

Aurora Mobile Limited (JG) In-depth Independent Analysis Report

1. Company Overview & Business Model

Aurora Mobile Limited (“Aurora Mobile”, Nasdaq: JG), known in China as (**Jiguang**), is a leading Chinese provider of customer engagement and marketing technology services. Founded in 2011 and headquartered in Shenzhen, the company initially focused on mobile developer services, offering a stable and efficient push notification platform called **JPush** that quickly gained a dominant market share in China’s mobile push notification segment. Leveraging its first-mover advantage, Aurora became the clear market leader in third-party push notifications for mobile apps. As demand grew for multi-channel user reach and marketing-driven growth, Aurora strategically expanded its offerings with solutions like “Message Cloud” and “Marketing Cloud”, which integrate artificial intelligence and big data analytics to enable omnichannel customer engagement and data-driven marketing, helping enterprises in their digital transformation.

Today, Aurora Mobile’s business model comprises two main segments: **Developer Services** and **Vertical Applications**. In **Developer Services**, Aurora provides a one-stop toolkit and cloud services for mobile app developers, enabling core in-app functionalities such as push notifications, instant messaging (IM), SMS, email delivery, unified messaging management, user behavior analytics, and user profiling through easy-to-integrate SDKs/APIs. These services allow developers to efficiently engage users and analyze user behavior without building infrastructure from scratch. Aurora’s developer tools are compatible with all major smartphone push channels (supporting Huawei, Xiaomi, OPPO, Vivo, Apple iOS, etc.), and Aurora was among the first to comply with China’s unified push notification standards. Notably, **JPush** is

fully integrated with phone vendor push systems – in late 2023 it became the first third-party service to support push notifications on the new NIO Phone (an AI-enabled smartphone by electric car maker NIO). Overall, Aurora’s push platform handles billions of messages daily with high concurrency and low latency, achieving over 99.9% uptime and supporting up to 1 billion concurrent device connections through multi-region redundancy. By 2017, Aurora had served over **600,000 mobile apps** with its services, reaching more than **10 billion accumulated device installations** and about **750 million monthly active devices**, delivering over **30 billion** push notifications per day. This developer-centric SaaS foundation provides Aurora with massive data coverage and a loyal developer customer base.

In **Vertical Applications**, Aurora leverages its extensive mobile data and AI capabilities to provide big-data solutions for enterprise clients across various industries. Key vertical offerings include: **Targeted Marketing** (helping advertisers and brands deliver personalized ads and measure campaign effectiveness), **Financial Risk Management** (using multi-dimensional user data to assist financial institutions in credit scoring and fraud detection), **Market Intelligence** (providing mobile internet industry insights and user behavior analysis via products like “Aurora iAPP” and “Moonfox Data”), and **Location-based Intelligence** (utilizing geolocation data for footfall analysis and site selection). For example, Aurora’s market intelligence platform publishes research reports on mobile app usage trends, and its fintech risk control services help banks assess loan applicants using alternative data. By harnessing AI and machine learning on its trove of mobile big data, Aurora aims to deliver actionable insights and productivity improvements to businesses. The company’s enterprise client portfolio spans major internet companies (such as Sina and Bilibili) as well as leading consumer brands like Starbucks, Yum China (KFC’s parent), and ICBC (a top bank). This breadth of clients demonstrates Aurora’s ability to apply its data technology to diverse use cases. Over the years, Aurora has

transformed from a single-service developer tool provider into a **comprehensive mobile big data and MarTech platform**, delivering value through a SaaS model that combines foundational app services with data-driven solutions.

2. Financial Performance Analysis

Aurora Mobile's financial performance in recent years reflects a transition from a period of heavy investments to one of improving profitability. **Revenue** has shown an overall rising trend with a temporary dip, while **profit margins** have markedly improved due to cost optimization. According to filings, Aurora's full-year revenue was **RMB 328.8 million** in 2022, then declined to **RMB 290.2 million** in 2023 (a ~12% YoY drop), and rebounded to **RMB 316.2 million** in 2024, representing ~9% growth. The revenue contraction in 2023 was mainly due to weaker demand in some developer value-added services and vertical applications amid macro headwinds, whereas the 2024 uptick was driven by a recovery in all business lines – notably stable growth in **developer subscription services** and the ramp-up of overseas revenues. In terms of revenue mix, Aurora earns income from **Developer Services** (subscription fees for its SDKs and usage-based fees for messaging, etc., including ad monetization as a value-added service) and **Vertical Applications** (big data solution fees, custom reports, SaaS solution subscriptions for marketing and risk management). The return to growth in 2024 indicates that Aurora's strategic focus on SaaS and new data products is yielding results, reversing the prior year's decline.

Aurora's **profitability metrics** have improved significantly, reflecting both healthy gross margins and sharply reduced expenses. The company consistently maintains a high **gross margin**, which was 68.7% in 2022 and 2023, and slightly decreased to 66.1% in 2024. Gross profit still grew ~5% in 2024 to RMB 209.0 million, despite a

modest margin dip due to higher cost of revenues from SMS and technical services. More notably, Aurora executed substantial **operating expense reductions** over the last few years. **R&D expenses** were cut from RMB 154.5 million in 2022 to RMB 94.8 million in 2024 – a 39% reduction – as the company streamlined personnel and infrastructure costs. **Sales & marketing expenses** dropped from RMB 98.3 million in 2022 to RMB 84.9 million in 2024, and **general & administrative expenses** plunged from RMB 105.4 million in 2022 to around RMB 45.4 million in 2023-2024, partly thanks to lower share-based compensation and one-off gains. Total operating expenses as a percentage of revenue fell from 108.9% in 2022 to 71.2% in 2024, dramatically narrowing operating losses. As a result, **operating loss** improved from **RMB -100.9 million** in 2022 to **-40.5 million** in 2023, and further to only **RMB -9.9 million** in 2024. At the net level, Aurora’s **net loss** shrank from **RMB -108.5 million** in 2022 to **-62.7 million** in 2023, and nearly achieved breakeven at **RMB -6.8 million** (US\$0.9 million) in 2024. The 2024 net loss was marginal relative to revenue (~2.1% of sales), underscoring a significant turnaround.

Cash flow trends also indicate healthier operations. Despite net losses, Aurora generated positive operating cash flows in two of the last three years. Notably, in 2022 the company recorded **RMB +195.5 million** net cash from operating activities, primarily due to favorable working capital movements (such as collection of receivables and customer advances). Operating cash flow was **RMB -23.2 million** (outflow) in 2023, but swung back to **RMB +6.3 million** in 2024. The fourth quarter of 2024 alone contributed a robust **RMB +19.5 million** operating cash inflow. As of December 31, 2024, Aurora held **RMB 119.5 million** (US\$16.4 million) in cash and cash equivalents, up slightly from RMB 115.0 million a year prior. This cash position, combined with minimal debt, gives the company reasonable liquidity for near-term needs. It’s worth noting that Aurora has accumulated losses on its balance sheet from prior years, but the trajectory of adjusted profits is positive. Indeed, on a non-GAAP

basis, Aurora achieved **positive adjusted net income and EBITDA** in Q4 2024, and management highlighted that full-year 2024 adjusted EBITDA was positive, marking the **sixth consecutive quarter** of adjusted EBITDA profitability by year-end. Overall, Aurora's financials suggest that the heavy investment phase is winding down, operating efficiency has greatly improved, and the company is on the cusp of turning profitable. Investors should monitor whether revenue growth can be sustained in the double digits and whether Aurora can maintain cost discipline as it scales, as these will be key to achieving consistent GAAP net profits going forward.

3. Market and Industry Analysis

Aurora Mobile operates at the intersection of the **mobile application software** industry and the **marketing technology (MarTech)** and big-data analytics space. The market environment features strong long-term demand but also intense competition and evolving regulatory factors. On the **developer services** side, Aurora's core push notification and analytics products address the needs of mobile app developers in China's fragmented Android ecosystem. Third-party push providers thrived because different smartphone brands lacked a unified push system, creating an opening that Aurora and others filled. However, competition is fierce: Aurora's main rivals include **Getui (GeTui)** and **Umeng+**, as well as push solutions from major tech companies. The industry can be categorized into three groups: phone vendors' proprietary push systems (e.g. Xiaomi MiPush, Huawei Push), independent third-party platforms (Aurora JPush, Getui, Umeng), and push services from the BAT giants (Alibaba Cloud Mobile Push, Tencent Xinge, Baidu Cloud Push). Aurora and Getui (operated by NASDAQ-listed Yeahka's affiliate or the Shenzhen-listed company Daily Interactive, ticker 300766) are the two dominant third-party push platforms in terms of market share, with Umeng (owned by Alibaba) also widely used.

The competitive landscape for push and developer services has matured: most app developers integrate at least one of the major SDKs to ensure high delivery rates and stability. Aurora differentiates itself through its reliability and rich features, but it faces pressure from phone manufacturers’ **“Unified Push Alliance”** initiative, which standardizes push notifications at the OS level. Notably, Aurora turned this into an advantage by actively participating and integrating with these standards – JPush is now officially supported on virtually all mainstream platforms, from Huawei’s HarmonyOS to the newest NIO Phone’s SkyUI. This compatibility helps defend Aurora’s position, as developers can rely on Aurora as a one-stop service to reach devices across different channels. Nevertheless, **competition remains a risk**: tech giants could push their in-house solutions (for instance, many apps use a combination of Xiaomi, Huawei, and third-party push to maximize reach), and smaller developers might opt for free basic push services unless Aurora continues to innovate. The growth of the developer services market in China has slowed as the mobile app sector matures, but new demand is arising from Chinese developers “going global” (needing messaging services for overseas users) and emerging IoT/automotive apps (e.g., push notifications in smart vehicles). Aurora’s **EngageLab** expansion positions it well to capture the **SaaS export** opportunity, serving Chinese businesses with overseas user bases – this is a nascent but promising trend as more Chinese apps and brands expand internationally.

In the **MarTech and big data** industry, Aurora faces a broader set of competitors and market dynamics. The company’s vertical solutions compete with specialized providers in each domain: for example, its **targeted advertising and monetization** services (like its JG Alliance ad network) compete with other ad tech networks and platforms for developer inventory; its **mobile analytics and market insights** products compete with firms like QuestMobile or TalkingData that publish industry reports; and its **financial risk data** services compete with financial data companies and

internal big-data teams at financial institutions. One defining factor in this space is the regulatory environment around data. China has implemented stringent laws (the Data Security Law, Personal Information Protection Law, etc.) governing user data usage. Companies like Aurora must navigate rules around data privacy and consent – for instance, providing personal credit-related data services requires obtaining a **credit information service license** from the People’s Bank of China. Aurora took steps to comply (it reportedly secured a personal credit investigation license in April 2022) to continue its financial risk management business legally. Compliance and data security are now competitive differentiators: enterprises will favor data service providers with proper licenses and robust privacy protections. Aurora has emphasized its commitment to cybersecurity and compliance, which is essential to avoid penalties or operational restrictions.

Market trends are generally positive for Aurora’s verticals: Chinese enterprises are increasingly adopting digital and AI-driven tools for marketing and operations, which expands the addressable market for Aurora’s SaaS solutions. The MarTech sector in China is expected to grow as brands invest in **marketing automation**, CRM, and user growth solutions to drive efficiency. Aurora’s marketing cloud, with capabilities like user segmentation and lifecycle management, aligns with this trend. In the **financial services** vertical, banks and lenders are seeking more sophisticated credit scoring and anti-fraud data in the wake of fintech development, which bodes well for Aurora’s risk management offerings – indeed, Aurora’s fintech data service achieved record quarterly revenue in Q1 2025, up 64% YoY. However, competition in these verticals comes not only from third-party vendors but also from in-house solutions (e.g., many big banks develop proprietary risk models) and larger tech companies.

A significant industry development is the rapid progress in **AI** and its enterprise applications. Globally and in China, an “AI + SaaS” wave is underway as companies incorporate large language models and AI analytics into software services. This presents both an opportunity and a challenge: opportunity because Aurora can enhance its platform with AI (as it is doing with GPTBots), and challenge because it could face new competitors with AI-first solutions. According to industry observers, the current AI revolution is reshuffling the competitive order and offering a historic chance for SaaS firms to reposition themselves. Aurora has positioned itself early in this trend (branding itself as a “global SaaS + AI” provider), but it will need to continually invest in AI R&D to maintain an edge.

In summary, Aurora operates in a **growing yet highly competitive** domain. Its strengths lie in its established developer ecosystem, comprehensive data offerings, and adaptability to policy changes. The company’s strategy to go global and integrate AI is in line with major industry shifts. Key external factors to watch include: the pace of digital marketing spending recovery in China (post-pandemic, many companies cut ad budgets in 2022 but 2023-2024 showed stabilization), regulatory developments (any new data protection rules or cross-border data transfer restrictions), and any major moves by big tech players (e.g., if Alibaba’s Umeng or Tencent invest more heavily in competing services). Aurora’s ability to continuously innovate and demonstrate value in this competitive landscape will determine its long-term industry position.

4. Management Overview

Aurora Mobile is led by a seasoned management team blending entrepreneurial vision and professional experience. The company’s **Co-founder, Chairman, and CEO, Mr.**

Weidong “Chris” Luo, has been at the helm since May 2012. Mr. Luo, in his early 40s, personifies Aurora’s data-driven entrepreneurship. He earned a Master of Philosophy degree in 2007 and is an alumnus of Hong Kong Polytechnic University. In 2011, he co-founded Aurora Mobile (operating as Shenzhen Hexun Huagu Information Technology Co.) along with a core team coming from top firms like Tencent, Morgan Stanley, Douban, Teradata, and China Mobile. This diverse background of the founding team gave Aurora deep expertise in internet product development, big data analytics, and enterprise software from day one. Under Mr. Luo’s leadership, Aurora attracted investments from prestigious venture capital and institutional investors such as IDG Capital, Fidelity International, and Goldman Sachs, and ultimately became the first company of its kind in China to list on Nasdaq in July 2018.

As CEO, Weidong Luo is known for driving Aurora’s strategic evolution. For example, during the COVID-19 outbreak, he led his team to develop a data analytics platform to identify potential virus carriers and model population movement, which was used in 334 Chinese cities to aid pandemic containment. This reflects his ability to apply Aurora’s data capabilities to emerging societal challenges. Mr. Luo’s vision is to make Aurora the most valuable enterprise service provider in China’s B2B tech sector. He has championed a company-wide **“AI-First” strategy**, believing AI to be the critical driver for Aurora’s future. Internally, he has overseen the integration of AI into various workflows and even tied AI adoption to employee KPIs to ensure execution. His product focus remains strong: Aurora’s core offerings now embed advanced AI features (for instance, AI-assisted email drafting, intelligent push notification content, and AI-enhanced data analysis) to help customers innovate and improve efficiency. In summary, Weidong Luo brings a blend of technical acumen and strategic foresight, steering Aurora from a push notification startup into a multipronged SaaS and data intelligence company.

Aurora's **Co-founder and President, Mr. Fei Chen**, is another key figure, complementing Luo's technical vision with business and financial expertise. Mr. Chen has served as President since October 2016, overseeing day-to-day operations, strategy execution, and new business initiatives. He has over 18 years of experience in the technology, media, and telecom (TMT) sector. Notably, Mr. Chen spent about 9 years in investment banking and equity research with firms like Morgan Stanley, Merrill Lynch, and Citigroup, focusing on TMT deals and research. From 2013 to 2016 he was a Managing Director at Citigroup Asia, responsible for China's TMT investment banking business. This finance background has proven valuable for Aurora, especially during the IPO process and subsequent capital market communications. In addition, Fei Chen has roughly 9 years of corporate and startup experience in high-tech, giving him on-ground operational insights. He holds a Bachelor's degree from Tsinghua University and an MBA from the University of Chicago Booth School of Business. As President, Fei Chen has been instrumental in Aurora's strategic pivot to SaaS. He helped define the goal (set in 2018) of transforming into a developer-centric SaaS provider covering dev ops, growth, monetization, and industry solutions. He also spearheaded the company's expansion into **data-driven monetization** and **enterprise solutions** in 2019, launching products like JG Alliance (ad platform) and iZone (location data product). Fei Chen often represents Aurora in media and investor engagements – for example, he commented on Aurora's inclusion in the FTSE Global Index and on cooperation with partners like Alipay in press releases. In August 2023, it was noted that Fei Chen had taken on a new venture (founding an AI investment platform Intellectia.AI), suggesting that day-to-day responsibilities might be shifting; however, as of the latest reports, he is still listed as Aurora's President. His investment and management experience have provided Aurora with strong leadership in corporate governance and strategic partnerships.

Rounding out the top team is **Chief Financial Officer, Mr. Shan-Nen Bong (Huang Shangneng)**, who provides financial stewardship. Mr. Bong has been Aurora’s CFO since November 2017. He is a seasoned finance professional with over 20 years in accounting and auditing. Before Aurora, he was CFO of Nam Tai Property Inc., a NYSE-listed real estate company, from 2015 to 2016. Prior to that, he spent 17 years at Ernst & Young in Singapore, New Zealand, Silicon Valley (USA), and Beijing, eventually becoming an audit partner at E&Y. Mr. Bong’s global auditing background and multiple accounting certifications (he is a member of ICAEW, HKICPA, and CA ANZ) ensure robust financial controls and compliance at Aurora. Under his financial leadership, Aurora established rigorous internal controls and navigated the complex U.S. reporting requirements as a foreign private issuer. Importantly, he has driven cost discipline – as seen by operating expenses being contained to a 14% YoY increase in Q1 2025 despite 38% revenue growth. He also managed the company’s cash carefully through loss-making years, maintaining a healthy cash runway. Mr. Bong has been vocal about focusing on sustainable growth: in the Q1 2025 results, he noted that revenue rose 38% while operating expenses rose only 14%, calling this a “long-term sustainable growth model”. His financial oversight was crucial in Aurora achieving positive operating cash flow and adjusted EBITDA in recent quarters.

Beyond these individuals, Aurora’s broader leadership includes technology and product executives. For instance, the company’s former CTO, Mr. Xin Huang, was a co-founder and helped architect the JPush system; he has since moved to an advisory role, and Mr. Qing Zhang is now listed as CTO (with 18+ years experience, previously at Tencent). The board of directors features both international and Chinese members, such as Mr. Kwok Hin Tang and Mr. John T.L. Koh (independent directors with finance/legal backgrounds), providing corporate governance and audit oversight. Aurora’s management ethos seems to combine **visionary entrepreneurship and**

prudent management. The co-founders (Luo and Chen) provide industry vision and innovation, while the CFO and independent directors ensure financial stability and compliance. This balance has guided Aurora through volatile markets and an evolving business model. As the company pivots to new frontiers like AI and global markets, this experienced leadership team will be critical in navigating growth challenges and execution risks.

5. Investment Highlights & Potential Risks

Investment Highlights:

Strong Technology Backbone and Data Moat: Aurora has built a robust technology infrastructure capable of handling massive scale, which serves as a high barrier to entry. Its JPush platform supports over **10 billion** daily messages and **million-level concurrent connections** with proven stability. Aurora's long-running service to **over 648,000 developers on 1.8 million apps** has yielded an enormous trove of anonymous mobile user data. This **data moat** and AI/ML know-how enable Aurora to offer superior data analytics and targeting. The company continually enriches this data asset through diversified services (push, ads, location, etc.), which competitors with narrower focus may lack. In an industry where scale of data can determine the accuracy of AI models, Aurora's coverage of **1.44 billion monthly active devices** in China is a key advantage for training algorithms and providing clients with actionable insights.

Diversified Product Suite and Cross-Sell Opportunities: Aurora's broad product portfolio – spanning developer tools (notifications, authentication, analytics) and enterprise solutions (marketing cloud, fintech risk, market intelligence) – creates multiple revenue streams and cross-selling synergies.

Developer services act as a **sticky entry point**: once integrated, apps rely on Aurora's SDKs for core functionality, which yields recurring subscription revenue (e.g., push/SMS usage fees). Aurora can then upsell these clients additional services like ad monetization (JG Alliance) or advanced analytics. At the enterprise level, Aurora caters to various verticals, allowing it to tap growth in different sectors. Its client base includes tech unicorns and established corporates, giving it reference credibility. For example, being a partner of **Sina Weibo, Bilibili, Starbucks, Yum China, and ICBC** attests to Aurora's product quality and opens doors to more clients. The comprehensive suite also means Aurora can pitch itself as a one-stop "marketing technology + data" partner, potentially increasing client lifetime value.

Improving Financial Trajectory: Aurora's financial turnaround is a bullish sign. Despite being historically unprofitable, the company has dramatically narrowed its losses and generated positive cash flow in 2024. Its **gross margin ~66-69%** reflects the high-value SaaS/data business model. Moreover, operating expenses have been rightsized – R&D and G&A were nearly halved from 2022 to 2024 – indicating prudent cost control. Consequently, Aurora's **operating margin** improved from -31% in 2022 to -3% in 2024, and **adjusted EBITDA** has been positive for seven consecutive quarters up to Q1 2025. The company also carries minimal debt and holds sufficient cash, reducing financial risk. With breakeven on a GAAP basis within reach, any transition to actual net profitability could act as a catalyst for investor re-rating. Additionally, Aurora's 2024 year-end net dollar retention rate of 95% for core subscriptions demonstrates sticky revenues. The combination of growing sales and disciplined costs suggests a **scalable model with operating leverage** – future revenue growth could increasingly translate into bottom-line profits.

Strategic Positioning in AI and Global Markets: Aurora is proactively aligning with two major tech trends – the rise of enterprise AI and the globalization of Chinese SaaS – which could significantly augment its growth profile. The company’s development of **GPTBots.ai**, an AI-powered enterprise agent platform, signals that Aurora is not merely a data provider but an AI solutions player. Early traction is positive, with GPTBots subscriptions seeing “rapid growth” and being integrated into Aurora’s marketing cloud for AI-driven optimizations. This adds an appealing “**AI story**” to Aurora’s narrative at a time when AI-related stocks have garnered premium valuations. Likewise, Aurora’s aggressive expansion of **EngageLab (overseas messaging)** taps into the burgeoning demand from Chinese companies expanding abroad. EngageLab achieved 127% YoY revenue growth in Q1 2025 and clinched **RMB 63+ million in new contract value** in that quarter alone. Its client footprint spans 40 countries, making Aurora a rare Chinese SaaS with meaningful international reach. EngageLab’s success, with cumulative contract value exceeding RMB 110 million by Q1 2025, could pave the way for Aurora to become a global player. Overall, Aurora’s timely foray into AI and overseas markets provides **new growth vectors** that complement its core domestic business and could significantly enhance its long-term prospects.

Favorable Policy and Macro Tailwinds: Aurora stands to benefit from supportive policies and improving macro conditions in its home market. The Chinese government has emphasized development of the **digital economy and big data industries**, as well as AI innovation, which aligns with Aurora’s business. For instance, official initiatives to boost cloud computing, data center infrastructure (e.g., “Eastern Data, Western Computing”), and AI-driven industrial upgrades could indirectly drive demand for Aurora’s services. Moreover, the post-pandemic recovery in China has seen a rebound in consumer spending and advertising, which should lift the digital advertising and marketing analytics

markets. The regulatory crackdowns of 2021-2022 on internet sectors have abated, providing a more stable environment for tech SMEs like Aurora. Additionally, on the U.S. listing front, the risk of immediate delisting for Aurora and other U.S.-listed Chinese firms has reduced since the PCAOB obtained access to inspect Chinese auditors in late 2022. This regulatory progress under the HFCAA framework removes an overhang and might gradually restore investor confidence in legitimate Chinese ADRs. If Aurora continues to deliver growth and stays compliant, it could attract a broader investor base that previously shunned Chinese small-caps due to regulatory fears.

Potential Risks:

Intense Competition and Growth Uncertainty: Aurora faces stiff competition across all its business lines, which could limit its growth or erode margins. In developer services, competitors like Getui and Umeng vie for the same app developer clients, often offering similar services (sometimes at lower or even zero cost, subsidized by parent companies). Also, large clients might develop in-house push/analytics solutions or switch to alternative providers, especially as phone makers push native solutions. Failure to continuously innovate and add value could slow Aurora's developer customer acquisition. In vertical applications, Aurora competes with specialized and larger firms – e.g., global cloud providers (AWS, Tencent Cloud) offer marketing and analytics tools, and fintech-focused data firms may offer deeper risk insights. There's a risk that Aurora's **new initiatives (AI platform, overseas expansion)** may not achieve significant market share or revenue, given competition from both established players and startups in those arenas. For example, global CPaaS and messaging giants could compete with EngageLab, and numerous AI startups are emerging in enterprise AI, which could saturate that market. If Aurora's revenue growth slows below expectations or certain initiatives underperform, investor sentiment could suffer.

The company itself acknowledges that continued growth depends on factors like successful product enhancement and market expansion, which are not guaranteed.

Data Privacy and Regulatory Risks: Operating in the data analytics and communication sector, Aurora is subject to a complex web of regulations in China and globally. Any misstep in compliance could lead to fines, business restrictions, or reputational damage. Key concerns include: **user data privacy** – Aurora processes large volumes of device and behavioral data, and stricter enforcement of privacy laws (e.g., PIPL) could raise compliance costs or limit the data Aurora can collect and use. Regulations like the 2021 Personal Information Protection Law require obtaining user consent for personal data usage, which could complicate Aurora’s data collection if partners or developers fail to secure such consent. In the **fintech risk** vertical, Aurora must maintain its credit data license and operate under credit information regulations; any tightening (like lower caps on data usage or licensing delays) could curtail that business. Cybersecurity laws also demand rigorous data protection – a data breach or security incident could result in penalties and loss of client trust. Outside China, as Aurora expands, it faces foreign laws (e.g., GDPR in Europe) which have heavy fines for non-compliance. Another regulatory risk is related to Aurora’s **VIE structure** and U.S. listing: while the immediate threat of delisting has subsided, long-term U.S.-China tensions could still pose risks. For instance, if U.S. laws change or Chinese authorities impose new restrictions on overseas-listed firms (like data export reviews), Aurora might need to adapt quickly, potentially at high cost. In sum, regulatory changes can be unpredictable and may impact Aurora’s operations or market access.

Profitability and Cash Flow Risks: Despite improvements, Aurora is not consistently profitable yet. There is a risk that it could slip back into larger losses if growth investments or competition force higher spending. The company will likely need to continue investing in AI R&D, global sales, and new product development to sustain growth, which could increase expenses. If revenue growth disappoints (for example, due to macroeconomic downturn or losing a few key clients) while fixed costs remain, Aurora could see its operating losses widen again. Additionally, the company's **operating cash flow**, while positive in 2024, was significantly boosted by working capital changes in 2022. Should clients delay payments or if Aurora needs to extend payment terms to win business, cash flow could be strained. Aurora's cash balance (~RMB 120 million at end of 2024) is adequate for now, but any future **capital raise** could be dilutive given the low share price. With a modest market cap, issuing new equity even for strategic acquisitions or expansions could significantly dilute existing shareholders (a concern if large investments are needed for AI or overseas push). Access to financing is another aspect: being a small-cap Chinese ADR, Aurora might find it hard to raise debt or equity on favorable terms, which could constrain its growth if internal cash generation is insufficient.

Technology and Execution Risks: Aurora operates in a fast-evolving tech domain, so technological disruption and execution missteps are key risks. On the technology front, **paradigm shifts** can quickly render services obsolete. For instance, if mobile OS providers or super-app platforms introduce sweeping changes in how push notifications or analytics are handled (like Android making built-in push more power-efficient, or WeChat providing more open analytics to mini-program developers), demand for third-party SDKs could decline. Aurora must continually update its SDKs to remain compatible (like it did with Huawei, Oppo, etc., system push integration) – any lag could lead to client churn. There's

also the risk of bugs or downtime: Aurora’s business generates and processes large volumes of data in real time, so service reliability is paramount. A major outage of push services or a significant bug in its code could harm its reputation and lead clients to switch. On the AI front, integrating cutting-edge AI is complex; if Aurora’s GPTBots.ai or other AI features underperform or produce errors (e.g., inaccurate responses or biases), it could dissatisfy customers and slow adoption. As a relatively small company, Aurora might struggle to compete for top AI talent against giants, affecting its innovation pace. Execution-wise, expanding overseas involves challenges like cultural differences, compliance in each jurisdiction, and local competition. EngageLab’s rapid growth is encouraging, but maintaining that momentum requires establishing robust global support and possibly local presence in key markets. If not managed well, international ventures could incur high costs without guaranteed payoff. Finally, acquisitions (like SendCloud in 2022) pose integration risk – blending new teams and tech can distract management and fail to produce expected synergies. In summary, Aurora must execute flawlessly on multiple fronts (tech, product, geographic expansion) to fulfill its promise, and any significant slip could set back its growth or incur financial costs.

Stock Volatility and Shareholder Risks: While not an operational risk, it’s worth noting the **volatility of Aurora’s stock** as a risk for investors. JG is a micro-cap stock (market cap ~\$50–60 million in mid-2025) with relatively low trading volume, which makes the price prone to large swings on news or market sentiment. This volatility means even if the company’s fundamentals improve, the stock could be buffeted by external factors like broad market sell-offs (especially affecting Chinese ADRs) or changes in risk appetite. Additionally, Aurora’s dual-class share structure concentrates voting power with the founders (Mr. Luo and co-founders), which means public shareholders have limited influence on corporate decisions. While this can allow management to focus on long-term

strategy, it also means minority investors must rely heavily on management's stewardship and may have little recourse if strategic disagreements arise. There's also the risk that if Aurora's share price remains depressed, it could face **NASDAQ compliance issues** (though a reverse split already averted a delisting in 2023). Such corporate actions can affect shareholder value. Overall, investing in Aurora entails high risk, and prospective investors must be comfortable with significant price fluctuations and the corporate governance structure.

6. Latest Developments

Strong Latest Quarterly Results: Aurora Mobile's most recent financial results show significant momentum. In the **first quarter of 2025**, the company posted revenue of **RMB 89.0 million**, representing a robust **38% year-over-year increase** – the highest Q1 revenue since its SaaS transition. Both major segments contributed: Developer Services and Vertical Applications each saw double-digit YoY growth, reflecting broad-based demand recovery. Gross profit for Q1 2025 was RMB 58.8 million, up 27% YoY, with a healthy gross margin uptick (improved by 5.2 percentage points QoQ). Net loss narrowed to **RMB 1.6 million** (about US\$0.2 million), a slight improvement versus a RMB 2.4 million loss in Q1 2024. Notably, on a non-GAAP basis the company achieved positive adjusted net income of RMB 1.2 million and marked its **7th consecutive quarter of positive adjusted EBITDA**. This indicates that excluding certain expenses, Aurora's core operations have been modestly profitable for nearly two years. Management highlighted that Q1 is typically a seasonal low quarter, yet Aurora managed to exceed expectations – an indication of strong business traction heading into 2025. Following the Q1 results, Aurora provided guidance for Q2 2025 expecting 10–14% YoY revenue growth, showing confidence in sustained growth albeit at a moderated pace after Q1's big jump. The company's ability to

outperform in a traditionally weak quarter and raise its outlook has been well received, suggesting that Aurora’s strategic moves (especially in AI and overseas) are contributing meaningfully to its financial performance.

EngageLab Overseas Business Booming: A key driver of Aurora’s recent growth is the explosive expansion of its **EngageLab** business – an integrated global messaging and customer engagement platform targeted at international markets. In Q1 2025, EngageLab reached a new milestone by signing over **RMB 63 million** in new contract value, bringing its cumulative signed contract value to more than **RMB 112 million** as of March 31, 2025. This signals a rapid adoption by clients. EngageLab’s revenue also surged by 127% year-on-year in Q1 2025, making it one of the fastest-growing pieces of Aurora’s portfolio. The service enables businesses to send and manage messaging across channels (email, SMS, push, WhatsApp, etc.) to global users through one platform. Its success is tied to Chinese companies going global and needing reliable overseas user engagement tools. By Q1 2025, **EngageLab’s client base spanned 40 countries** (up from 37 in the prior quarter) with **848 customers** using the platform. Use cases range from e-commerce apps sending cross-border push notifications to consumer brands doing international marketing. Aurora has been continually enhancing EngageLab – for example, in Q1 it upgraded EngageLab with new **marketing automation features** to boost campaign effectiveness for global clients. The platform touts itself as a “global customer’s first choice” for messaging, emphasizing high deliverability and localized support. A recent showcase was EngageLab’s partnership with a major Chinese tea beverage brand to power its overseas push campaigns, reportedly improving message performance by 40% across 100+ countries. This illustrates how Aurora leverages EngageLab to win marquee customers in the retail/consumer sector. The “**Go Global**” strategy appears to be paying off – management indicated that overseas business has propelled Aurora to

a new growth level and will continue to be a strategic focus, contributing resilience by diversifying revenue streams beyond China.

AI Product Initiatives – GPTBots and AI Integration: Embracing the AI wave, Aurora has positioned itself as an early mover in bringing AI capabilities to enterprise services. Over the past two years, the company developed and launched **GPTBots.ai**, an enterprise-grade AI **agent platform**. GPTBots enables businesses to create custom AI-powered agents (akin to specialized chatbots powered by large language models) for various use cases such as intelligent customer service, enterprise search, and data analysis. Uniquely, GPTBots offers a no-code interface so that even non-developers can build and train AI bots, and includes features like a **private knowledge base** (to feed company-specific data to the AI for more accurate responses) and tools to control LLM behavior (ensuring it aligns with business needs and compliance). Aurora reported that in recent quarters, GPTBots has seen rapid subscription revenue growth as early adopter enterprises come on board. Additionally, Aurora is integrating GPTBots' AI capabilities into its existing products to enhance their value. For instance, Aurora's Marketing Cloud now uses GPTBots-based AI to optimize campaign automation – the AI can **dynamically analyze user behavior and conversion data** to adjust marketing strategies in real time for better ROI. In Q1 2025, Aurora announced a strategic partnership with **EasyCraft** (a tech firm) to jointly embed GPTBots' AI agents into workflow automation and knowledge management solutions, demonstrating Aurora's collaborative approach to expanding AI usage. Moreover, internally Aurora has adopted AI to improve efficiency – the CEO noted they're deeply integrating AI in various departmental workflows and even tying it to performance metrics. These efforts underscore that Aurora sees AI as a transformative factor for its future. The market has taken note, with Aurora receiving industry accolades: it was named among "2024 AIGC (AI-generated

content) Innovation Top 20” by a Chinese tech media and won a “2024 AI Ecosystem Technology Innovation Enterprise” award. While still early-stage, Aurora’s AI initiatives could differentiate its SaaS offerings and open new revenue streams if the company successfully turns AI advancements into commercial features ahead of peers.

New Partnerships and Product Updates: Aurora has also made strides through strategic partnerships and product enhancements beyond AI. In 2022, the company **acquired SendCloud** (a leading Chinese email API platform) for RMB 34.5 million, and subsequently integrated it into Aurora’s product lineup as its core **email service** offering. This acquisition filled a gap in Aurora’s communications portfolio, allowing it to offer developers and enterprises reliable transactional and marketing email services alongside push and SMS. The addition of SendCloud’s large client base likely boosted Aurora’s cross-sell potential. Aurora also partnered with global players to enhance its platform: notably, in 2022 it entered a collaboration with **WhatsApp** to enable Aurora’s enterprise customers to send WhatsApp messages to their users via Aurora’s API. This partnership is significant as it gives Aurora’s clients easy access to WhatsApp’s 2-billion-user network for customer engagement – an important feature for companies reaching international users or Chinese firms connecting with overseas customers. On the mobile ecosystem front, Aurora’s push service has secured deep integrations: besides supporting all Chinese OEM push channels, in late 2023 Aurora announced JPush now fully supports the **NIO Phone** system channel. As NIO (a leading EV company) enters smartphones, JPush’s inclusion shows Aurora’s adaptability to new platforms. As of 2023, JPush supports push on **Huawei, Honor, Xiaomi, Meizu, OPPO, Vivo, ASUS, NIO**, as well as Google Firebase Cloud Messaging and Apple iOS – essentially every major mobile OS. This extensive compatibility is a strong selling point for Aurora’s SDK. In terms

of cloud partnerships, Aurora has been recognized by Huawei Cloud as an “Innovative Solution Partner” for marketing technology, reflecting cooperation in cloud-based solutions. Meanwhile, **industry recognition** of Aurora’s offerings continues: in 2021 it was named a “Leading SaaS Enterprise” in China’s software industry annual awards, and in 2024 it made EqualOcean’s top 10 list for globalized software services from China. These collaborations and accolades help strengthen Aurora’s ecosystem, credibility, and market reach.

Stock Performance and Capital Market Moves: On the capital markets side, Aurora’s stock has been volatile but saw periods of significant appreciation in 2023-2025. The company’s U.S. share price was under \$1 for much of 2022, prompting a **1-for-5 reverse stock split** in mid-2023 to regain NASDAQ compliance (bringing the ADS price above \$5). After the reverse split and as business fundamentals improved, JG shares rallied. The stock jumped notably in early 2025, coinciding with the company’s optimistic signals: in May 2025, Aurora **pre-announced** that its Q1 revenue would beat prior guidance (which was seen as a “pleasant surprise bomb” in the tech sector). This news and the subsequent strong Q1 results fueled a sharp stock uptrend; JG reached a 52-week high of around \$20.94 in mid-2025, up dramatically from its 52-week low of ~\$2.36. Some of this might have been driven by a combination of improved earnings outlook and market enthusiasm for AI-related small caps. However, the stock has since cooled to around the \$10 level by June 2025, as early excitement moderated. On the shareholder front, the founder/CEO and insiders continue to hold significant stakes (Mr. Luo retains substantial voting control through Class B shares), and there have been minor changes in institutional ownership – for example, Q1 2025 saw UBS Group AG notably increase its holding by over 1,100%, though that still represents a small stake. No major new equity financing has been undertaken since the IPO; Aurora likely wants to avoid dilutive issuance

at current valuations. The company did implement share repurchase plans in past years (a \$5 million buyback announced in 2021 for example, though it's unclear how much was executed given low liquidity). In March 2025, Aurora was included in the **FTSE Global Micro-Cap Index**, which could marginally improve stock visibility to index-tracking funds. All considered, Aurora's market profile remains that of a micro-cap stock with potential **high reward but high volatility**. Management's focus appears to be on delivering fundamental performance to justify stock revaluation. Should Aurora achieve sustained profitability and growth, there could be further upside, whereas setbacks could lead to sharp declines as seen historically. Investors are watching upcoming earnings (e.g., Q2 2025 results) and any strategic announcements as the next catalysts for the stock.

7. Stock Performance & Valuation

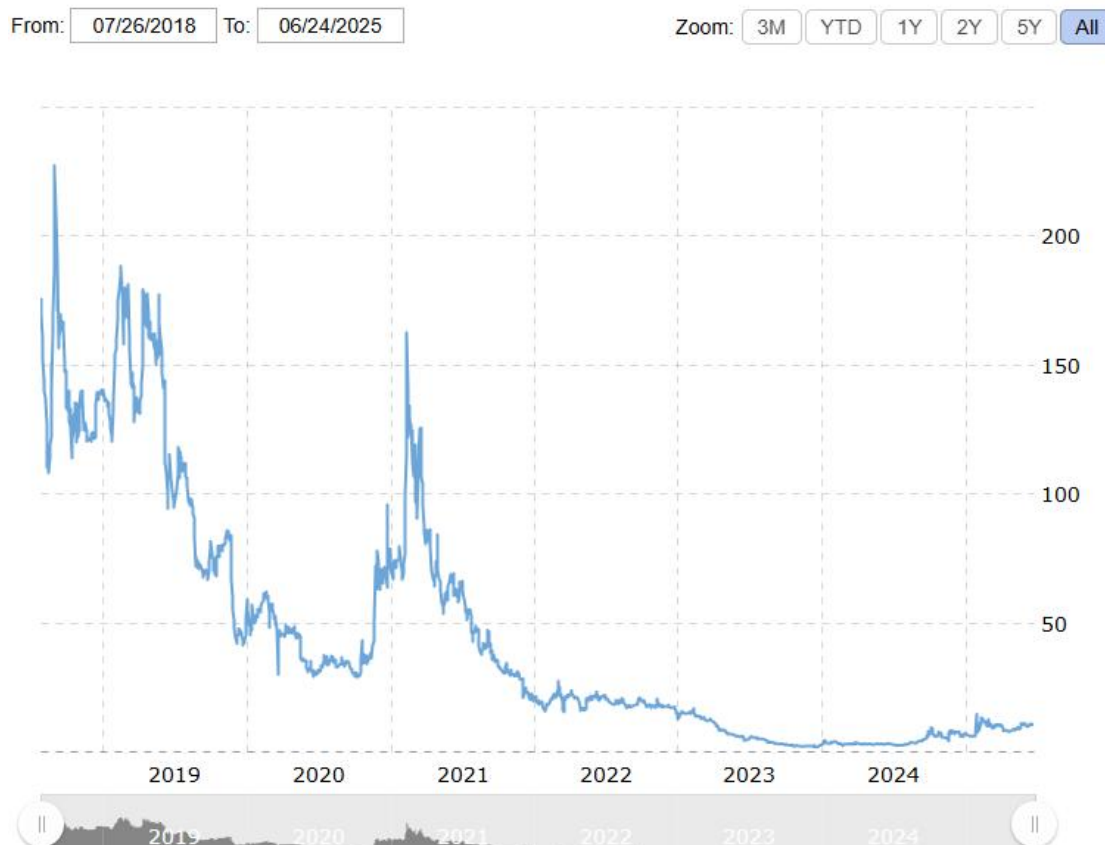


Figure: Aurora Mobile (Nasdaq: JG) monthly closing stock price trend since IPO (in USD). The stock has been volatile, declining significantly after 2018 and rebounding in 2023-2025 amid improved outlook.

Aurora Mobile's stock has experienced considerable volatility and largely underperformed since its 2018 IPO, though recent performance has improved. The company went public on July 26, 2018, at an IPO price of **\$8.50** per ADS (each ADS originally represented one Class A common share). Aurora raised approximately \$77 million in gross proceeds at IPO. In the initial days of trading, JG hovered around the \$8 mark, but over the subsequent years, the stock **declined steadily**. Several factors contributed: the company's persistent losses, a general sell-off in small-cap Chinese tech stocks during 2019-2020, and later the U.S.-China tensions and delisting fears in 2021-2022 – all weighed heavily on the share price. By late 2019, JG was trading between \$4 and \$6, and in 2020 it mostly ranged in the **\$2 to \$5** area despite some bounces. The stock saw a brief spike in early 2021 (peaking around \$10-\$11) likely due to short-term enthusiasm for tech stocks and possibly a low-float rally, but this was short-lived.

2022 was particularly challenging: the ADR dropped below \$1, hitting an all-time low around **\$0.70** (pre-reverse-split) as the company's revenue contracted that year and investor sentiment towards Chinese ADRs soured. Aurora received a NASDAQ notice for not maintaining the \$1 minimum bid price. To cure this, the company implemented a **reverse stock split** in **June 2023** (every 10 ADS were combined into 1, effectively a 1:10 reverse split – note that earlier, it had a ratio of 1 ADS = 1 common share, which post-split became 1 ADS = 10 common shares, hence the price was multiplied by 10). This technical adjustment boosted the share price from the sub-\$1 region to around \$7-8 in summer 2023.

Following the reverse split and improving financial results, Aurora's stock began to recover. In the latter half of **2023**, JG traded mostly in the \$5 to \$10 range (adjusted for the split), supported by the company's cost reductions and narrowing losses that were reported in Q3 and Q4 2023. By early **2024**, as Aurora achieved near-breakeven results and investor confidence in small-cap tech revived, the stock built upward momentum. It got a further jolt in the first half of **2025**: with Aurora announcing surprisingly strong Q4 2024 results (20% YoY Q4 revenue growth) and Q1 2025 guidance upgrades, the stock surged. In May 2025, JG rallied to a 52-week high of about **\$20.94**, marking a multi-fold increase from its 52-week low of ~\$2.36. This huge swing – essentially a ~9x rise from lows to highs – underscores the stock's **high volatility**. Contributing factors likely included the general market excitement around AI plays (Aurora was, at times, lumped into the “AI” category by traders due to GPTBots) and a short squeeze (the stock's low float can make it susceptible to sharp moves if there's heavy buying or short covering). Indeed, the 2025 rally saw daily trading volumes spike compared to the stock's usual thin liquidity.

As of late June **2025**, JG stock has settled around the **\$10-11** range, giving Aurora a market capitalization of roughly **\$60-70 million**. In valuation terms, at ~\$10.75 per share (closing on June 18, 2025), the company's enterprise value is around \$50 million (since Aurora has minimal debt and about \$16 million in cash). This translates to a **Price-to-Sales (P/S) ratio** of about 1.2x based on 2024 revenues of \$43.3 million. Such a multiple is quite low for a SaaS-oriented tech company, but reflects Aurora's small scale and earlier unprofitable history. By contrast, many U.S. software or CPaaS companies trade at higher P/S multiples; for example, Twilio, though much larger, currently has a P/S around 4x. Chinese peer Daily Interactive (Getui), traded on the Shenzhen exchange, had a market cap around RMB 2.5 billion in mid-2023 (approx \$350M) on similar revenue scale (~RMB 600M in 2023), implying a higher P/S near

3-4x. This suggests Aurora might be undervalued relative to peers – **if** it can continue improving its earnings profile. However, investors have likely applied a discount due to the company’s micro-cap status, limited liquidity, and the governance risk of a U.S.-listed VIE. Additionally, Aurora’s **price-to-earnings (P/E)** metric is not meaningful yet due to GAAP net losses (and even on a forward basis, while a small profit is possible in 2025, the stock might still trade at a high multiple of that until profits scale up).

When comparing **stock performance**, Aurora has lagged broader indices since IPO. From July 2018 to June 2023, JG lost the majority of its value (over -90% decline, considering the reverse split adjustment) – an investor who put \$1,000 at the IPO would have seen it shrink to just around \$100 by mid-2023 (excluding any reverse split effect). This was a far worse performance than major indices (Nasdaq or MSCI China) over that period. However, those who bought at 2022-2023 lows saw a dramatic upside in 2023-2025’s rally. This highlights that Aurora’s stock has been more trader-driven at times than fundamentally-driven, swinging on sentiment.

Shareholder structure: Co-founder/CEO Weidong Luo holds all of the Class B shares which carry 10x voting rights, giving him over 74% of total voting power as of the last proxy filing. This dual-class setup means external shareholders have limited influence, but it also means management is heavily invested in the company’s success (Luo also owns a significant economic stake). The public float (Class A shares) is relatively small (~6-7 million ADS outstanding post-reverse-split, with perhaps 4-5 million in float after excluding insiders and large holders). This small float contributes to volatility and the possibility of **large bid-ask spreads**.

Liquidity and volume: On average, JG trades only tens of thousands of shares per day (some days spiking to hundreds of thousands during news events), which is modest. Low liquidity can amplify price movements and also poses a risk for investors who may find it difficult to enter or exit large positions without moving the price.

Analyst coverage: Aurora, due to its size, has minimal Wall Street analyst coverage. Most research comes from niche outlets or Chinese stock analysis forums. This lack of coverage can result in mispricings – either undervaluation (if the market overlooks improvements) or overvaluation (during hype cycles). For instance, during the early 2025 AI hype, some retail forums touted Aurora as an “AI stock” which may have temporarily overextended its rally beyond fundamental justification.

Valuation outlook: From a fundamentals perspective, if Aurora achieves say \$50M revenue in 2025 with a small net profit, a P/S of around 2x or P/E of, hypothetically, 20-30x for a growth tech could be argued, which would imply a market cap roughly double the current. However, whether the market assigns that valuation depends on sustained execution and broader sentiment. For now, the **market is in “wait-and-see” mode** – valuing Aurora cheaply until it proves consistent profitability and growth durability. The stock’s future trajectory will likely follow earnings results closely: continued revenue acceleration (especially if the AI and overseas bets pay off) and a definitive swing to net profitability could attract new investors and potentially lead to a **valuation re-rating**. Conversely, any growth stumble or return to larger losses could quickly erode the stock’s recent gains.

In conclusion, Aurora Mobile's stock has been on a roller-coaster since its IPO, reflecting its journey from a fast-growing but loss-making startup to a more disciplined, AI-augmented SaaS contender. The recent rebound has closed some of the gap between its valuation and its improving fundamentals, yet the company remains **undervalued relative to peers** in many respects – albeit with the caveat of higher risk. Investors should be aware that JG is a micro-cap with all associated risks (low liquidity, high volatility, outsized impact of any single news). For those bullish on Aurora's prospects, the current pricing could offer significant upside if the company's strategies succeed. However, cautious investors may prefer to see further proof of stable profits and revenue growth given the stock's turbulent history. As always, balancing the high-risk, high-reward nature of Aurora's stock is key; portfolio allocation to such a stock should be carefully considered in line with one's risk tolerance.