

Stock Code 777.HK

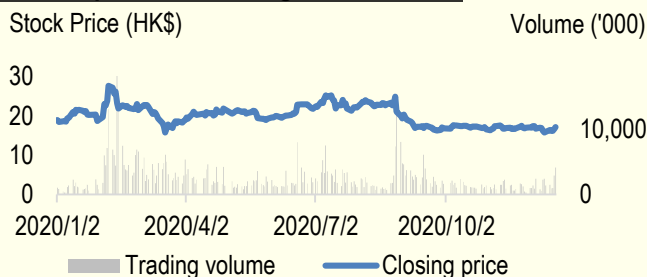
Stock Price (As at 18 Dec 2020) HK\$ 17.16

Market Cap (As at 18 Dec 2020) HK\$9.63 billion



NetDragon
NetDragon Websoft Holdings Limited
網龍網絡控股有限公司

YTD share prices and trading volume in 2020



About NetDragon

NetDragon Websoft Holdings Limited (HKSE: 0777) is a global leader in building internet communities with a long track record of developing and scaling multiple internet and mobile platforms that impact hundreds of millions of users, including previous establishments of China’s first online gaming portal, 17173.com, and China’s most influential smartphone app store platform, 91 Wireless.

Established in 1999, NetDragon is one of the most reputable and well-known online game developers in China with a history of successful game titles including Eudemons Online, Heroes Evolved and Conquer Online. In recent years, NetDragon has also started to scale its online education business on the back of management’s vision to create the largest global online learning community, and to bring the “classroom of the future” to every school around the world. For more information, please visit www.netdragon.com.

Corporate Development

- 21 Dec** NetDragon wins “Top 100 Hong Kong Listed Companies – New Economy - Technology Company” award
NetDragon has won the “Top 100 Hong Kong Listed Companies – New Economy - Technology Company” award for its outstanding performance in promoting technology advancement and innovation.
- 16 Nov** NetDragon wins Bloomberg Businessweek / Chinese Edition’s “Listed Enterprizes of the Year 2020” award
The honor of receiving the “Listed Enterprises of the Year 2020” award is a recognition of NetDragon’s investment value by the capital market and professional investors. It also represents international recognition of NetDragon’s outstanding performance in education and gaming.
- 29 Oct** NetDragon named “Top 100 Internet Companies in Comprehensive Strength” by Internet Society of China for 8 consecutive years
NetDragon has once again been named “Top 100 Internet Companies in Comprehensive Strength”, a testament to the Company’s core competency and its well-developed and sustainable business model.

Disclaimer

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NetDragon Websoft Holdings Limited Investor Relation

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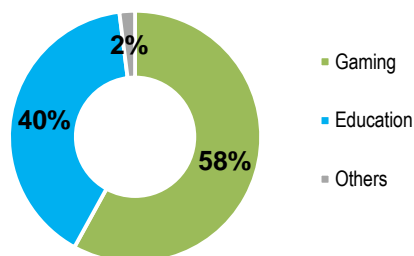
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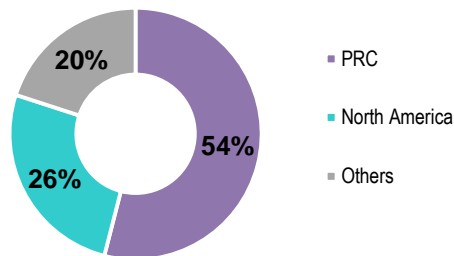
2020 Interim Results

(RMB'000)	1H 2020			1H 2019			Change		
	Gaming	Education	Overall	Gaming (Restated)	Education (Restated)	Overall	Gaming	Education	Overall
Revenue	1,647,334	1,137,941	2,822,858	1,575,849	1,048,529	2,672,547	4.5%	8.5%	5.6%
Gross profit	1,583,529	285,208	1,869,271	1,513,024	351,916	1,864,993	4.7%	-19.0%	0.2%
Gross margin	96.1%	25.1%	66.2%	96.0%	33.6%	69.8%	+0.1 ppt	-8.5 ppt	-3.6 ppt
Core segmental profit / (loss)	943,605	(377,294)	434,429	948,701	(282,425)	480,363	-0.5%	33.6%	-9.6%

Revenue by business segments (1H 2020)



Revenue by regions (1H 2020)



Growth Drivers

Education Business

1. Growing traction of our unique country top-down model to drive country-wide adoption of our blended learning offerings in multiple countries (including Egypt, Thailand, Ghana, Malaysia and several others under discussion)
2. Imminent monetization of our flagship learning platform Edmodo, which is a core part of the country-level discussions and is expected to start scaling following signing of the contracts
3. Long-tail education content and service revenue coming from the country top-down adoption
4. Growing global penetration of classroom technology, which will be a driver of our Promethean classroom solution revenue (Promethean being a global market leader in this business)
5. Increasing user adoption of our flagship platform in China, 101 Education PPT, with a 48% QoQ increase in monthly active installed base in Q3 to 1.6 million, which currently represents one of the largest active teacher user base in China

Gaming Business

1. Expansion of gaming portfolio under our flagship IPs, leveraging their current combined registered user base of over 700 million
2. Robust pipeline of five new games expected to be launched in the coming months, including *Eudemons Legend*, *Eudemons Mobile 2*, *Under Oath* and more
3. Extension beyond RPG and MOBA into new game genres including casual and strategy games
4. Overseas expansion of both our existing and new titles (Overseas revenue grew significantly in 1H2020 and we are expecting to launch five new titles in overseas in 2021)

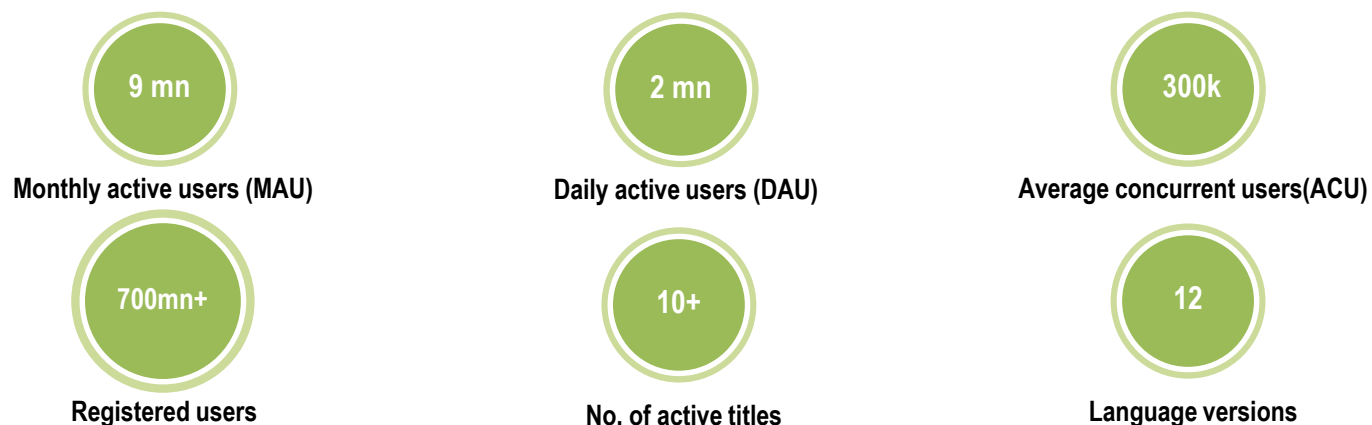
Upcoming Roadshows

Date	Upcoming Roadshows
5 Jan 2021	DBS Vickers Pulse of Asia Conference 2021: The Digital Edition
6 Jan 2021	Credit Suisse Greater China Technology and Internet Conference
7 Jan 2021	Morgan Stanley Virtual China New Economy Summit



Gaming Business – Operation Overview

* Data in Q3 2020



Gaming Business – Business Development

- 1 Dec** NetDragon’s Jumpstart launches new Neopets merchandize licensing program
 JumpStart is partnering with more brands and artists to co-launch a new batch of merchandizes for Neopets fans to interact with their Neopets online and offline
- 16 Oct** Heroes Evolved launched IP crossover with That Time I Got Reincarnated as a Slime on both PC and mobile versions
 Heroes Evolved collaborated with That Time I Got Reincarnated as a Slime, a famous Japanese online novel, and the first character "Rimuru" officially joined Heroes Evolved as a new hero
- 16 Sep** Eudemons Online launches new expansion pack – Ancient Era: Unveiled Relics
 The new expansion pack was officially released on 16 September
- 10 Sep** NetDragon launches Eudemons Storm II, a new game under flagship Eudemons IP
 Eudemons Storm II, a new game of the Eudemons Online series developed by NetDragon and published by Kingsoft Season Shiyou, was officially released
- 5 Aug** Heroes of Ages, a new game of Heroes Evolved IP officially released
 Heroes of Ages mobile game introduced MOBA-style hero skills and RTS real-time strategy elements, bringing an authentic strategy game experience

Gaming Business – New Games Pipeline

Eudemons IP	<i>Eudemons Mobile II*</i> (Open world MMO mobile)	<i>Eudemons Legends H5*</i> (HTML5)
Neopets IP	<i>Neopets Match 3</i> (Casual mobile)	<i>Neopets Island Builders</i> (Casual mobile)
Heroes Evolved IP	<i>Heroes Evolved Thrones*</i> (TCG Battle mobile)	
New IP	<i>Under Oath*</i> (JRPG mobile)	

* Already gained approval from regulator



Education Business – Operation Overview

*Data as of Sep 2020
*Global K-12 market, excluding China



Education Business – Business Development

- 8 Dec** **NetDragon leverages technological and R&D strengths to assist the launch of Shaanxi Education Informatization Platform 2.0**
 As a unified educational informatization platform of Shaanxi Province's Education Department, it covers education administrators, schools, teachers and parents, and will be promoted across the province starting from 2021. Shaanxi Province's Education Department will onboard nearly 5 million teachers and students in early education, fundamental education and vocational education for the Platform
- 10 Nov** **NetDragon wins tender of AI education service platform project for primary and secondary schools in Henan Province**
 NetDragon has won the tender of Henan Province's artificial intelligence (AI) education service platform project for primary and secondary schools in contribution to the integration between AI with basic education
- 9 Nov** **NetDragon's Edmodo selected as exclusive online learning platform in Ghana**
 Edmodo is expected to tap into more than 30,000 public and private schools in Ghana, reaching 9.3 million students and 450,000 teachers under the cooperation
- 23 Oct** **NetDragon collaborates with Pearson, expanding K-12 education library with agreement to license digital content**
 Pearson's high-quality interactive math and science content would be distributed through NetDragon's global learning community, led by subsidiaries Edmodo, Promethean and JumpStart among others
- 13 Oct** **Sony Global Education and NetDragon's Huayu Education jointly launch "Smart Education Platform" to enter Japanese market**
 The platform will be first launched in certain key prefectures in Kanto region of Japan to provide education information management and education big data services to domestic education institutions
- 1 Sep** **NetDragon's ChiVox launches AI-enabled primary school education product "Chivox Intelligent English Learning" (驰声优学)**
 "Chivox Intelligent English Learning" adopts the OMO (Online-Merge-Offline) model and self-developed intelligent oral assessment technologies. Together with the "Chivox Intelligent English Learning Journal" (驰声优学报), it provides teachers and students with both online and offline environments for teaching and learning. It will be monetized via SaaS model
- 17 Aug** **NetDragon's JumpStart launches Zoo Guardians AR mobile game with Smithsonian's National Zoo and Conservation Biology Institute**
 Zoo Guardians is a creative and educational AR mobile game for K-12 children, which enables players to learn about wildlife and nature conservation through a virtual world

Education Business – Top-down Country / District Adoption



Egypt

- Signed an MOU with Ministry of Education of Egypt (Egypt MOE) in August with a mutual commitment to deliver a customized country-wide blended learning solution that integrates our Promethean and Edmodo offerings, which is expected to generate sizable multi-year revenue streams, starting in 1H2021
- Edmodo became a national online learning platform designated by the Ministry of Education, covering 22 million students and 1 million teachers nationwide
- Several product workstreams under the MOU are moving ahead in close collaboration with the Egypt MOE



Thailand

- Edmodo and Coding Galaxy were selected by Thailand Ministry of Education as online learning platform and coding learning solutions
- Discussion in progress on upcoming pilot run



Vermont

- Statewide adoption for teacher professional development
- Chosen over existing platforms due to Edmodo's ease of adoption & high user engagement



Ghana

- Edmodo was selected by the Ministry of Education of Ghana as the exclusive online learning platform for the country's K12 education system
- To enter more than 30,000 public and private schools in Ghana, covering 9.3 million students and 450,000 teachers in the country

