



(SEHK:3738)

# Vobile Group Limited

2022 Annual Results Announcement  
and Investor Conference

April 2023



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- 1 2022 Annual Results**
- 2 Achievements and Outlook of China Market**
- 3 Development Strategy**



# 2022 Annual Results Announcement



## Strong Growth in Performance

**\$184 MM**

**FY2022 Revenue**

**110%** annual growth rate

**20.8%**

**Adjusted EBITDA as % of Revenue**

increased by two consecutive years with a CAGR of **284%**

**\$7.4 MM**

**Net Profit**

Turned loss into profit with a net margin of **4%**

**18.3% ↓**

**Operating Expense as % of Revenue**

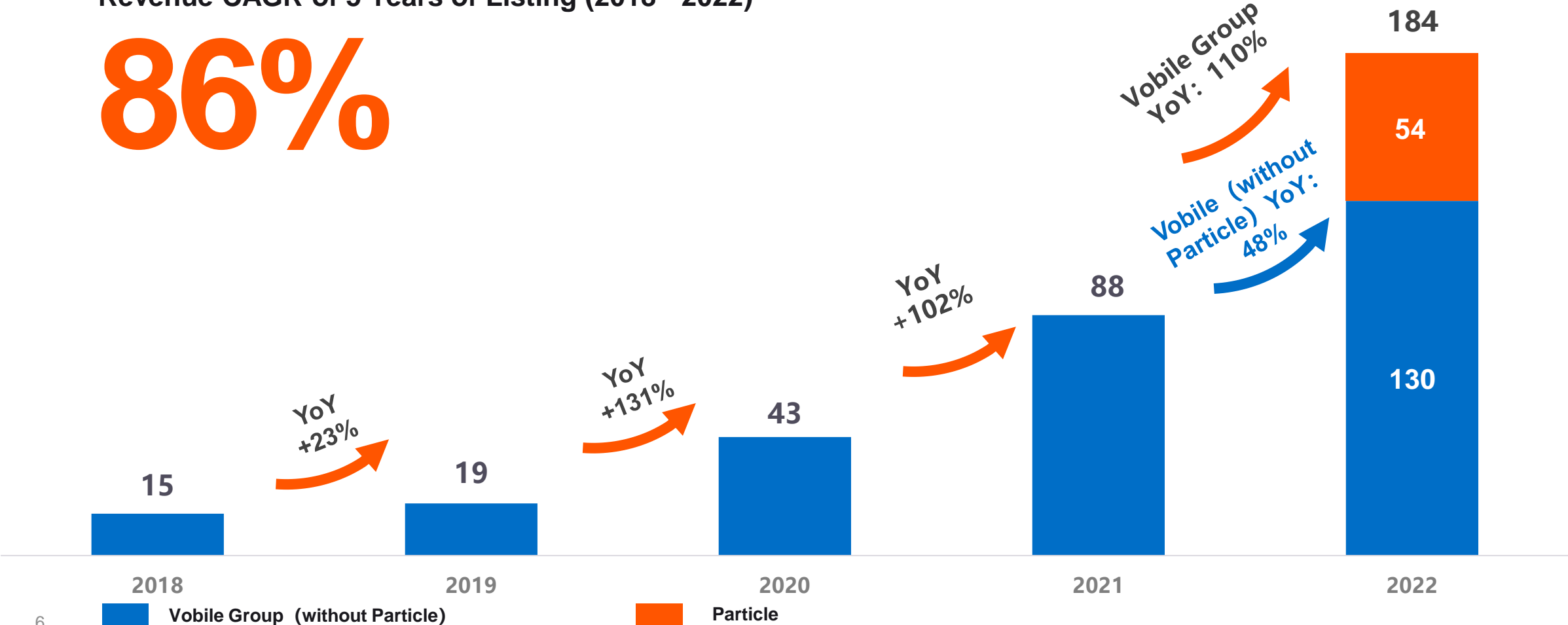
significantly decreased by **18.3 percentage points** compared to last year

# Continued High Total Revenue Growth

Total Revenue (in MM USD\$)

Revenue CAGR of 5 Years of Listing (2018 - 2022)

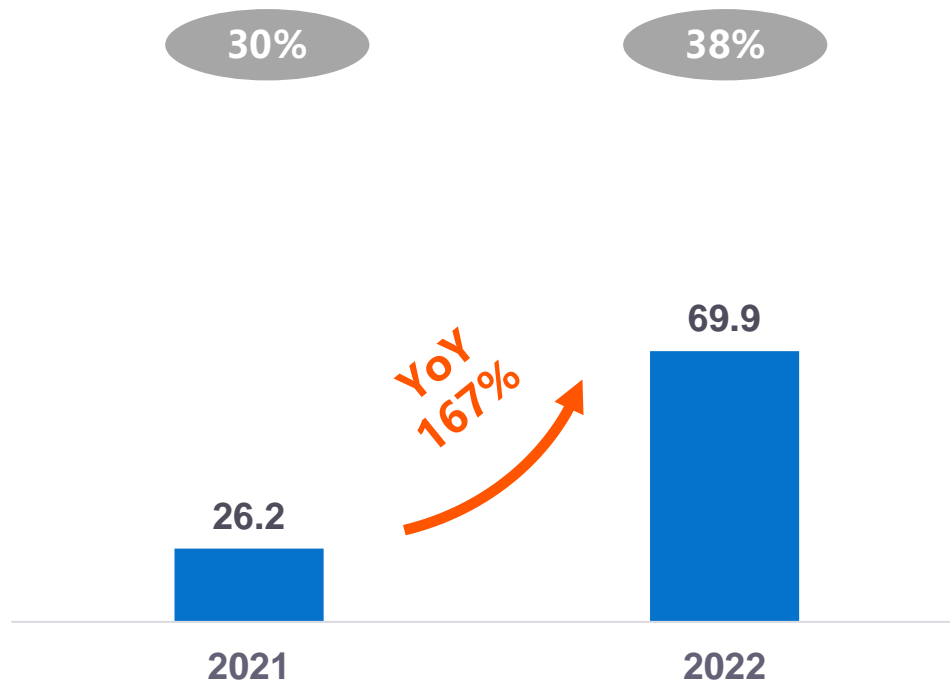
# 86%



# Flywheel Effect of Subscription and Value-added Services to Achieve High Growth

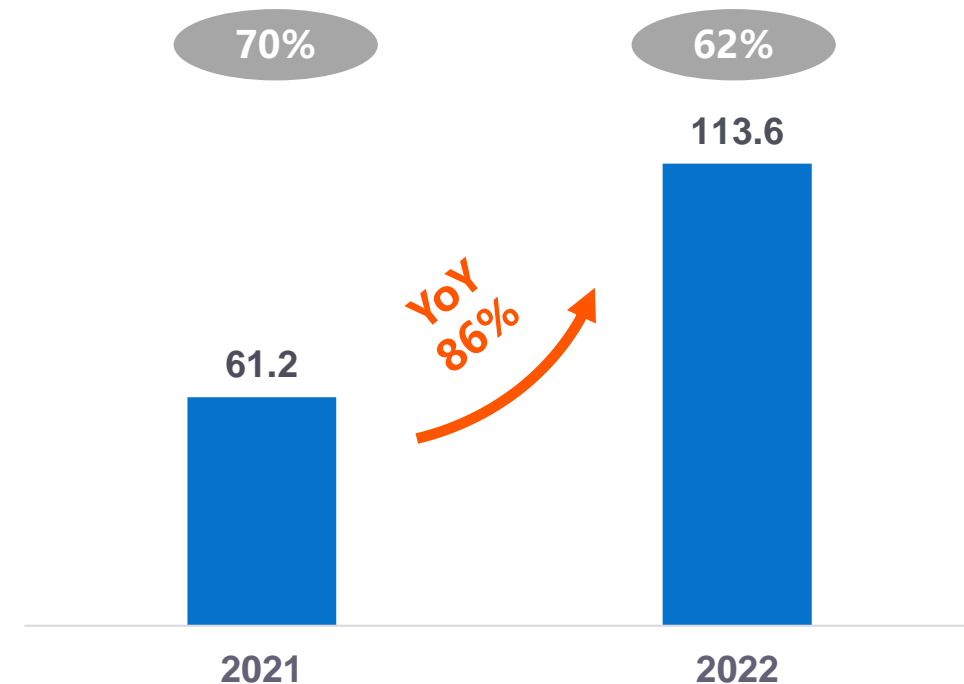


## Strong Increase of Subscription Services (in MM USD\$)



% Subscription services as % of total revenue

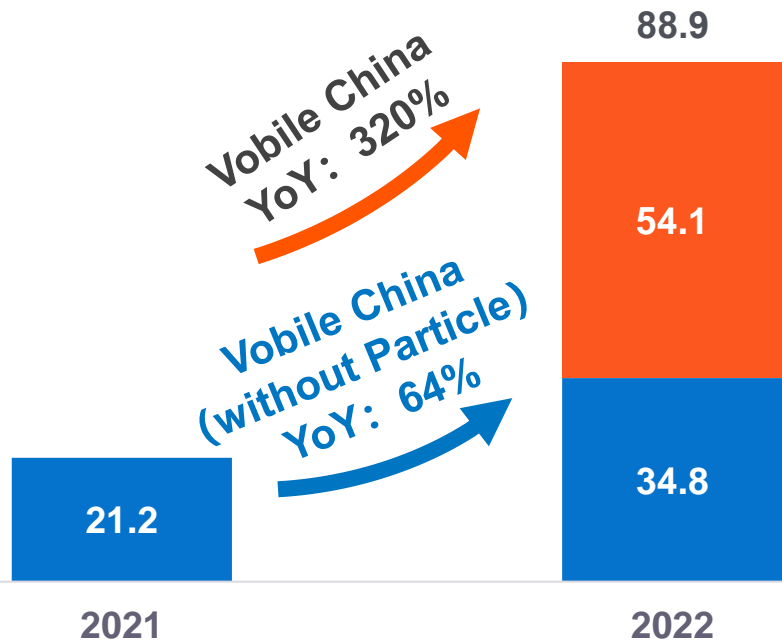
## Strong Increase of Value-added Services (in MM USD\$)



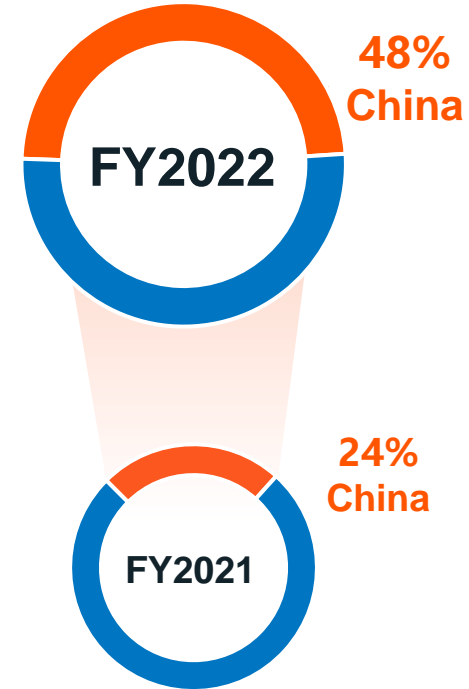
% Value-added services as % of total revenue

# Explosive Growth of Revenue in China

Revenue Growth in China (in MM USD\$)



Rapid Increase of China Revenue as % of Total Revenue

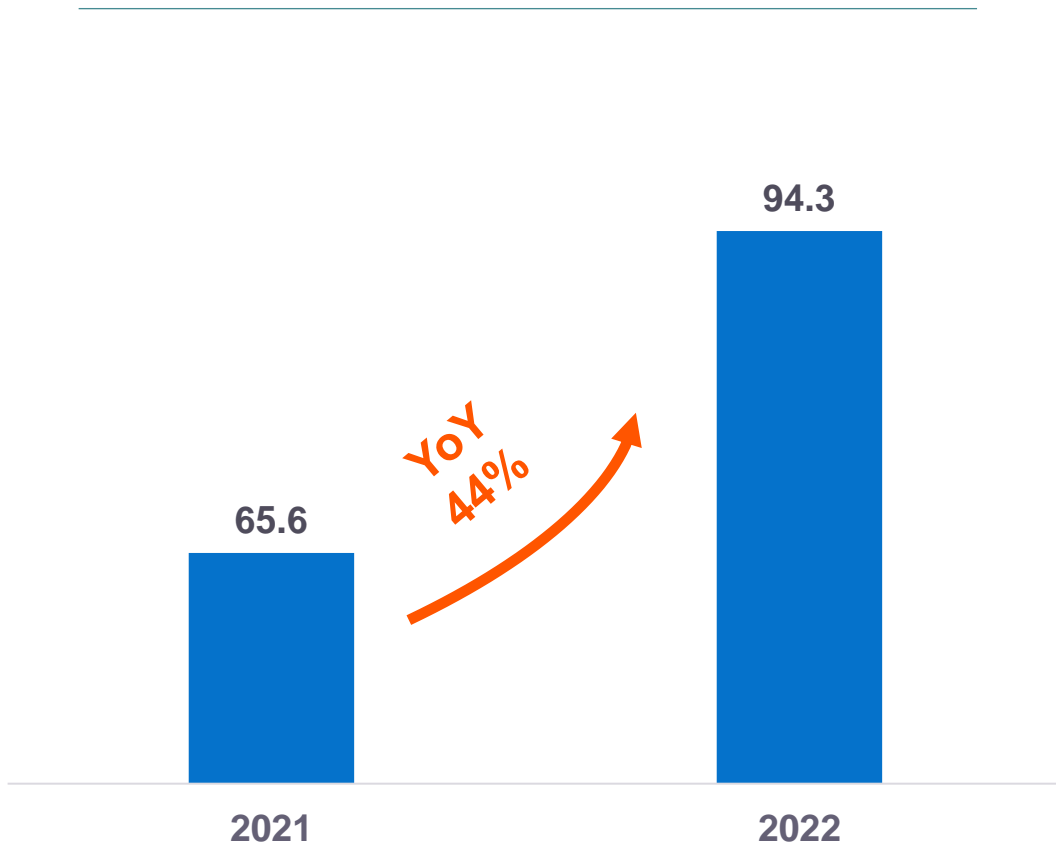


- Completed integration of Particle to expand services in China
- Roll-out of API business model to scale the business
- Global content distribution of Chinese IPs as a new driver for value-added services



# Sustained Rapid Growth of Revenue in the U.S.

Revenue Growth in the U.S. (in MM USD\$)



## Continuous Expansion of U.S. Businesses

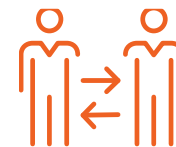


Improved capabilities of content protection by expanded service scenarios



Increased the penetration of existing clients' content library

Upgraded contract for the monetization of the whole content library



Explored diverse monetization models on social media platforms

Provided more comprehensive services for content owners

# Long-term Trusted by Clients and Maximize the Value of Digital Content Assets



## Content Clients

**203**

- Acquired more customers by tapping into further content categories, and established partnerships with premier content partners



## Platform Clients

**132**

- Scaled our business by providing modularized services to platform clients



Total Clients: **335**

Increased by **32** since FY2022 1H

## Social Media Platforms:

Active Assets (by count)

**2.55mm**

Increased by **1mm**  
Since FY2021



## Video-on-Demand Platforms:

Active Assets (by hours)

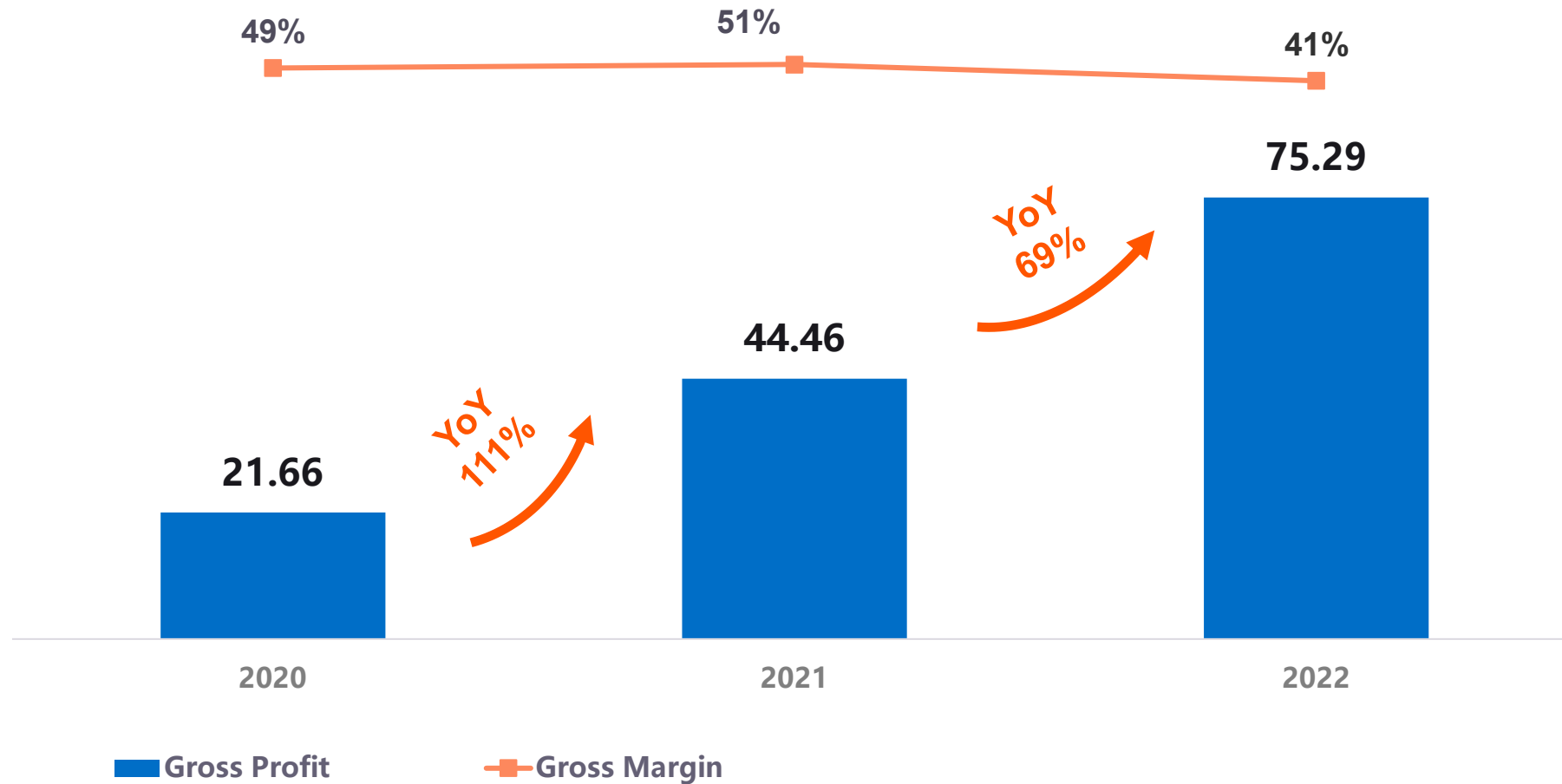
**2.10mm**

Increased by **170K hours**  
since 2022 1H



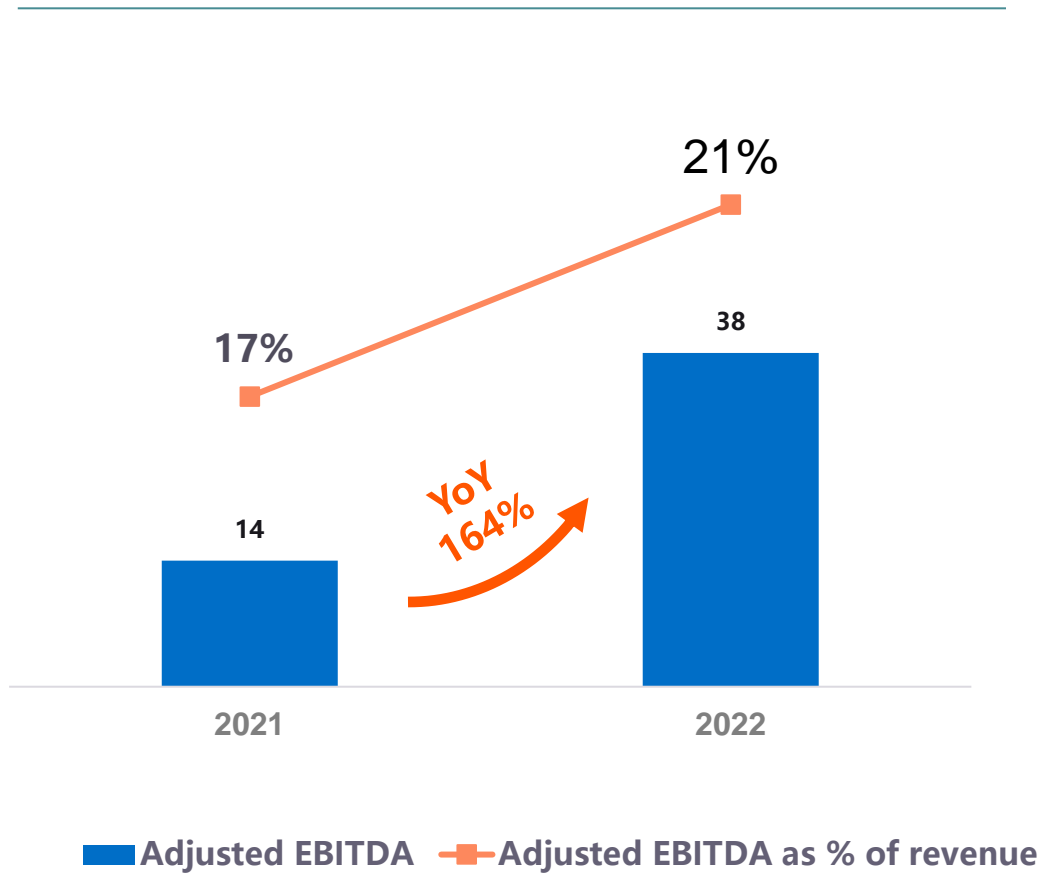
# Continuous Growth of Gross Profit

Gross Profit and Gross Profit Margin (in MM USD\$)

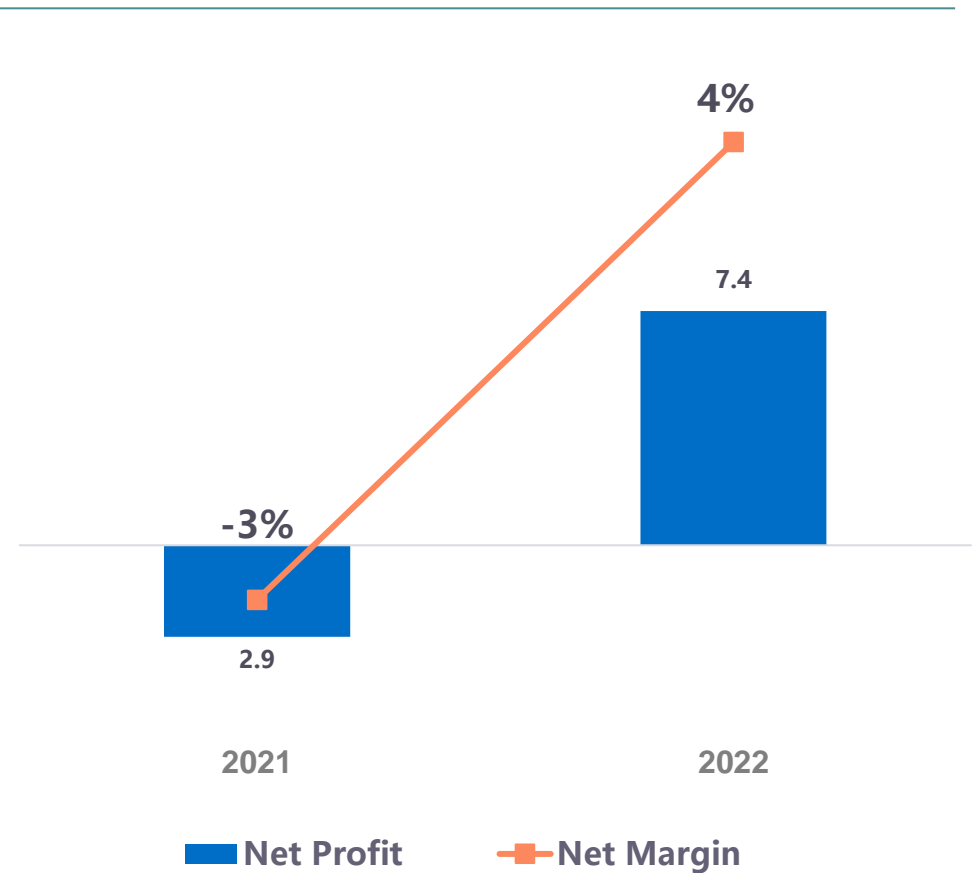


# Turned Loss into Profit and Continue to Improve Operating Cashflow

Adjusted EBITDA(in MM USD\$)



Net Profit and Net Profit Margin(in MM USD\$)

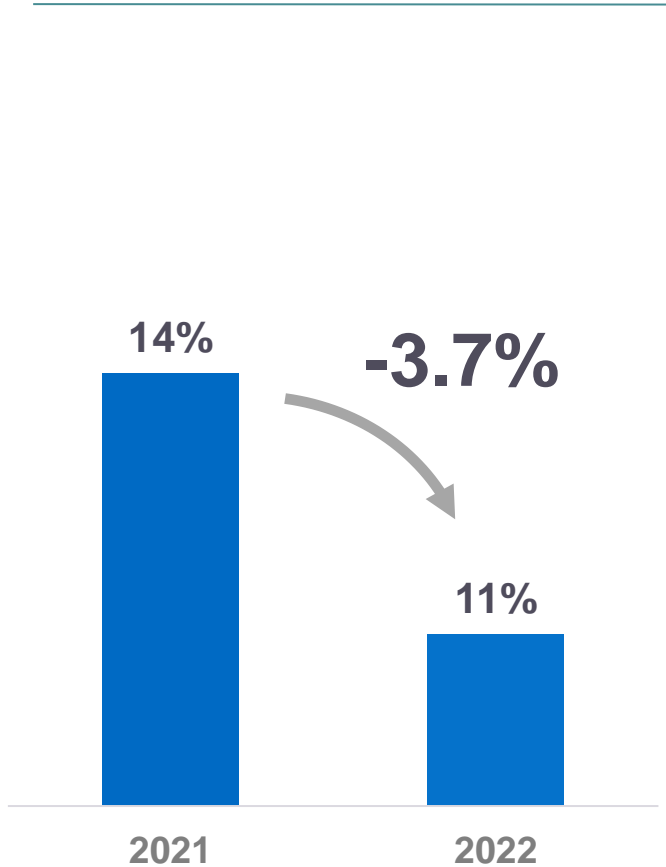


↗ The adjusted EBITDA reached **38mm USD\$** in 2022, with a year-on-year growth of **164%**

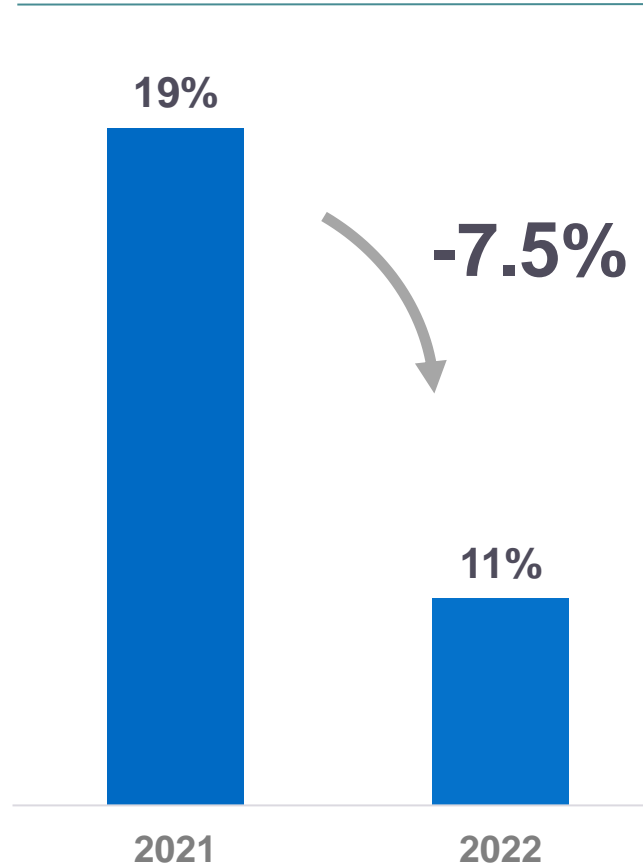
↗ The net profit reached **7.4mm USD\$** and turned loss into a profit

# Effective Cost Management

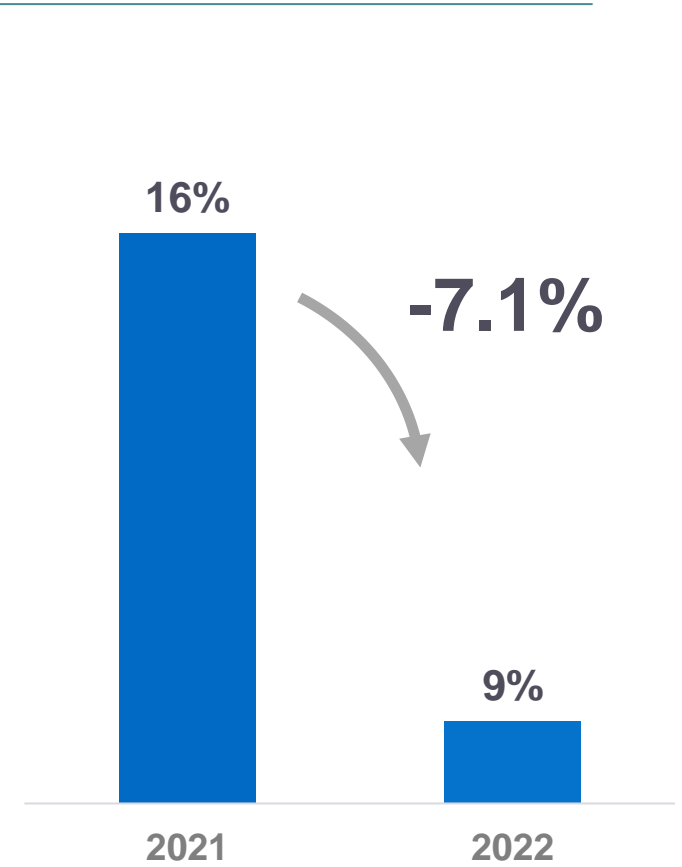
**Selling and Marketing Expenses**  
(as % of revenue)



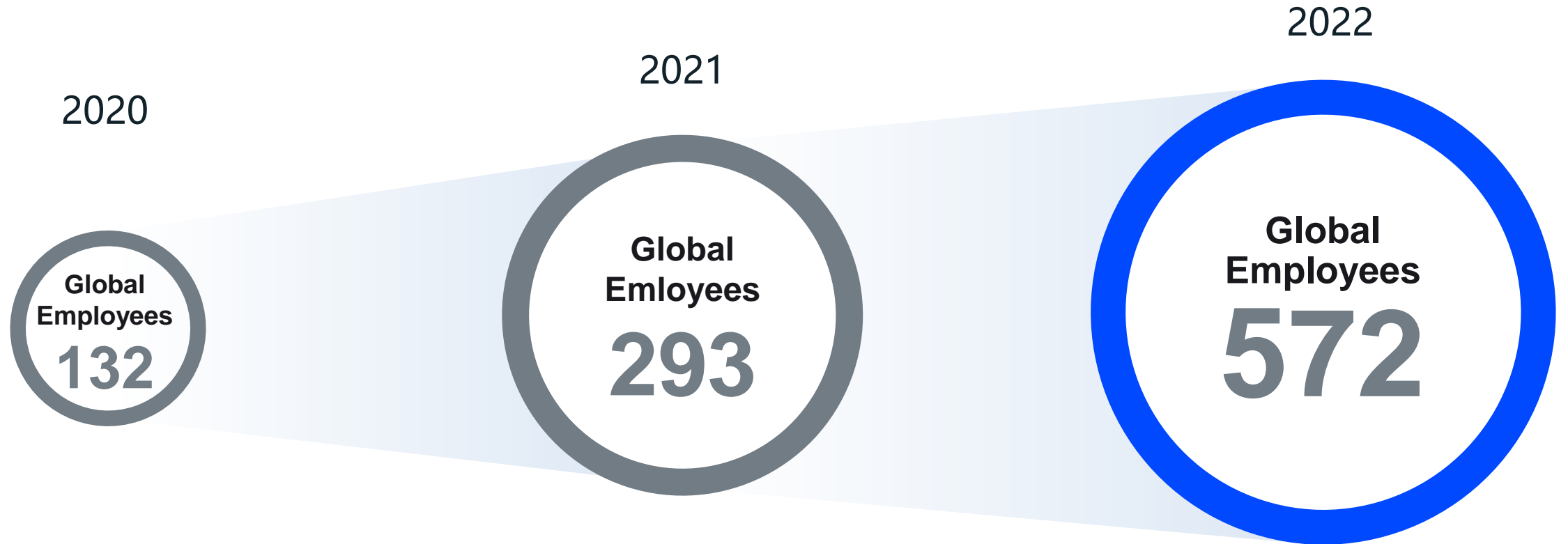
**Administrative Expenses**  
(as % of revenue)



**Research and Development Expenses**  
(as % of revenue)



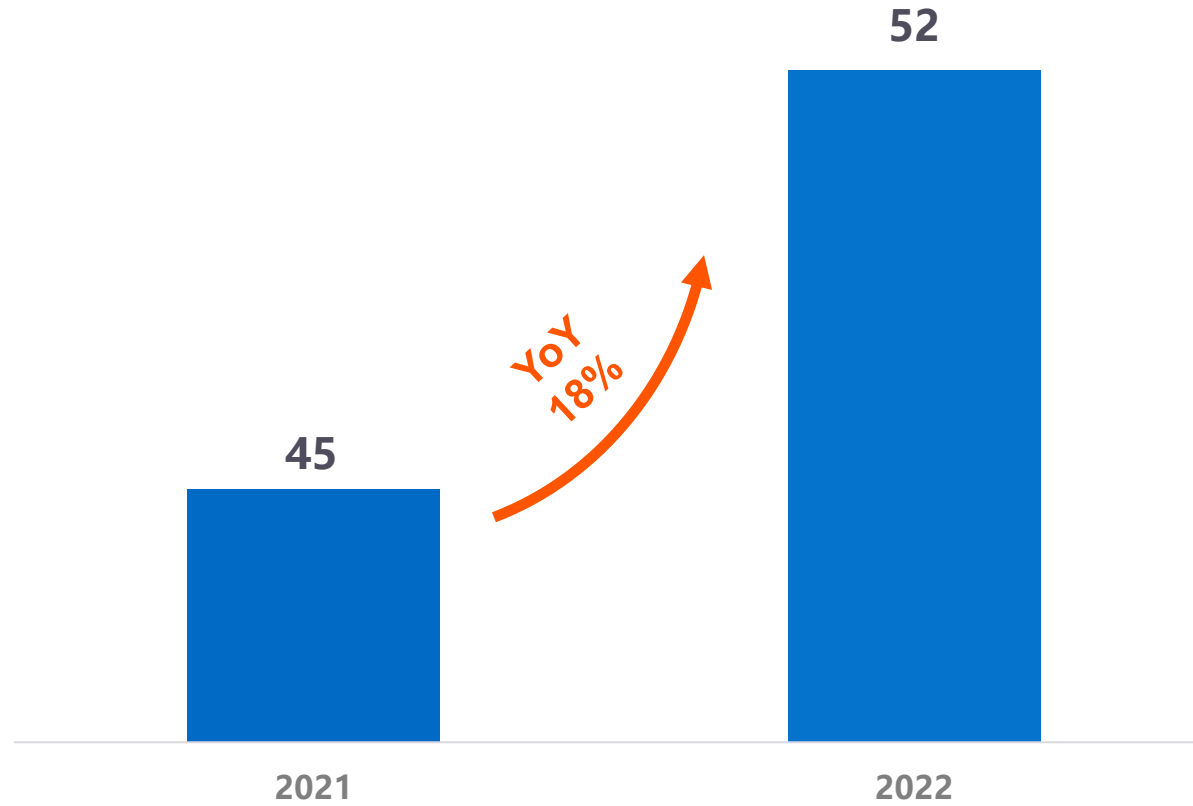
# Team Expansion





# Continuous Increase of ARPU

ARPU (in thousand USD\$)



# Maintained Customer Stickiness

Monthly Recurring Revenue:



**7.3** mm USD\$

NRR  
(without Particle)



**133%**

Customer Retention Rate



**98.5%**

# Solid Execution to Ensure Business and Strategic Development



**Completed Acquisition and Consolidation of Particle Technology**

**Participate in China Digital Economy Development**



**Grew with Our Premier Content Clients during their DTC Transformation**

**Completed Major Contract Upgrade**



**Continued to Optimize Our Capital Structure in a Challenging Financing Environment**



**Effective Cost Control to Maintain a Sustainable Profitability**



# Release of Vobile China Strategy

# Highlights of FY2022 Results

## 1 - Business Highlights

### Increase of API Platform Client Coverage

Established partnerships with Hubei Daily (the third-largest newspaper organization in China) and the largest short video platform in China)

### Deepened Cooperation with Mango TV

Established exclusive partnership with Mango TV for its international content distribution, covering multiple platforms(including YouTube, Facebook, Instagram, and TikTok)

### Deepened Cooperation with Ant Group

Deepened our partnership with Ant Group by extending our protection coverage on image and text digital content and upgraded the joint operation to distribute content globally

### Established Partnership with Bilibili

In addition to Youku and Tencent, Vobile established a partnership with Bilibili to provide Bilibili with subscription services and distribute more content targeted for Gen Z



## 2 · The Rapid Integration of Particle and Vobile Boosts the Development Momentum in China Market



After the acquisition, Vobile Group and Particle Technology rapidly completed integration in **team, product, technology, operation**, and other aspects to jointly promote technology and product innovation and enhance development in the China market.



We provide comprehensive industry solutions and services to digital content platforms. By improving and developing our product portfolio for digital rights management, intelligent video operations, content management systems, and platforms for global content distribution, Vobile will further enhance its solution offerings and competitiveness.



# Vobile's 5-Year Strategy in China



## Mission

**A Leading Innovative Technology Service Provider  
of Digital Culture in China**



# Strategic Positioning



**Pioneer of Digital Cultural Economy in China**



**Innovator in Developing Technology-Enabled Cultural Industry**



**Flag Fleet of Chinese IPs' Global Content Distribution**

# Keywords

**Digitalization  
of Culture**

**Data  
Element**

**Chinese IPs  
Global  
Distribution**

**AIGC**



# 1 - Digitalization of Culture: Improve Services for Digital Content Ecosystem

Based on our proprietary technology of VDNA, watermark and content monitoring, Vobile provides clients with the full-chain service of digital content production, management, right identification, protection, transaction and distribution. Vobile aims to improve cooperation in digital content ecosystem, empower digital culture industry and enhance effective IP monetization in the industry.



## Full-chain Service for Content Rights



## Effective Value Monetization across Ecosystem

### 01 Content Production

- Content Processing
- Media Resources Management

### 02 Content Right Management

- Content Right List
- Content Right Search
- Content Right Analysis
- Content Right Warning
- Value Assessment

### 03 Asset Right Identification

- Content Right Depository
- Registration and Identification

### 04 Protection and Tracking

- Content Right Protection
- Online Monitoring
- Forensic and Retainment
- Content Right Protection

### 05 Content Right Transaction

- Content Right Assignment
- Content Right Licensing
- Content Right Tracking

### 06 Content Streaming

- Streaming Platform
- Digital Watermark
- Intelligent Contract
- Anti-Infringement Chain

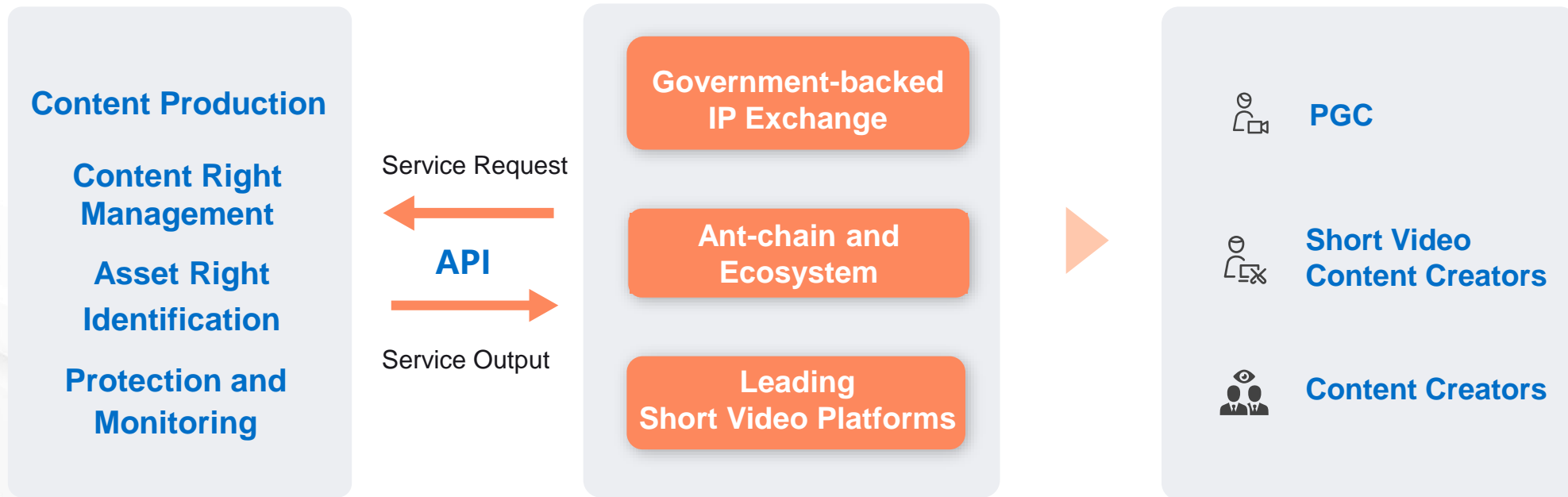


# Business Model for API Business

## SaaS Service Model

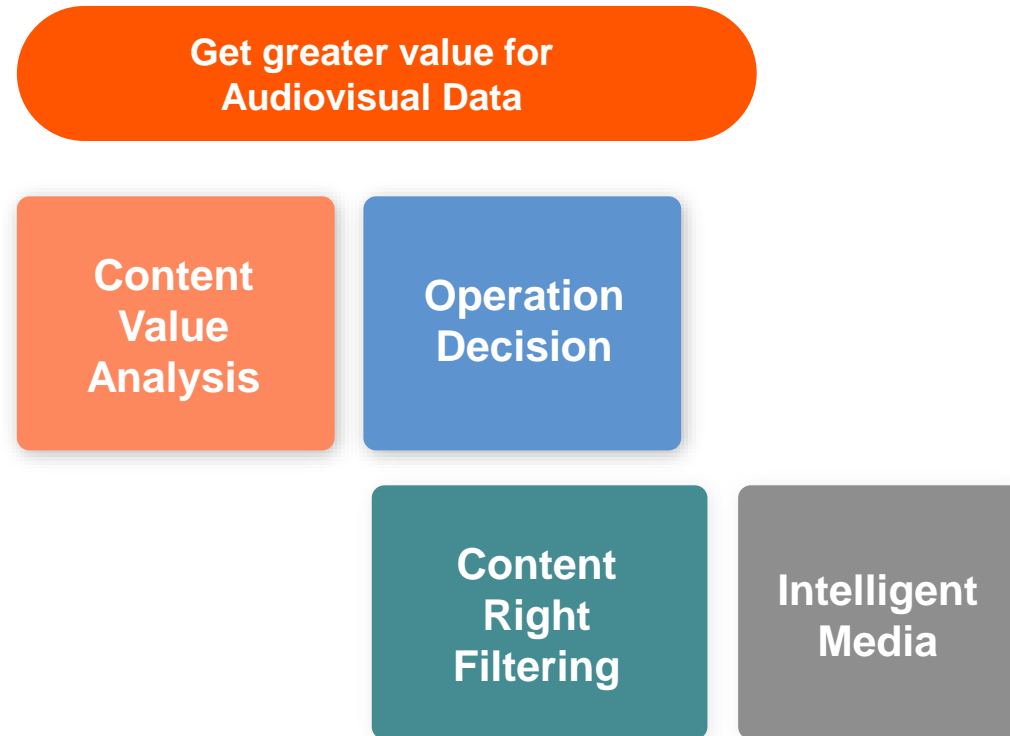
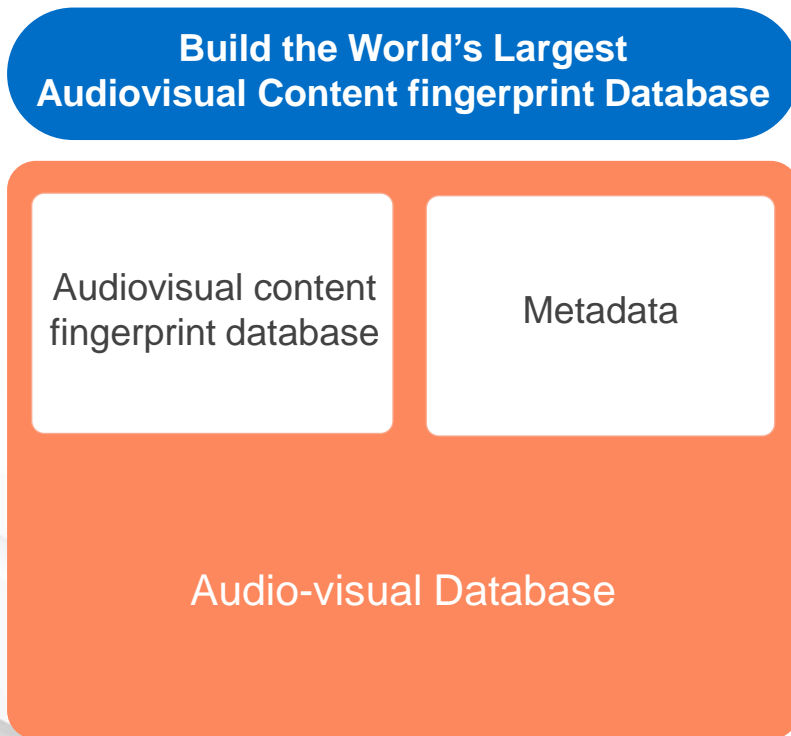
Vobile provides full chain content protection services directly to end customers through the SaaS service platform to effectively monetize the value of digital content.

## API Service Model



## 2 - “Data Element”: Create New Value for Audiovisual Data

- In the era of digital economy, data has become an important factor of production as land, labor, capital and technology.
- We are building the world’s largest audiovisual content VDNA database and meta-database, and providing key technologies for the top-level design of digitalization of video industry, as well as building the industry’s most authoritative audiovisual database for data element distribution.
- Based on multi-dimensional data information, we provide our clients with a wide range of services such as content value analysis, operation decisions, content right filtering, intelligent media, etc, in order to maximize the value of audiovisual data and improve the productivity of content creators.



### 3 - AIGC: New Opportunities for Content Revolution

#### Existing Business

- Currently, Vobile's content right protection mainly serves the leading quality content, whose core value is human creativity. AIGC can not replace it in a foreseeable period of time, thus AIGC will not hit our existing business model. Meanwhile, the new operating environment brought by AIGC, especially the generation of content extending from text and images to video, will drive more attention of leading content providers to content rights protection and rely more on technologies to protect their content.

#### More Opportunities

- AIGC brings a revolutionary tool for content creators, which can quickly generate more basic materials such as text and pictures, greatly improving the efficiency of human creation. Under the new production model of "Human + AIGC Tools", creators will continue to improve the quality and efficiency of content, and the content market will see exponential growth. More valuable content will need to be identified for rights, protection and monetization, and digital content industry will continue to prosper, which will bring us new opportunities.

# 4 - Global Content Distribution of Chinese IPs: a One-step Distribution Platform

We will join hands with industry partners to build a strategic cooperation alliance for global content distribution of Chinese IPs, to empower small and medium-sized creators and content creation platforms in China, and to build an ecosystem. We will establish an **one-step distribution platform** for global content distribution of Chinese IPs, assist Chinese enterprises who seek global distribution to become the **main force of regional cultural distribution**, and build the platform into a **new media for international communication** with multiple forms to help Chinese culture go global.





The 10<sup>th</sup> China Internet Audio & Video Convention:



The Launch of Cooperation for Global Content Distribution of Chinese IPs



10<sup>th</sup> 中国网络视听大会  
China Internet Audio & Video Convention

文化出海生态共建合作  
正式启动

China Internet Audio & Video Convention  
CIAVC  
NEW JOURNEY, 再出发!  
NEW START!

文化出海生态共建合作正式启动





# Group Development Strategy

# Making Creative Content More Valuable



- 
- **Based on Core Capability of Digital Content Rights Identification**
  - **Build Technology Infrastructure for Digital Content Asset Transaction**
  - **Promote Efficient Transaction and Distribution Based on Content IPs**







# Strategy and Prospects

- **The demand for digital rights identification services for content transaction and distribution continues to explode**
- **The fast development of China's digital culture industry creates an increasingly favourable industrial environment**
- **Drive Cutting Edge Product Development Adaptation to Emerging Technologies and Platforms**
- **Expand Product Portfolio for Value-added Services and New Products Enhancements**



# Set up Research and Operation Center in Florida

13:25 5G

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Vobile locates in Gainesville Innovation District, Solidifying Collaboration with the University of Florida

## Vobile locates in Gainesville Innovation District, Solidifying Collaboration with the University of Florida

April 21, 2022



Press release from Greater Gainesville Chamber of Commerce

Vobile, the worldwide leading Software-as-a-Service provider in digital content protection and monetization, announced today the opening of a new R&D and Operations Center in Gainesville, FL, home to more than 75,000 college students between the University of Florida and Santa Fe College. This strategic move is part of the company's rapid growth initiatives. This is the first step in Vobile's plan to create hundreds of jobs in Gainesville.

alachuachronicle.com

UF News

## UF announces \$70 million artificial intelligence partnership with NVIDIA



Artist's rendering of University of Florida's new AI supercomputer based on NVIDIA DGX SuperPOD architecture.





Making Creative Content More Valuable



[vobile.com](http://vobile.com)

## Appendix: Consolidated Statement of Profit or Loss

|                            | <b>FY2022</b><br><i>MM USD\$</i> | <b>FY2021</b><br><i>MM USD\$</i> | <b>YOY</b><br>% |                                   | <b>FY2022</b><br><i>MM USD\$</i> | <b>FY2021</b><br><i>MM USD\$</i> | <b>YOY</b><br>% |
|----------------------------|----------------------------------|----------------------------------|-----------------|-----------------------------------|----------------------------------|----------------------------------|-----------------|
| <b>Revenue</b>             | <b>183.78</b>                    | <b>87.46</b>                     | <b>110.1%</b>   | <b>Gross profit</b>               | <b>75.25</b>                     | <b>44.43</b>                     | <b>69.4%</b>    |
| <i>Segment by business</i> |                                  |                                  |                 | Other income and gains            | 6.81                             | 0.70                             | 869.7%          |
| Subscription services      | 69.94                            | 26.21                            | 166.8%          | Selling and marketing expenses    | (19.36)                          | (12.47)                          | 55.3%           |
| Value-added services       | 113.64                           | 61.24                            | 85.6%           | Administrative expenses           | (20.75)                          | (16.41)                          | 26.4%           |
| Other services             | 0.20                             | -                                | NA              | R&D expenses                      | (16.96)                          | (14.25)                          | 19.0%           |
| <i>Segment by region</i>   |                                  |                                  |                 | Finance costs                     | (11.82)                          | (2.57)                           | 359.9%          |
| Mainland China             | 88.87                            | 21.17                            | 319.8%          | Other expenses                    | (1.38)                           | (1.32)                           | 4.5%            |
| United States              | 94.27                            | 65.63                            | 43.6%           | <b>Profit/(loss) before tax</b>   | <b>11.79</b>                     | <b>(1.90)</b>                    | <b>N/A</b>      |
| Others                     | 0.64                             | 0.66                             | (2.2%)          | Income tax expense                | (4.39)                           | (0.99)                           | 341.5%          |
| Cost of services           | (108.53)                         | (43.03)                          | 152.2%          | <b>Profit/(loss) for the year</b> | <b>7.40</b>                      | <b>(2.89)</b>                    | <b>N/A</b>      |

## Appendix: Summary of Balance Sheet

|                                 | <b>FY2022</b><br><i>MM USD\$</i> | <b>FY2021</b><br><i>MM USD\$</i> | <b>YOY</b><br>% |                                      | <b>FY2022</b><br><i>MM USD\$</i> | <b>FY2021</b><br><i>MM USD\$</i> | <b>YOY</b><br>% |
|---------------------------------|----------------------------------|----------------------------------|-----------------|--------------------------------------|----------------------------------|----------------------------------|-----------------|
| <b>Total assets</b>             | <b>415.33</b>                    | <b>225.50</b>                    | <b>84.2%</b>    | <b>Total current liabilities</b>     | <b>134.30</b>                    | <b>24.39</b>                     | <b>450.5%</b>   |
| <b>Total non-current assets</b> | <b>254.32</b>                    | <b>120.69</b>                    | <b>110.7%</b>   | Trade payables                       | 35.63                            | 17.35                            | 105.3%          |
| Goodwill                        | 150.88                           | 77.36                            | 95.0%           | Interest-bearing bank borrowing      | 83.14                            | -                                | N/A             |
| Other intangible assets         | 49.43                            | 14.20                            | 248.2%          | <b>Total non-current liabilities</b> | <b>67.83</b>                     | <b>5.39</b>                      | <b>1157.8%</b>  |
| Deferred tax assets             | 11.95                            | 10.65                            | 12.2%           | Interest-bearing borrowing           | 44.74                            | -                                | N/A             |
| <b>Total current assets</b>     | <b>161.01</b>                    | <b>104.81</b>                    | <b>53.6%</b>    | Deferred tax liabilities             | 9.50                             | 3.51                             | 170.6%          |
| Trade receivables               | 87.41                            | 34.35                            | 154.5%          | <b>Net assets</b>                    | <b>213.20</b>                    | <b>195.71</b>                    | <b>8.9%</b>     |
| Pledged deposits                | 26.48                            | -                                | N/A             | <b>Total equity</b>                  | <b>213.20</b>                    | <b>195.71</b>                    | <b>8.9%</b>     |
| Cash and cash equivalents       | 28.85                            | 63.29                            | (54.4%)         |                                      |                                  |                                  |                 |

For the year ended 31 December 2022