



Cloopen Group Holding Limited (NYSE: RAAS)

2021Q1 Investor Presentation

June 10, 2021



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Starting 2021 with Great Momentum

2021 Q1 Strong Financial and Operational Performance

Our revenues were RMB204.5 mm, surpassing the top end of our guidance range and representing a 54.4% increase year-over-year. Remarkably, our first quarter gross margin reached 43.0%, compared with the 40.0% gross margin for the full year of 2020, as we benefited from the improved intrinsic value and continuously optimized business mix. In addition, our dollar-based net customer retention rate recovered to 111.6%.

Our Value Proposition

To provide enterprises with intelligent cloud-based products to enable better marketing and customer services, so as to improve their customer acquisition efficiency and retention rates.

Strategic Focus on CC

We have expanded the boundary of CC from merely a communication channel between enterprises and customers, to a more comprehensive tool that includes subsequent customer management.

Branding Upgrade to Ronglian Cloud

Our refined name and brand reflect the expansion from our entry point in cloud-based communications to our current suite of full-fledged products and services for corporate marketing and customer service.

2021Q1 Performance at a Glance



RMB204.5 mm
Revenue⁽¹⁾



43.0%
Gross Margin⁽¹⁾



- RMB59.8 mm
ADJUSTED EBITDA⁽⁵⁾



13,100+
Active Customers⁽²⁾⁽⁴⁾



193
Large-enterprise
Customers⁽³⁾⁽⁴⁾

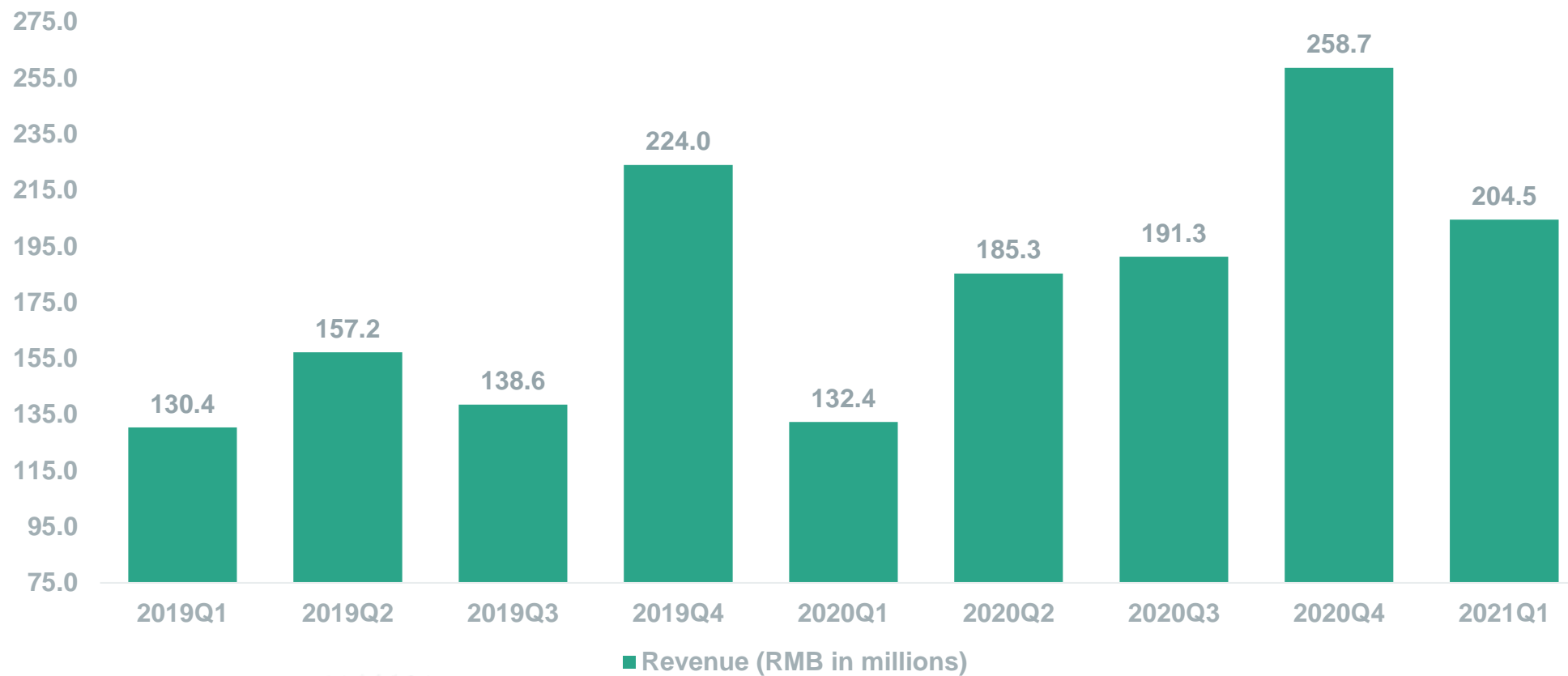


110%+
Dollar-based Retention Rate⁽⁶⁾

Note: (1) 2021Q1 based on unaudited management accounts. (2) Active customers at the end of any period refers to customers which had RMB50 in annual spending in the preceding 12 months in LTM. (3) Large-enterprise customer refers to customers which had over RMB700K (equivalent to ~US\$100K) in annual spending in LTM. (4) As of March 31st, 2021. (5) Adjusted EBITDA is a non-GAAP financial measure. See "Non-GAAP Financial Measure" for information on how the Company defines and calculates the non-GAAP financial measure. A reconciliation of non-GAAP adjusted EBITDA to net loss is set forth at the end of this document. (6) To calculate dollar-based net customer retention rate for a given period, we first identify all customers for solutions that we offer on a recurring basis, unless otherwise specified, with over RMB1,000 in monthly spending in the preceding period, then calculate the quotient from dividing the revenue generated from such customers in the given period by the revenue generated from the same group of customers in the preceding period. Solutions that we offer on a recurring basis include our CPaaS solutions and cloud-based CC solutions deployed primarily on public cloud, for which we charge a combination of seat subscription fees and related resource usage fees.

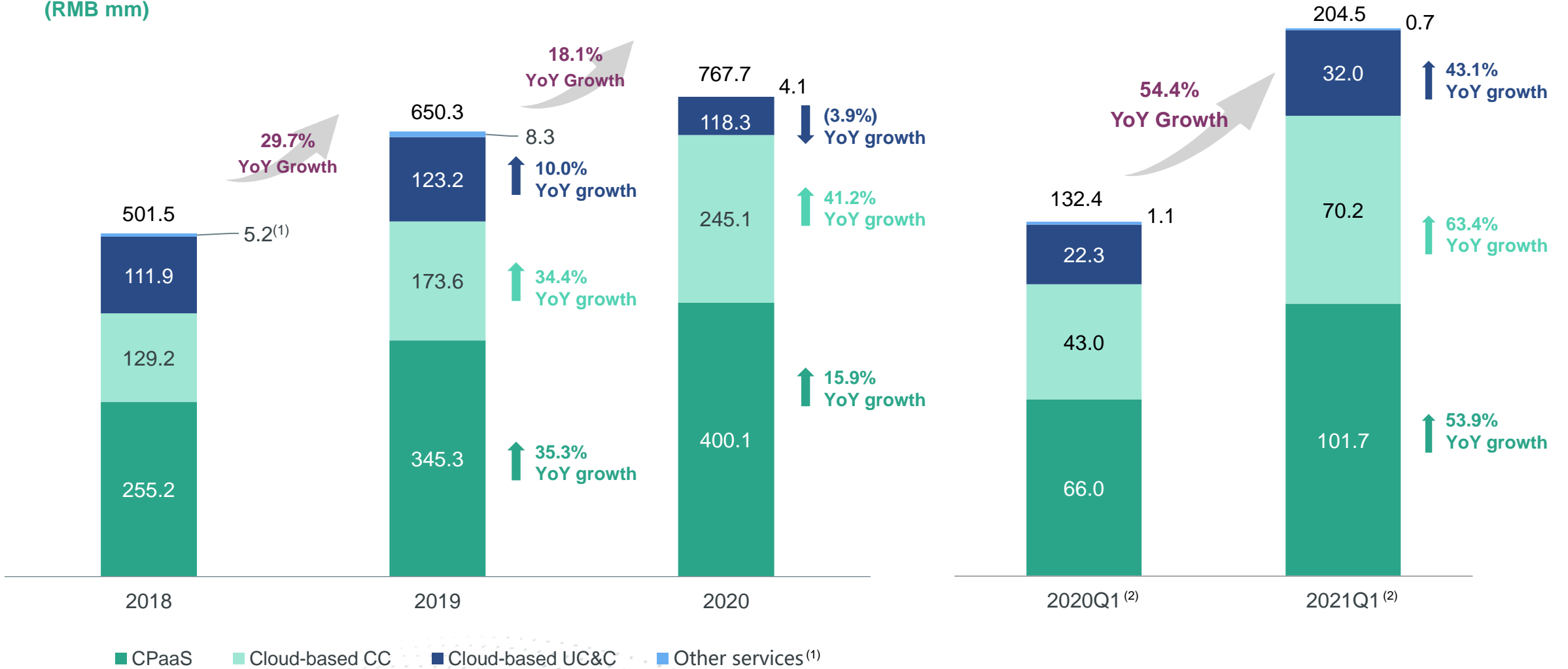
Quarterly Revenue

Revenue by Quarter (Unaudited)



Robust Revenue Growth

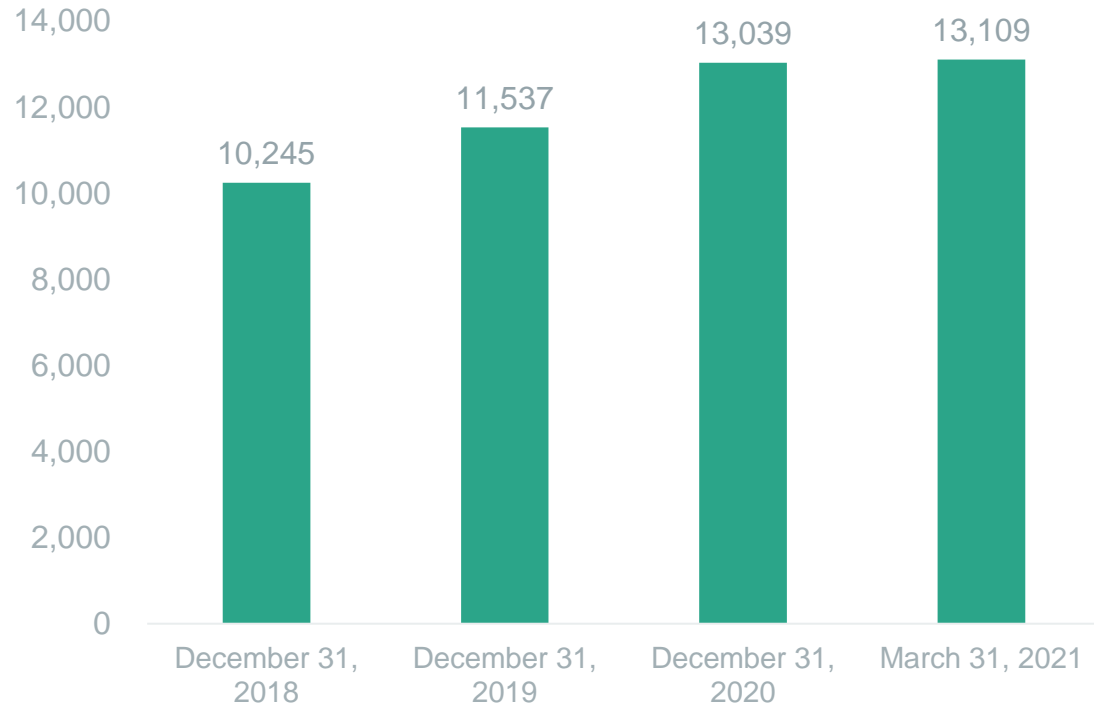
Total Revenues and Breakdown
(RMB mm)



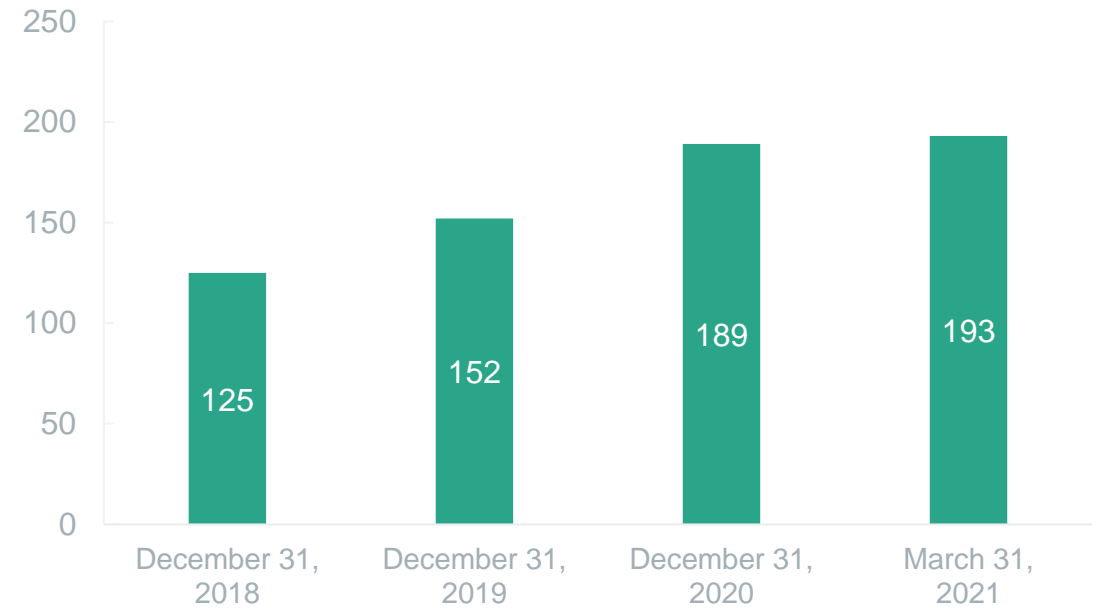
Note: (1) Other services include mobile network operator services and cloud-based value-added services. (2) Unaudited.

Continuously Growing Customer Base

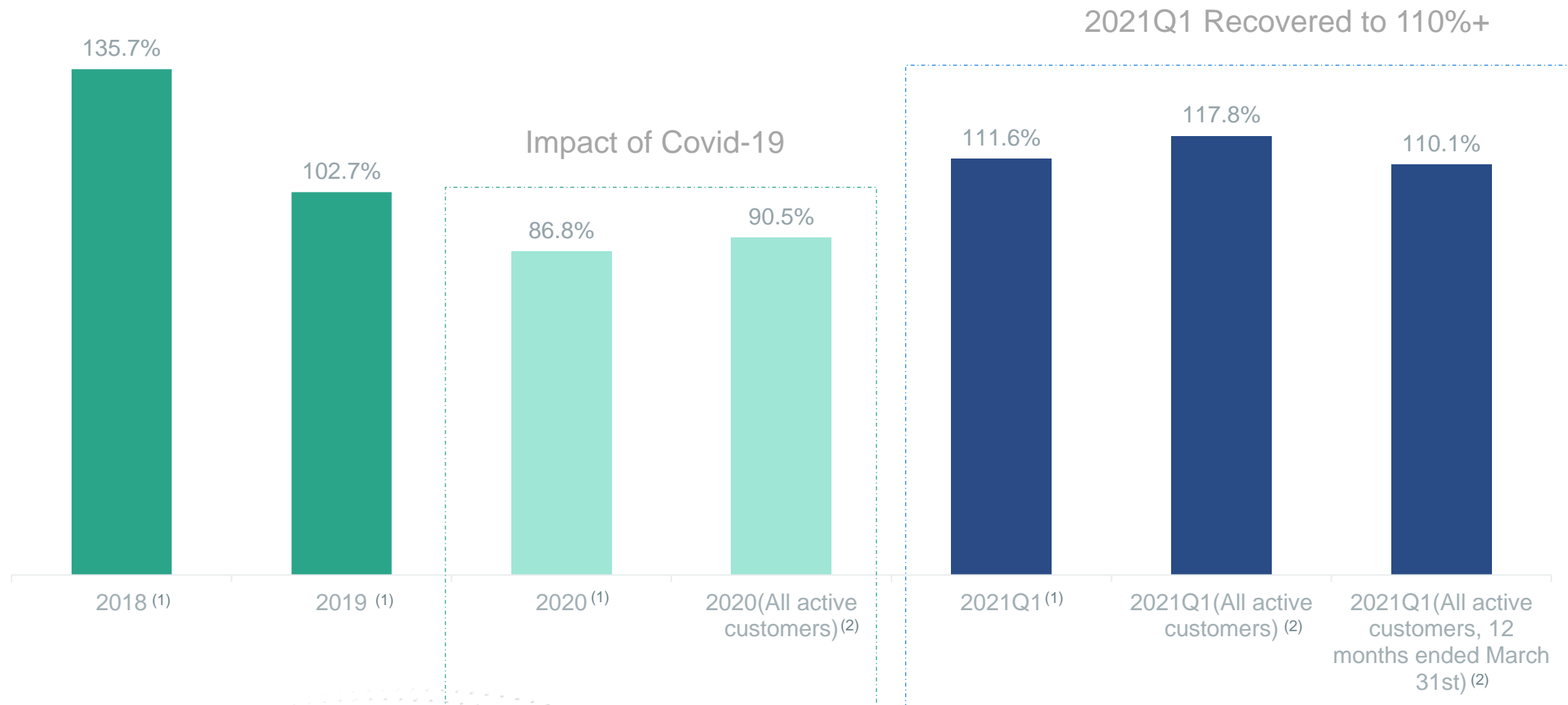
Number of Active Customers



Number of large-enterprise customers



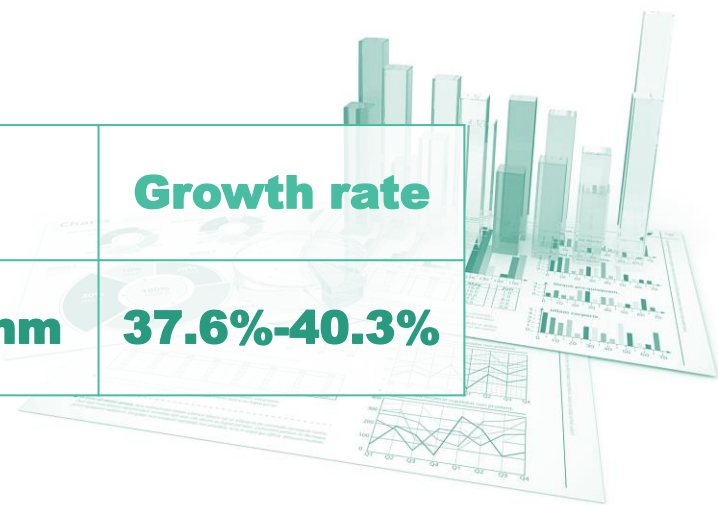
Dollar-based Customer Retention Rate



Note: (1) To calculate dollar-based net customer retention rate for a given period, we first identify all customers for solutions that we offer on a recurring basis, unless otherwise specified, with over RMB1,000 in monthly spending in the preceding period, then calculate the quotient from dividing the revenue generated from such customers in the given period by the revenue generated from the same group of customers in the preceding period. Solutions that we offer on a recurring basis include our CPaaS solutions and cloud-based CC solutions deployed primarily on public cloud, for which we charge a combination of seat subscription fees and related resource usage fees.

(2) Calculated with customers which had RMB50 in annual spending in the preceding 12 months in LTM.

2021Q2 Guidance



| | 2020Q2 | 2021Q2 | Growth rate |
|------------------|---------|-----------------|-------------|
| Revenue (in RMB) | 185.3mm | 255.0mm-260.0mm | 37.6%-40.3% |

Appendix

CLOOPEN GROUP HOLDING LIMITED UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

| | Three-month Period Ended, | | |
|---|---|-------------------|-------------------|
| | March 31, 2020 | March 31, 2021 | March 31, 2021 |
| | RMB | RMB | USD |
| | (in thousands, except for per share data) | | |
| Revenues | 132,434 | 204,530 | 31,217 |
| Cost of revenues | (70,446) | (116,635) | (17,802) |
| Gross profit | 61,988 | 87,895 | 13,415 |
| Operating expenses: | | | |
| Research and development expenses | (38,561) | (68,683) | (10,483) |
| Sales and marketing expenses | (45,922) | (68,304) | (10,425) |
| General and administrative expenses | (38,923) | (100,967) | (15,411) |
| Total operating expenses | (123,406) | (237,954) | (36,319) |
| Operating loss | (61,418) | (150,059) | (22,904) |
| Other income (expense): | | | |
| Interest expenses | (4,141) | (224) | (34) |
| Interest income | 479 | 667 | 102 |
| Investment income | 12 | - | - |
| Gain from disposal of subsidiaries, net | 14,897 | - | - |
| Share of losses of equity method investments | (6) | (803) | (123) |
| Change in fair value of warrant liabilities | 2,505 | (19,259) | (2,939) |
| Foreign currency exchange gains (losses), net | 148 | (2,166) | (331) |
| Loss before income taxes | (47,524) | (171,844) | (26,229) |
| Income tax benefit (expense) | (143) | 815 | 124 |
| Net loss | (47,667) | (171,029) | (26,105) |

Appendix

CLOOPEN GROUP HOLDING LIMITED RECONCILIATION OF GAAP TO NON-GAAP MEASURES

| | Three-month Period Ended, | | |
|---|---------------------------|-------------------|-------------------|
| | March 31, 2020 | March 31, 2021 | March 31, 2021 |
| | RMB | RMB | USD |
| | (in thousands) | | |
| Net loss | (47,667) | (171,029) | (26,105) |
| <i>Add:</i> | | | |
| Depreciation and amortization | 2,067 | 1,853 | 283 |
| Interest expenses, net | 3,662 | (443) | (68) |
| Income tax expense/(benefit) | 143 | (815) | (124) |
| EBITDA | (41,795) | (170,434) | (26,014) |
| <i>Add:</i> | | | |
| Share-based compensation | 9,982 | 88,413 | 13,494 |
| Investment income | (12) | - | - |
| Gain from disposal of subsidiaries, net | (14,897) | - | - |
| Share of losses of equity method investments | 6 | 803 | 123 |
| Change in fair value of warrant liabilities | (2,505) | 19,259 | 2,939 |
| Foreign currency exchange (gains)/losses, net | (148) | 2,166 | 331 |
| Adjusted EBITDA | (49,369) | (59,793) | (9,127) |

Non-GAAP Financial Measure

- ▶ The company uses adjusted EBITDA as an additional non-GAAP financial measure, in evaluating its operating results and for financial and operational decision-making purposes.
- ▶ The Company defines adjusted EBITDA as net loss excluding depreciation and amortization, interest expenses, net, income tax expense/(benefit), share-based compensation, investment income, gain from disposal of subsidiaries, net, share of losses of equity method investments, change in fair value of warrant liabilities and foreign currency exchange (gains)/losses, net. The Company believes that adjusted EBITDA provides useful information to investors and others in understanding and evaluating its operating results.
- ▶ The non-GAAP financial measure adjusts for the impact of items that the Company does not consider indicative of the operational performance of its business and should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to compare the historical non-GAAP financial measure with the most directly comparable GAAP measures. Adjusted EBITDA presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data.
- ▶ A reconciliation of the historical non-GAAP financial measures to their respective most directly comparable GAAP measure has been provided in the tables included below. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measures to their respective most directly comparable GAAP financial measures. In light of the foregoing limitations, you should not consider adjusted EBITDA as a substitute for, or superior to, their respective most directly comparable financial measures prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.