

# Vobile Group

SEHK  
3738

## Company Presentation

April 2024



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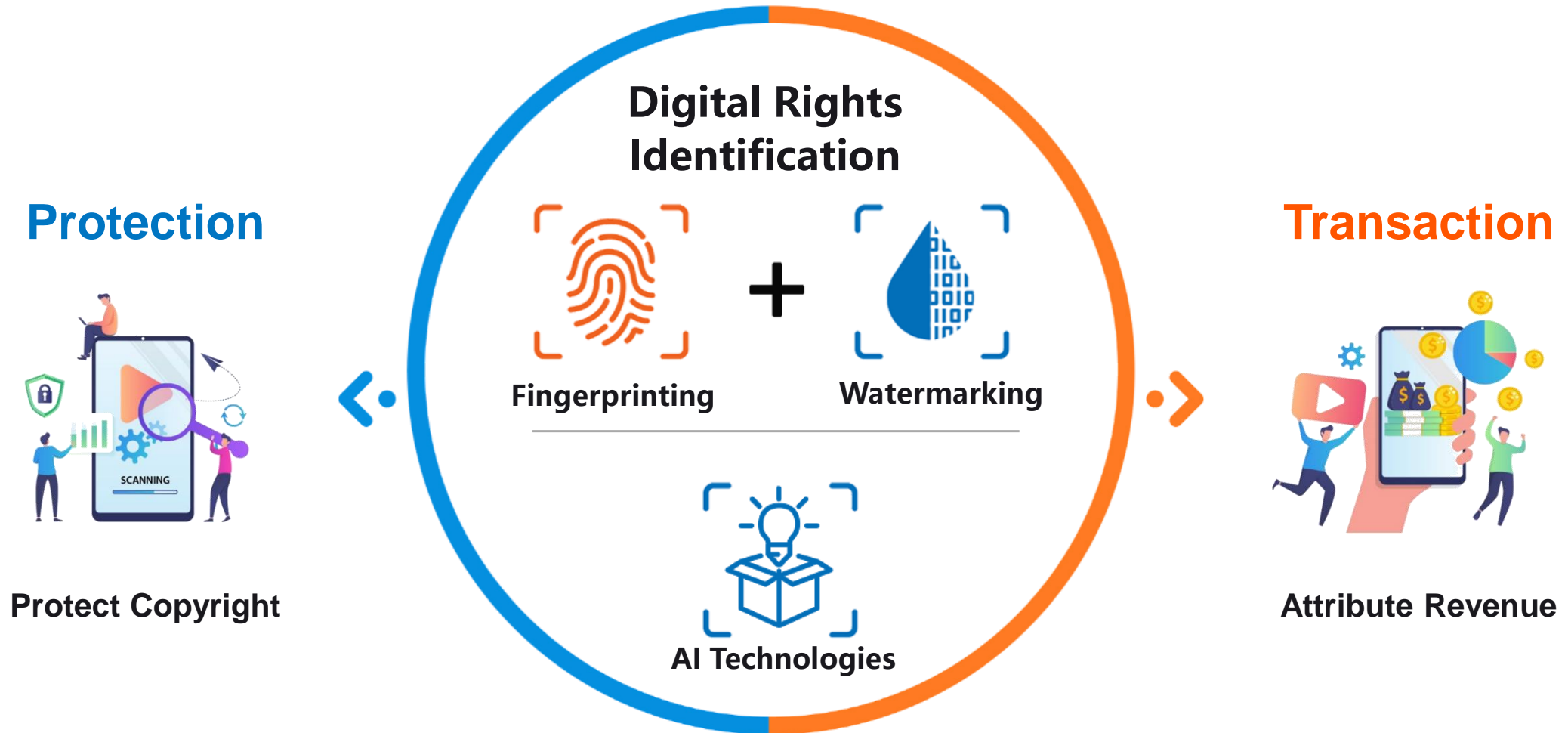
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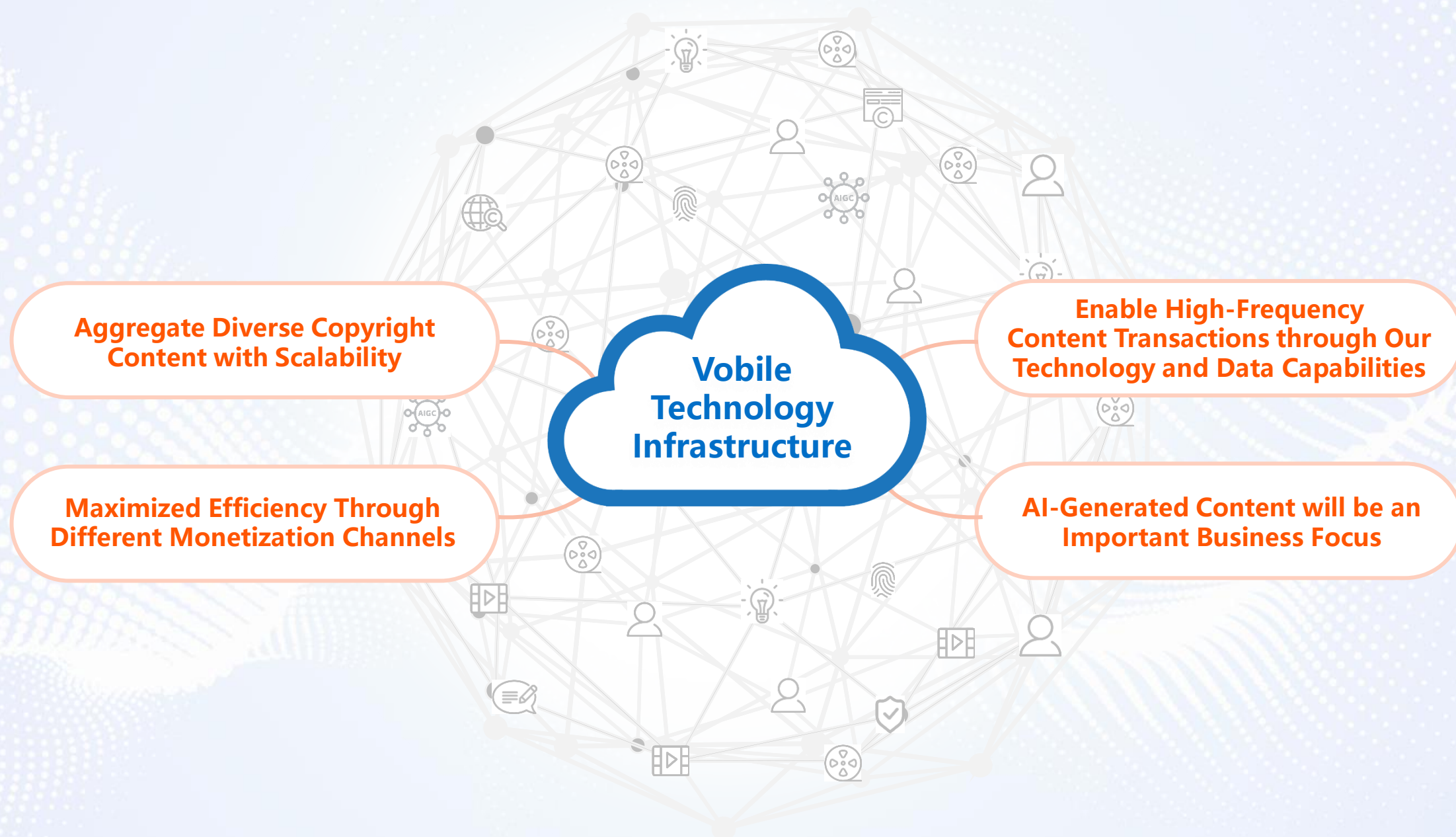
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# Overview

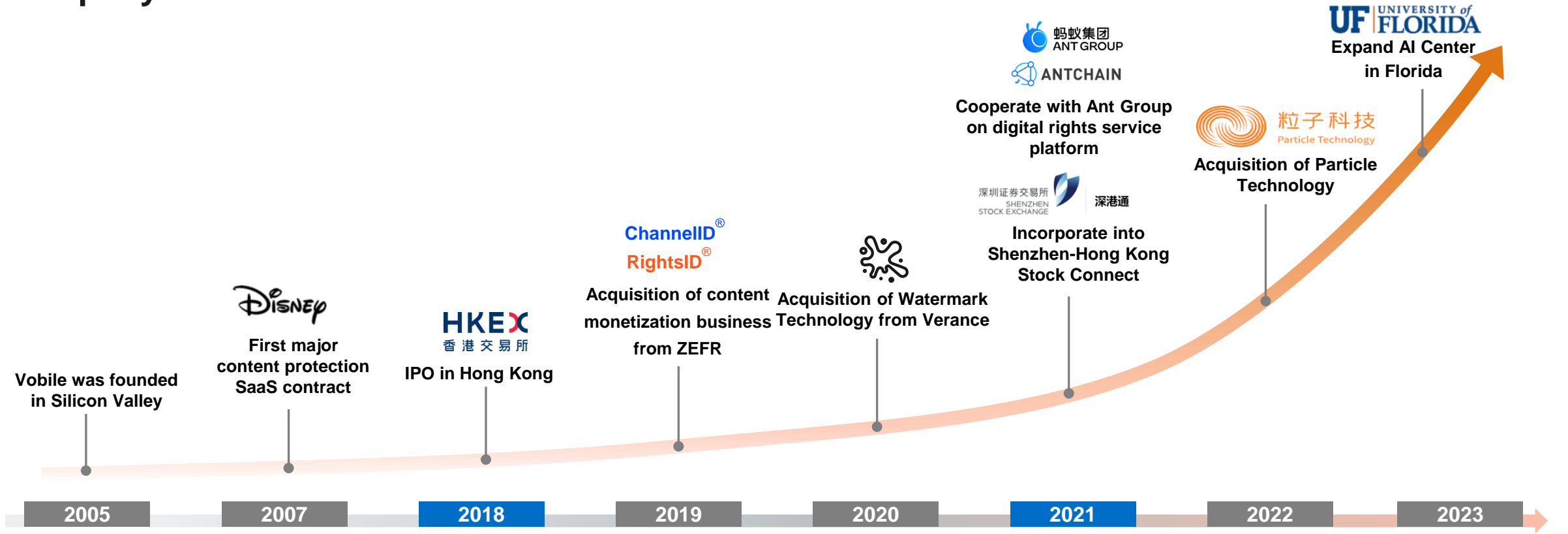
# The Leading Global Provider of Digital Content Asset Protection and Transaction



# Improve the Efficiency of Distributing Value across the Ecosystem



# Company Evolution



Core technology of digital rights identification - VDNA



Establish content protection service system

Video Tracker



Expand transaction services

Monetization of social media platform



China market expansion

API business



Unique business models in China media industry

VOD Platforms Revenue Sharing

User Subscription Services



Future development on digital rights-based services

DTC platform services

NFT / Digital Collection

# Continuous Rapid Growth Since IPO with a Highly Scalable Business Foundation

## Excellent Track Record

**76%**

CAGR of Revenue Growth  
Since IPO (18'–23')

**>HK\$2 billion**

Achieved Performance Breakthrough  
in 2023

**HK\$320 million**

EBITDA of FY23  
Doubled since 2021

**578 Staff**

Highly Competitive and  
Efficient Team

## Powered by Our Advanced Technology

**Hundreds of  
thousands**

Websites covered

**Tens of  
millions**

VDNA assets managed

**Hundreds of  
billions**

Cumulative VDNA Searches



**Building Core Technology Capabilities  
for Digital Rights Identification**

Extended from content protection to  
Content transaction



**Achieving Globalization Through  
Strategic Expansion**

Expanded in China market through Ant's  
partnership and acquisition of Particle

# Leading Technology and Services



# Unique Competitive Advantages Establishing Industry Leading Position

## Leading Technology

### #1 Industry's Best Copyright Protection Technology

**Ranked #1** in the video content recognition technology evaluation of 13 global companies organized by the Motion Picture Association of America and Movielabs

### 30+ Patents and IPs

**Online rights management, AI content recognition, audiovisual search** and other technologies to maximize the value of digital assets



### 69th Technology & Engineering Emmy Award



## Empowered by Data and Analytics Capabilities



### Global Leading VDNA Database

Certified database managing over **tens of millions** VDNA assets



### Hundreds of Billions Cumulative VDNA Searches

Over **15 years of accumulated searches** and algorithm improvement, with cloud servers deployed globally in **26 regions**, provides solid support for big data analysis



### Most Efficient Search and Identification

**Real-time direct access** to platforms' database and high accuracy in content identification

## Long-term Trusted Relationships

### 353

### Global Premier Clients

Long-term relationships with **top global content clients**, including Hollywood studios, major operators, and digital rights platforms



### Over 15 Years of Partnership

Based on long-term trust and reliance, **Vobile is always the preferred choice** for clients facing new industry challenges



### Integrated into Clients' Daily Workflows

Deeply integrating into the customer's internal decision making process and daily workflows, communicating frequently with the clients to provide the best solutions

# Our World's Top Digital Asset Partners

## Content Partners

**Overseas**

**China**

## Platform Partners

	<p><b>TV station &amp; new media platform</b></p> <p>China IPTV and provincial platform</p>	<p><b>Telecom operator IPTV / OTT platform</b></p> <p>China Mobile, China Telecom, China Unicom</p>	<p><b>Overseas telecom operator platform</b></p> <p>Hong Kong &amp; Macao</p>	<p><b>5G video platform</b></p> <p>Migu Video, E-surfing Media, Wo Video</p>
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# Maximize IP Rights Value: Subscription and Value-added Services



## Value-added Services

<b>Social Media Platforms Revenue Sharing</b> 🔍 Rights ID    📈 Channel ID	<b>VOD Platforms Revenue Sharing</b> 🛒 TVOD    🔄 Operator Value-added Services
📄 Business Intelligence	📦 NFT / Digital Collection

...More Value-added Services

## Subscription Services

📶 Video Tracker	🔄 DTC Services
📶 OTT Subscription Services	📦 API Services

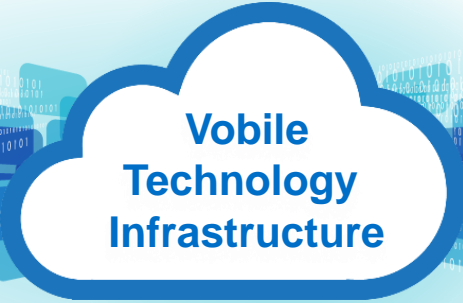
# Continue to Improve Content Penetration and Customer Coverage through our Strong Expansion Business Model

**Continue to increase the penetration rate of our large content clients**

➤ Focus on upgrading service contracts for large international media groups

**12x** The client's contract revenue contribution annually increased

**10x** The client's active assets under management size annually increased



**Be capable to reach content creators of all sizes**

➤ Protect and monetize high-value assets for large content clients

**217**  
Content Clients

➤ Build ecological output scale service capability with our platform customers

**136**  
Platform Clients

➤ The ability to serve every content individual in the AIGC era

# Seize the Major Opportunities of Industry Change

# Generative AI Driving Content Production and Distribution into a New Era

Number of Movie Screens  
**>200K**



Annual Sales Volume During DVD's Peak Period  
**>100M units**



Number of Digital TV Subscription Users  
**>1.1B**



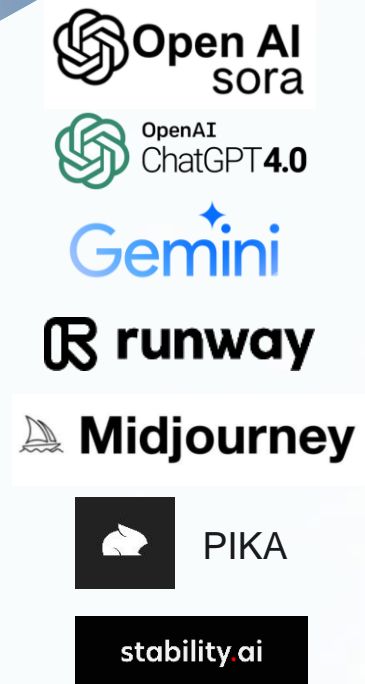
Number of Paid Subscribers on Major Streaming Platforms  
**~900M**



Total Monthly Active Users on Global Short Video Platforms  
**~10.1B**



Monthly Visit Counts to a Major Model Website  
**>1.6B**



# Key Challenges and Needs of The Digital Content Asset Industry Create Unique Opportunities



**>500 hours**

YouTube users post videos in every **1** minute<sup>1</sup>

**~15 Bn**

The number of images created by AI in just 1.5 years has surpassed the number of images captured by photographers in 150 years<sup>2</sup>

**>7 hours**

Average daily digital media usage time worldwide<sup>3</sup>

**>3 Bn**

Global digital video audience size<sup>4</sup>

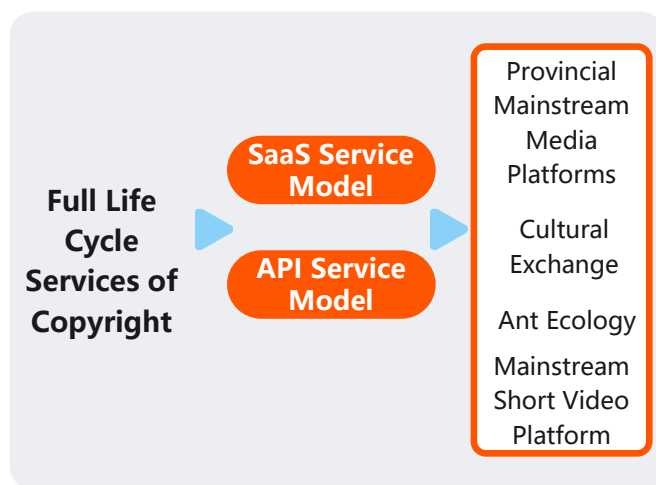
Sources: IMDB, eMarketer, Public news, DataProt, Statista

1. From Statista, as of February 2020; the same data has also been mentioned in other public news.
2. From Adobe, as of August 2023, more than 15 billion AI-created images have been generated using Stable Diffusion, Adobe Firefly, Midjourney, and DALLE-2.
3. From dataportal, and also covered by Forbes News.
4. From eMarketer, reported in September 2021.

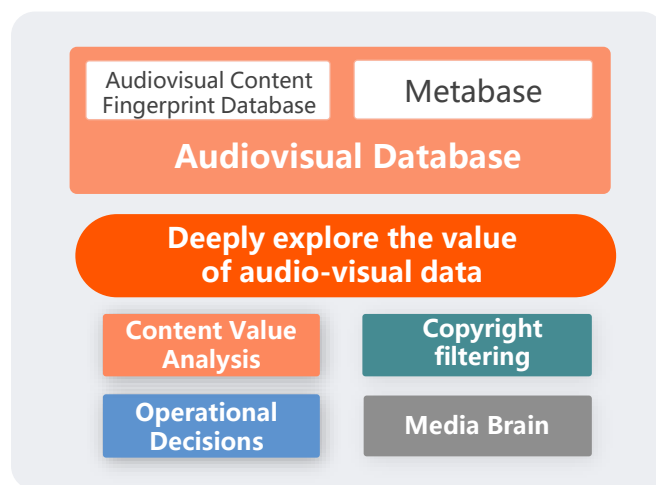
# Huge Growth Space of Ecological Chain of Digital Assets in China



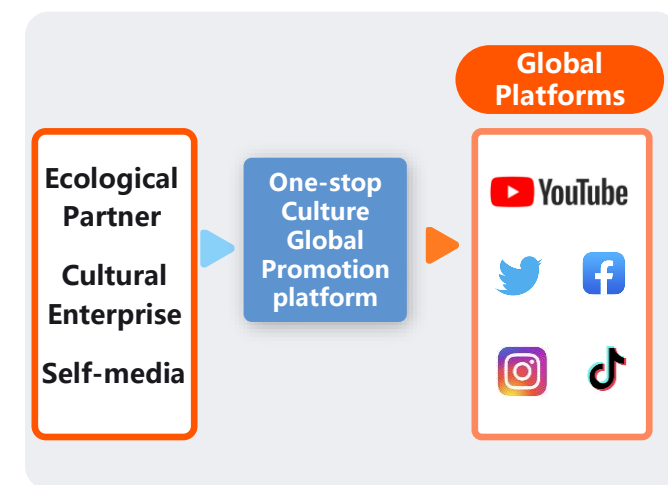
## Deepen Services to the Digital Content Ecosystem



## Build the World’s Largest Audiovisual Content Fingerprint Database



## Create a One-stop Platform for Culture Global Promotion





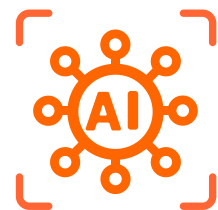
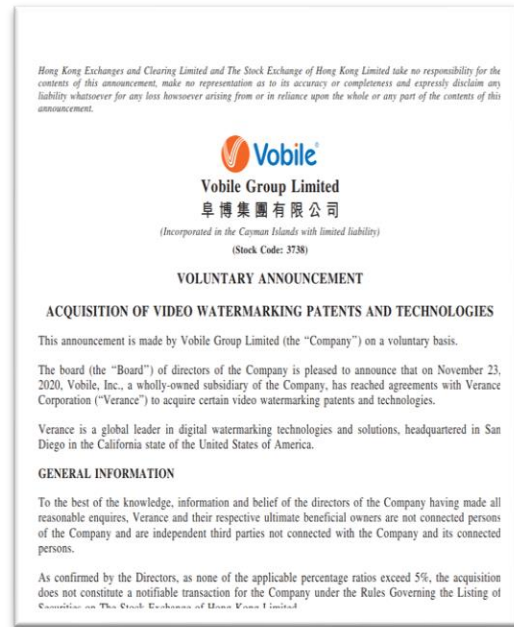
# Strategic Investments in Innovation to Power Our Growth Trajectory



2007  
VDNA  
Fingerprint



2020  
Watermarking  
Technology



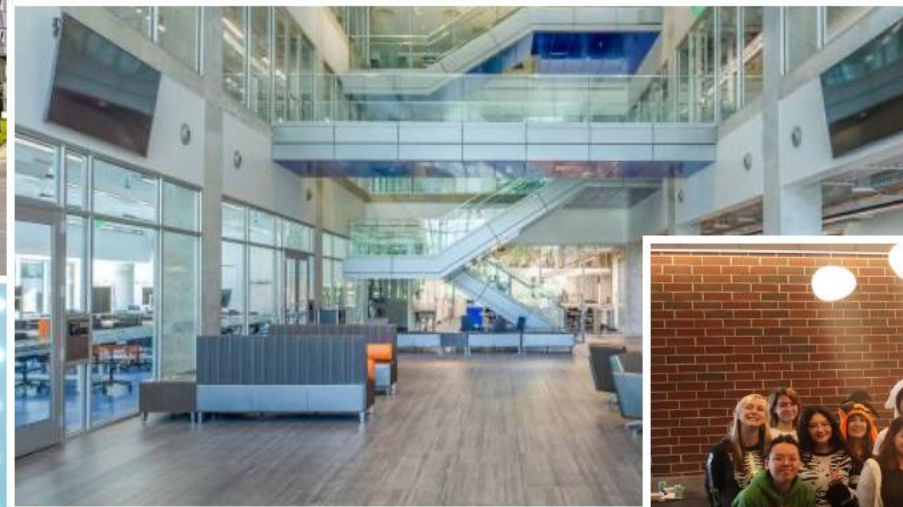
2022  
AIGC



# New AI Center in Florida



**MALACHOWSKY HALL**

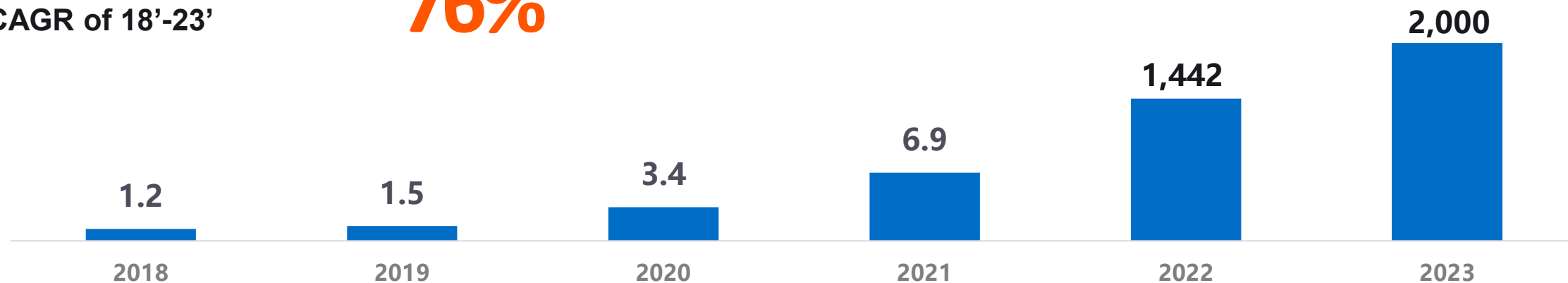


# Financials

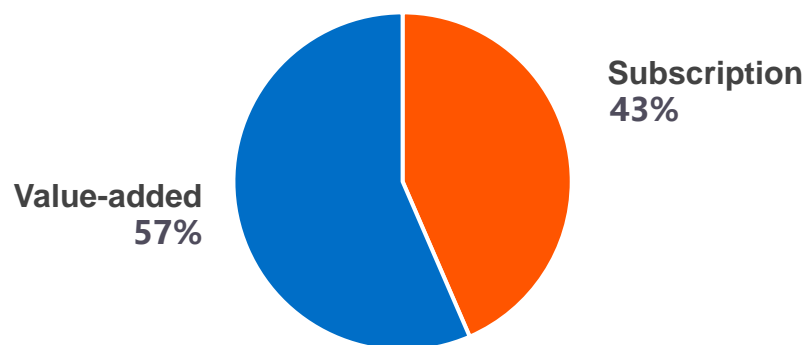
# Robust Track Record with Strong Growth Momentum

Revenue Growth Since IPO  
CAGR of 18'-23'

**76%**

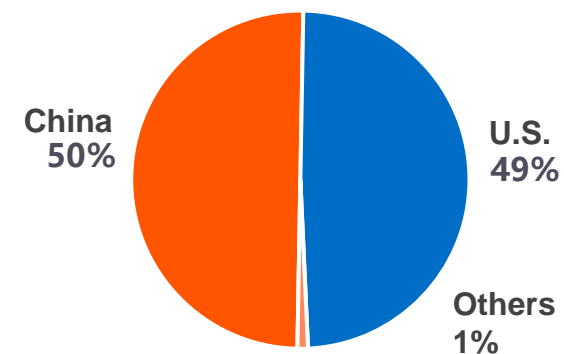


FY23 Revenue Breakdown by Business Segments



Subscription Services increased **58%** YoY  
Value-added Services increased **27%** YoY

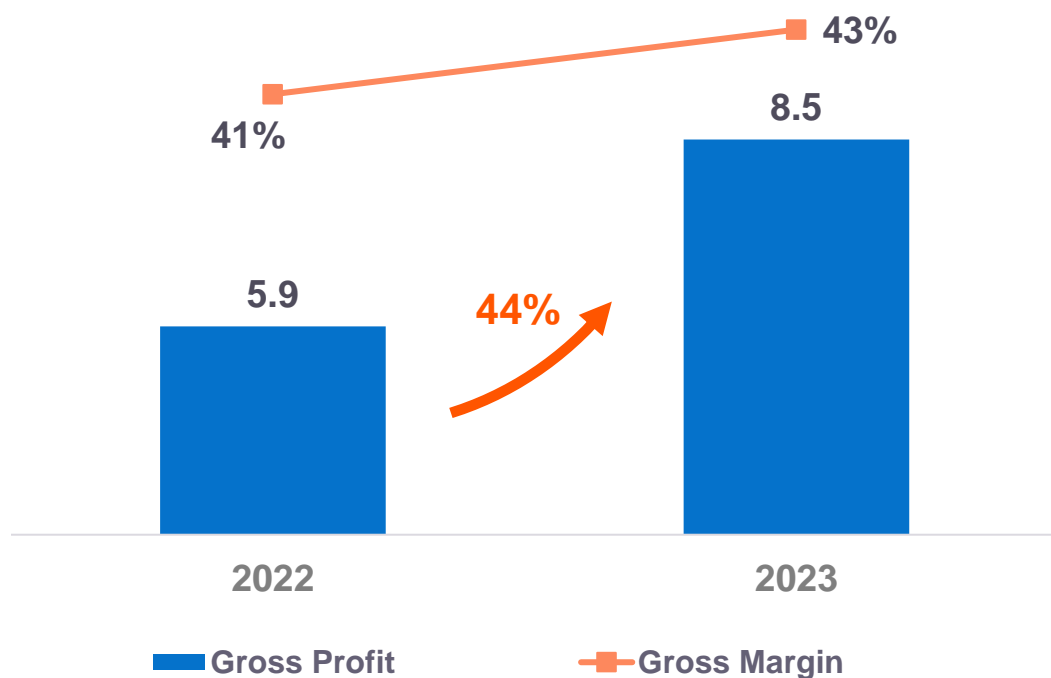
FY23 Revenue Breakdown by Regions



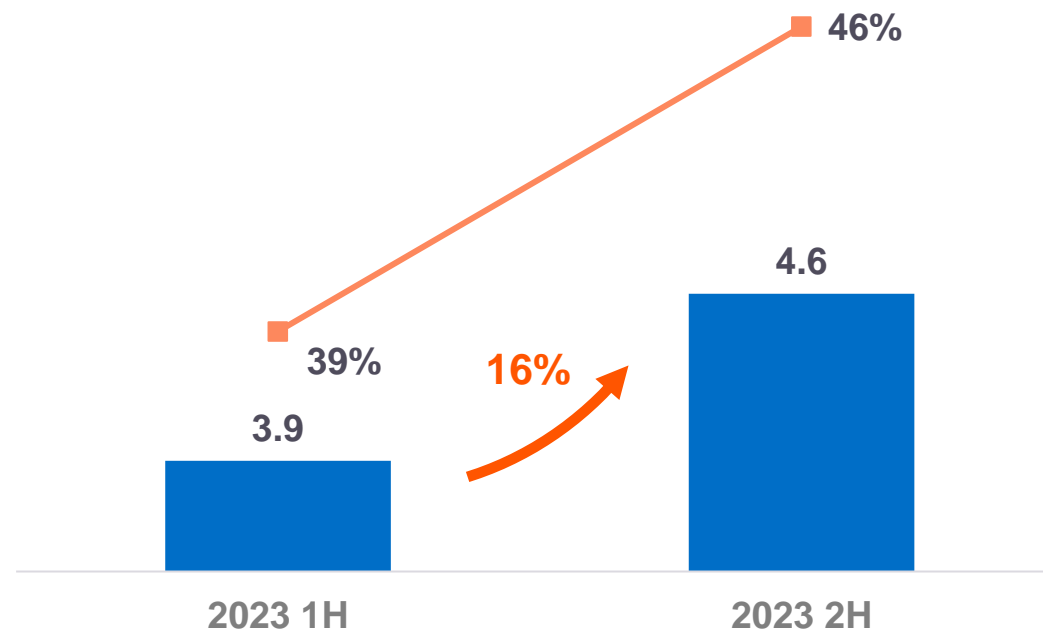
U.S. business increased **33%** YoY  
China business increased **51%** YoY

# Improve Revenue Quality with Steady Gross Margin Growth

Gross Margin increased with **2 pct**

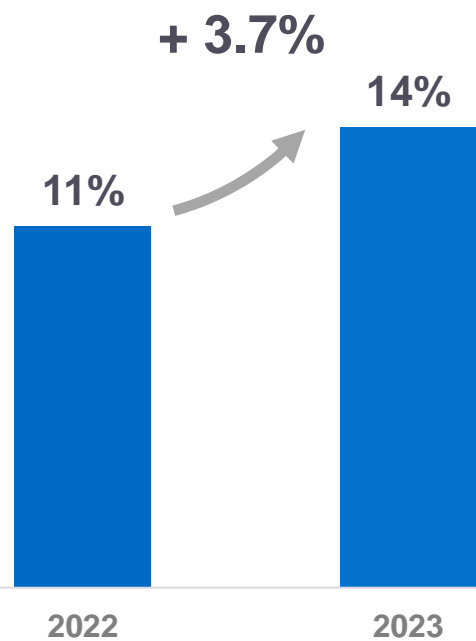


Gross Margin increased with **7 pct**

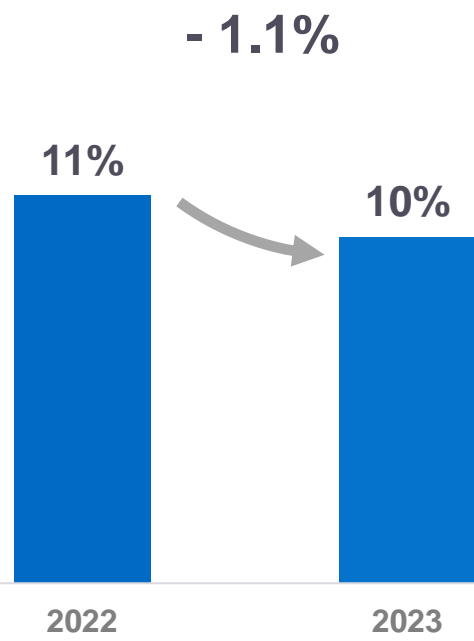


# Operational Cost

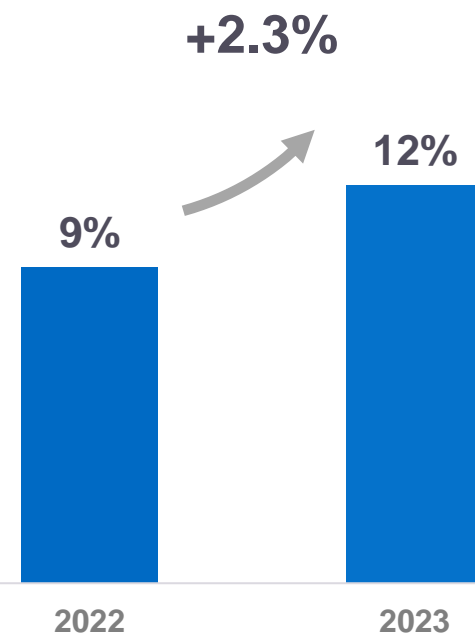
Sales and Marketing Expenses  
(as a % of Revenue)



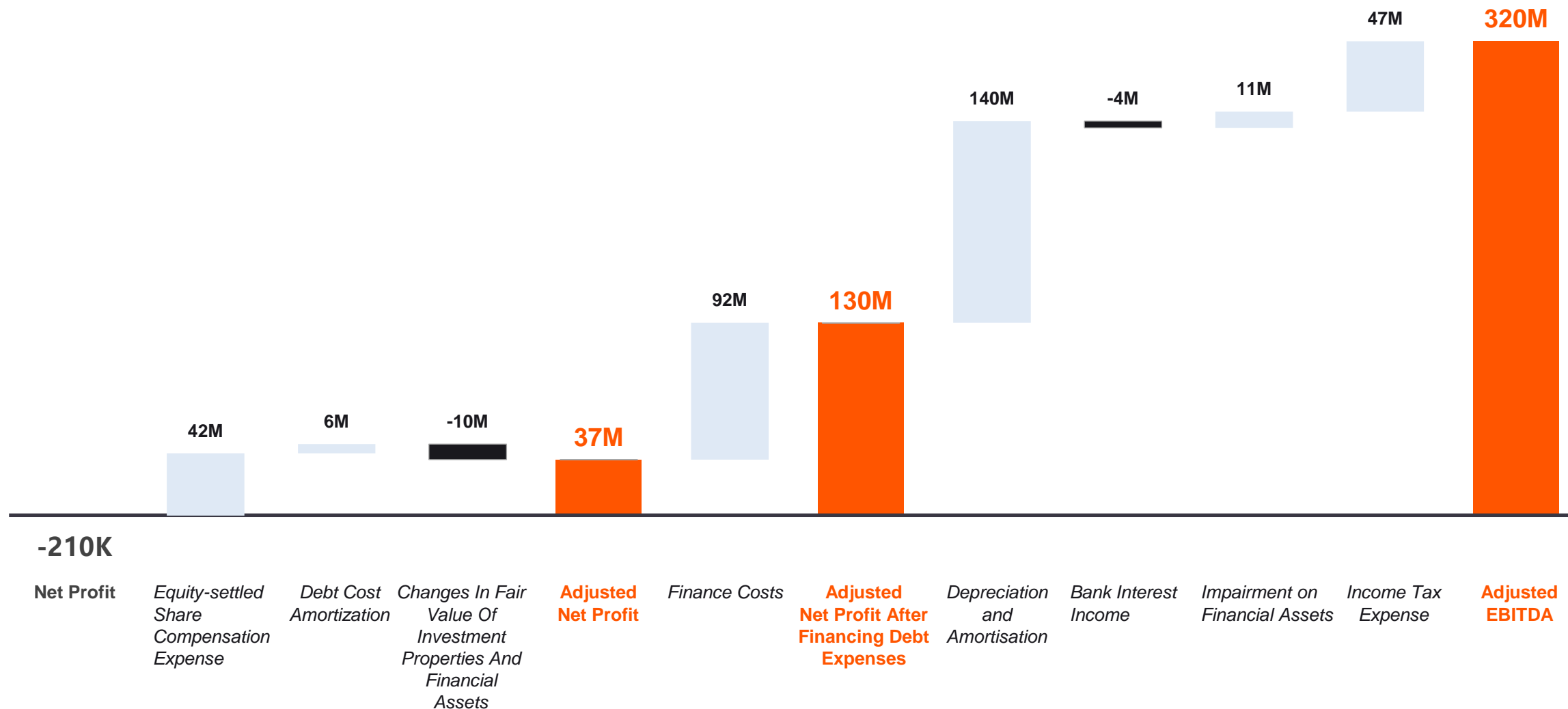
Administrative Expenses  
(as a % of Revenue)



R&D Expenses  
(as a % of Revenue)

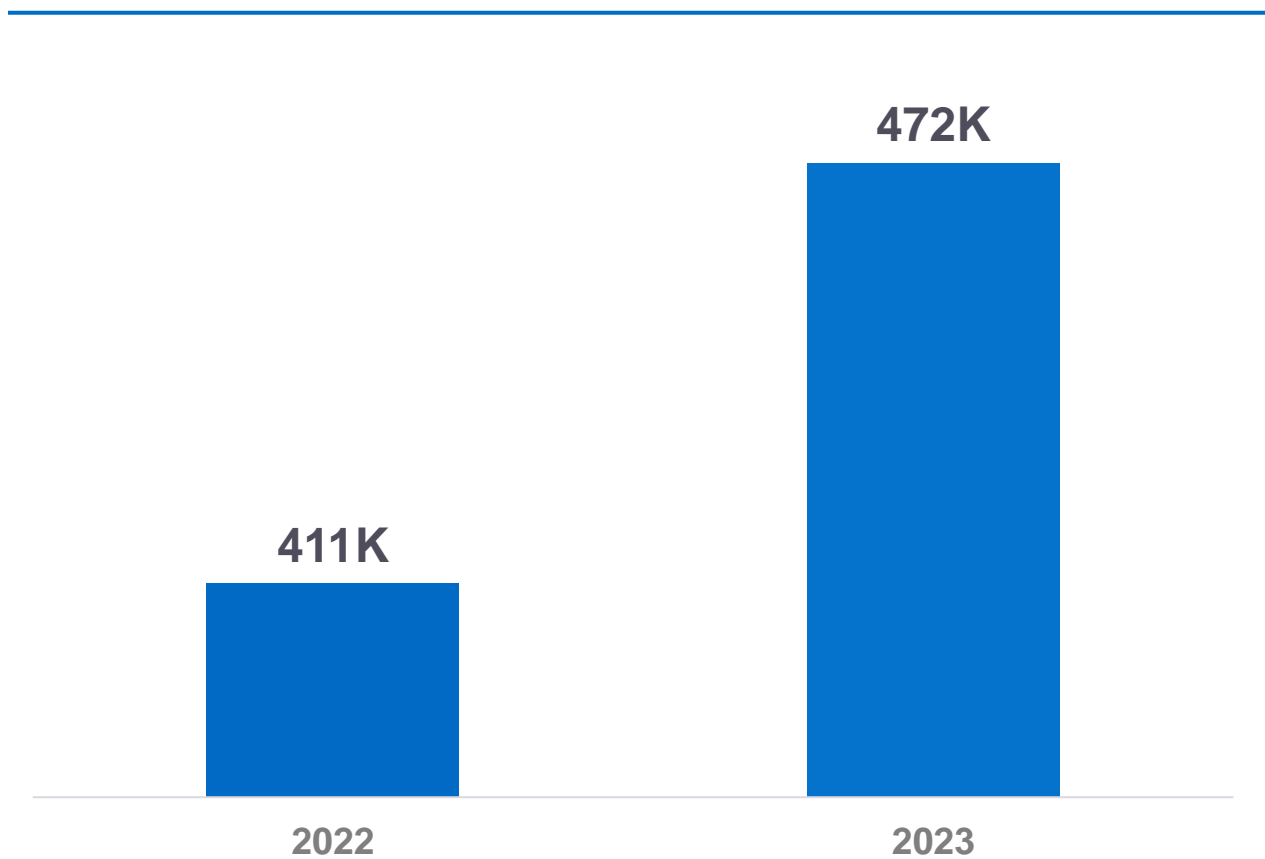


# Adjusted Net Profit and Adjusted EBITDA



# Continuous Increase in ARPU

ARPU (in HKD)





## High Customer Retention Ensures Recurring Revenue



**Monthly  
Recurring Revenue**

**72M** in HKD



**Net Revenue Retention  
(NRR)**

**135%**



**Customer  
Retention Rate**

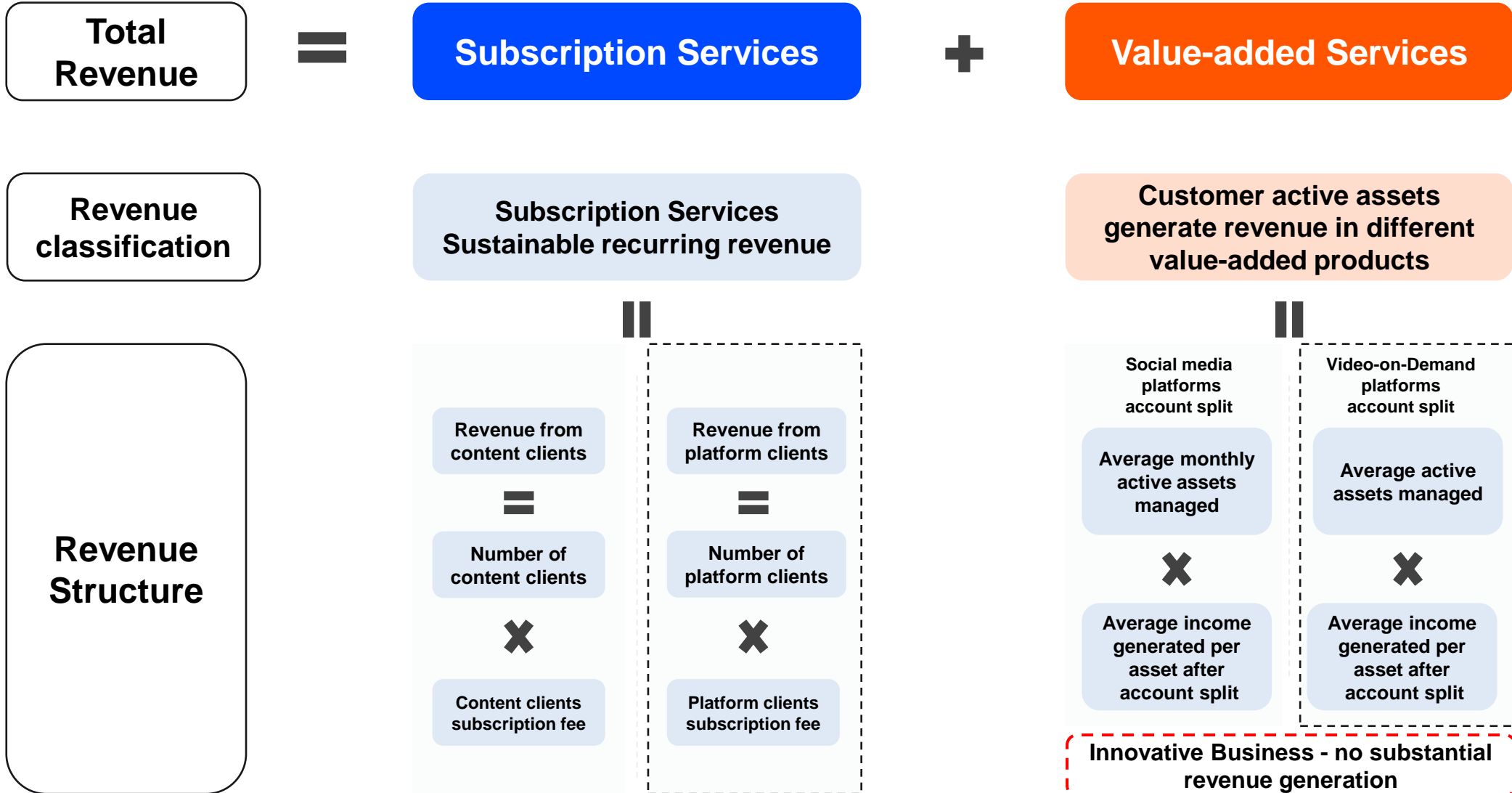
**98.1%**



Making Creative Content More Valuable

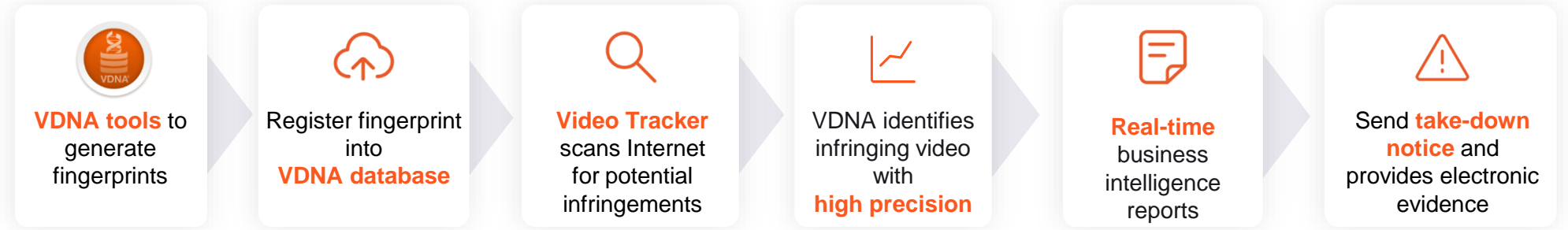
# Appendix

# Revenue Structure

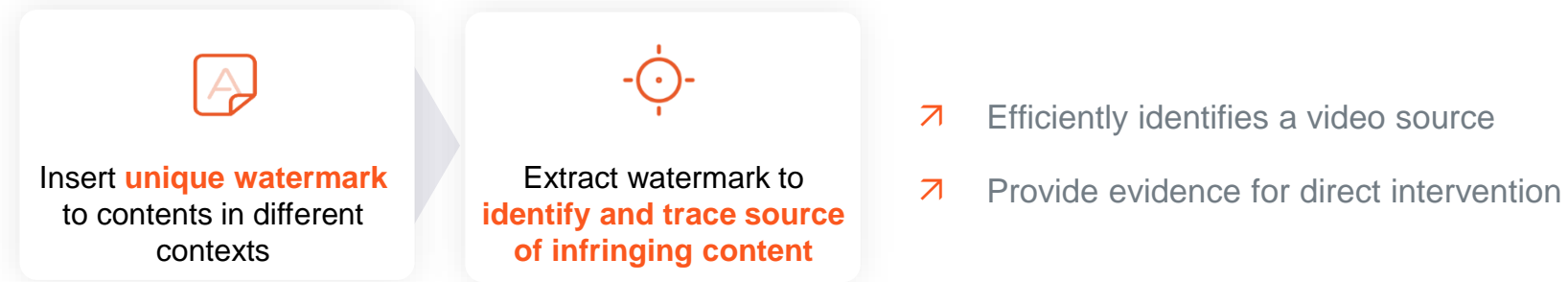


# Selected Subscription Services

## Fingerprinting

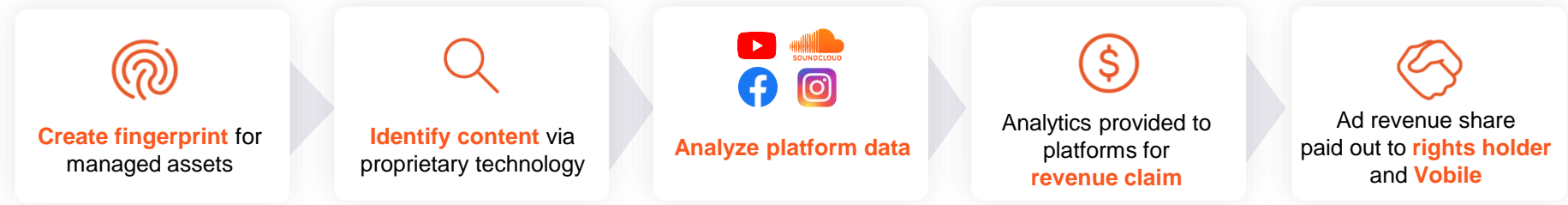


## Watermarking

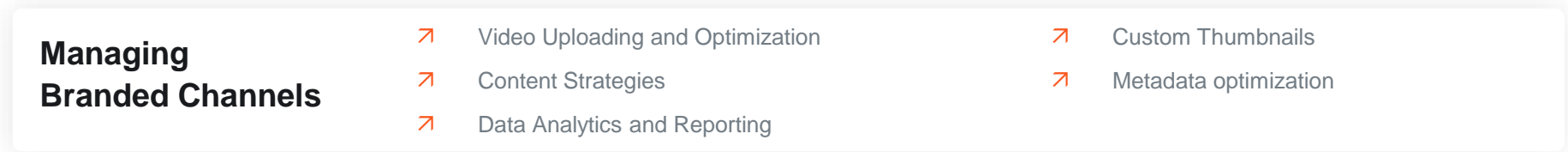


# Selected Value-added Services

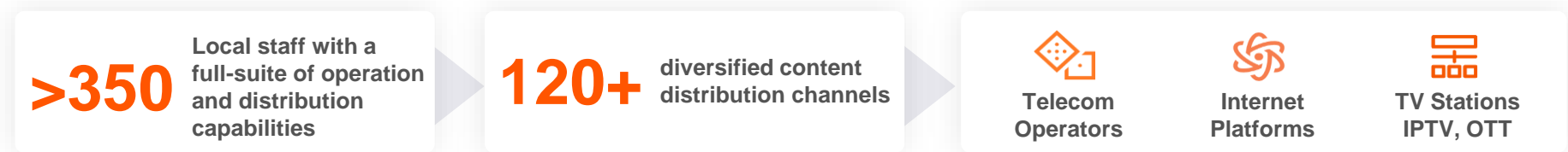
## Rights ID<sup>®</sup>



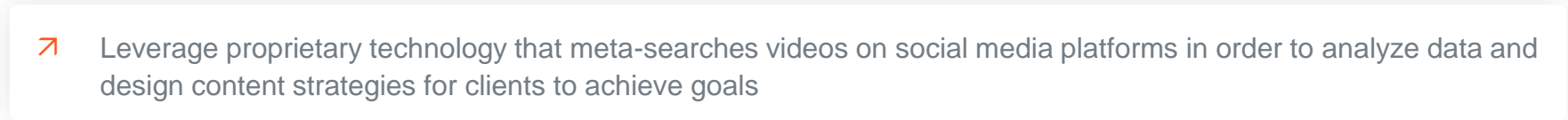
## Channel ID<sup>®</sup>



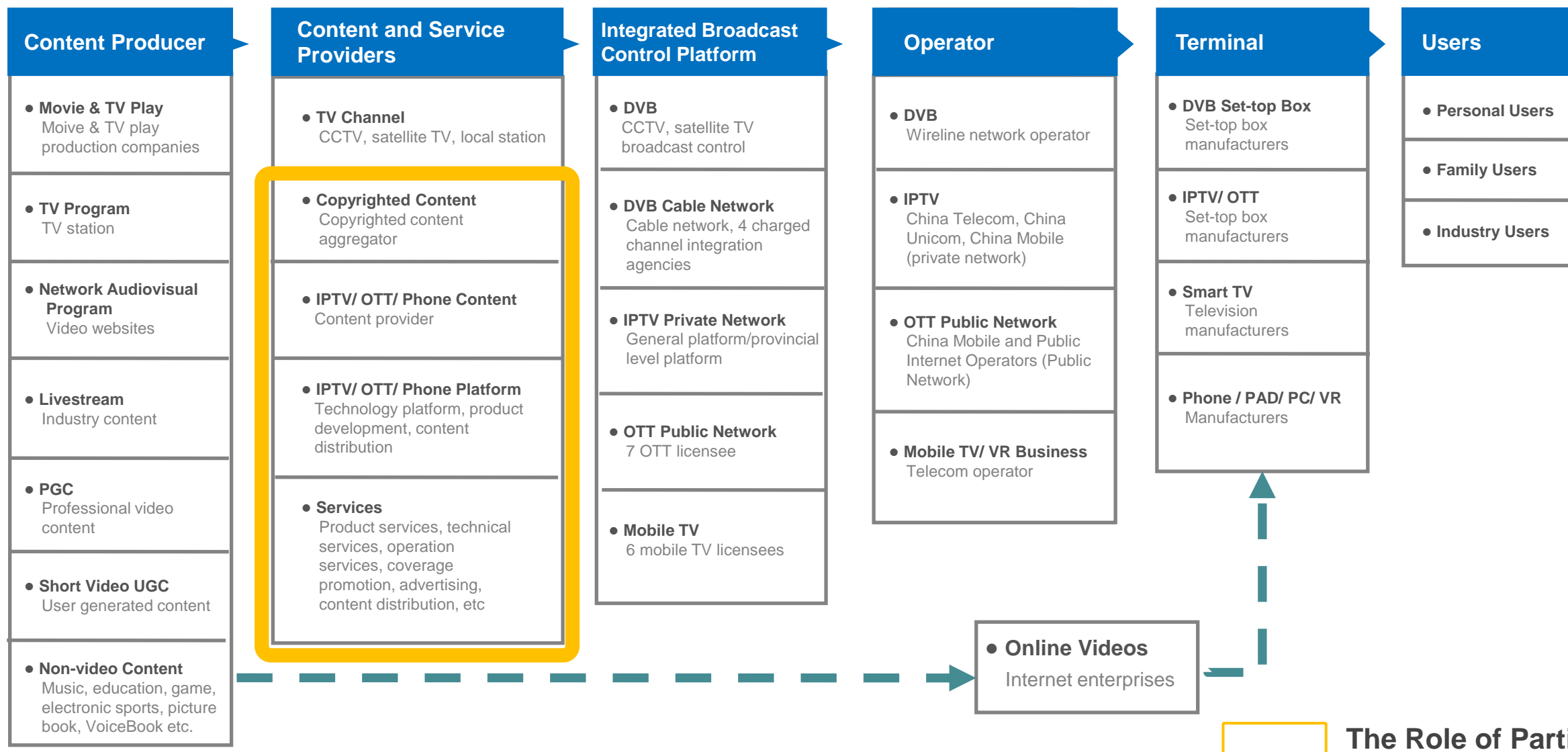
## VOD Platforms Revenue Sharing



## Business Intelligence



# Particle Technology Business Introduction - China's Network Audio-visual Industry Chain



# Particle Technology Business Introduction - Subscription and Value-added Service Business Process (Take IPTV as an Example)

