

万物新生  
A T R E N E W

# 3Q22 INVESTOR PRESENTATION

November 2022



爱回收  
AHS Recycle

拍机堂  
PJT Marketplace

拍拍  
Paipai Marketplace

AHS DEVICE

# Safe Harbor

## Forward-looking Statements

This presentation has been prepared by ATRenew Inc. (the “Company”) solely for informational purposes. This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the Company’s current expectations and projections with respect to, among other things, our financial condition, results of operations, plans, objectives, future performance, and business. These statements may be preceded by, followed by or include the words "aim," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "outlook," "plan," "potential," "project," "projection," "seek," "can," "could," "may," "should," "would," "will," the negatives thereof and other words and terms of similar meaning. Forward-looking statements include all statements that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Among these factors are risks related to the “Risk Factors” identified in the Company’s F-1 filing with the U.S. SEC. There is no assurance that any forward-looking statements will materialize. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of this date. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise.

## Market and Industry Data

This presentation includes information concerning economic conditions, the Company’s industry, the Company’s markets and the Company’s competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as the Company’s own estimates and research. The Company’s estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and the Company’s knowledge of its industry, which the Company believes to be reasonable. The independent industry publications used in this presentation were not prepared on the Company’s behalf. While the Company is not aware of any misstatements regarding any information in this presentation, forecasts, assumptions, expectations, beliefs, estimates and projects involve risk and uncertainties and are subject to change based on various factors.

# Who We Are



Note: (1) For pre-owned consumer electronics in 2021, according to CIC report.

**We are the**

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**No.1 Pre-owned Consumer Electronics Transactions and Services Platform in China<sup>1</sup>**

**with a mission**

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**to give a second life to all idle goods**

**and we are creating**

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**an open platform driven by supply chain capabilities and technology**

# 万物新生

A T R E N E W

  
AHS Recycle

  
PJT  
Marketplace

  
Paipai  
Marketplace

  
International Business

**RMB2,536 million, +29.2% yoy**  
Total revenues in 3Q22

**RMB10.8 million**  
Non-GAAP operating income<sup>1</sup> in 3Q22

**4.45%**  
Take rate of marketplaces in 3Q22

**RMB2,226 million, +33.7% yoy**  
Net product revenues in 3Q22

**1,804 stores**  
Covering 256 cities in China<sup>2</sup>

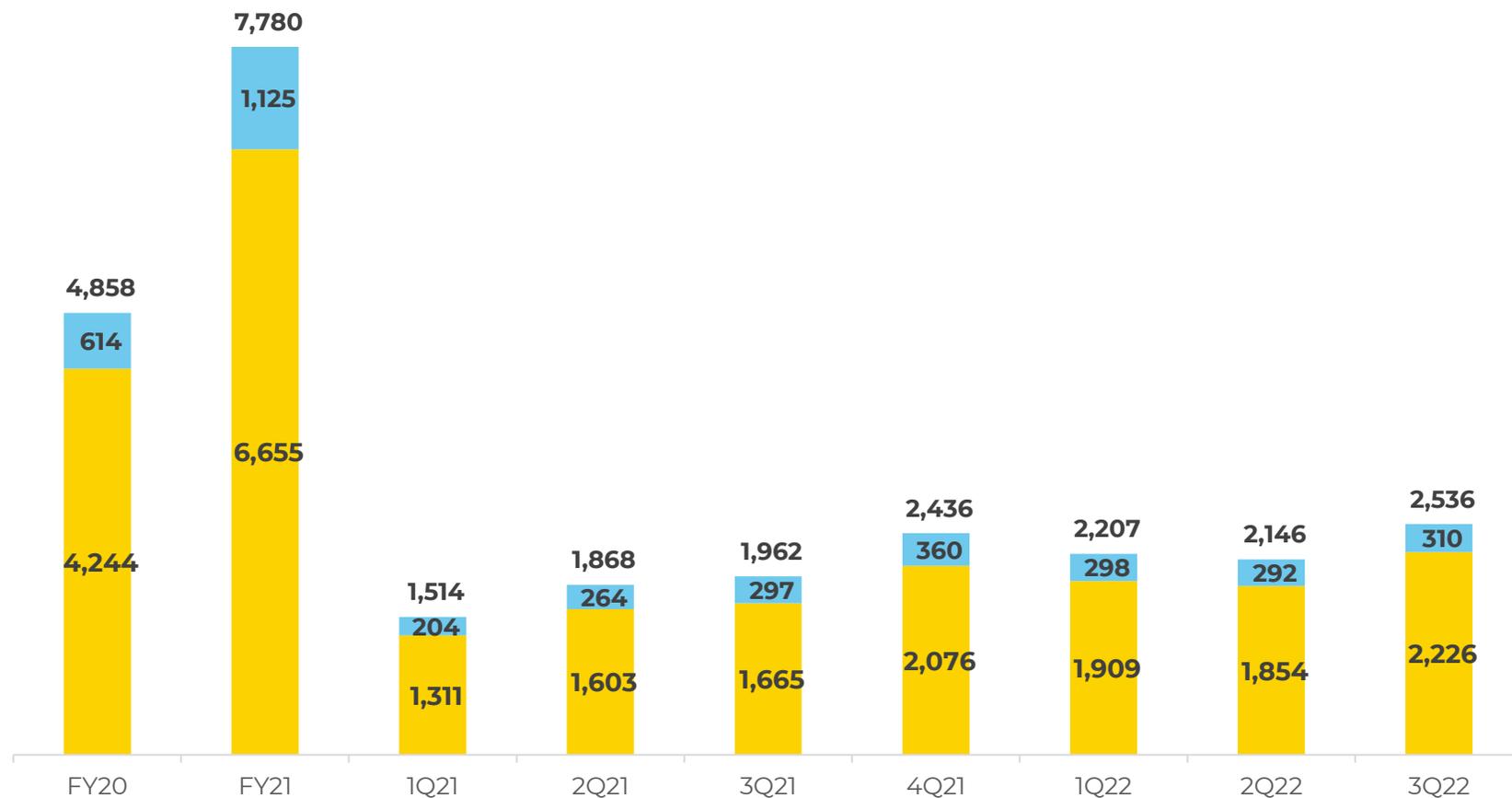
**RMB2.7 billion**  
Cash reserves as at the end of 3Q22<sup>3</sup>

Notes:  
(1) Under non-GAAP measures, the impact of share-based compensation expenses and amortization of intangible assets and deferred cost resulting from assets and business acquisitions is excluded;  
(2) As of September 30, 2022, including both AHS stores and Paipai Selection stores;  
(3) Cash reserves included cash and cash equivalents, short-term investments and funds receivable from third-party payment service providers.

# Resilient Year-on-Year Growth Despite COVID and Macro Challenges

## IP Business Continues to be the Core Revenue Contributor (w/ Year-on-year Comparisons)

(RMB million)	Net revenues	60.1%	118.8%	56.2%	48.0%	48.2%	45.7%	14.9%	29.2%
	Net service revenues	83.2%	136.8%	77.9%	67.3%	78.4%	46.0%	10.3%	4.4%
	Net product revenues	56.8%	116.2%	53.1%	45.0%	43.9%	45.7%	15.6%	33.7%



# Snapshot of Non-GAAP Operating Expenses

## Fulfillment Expenses

(RMB million)

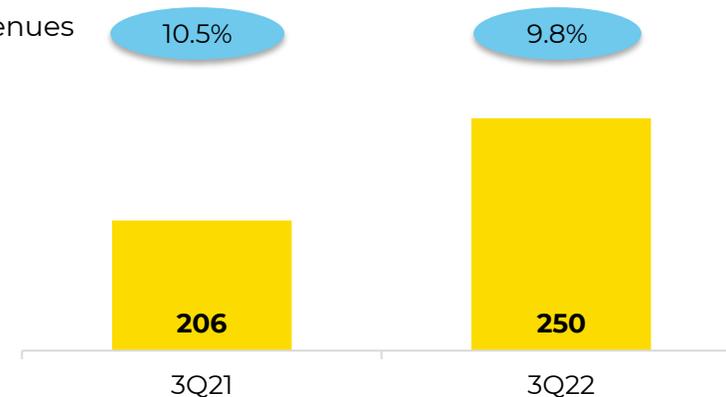
% of total net revenues



## Selling and Marketing Expenses

(RMB million)

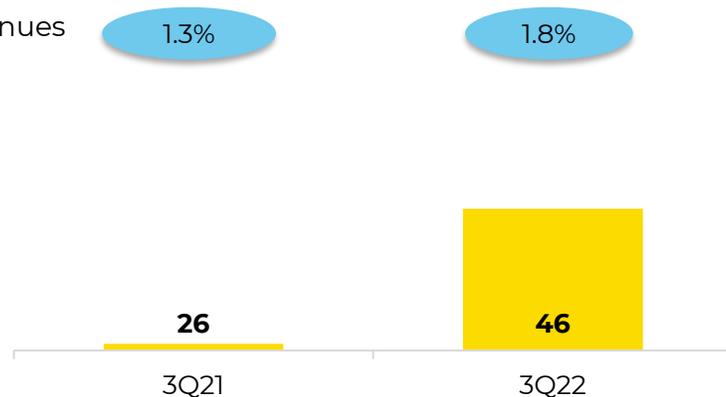
% of total net revenues



## General and Administrative Expenses

(RMB million)

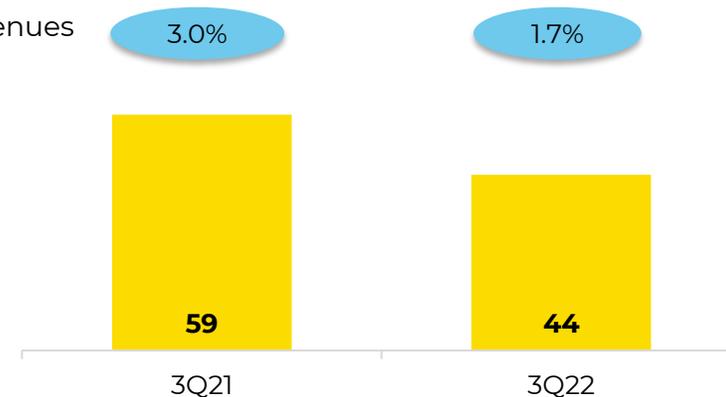
% of total net revenues



## Technology and Content Expenses

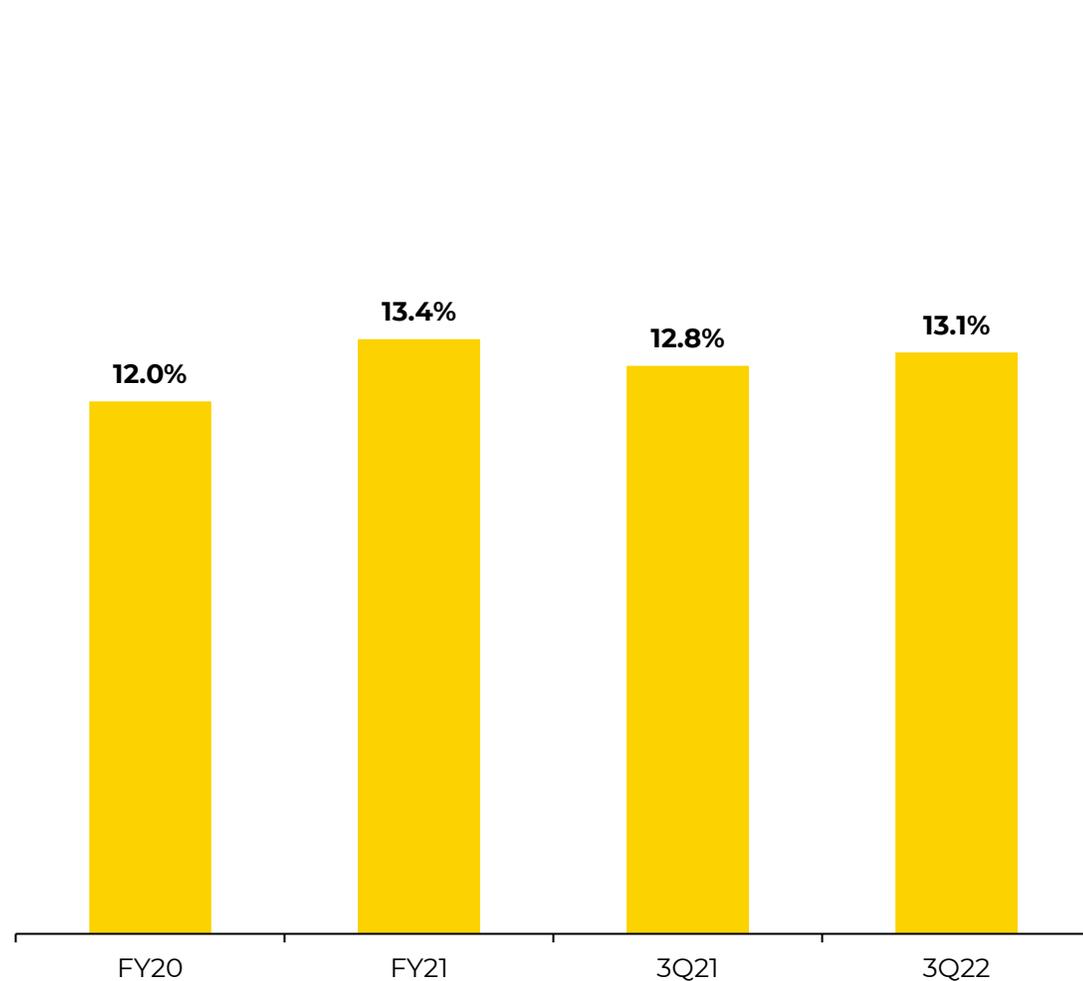
(RMB million)

% of total net revenues

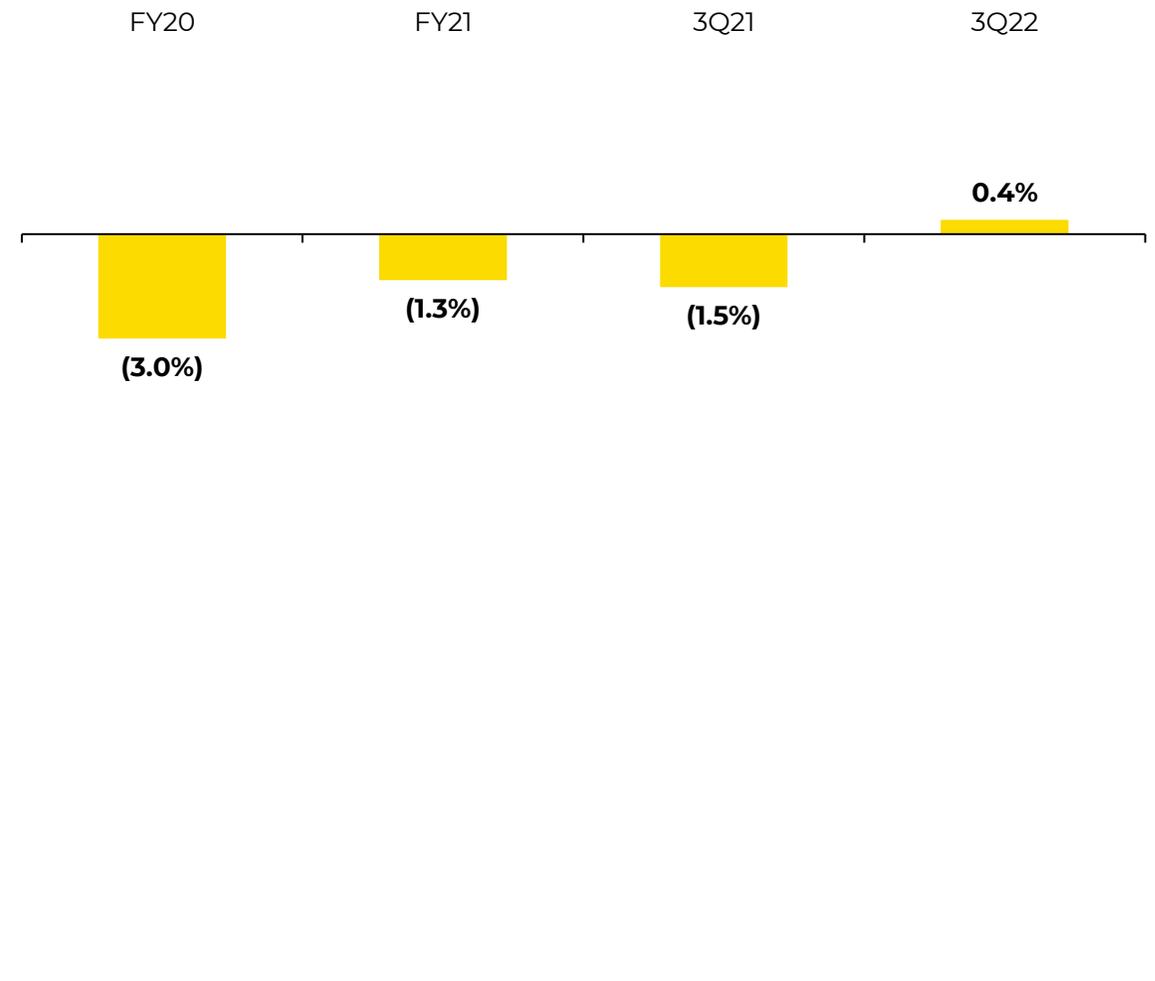


# Profit Margins Continue to Improve

## Adjusted Fulfilled Gross Margin<sup>1</sup>



## Non-GAAP Operating Margin<sup>2</sup>



Notes:

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(1) (Total net revenues – merchandise costs – fulfillment expenses, excluding share-based compensation expenses) / total net revenues x 100%.

(2) Non-GAAP adjustments exclude the impacts of share-based compensation expenses and amortization of intangible assets and deferred cost resulting from assets and business acquisitions.

# Our Vision for 2022 and Profit Realization

Core strategies towards value creation amid a challenging macro environment.

## City-level service integration

- A nationwide network of physical stores and operation stations
- Refine regional management and operations
- **Enlarge market share and penetration**
- Accelerate regional circulation



## Retailing refurbished devices

- Guidelines for compliant refurbishment by People's Procuratorate of Shenzhen
- **Widen profit margin** while we **prioritize direct-to-consumer distribution**



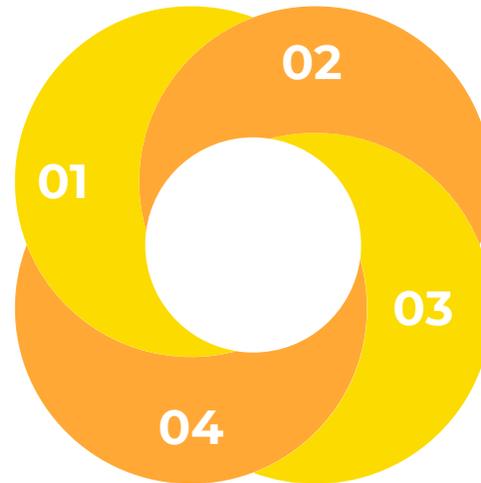
## New categories

- **New revenue stream** from **luxury goods, camera equipment, and gold** recycling
- Satisfy consumers' growing demand for cashback
- Build on the trustworthy brand of AHS Recycle and the existing fulfillment capabilities
- **No excessive capex**



## Tech advancement

- Continue to invest in automated inspection technologies
- Higher inspection accuracy to minimize the return of goods
- Minimize inspection expenses per order



# City-level Service Integration Grid

How we build the grid across multiple business and commercial areas in a city:

-  Online marketplaces
-  Commercial areas with heavy foot traffic
-  City hubs for offline electronics transactions
-  AHS stores (recycling network)
-  Paipai Selection stores (retail touchpoints with on-site live-streaming)
-  City-level operation stations (extend inspection and operation capabilities to local merchants)



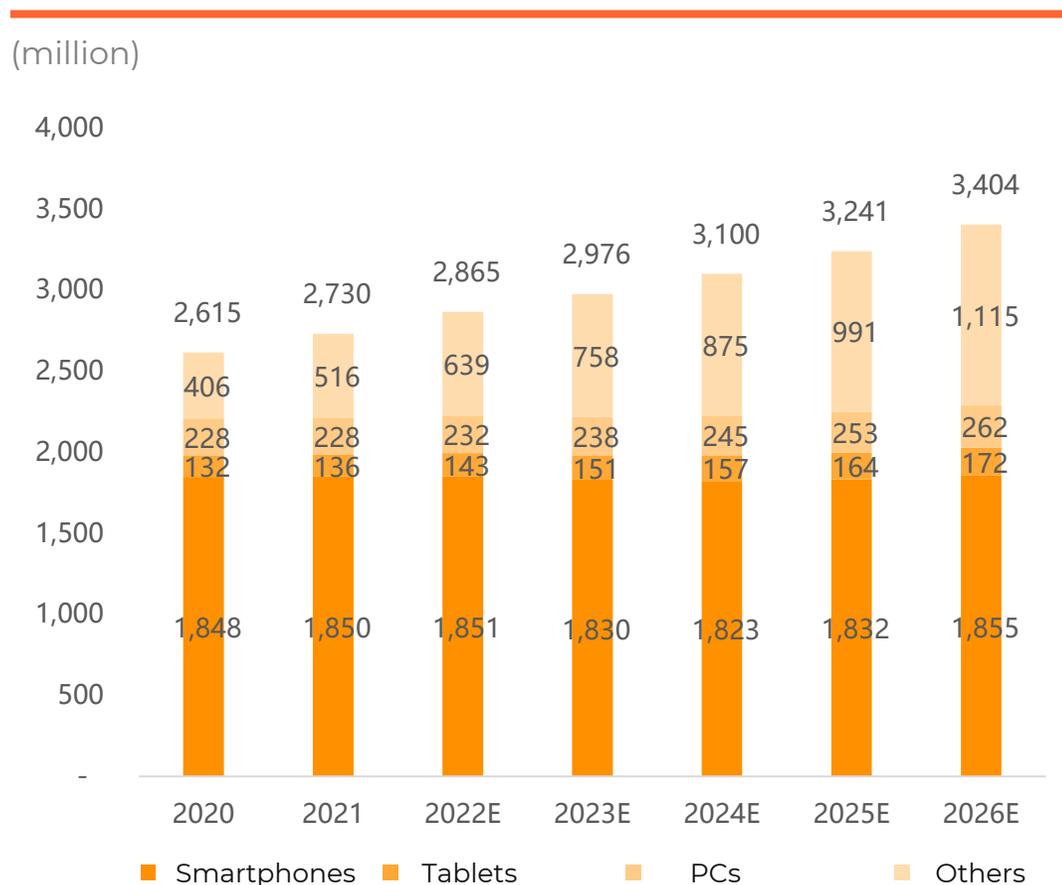
# Appendix

- Market Overview
- Offerings and Capabilities
- Investment Highlights

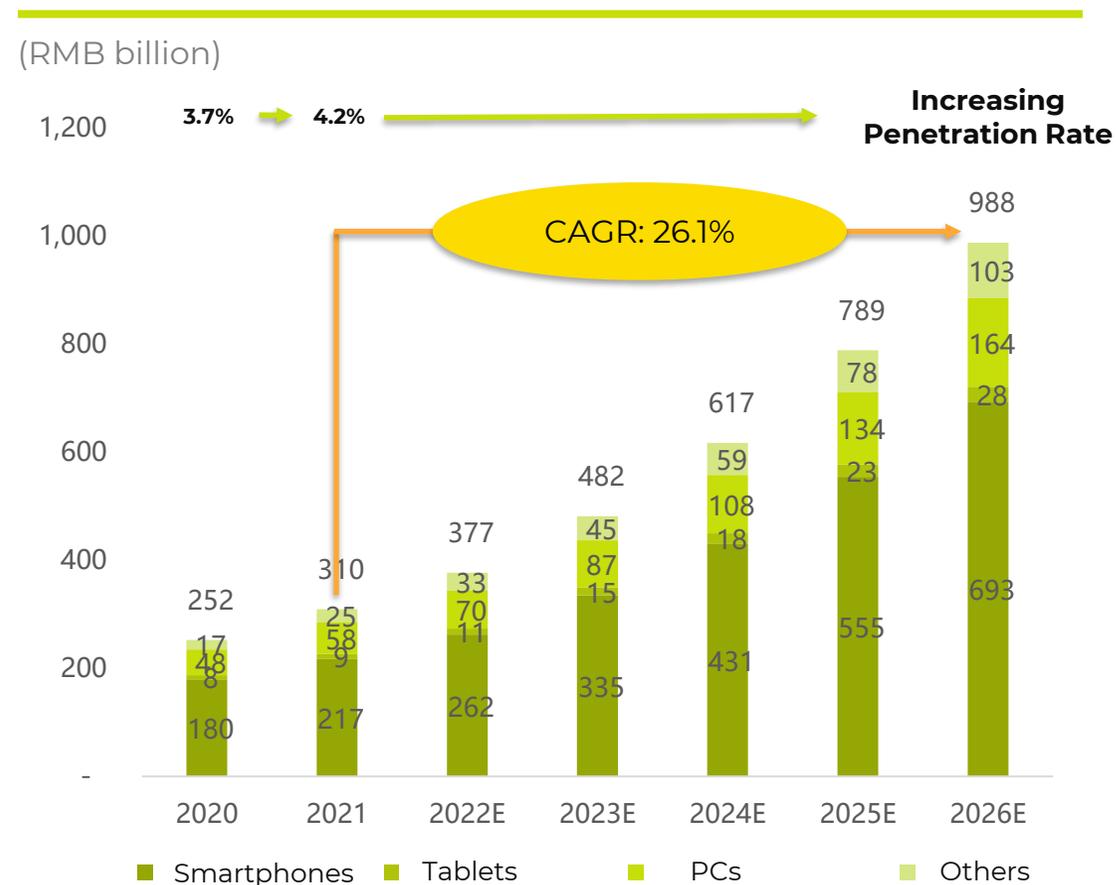


# Huge Domestic Market Opportunity in Pre-owned Electronics

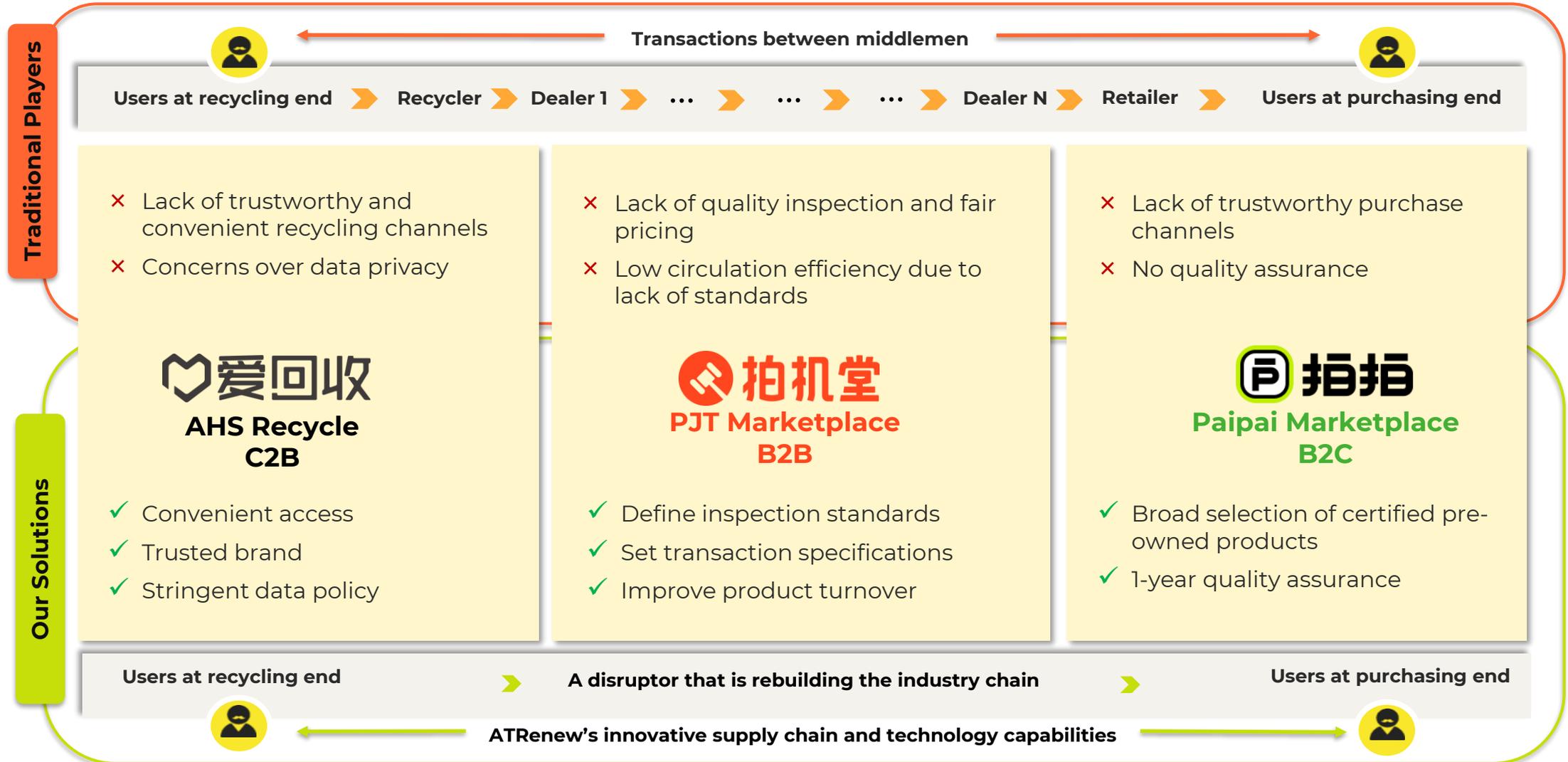
## Device Volume with Use Value in China



## Pre-owned Device Distribution and Service GMV in China

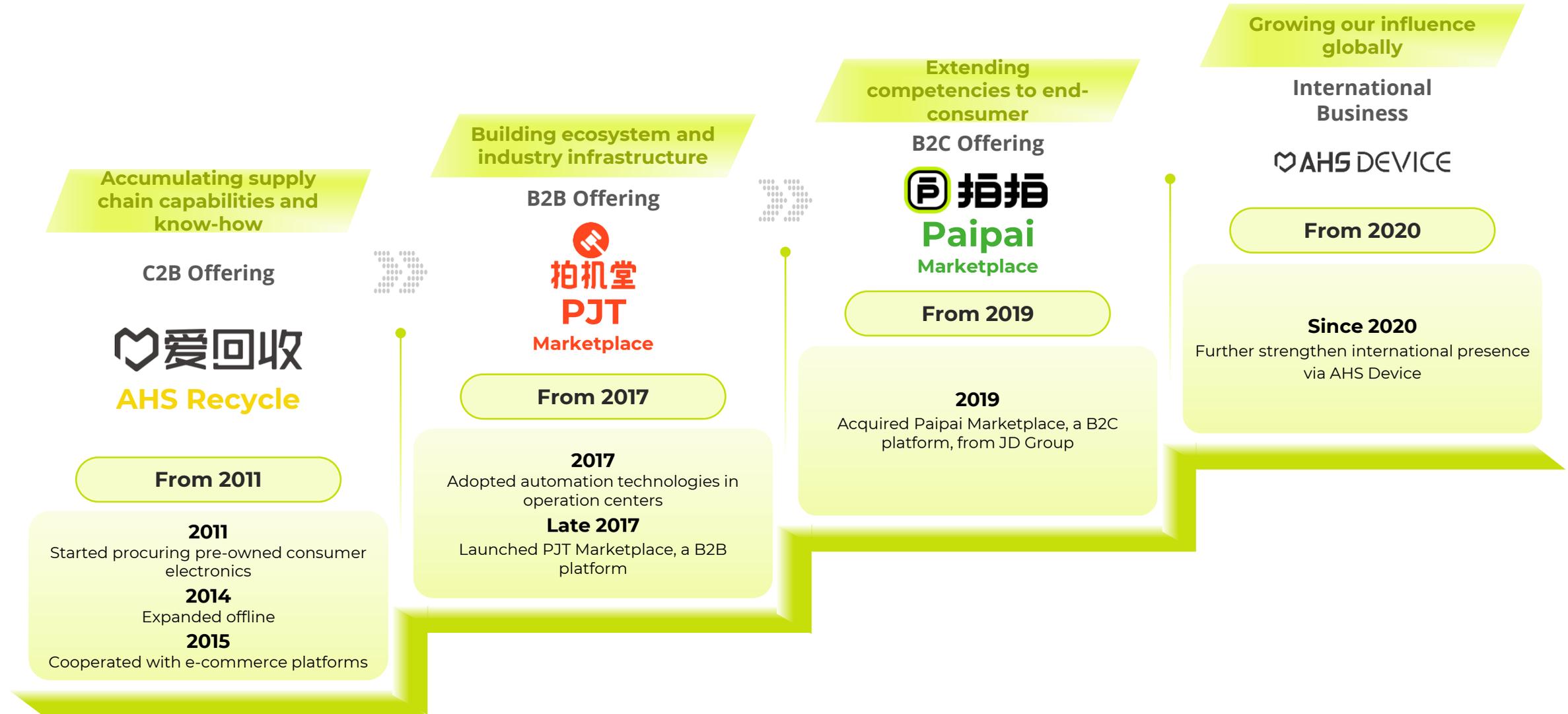


# ATRenew as a Tech-driven Market Disruptor and Reformer

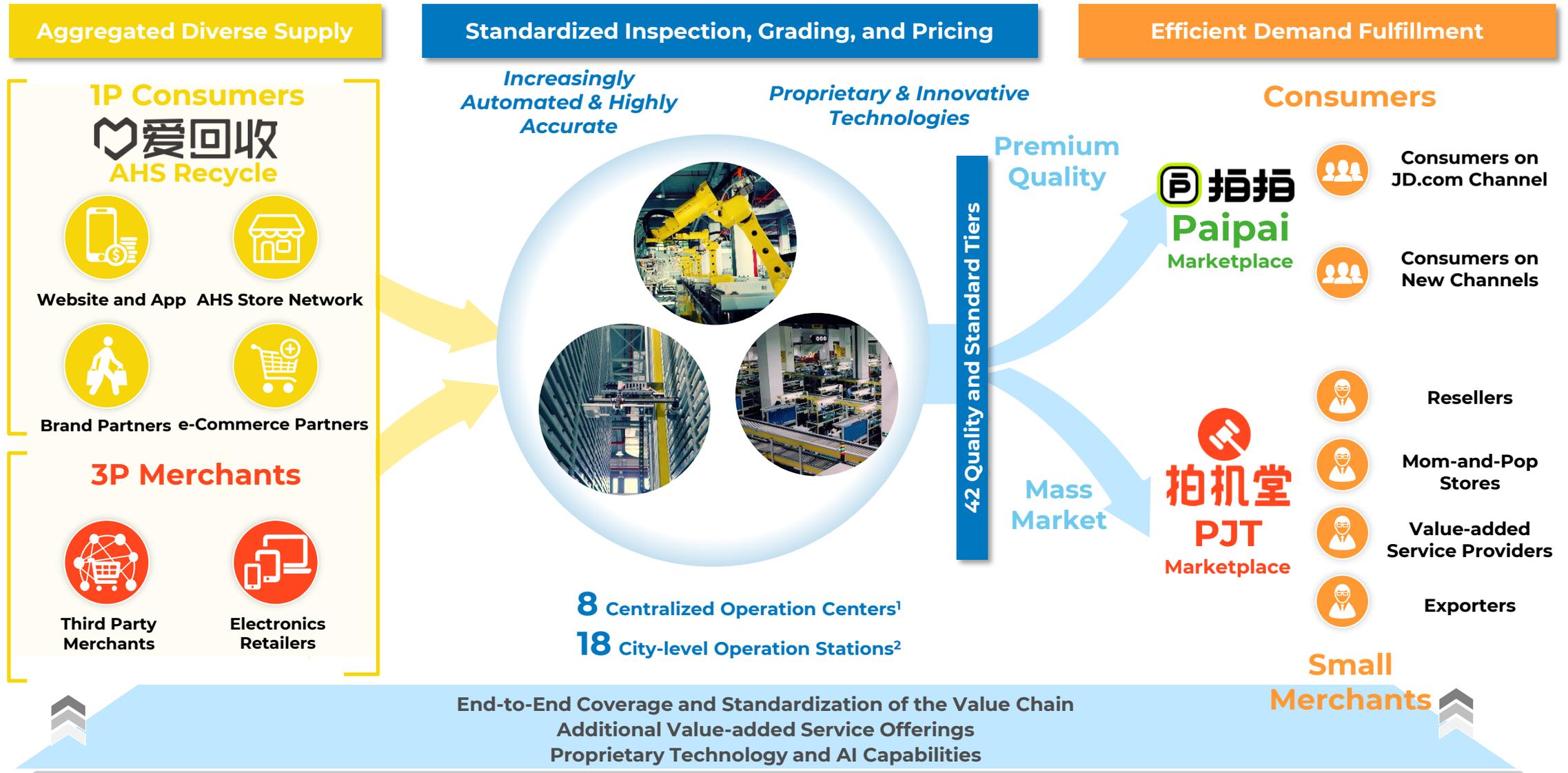


# Our Evolution

On June 18, 2021, ATRenew became a publicly traded company, listing on the New York Stock Exchange under the symbol 'RERE.'



# We Built the Circulation Ecosystem for Pre-owned Devices in China



# Key Investment Highlights



Note: ATRenew was rated “Low ESG Risk” by Morningstar Sustainalytics in September 2022. ATRenew ranked 4<sup>th</sup> (4/85) among Online and Direct Marketing Retail in the global universe.

# Our Scale and Capabilities to Define Industry Standards

## Nationwide coverage of industry participants



**Online Recycling:** Multiple online **consumer touchpoints** for trade-in



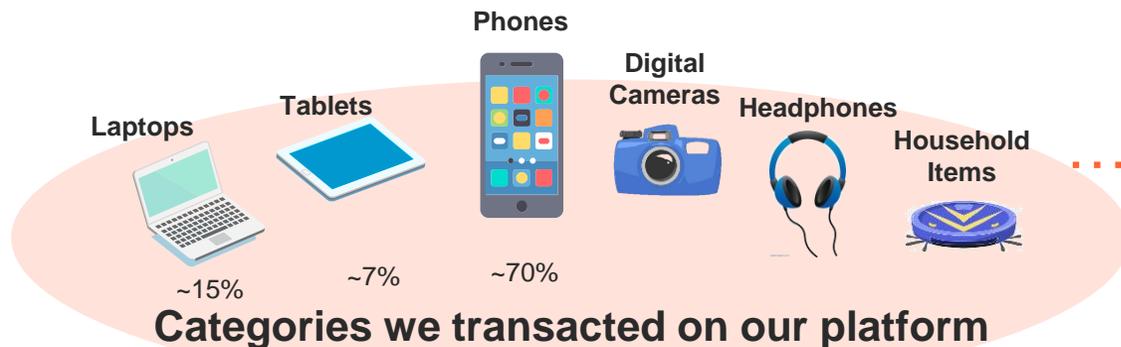
**Offline Presence:** **1,804** stores and **1,800+** self-service kiosks in **256** cities in China<sup>1</sup>



**Extended Reach:** **370,000+** merchants registered as buyers or sellers on PJT Marketplace<sup>2</sup>



**LTM transaction volume:** **33.6** million consumer products transacted over the last twelve months<sup>3</sup>



## Pioneer in developing industry standards



**Inspection**  
**38** Criteria to be inspected automatically



**Grading**  
**42** grading tiers set for each device model and used for bidding



**Pricing**  
Based on millions of bids and transactions



**Security**  
Data erasure conducted at storefront and facilities

# Proprietary Testing, Grading, and Pricing Technologies

Our State-of-the-art Operation Centers

## Wide-ranging Coverage in China



**8** centralized operation centers<sup>1</sup>

- Changzhou (automated)
- Dongguan (automated)
- Wuhan
- Chengdu
- Tianjin
- Xi'an
- Shenyang
- Hong Kong



**18** city-level operation stations<sup>2</sup>



**Enhance Efficiency of Business Operation**



**Improve Service Accessibility**



**Provide Adequate Processing Capability**



**Reduce Error Rate and Labor Cost**



**Advanced Technology and Streamlined Process**

Exterior Inspection

Hardware Inspection

Comprehensive and Standardized Report

Interior Inspection



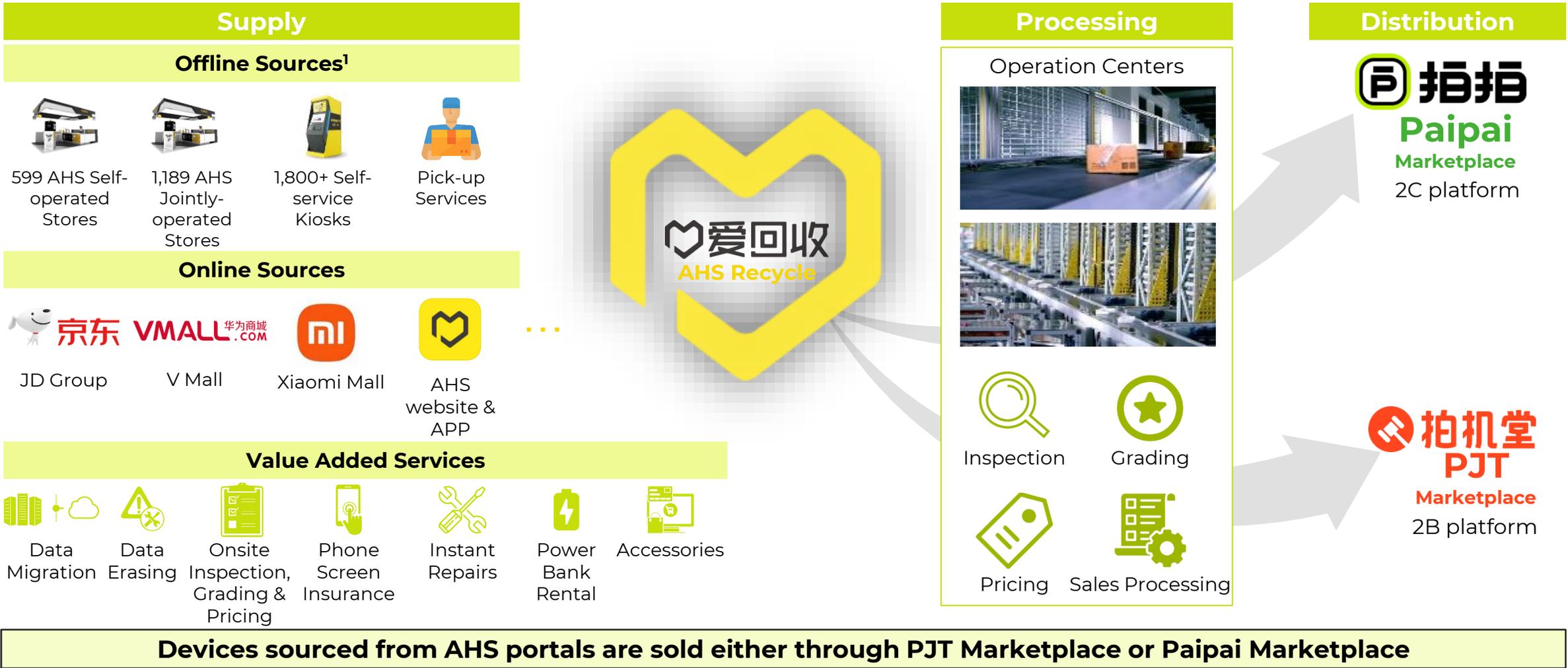
**Average 6 Hours Inspection Time<sup>3</sup>**



**Standardized Grading System**

# Overview of AHS Recycle (C2B)

C2B – efficiently sourcing supply of all phone types



# AHS Stores are Our Core Consumer Touchpoints

01

Premium recycling experience



02

Trusted face-to-face delivery



03

Established offline trade-in fulfillment infrastructure



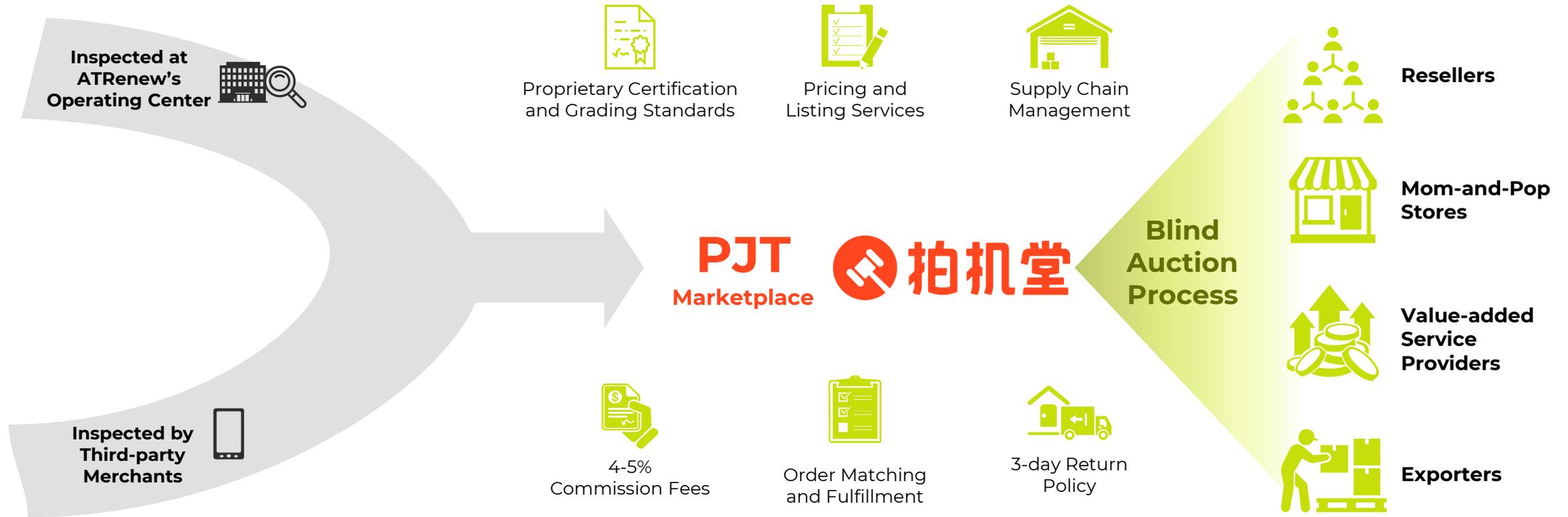
04

Increased brand awareness



# Overview of PJT Marketplace (B2B)

B2B – enabling third-party merchants' trade-in programs and transactions

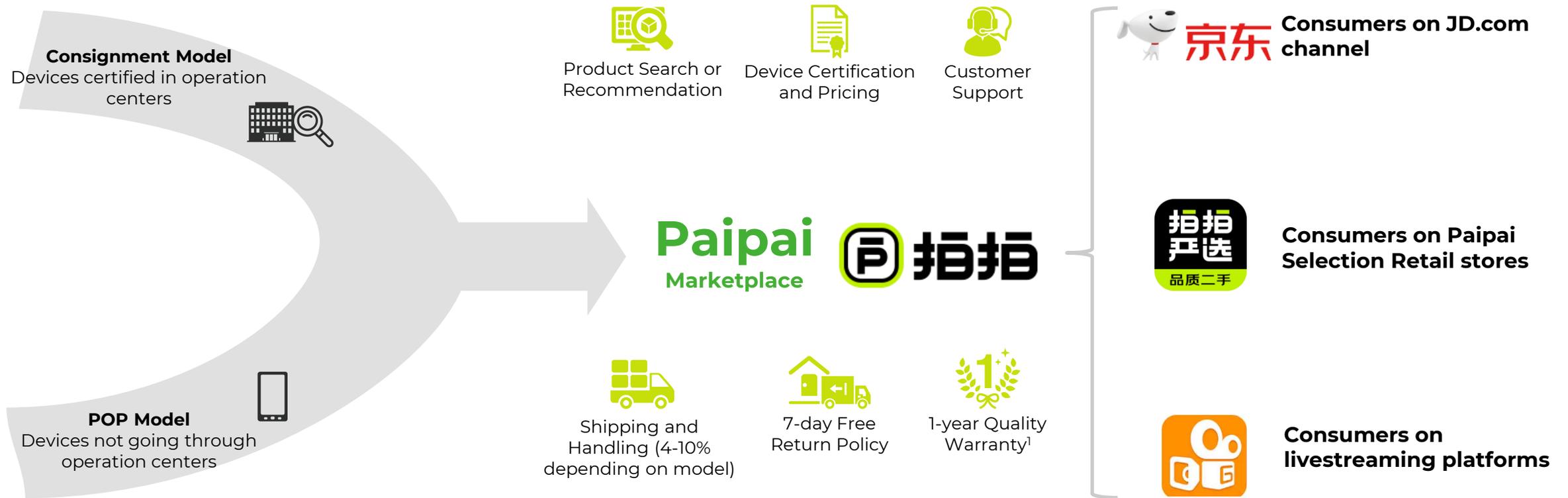


## Providing Small Merchants with a Comprehensive Suite of Solutions

- Standardized Certification of Devices (with certificate icon)
- Optimized Inventory Turnover (with dollar sign and upward arrow icon)
- Fewer Middlemen (with three people icon)
- Lower Transaction Costs (with downward arrow and dollar sign icon)

# Overview of Paipai Marketplace (B2C)

B2C – fulfilling consumers' demand for quality products and superior experience



## Providing Consumers With a Diverse Range of Pre-owned Consumer Products

-   
Mobile Phones
-   
Laptops
-   
Tablets
-   
Digital Cameras
-   
Luxury Goods
-   
Household Items
-   
Books

# A Premium Brand With Innovative Retailing Channels

01

Integrated offline store and mini warehouse



02

In-store sales via livestreaming



03

Private domain promotion via WeChat group chats



04

Retail arm of the city-level service integration strategy

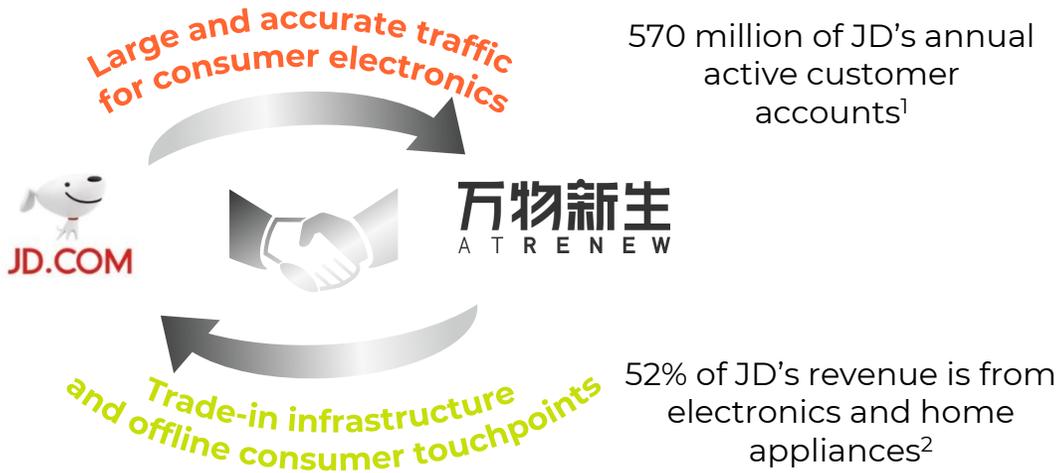


# Highly Synergistic Relationship with JD.com

## Strong Synergy with JD's Core Business

Among JD's famous customer value propositions “多快好省”, ATRenew promotes and emphasizes “好” for JD's core 3C category, while adding more services and touchpoints for JD's customers.

— Jon Liao, former Chief Strategy Officer of JD.com



## Efficient Order Conversion on Both Consumer Ends (Recycle & Retail)

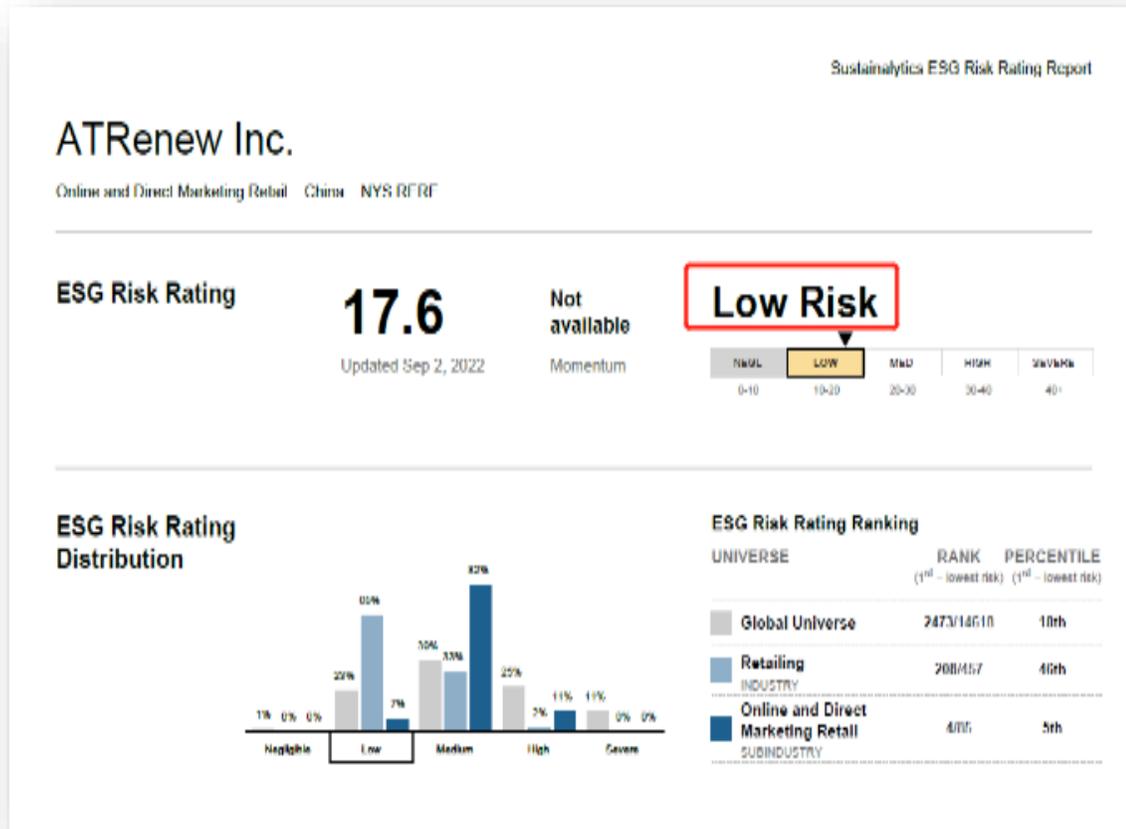


### C2B Recycle via JD Portals → 1-stop trade-in on new device sales



### B2C POP light model → More devices sold with certification and warranty

# Our Continuous Efforts in Compliance and ESG Initiatives



## Environmentally Friendly



- Green recycling, transportation and e-waste disposal
- Build a supply chain with manageable carbon footprint
- ISO14001 certified
- Committed to reducing environmental impact - carbon emission intensity reduced by 28.8% in 2021
- 463,692 tonnes of carbon emission reduction in 2021 by giving a second life to used phones

## Socially Responsible



- Education initiatives for underprivileged school children
- Anti-COVID donations to local communities
- Structured employee development and care programs
- Tech and digital tool accessibility for small merchants

## Improved Governance



- Established high-caliber ESG Committee
- Transparent Code of Business Conduct and Ethics
- Set product and corporate governance as high materiality topics
- ISO 27001 information security management system certification
- Onboarded one female independent director, enhancing board composition

# Explore more:

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