

**LIZHI INC.**  
**Investor Presentation**

**March 2021**

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# Agenda

1. Overview, Investment Highlights and Growth Strategies
2. Financial and Operating Highlights
3. Appendix

# **1. Overview, Investment Highlights and Growth Strategies**

# Strong performance across all key metrics

**LARGEST**  
online **UGC** audio  
community in  
China<sup>1</sup>

**LARGEST**  
**interactive** audio  
entertainment  
platform in China<sup>2</sup>

**Global**  
online audio-based  
social networking  
platform<sup>3</sup>

## ► USER

**58.4mn** average total  
MAUs<sup>4</sup>

**3.3bn** average monthly  
total interactions<sup>5</sup>

## ► CONTENT

**6.18mn** average monthly  
active content creators<sup>4</sup>

**254mn** audio contents  
uploaded<sup>6</sup>

**43%** YoY increase

approx. **20mn** new audio  
contents uploaded<sup>4</sup>

## ► COMMERCIALIZATION

**RMB420mn**  
2020Q4 net revenues

**RMB1.5bn**  
2020 full year revenues

**RMB5.4mn Net Profit**  
Q4 results under Non-GAAP  
measurement<sup>7</sup>

### Notes:

1. According to iResearch, in terms of the cumulative number of UGC content as of September 30, 2019 on LIZHI APP.

2. According to iResearch, in terms of average total MAUs for the nine months ended September 30, 2019 on LIZHI APP.

3. Refer to TIYA APP.

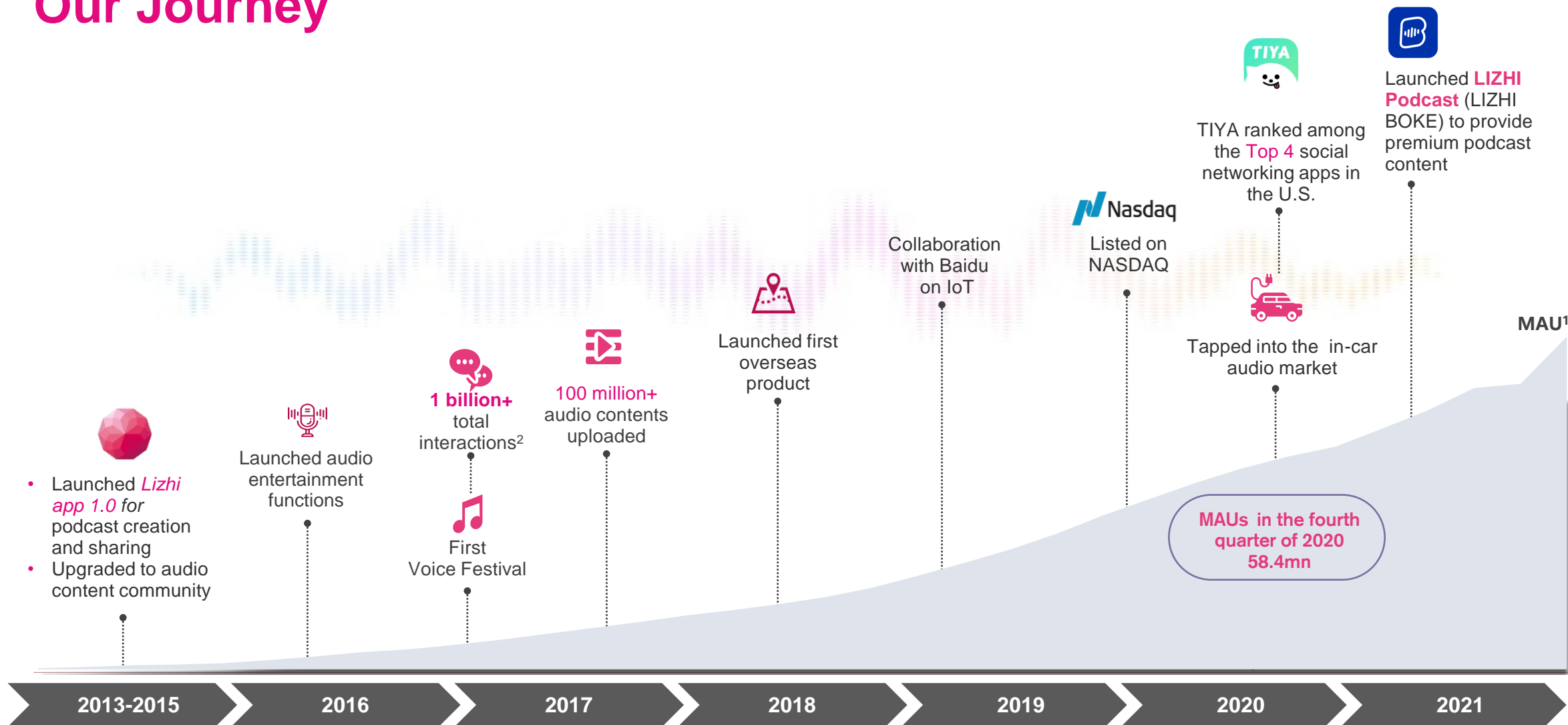
4. In the fourth quarter of 2020, MAUs refer to total monthly active users.

5. Including monthly average number of comments, private messages, posts, likes and multi-users on-air dialogues, to the extent such metrics are applicable in a given period; in the fourth quarter of 2020.

6. Cumulative number as of December 31, 2020 since our inception.

7. Excluding share-based compensation.

# Our Journey



Notes :

1. For illustrative purposes only.

# Our strategies

## Develop innovative audio-based products

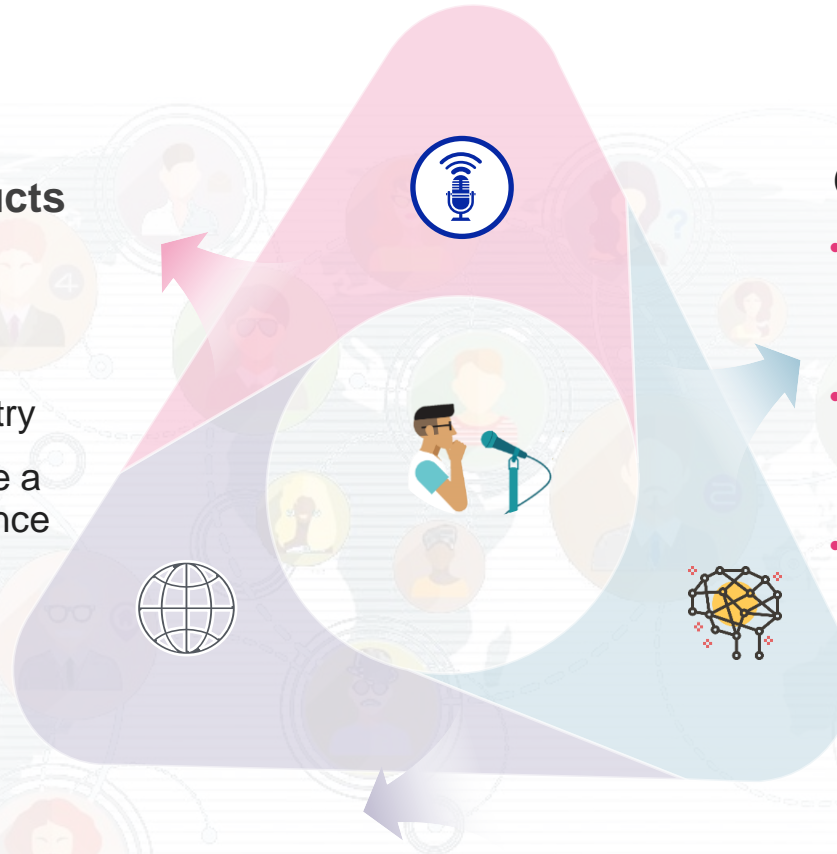
- Enrich the product matrix pivoted on **“Community + Content + Social network”**
- Innovate audio products to further unlock the significant growth potential in the audio industry
- Continue to expand audio use cases to create a truly interactive and immersive audio experience in the era of Internet of Things

## Continue to advance our AI technology

- To empower content creators, unleash creativity and inspire diversified content creation
- To optimize content distribution, transforming the way people discover and enjoy audio content
- To improve personalized user matching system to facilitate online social interaction

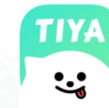
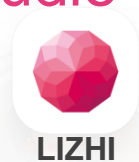
## Explore the global market

- Empower creators and users to connect around the world
- Expand our user base across the culture and geographies



# Our products

## —Audio Community + Podcast Content Portfolio + Audio-based Social Network



LIZHI Podcast (LIZHI BOKE)

TIYA

- **Largest online UGC audio community in China**
- One-stop platform for content creation, sharing and interaction
- Massive comprehensive UGC audio contents: **254mn** audio contents uploaded<sup>1</sup>
- Highly engaged and interactive community: **3.3bn** average monthly total interactions<sup>2</sup>
- Younger generation user base: more than **90%** users born after 1990<sup>3</sup>

- **Vertical podcast platform**
- High-quality podcast content offerings
- Integrated into various in-car audio systems to provide immersive listening experience while driving

- **Global audio-based online social networking platform**
- Various usage scenarios & real-time interaction
- AI-driven user matching system
- An open platform appealing to young generation



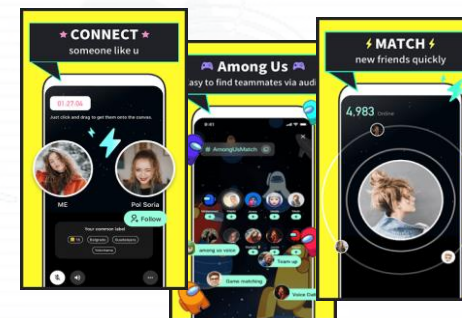
Audio live streaming



Innovative features



Content creation



Bring people closer together through voice

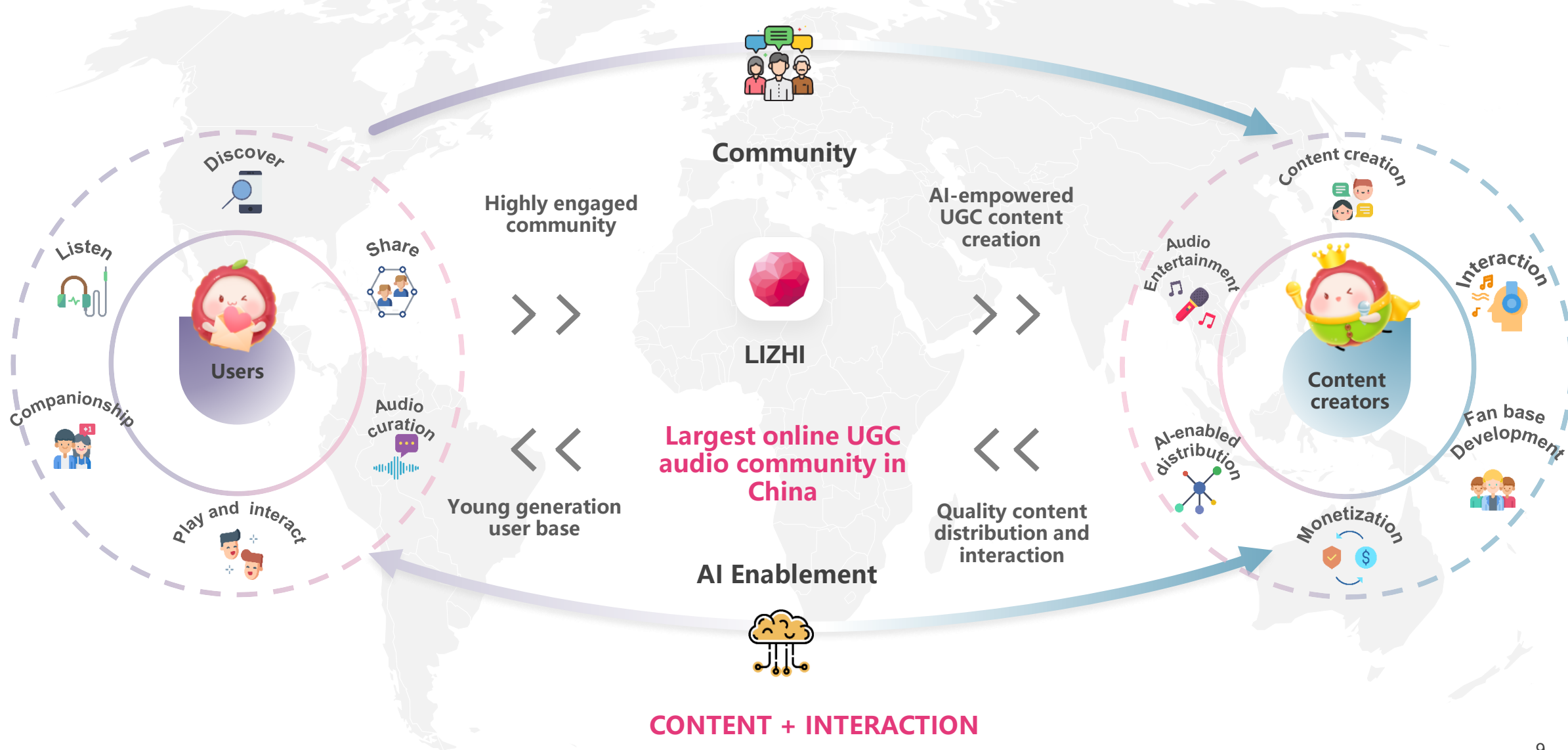
Notes:

1. Cumulative number as of December 31, 2020 since our inception.

2. In the fourth quarter of 2020.

3. As of December 31, 2020.

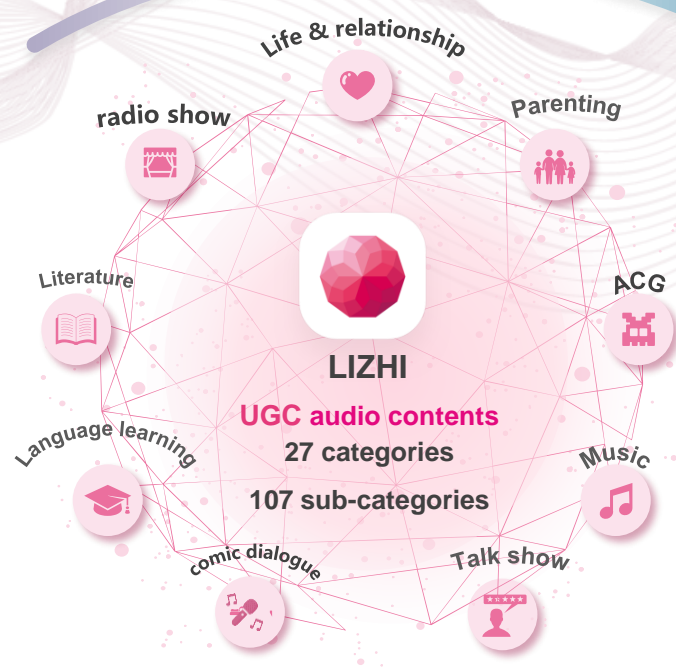
# Highly engaged and interactive community



# High-quality curated podcast content offerings

- Massive high-quality podcast contents library
- Go-to platform for podcasters to publish original contents

Premium contents selected from  
LIZHI's extensive library



LIZHI Podcast  
(LIZHI BOKE)



Exclusive podcasts produced by  
top content creators and celebrities



Spanning various distribution terminals to  
provide compelling podcast experience

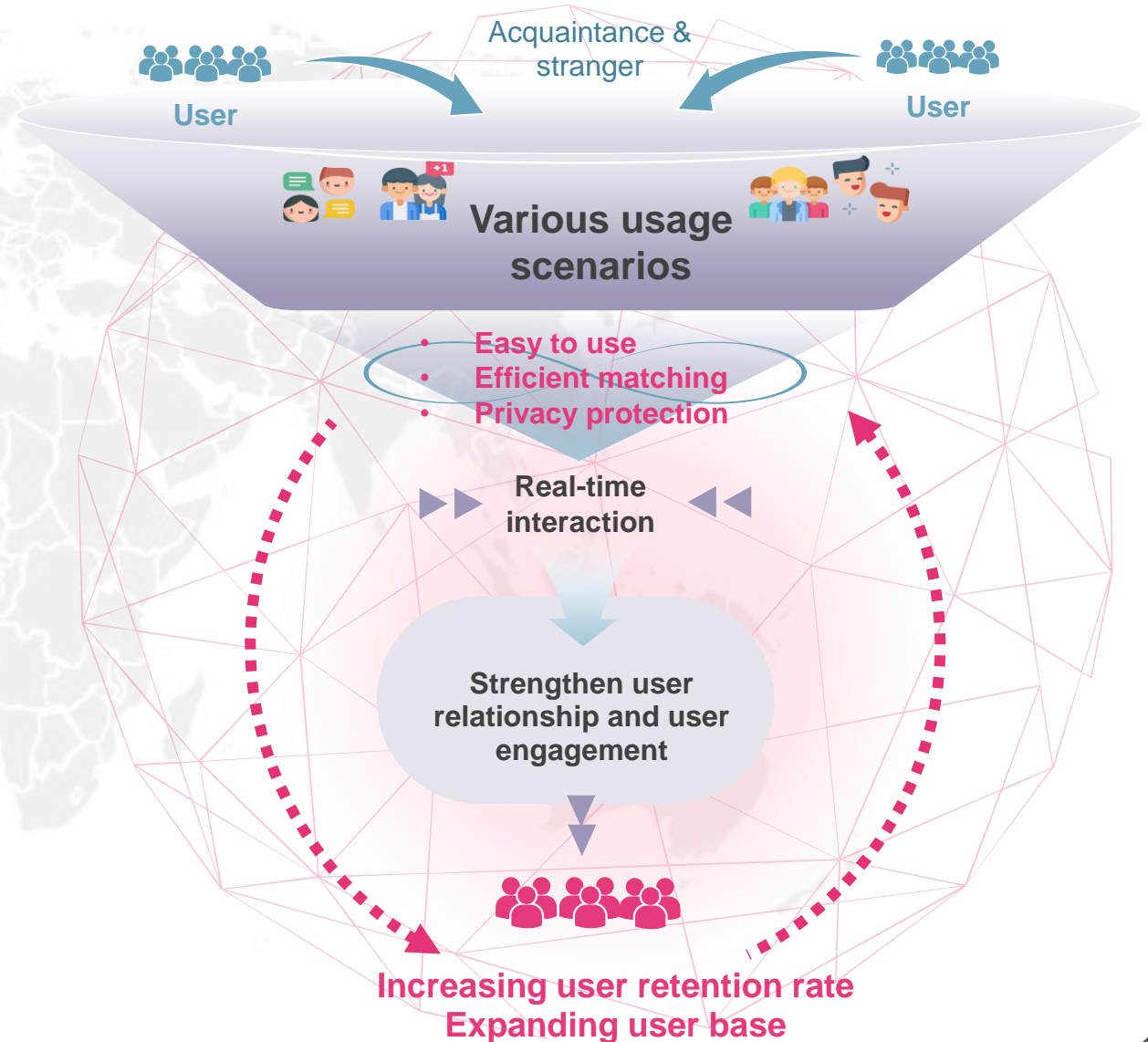
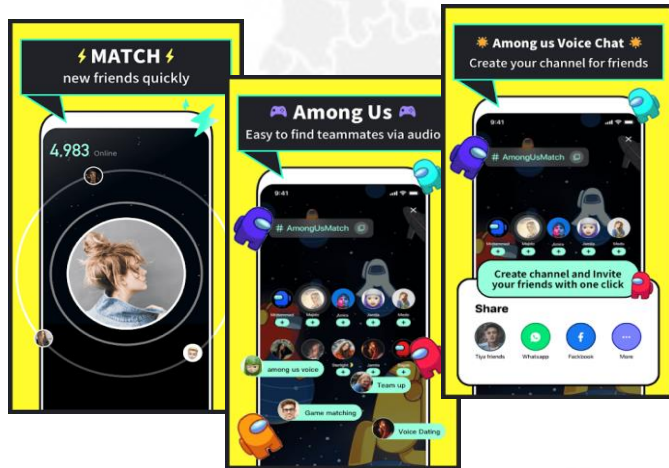


# Global audio-based social networking platform



TIYA

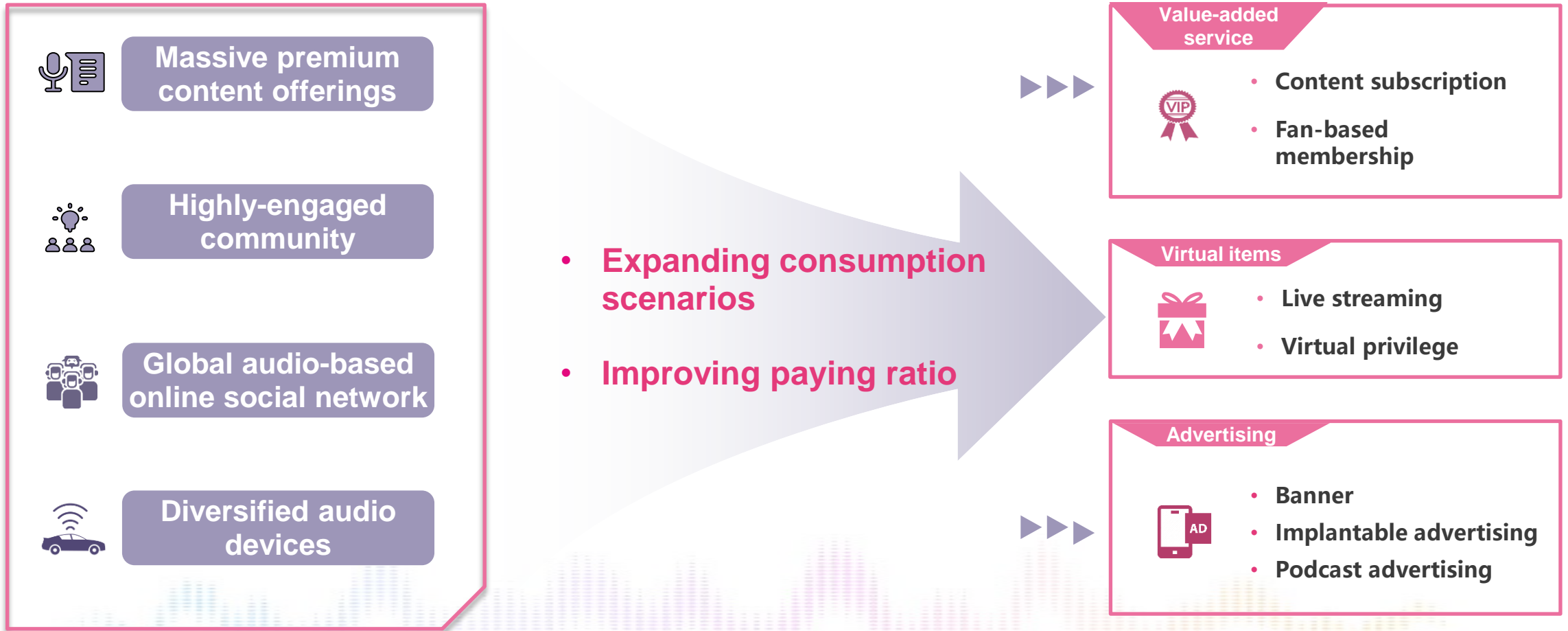
- Ranked among the **top 4<sup>1</sup>** social networking apps in the U.S.
- Ranked among the **top 10<sup>1</sup>** social networking apps in about **70<sup>1</sup>** countries worldwide
- Users in over **200** countries



Notes:

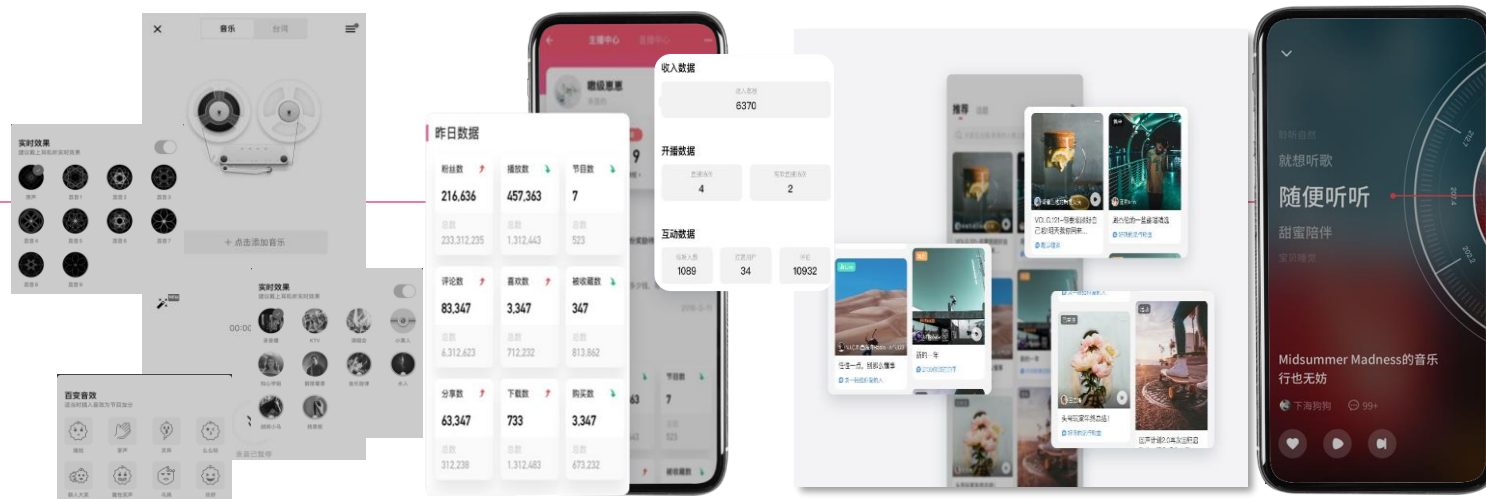
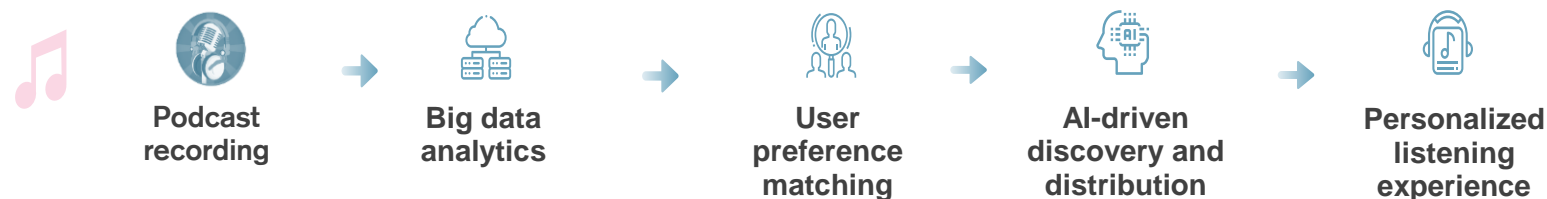
1. Highest ranking record since launch, according to ranking published by App Annie.

# Commercialization



# AI technology empowers content creation, distribution and matching

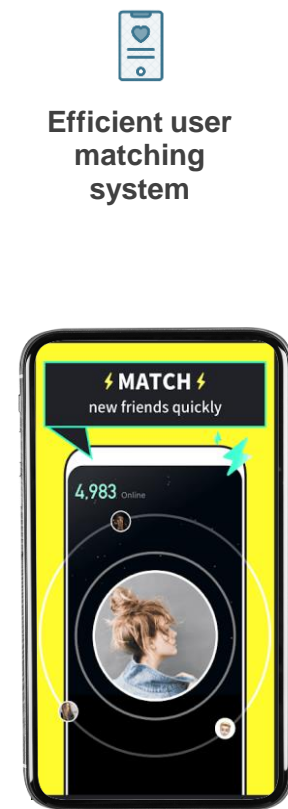
## Strong support for high-quality content creation and distribution



Major categories of personalized recommendation on podcasts

Recommended podcast powered by AI algorithm

## Accurate and efficient matching system

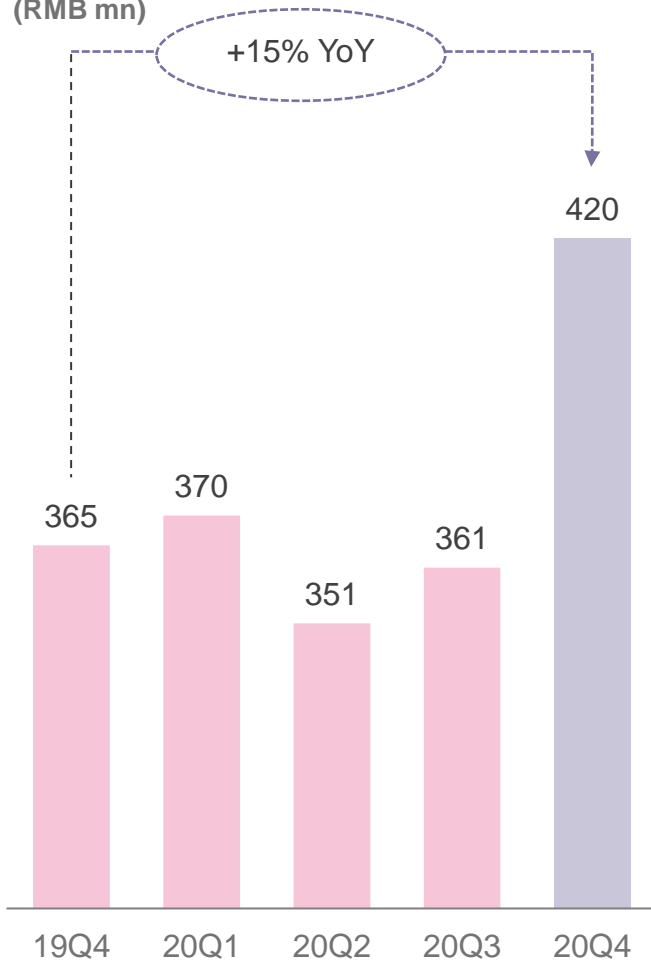


## **2. Financial and Operating Highlights**

# Sustainable growth of revenue & expanding user base

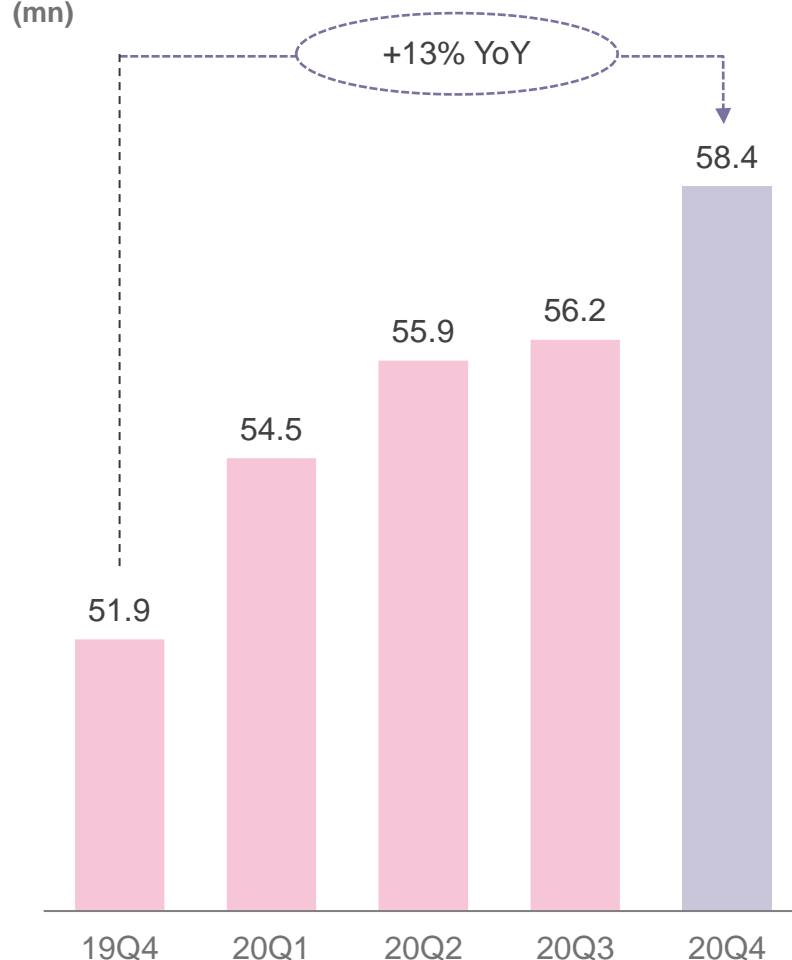
Quarterly Revenue

(RMB mn)



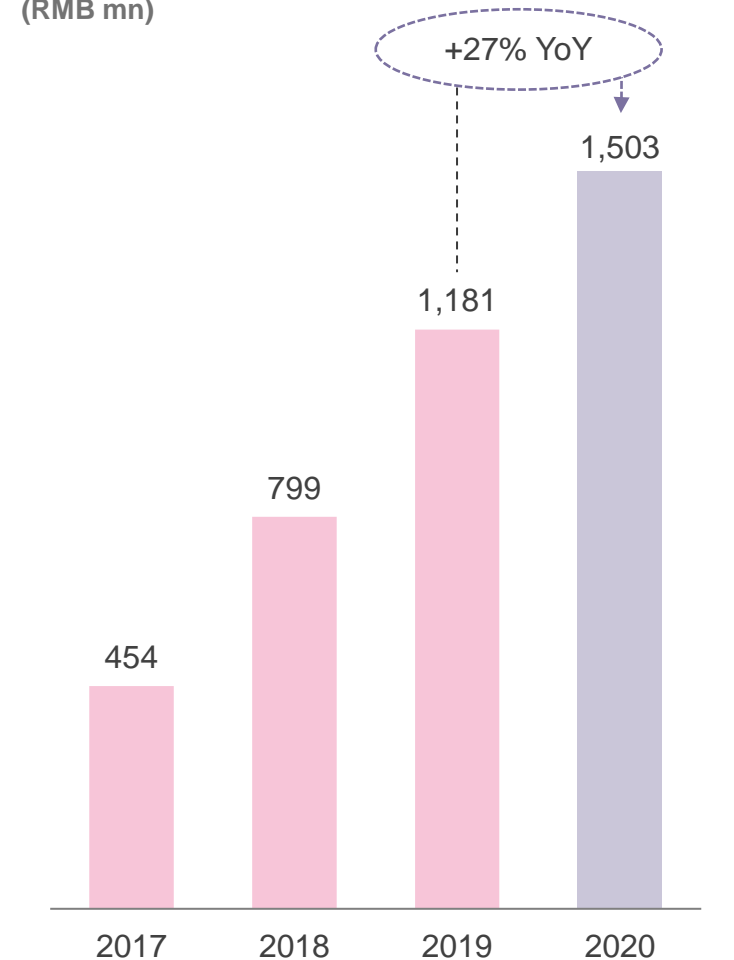
Average Total Mobile MAUs

(mn)



Annual Revenue

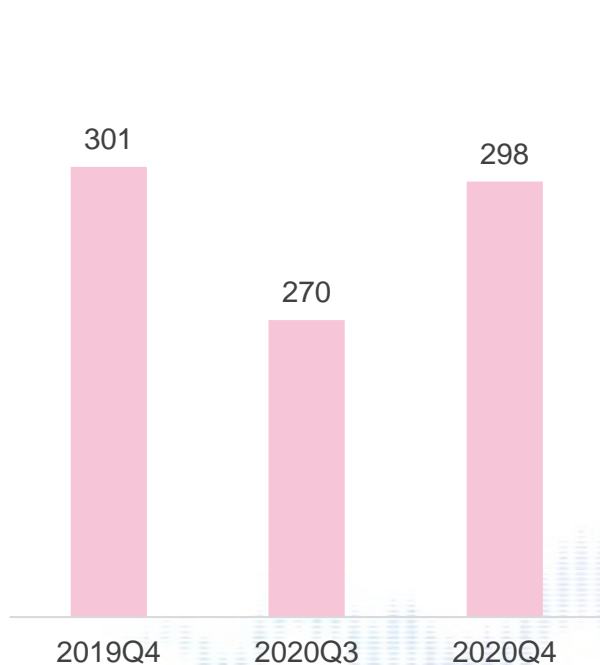
(RMB mn)



# Q4 Financials Overview

## Cost of Revenues<sup>1</sup>

(RMB mn)

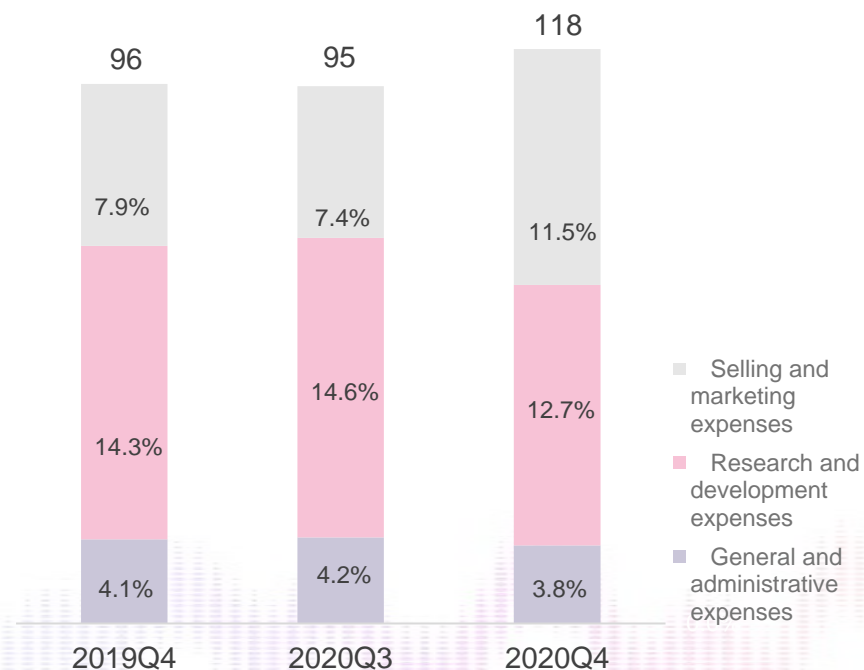


## Non-GAAP Gross Margin<sup>1</sup>

17.6%      25.4%      29.2%

## Operating Expenses<sup>1</sup>

(RMB mn)  
(% of total revenue)

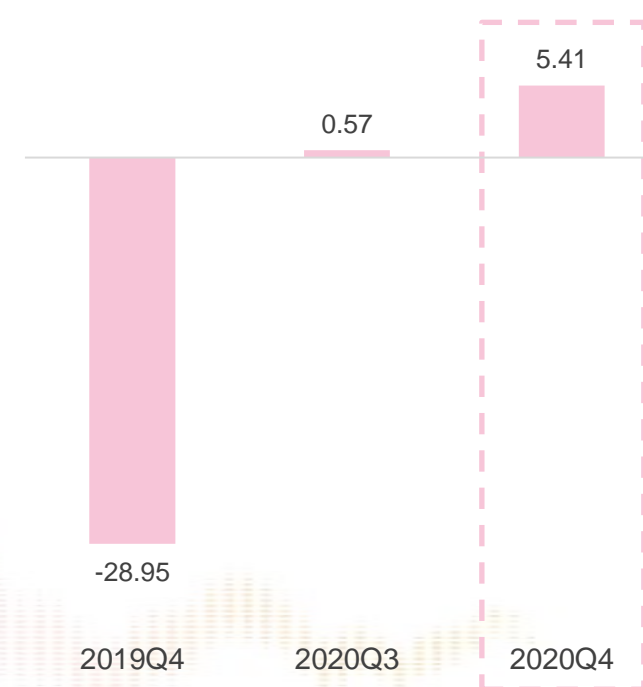


## Non-GAAP Operating Margin<sup>1</sup>

-8.7%      -0.8%      1.2%

## Net (Loss)/Profit<sup>1</sup>

(RMB mn)



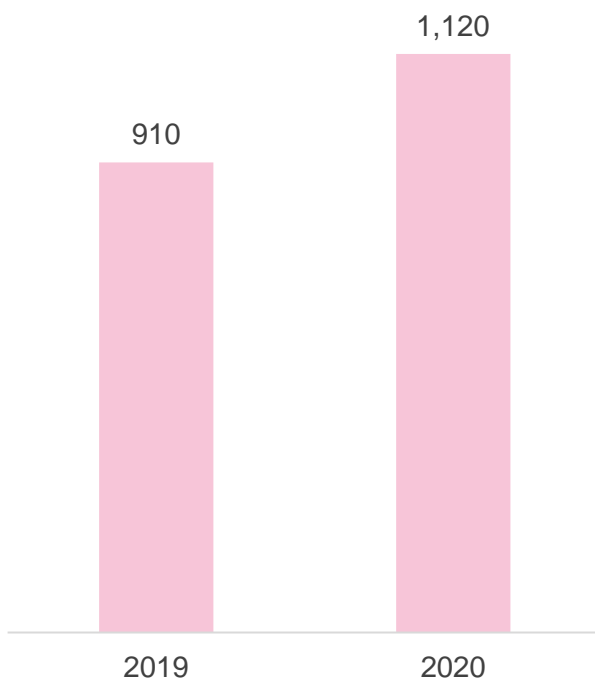
## Non-GAAP Net Margin<sup>1</sup>

-7.9%      0.2%      1.3%

# Full Year 2020 Financials Overview

## Cost of Revenues<sup>1</sup>

(RMB mn)



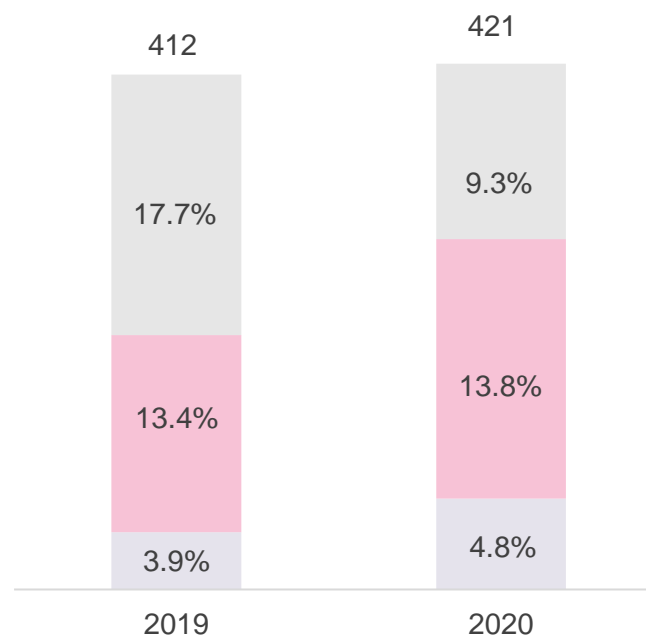
## Non-GAAP Gross Margin<sup>1</sup>

22.9%

25.5%

## Operating Expenses<sup>1</sup>

(RMB mn)  
(% of total revenue)



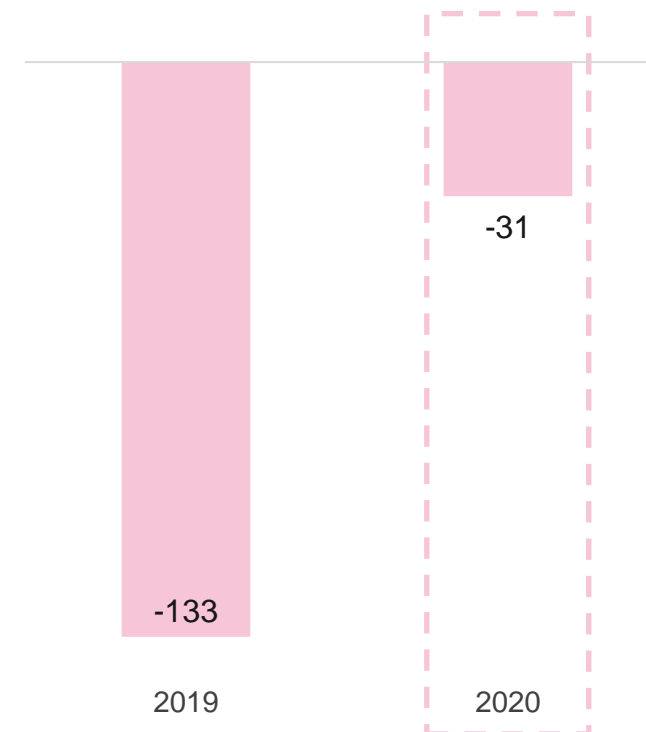
## Non-GAAP Operating Margin<sup>1</sup>

-12.0%

-2.5%

## Net Loss<sup>1</sup>

(RMB mn)



## Non-GAAP Net Margin<sup>1</sup>

-11.3%

-2.1%

## **3. Appendix**

# Consolidated statements of operations

(RMB '000)	Q4 2019	Q3 2020	Q4 2020	Q4 2020 Non-GAAP <sup>1</sup>	FY 2019	FY 2020	FY 2020 Non-GAAP <sup>1</sup>
<b>Net revenues</b>							
Audio entertainment revenues	360,353	355,810	414,731	414,731	1,167,934	1,481,120	1,481,120
Podcast, advertising and other revenues	4,925	5,650	5,522	5,522	12,663	21,788	21,788
<b>Total net revenues</b>	<b>365,278</b>	<b>361,460</b>	<b>420,253</b>	<b>420,253</b>	<b>1,180,597</b>	<b>1,502,908</b>	<b>1,502,908</b>
Cost of revenues	(300,835)	(270,853)	(301,250)	(297,678)	(910,155)	(1,134,678)	(1,119,889)
<b>Gross profit</b>	<b>64,443</b>	<b>90,607</b>	<b>119,003</b>	<b>122,575</b>	<b>270,442</b>	<b>368,230</b>	<b>383,019</b>
<b>Operating expenses</b>							
Selling and marketing expenses	(28,805)	(27,131)	(48,682)	(48,244)	(208,550)	(142,734)	(140,364)
General and administrative expenses	(15,056)	(17,406)	(20,283)	(15,977)	(45,714)	(88,856)	(72,728)
Research and development expenses	(52,303)	(55,625)	(56,442)	(53,500)	(158,015)	(225,329)	(207,875)
<b>Total operating expenses</b>	<b>(96,164)</b>	<b>(100,162)</b>	<b>(125,407)</b>	<b>(117,721)</b>	<b>(412,279)</b>	<b>(456,919)</b>	<b>(420,967)</b>
<b>Operating income/(loss)</b>	<b>(31,721)</b>	<b>(9,555)</b>	<b>(6,404)</b>	<b>4,854</b>	<b>(141,837)</b>	<b>(88,689)</b>	<b>(37,948)</b>
Interest income/(expenses), net	37	(661)	(366)	(366)	300	(1,796)	(1,796)
Foreign exchange gains/(losses)	6	(32)	(158)	(158)	1,178	(836)	(836)
Investment income	-	382	464	464	-	1,241	1,241
Government grants	3,070	4,033	3,198	3,198	9,452	12,870	12,870
Others, net	(342)	(241)	(1,582)	(1,582)	(2,050)	(3,975)	(3,975)
<b>Income/(loss) before income taxes</b>	<b>(28,950)</b>	<b>(6,074)</b>	<b>(4,848)</b>	<b>6,410</b>	<b>(132,957)</b>	<b>(81,185)</b>	<b>(30,444)</b>
Income tax expenses	-	-	(999)	(999)	-	(999)	(999)
<b>Net profit/(loss)</b>	<b>(28,950)</b>	<b>(6,074)</b>	<b>(5,847)</b>	<b>5,411</b>	<b>(132,957)</b>	<b>(82,184)</b>	<b>(31,443)</b>
Accretions to preferred shares redemption value	(273,822)	-	-	-	(940,186)	(154,066)	-
<b>Net profit/(loss) attributable to LIZHI INC.'s ordinary shareholders</b>	<b>(302,772)</b>	<b>(6,074)</b>	<b>(5,847)</b>	<b>5,411</b>	<b>(1,073,143)</b>	<b>(236,250)</b>	<b>(37,781)</b>

Notes: 1. Excluding share-based compensation and accretions to preferred shares redemption value.



# Consolidated balance sheets

(RMB '000)

	As of December 31, 2019	As of December 31, 2020
<b>Current assets</b>		
Cash and cash equivalents	82,709	315,459
Short-term investments	—	73,022
Restricted Cash	—	3,695
Accounts receivable, net	2,979	8,361
Prepayment and other current assets	18,774	19,371
<b>Total current assets</b>	<b>104,462</b>	<b>419,908</b>
<b>Non-current assets</b>		
Property, equipment and leasehold improvement, net	32,387	34,518
Intangible assets, net	1,701	2,929
Right-of-use assets, net <sup>1</sup>	—	4,282
Other non-current assets	2,133	2,181
<b>Total non-current assets</b>	<b>36,221</b>	<b>43,910</b>
<b>Total assets</b>	<b>140,683</b>	<b>463,818</b>
<b>Current liabilities</b>		
Accounts payable	72,299	78,267
Deferred revenue	14,530	17,001
Salary and welfare payable	68,935	93,288
Taxes payable	2,631	5,809
Short-term loans	—	39,508
Lease liabilities due within one year <sup>1</sup>	—	3,709
Accrued expenses and other current liabilities	33,729	51,047
<b>Total current liabilities</b>	<b>192,124</b>	<b>288,629</b>
Lease liabilities <sup>1</sup>	—	587
Other non-current liabilities	—	5,411
<b>Total non-current liabilities</b>	<b>—</b>	<b>5,998</b>
<b>Total liabilities</b>	<b>192,124</b>	<b>294,627</b>
<b>Total mezzanine equity</b>	<b>1,946,990</b>	<b>—</b>
<b>Total shareholders' (deficit)/equity</b>	<b>(1,998,431)</b>	<b>169,191</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>140,683</b>	<b>463,818</b>

Notes: 1. The Company has adopted ASC No. 2016-02, Leases "ASU 2016-02" beginning January 1, 2020 using the modified retrospective method, with the comparative information not being restated and continues to be reported under the accounting standards in effect for those periods. The only major impact of the standard is that assets and liabilities amounting to RMB12 million respectively were recognized beginning January 1, 2020 for leased office space with terms of more than 12 months.



# Thank You

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