

万物新生
A T R E N E W

TQ23 INVESTOR PRESENTATION

May 2023



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.

Use of Non-GAAP Measures

This presentation includes certain non-GAAP financial measures when evaluating the Company’s business operations. For details of the use of non-GAAP measures, please refer to “Reconciliations of GAAP and Non-GAAP Results” in the Company’s earnings release and the corresponding Form 6-K furnished with the U.S. SEC.

3 Steps to Our Long-term Mission of Consumer Goods Recycle and Reuse



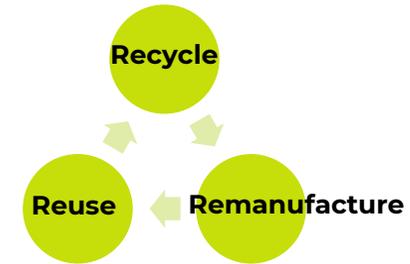
Foundation - Continued growth of electronics business

The largest pre-owned consumer electronics transactions and services platform in China¹



Breakthrough - A national brand for recycling

Increase consumer awareness for recycle and reuse of existing and new categories via 1,935 offline storefronts²



Mission - To give a second life to all idle goods

Maximize the value of products and resources

1Q23 Financial and Operational Highlights

- Total net revenues: **RMB2,872 MN**, +30.2% YoY - accelerated growth in line with rebounding consumer activity
- Net product revenues: **RMB2,575 MN**, +34.9% YoY - refurbished device sales contributed **RMB145 MN**
- Net service revenues: **RMB297 MN**, take rate edged up to **5.46%**; 447,000+ registered merchant users
- Non-GAAP operating income: **RMB44.4 MN**, adj. OpM **1.5%**, 3rd profitable quarter in a row while setting new income and margin records
- Total cash position: **RMB2.5 BN**, repurchased 1.4 MN ADSs in 1Q23
- Physical stores: **1,935** in 269 cities in China, ensuring offline interactive fulfillment experience

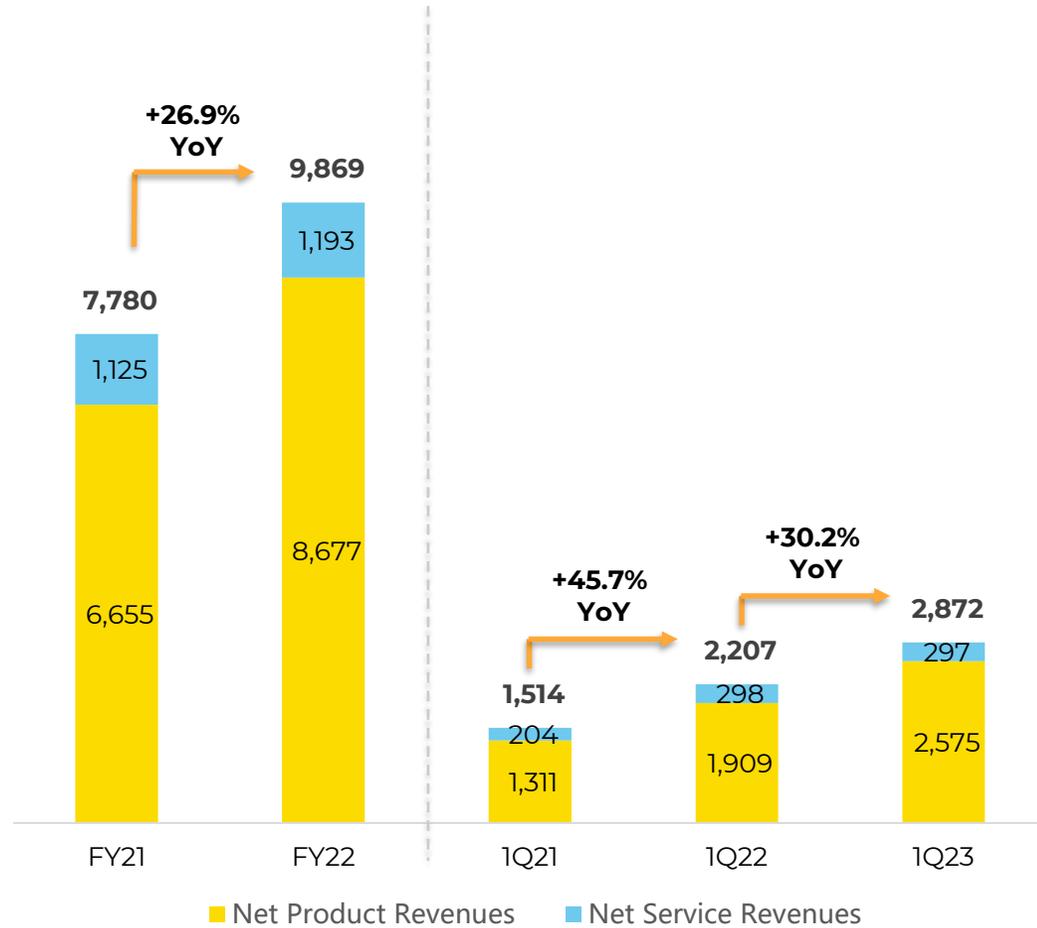
Notes:

- (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 March 31, 2023, including AHS stores under direct operation, franchise operation and in shop-in-shop format, as well as directly operated Paipai stores;
- (3) Cash position included cash and cash equivalents, short-term investments and funds receivable from third-party payment service providers.

New Profitability Milestones on Topline Beats

Net Revenues

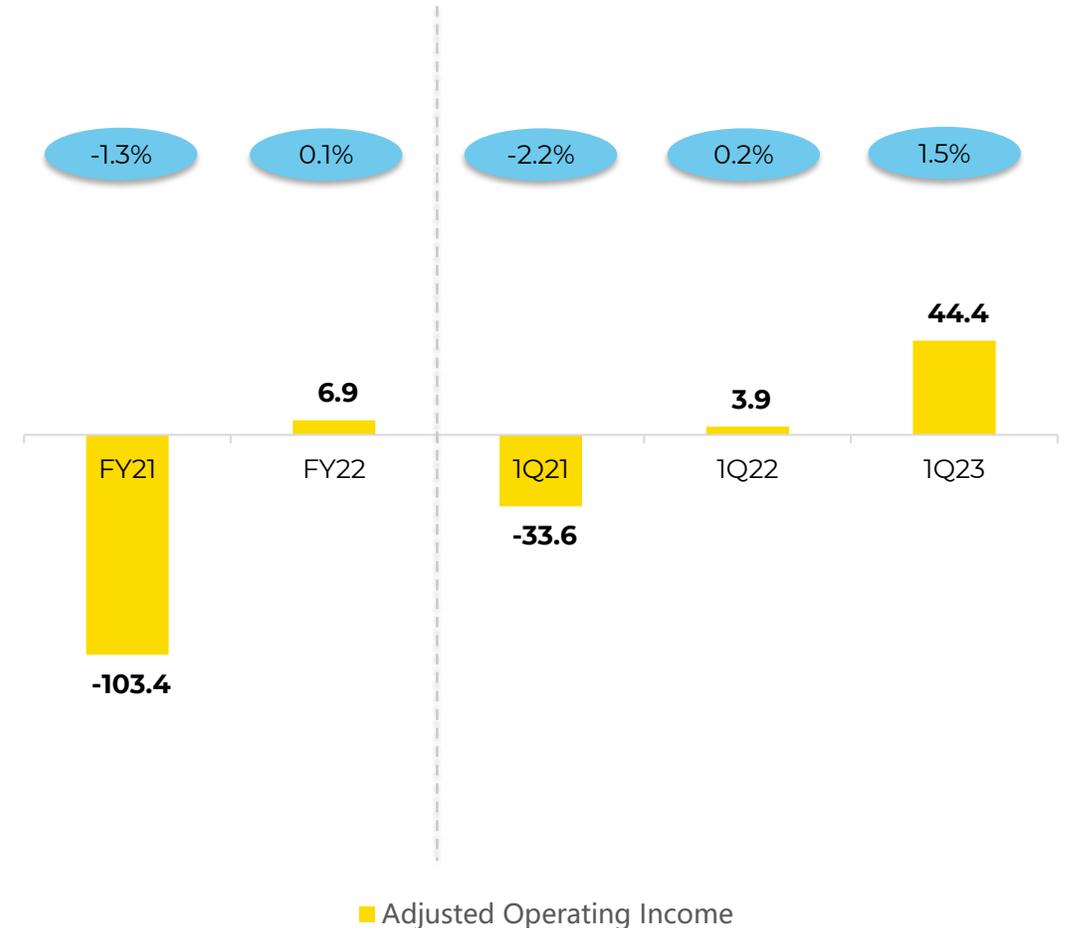
(RMB million)



Adjusted Income from Operations

(RMB million)

Adj. OpM %

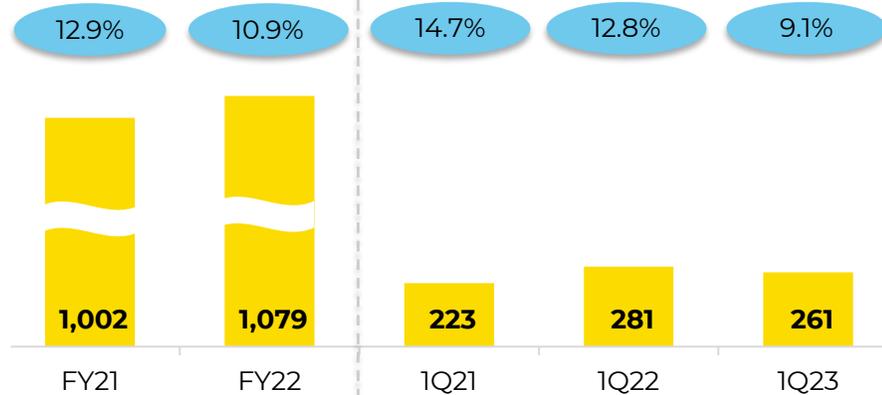


Snapshot of Non-GAAP Operating Expenses

Fulfillment Expenses

(RMB million)

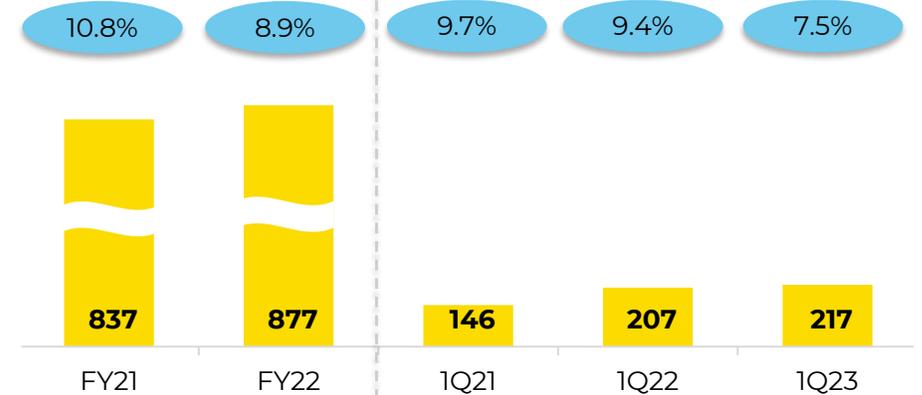
As % of total net revenues



Selling and Marketing Expenses

(RMB million)

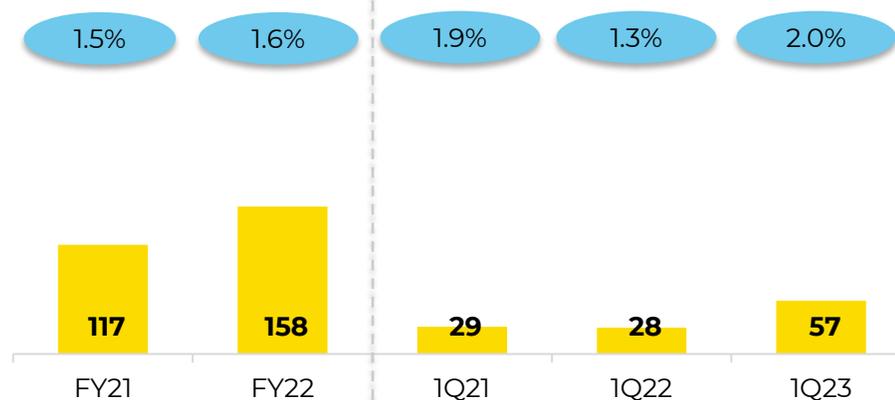
As % of total net revenues



General and Administrative Expenses

(RMB million)

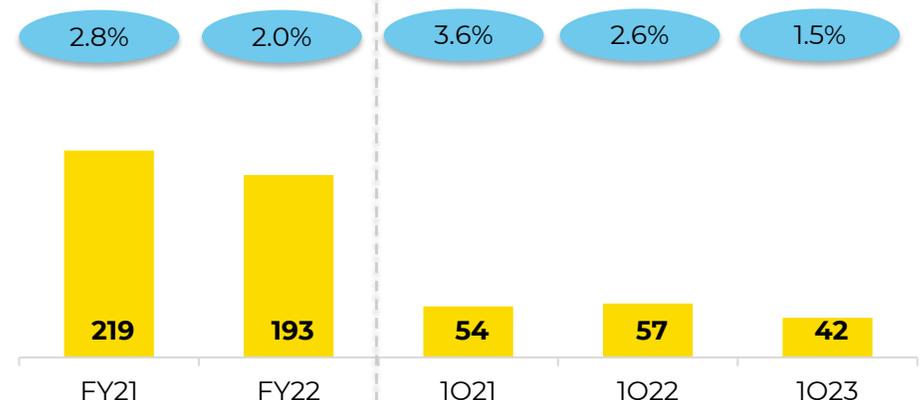
As % of total net revenues



Technology and Content Expenses

(RMB million)

As % of total net revenues



ATRENEW 万物新生 Note: Under non-GAAP measures, the impact of the impairment loss of deferred cost and intangible assets (4Q22), share-based compensation expenses and amortization of intangible assets and deferred cost resulting from assets and business acquisitions is excluded.

Our Strategy: Increase Recycling Scenario Coverage, Expand Recycling Categories, and Enhance Profitability

City-level service integration

- Enhance IP sourcing via consolidated sourcing capabilities and refined operation on the city level
- Facilitate recycling experience in collaboration with brands
- Enlarge market share and penetration



Retailing refurbished devices

- Guidelines for compliant refurbishment by People's Procuratorate of Shenzhen
- Widened margin as we prioritize direct-to-consumer distribution through compliant refurbishment
- Refurbished device sales totaled RMB145 MN in 1Q23, increasing as a proportion of total retail sales



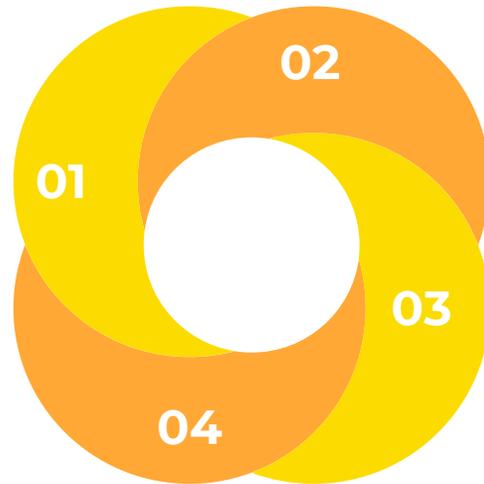
Recycle more categories from stores

- Enable customers to recycle luxury goods, camera equipment, gold, jewelry, and prestige liquor
- Attract repurchases and improve store unit economics with minimal additional capex
- 100+ core AHS store fulfilled new category orders in 1Q23, average additional monthly GMV exceeded RMB500,000 among top 30 stores



Improve cost efficiency with tech

- Continue to invest in automated inspection technologies for higher inspection accuracy to minimize loss from returns
- Minimize fulfillment expenses per order
- Non-GAAP fulfillment expenses as a percentage of total revenues have fallen for 3 consecutive years



Appendix

- Investment Highlights
- Market Overview
- Offerings and Capabilities

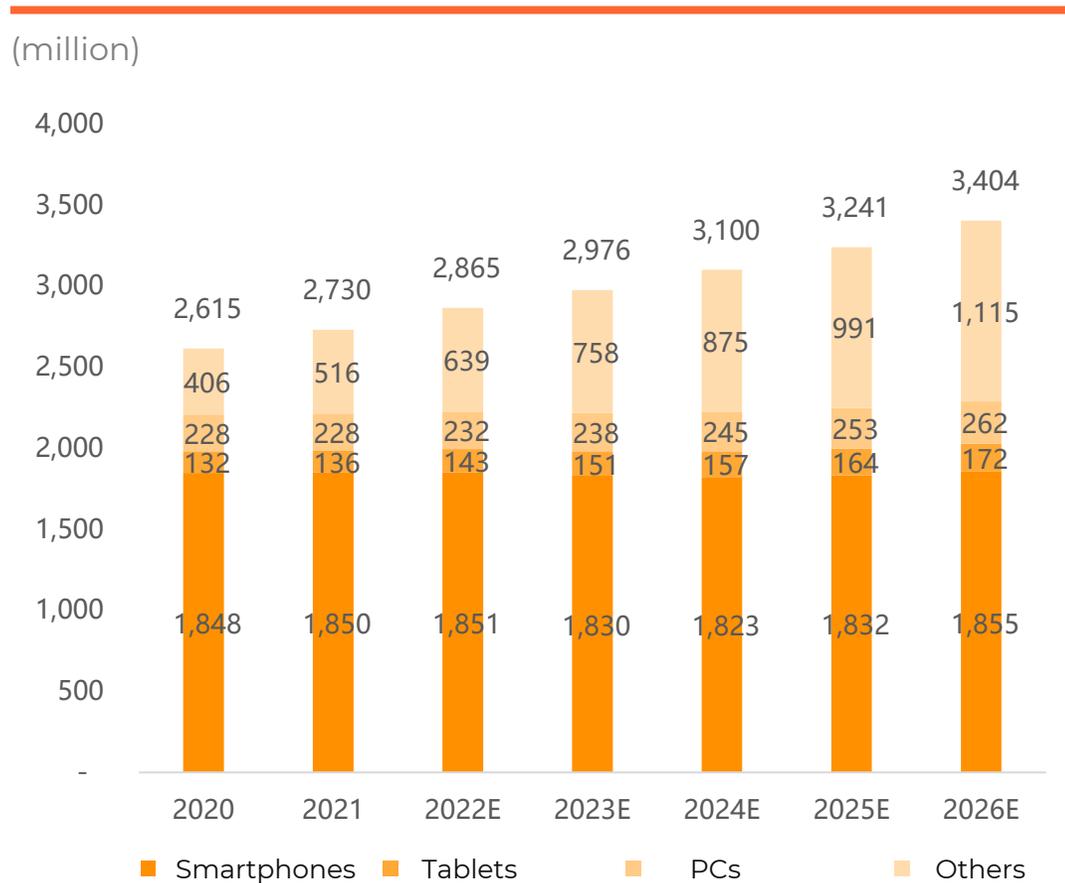


Key Investment Highlights

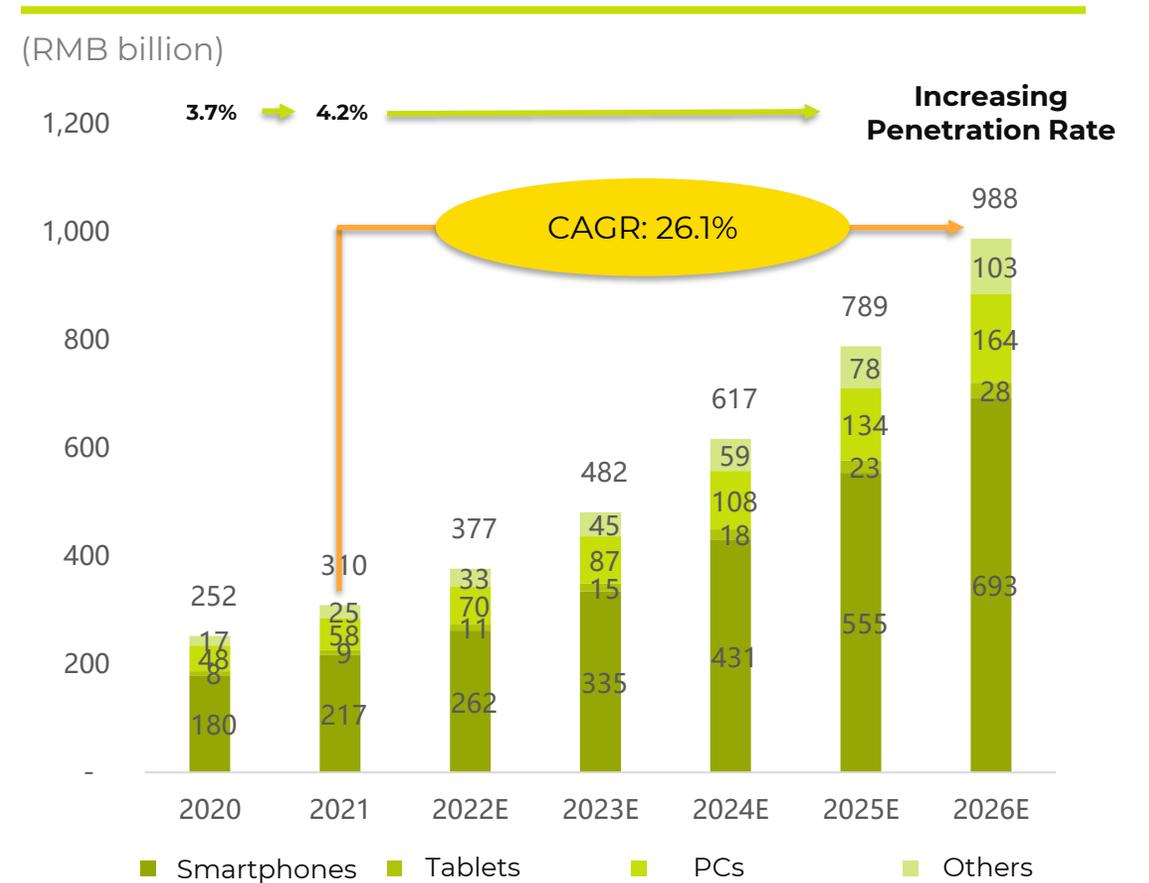


Huge Domestic Market Opportunity in Pre-owned Electronics

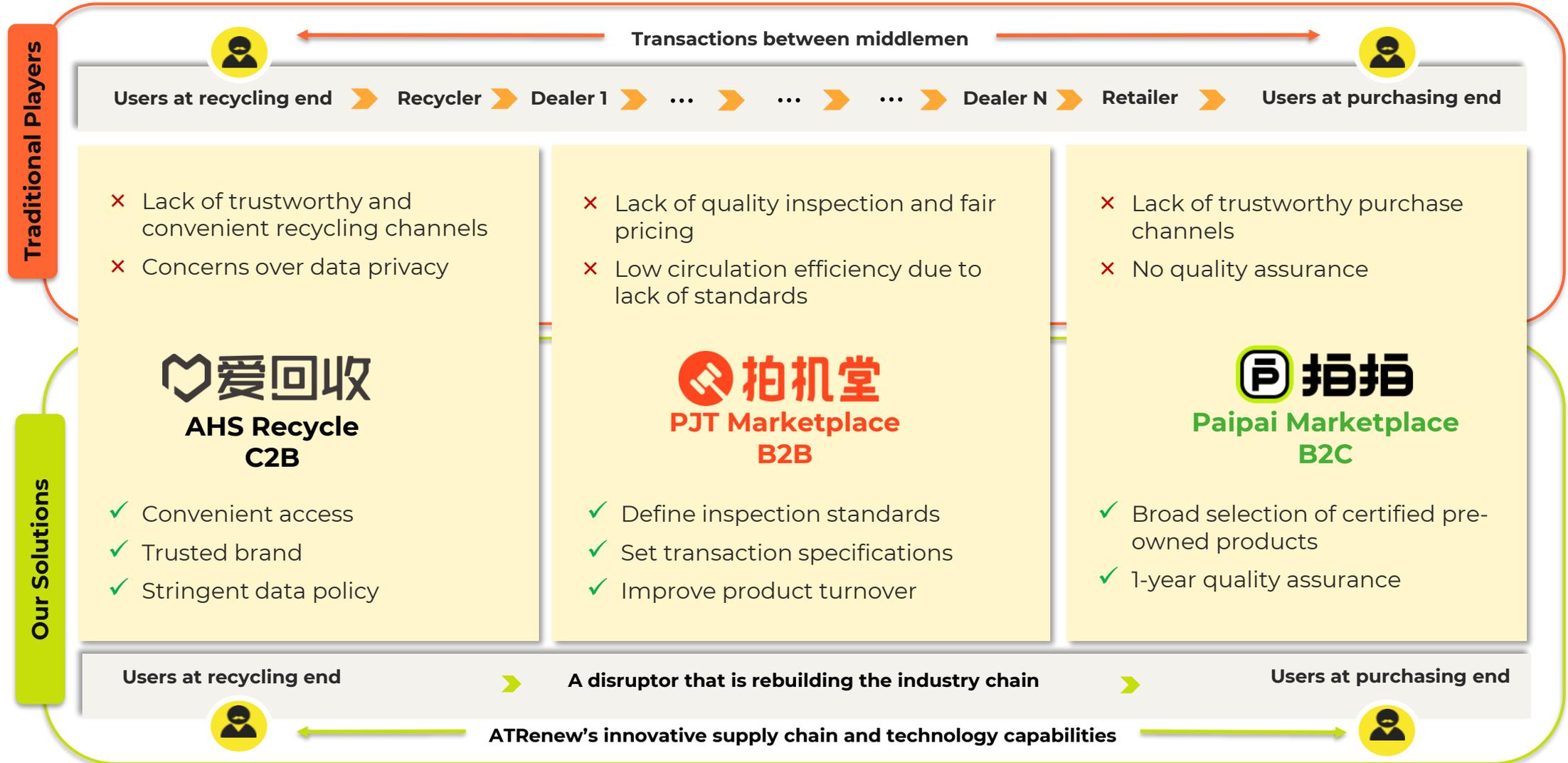
Device Volume with Use Value in China



Pre-owned Device Distribution and Service GMV in China

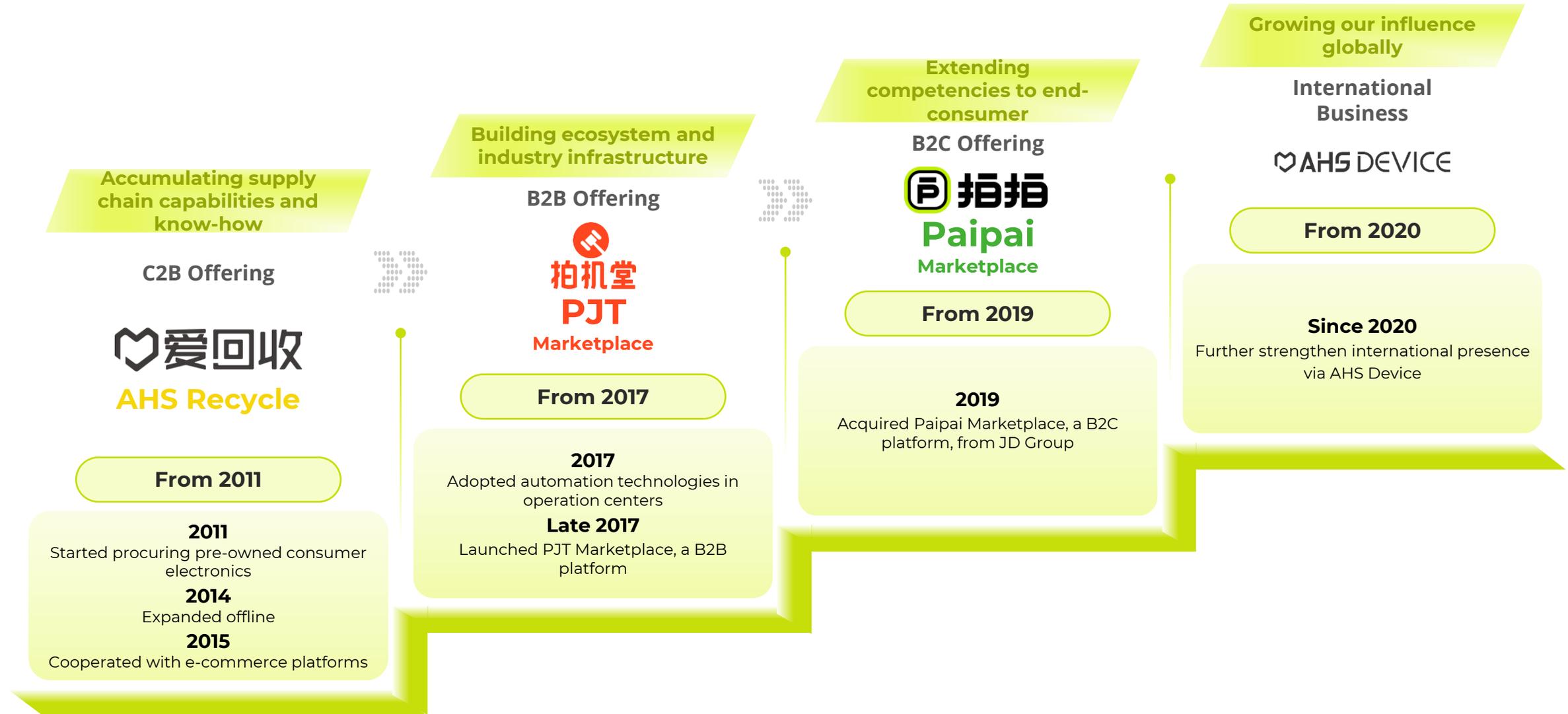


ATRenew as a Tech-driven Market Disruptor and Reformer

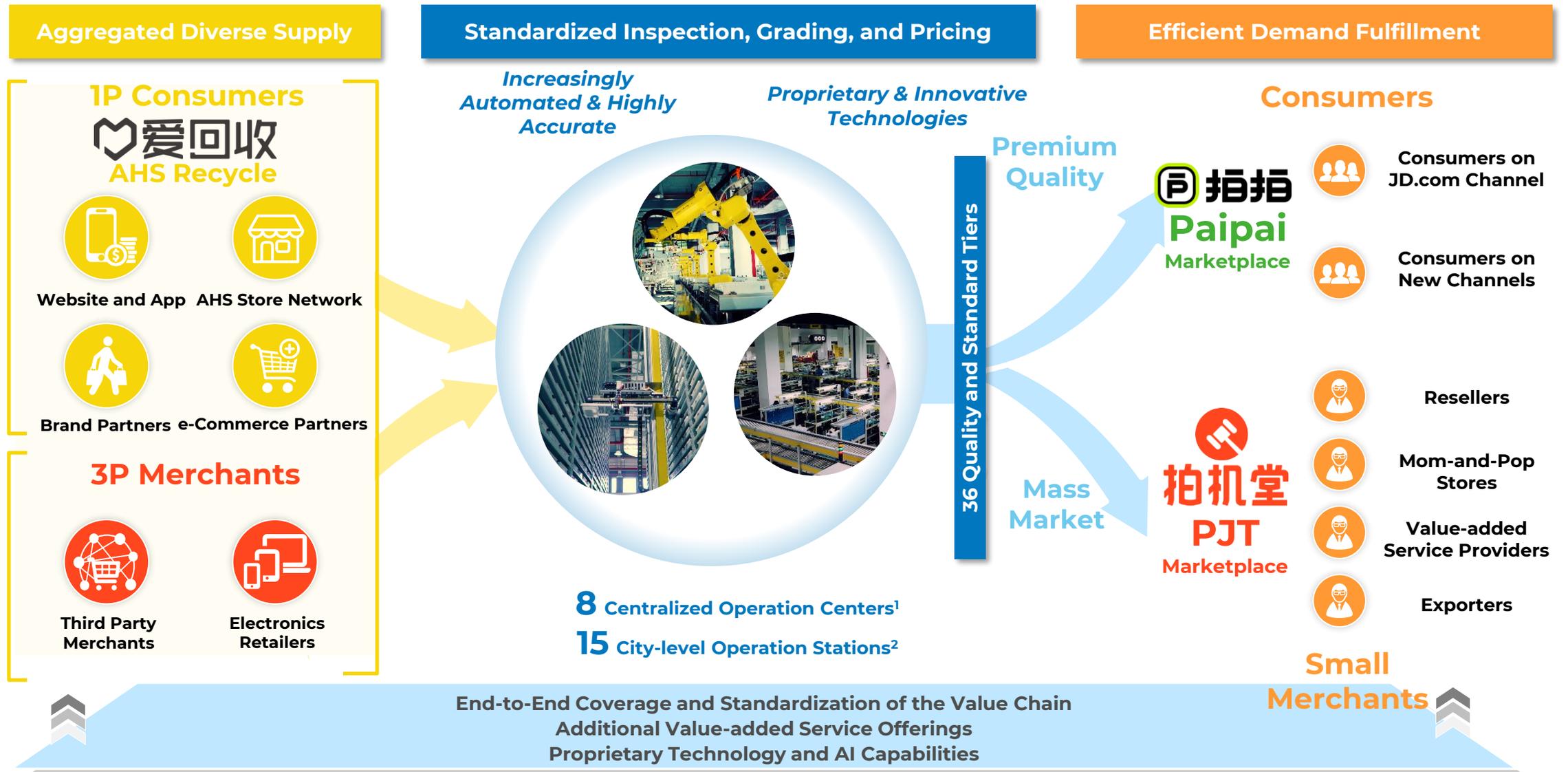


Our Evolution

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



Our Scale and Capabilities to Define Industry Standards

Nationwide coverage of industry participants



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



Offline Presence: **1,935** stores and **1,980+** self-service kiosks in **269** cities in China¹



Extended Reach: **447,000+** merchants registered as buyers or sellers on PJT Marketplace²



LTM transaction volume: **31.5** million consumer products transacted over the last twelve months³



Empower the industry with widely recognized standards for used electronics transactions. Accumulate structured database for new categories.

Pioneer in developing used electronics industry standards



Inspection
38 Criteria to be inspected automatically



Grading
36 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 centers¹

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



15 city-level operation stations²



Streamlined Process and High Precision Improve Non-GAAP Fulfillment Cost Efficiency

Enhance Efficiency of Business Operation

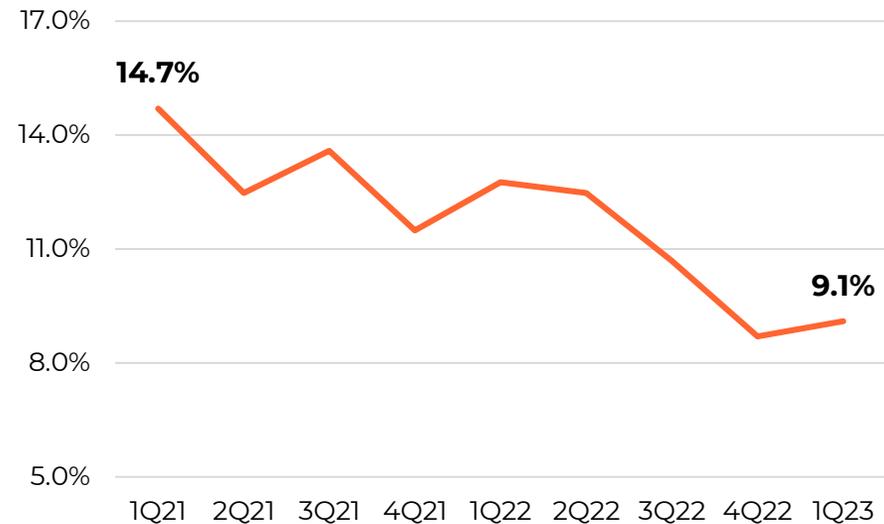
Improve Service Accessibility

Provide Adequate Processing Capability

Reduce Error Rate and Labor Cost



Non-GAAP fulfillment expenses as % of total net revenues



Dongguan 2nd Gen Automation Facility Realizes Multiple Upgrades



Three dimensional advancements compared to the 1st generation facility in Changzhou:

Circulation efficiency

Automated shunting
efficiency: improved **15%**

Inspection accuracy

Matrix 3.0:
improved **10%**

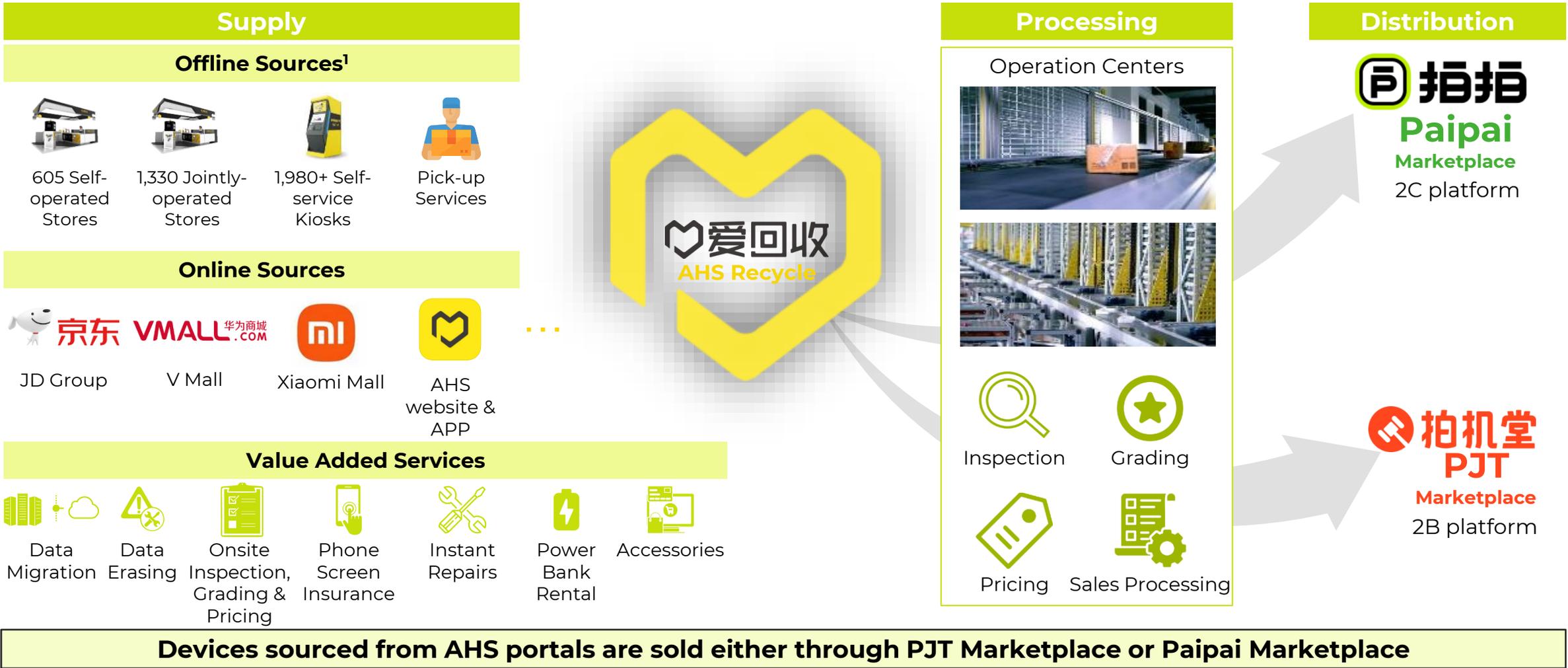
Storage capacity

AS/RS capacity:
improved **100%**



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

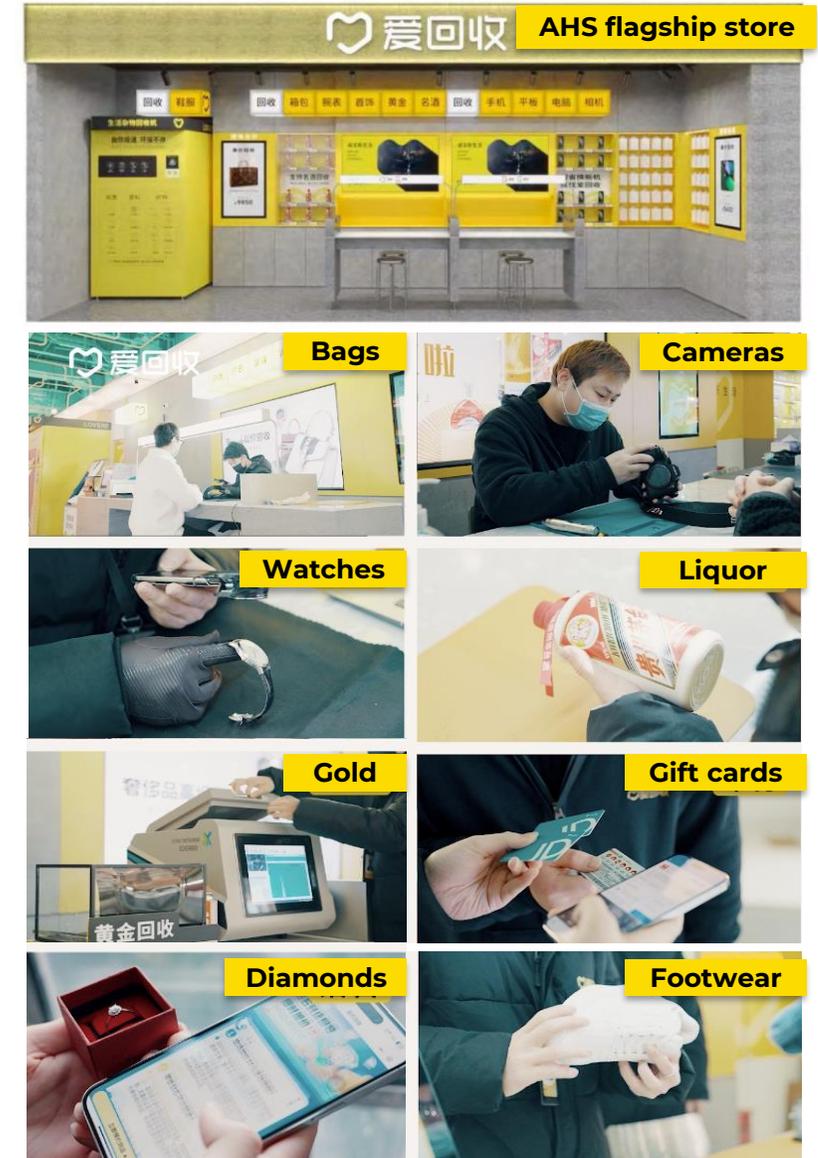
Increased brand awareness



Accelerating New-category Fulfillment Coverage

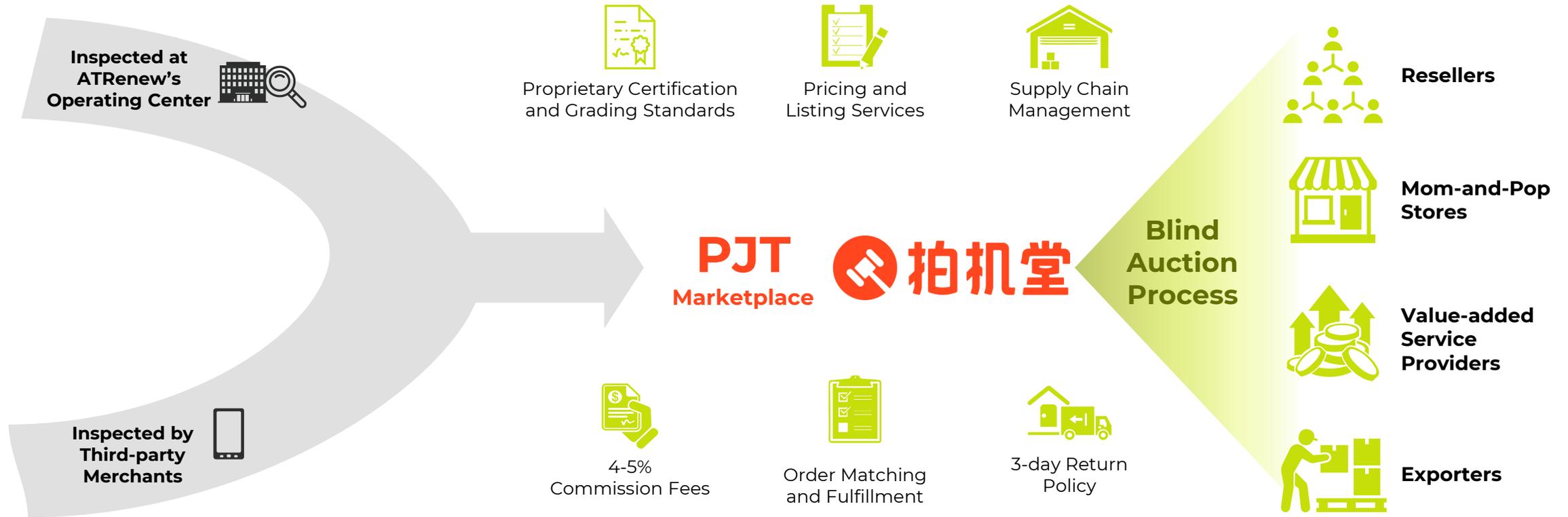
Promote AHS Recycle as a top-of-mind cashback destination.

- **Positioning:** To recycle valuable and popular consumer products
- **Categories:** Luxury goods, camera equipment, gold & jewelry, prestige liquor, gift cards, and clothing & footwear, etc.
- **Supply chain capabilities:**
 - Customer acquisition, fulfillment, and reputation building – done through existing 1,935 AHS stores and mobile app
 - Own proprietary capabilities for core consumer electronics, pivot to self-operation for luxury goods, and leverage joint-operation for new takes
- **Recent highlights:**
 - 100+ core AHS stores fulfilled new category orders in 1Q23; top 30 stores had an average additional monthly GMV of RMB500,000
 - Gold recycling service scaled rapidly to RMB60 MN in 1Q23
- **FY23 priorities:**
 - i) User experience, ii) structured product catalog, and iii) pricing capability



Overview of PJT Marketplace (B2B)

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

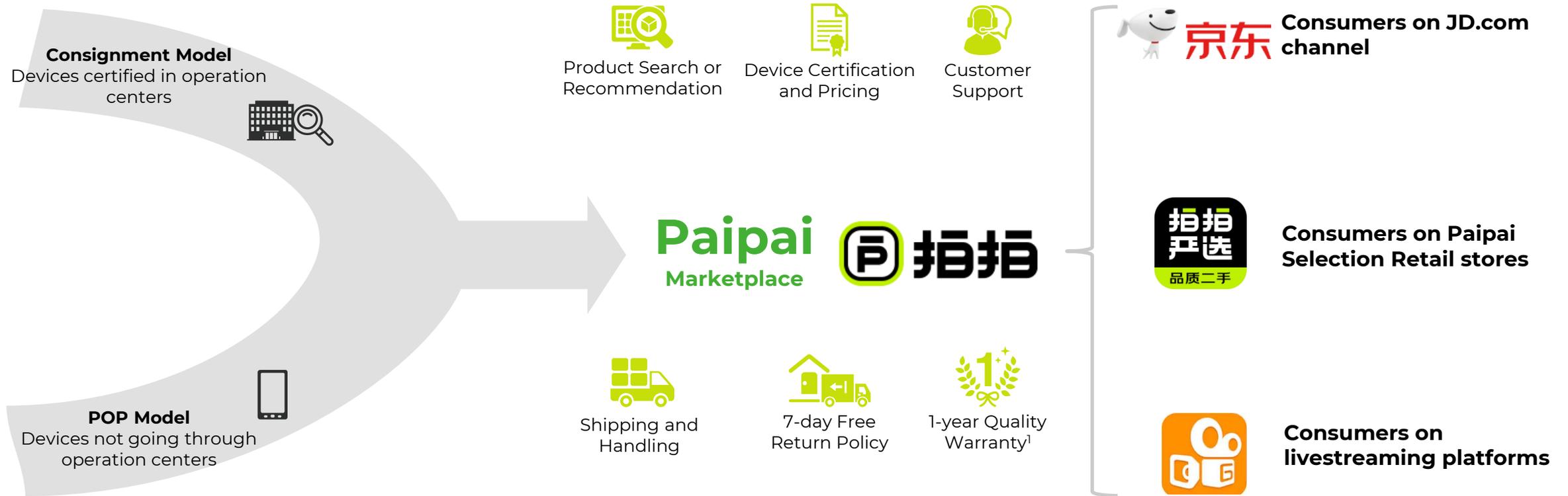


Providing Small Merchants with a Comprehensive Suite of Solutions

- Standardized Certification of Devices
- Optimized Inventory Turnover
- Fewer Middlemen
- Lower Transaction Costs

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

Paipai: A Youthful Brand With Innovative Retailing Channels

01 Integrated offline store and mini warehouse



02 In-store livestreaming and sales, and private domain promotion



03 Compliant refurbishment adds value to more 1PtoC retailing



04 Retail arm of the city-level service integration strategy



Access to compliant refurbished phone listings in Paipai Selection flagship store

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)



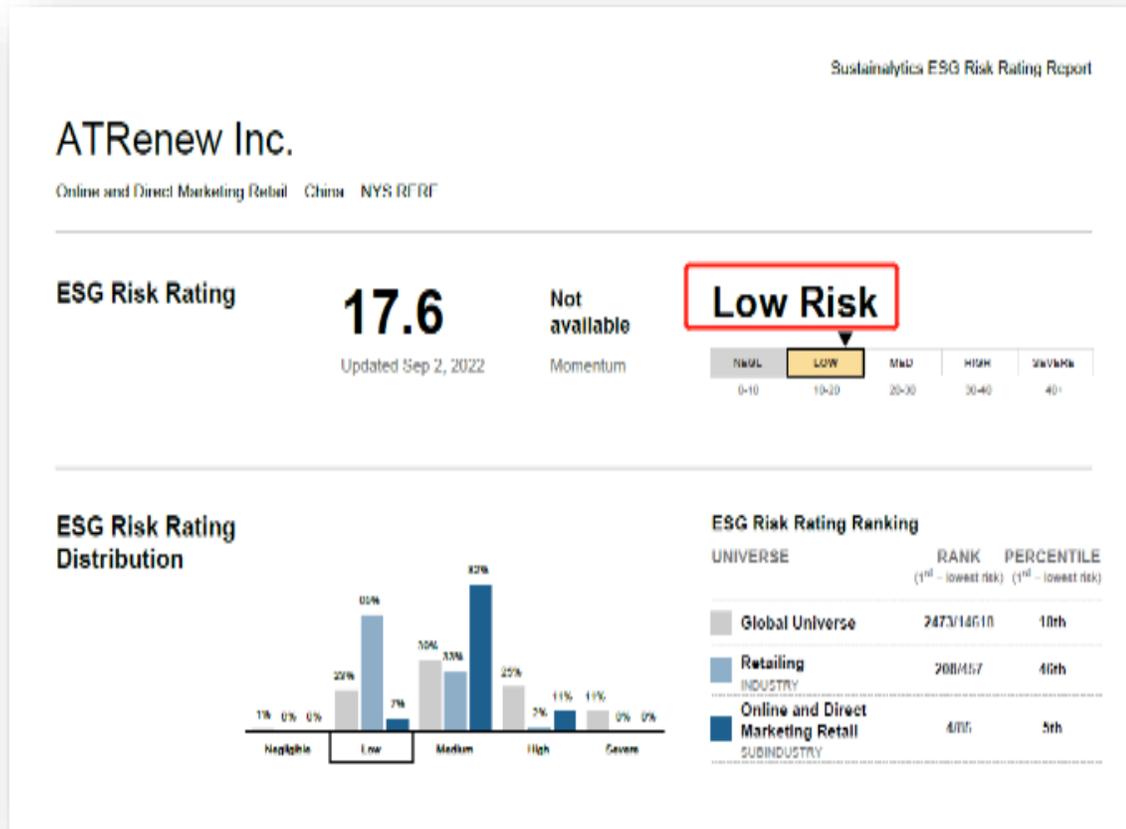
Highly Synergistic Relationship with JD.com

A win-win for new device sales and used device recycling

Seamless trade-in and recycling solutions incorporated in JD.com's main site (product page)



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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