



CHINA YOUZAN
08083.HK

China Youzan

2021 Interim Results Presentation

11 August 2021

A Better Business with Youzan
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Our vision is to become the most trusted leader in commerce services, and keep being an enjoyable organisation.

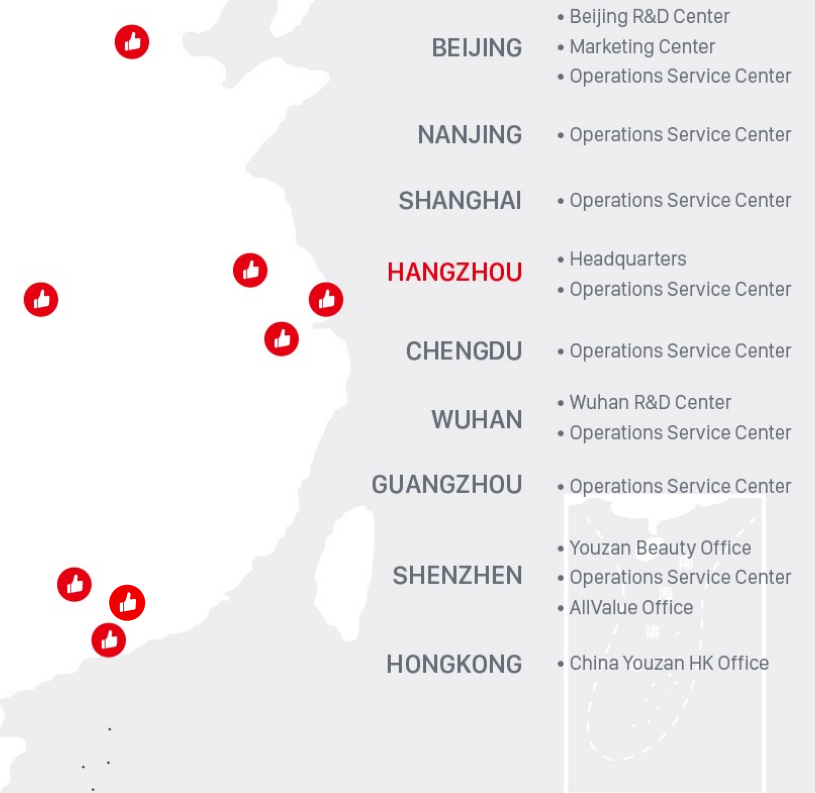
China Youzan is a merchant services provider company. We provide:

- SaaS Products: Youzan WeiMall, Youzan Retail, Youzan Chain, Youzan Beauty, Youzan Education, and Youzan Mini program;
- PaaS Services: “Youzan Cloud” created for third-party developers;
- Payment Services: Payment Certificate License issued by The People’s Bank of China.

We offer our merchants a powerful SaaS software system embedded in social networks with Omni-channel operation and integrated new retail solutions, apply PaaS to achieve business customization, and we provide extended services, such as Youzan Guarantee, Youzan Distribution, Youzan Advertisement, and others to help every merchant, who values products and services, to privatize customer assets, expand Internet customer base, improve business efficiency, and help their businesses succeed in all aspects.

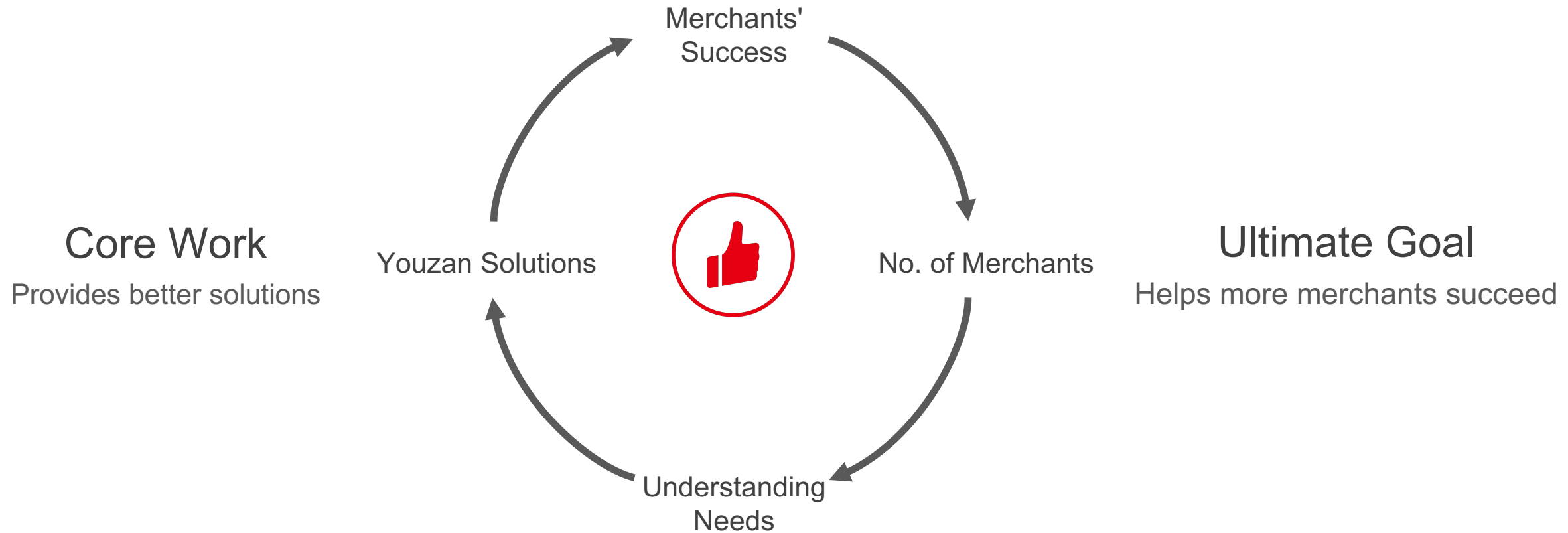
As of 30 June 2021, we have 4,008 employees, with 41% of sales, 36% of product and technology, 16% of service and operation and 7% of management and support.

A Better Business with Youzan





| Our Mission: to help every merchant who values products and services achieve success in commerce





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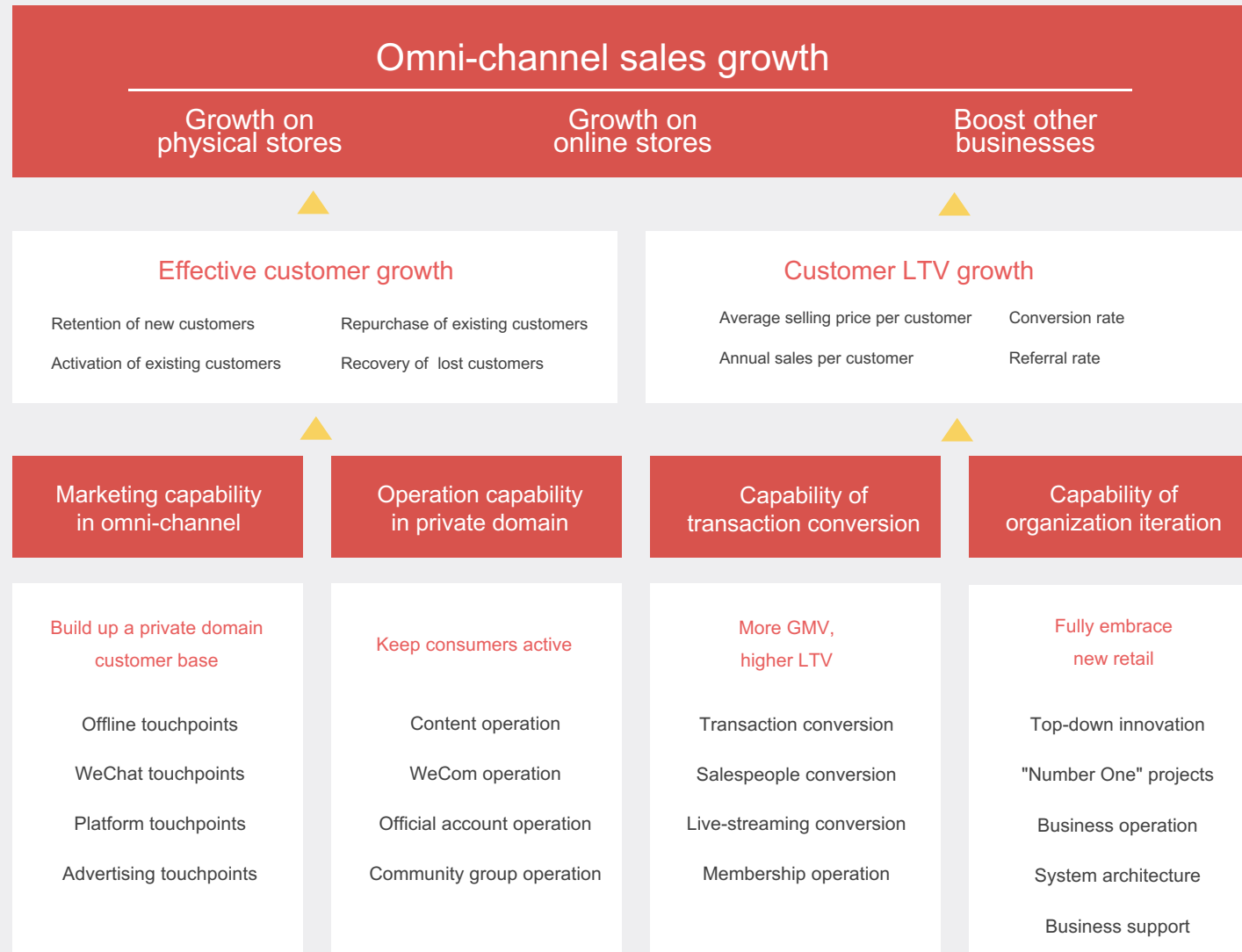


| Youzan Business Portfolio

New Retail	Social e-Commerce	Beauty	Education	Global Market
 Youzan New Retail	<div></div> <div>Youzanke Youzan WeiMall Youzan Distribution</div>	 Youzan Beauty	 Youzan Education	 allValue



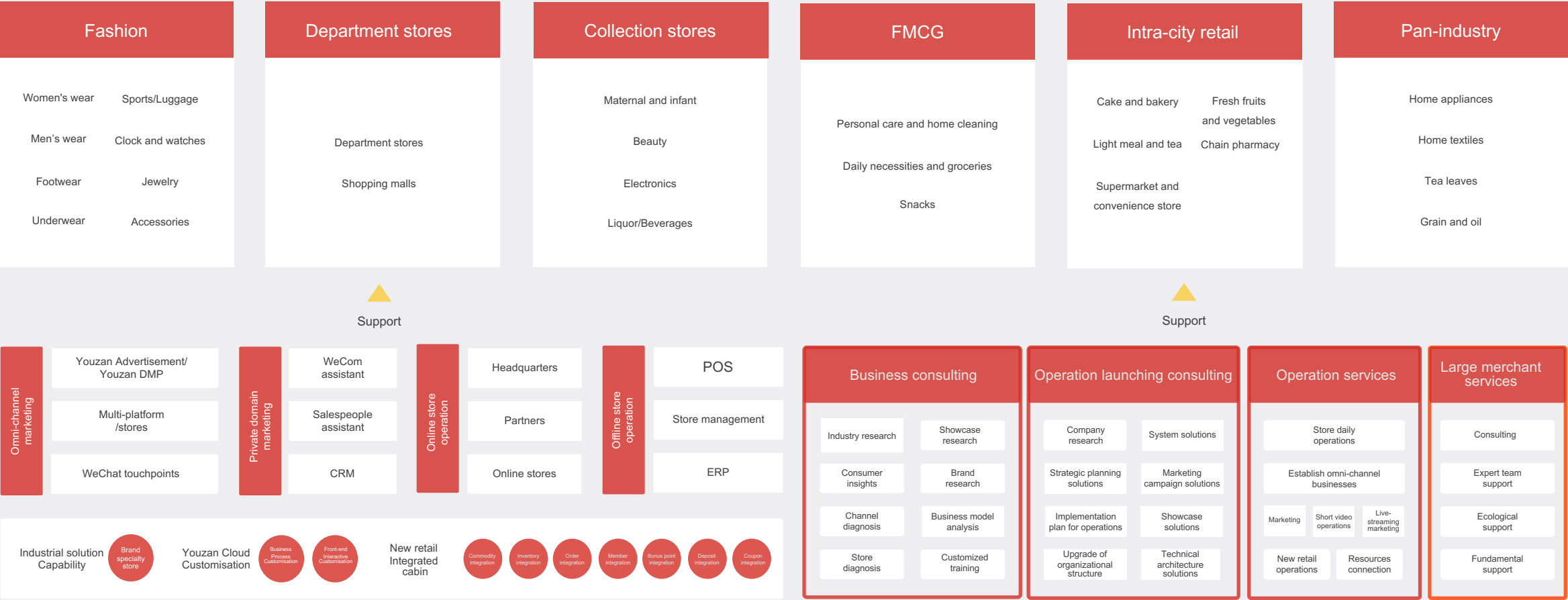
| Youzan Continues to Create Value for Merchants





| Youzan New Retail: Create incremental value and facilitate digital upgrading for retail business

- Youzan New Retail has three core growth engines: omni-channel marketing, salespeople distribution and membership operation, facilitating digital upgrading for retail business, from public to private domain, from in-store to online shopping, from front-end to back-end.



Youzan product capabilities · System solutions

Youzan service capabilities · Service solutions



Youzan New Retail is Serving The Leading Industry Brands

Women's wear	Men's wear	Sports	Footwear	Department stores	Beauty	Home appliances

The rankings are in no particular order. Due to the confidentiality requirements of the business, only the part is displayed.



| Vertical Industry Solutions: Youzan Beauty & Youzan Education



Digitalization solutions for beauty chains

The market size of beauty industry is more than one trillion yuan, with rapid growth driven by consumption upgrade and industrial upgrade.

Youzan Beauty empowers beauty chains of digital transformation.

Youzan earns reputation and accumulates methodology in verticals of skincare, hair care, nails, eyelashes, healthcare consumption and is capable of empowering more merchants.



Full student life cycle operation management system for education institutions

The market size of education industry is more than one trillion yuan with millions of institutions in the market.

Youzan Education provides full student life cycle operation management system for education institutions.

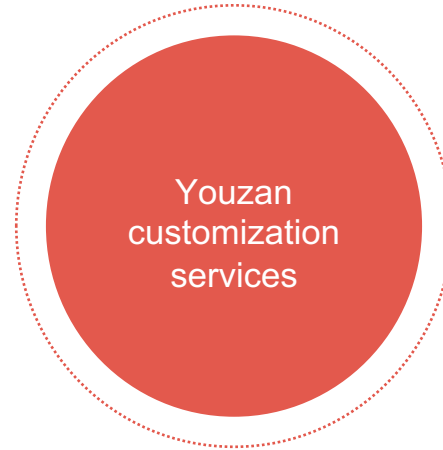
Youzan Education focuses on interest-oriented education, e.g. art, calligraphy, music, STEAM, sports, and vocational training, etc.



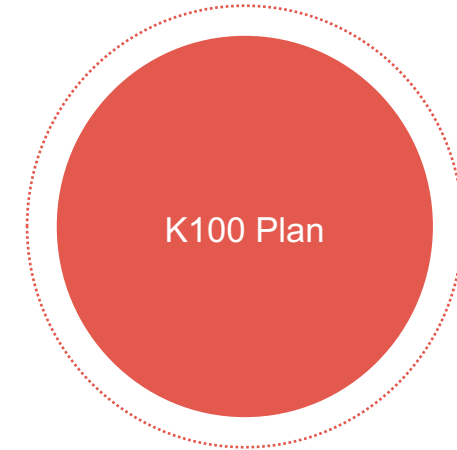
| Continue to Expand Our Ecosystem and Enhance Our Capabilities to Serve Large-scale Merchants



Achieve seamless integration
of online and offline data



Provide in-depth services
such as consulting/
marketing/ customization



Accompany 100 industry
leaders on business operation



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| GMV

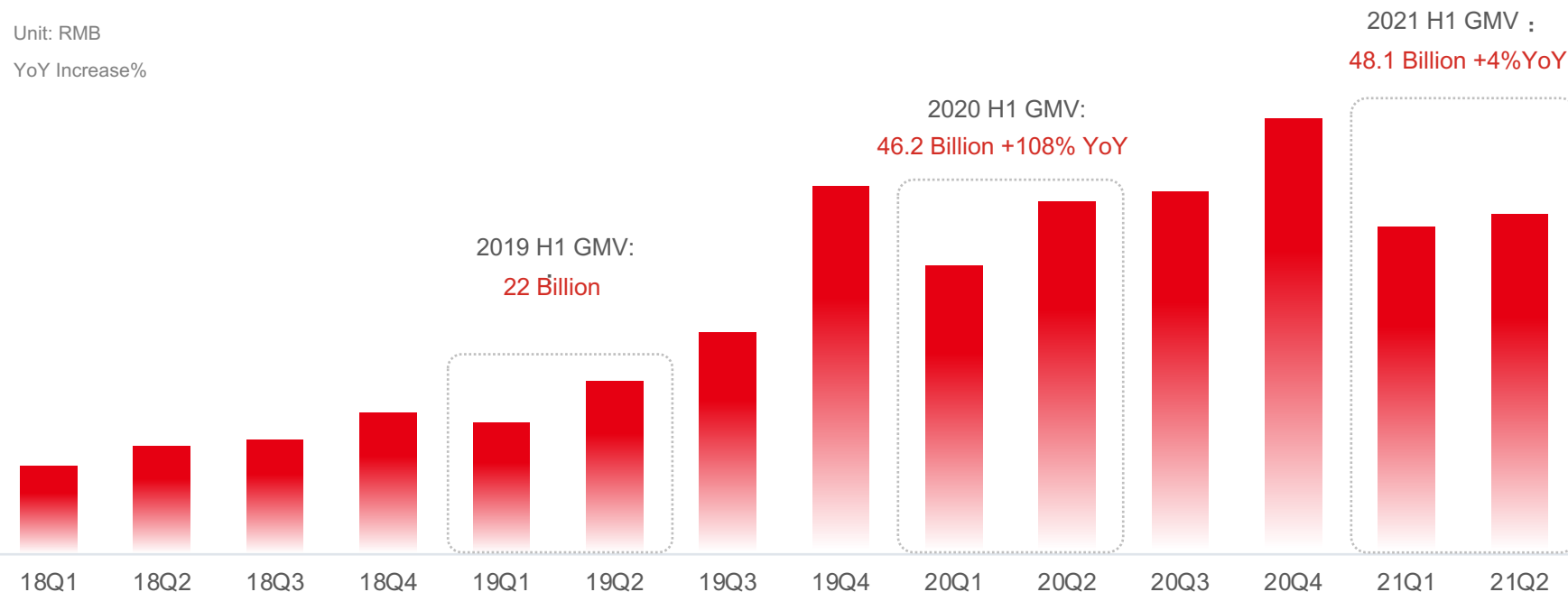
- In 2021H1, GMV generated by Kuaishou channel continued to decline, accounting for 20% of the overall GMV. GMV generated by other channels maintained steady growth at 34% YoY.
- GMV generated by store SaaS products doubled, accounting for 25% of the overall GMV.
- The average sales of each merchant was over RMB550,000 during the period, increased by 19% YoY.

2021H1 GMV :

48.1 Billion

YoY Increase:

4%



Note: GMV refers to the total value of all confirmed products and services transactions of Youzan Group, regardless of whether the goods have been delivered or returned or how the relevant orders are settled.

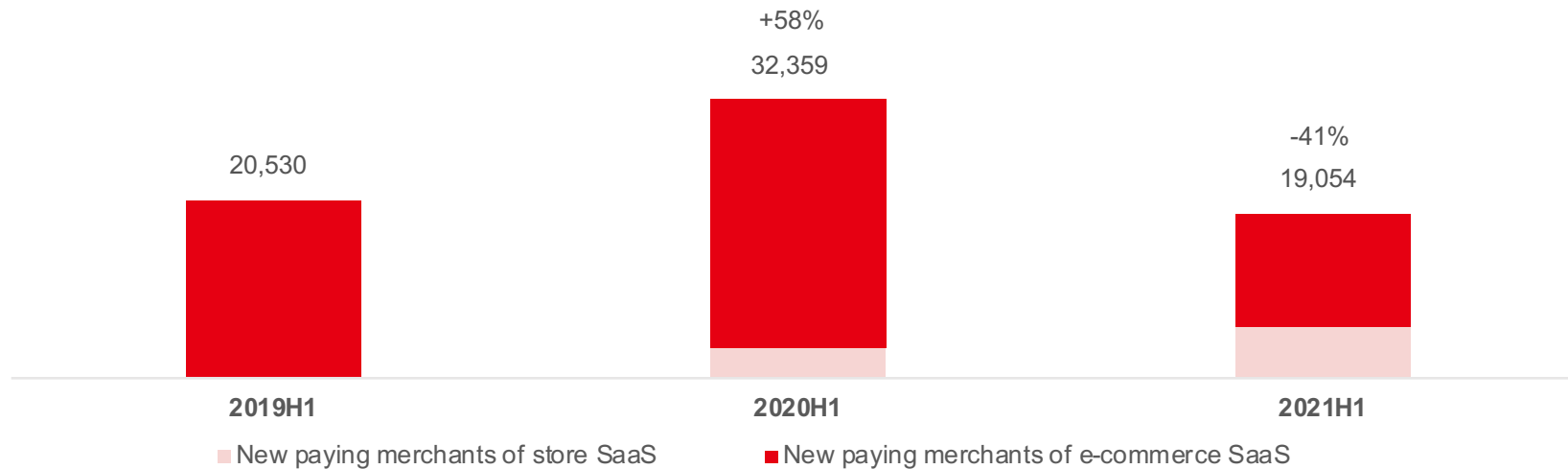


| Number of New Paying Merchants

- In 2021H1, ACV achieved RMB12,811, increased by 8% from RMB11,880 in 2020.
- The number of new paying merchants of store SaaS doubled YoY, accounting for 32% of overall new paying merchants (2020H1: 10%).

YoY Increase%

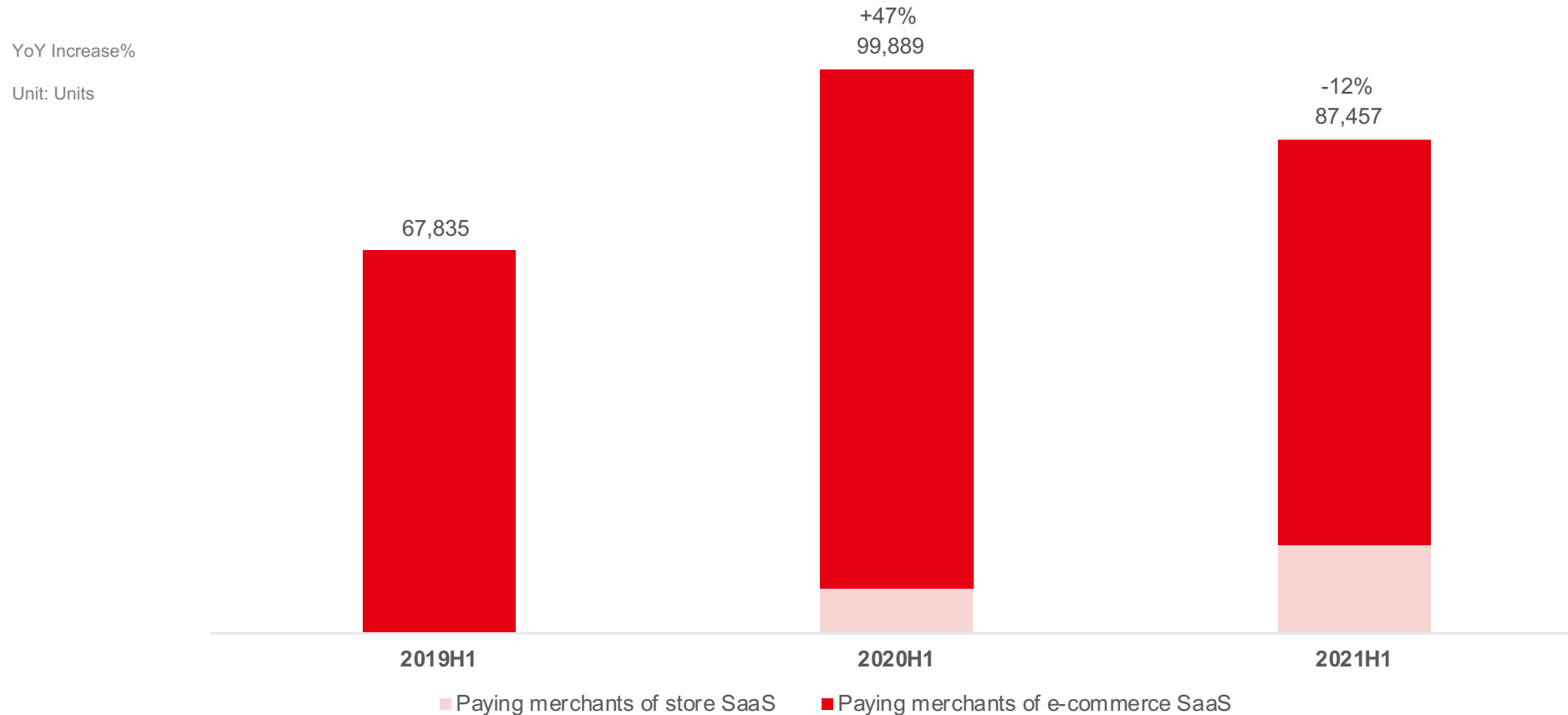
Unit: Units





| Number of Paying Merchants

- In 2021H1, the number of paying merchants of store SaaS doubled YoY and increased QoQ.
- The number of paying merchants of store SaaS accounted for 18% of the overall paying merchants (2020H1: 8%).





| Revenue

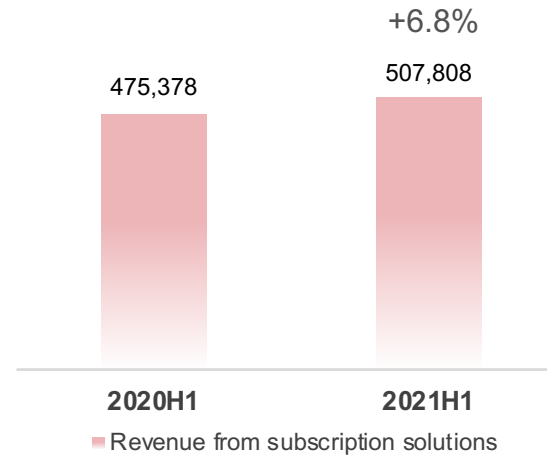
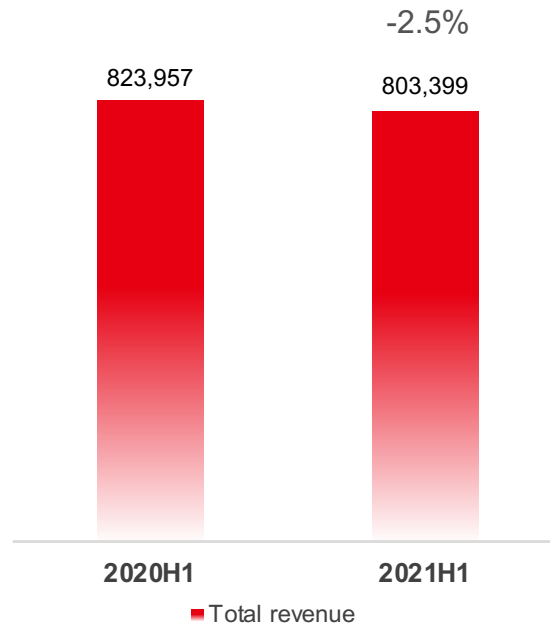
Total revenue includes revenue from subscription solutions, merchant solutions, and others.

Revenue from subscription solutions includes subscription fees from SaaS products, cloud service fees, and service fees from PaaS.

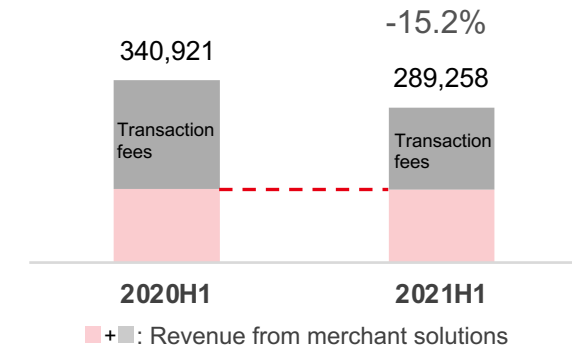
Revenue from merchant solutions includes transaction fees, advertising services income, extended services such as Youzan Guarantee, Youzan Distribution, Youzanke, etc.

YoY Increase %

Unit: RMB'000



- In 2021H1, transaction fees from merchant solutions fell YoY.
- Revenue from merchant solutions excluding transaction fees was basically flat compared to the same period last year.



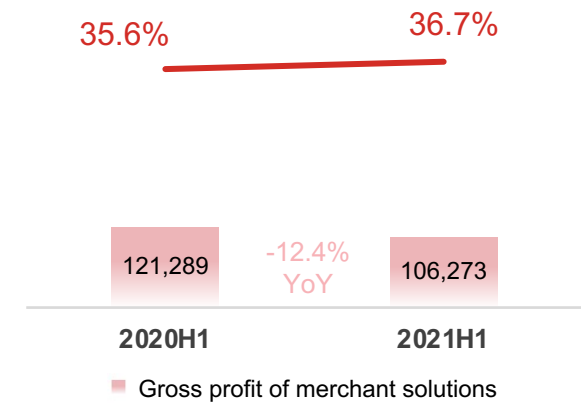
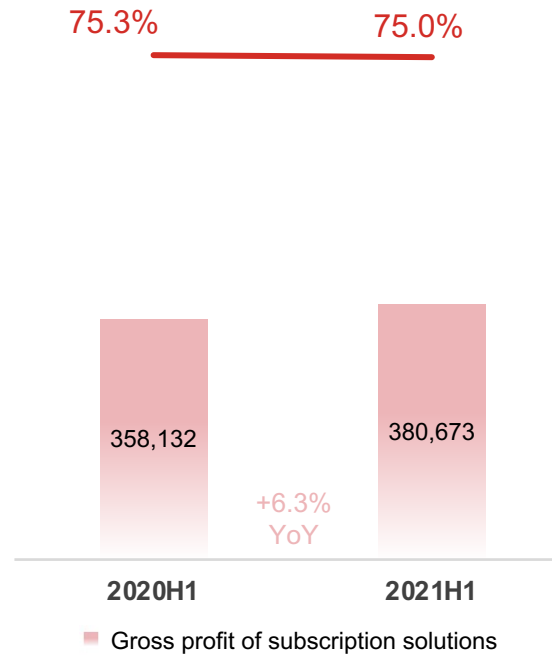
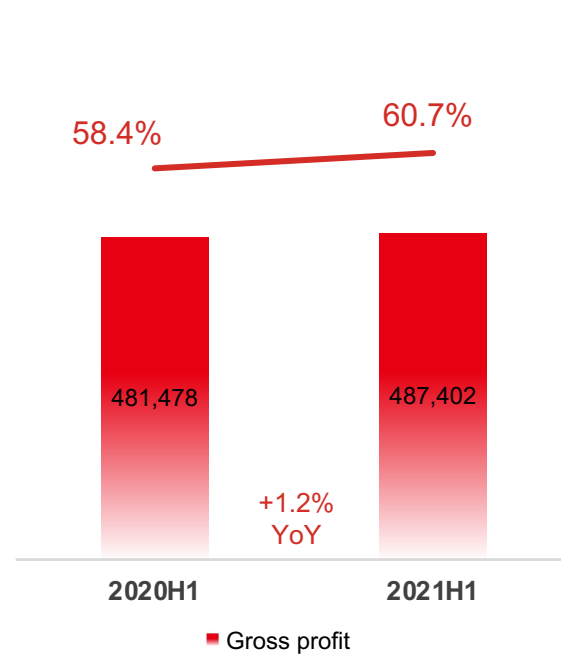


| Gross Profit

Gross profit margin %

YoY Increase %

Unit: RMB'000



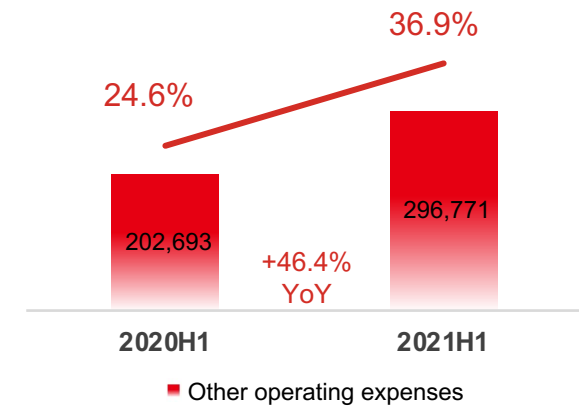
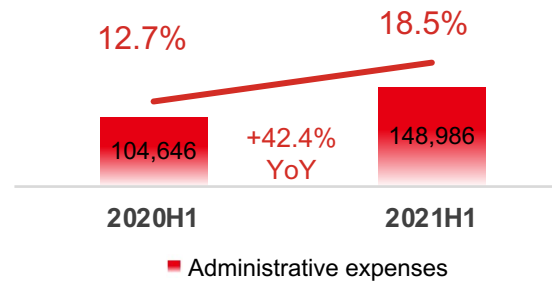
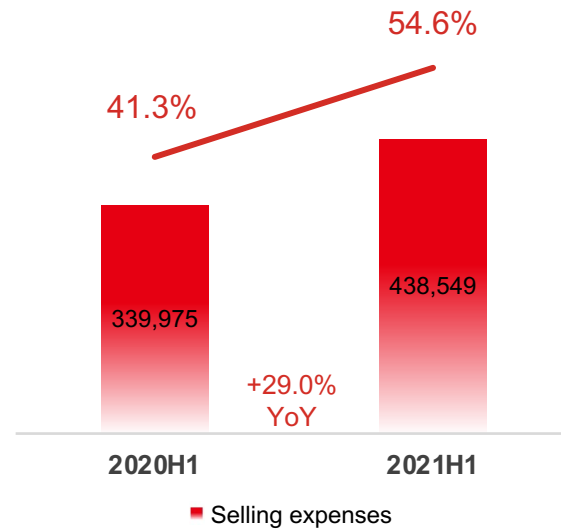


| Operation Model

Ratio of revenue %

YoY Increase %

Unit: RMB'000





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| Development Strategies



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- Grow our merchants' sales.
- Grow our merchant base and broaden sales network.
- Continuous innovation and expansion of our solution offerings.
- Continue to expand our ecosystem and enhance our capabilities to serve large-scale merchants.
- Continue to build for the long-term.



A Better Business with Youzan



Our vision is to become the most trusted leader in commerce services,
and keep being an enjoyable organisation.

If you have any enquiries, please contact China Youzan IR team
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