



CooTek

3Q 2018

Earnings Presentation

14th November 2018

AI

enabled
content delivery





Disclaimer

This press release contains forward-looking statements made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. CooTek may also make written or oral forward-looking statements in its reports filed with or furnished to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about CooTek's beliefs and expectations, are forward-looking statements that involve factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors and risks include, but not limited to the following: CooTek's mission and strategies; future business development, financial conditions and results of operations; the expected growth of the mobile internet industry and mobile advertising industry; the expected growth of mobile advertising; expectations regarding demand for and market acceptance of our products and services; competition in mobile application and advertising industry; and relevant government policies and regulations relating to the industry. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the U.S. Securities and Exchange Commission. All information provided in this press release is current as of the date of the press release, and CooTek does not undertake any obligation to update such information, except as required under applicable law.

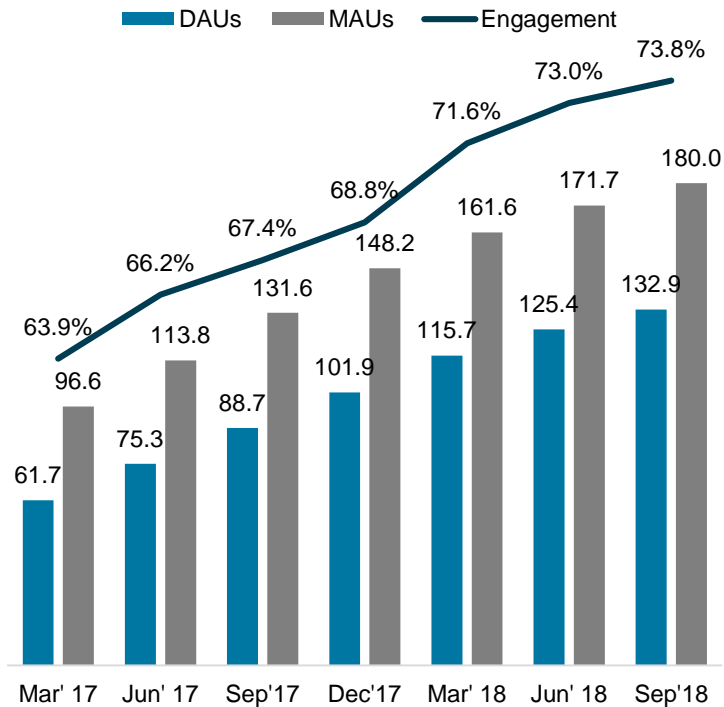
To supplement the unaudited consolidated financial information prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), the Company uses non-GAAP financial measure of adjusted net income (loss) that is adjusted from results based on GAAP to exclude the impact of share-based compensation and compensation expense related to ordinary share repurchase. The measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results.

The Company believes that the non-GAAP measure help identify underlying financial and business trends relating to the Company's results of operations that could otherwise be distorted by the effect of certain expenses that the Company include in (loss) income from operations and net (loss) income. By making the Company's financial results comparable period over period, the Company believes adjusted net (loss) income provides useful information to better understand the Company's historical business operations and future prospects and allows for greater visibility with respect to key metrics used by the management in financial and operational decision-making. In order to mitigate these limitations, the Company has provided specific information regarding the GAAP amounts excluded from the non-GAAP measure. The table at the bottom of this press release includes details on the reconciliation between GAAP financial measure that is most directly comparable to the non-GAAP financial measure the Company has presented.

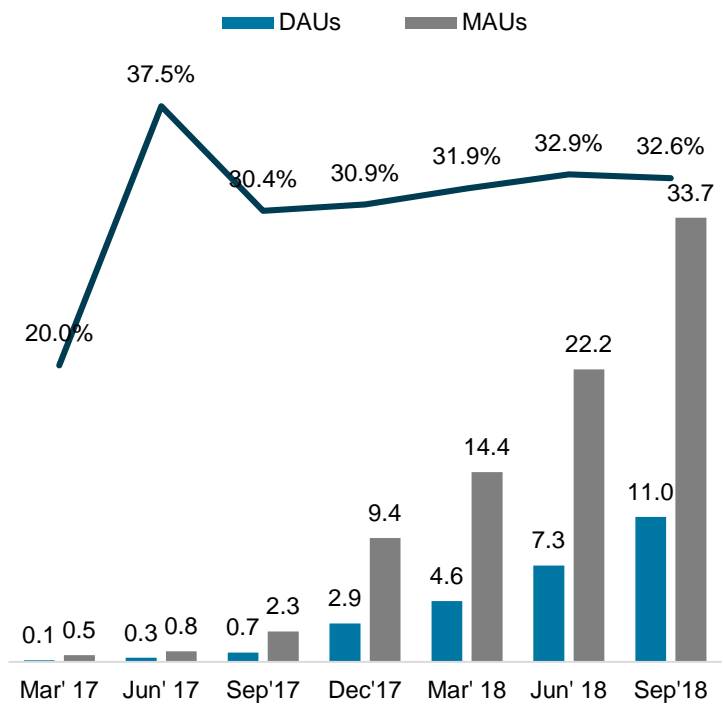


DAU and MAU Trends

TouchPal Smart Input



Portfolio Products

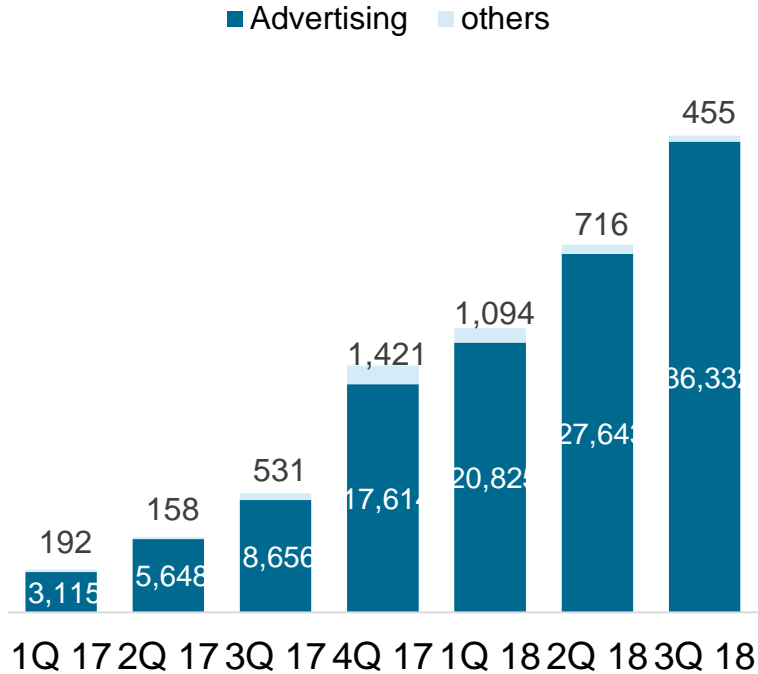




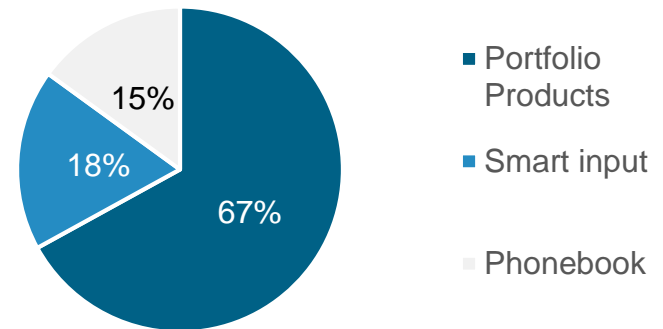
Revenue

Advertising revenue by product line

in US\$ thousand



3Q 2018 Ads revenue contribution percentage

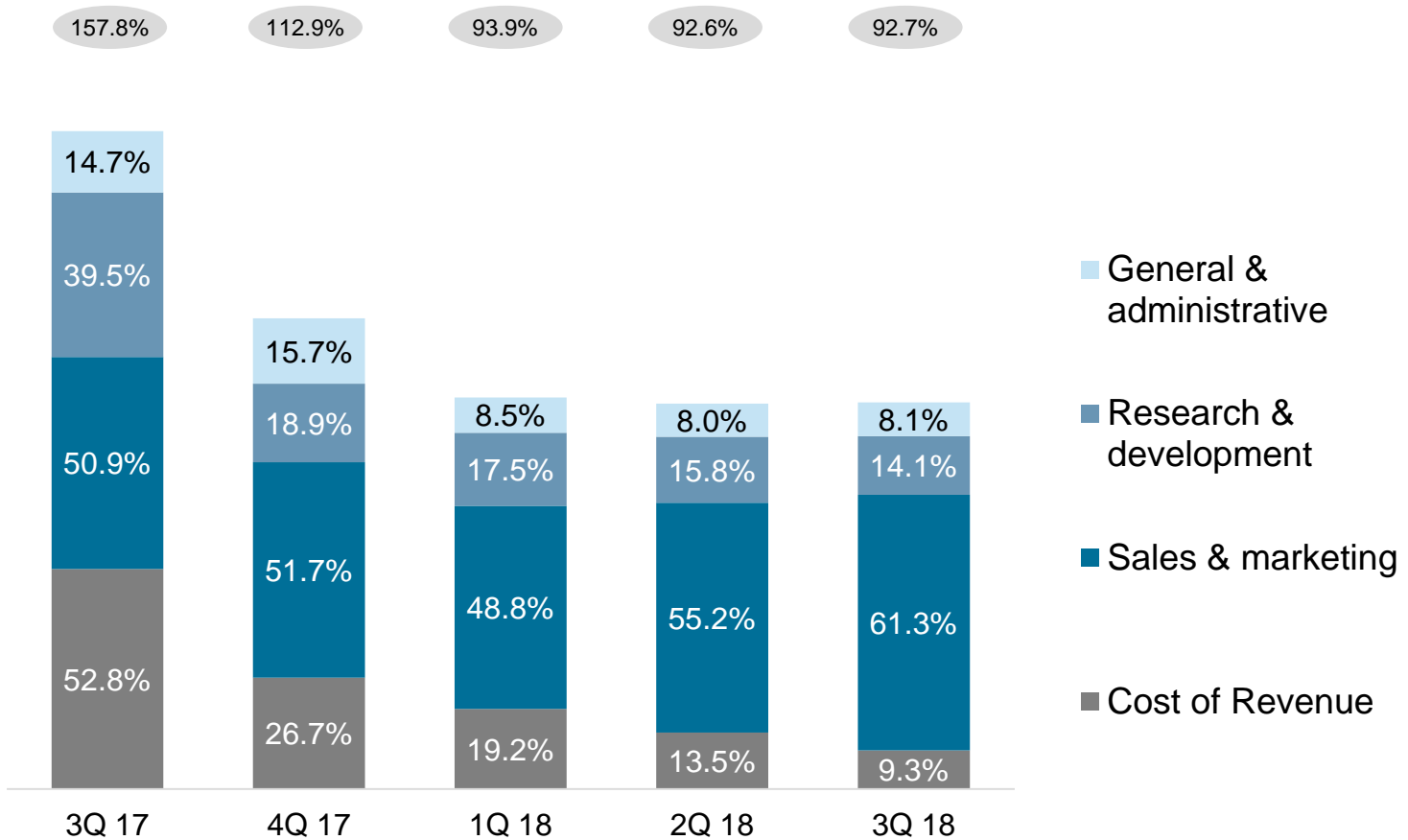


107%
3Q 2018 vs.
3Q 2017

**Effective Price Per Impression
Growth for global products**

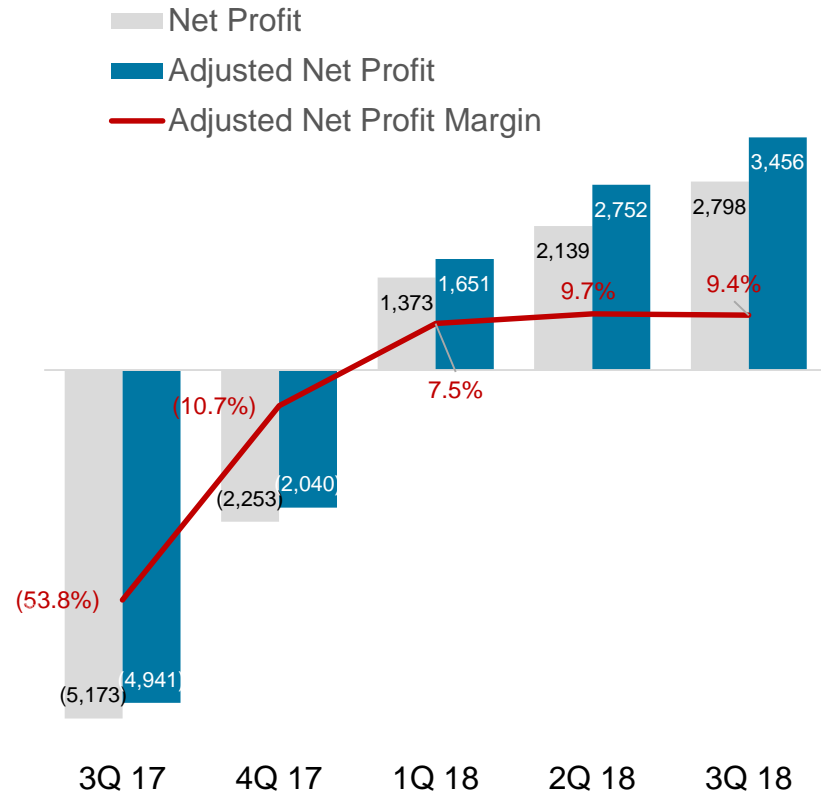
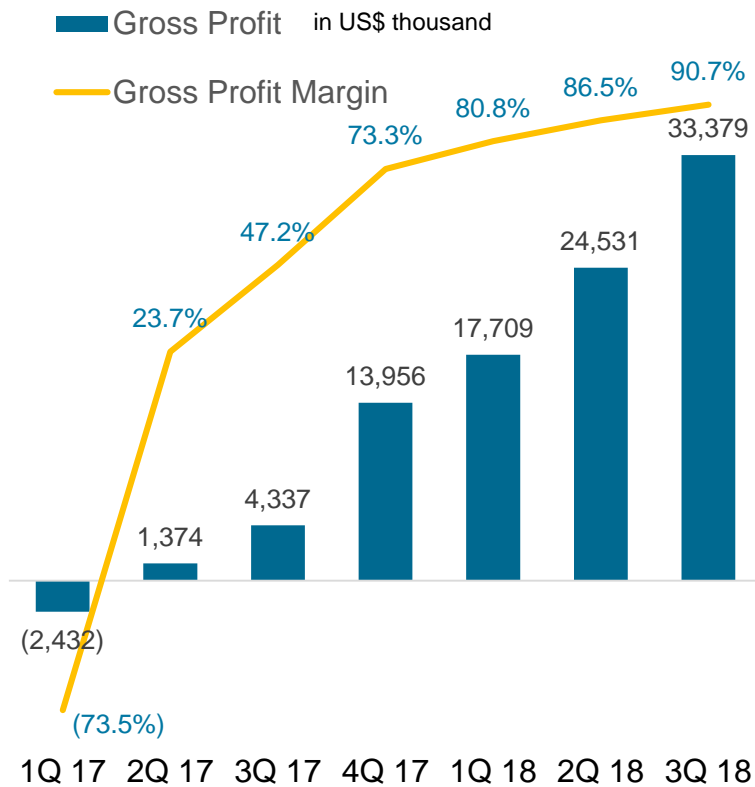


Cost and Expenses as a % of Revenue





GP Margin and Profit Margin





Business Outlook

US\$ in million	FY17 Actual	3Q 2018 Actual	4Q 2018 Guidance	Implied Y/Y
Total Revenue	37.3	36.8	46~47	141.7% ~ 146.9%



GAAP and Non-GAAP reconciliation

US\$ in thousands	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
Net (loss) income	(10,770.7)	(5,463.9)	(5,173.4)	(2,252.9)	1,372.8	2,138.6	2,798.2
Share-based Compensation related to share options and restricted share units	1,767.7	211.3	232.8	213.1	278.1	613.1	657.4
Adjusted Net (Loss) Income	(9,003.0)	(5,252.6)	(4,940.6)	(2,039.8)	1,650.9	2,751.7	3,455.6



CooTek