2] in 1H 2024 ~ RMB 200 mn
Net Profit Margin[2] ~15%

Improvement on Generative AI Capability

Daily AI calling capacity ~ 50 mn calls
Semantic understanding accuracy ~ 97%

Strong Technology DNA

R&D Staff accounted for ~50%
Cloud Platform Stability >**99.999%**

Solid Client Base

Accumulated Institutional Clients >7,000

High Client Retention Rate

Key Client Retention Rate[3] >96%

Note: The above data is for the first half of 2024. 1. This refers to the annualized average workforce efficiency as of June 30, 2024; 2. This is a Non-IFRS measure; 3. Key clients are defined as institutional clients contributing more than RMB 300,000 in revenue during the reporting period (a.k.a. H12024).

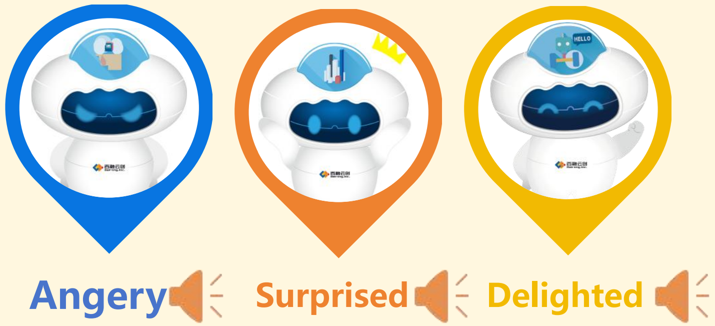
Continuously iterate and upgrade large model technolog

More Multimodal

Land the First Commercial Version by Integrating 3D Digital Avatar Technology into Intelligent Voice Interaction Hardware

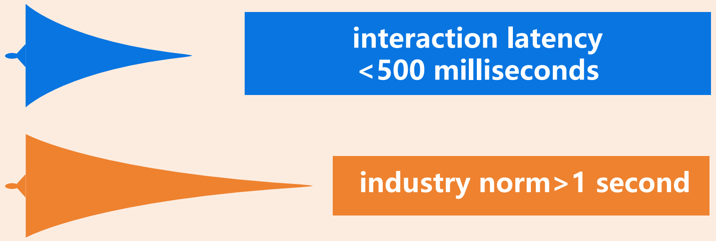
More Infectious

Iterate to Develop Emotion Recognition and Emotional Speech Output Features.



More Agile

Bairong AI VoiceGPT Interactions have shorter latency.



Brand Recognition: AI Applications Earn Multiple Honors

"2023 Annual Large Language Model Vitality"

By the Chinese Academy of Social Sciences and "Internet Weekly".

"Product of the 2023"

By the Chinese Academy of Social Sciences and the eNet Research Institute in Collaboration.

"Top 30 Most Innovative AI Products/Solutions in China 2024"

By the Center for Information Society Studies of the Chinese Academy of Social Sciences (CIS) and the "Internet Weekly".

National High-tech Enterprise Certificate

Issued Jointly by the Beijing Municipal Science and Technology Commission, the Beijing Municipal Finance Bureau, and the Beijing Municipal Tax Service.

Acquired
262 Patents and Software Copyrights
(as of June 30, 2024)

Covering Areas of Artificial Intelligence, Machine Learning, Privacy Computing, Human-machine Collaboration, Multimodal AI, etc.

Business Progress: Land AI Applications in More Diverse Scenarios

Various Modalities

Addressing the Business Pain Points of Commercial Organizations (Enterprises, Institutions)

Modality	Enhance Decision-making Abilities	Enhance Client Acquisition Capabilities	Enhance User and Asset Management Capabilities
Digital Human	Internal AI Digital Employees	Digital Human	【More Products…】
Video	Intelligent Voice (VoiceGPT)	Match Scenario with Product.	【More Products…】

Generative AI: Multimodal, human-like voice quality, multi-turn dialogue, voice response latency less than 500 milliseconds, semantic understanding accuracy greater than 97%.

Modality	Retail Banking Category (Credit, Microfinance, etc.)	Wealth Management	Insurance (Multiple Scenarios)	Internet and Other General Commerce
Voice	Competency and Capability Assessment	Intent Analysis	Underwriting Risk Analysis	【More Products…】
Text	Negative Behavior Analysis	Multi-platform Behavior	Fraud Detection Analysis	Joint Modeling

MaaS Cloud Platform: AI-driven, multi-scenario, secure and reliable, stability further increased to 99.999%, with over 300 million queries per day.

Various Scenarios

ESG: Committed to High Governance Standards

Corporate Governance

- In H1 2024, our company's **ESG governance won global acclaim**, with **MSCI ranking us first in industry governance** and Gelonghui honoring us with the "ESG Disclosure Excellence" award.
- The building, monitoring and management functions of ESG are added to the Corporate Governance Committee under the Board of Directors.
- **Set up a special internal control department**, held the internal-control-policy publicity conference, from the management attention, internal control system, all staff training and other multiple aspects, to improve the company's internal control level

Decarbonization

- The company advances green business through AI, **using innovative large language models and RAG technology** to help businesses precisely identify and support sustainability, **streamlining operations with an integrated green business system**.
- The green finance project jointly built with Huaxia Bank was successfully selected as **an excellent case of the Ministry of Industry and Information Technology**
- The company integrates green and low-carbon practices, **with ISO14001 certified office design** and **ISO27001 certified information systems**.

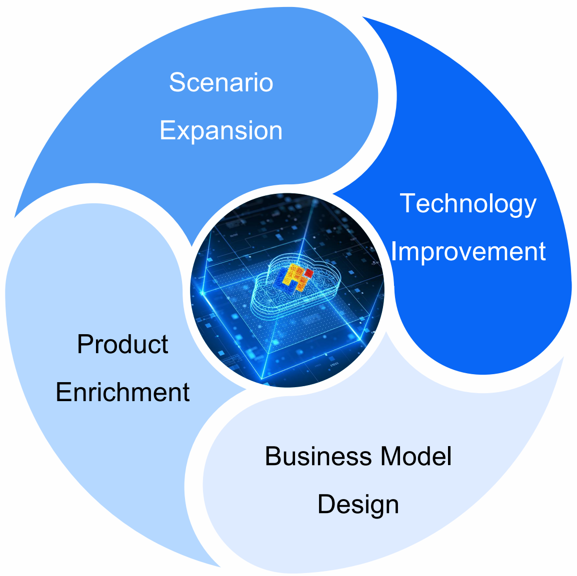
Employee Care

- The company has further introduced high-end R&D talent, with the average annual compensation increased to RMB600,000 (compared to last year's RMB520,000, a year-on-year increase of 15%).
- Bairong's 2023 Xuanji Algorithm Contest drew 184 teams across academia, industry, and AI fields. The ORCA-AUTOML tool by Bairong's R&D team competed with near-zero human intervention, relying on AI.
- In collaboration with the Shijingshan District Red Cross, we organized a special training event for employees on **"First Aid Knowledge and Cardiopulmonary Resuscitation (CPR) + Automated External Defibrillator (AED) Usage".**
- Since 2019, we've collaborated with Tsinghua's School of Economics and Management, funding TCMiBA scholarships annually.

Social Responsibility

- Participated in the **"Responsible Development of Financial AIGC Joint Initiative" for generative AI ethics governance standards**, which was jointly initiated by nearly 20 universities, research institutions, industry associations, and industry enterprises.
- Selected for the **"Beijing Integrity Co-casting Enterprise"** list for 2023, as announced by the Beijing Municipal Integrity Co-casting Activity Leading Group Office.
- Awarded the **"Outstanding Corporate Social Responsibility Award"** at the 2023 Tech Summit Ranking by Caijing.com.

Long-term Strategy：Digitization + Intelligentization

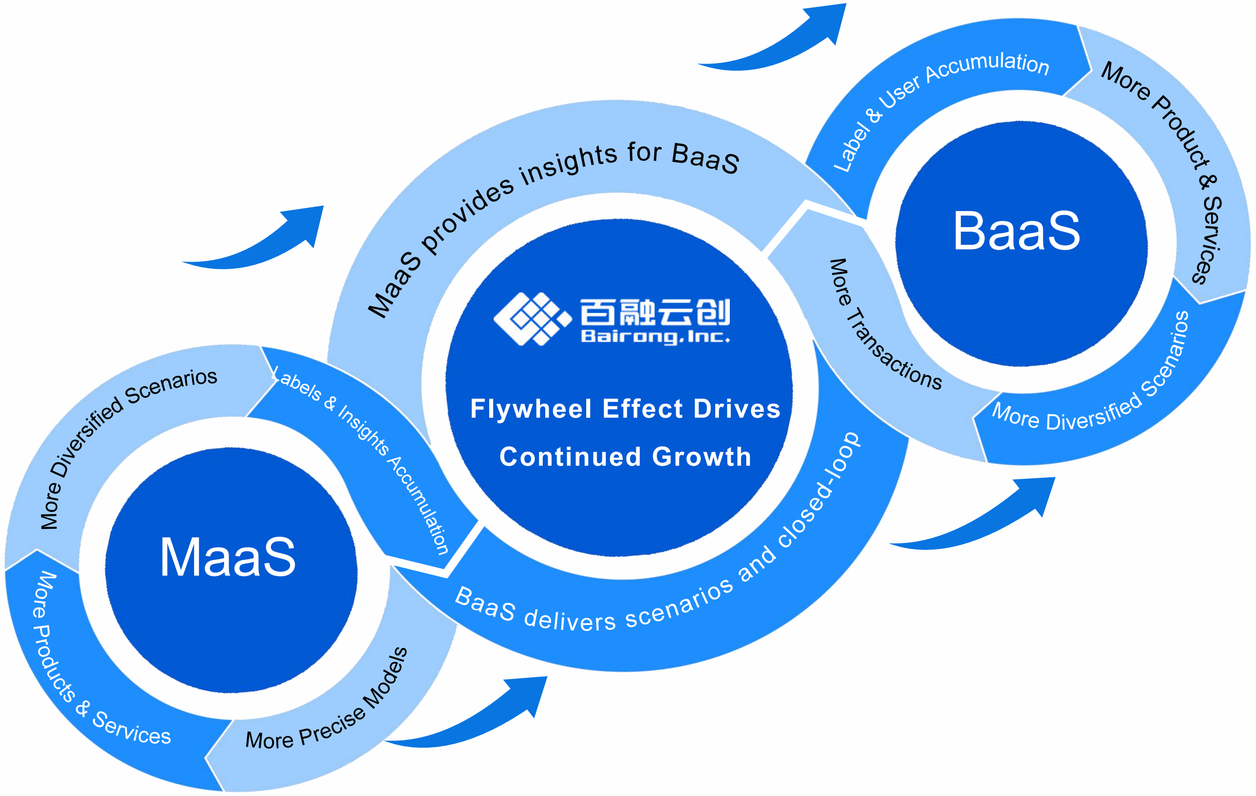


MaaS

- 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



2024 Interim Financial Update

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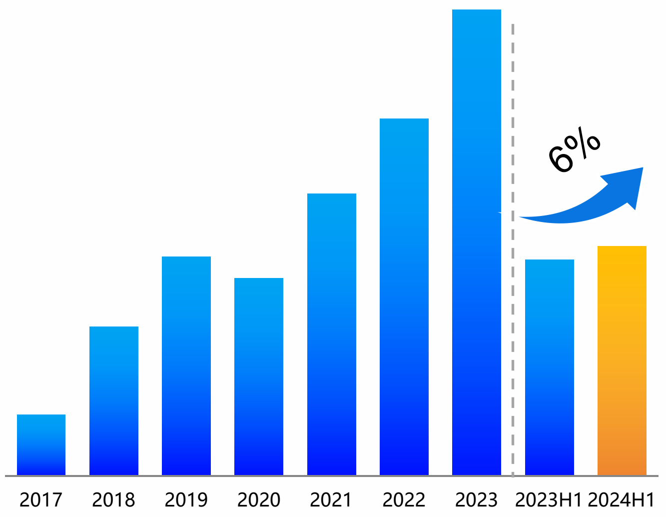
Sustainable Growth while Maintaining Profitability

Steady Increasing Revenue

million RMB

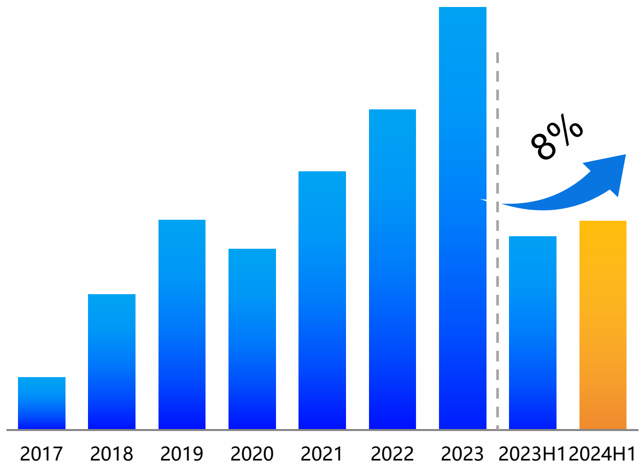
2017	2018	2019	2020	2021	2022	2023	2023H1	2024H1
354	858	1,262	1,137	1,623	2,054	2,681	1,243	1,321



Consistent Gross Margin

million RMB

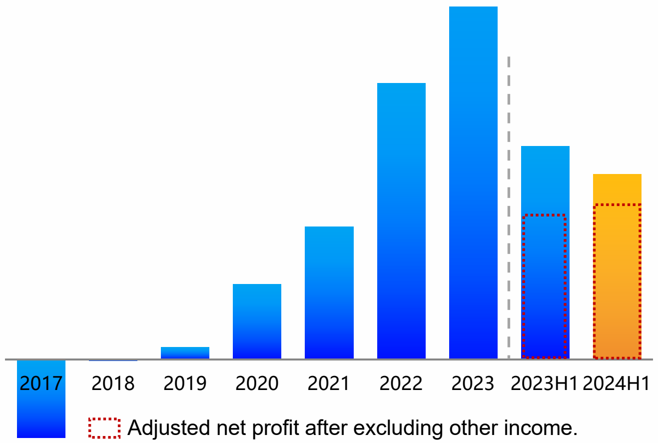
2017	2018	2019	2020	2021	2022	2023	2023H1	2024H1
244	626	972	838	1,195	1,481	1,955	896	967
68.8%	72.9%	77.0%	73.7%	73.6%	72.1%	72.9%	72.1%	73.2%



Sustained Adjusted Net Profit[1]

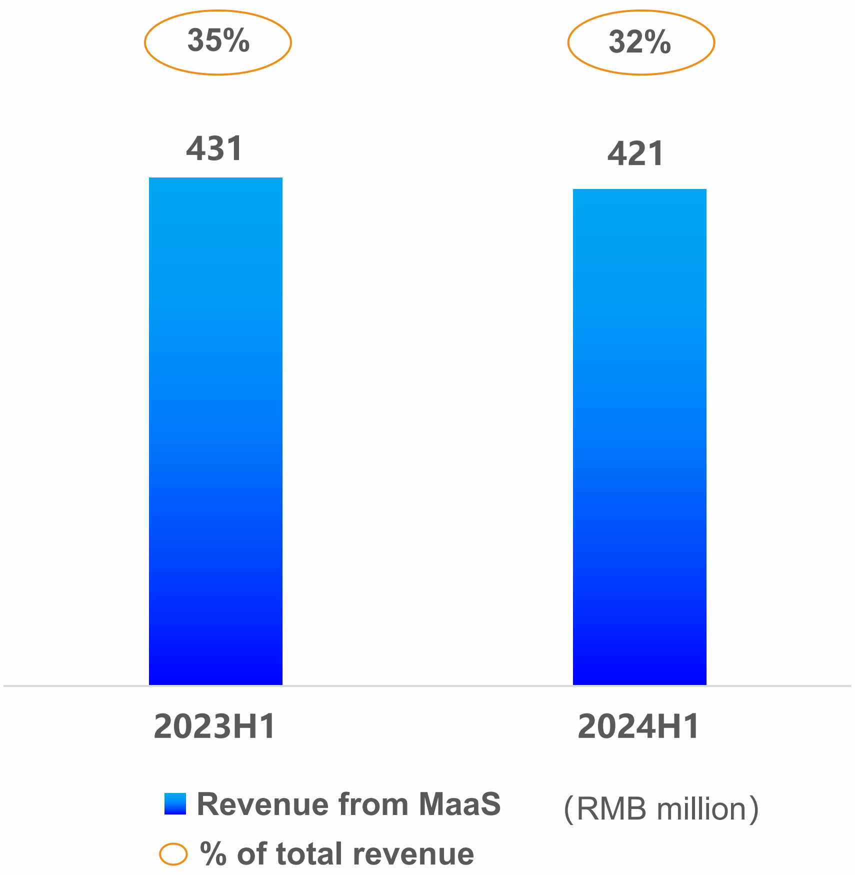
million RMB

2017	2018	2019	2020	2021	2022	2023	2023H1	2024H1
(83)	(2)	13	80	141	294	375	227	197
-23.5%	-0.2%	1.0%	7.0%	8.7%	14.3%	14.0%	18.2%	14.9%



Note: 1. Adjustments to net profits in previous years are added back: equity Incentive, and fair value changes of redeemable and convertible preferred shares;

MaaS: Solidify Leading Position

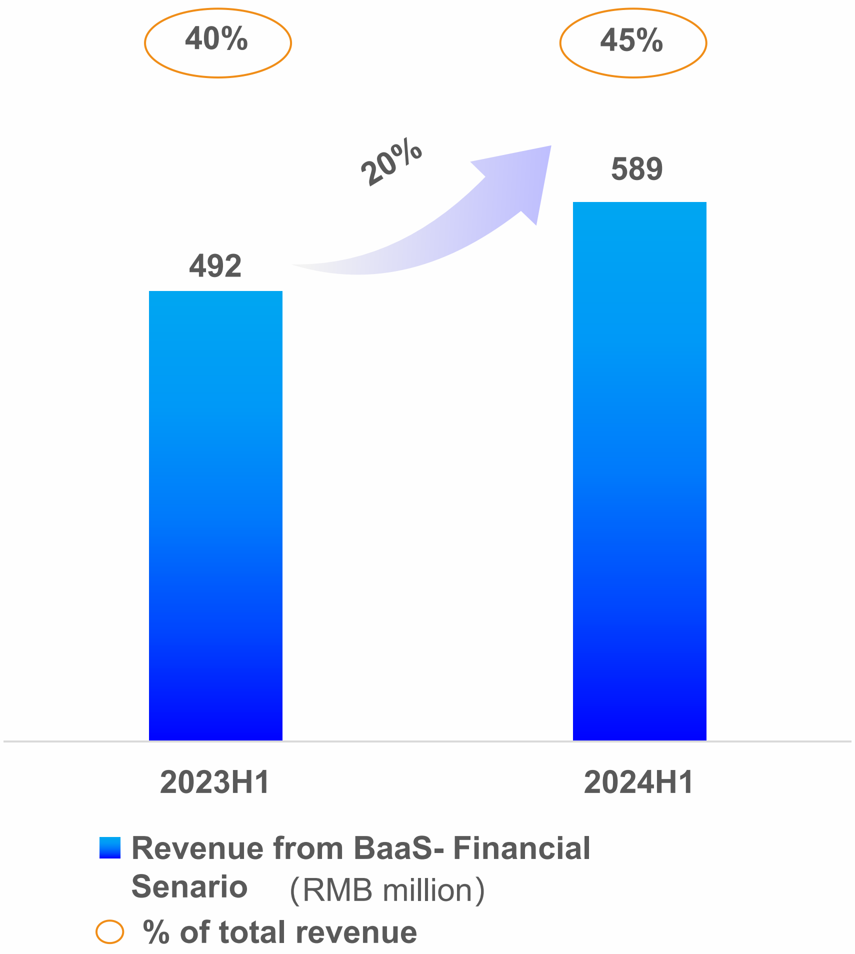


- MaaS business revenue reached RMB 421 million, in 1H 2024.
- The number of key clients expanded to 165, a year-on-year increase of 13%.
- The key client retention rate remained high at 96%.

(RMB million)	2023H1	2024H1	%
Revenue from MaaS	431	421	(2)
Revenue from Key Clients	355	329	(7)
Number of Key Clients	146	165	13
Average Revenue per Key Client	2.43	2.00	(18)
Percentage of Revenue from Key Client	82%	78%	(4 pct)
Retention Rate of Key Clients	98%	96%	(2 pct)

Note：Key clients are defined as licensed financial institutional users with annual revenue of more than RMB 300,000 during the reporting period (20241H)

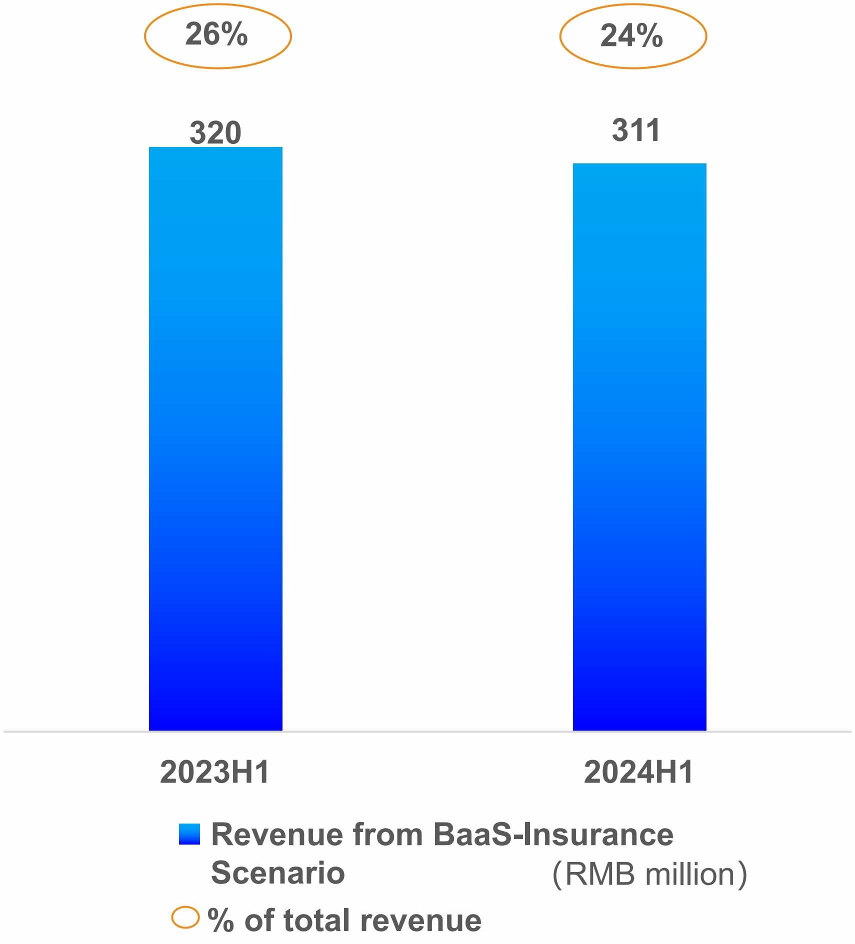
BaaS – Financial Scenario: Continue Fast Growth



- In 1H 2024, the revenue of BaaS - Financial Scenario grew to RMB 589 million, a YoY increase of 20%.
- BaaS wealth management business achieves growth in both revenue and client numbers.

(RMB million)	2023H1	2024H1	%
Revenue from BaaS-Financial Scenario	492	589	20
Gross Value of Asset Transactions	21,262	26,150	23
Take Rate	2.3%	2.3%	0 pct

BaaS - Insurance Scenario: Outperform Sector



- In 1H 2024, the revenue of BaaS - Insurance reached RMB 311 million
- The facilitated insurance premium scale rapidly rose to RMB 2.87 billion, 80% YoY increase, significantly higher than 5.05% as the industrial average level.
- Retentioni rate remains above 90%, ranking at the forefront of the industry.

(RMB Million)	2023H1	2024H1	%
Revenue from BaaS-Insurance Scenario	320	311	(3)
Revenue from the First Year Premiums	270	255	(6)
Revenue from the Renewal Premiums	50	56	13
Total Premiums	1,598	2,873	80
First Year Premiums	940	1,905	103
Renewal Premiums	658	968	47

Financial Summary

（RMB in Thousands）	2024H1	2023H1	2024H1 YoY	2024H1 As % of Revenue	2023H1 As % of Revenue
Revenues					
MaaS	421,352	431,134	(2%)	32%	35%
BaaS-Financial Scenario	589,473	492,095	20%	45%	40%
BaaS-Insurance Scenario	310,523	319,803	(3%)	24%	26%
Total Revenues	1,321,348	1,243,032	6%	100%	100%
Cost of Sales	(354,193)	(346,998)	2%	(27%)	(28%)
Gross Profit	967,155	896,034	8%	73%	72%
Research and Development Expenses	(225,881)	(202,066)	12%	(17%)	(16%)
General and Administrative Expenses	(139,944)	(123,984)	13%	(11%)	(10%)
Sales and Marketing Expenses	(506,542)	(460,684)	10%	(38%)	(37%)
Other Income	73,030	104,976	(30%)	6%	8%
Profit from Operations	156,832	211,697	(26%)	12%	17%
Profit	142,833	206,808	(31%)	11%	17%
Non-IFRS Profit	197,479	226,847	(13%)	15%	18%
Share-based Compensation	(54,646)	(20,039)	173%	(4%)	(2%)
Non-IFRS EBITDA	243,481	267,644	(9%)	18%	22%

（RMB in Thousands）	2024H1	2023H1	YoY		
Net cash used in operating activities	（126,671）	(99,027)	28%	-	-

（RMB in Thousands）	as of 30 June 2024	as of 30 June 2023	YoY		
Cash, cash equivalents and financial assets[1]	3,581,882	4,031,787	(11%)	-	-

Note: 1 Including Cash and Cash Equivalents, Time Deposits, Short-term Bank Wealth Management, etc

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Q&A Session

***Q&A on-site**： Please raise your hand to indicate, and a staff member will bring you the microphon.

***Q&A on Phone**： Please press the *1 key on your phone to wait. Press the star key *, followed by the number 1.

***Q&A Text Online**： Please type your questions in the "Q&A" section of the roadshow platform.

百融云创 Bairong.Inc.

Thank you

Website: ir.brgroup.com

Email: ir@brgroup.com

Address: 1-3/F, Building A, Global Creative Plaza (ShouKai Plaza), No. 10, Wangjing FuRong Street, Chaoyang District, Beijing

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