



Kingdee International Software Group Co., Ltd.
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 0268.HK)

Kingdee International Releases 2022 Annual Results

Pushing forward cloud subscription transition, Cloud service revenue achieved 34.6% year-on-year growth

(15 March 2023, Hong Kong) Kingdee International Software Group Co., Ltd. (“Kingdee International”, “Kingdee” or the “Company”, together with its subsidiaries collectively referred to as the “Group”; Stock Code: 0268.HK) today announced its annual results for the twelve months ended 31 December 2022 (the “Reporting Period”). Kingdee continued to push forward the cloud subscription transition strategy, which has built a “one rocket, multiple satellites” product matrix and maintained fast growth for cloud services business. During the Reporting Period, revenue from cloud services increased by 34.6% year-on-year (yoy) to approximately RMB3,714 million, accounting for approximately 76.3% of total revenue. Annual Recurring Revenue (ARR) of Kingdee Cloud subscription services reached approximately RMB2.14 billion, an increase of 36.3% yoy. Contract liabilities related to cloud subscription services achieved 38.3% yoy growth, and operating cash inflow of the Group was approximately RMB374million.

During the Reporting Period, the Group recorded total revenue of approximately RMB4,866 million, representing an increase of approximately 16.6% as compared to the same period of last year. Revenue from ERP business and others decreased 18.7% yoy. Loss attributable to owners of the Company for the period was approximately RMB389 million, mainly due to the continued investment in the research and development of cloud products by the Group, particularly Kingdee Cloud Constellation and HR SaaS, as well as disruptions on part of marketing and implementation activities due to the continued COVID-19 pandemic.

As a global leading and China’s No.1 enterprise management cloud SaaS company, since its inception, Kingdee has been providing products and services to more than 7.4 million enterprises and government organizations worldwide over the past 30 years. Kingdee has been well recognized by renowned domestic and foreign research institutions. Kingdee was the only SaaS service vendor recognized as a leader in both

industry empowerment value and technology service capability in the CAICT's "Double Curve and Double Quadrant for Enterprise Digital Transformation Development (2022 Edition)". Kingdee was the only SaaS management cloud vendor ranked as the market leader of digital factory solutions in China by IDC MarketScape, and the only Chinese vendor ranked as global top 10 in Gartner's High Productivity aPaaS platform for two consecutive years and No.1 in China. In addition, Kingdee was the No.1 in IDC 2022 H1 SaaS ERM (Enterprise Resource Management Cloud) China market, Financial Cloud and EPM (Enterprise Performance Management Cloud) market. Kingdee has been the No.1 vendor in market share of China growth enterprise application software for eighteen consecutive years, according to IDC.

Continued breaking through in SOE and Top-500 enterprise market, winning the high-end market

With five years of building and refining, Kingdee Cloud Cosmic and Constellation's domestic substitution solutions have become increasingly mature, being capable of supporting all-around substitutions as well as a new choice of major Top 500 enterprises. Based on enterprise-grade cloud native architecture, packageable design and Kingdee's proprietary dynamic domain models (KDDM), Kingdee Cloud Cosmic could enable enterprises rapidly building up digital technology capabilities that contained steady performance, highly reliable and reliance, fast reacting and self-control. Kingdee Cloud Cosmic always unswervingly developing with self-built innovation, being adaptable to major Xinchuang systems including CEC, CETC and Huawei, as well as major Xinchuang vendors including China Telecom Tianyi Cloud, Huawei Cloud, Ali Cloud, Tencent Cloud, Unicom Cloud, Phytium, Kunpeng, KylinOS, UnionTech, Dameng and Kingbase. In addition, Cosmic has launched intelligent technology application on super automation (RPA), operation forecast and smart analytics scenarios. Cosmic also introduced digital employee based on deep fusion of RPA, AI and Big Data technologies. Kingdee has applied over 260 patents cumulatively and won five nation-level awards. Kingdee also joined the first batch of packageable application promotion center organized by CAICT.

Featured by Financial Middle Platform, Enterprise Performance Management (EPM) and Global Treasury Management, Kingdee Cloud Constellation provides comprehensive digital management systems that cover group-level finance and tax, global HR, group-level production and procurement for large enterprises. Constellation HR Cloud released its Core HR module, offering intelligent, global and packageable applications for China's large and mega-size enterprises, pushing forward HR digitalization in China. Constellation Financial Cloud released major product of Treasury Management with a series of new features and functions, which covered all aspects of Treasury Management as requested by SASAC. Constellation EPM has been successfully implemented in major Top 500 enterprises like Zhejiang Communications Investment Group, and received the first batch of certifications on standard financial consolidation reporting and EPM business finance integration according to CAICT.

During the period, Kingdee Cloud Cosmic and Kingdee Cloud Constellation recorded

approximately RMB696 million in revenue, an increase of 80.9% yoy. Dollar retention also exceeded 110%. Cosmic and Constellation together signed 902 customers during the period, including 478 new customers and major template customers including Shandong Heavy Industry, Shanxi State-owned Capital Operation, Tongwei, China Genertec, Nonfemet, China Minmetals Nonferrous Metals, Hunan Nonferrous Metals, Shaanxi Automobile and Geely Holding. Kingdee continuously built best practices around SOE domestic substitution, world-class enterprise management and digital-governance upgrade. Kingdee has cumulatively supported 154 major large enterprises to complete domestic substitution.

Expanded the leading edge of R&D-production-supply chain-sales integrated solution, solidifying competitive strength in the medium-size enterprise market

Kingdee Cloud Galaxy continued to expand the leading edge of cloud services in all fields of finance, research and development, supply chain, production and sales. Galaxy was strengthened in product innovation and customer best practice in different industry verticals such as high-tech, manufacturing and life sciences, further enhanced its competitiveness in the medium-size enterprise market. Galaxy was selected into the leader quadrant of IDC's China digital factory service providers. Galaxy's intelligent data service introduced business target analytical platform prebuilt with over 20 analytical models and 70 target analytics, enabling precise business forecast, risk management and insight analysis. Furthermore, Kingdee Cloud Galaxy Ultra was launched during the reporting period, to satisfy multiple perspective of growth demand for leading enterprises.

During the Reporting Period, Kingdee Cloud Galaxy achieved revenue of approximately RMB1,679 million, an increase of 18.4% yoy. The ARR of Galaxy cloud subscription service expanded by 31.2% yoy. Dollar retention ratio was 97.2%. Galaxy's customer base reached 31,000. During the period, Kingdee Cloud Galaxy signed nearly one thousand enterprises that use special and sophisticated technologies on national and provincial level. Newly signed customers include Dong Fang Zhen Xuan, Zhoushan Boeing, Zhengzhou Kaixue Cold Chain, Changfeng Kewei Photo-Electronic, Zhejiang Yongjin Metal, Rayhoo Motor Dies, Yamaxi Electronics, Hangzhou Foresee Group, Aotecar New Energy, etc.

Built new SaaS ecosystem around small and micro enterprises, seizing the market of business-finance-tax integration

During the Reporting Period, SME cloud services maintained rapid growth of approximately 63.1% yoy in revenues. Kingdee Cloud Stellar's revenue increased by approximately 358.6% yoy and the dollar retention ratio was 77.3%. During the period, Kingdee Cloud Stellar focused on the business-finance-tax integrated solutions. With extensive collaboration with ecosystem partners, Kingdee targets to provide an open, diverse and mutual win business-finance-tax SaaS ecosystem for SMEs, strengthening their capabilities in multiple aspects such as resisting external risks, building enterprise management systems and resource allocations. Kingdee Cloud Stellar jointly provide

bank-enterprise direct connections with eight banks including China Merchants Bank and released eight major specialty solutions in food, clothing and medicine with ecosystem partners.

Deepened collaborations with strategic partners, expediting the expansion of Kingdee ecosystem

During the period, Kingdee continued to develop its ecosystem, by reaching strategic cooperation with ten major partners, including Deloitte, Ernst & Young, Golden, ShineWing, Hand Enterprise, and JGDT, as well as further developing the partnership with KPMG, iSoftStone, and ChinaSoft for the large enterprise market. In addition, Kingdee strengthened the synergy with major technology companies such as Huawei, Alibaba, Tencent, Intel, and Amazon AWS, co-building multiple industry vertical solutions. Kingdee also established strategic partnerships with Huawei Kunpeng, CEC PKS, CETC WE ecosystems. Owing to Kingdee Cloud Cosmic's outstanding performance in Xinchuang and ecosystem initiatives, Kingdee was awarded the "2022 China Xinchuang Ecosystem Leader Award". As of the Reporting Period, more than 1,500 partners have joined Kingdee ISV ecosystem, among which 120 ISV partners have developed product solutions based on the Kingdee Cloud Cosmic platform, covering all business aspects of R&D, production, supply chain, sales and services.

Pushed forward customer lifecycle experience improvement through "Xu Shaochun WeChat Public Account"

Pioneering with the Xu Shaochun WeChat Public Account (徐少春個人號) in enterprise service industry, Kingdee established the culture of "wholeheartedly serving enterprise customers", throughout the entire customer lifecycle. In 2022, Xu Shaochun WeChat Public Account received over 460 letters of commendation and service complaints down by 66% yoy. Meanwhile, Kingdee carried forward innovation and reform in customer success services, which has significantly improved service response efficiency and customer satisfaction rate. Kingdee also made effort to position Kingdee Cloud community as online service platform, enabling users self- or mutually solve issues. Going forward, Kingdee would continue to improve customer success system for every customer engagement and customer lifecycle experience.

The Chairman of the Board and CEO of Kingdee Group, Xu Shaochun, stated that China's modernization progress would require modernization in China's enterprise management. A stronger China would also need a strong management software company. Over the past thirty years, Kingdee has gradually developed into a global leading and China's No.1 enterprise management cloud SaaS company, supporting Chinese enterprises to become world-class. 2023 marks the thirtieth anniversary of Kingdee and marks the beginning of a new journey. Kingdee will continue to focus on the core strategy of "Platform + Finance & HR & Tax + Ecosystem", adhere to the Kingdee philosophy of "Customer-centered, Long-term Adherence to Professionalism; Strivers-oriented, Long-term Adherence to Visionary

Mind”. Kingdee will insist on providing better products, better ecosystem, better implementation, better service and better reputation, in order to push forward Chinese enterprises pursuing high-quality development and to become a major force in building digital economy.

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About Kingdee International Software Group Company Limited

Kingdee International Software Group Company Limited (“Kingdee International” or “Kingdee”) was established in 1993. It is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0268.HK) and headquartered in Shenzhen, China. Adhering to the core values of “Acting in all Conscience, with Integrity and Righteousness”, the Company takes “wholeheartedly serve and enlighten every enterprise” as its mission, being committed to becoming “the most trustworthy enterprise service platform”.

Kingdee’s major cloud service products have been selected by industry lighthouse customers, including Kingdee Cloud Cosmic (new-generation packageable enterprise-grade PaaS platform), Kingdee Cloud Constellation (large enterprise SaaS management solution), Kingdee Cloud Galaxy (high-growth enterprise SaaS management solution), Kingdee Cloud Stellar (small and micro enterprise SaaS management solution). Kingdee has provided management software and cloud services for more than 7.4 million enterprises, governments and organizations across the world.

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