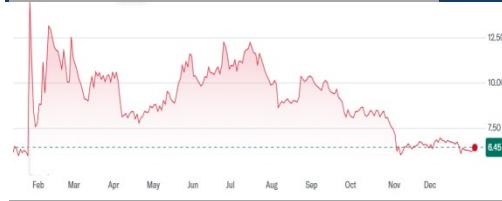




Trading Statistics

Name	Aurora Mobile
Ticker	JG
Sector	Technology
Current price (5 Jan 26)	USD 6.45
Market cap	USD 38.7m
Avg. 3 month volume	7.3k
Total shares out	6m
Free Float %	41%
Rating	Not Rated

1-year share price performance



Aurora Mobile Limited

Targeting overseas expansion for growth

Leading push notification developer in China

Aurora Mobile is a leading SAAS push notification developer in China with an estimated 55% domestic market share. The company also utilizes AI and machine learning to develop solutions in alternative data and financial risk management. Growth is expected to be driven by strong global demand for push notification services where 2025-2035 industry CAGR could reach 27% to USD349bn according to market research firm Business Research Insights.

Growth opportunity is overseas = higher margins

EngageLab is the overseas product suite for push notification services and will be the primary area of growth going forward for the company. ASEAN and Japan are the primary focus areas of overseas expansion. EngageLab continued to see strong customer growth with 1.3k customers at the end of 3Q25, (+156% yoy). While overseas revenue contribution is small, the growth rate is among strongest across Aurora's product lines. As pricing is more stable overseas relative to domestic, strong international revenue growth is likely to translate into higher gross margins.

Clean balance sheet and consecutive profit

During 3Q25, Aurora's cash levels remained at a healthy level of RMB141.2m (+40% yoy), the highest levels over the past 14 quarters. Deferred revenue reached RMB166m (+23% yoy). Outside of operating lease liabilities, Aurora does not have borrowings outstanding and its current D/E ratio is at a healthy 16.4% vs. 21% at the end of 2024. During 3Q25, on a US GAAP basis, net profit grew to RMB650k (vs. RMB2.2m net loss in 3Q24) which represents two consecutive quarters of profit for the first time in company history.

Valuation – potential range of USD14.2 to 17.7

Given limited earnings, we believe Aurora is best valued on a price/sales valuation multiple. Excluding SAAS competitors in China with high multiples, the average peer multiple is 4x whereas Aurora is trading at 0.7x, a 82% discount. Even if we assume a 50 to 60% discount to the average peer multiple given the illiquidity of Aurora's shares results in a potential fair value range from USD14.2 to 17.7 representing 120 to 175% upside from current levels. Key risks include macroeconomic headwinds leading to slower lower net profit.

Key financials

RMB '000	24-Sep	24-Dec	25-Mar	25-Jun	25-Sep	yoY	qoq
Revenue	79,052	93,153	88,961	89,860	90,872	15.0%	1.1%
Gross profit	53,206	56,685	58,844	59,645	63,755	19.8%	6.9%
<i>Gross profit margin</i>	67.3%	60.9%	66.1%	66.4%	70.2%	2.9%	3.8%
Operating Income	-3,644	-223	-1,545	-944	439	nm	nm
<i>Operating margin</i>	-4.6%	-0.2%	-1.7%	-1.1%	0.5%	5.1%	1.5%
Shareholder net income	-2,581	-1,066	-2,552	-21	-13	nm	nm

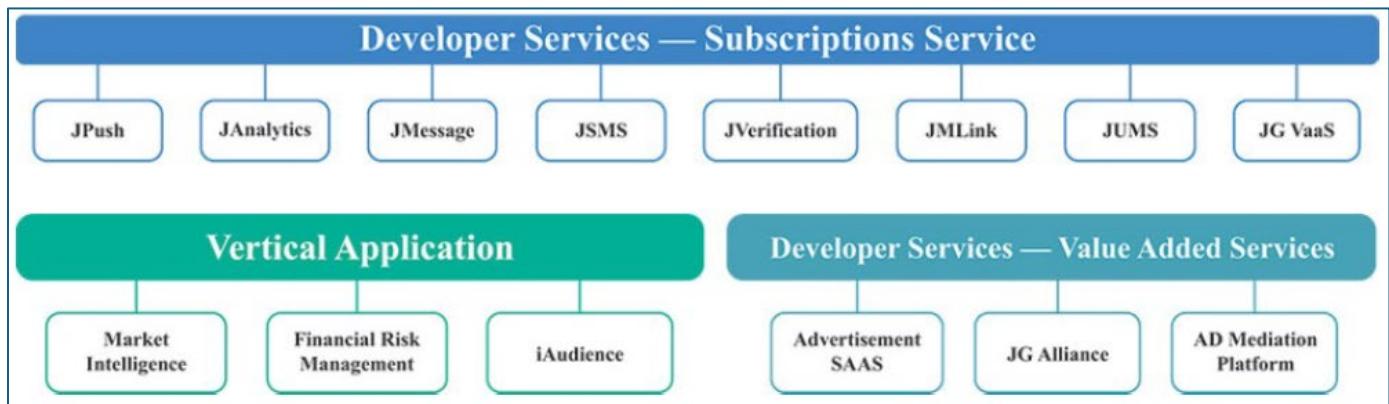
Michael Ting
Michael.ting@bardicresearch.com
+852 6016 9907



Key company services

Leading push notification SAAS player in China

Aurora Mobile Limited provides mobile customer engagement and marketing services to mobile application developers in China and globally. Customer engagement services include push notification, instant messaging, analytics, short message service (SMS), and one-click verification. Aurora's business segments are broken down by Developer Services (subscription and value added) and Vertical Application such as alternative data and financial risk management analytics. Overseas developer services are marketed under EngageLab. As of the end of 3Q25, Aurora had 1,312 customers utilizing EngageLab with clients in 52 countries and regions.



Source: company reports

Developer services

Developer services are delivered via SDKs (software development kits) which contain ready-to-use source codes which are then integrated into mobile applications across all major mobile operating systems such as iOS and Android for example. Aurora's APIs (application programming interfaces) automate and connect the message exchange process between the mobile application and the backend network. The key benefit is that the client can now accelerate the development and deployment of their apps into the marketplace while focusing on improving the app operations and end-user experience. When in commercial use, the client can then monitor the services on a web-based dashboard.

In terms of pricing, most of the basic packages are free whereas the client needs to pay a subscription fee for more VIP services such as additional message exchanges, higher frequency usage of API, more chat rooms and dedicated communication channels in JMessage for example. For JPush, the VIP premium package includes more real-time pushes, higher offline message storage, along with exclusive high-speed channels for VIP push notification traffic and customized SDK features. Aurora charges a fee for private cloud-based packages but indicated that most clients will utilize public clouds.



Subscription services		
Type	Function	Description
JPush	Push Notification	Delivers messages across various formats and devices Due to strong technology infrastructure (cloud services), can deliver messages effectively Goal is to help with customer engagement, retention and monetization
JAnalytics	Data Analytics	Processes behavior and app operational data to create trends and other statistical reports
JMessage	Instant messaging	Real-time internet-based instant messaging services Forms include: customizable personal chats, group chats and chat rooms Supports rich media messaging, voice messaging, pictures, files, offline messaging and location sharing
JSMS	SMS	Integrate SMS text message functions for authentication Channel for user communication
JUMS	Unified Messaging System	Integrates nine major messaging channels to one platform Provides reports on push notification statistics, message history, user reach analysis Companies can use reports to implement and modify marketing strategies
JG VaaS	Video as a Service	Build and deliver customized video channels according to target users base
JVerification	One-click Verification	Verify mobile number without verification code to improve conversion rate and user experience
JMLink	Linking service	Direct customers to the APP with one-link Promotes conversion rate of products and services

Source: company reports

Value added services		
Type	Function	Description
Advertisement SAAS	Advertisement	Ad placement to tagged and de-identified populations for ad placement
JG Alliance	Marketing	Provide integrating marketing campaigns where revenue is generated on a performance basis
AD Mediation Platform	Marketing	Access other mainstream advertising platforms to help monetize application advertising inventory

Source: company reports

Vertical applications

Vertical applications are focused on market intelligence and financial risk management analysis where Aurora leverages its vast data pool and AI machine learning to create customizable solutions for industry specific problems. Specifically, proprietary indices and tags are generated by a centralized data processing platform. These tags and indices cover multiple dimensions and are then selectively utilized for different solutions. Aurora is constantly expanding its solution offerings into other industries.

Competitive advantages in data

Aurora's competitive advantage is within its data product scale noted as the Four V's namely: volume, variety, velocity and veracity. As of December 2024, the company has achieved over 78.6 billion installations of its SDKs as part of the developer services and has been used by a cumulative number of approximately 767,000 developers representing around 2 million mobile applications in industries such as media, gaming, financial services, ecommerce, and education.



Consequently, Aurora has access to a wide range of mobile behavioral data such as data relating to app installations, app usage along with device and operating system information and location-based data and is able to process a high volume in real time. In December 2024, Aurora captured data from approximately 1.9 billion monthly active SDKs and this data is cleansed, structured and encrypted to ensure accuracy.

Aurora's technology infrastructure is supported by cloud servers located in four domestic cities: namely Guangzhou, Beijing, Shanghai and Qingdao. Overseas servers are located in Hong Kong, Singapore, Germany and the United States. The company employs advanced active-active data center architecture which enables multiple data centers to service the same application at any given time. This ensures continuous availability of servers and minimizes instability caused by single point failure.

Vertical applications		
Type	Function	Description
Market intelligence	Enterprise-oriented solutions	Industry ranking, competitive analysis, and operational analysis for corporates
	Fund-oriented solutions	Industry trends, portfolio company growth, and project-oriented case studies for fund managers
	Project-based tailor-made solutions	In-depth analytics and customized statistics reports based on customers' requirements
Financial Risk Management	Anti-fraud	Over 1k risk features based on behavior data to determine customer risk profile and credit worthiness Provide anti-fraud risk features through APIs that incorporate risk features into risk modeling
	Blacklist	Create an initial blacklist that contains default and delinquency history Utilize AI and data analytics to identify the behavioral features that may lead to future default or fraud
JG iAudience	User profiling	Target different customer demographics Develop personalized operational strategies, improve service, facilitate real-time decision-making

Source: company reports

Company growth drivers

International expansion

Going forward, Aurora Mobile's international customer growth will be the primary driver for earnings. Aurora's EngageLab's international business has higher gross margin compared to domestic because pricing is more competitive within the domestic market due to intense competition among service providers. International clients focus primarily on service quality whereas domestic clients will use pricing as a determinant for vendor adoption.

While management did not disclose specific figures, the international business growth rate exceeds that of the domestic business where growth is categorized as being steady. Strong international growth is primarily due to the low comparison base which we estimate is in the single digits as a percentage of overall revenue. Management expects 30% of revenue to come from international (EngageLab and GPTBots) within three years and the main target markets will be in ASEAN and in Japan. Aurora has already set up offices in Japan, Hong Kong, Singapore and Malaysia with more overseas offices expected over the next few years due to the international client base expansion.



Aurora's competitive advantage overseas is its strong customer service response time to troubleshooting. This response time is among the fastest among peers as many client queries are handled by instant messaging whereas overseas competitors still mainly rely on email for customer queries which take longer to respond. Aurora uses ISV (independent software vendor) distributors to help penetrate foreign markets. In 3Q25, EngageLab had 1,312 customers (+156% yoy, +24% qoq) with annual recurring revenue in September growing by 160% yoy.



Source: company reports



Source: company reports

Aurora has roughly 55% market share in the domestic push notification business. The next largest competitor in China is Merit Interactive (300766.SZ) with a 20% estimated market share in push notification. Merit Interactive mainly services the government sector whereas Aurora's clients are primarily corporate. The remaining 25% of the push market in China is fragmented. While Aurora does not currently serve many US based clients, the two key US listed competitors are Klaviyo (KYVO US) and Twilio (TWLO US).

Aurora AI – GPTBots and Vonosis case study

Through GPTBots.ai, Aurora leverages AI agents in the fields of customer service, enterprise search and data analysis and will create a full service workflow covering demand discrimination through to full scale testing to help a client achieve growth at reduced costs. This platform is able to be used across various LLMs such as Gemini, OpenAI and DeepSeek for example and is useful for sectors such as e-commerce.

In addition, GPTBots.AI are being rolled out to corporate customers as AI agents can handle internal company queries such as answering questions relating to human resource policies instead of asking a live person similar questions. Just as in customer service, the overall aim is to use AI to help reduce costs and achieve higher ROI.

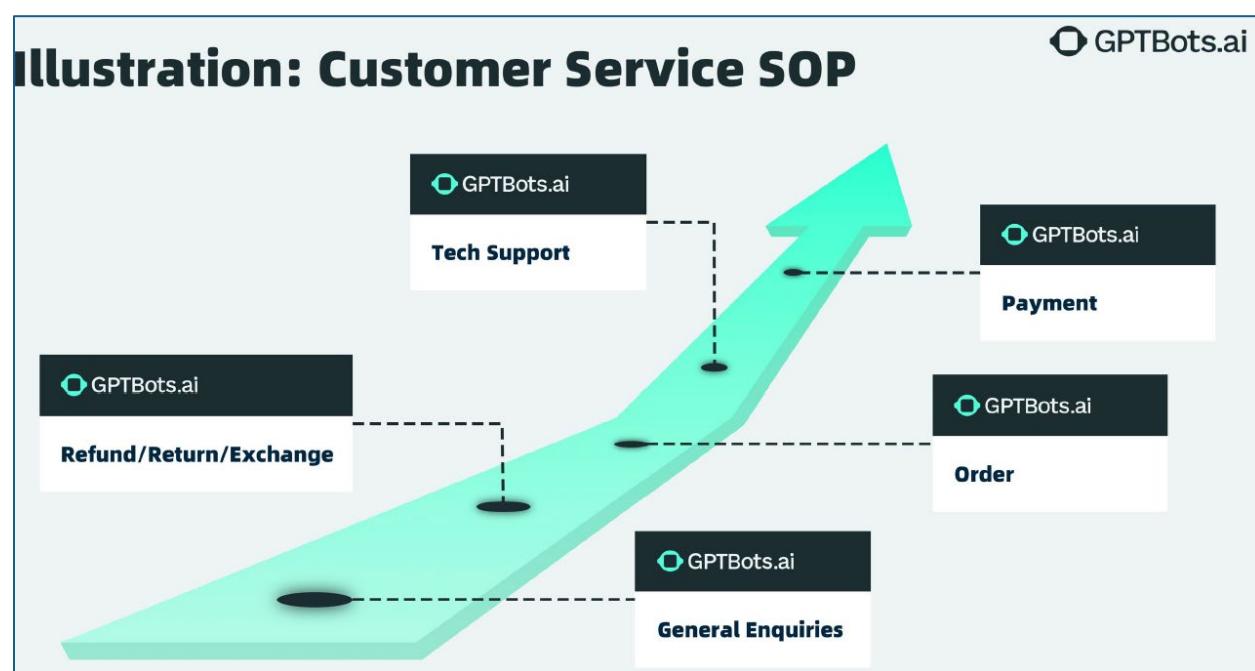
The growth of AI can help support Aurora's international expansion strategy. For example, in August, the Aurora entered into a strategic partnership with Vonosis which is a leading digital



transformation and cloud solutions provider in Thailand. Aurora and Vonosis will deliver turnkey and localized AI solutions for core industries such as healthcare, retail, and manufacturing in Thailand and within the broader region.

Vonosis has already started deploying AI internally to streamline operations and enhance internal decision-making. Through GPTBots.ai, Vonosis can now empower its large enterprise client base with enhanced AI capabilities which improves the responsiveness in customer support, automates repetitive tasks such as order processing, and uses AI to analyze sales data and customer behavior to make better strategic decisions.

Despite the optimism for GPTBots, demand is not high currently. Management guided the revenue contribution from AI applications is still small with many projects still in the testing phase. Thus, another three to five years may be needed for AI related revenue to become a major product category for revenue contribution.



Source: company reports



Key management

Mr. Weidong Luo: Co-founder and chairman of the board of directors and chief executive office since May 2012. Mr. Luo has over 12 years of experience building technology companies and was a general manager of Shenzhen Zhiwo Information Technology Company Limited from September 2007 to September 2010 responsible for general business operations. He received a master of philosophy degree in computing from Hong Kong Polytechnic University and a bachelor's degree in management information systems from Renmin University of China.

Mr. Qing Zhang: Chief technology officer since March 2024. He served as deputy chief technology officer from January 2022 to February 2024 and vice president of technology within the R&D department from May 2020 to December 2021. Before joining Aurora Mobile, Mr. Zhang worked at Tencent for about 18 years with prior roles including technical expert and leader for Tencent Music. At Tencent, Mr. Zhang was involved in product development. Prior to Tencent, Mr. Zhang worked for Sino Stride Technology as a software development engineer. Mr. Zhang received his bachelor's degree in electrical engineering from Zhejiang University in 1999.

Mr. Shan-Nen Bong: Chief financial officer since November 2017. Mr. Bong has over 20 years of experience in financial accounting and auditing. Mr. Bong served as the chief financial officer of Nam Tai Property Inc., an NYSE-listed property development and management company, from May 2015 to May 2016. Prior to that, Mr. Bong worked in Ernst & Young, for 17 years in Singapore, New Zealand, San Jose (USA) and Beijing, and was an audit partner at Ernst & Young before joining Nam Tai Property. He is a member of Institute of Chartered Accountants in England and Wales, Hong Kong Institute of Certified Public Accountants and Chartered Accountants Australia and New Zealand. Mr. Bong received his bachelor's degrees in accounting, finance and computer science from Lincoln University.

VIE and significant subsidiaries structure

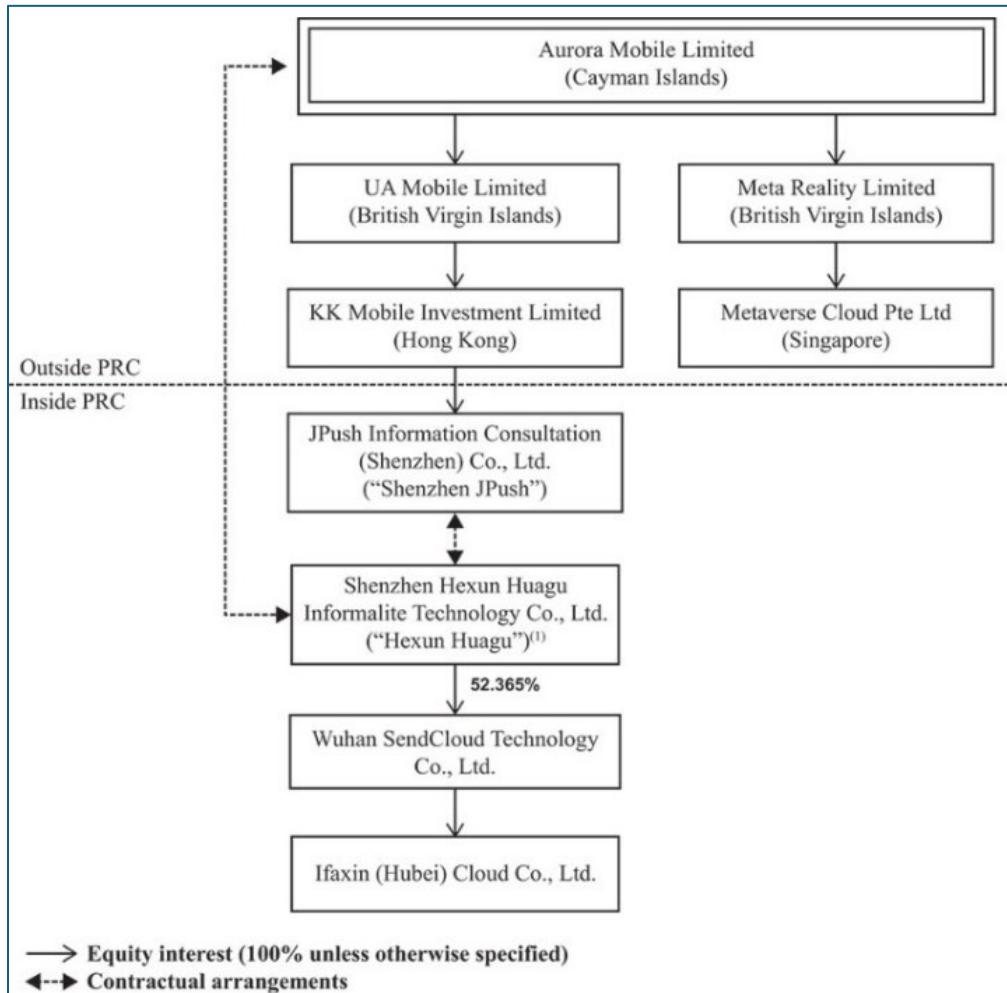
Aurora Mobile operates through a consolidated VIE (variable interest entity) structure with significant subsidiaries where the listed company is a holding company registered in the Cayman Islands. Shenzhen Hexun Hungu Information Technology Co., Ltd (Hexun Huagu) incorporated in May 2012 is the operating company in China. Mr. Weidong Luo and Mr. Guangyan Chen, hold 80% and 20% equity interests respectively.

A holding company UA Mobile was incorporated in the British Virgin Islands in May 2012 and established KK Mobile Investment Limited in Hong Kong as a subsidiary in June 2012. In April 2014, Aurora Mobile was incorporated in the Cayman Islands as a holding company where all of UA Mobile's ownership was transferred into Aurora Mobile. In June 2014, JPush Information Consultation (Shenzhen) Co., Ltd., or Shenzhen JPush was set up by KK Mobile to be the WFOE (Wholly Foreign-Owned Enterprise). Starting in August 2014, all of the business of Hexun Huagu is directed through Shenzhen JPush through a series of contracts. Hexun Huagu is the VIE.



Aurora Mobile was listed on the New York Stock Exchange in July 2018 raising USD77m with Goldman Sachs (Asia), Deutsche Bank Securities and Credit Suisse Securities (USA) as the main underwriters.

Below is the latest corporate structure, including Aurora's significant subsidiaries and consolidated variable interest entity as of the latest annual report dated April 3, 2025.



Source: company reports

SAAS and push industry overview

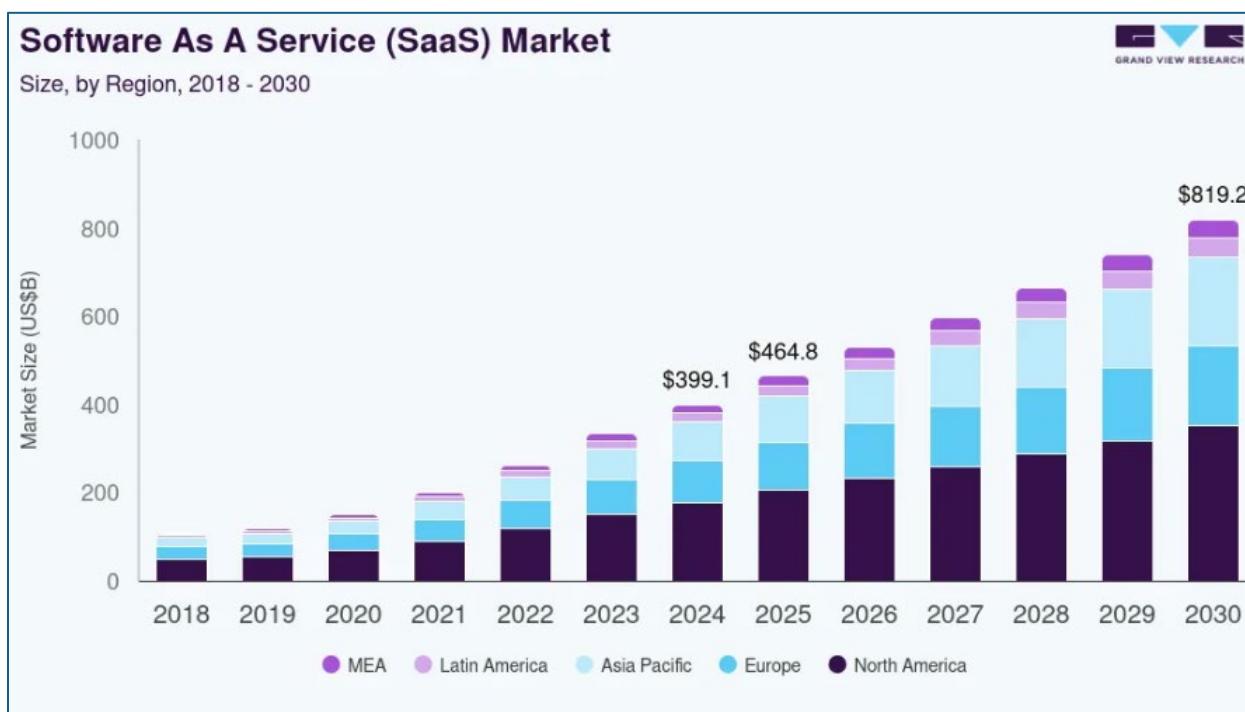
SAAS market 12% CAGR from 2025 to 2030

According to market research firm Grand View Research, the global SAAS market was valued at USD399bn in 2024 and estimated to grow to USD819bn by 2030, representing a CAGR of 12% from 2025 to 2030. Asia is expected to see the strongest CAGR relative to other regions. One of



the main drivers is the need for cost savings due to the high cost of on-premises software development. In addition, the growing use of instant messaging along with email and video call adoption will further drive growth. Enterprise users are expected to be one of the main driving forces of SaaS adoption as they update solutions that help provide better customer service. For example, a major user group is expected to be ERP (enterprise resource planning) providers in e-commerce retail who assist businesses in reaching customers remotely through traffic platforms.

The customer relationship management (CRM) segment accounted for the largest revenue share in 2024. Solutions within this segment include AI-powered analytics, personalized marketing automation, and omnichannel communication which allow organizations to improve customer experiences and loyalty. The rise in e-commerce and digital-first strategies further grew CRM adoption as companies need to efficiently manage large volumes of customer data.



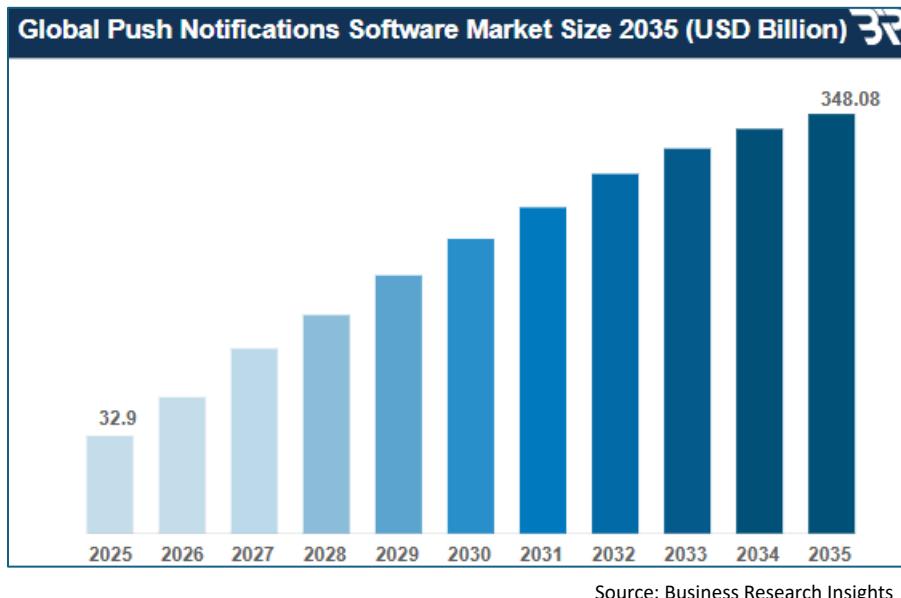
Source: Grand View Research

Push notification 27% CAGR from 2025 to 2035

According to market research firm Business Research Insights, the global push notification market was valued at USD33bn in 2025 and estimated to grow to USD34bn by 2035, representing a CAGR of 27% from 2025 to 2035. Growth is expected to be driven by a wide variety of industries such as e-commerce, healthcare and finance to satisfy the growing demand for user engagement, customer retention, and effective communication strategies. Push notification software is needed to send targeted messages, promotions, and alerts, creating a direct and immediate connection with users. According to Business Research Insights, Cloud-based applications are around 75% of the push market due to flexibility, scalability, and easy integration.



In addition, the integration of AI and machine learning into push notification platforms has further grown the market's potential, allowing businesses to analyze user behavior, engagement patterns, and preferences for more targeted and personalized notifications. Targeted notifications are paramount as consumers are more discerning about the content they engage with. Hence, businesses need to deliver personalized push notifications to capture user attention more effectively which enhances user experience, drives engagement, and increases conversion rates.



Chatbot industry analysis

Chatbot 23% CAGR from 2025 to 2030

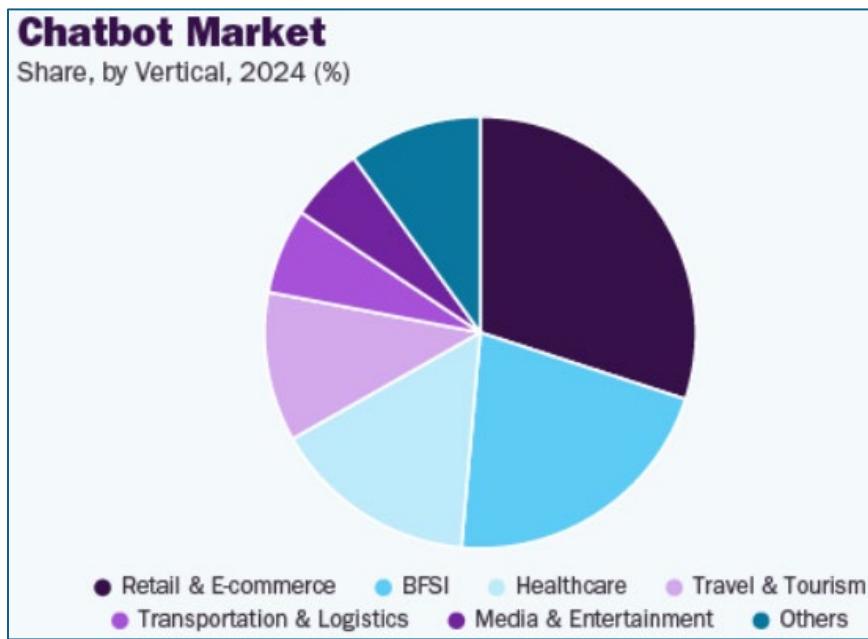
According to market research firm Grand View Research, the global chatbot market size was measured at USD7.8bn in 2024 and is estimated to reach USD27.bn by 2030, representing a CAGR of 23.3% from 2025 to 2030. Growth is projected to be mainly driven by advancements in machine learning and AI. Within Chatbot, North America represents 31% market share driven by high demand for operational efficiency and better customer service. Sales and marketing chatbots coupled with augmented reality integrations are expected to further drive Chatbot growth in the future.

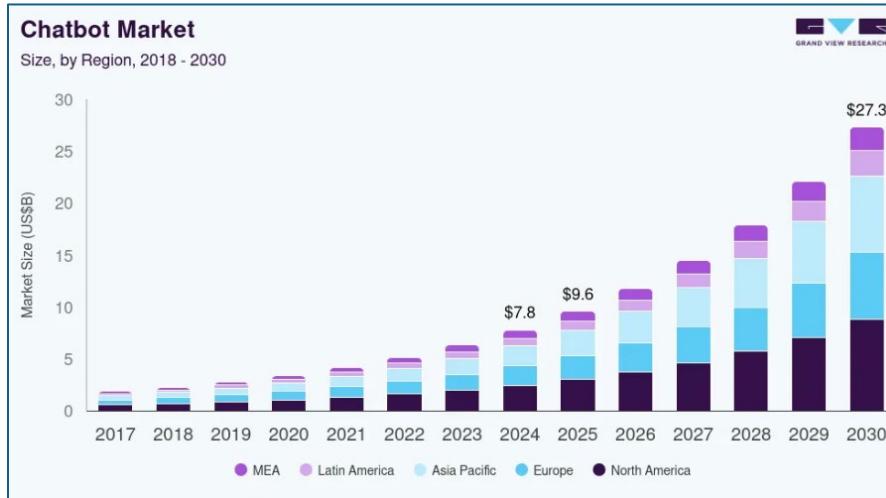
According to Grand View Research, corporates are seeing strong chatbot adoption in order to enhance customer interactions and streamline operations. For example, virtual assistants provide instant and personalized 24 hours availability which in turn reduces response times and improves customer satisfaction. Chatbots are also increasingly being integrated with analytic tools to study and enhance customer acquisition and support strategies. This customer services segment was the highest among Chatbot applications in 2024.



Sectors such as e-commerce, banking, and data privacy & compliance are strong adopters of Chatbots. Natural language processing integration has enabled chatbots to handle complex queries which in turn have expanded chatbot utilization to areas such as sales and internal operations. Small and medium sized businesses are strong adopters of Chatbot in order to compete with larger enterprises for cost optimization.

In terms of business function, the sales and marketing sector accounted for the highest revenue share in 2024 according to Grand View Research due to their effectiveness in automating customer interactions. Chatbots handle lead generation, marketing campaigns, and customer relationship management, which improve the sales processes and helps businesses to increase conversion rates. Finance-related chatbots are also growing as financial corporation chatbots help with the automation of tasks like financial planning, account management, and personalized investment advice.





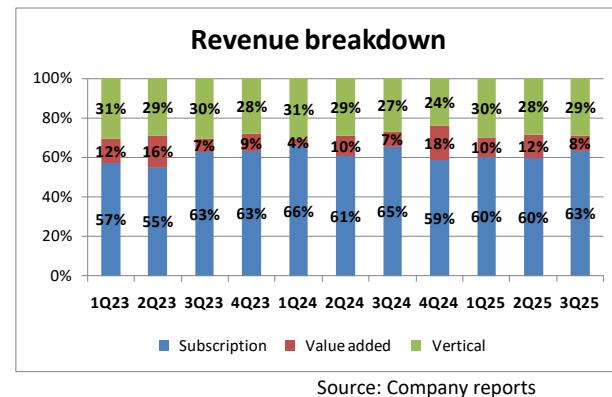
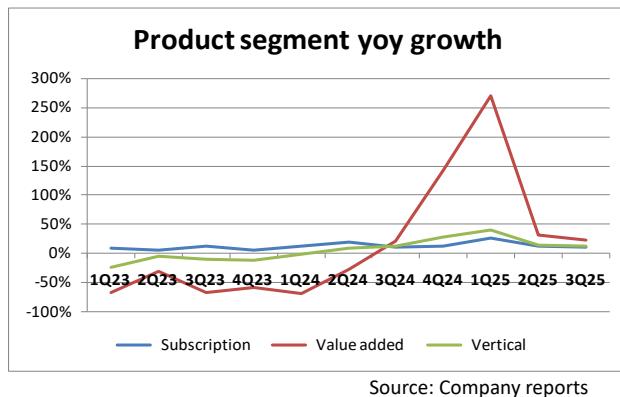
Source: Grand View Research

Financial analysis

Financial statement analysis: income statement

RMB '000	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	2Q25	3Q25
Revenues													
Subscription	37,508	40,526	46,659	48,830	173,523	42,351	48,124	51,651	54,687	196,813	53,467	53,659	57,330
Value added	7,957	11,546	4,875	6,751	31,129	2,398	8,282	5,834	16,311	32,825	8,855	10,748	7,092
Vertical	19,968	21,259	22,524	21,829	85,580	19,775	23,035	21,567	22,155	86,532	26,639	25,453	26,450
Total revenues	65,433	73,331	74,058	77,410	290,232	64,524	79,441	79,052	93,153	316,170	88,961	89,860	90,872
Cost of revenue	19,441	25,620	21,756	24,129	90,946	18,152	26,670	25,846	36,468	107,136	30,117	30,215	27,117
Gross profit	45,992	47,711	52,302	53,281	199,286	46,372	52,771	53,206	56,685	209,034	58,844	59,645	63,755
<i>Gross profit margin</i>	70.3%	65.1%	70.6%	68.8%	68.7%	71.9%	66.4%	67.3%	60.9%	66.1%	66.1%	66.4%	70.2%
Research and development	31,681	30,243	32,797	27,085	121,806	22,681	23,652	24,157	24,326	94,816	24,607	25,958	25,881
Sales and marketing	18,890	20,009	21,750	22,056	82,705	17,391	20,478	22,448	24,583	84,900	23,303	22,651	26,618
General and administrative	14,273	13,873	5,436	12,071	45,653	12,932	10,677	10,447	11,392	45,448	12,676	12,190	11,856
Total operating expenses	64,844	64,125	59,983	61,212	250,164	53,004	54,807	57,052	60,301	225,164	60,586	60,799	64,355
Other operating income	0	0	0	0	0	1,579	1,055	202	3,393	6,229	197	210	1,039
Total operating income	-18,852	-16,414	-7,681	-7,931	-50,878	-5,053	-981	-3,644	-223	-9,901	-1,545	-944	439
<i>Operating profit margin</i>	-28.8%	-22.4%	-10.4%	-10.2%	-17.5%	-7.8%	-1.2%	-4.6%	-0.2%	-3.1%	-1.7%	-1.1%	0.5%
Foreign exchange gain/(loss) net	25	-118	26	49	-18	-23	12	195	-62	122	38	143	-98
Interest income	330	354	269	247	1,200	2,187	195	211	288	2,881	236	314	308
Interest expenses	-223	-218	-209	-158	-808	-6	-42	-42	-42	-132	-39	-6	-27
Other income/(expenses)	3,316	-7,514	411	-10,293	-14,080	15	-20	1,048	-805	238	34		
Change in fair value of structured deposits	13		11	6	30	23	15	50	45	133	38	73	74
Profit before tax	-15,391	-23,910	-7,173	-18,080	-64,554	-2,857	-821	-2,182	-799	-6,659	-1,272	-386	696
Income tax	150	179	177	136	642	244	-483	24	105	-110	-336	882	-46
Net income	-15,241	-23,731	-6,996	-17,944	-63,912	-2,613	-1,304	-2,158	-694	-6,769	-1,608	496	650
<i>Net profit margin</i>	-23.3%	-32.4%	-9.4%	-23.2%	-22.0%	-4.0%	-1.6%	-2.7%	-0.7%	-2.1%	-1.8%	0.6%	0.7%
Net (loss)/income attributable to noncontrolling interests	-175	-715	-225	-48	-1,163	-214	-304	423	372	277	944	517	663
Net income to Aurora shareholders	-15,066	-23,016	-6,771	-17,896	-62,749	-2,399	-1,000	-2,581	-1,066	-7,046	-2,552	-21	-13
EPS Class A and B common shares (RMB)	-0.19	-0.29	-0.08	-0.23	-0.79	-0.03	-0.01	-0.03	-0.01	-0.08	-0.03	0.00	0.00
<i>yoY</i>													
Revenue	-23.3%	-3.7%	-7.9%	-10.9%	-11.7%	-1.4%	8.3%	6.7%	20.3%	8.9%	37.9%	13.1%	15.0%
Subscription	9.2%	5.7%	11.9%	5.4%	8.0%	12.9%	18.7%	10.7%	12.0%	13.4%	26.2%	11.5%	11.0%
Value added	-68.7%	-31.7%	-68.2%	-60.0%	-58.2%	-69.9%	-28.3%	19.7%	141.6%	5.4%	269.3%	29.8%	21.6%
Vertical	-23.9%	-5.8%	-9.6%	-12.1%	-13.0%	-1.6%	8.3%	11.5%	27.7%	12.2%	39.3%	14.2%	12.1%
Gross Profit	-21.4%	-10.8%	-3.2%	-10.9%	-11.7%	0.8%	10.6%	1.7%	6.4%	4.9%	26.9%	13.0%	19.8%
Gross profit margin pts	1.7%	-5.2%	3.4%	0.0%	0.0%	1.6%	1.4%	-3.3%	-8.0%	-2.5%	-5.7%	-0.1%	2.9%

Source: Company reports

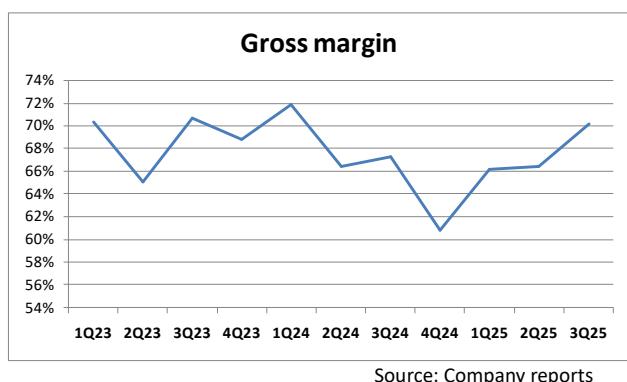
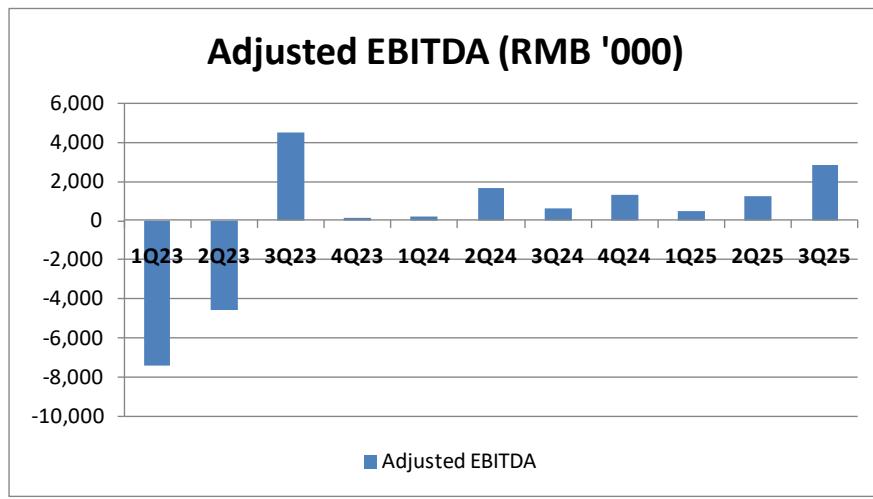


During 3Q25, revenue reached RMB90.9m (+15% yoy) which was on the high end of guidance. Developer services and vertical applications grew by 12 and 23% yoy respectively in 3Q25. Within developer, subscription services grew by 11% and value added increased by 22%.

In terms of revenue breakdown, subscription was the highest at 63% followed by vertical at 29% and value added at 8%. For 4Q25, revenue guidance is RMB 94-96m, (+1 to 3% yoy). 4Q is seasonally the strongest quarter with 1Q being the weakest due to Lunar New Year.

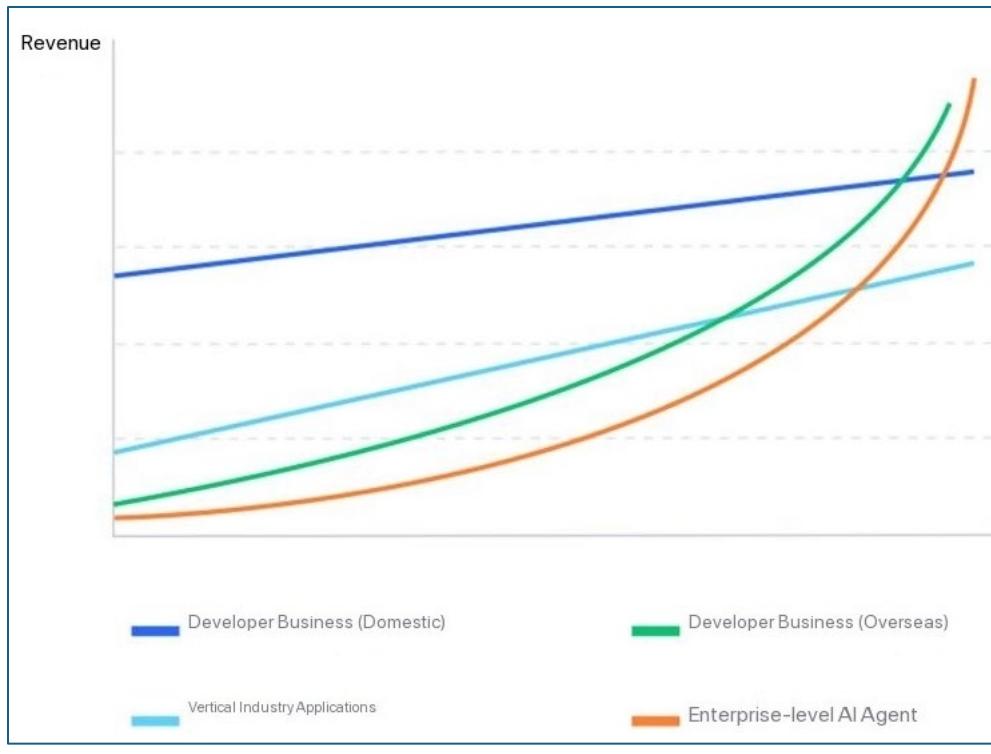
In terms of profitability during 3Q25, gross profit was RMB63.8m (+20%), GPM of 70.2% (+290 bps) and net loss to shareholders of RMB13k (vs. RMB2.6m loss). Gross margin has been on a steady rise since it reached its recent bottom in 4Q24 at 61%. The subscription segment has the highest gross margins followed by vertical and value added. As costs are relatively stable, gross margins are mainly impacted by sales product mix.

On a US GAAP or pre-non controlling shareholder basis, net profit in 3Q25 grew to RMB650k (vs. RMB2.2m net loss in 3Q24) which represents two consecutive quarters of profit. Adjusted EBITDA reached RMB2.8m (+387% yoy) marking the 9th consecutive quarter of positive EBITDA dating back to 3Q23. Adjusted EBITDA is calculated by adding back share based compensation to the EBITDA line.





In terms of expected revenue growth rates over time, AI agents and the overseas developer business are projected to see the sharpest increases in growth whereas the domestic developer and vertical application segments are likely to experience only steady growth rates. The estimated growth rates over time are depicted graphically below as provided by management.



Financial statement analysis: balance sheet and cashflow

During 3Q25, Aurora's cash levels remained at a healthy balance of RMB141.2m (+40% yoy) which represents the highest level over the past 14 quarters. Deferred revenue reached RMB166m (+23% yoy), a record high for the company. The deferred revenue is guaranteed future revenue as clients have already paid for the service but the services have not yet been rendered according to specific contract clauses.

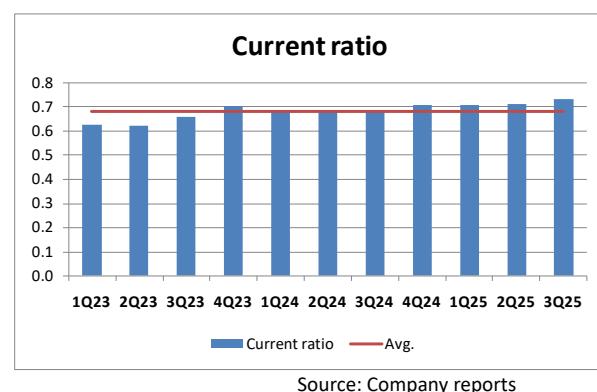
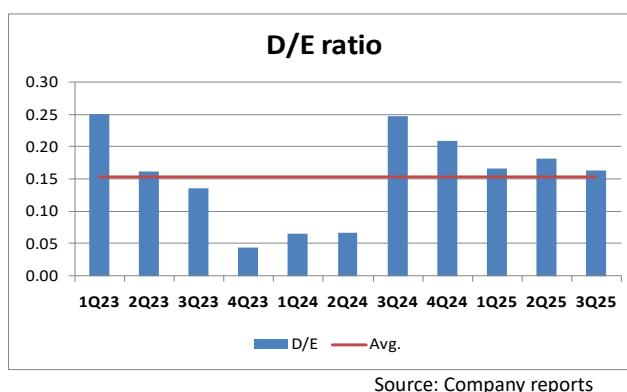
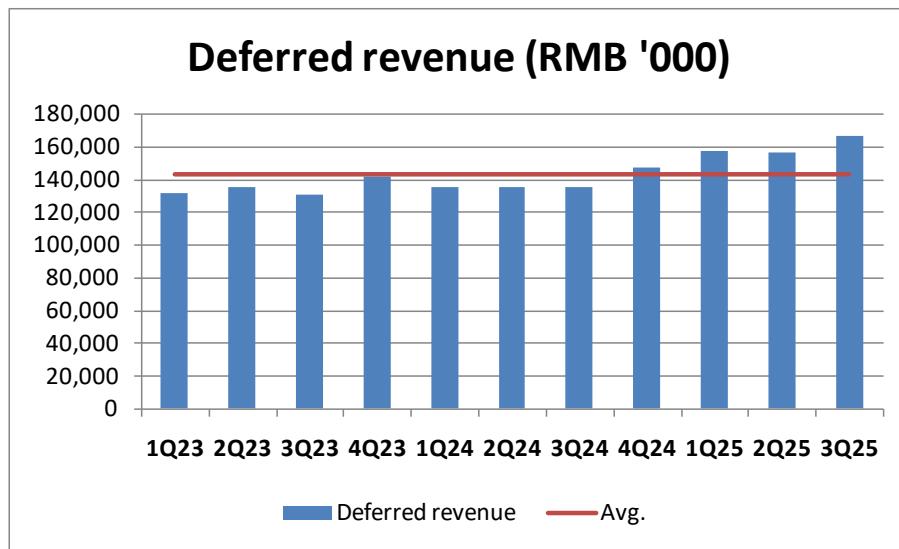
Outside of operating lease liabilities, Aurora does not have borrowings outstanding and its current D/E ratio is at a healthy 16.4% vs. 21% at the end of 2024. The current D/E ratio is at its average quarterly level since 1Q23.

As of the end of 3Q25, Aurora's current ratio (current assets/current liabilities) stood at 0.73 above its eleven quarter average of 0.68 along with a cash ratio (cash and cash equivalents/current liabilities) of 0.45 vs. 11 quarter average of 0.42. The cash conversion cycle remains strong at -276 days indicating that the company is collecting cash faster than its paying suppliers. These metrics indicate that Aurora's short term liquidity remains strong.



RMB '000	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Assets												
Current Assets												
Cash and cash equivalents	116,128	88,255	80,611	87,890	114,521	98,095	92,178	100,755	119,171	113,267	119,422	92,408
Restricted cash	132	132	493	491	486	1,187	505	367	376	375	391	388
Short-term investments				10,000								48,416
Accounts receivable	29,727	26,381	34,034	31,255	34,344	32,995	43,132	40,524	50,804	54,071	54,114	43,911
Prepayments and other current assets	30,656	33,984	31,100	23,650	20,225	23,234	20,796	20,175	14,264	17,354	16,503	15,656
Total current assets	176,643	148,752	146,238	153,286	169,576	155,511	156,611	161,821	184,615	185,067	190,430	200,779
Non current assets												
Long-term investments	141,901	141,126	140,395	134,941	112,912	112,981	113,160	112,488	113,506	113,458	113,339	113,040
PPE net	14,947	11,880	10,090	1,939	1,433	1,365	1,061	3,179	4,573	4,331	3,151	2,944
Operating lease	33,756	32,346	9,380	6,556	4,081	3,317	3,550	20,884	17,146	15,892	17,399	15,903
Intangible assets, net	23,947	22,340	20,883	19,539	17,941	16,916	15,801	14,697	13,767	12,788	12,100	11,482
Goodwill	37,785	37,785	37,785	37,785	37,785	37,785	37,785	37,785	37,785	37,785	37,785	37,785
Deferred tax assets					1,072	1,050	580	442	131	167	11	10
Other non current assets	4,128	2,165	7,090	5,456	5,387	5,401	6,517	6,136	6,510	6,503	6,779	6,220
Total non current assets	256,464	247,642	225,623	206,216	180,611	178,815	178,454	195,611	193,418	190,924	190,564	187,384
Total assets	433,107	396,394	371,861	359,502	350,187	334,326	335,065	357,432	378,033	375,991	380,994	388,163
Liabilities												
Current liabilities												
Short-term loan	5,000	5,000	5,000	5,000		3,000	3,000	3,000	3,000	3,000		
Accounts payable	18,169	18,384	22,220	20,229	21,073	22,146	26,639	27,072	32,691	34,114	38,387	31,863
Deferred revenue and customer deposits	138,804	131,130	135,422	130,588	141,518	135,240	135,137	134,810	147,111	156,929	156,095	166,325
Operating lease liabilities	18,133	18,215	7,298	6,393	4,007	3,144	2,767	5,403	4,461	4,152	4,766	4,066
Accrued liabilities and other current liabilities	75,333	65,222	65,841	70,956	74,682	63,922	60,694	68,015	74,370	66,407	68,449	72,348
Total current liabilities	255,439	237,951	235,781	233,166	241,280	227,452	228,237	238,300	261,633	261,602	267,697	274,602
Non current liabilities												
Deferred revenue	3,585	2,715	1,916									
Operating lease liabilities	6,959	5,253	3,301	968	629	528	1,004	16,128	13,376	12,292	13,055	12,138
Deferred tax liabilities	4,824	4,660	4,481	4,303	3,994	3,727	3,643	3,419	3,059	2,891	2,118	1,850
Other non current liabilities	4,058	1,990	198	560	563	567	567	567	567	567	567	567
Total non current liabilities	19,426	14,618	9,896	5,831	5,186	4,822	5,214	20,114	17,002	15,750	15,740	14,555
Total liabilities	274,865	252,569	245,677	238,997	246,466	232,274	233,451	258,414	278,635	277,352	283,437	289,157
Redeemable non controlling interests	30,552	30,552	29,864	29,864								
Shareholders equity												
Common shares	50	50	50	50	50	50	50	50	51	51	51	51
Treasury shares	-1,689	-848	-835	-1,859	-2,453	-974	-835	-1,669	-1,674	-2,898	-4,319	-2,542
Additional paid-in capital	1,037,007	1,038,208	1,041,471	1,043,930	1,045,397	1,044,784	1,045,303	1,046,525	1,045,221	1,047,375	1,047,406	1,046,881
Accumulated deficit	-925,982	-941,637	-964,653	-971,424	-988,669	-991,068	-992,068	-994,649	-995,715	-998,267	-998,301	-998,288
Accumulated other comprehensive income	18,304	17,500	20,287	19,944	19,223	19,301	19,509	18,683	20,040	19,958	19,770	19,317
Total Aurora Mobile Limited's shareholders' equity	127,690	113,273	96,320	90,641	73,548	72,093	71,959	68,940	67,922	66,219	64,620	65,406
Controlling interests						30,173	29,959	29,655	30,078	31,476	32,420	32,937
Total shareholder's equity	127,690	113,273	96,320	90,641	103,721	102,052	101,614	99,018	99,398	98,639	97,557	99,006
Total liabilities and shareholders' equity	433,107	396,394	371,861	359,502	350,187	334,326	335,065	357,432	378,033	375,991	380,994	388,163

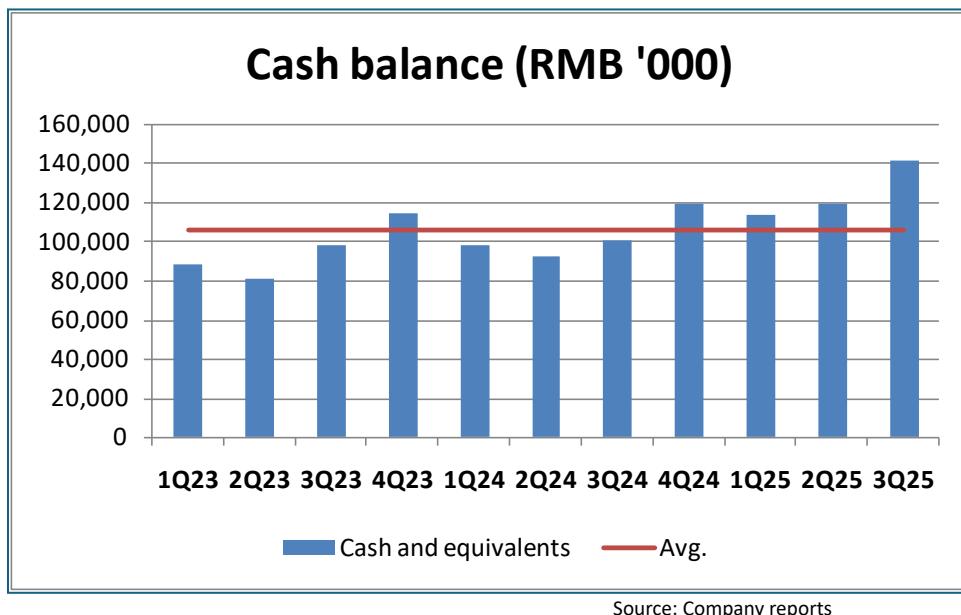
Source: Company reports



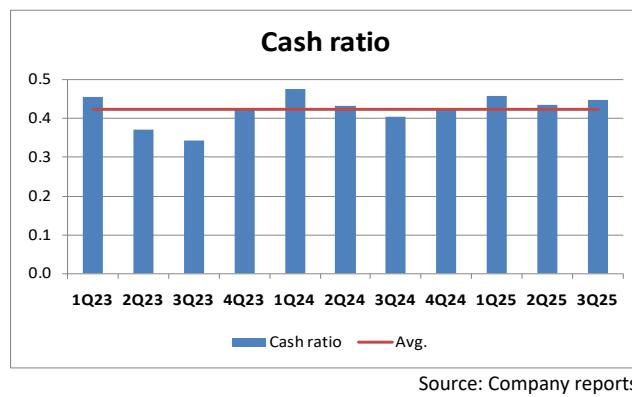
Aurora only provides a consolidated cashflow statement in its annual report and does not disclose quarterly. As of the end of 2024, Aurora generated RMB8.5m in operating cashflow following a loss of RMB18m in 2023. During 3Q25, due to positive US GAAP net income, the company recorded net operating cash inflow of RMB23m which is the highest over the past 20 quarters.

RMB'000	2022	2023	2024
Net cash provided by/(used in) operating activities	-17,476	-17,907	8,541
Net cash provided by/(used in) investing activities	26,853	25,126	-5,375
Net cash provided by/(used in) financing activities	-148,040	-8,651	1,225
Effect of exchange rate changes	341	179	149
Net increase/(decrease) in cash and cash equivalents and restricted cash	-138,322	-1,253	4,540
Cash and cash equivalents and restricted cash at the beginning of year	254,582	116,260	115,007
Cash and cash equivalents and restricted cash at the end of year	116,260	115,007	119,547

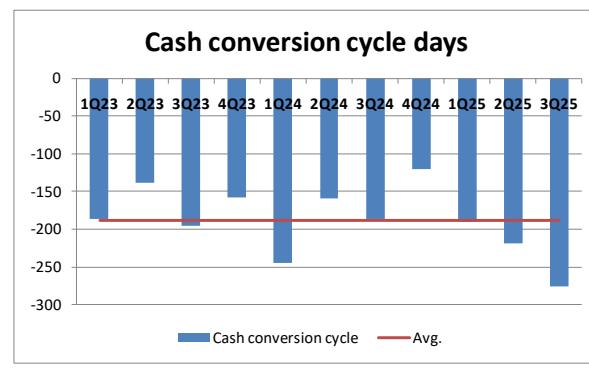
Source: Company reports



Source: Company reports



Source: Company reports



Source: Company reports

Equity valuation range and key risks

Valuation and equity value range

Given Aurora's low EBITDA and earnings resulting in high corresponding multiples, we believe the best valuation tool for the company is based on a Price/sales valuation multiple. We deem the peer group to be the Chinese SAAS companies listed across various indices. On a P/S basis, the peer average multiple is 4x whereas Aurora is trading at an extreme discount of 0.7x or an 82% discount. We exclude Merit Interactive from the analysis given its valuation metrics are an outlier relative to peers.



Company name	Ticker	Market Cap USDm	Current P/E	Forward P/E	Current P/S	Current P/B	Current EV/EBITDA	ROE	D/E
Kingdee	268 HK	6,298	NM	98.0x	6.8x	5.6x	102.4x	-68.0%	0.6%
Kingsoft Cloud	KC US	3,290	NM	NM	2.2x	3.4x	-0.2x	-15.5%	177.8%
Agora	API US	377	57.7x	NM	2.9x	0.6x	20.1x	0.8%	13.5%
Weimob	2013 HK	986	1110.0x	NM	4.6x	3.5x	-18.8x	-54.1%	118.1%
China Youzan	8083 HK	544	169.2x	NM	2.9x	3.3x	25.5x	-8.2%	35.9%
JST Group	6687 HK	1,701	392.9x	NM	11.6x	NM	NM	NM	NM
Bairong Yunchuang	6608 HK	705	16.6x	NM	1.7x	1.1x	5.2x	7.0%	2.4%
AlInnovation	2121 HK	403	NM	NM	2.0x	1.9x	-11.8x	-26.1%	10.1%
Beisen	9669 HK	644	NM	NM	4.6x	4.5x	NM	-6.5%	3.6%
Aurora Mobile	JG US	39	NM	7.3x	0.7x	4.0x	312.8x	-1.2%	16.4%
Average			349.3x	52.7x	4.0x	3.1x	54.4x	-19%	42%

*as of 5 Jan 2026

Source: Yahoo Finance

Given the relatively small market cap and trading liquidity constraints of Aurora, we believe the valuation discount of Aurora compared to peers is justified. Even after taking a 50% to 60% discount from the peer average P/S multiple results in an Aurora target multiple of 1.6 to 2x representing a possible 120 to 175% upside from the current share price based on a relative comparable peer analysis. On a share price level, the potential equity value range based on the above would be USD14.2 to 17.7 compared to USD6.45 as of January 5, 2026.

We acknowledge that the 50-60% discount is arbitrary and below we present possible equity value ranges based on a distribution of discounts of 0 to 75% from the sector average. This results in a potential target equity value range from USD8.9 to 35.4 representing 37 to 449% potential upside.

Aurora current share price (USD) as of 5 Jan 26	Aurora current P/S multiple	Sector avg P/S multiple	Discount to			Aurora potential share price (USD)	% Upside
			avg sector P/S multiple	Target P/S multiple			
6.45	0.7x	4.0x	0%	4.0x	35.4	449.0%	
			25%	3.0x	26.6	311.8%	
			40%	2.4x	21.2	229.4%	
			50%	2.0x	17.7	174.5%	
			60%	1.6x	14.2	119.6%	
			70%	1.2x	10.6	64.7%	
			75%	1.0x	8.9	37.3%	

Key risks

VIE risks

VIE contracts operate within a gray legal area in China and may be deemed illegal or require further scrutiny and regulation by the Chinese government. This could result in the removal of the contractual obligations among the parties within the VIE structure which could reduce the valuation of the listed shares. Also, the enforcement of the VIE contracts is not guaranteed within the legal system in China. Shareholders on the listed holding company do not have shareholder rights to influence management or company operations.



The VIE contributed 97%, 95% and 91% of consolidated total net revenues for the years ended December 31, 2022, 2023 and 2024, respectively. Aurora relies on contractual arrangements with the VIE and its shareholders to conduct business. These contractual arrangements are not as effective as direct ownership in the VIE. The VIE and its shareholders could potentially breach contractual arrangements leading to a loss in investment value.

Rapid market development

The SAAS market is constantly changing in terms of technologies and business model. This would require the constant development of new solutions and products along with the ability to manage increasingly complex mobile application and IT infrastructure environments. All of this requires additional costs which could result in future net losses.

Excess competition

Aurora has competition within all segments of AI chatbot and push notification development. Continued challenges are expected from current competitors, as well as by new entrants into the industry including major online media networks, which may have greater financial resources, a more extensive customer base, better brand recognition, better relationship with technology business partners, and more enhanced intellectual property portfolios. Excess competition could erode Aurora's market share and hurt earnings.

Complex regulatory environment in China

The mobile industry in Mainland China is highly regulated. The VIE is required to obtain and maintain the necessary licenses and approvals from different regulatory authorities such as the Ministry of Industry and Information Technology and Cyberspace Administration of China which require regular government review or renewal. If Aurora fails to maintain any of the required licenses, the company may be subject to various financial penalties along with the discontinuation or restriction of company operations.

Market slowdown

Investing in IT solutions is dependent on the overall state of the economy. If the economy slows, Aurora's clients may be more hesitant to spend on IT solutions overall, may take product development in house, or engage in pricing pressure on vendors. These could all result in weaker than expected profitability for Aurora.

Low trading volume of the shares

The 3-month average volume of shares traded is around 5.6k. This illiquidity of the traded volume can result in extreme volatility among the share price. Retail investors are likely to be the dominate investors in the shares given the low trading volume which may result in greater share price volatility if this group of investors actively trades the shares.



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