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Qudian

Management Presentation

March 2021

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. Such statements are based upon management’s current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company’s control, which may cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

In addition to U.S. GAAP financials, this presentation includes adjusted net income, a Non-GAAP financial measure. This Non-GAAP financial measure is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. The Non-GAAP measure has limitations as an analytical tool and you should not consider it in isolation or as a substitute for an analysis of the Company’s results under U.S. GAAP. There are a number of limitations related to the use of the Non-GAAP financial measure versus its nearest GAAP equivalent. First, adjusted net income is not a substitute for net income or other consolidated statements of operations data prepared in accordance with U.S. GAAP. Second, other companies may calculate such Non-GAAP financial measure differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Non-GAAP financial measure as a tool for comparison. Finally, the Non-GAAP financial measure does not reflect the impact of share-based compensation expenses, which have been and may continue to be incurred in the Company’s business. See the Appendix for reconciliation between adjusted net income to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, which is net income.

A low-angle, upward-looking photograph of several modern skyscrapers. The image is overlaid with a semi-transparent orange filter. The buildings are arranged in a way that they appear to converge towards the top center of the frame, creating a sense of height and scale. The sky is a pale blue, visible at the top and bottom edges.

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1. Overview of Credit Business

4Q20 Segment Highlights

Small Credit Facilitation



RMB4.8bn total amount of transactions

QoQ decreased by 2%

During 4Q20



RMB4.8bn outstanding loans⁽¹⁾

QoQ decreased by 25%

As of December 31, 2020



3.2mn outstanding borrowers

QoQ decreased by 16%

As of December 31, 2020



4.5 Months

weighted average loan tenure

During 4Q20

RMB1.5k loan balance per borrower

As of December 31, 2020

Open Platform



RMB0.2bn total amount of transactions

QoQ decreased by 50%

During 4Q20



RMB5.1bn outstanding loans

QoQ decreased by 26%

As of December 31, 2020



0.8mn outstanding borrowers

QoQ decreased by 24%

As of December 31, 2020



6.4 Months

weighted average loan tenure

During 4Q20

RMB6.8k loan balance per borrower

As of December 31, 2020

Notes:

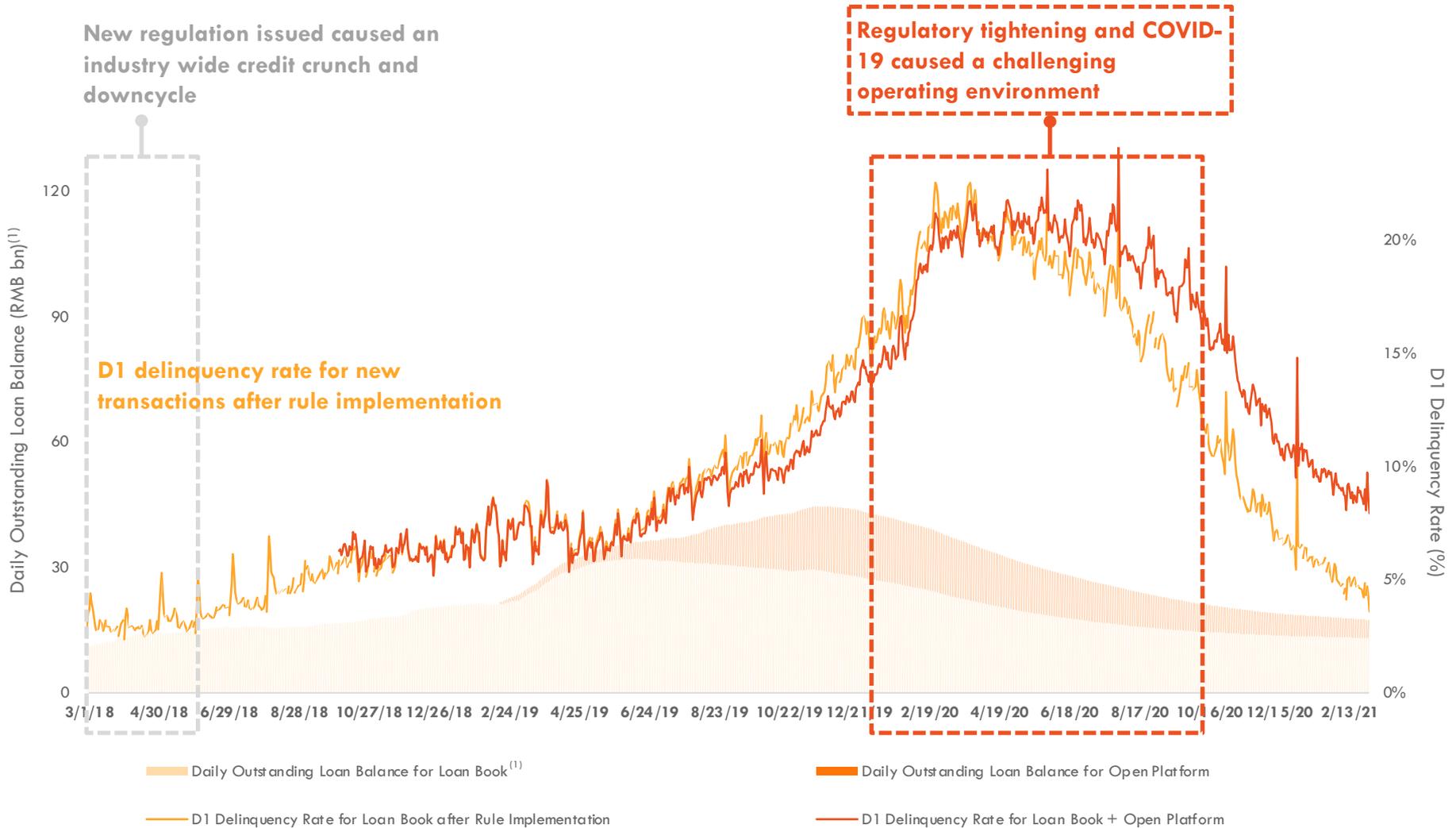
(1) Includes off and on balance sheet loans directly or indirectly funded by our institutional funding partners or our own capital, net of cumulative write-offs and it does not include auto loans from Dabai Auto business and loans from transaction services business

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The image is overlaid with a semi-transparent orange filter. The buildings are arranged in a way that they appear to converge towards the top of the frame, creating a sense of height and scale.

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2. Disclosure of Risk Metrics

Optimized Risk Model to Quickly React to Credit Cycle and De-risk Our Loan Book



Note:
(1) Including cumulative charge-offs and guarantee payments

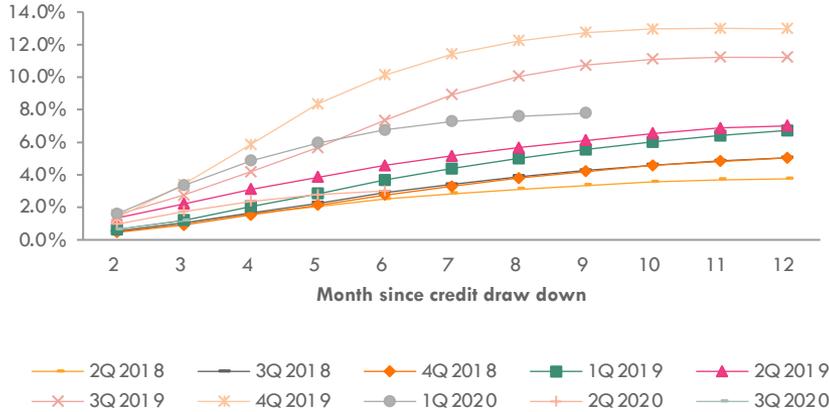
Credit Performance Managed within Targets

Include Total Potential Receivables at Risk

Only Include Current Receivables at Risk

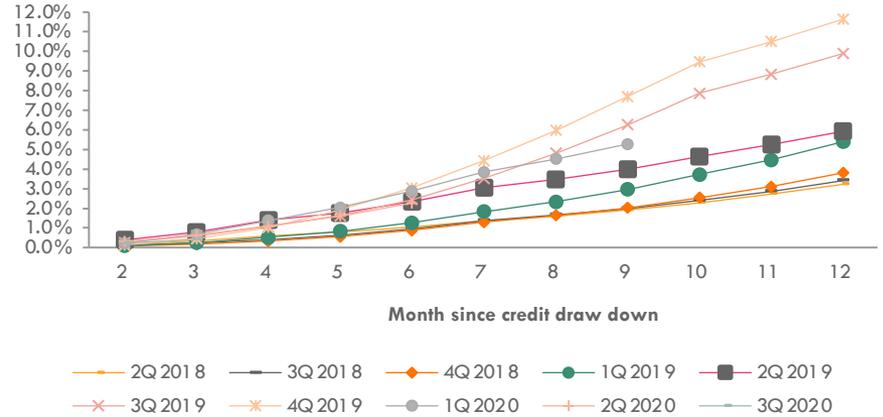
M1+ Delinquency Rate by Vintage⁽¹⁾

Vintage delinquency rates <13.0%



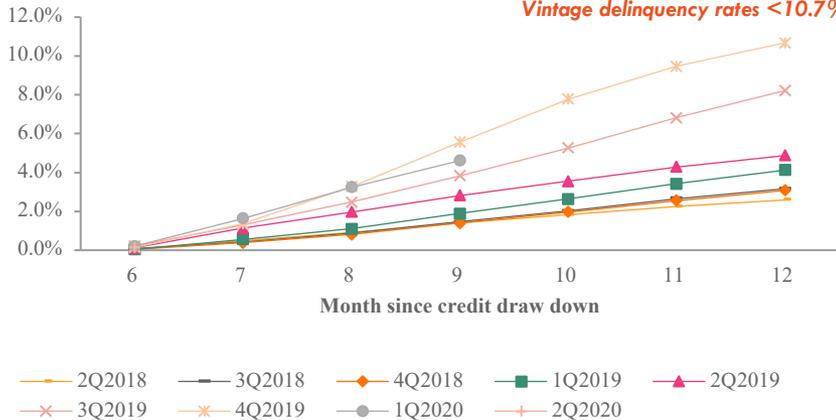
M1+ Delinquency Rate by Vintage⁽²⁾

Vintage delinquency rates <11.7%



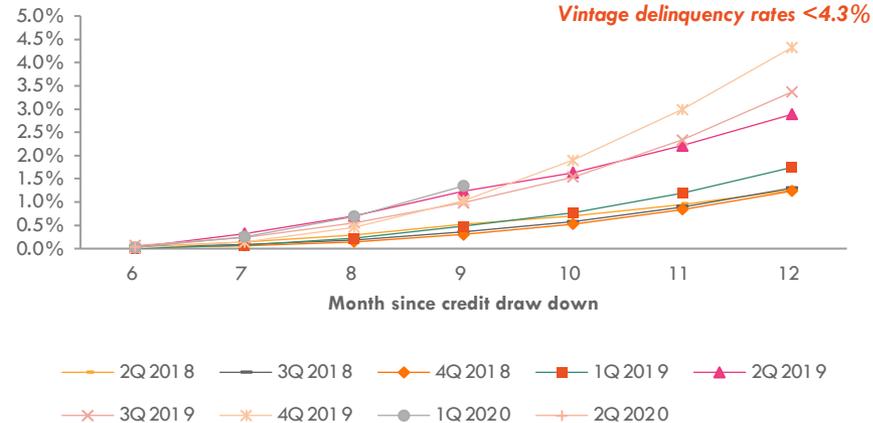
M6+ Charge-off Rate by Vintage⁽³⁾

Vintage delinquency rates <10.7%



M6+ Charge-off Rate by Vintage⁽⁴⁾

Vintage delinquency rates <4.3%



Notes:

- (1) Total potential receivables at risk M1+ delinquency rate by vintage refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the total potential outstanding principal balance of the transactions that are delinquent for more than 30 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period
- (2) Current receivables at risk M1+ delinquency rate by vintage refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the actual outstanding principal balance of the transactions that are delinquent for more than 30 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period
- (3) Total potential receivables at risk vintage charge-off rate refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the total potential outstanding principal balance of the transactions that are delinquent for more than 180 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period
- (4) Current receivables at risk vintage charge-off rate refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, actual outstanding principal balance of the transactions that are delinquent for more than 180 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period

Delinquency Rate Measurement Comparison

For illustration purpose, assuming a loan with RMB1,000 principal and 10 months draw down

RMB

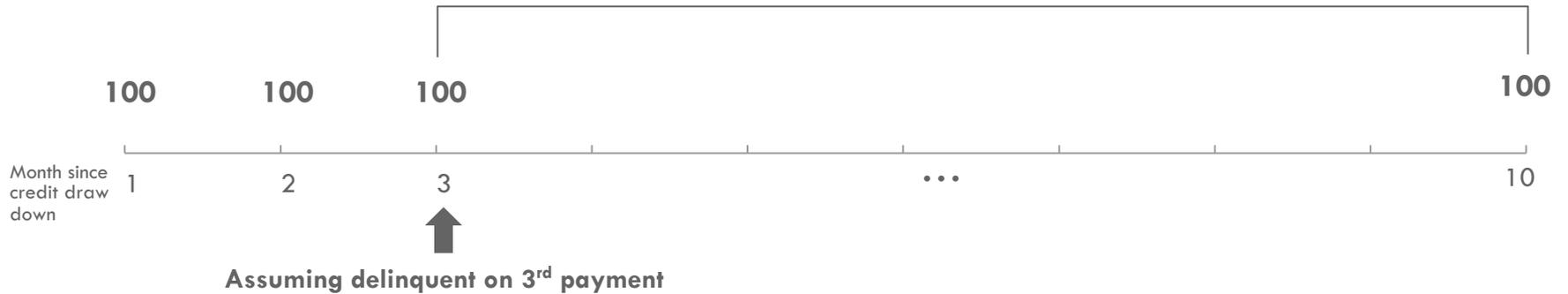
Current Receivables at Risk

Total Potential Receivables at Risk

$$\frac{100}{1,000}$$

VS

$$\frac{800}{1,000}$$



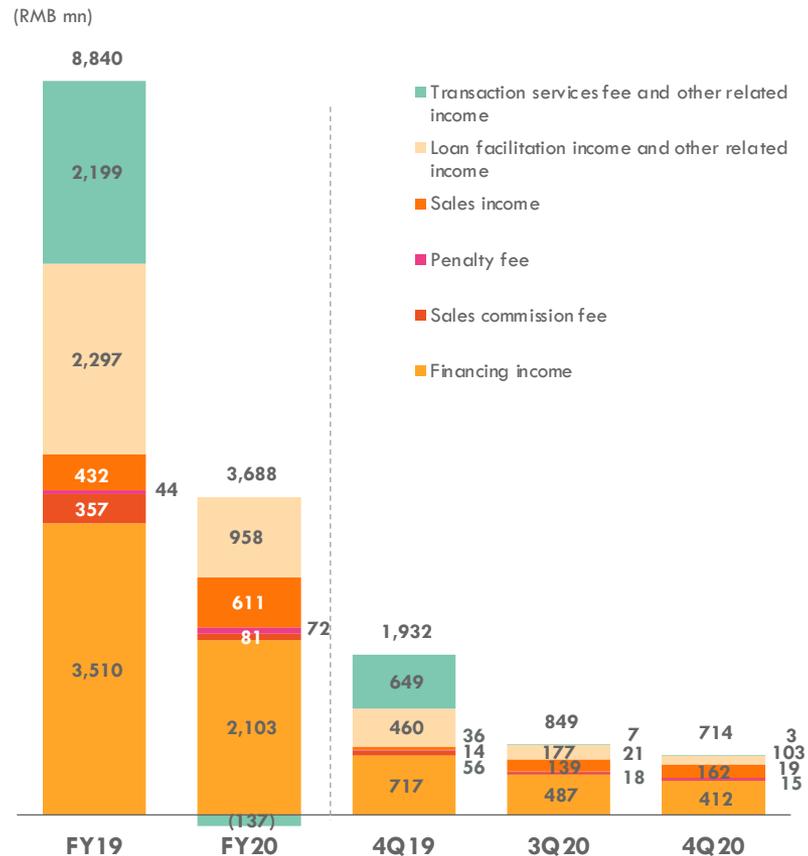
A low-angle, upward-looking photograph of several modern skyscrapers. The image is overlaid with a semi-transparent orange filter. The buildings are arranged in a way that creates a sense of height and scale, with lines converging towards the top of the frame. The sky is a pale blue, visible at the top and bottom edges.

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3. Financials

Financial Highlights

Total Revenue



GAAP and Non-GAAP Net Income⁽¹⁾

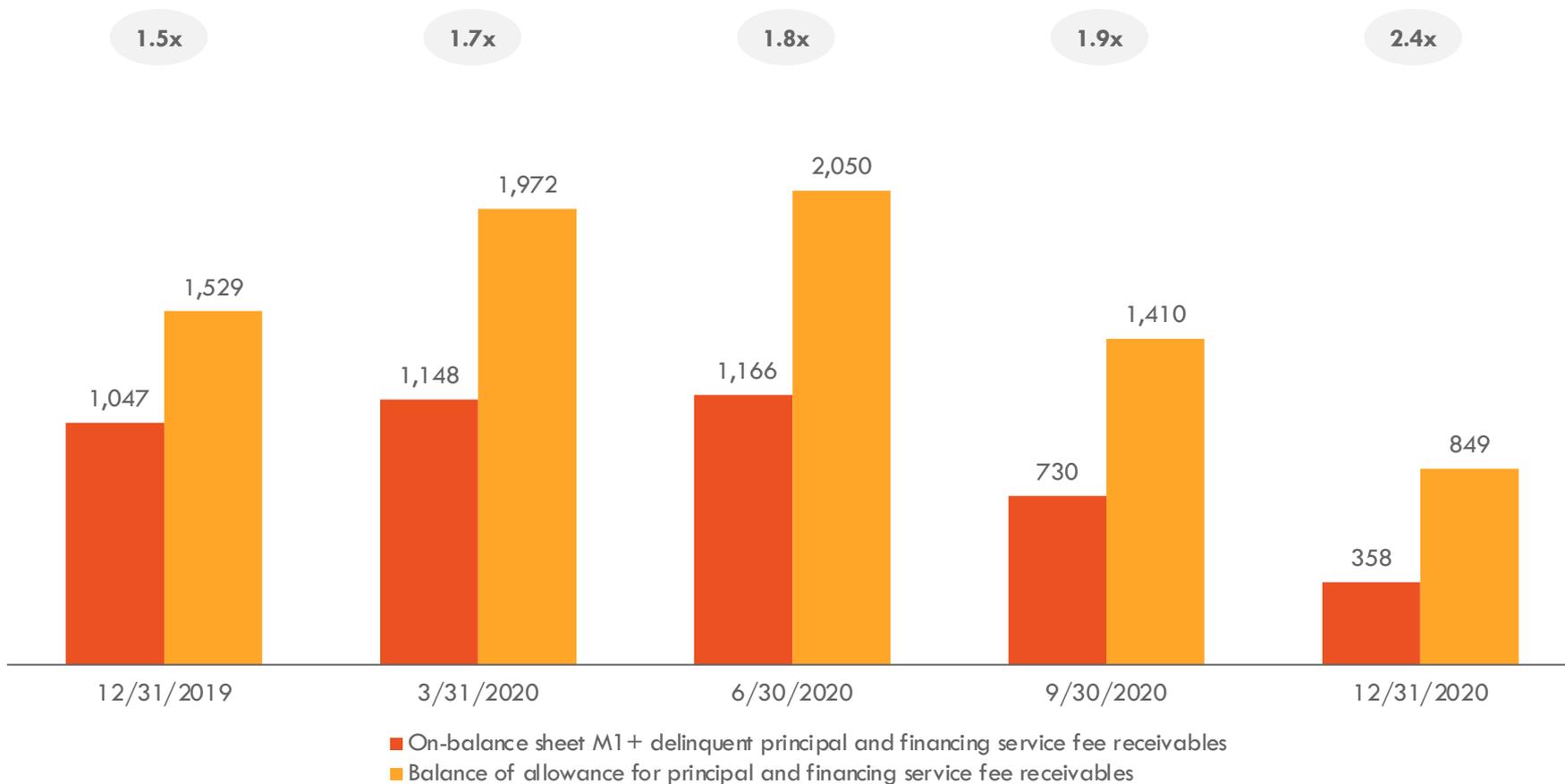


Notes:
(1) Non-GAAP net income represents net income before share-based compensation expense, excluding convertible bonds buyback income.

Financial Highlights (Cont'd)

M1+ Delinquency Coverage Ratio⁽¹⁾⁽²⁾

(RMB mn)



Notes:

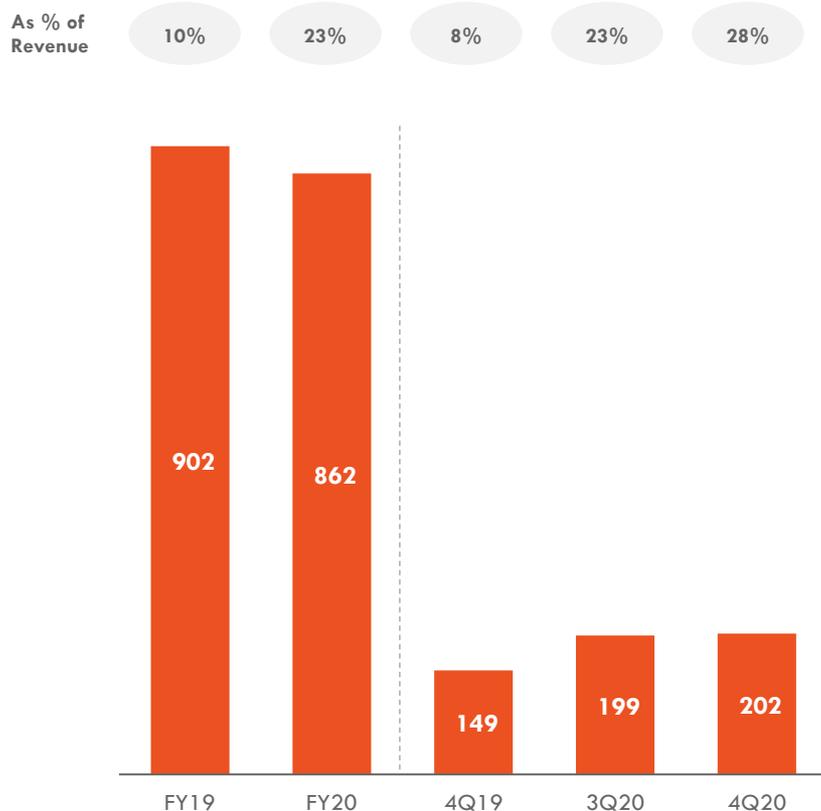
(1) Defined as the balance of allowance for principal and financing service fee receivables at the end of a period, divided by the total balance of outstanding principal and financing service fee receivables for on-balance sheet transactions for which any installment payment was more than 30 calendar days past due as of the end of such period, excluding charged-off amounts. The amount charged-off has been fully covered by allowance provided by the Company

(2) Includes on-balance sheet M1+ delinquent principal and financing service fee receivables

Financial Highlights (Cont'd)

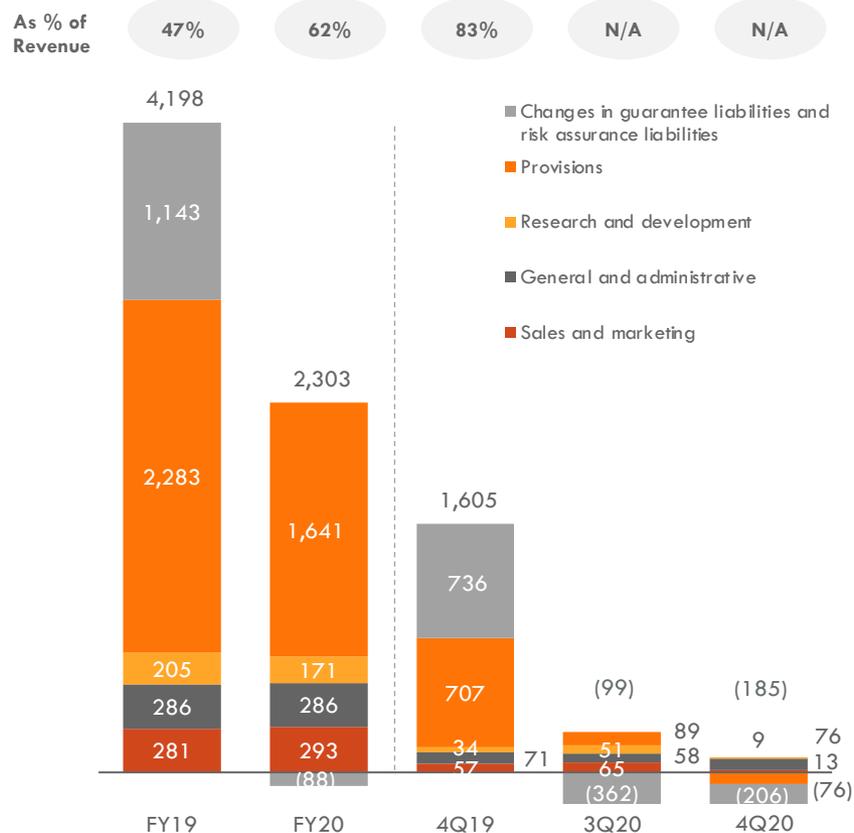
Cost of Revenues

(RMB mn)



Operating Expenses

(RMB mn)



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Appendix

Income Statements

	For the Year Ended		For the Three Months Ended		
	31-Dec-19	31-Dec-20	31-Dec-19	30-Sep-20	31-Dec-20
	Audited	Unaudited	Unaudited	Unaudited	Unaudited
(in millions, except for EPS numbers)	RMB	RMB	RMB	RMB	RMB
Financing income	3,510	2,103	717	487	412
Loan facilitation income and other related income	2,297	958	460	177	103
Transaction services fee and other related income	2,199	(137)	649	7	3
Sales commission fee	357	81	56	18	15
Sales income	432	611	36	139	162
Penalty fee	45	72	14	21	19
Total revenues	8,840	3,688	1,932	849	714
Operating cost and expenses:					
Cost of revenues	(902)	(862)	(149)	(199)	(202)
Sales and marketing	(281)	(293)	(57)	(65)	(13)
General and administrative	(286)	(286)	(71)	(58)	(76)
Research and development	(205)	(171)	(34)	(51)	(9)
Changes in guarantee liabilities and risk assurance liabilities ⁽¹⁾	(1,143)	88	(736)	362	206
Provision for receivables and other assets	(2,283)	(1,641)	(707)	(89)	76
Total operating cost and expenses	(5,099)	(3,165)	(1,754)	(100)	(17)
Other operating income	109	343	50	18	50
Income from operations	3,849	866	227	768	747
Net Income before income taxes	3,891	1,221	219	723	750
Income tax expenses	(626)	(262)	(91)	(131)	(76)
Net Income	3,264	959	128	592	674
Basic EPS	11.72	3.78	0.50	2.34	2.66
Diluted EPS	10.94	3.59	0.49	2.22	2.54
Add: Share-based compensation expenses	87	45	29	7	5
Less: Convertible bonds buyback income	-	622	-	22	(5)
Non-GAAP net Income	3,352	382	157	576	684
Basic EPS	12.03	1.51	0.62	2.27	2.69
Diluted EPS	11.23	1.49	0.59	2.16	2.57

Note:

(1) The amount includes the change in fair value of the guarantee liabilities accounted in accordance with ASC 815, "Derivative", and the change in risk assurance liabilities accounted in accordance with ASC 450, "Contingencies" and ASC 460, "Guarantees".

Balance Sheets

(in millions)	As of			
	31-Dec-18	31-Dec-19	30-Sep-20	31-Dec-20
	Audited RMB	Audited RMB	Unaudited RMB	Unaudited RMB
Current Assets:				
Cash and cash equivalents	2,501	2,861	1,489	1,538
Restricted cash ⁽¹⁾	340	1,258	142	135
Time deposits	-	231	-	-
Short-term investments	-	-	3,716	5,042
Short-term loan principal and financing service fee receivables	8,418	7,895	4,647	3,940
Short-term finance lease receivables	509	398	252	180
Short-term contract assets	903	2,742	292	93
Other current assets	1,818	1,639	1,256	762
Non-current Assets:				
Long-term loan principal and financing service fee receivables	666	-	-	-
Long-term finance lease receivables	649	240	39	29
Land use right	107	-	-	-
Operating lease right-of-use assets	-	149	139	211
Investment in equity method investee	33	45	398	349
Long-term investments	-	223	185	210
Property and equipment, net	26	93	219	303
Intangible assets	7	7	8	8
Long-term contract assets	16	273	30	23
Deferred tax assets, net	243	290	386	155
Other non-current assets	17	18	9	419
Total Assets	16,253	18,362	13,207	13,398

Note:

(1) Restricted cash mainly represents (i) cash held by the consolidated trusts through segregated bank accounts; (ii) security deposits held in designated bank accounts for guarantee of off-balance sheet transactions. Such restricted cash is not available to fund the general liquidity needs of the Company

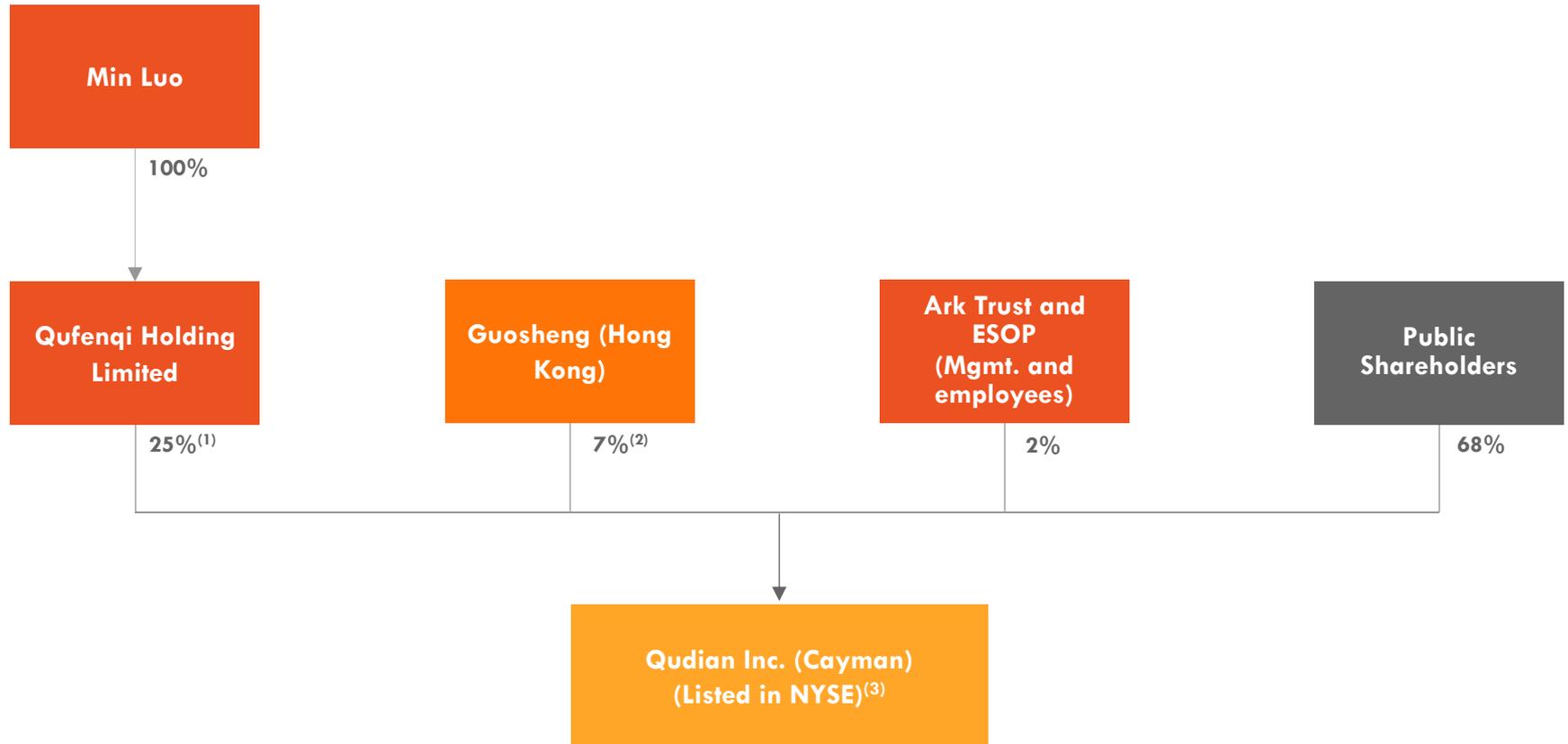
Balance Sheets

(in millions)	As of			
	31-Dec-18	31-Dec-19	30-Sep-20	31-Dec-20
	Audited RMB	Audited RMB	Unaudited RMB	Unaudited RMB
Liabilities:				
Current Liabilities:				
Short-term borrowings and interest payables	3,860	1,049	-	-
Short-term lease liabilities	-	22	23	24
Accrued expenses and other current liabilities	507	718	551	337
Guarantee liabilities and risk assurance liabilities ⁽¹⁾	303	1,518	166	31
Income tax payable	349	590	246	81
Non-current Liabilities:				
Deferred tax liabilities, net	-	179	3	11
Convertible senior notes	-	2,340	866	822
Long-term lease liabilities	-	22	12	80
Long-term borrowings and interest payables	413	-	100	102
Total liabilities	5,432	6,438	1,967	1,488
Total shareholders' equity	10,821	11,924	11,240	11,910
Total liabilities and shareholders' equity	16,253	18,362	13,207	13,398

Note:

(1) The amount includes the balance of the guarantee liabilities accounted in accordance with ASC 815, "Derivative", and the balance of risk assurance liabilities accounted in accordance with ASC 450, "Contingencies" and ASC 460, "Guarantees".

Shareholding Structure



Notes:

- (1) Including 4,125,698 Class B ordinary shares subject to the Guosheng proxy, providing Guosheng HK the power to exercise the voting rights
- (2) Represents (i) 12,670,000 Class A ordinary shares held by Guosheng HK and (ii) 4,125,698 Class B ordinary shares subject to the Guosheng proxy
- (3) Total number of shares outstanding (unaudited) is 253,005,198 as of December 31, 2020