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This document also contains non-GAAP financial measures, the presentation of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is contained within this document or the earnings press release.

This document speaks as of Jun 30, 2020. Neither the delivery of this document nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.

2Q 2020 Highlights



LTM⁽¹⁾ GMV⁽²⁾

RMB1,268.7bn

79% YoY Growth



Revenues

RMB12,193.3mn

67% YoY Growth



LTM⁽¹⁾ Active Buyers⁽³⁾

683.2mn

41% YoY Growth



Average MAUs⁽⁴⁾

568.8mn

55% YoY Growth

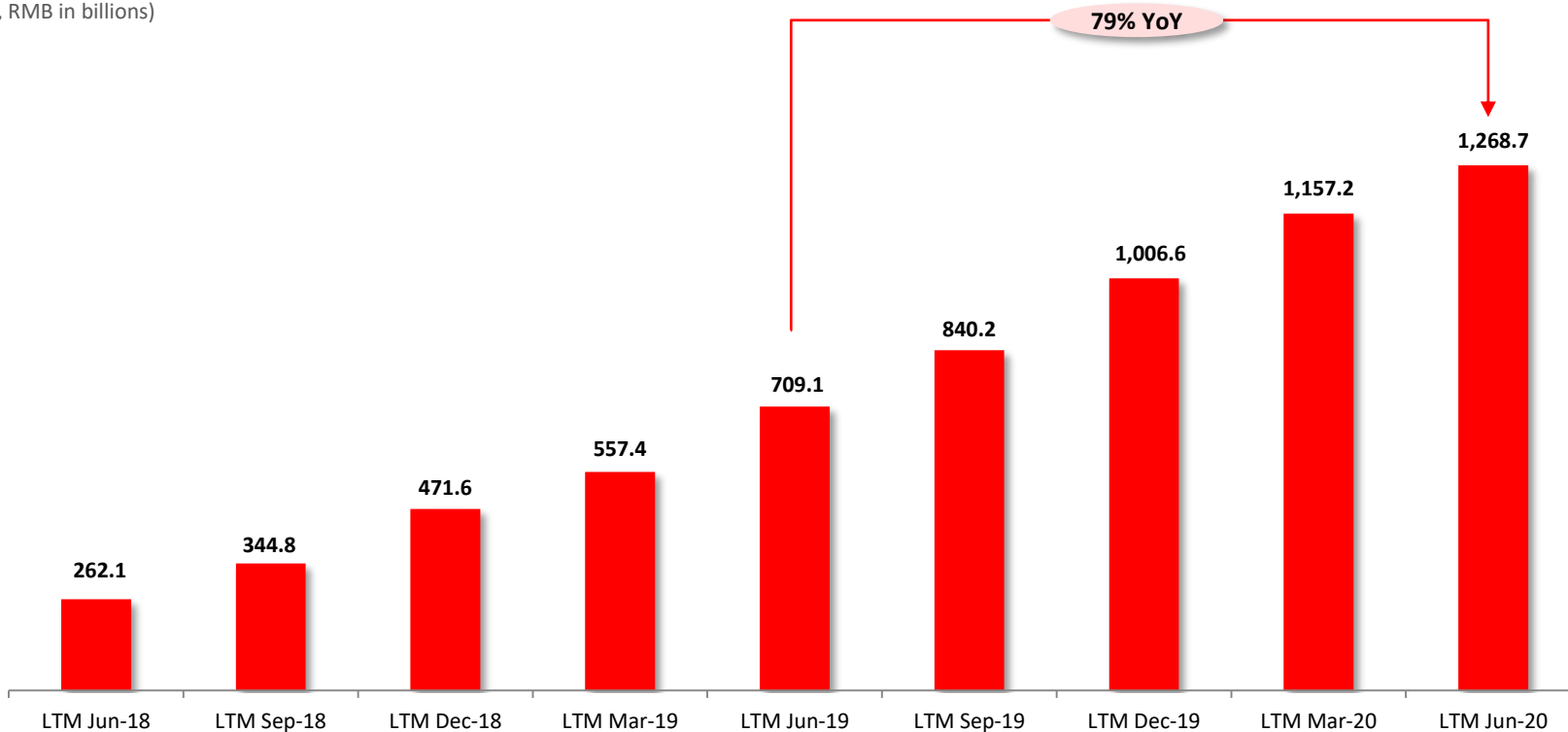
Notes:

- (1) "LTM", Last Twelve Months, references to the twelve-month period that ends on the last day of the month or quarter indicated.
- (2) "GMV" refers to the total value of all orders for products and services placed on the Pinduoduo mobile platform, regardless of whether the products and services are actually sold, delivered or returned. Buyers on the platform are not charged for shipping fees in addition to the listed price of merchandise. Hence, merchants may embed the shipping fees in the listed price. If embedded, then the shipping fees are included in GMV. As a prudential matter aimed at eliminating any influence on Pinduoduo's GMV of irregular transactions, the Company excludes from its calculation of GMV transactions in certain product categories over certain amounts and transactions by buyers in certain product categories over a certain amount per day.
- (3) "Active buyers" in a given period references to the number of user accounts that placed one or more orders (i) on the Pinduoduo mobile app, and (ii) through social networks and access points in that period, regardless of whether the products and services are actually sold, delivered or returned.
- (4) "MAUs", Monthly Active Users, refers to the number of user accounts that visited the Pinduoduo mobile app during a given month, which does not include those that accessed the platform through social networks and access points.

Strong GMV Growth of 79% YoY ...

GMV

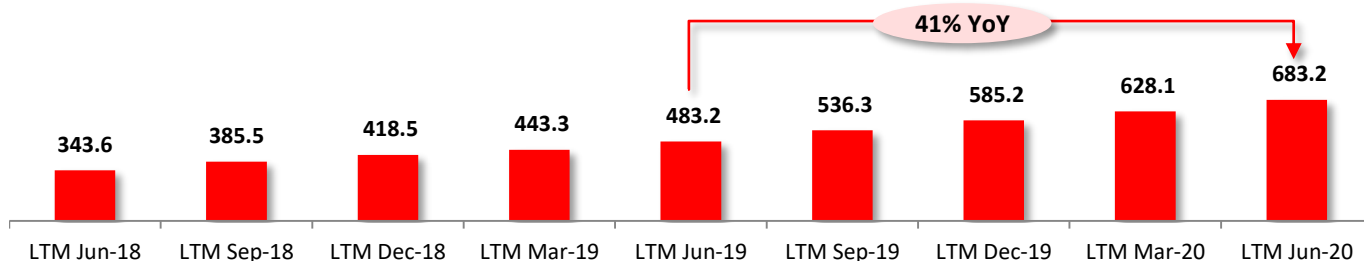
(LTM, RMB in billions)



... Driven by Rapidly Expanding User Base and Spending per Active Buyer

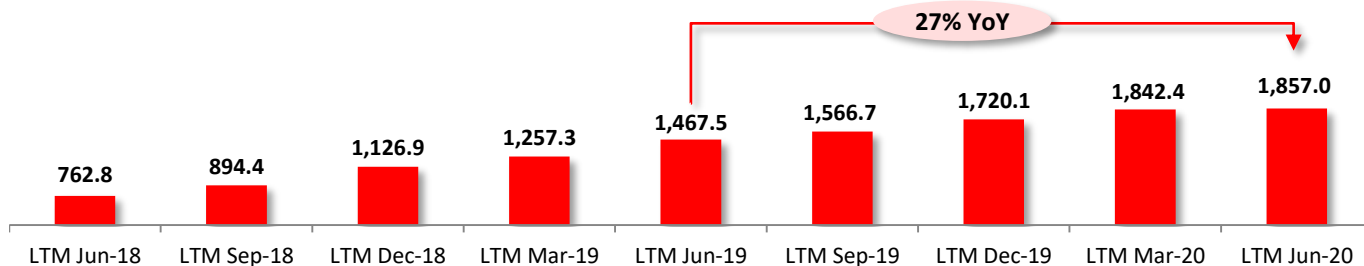
Active Buyers

(LTM, in millions)



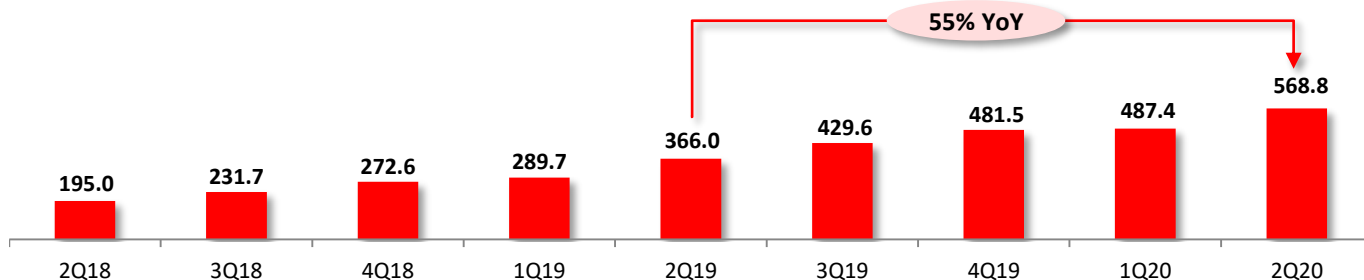
Annual Spending Per Active Buyer⁽¹⁾

(LTM, RMB)



MAUs

(Average, in millions)



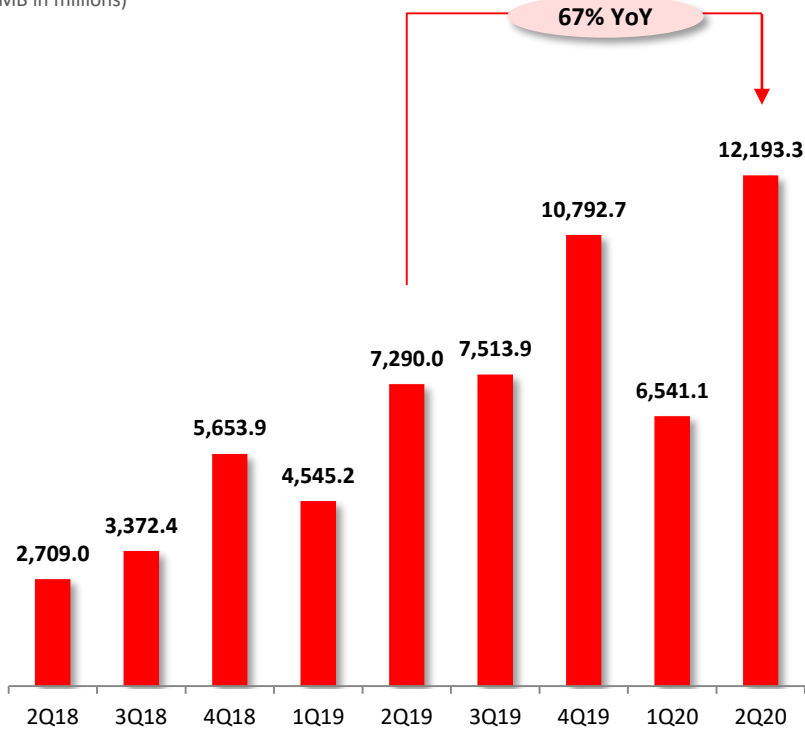
Notes:

(1) "Annual spending per active buyer" in a given period refers to the quotient of total GMV in that period divided by the number of active buyers in the same period.

Revenues and Monetization Rate

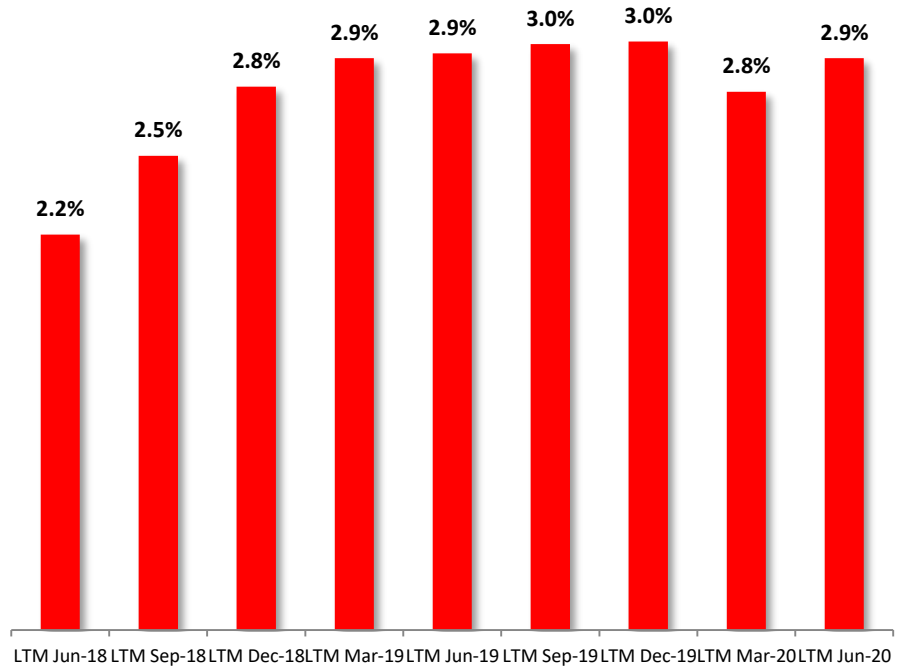
Revenues

(RMB in millions)



Monetization Rate⁽¹⁾

(%, LTM)



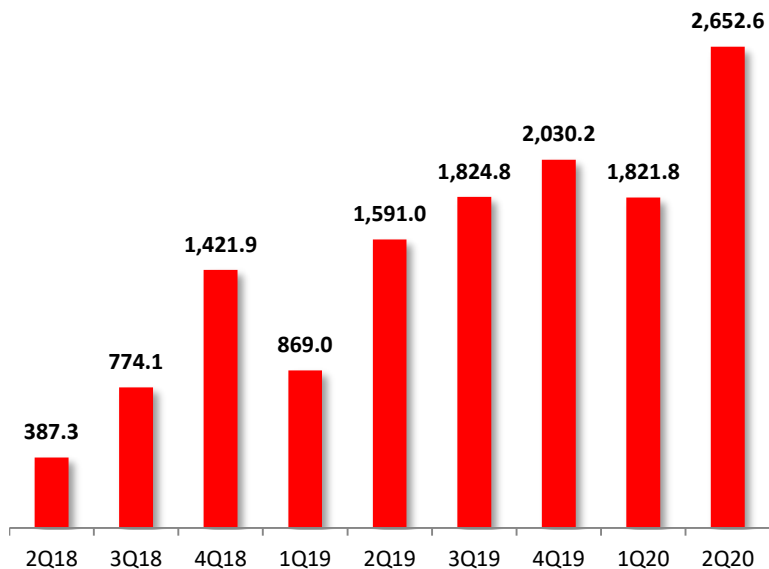
Notes:

(1) "Monetization Rate" is revenues expressed as a percentage of total GMV for a given LTM period.

Cost Structure

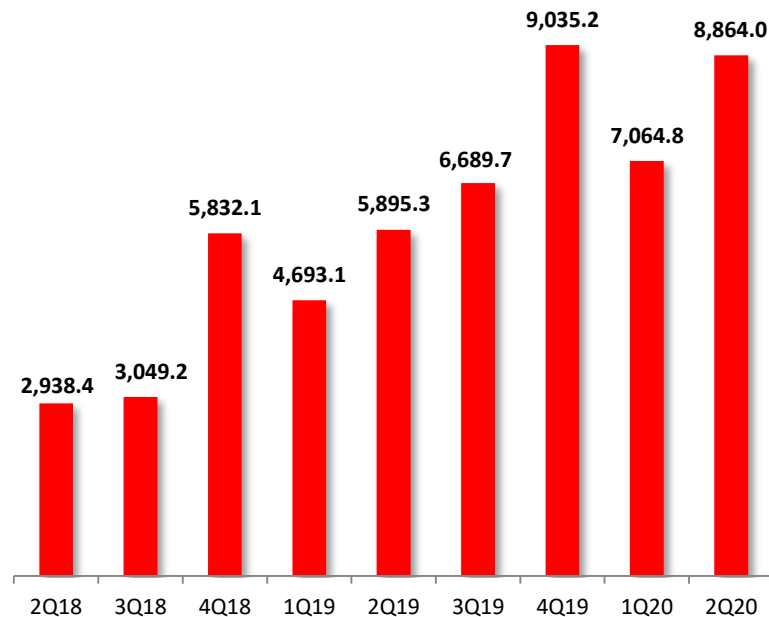
Non-GAAP⁽¹⁾ Cost of Revenues

(RMB in millions)



Non-GAAP⁽¹⁾ Sales & Marketing Expenses

(RMB in millions)



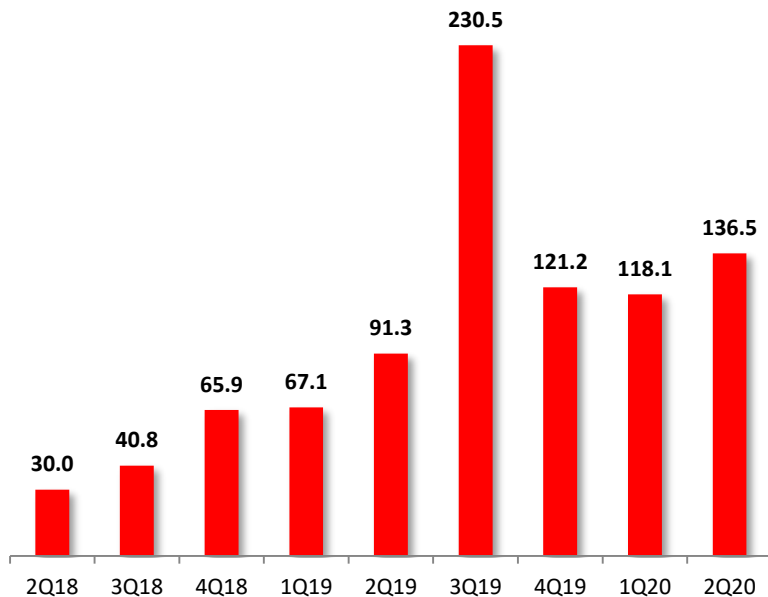
Notes:

(1) Our Non-GAAP measures exclude share-based compensation expenses, interest expenses related to the convertible bonds' amortization to face value and gain from fair value change of long-term investments. Please refer to our earnings press release for more details.

Cost Structure (Cont'd)

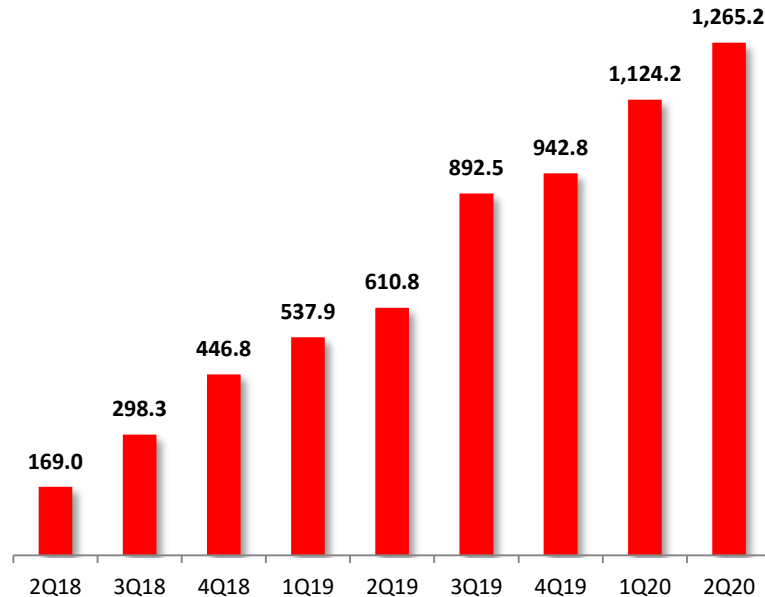
Non-GAAP⁽¹⁾ General & Administrative Expenses

(RMB in millions)



Non-GAAP⁽¹⁾ Research & Development Expenses

(RMB in millions)



Notes:

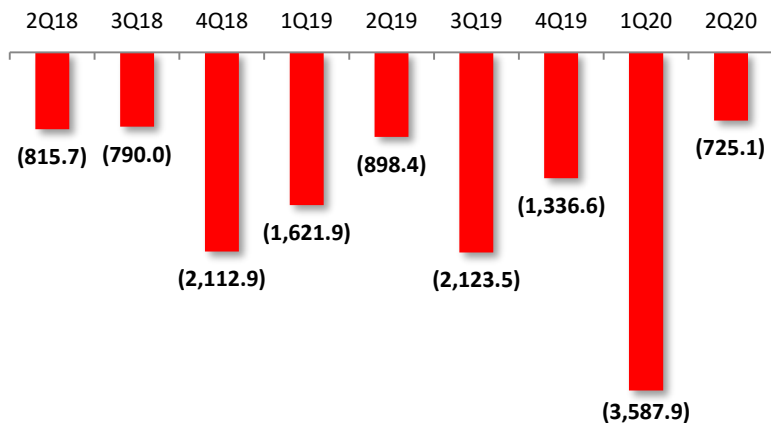
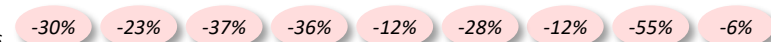
(1) Our Non-GAAP measures exclude share-based compensation expenses, interest expenses related to the convertible bonds' amortization to face value and gain from fair value change of long-term investments. Please refer to our earnings press release for more details.

Profitability

Non-GAAP⁽¹⁾ Operating Loss

(RMB in millions)

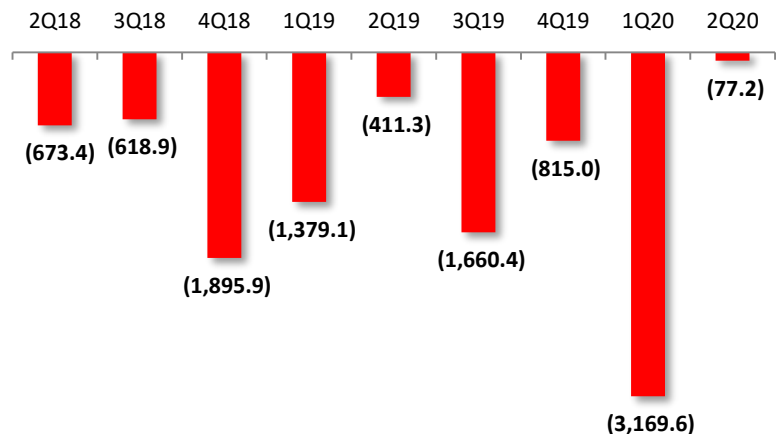
% of Revenues



Non-GAAP⁽¹⁾ Net Loss Attributable to Ordinary Shareholders

(RMB in millions)

% of Revenues



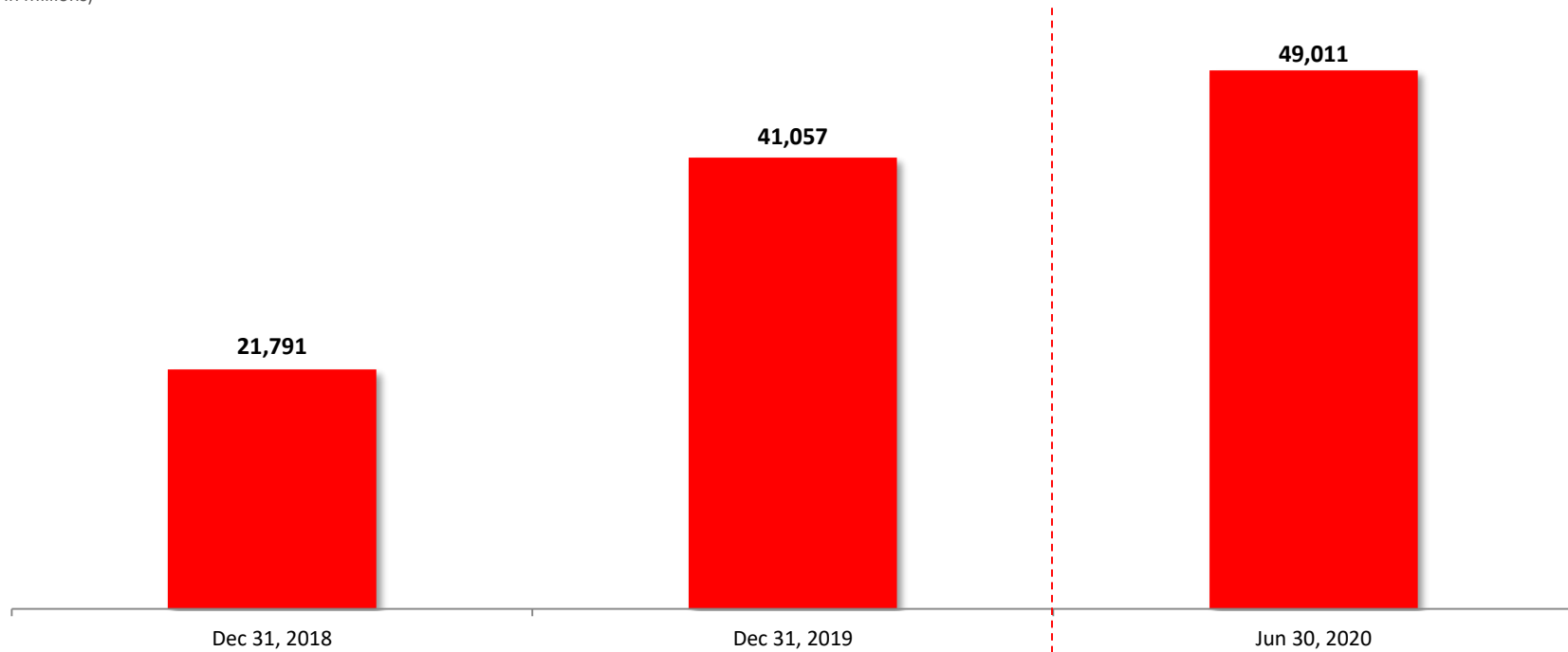
Notes:

(1) Our Non-GAAP measures exclude share-based compensation expenses, interest expenses related to the convertible bonds' amortization to face value and gain from fair value change of long-term investments. Please refer to our earnings press release for more details.

Balance Sheet

Ending Cash, Cash Equivalents and Short-term Investment⁽¹⁾

(RMB in millions)



Notes

- (1) All highly liquid investments with original maturities of greater than three months but less than twelve months, are classified as short-term investments. Investments that are expected to be realized in cash during the next twelve months are also included in short-term investments.



Pinduoduo Inc.

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More Savings
More Fun