
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2019

Commission File Number: 001-38591

Pinduoduo Inc.

28/F, No. 533 Loushanguan Road, Changning District
Shanghai, 200051
People's Republic of China
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Exhibit Index

Exhibit 99.1—Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PINDUODUO INC.

By : /s/ Zheng Huang
Name : Zheng Huang
Title : Chairman of the Board of Directors and Chief Executive Officer

Date: November 21, 2019



Pinduoduo Announces Third Quarter 2019 Unaudited Financial Results

SHANGHAI, CHINA, November 20, 2019 (GLOBE NEWSWIRE) — Pinduoduo Inc. (“Pinduoduo” or the “Company”) (NASDAQ: PDD), an innovative and fast growing technology platform and one of the leading Chinese e-commerce players, today announced its unaudited financial results for the third quarter ended September 30, 2019.

Third Quarter 2019 Highlights

- **GMV¹** in the twelve-month period ended September 30, 2019 was RMB840.2 billion (US\$217.5 billion), an increase of 144% from RMB344.8 billion in the twelve-month period ended September 30, 2018.
- **Total revenues** in the quarter were RMB7,513.9 million (US\$1,051.2 million), an increase of 123% from RMB3,372.4 million in the same quarter of 2018.
- **Average monthly active users³** in the quarter were 429.6 million, an increase of 85% from 231.7 million in the same quarter of 2018.
- **Active buyers⁴** in the twelve-month period ended September 30, 2019 were 536.3 million, an increase of 39% from 385.5 million in the twelve-month period ended September 30, 2018.
- **Annual spending per active buyer⁵** in the twelve-month period ended September 30, 2019 was RMB1,566.7 (US\$219.2), an increase of 75% from RMB894.4 in the twelve-month period ended September 30, 2018.

“We celebrated our fourth anniversary in early October with an annual active buyer base exceeding half a billion for the twelve-month period ended September 30, 2019,” said Mr. Zheng Huang, Chairman and Chief Executive Officer of Pinduoduo. “We continued to invest in our users throughout the third quarter, and stepped our marketing up a notch from the second half of September for the launch of our anniversary sale. This has added to our steady momentum of user growth as our average monthly active users grew by 64 million from the prior quarter to reach 430 million. Coupled with greater user engagement and frequency of visit, annual spending per active buyer has grown 75% year-over-year, driving our last-twelve-month GMV up 144% to reach RMB840.2 billion. We will work even harder to deliver a consistently improving user experience and build up our users’ trust and familiarity with our platform.”

¹ “GMV” refers to the total value of all orders for products and services placed on the Pinduoduo mobile platform, regardless of whether the products and services are actually sold, delivered or returned. Buyers on the platform are not charged for shipping fees in addition to the listed price of merchandise. Hence, merchants may embed the shipping fees in the listed price. If embedded, then the shipping fees are included in GMV. As a prudential matter aimed at eliminating any influence on Pinduoduo’s GMV of irregular transactions, the Company excludes from its calculation of GMV transactions over certain amounts (RMB100,000) and transactions by buyers over a certain amount (RMB1,000,000) per day.

² This announcement contains translations of certain Renminbi (RMB) amounts into U.S. dollars (US\$) at a specified rate solely for the convenience of the reader. Unless otherwise noted, the translation of RMB into US\$ has been made at RMB7.1477 to US\$1.00, the noon buying rate in effect on September 30, 2019 as set forth in the H.10 Statistical Release of the Federal Reserve Board.

³ “Monthly active users” refers to the number of user accounts that visited the Pinduoduo mobile app during a given month, which does not include those that accessed the platform through social networks and access points.

⁴ “Active buyers” in a given period refers to the number of user accounts that placed one or more orders (i) on the Pinduoduo mobile app, and (ii) through social networks and access points in that period, regardless of whether the products and services are actually sold, delivered or returned.

⁵ “Annual spending per active buyer” in a given period refers to the quotient of total GMV in that period divided by the number of active buyers in the same period.

“For the quarter ended September 30, 2019, our total revenues increased by 123% year-over-year to RMB7,513.9 million, as merchant demand for our online marketing services continued to grow,” added Mr. David Liu, Vice President of Strategy. “While we continue to invest in sales and marketing, we also maintain a healthy cash position, with positive operating cashflows and over RMB40.3 billion in cash, cash equivalents and short-term investments. This puts us in a good position to make the necessary investments for our long-term growth.”

Third Quarter 2019 Unaudited Financial Results

Total revenues were RMB7,513.9 million (US\$1,051.2 million), an increase of 123% from RMB3,372.4 million in the same quarter of 2018. The increase was primarily due to an increase in revenues from online marketing services.

- **Revenues from online marketing services** were RMB6,711.4 million (US\$938.9 million), an increase of 126% from RMB2,974.1 million in the same quarter of 2018.
- **Revenues from transaction services** were RMB802.5 million (US\$112.3 million), an increase of 101% from RMB398.3 million in the same quarter of 2018.

Total costs of revenues were RMB1,833.3 million (US\$256.5 million), an increase of 137% from RMB774.7 million in the same quarter of 2018. The increase was mainly due to higher costs for cloud services, call center and merchant support services.

Total operating expenses were RMB8,472.6 million (US\$1,185.4 million), compared with RMB3,867.2 million in the same quarter of 2018.

- **Sales and marketing expenses** were RMB6,908.8 million (US\$966.6 million), an increase of 114% from RMB3,229.6 million in the same quarter of 2018, mainly due to an increase in online and offline advertisement and promotions.
- **General and administrative expenses** were RMB436.6 million (US\$61.1 million), an increase of 43% from RMB305.6 million in the same quarter of 2018, primarily due to expenses relating to our initiatives where we work with local governments to alleviate rural poverty.
- **Research and development expenses** were RMB1,127.2 million (US\$157.7 million), an increase of 240% from RMB332.0 million in the same quarter of 2018. The increase was primarily due to an increase in headcount and the recruitment of more experienced R&D personnel, and an increase in R&D-related cloud services expenses and share-based compensation expenses.

Operating loss was RMB2,792.0 million (US\$390.6 million), compared with operating loss of RMB1,269.5 million in the same quarter of 2018. **Non-GAAP operating loss**⁶ was RMB2,123.5 million (US\$297.1 million), compared with RMB790.0 million in the same quarter of 2018.

Net loss attributable to ordinary shareholders was RMB2,335.0 million (US\$326.7 million), compared with net loss of RMB1,098.3 million in the same quarter of 2018. **Non-GAAP net loss attributable to ordinary shareholders** was RMB1,660.4 million (US\$232.3 million), compared with non-GAAP net loss attributable to ordinary shareholders of RMB618.9 million in the same quarter of 2018.

Basic and diluted net loss per ADS were RMB2.00 (US\$0.28), compared with net loss per ADS of RMB1.20 in the same quarter of 2018. **Non-GAAP basic and diluted net loss per ADS** were RMB1.44 (US\$0.20), compared with non-GAAP basic and diluted net loss per ADS of RMB0.68 in the same quarter of 2018.

Net cash provided by operating activities was RMB2,618.2 million (US\$366.3 million), compared with RMB1,631.4 million in the same quarter of 2018, primarily due to an increase in online marketing services revenues.

Cash, cash equivalents and restricted cash were RMB34.4 billion (US\$4.8 billion) as of September 30, 2019, compared with RMB30.5 billion as of December 31, 2018.

⁶ The Company's non-GAAP financial measures exclude share-based compensation expenses and interest expenses related to the convertible bonds' amortization to face value. See "Reconciliation of Non-GAAP Measures to The Most Directly Comparable GAAP Measures" set forth at the end of this press release.

Conference Call

The Company will host a conference call to discuss the earnings at 7:30 AM U.S. Eastern Time on Wednesday, November 20, 2019 (8:30 PM Beijing/Hong Kong Time on Wednesday, November 20, 2019).

Dial-in numbers for the live conference call are as follows:

| | |
|----------------|------------------|
| International | +65-6713-5090 |
| Mainland China | 4006-208-038 |
| U.S. | +1-845-675-0437 |
| U.K. | +44-203-621-4779 |
| Hong Kong | +852-3018-6771 |
| Passcode: | Pinduoduo |

A telephone replay of the call will be available after the conclusion of the conference call until 7:59 AM ET on November 28, 2019.

Dial-in numbers for the replay are as follows:

| | |
|---------------|-----------------|
| International | +61-2-8199-0299 |
| U.S. | +1-646-254-3697 |
| Passcode: | 6476266 |

A live and archived webcast of the conference call will be available on the Investor Relations section of Pinduoduo's website at <http://investor.pinduoduo.com/>

Use of Non-GAAP Financial Measures

In evaluating the business, the Company considers and uses non-GAAP measures, such as non-GAAP operating loss and non-GAAP net loss attributable to ordinary shareholders, as supplemental measures to review and assess operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's non-GAAP financial measures exclude share-based compensation expenses and interest expenses related to the convertible bonds' amortization to face value.

The Company presents these non-GAAP financial measures because they are used by management to evaluate operating performance and formulate business plans. The Company believes that the non-GAAP financial measures help identify underlying trends in its business by excluding the impact of share-based compensation expenses and interest expenses related to the Convertible bonds' amortization to face value, which is a non-cash charge. The Company also believes that the non-GAAP financial measures could provide further information about the Company's results of operations, and enhance the overall understanding of the Company's past performance and future prospects.

The non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. The Company's non-GAAP financial measures do not reflect all items of income and expenses that affect the Company's operations and do not represent the residual cash flow available for discretionary expenditures. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited. The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating performance. The Company encourages you to review the Company's financial information in its entirety and not rely on a single financial measure.

For more information on the non-GAAP financial measures, please see the table captioned "Reconciliation of Non-GAAP Measures to The Most Directly Comparable GAAP Measures" set forth at the end of this press release.

Safe Harbor Statements

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “aims,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident,” “potential,” “continue” or other similar expressions. Among other things, the business outlook and quotations from management in this announcement, as well as Pinduoduo’s strategic and operational plans, contain forward-looking statements. Pinduoduo may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including but not limited to statements about Pinduoduo’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Pinduoduo’s growth strategies; its future business development, results of operations and financial condition; its ability to understand buyer needs and provide products and services to attract and retain buyers; its ability to maintain and enhance the recognition and reputation of its brand; its ability to rely on merchants and third-party logistics service providers to provide delivery services to buyers; its ability to maintain and improve quality control policies and measures; its ability to establish and maintain relationships with merchants; trends and competition in China’s e-commerce market; changes in its revenues and certain cost or expense items; the expected growth of China’s e-commerce market; PRC governmental policies and regulations relating to Pinduoduo’s industry, and general economic and business conditions globally and in China and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Pinduoduo’s filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Pinduoduo undertakes no obligation to update any forward-looking statement, except as required under applicable law.

About Pinduoduo Inc.

Pinduoduo is an innovative and fast growing technology platform that provides buyers with value-for-money merchandise and a fun and interactive shopping experience. The Pinduoduo mobile platform offers a comprehensive selection of attractively priced merchandise, featuring a dynamic social shopping experience that leverages social networks effectively.

For more information, please visit <http://investor.pinduoduo.com/>

For investor and media inquiries, please contact:

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internationalmedia@pinduoduo.com

PINDUODUO INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of Renminbi (“RMB”) and U.S. dollars (“US\$”))

| | As of | | |
|---|----------------------|--------------------|------------------|
| | December 31, 2018 | September 30, 2019 | |
| | RMB | RMB | US\$ |
| | | (Unaudited) | |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 14,160,322 | 15,694,045 | 2,195,678 |
| Restricted cash | 16,379,364 | 18,672,032 | 2,612,313 |
| Receivables from online payment platforms | 247,586 | 524,436 | 73,371 |
| Short-term investments | 7,630,689 | 24,560,779 | 3,436,179 |
| Amounts due from related parties | 1,019,033 | 1,253,490 | 175,370 |
| Prepayments and other current assets | 953,989 | 884,602 | 123,762 |
| Total current assets | 40,390,983 | 61,589,384 | 8,616,673 |
| Non-current assets | | | |
| Property and equipment, net | 29,075 | 38,153 | 5,338 |
| Intangible asset | 2,579,338 | 2,182,296 | 305,314 |
| Right-of-use assets | — | 316,239 | 44,243 |
| Other non-current assets | 182,667 | 449,990 | 62,956 |
| Total non-current assets | 2,791,080 | 2,986,678 | 417,851 |
| Total Assets | 43,182,063 | 64,576,062 | 9,034,524 |

PINDUODUO INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of Renminbi (“RMB”) and U.S. dollars (“US\$”))

| | As of | | |
|---|----------------------|--------------------|------------------|
| | December 31, 2018 | September 30, 2019 | |
| | RMB | RMB | US\$ |
| | | (Unaudited) | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current Liabilities | | | |
| Amounts due to related parties | 478,113 | 2,085,604 | 291,787 |
| Customer advances | 191,482 | 379,001 | 53,024 |
| Payable to merchants | 17,275,934 | 19,819,656 | 2,772,872 |
| Accrued expenses and other liabilities | 2,225,667 | 4,197,751 | 587,287 |
| Merchant deposits | 4,188,273 | 6,654,130 | 930,947 |
| Lease liabilities | — | 80,882 | 11,316 |
| Total current liabilities | 24,359,469 | 33,217,024 | 4,647,233 |
| Convertible bonds | — | 5,140,305 | 719,155 |
| Lease liabilities | — | 254,508 | 35,607 |
| Other non-current liabilities | — | 7,949 | 1,112 |
| Total non-current liabilities | — | 5,402,762 | 755,874 |
| Total Liabilities | 24,359,469 | 38,619,786 | 5,403,107 |
| Shareholders' equity | | | |
| Ordinary Shares | 142 | 148 | 21 |
| Additional paid-in capital | 29,114,527 | 40,695,277 | 5,693,479 |
| Accumulated other comprehensive income | 1,035,783 | 1,804,675 | 252,483 |
| Accumulated deficits | (11,327,858) | (16,543,824) | (2,314,566) |
| Total shareholders' equity | 18,822,594 | 25,956,276 | 3,631,417 |
| Total liabilities and shareholders' equity | 43,182,063 | 64,576,062 | 9,034,524 |

PINDUODUO INC.
CONDENSED CONSOLIDATED STATEMENTS OF LOSS
(Amounts in thousands of RMB and US\$)

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|---|--|----------------------------|---------------------|---|----------------------------|---------------------|
| | 2018 RMB (Unaudited) | 2019 RMB (Unaudited) | US\$ (Unaudited) | 2018 RMB (Unaudited) | 2019 RMB (Unaudited) | US\$ (Unaudited) |
| Revenues | | | | | | |
| Online marketplace services | 3,372,418 | 7,513,948 | 1,051,240 | 7,466,068 | 19,349,160 | 2,707,047 |
| Total Revenues | 3,372,418 | 7,513,948 | 1,051,240 | 7,466,068 | 19,349,160 | 2,707,047 |
| Costs of revenues | | | | | | |
| Costs of online marketplace services | (774,684) | (1,833,318) | (256,491) | (1,481,214) | (4,301,341) | (601,780) |
| Total costs of revenues | (774,684) | (1,833,318) | (256,491) | (1,481,214) | (4,301,341) | (601,780) |
| Gross profit | 2,597,734 | 5,680,630 | 794,749 | 5,984,854 | 15,047,819 | 2,105,267 |
| Sales and marketing expenses | (3,229,647) | (6,908,755) | (966,570) | (7,417,839) | (17,901,713) | (2,504,542) |
| General and administrative expenses | (305,569) | (436,610) | (61,084) | (6,135,003) | (951,030) | (133,054) |
| Research and development expenses | (331,997) | (1,127,238) | (157,706) | (590,844) | (2,597,983) | (363,470) |
| Total operating expenses | (3,867,213) | (8,472,603) | (1,185,360) | (14,143,686) | (21,450,726) | (3,001,066) |
| Operating loss | (1,269,479) | (2,791,973) | (390,611) | (8,158,832) | (6,402,907) | (895,799) |
| Interest income | 164,819 | 414,615 | 58,006 | 351,583 | 1,069,285 | 149,598 |
| Interest expense | — | (6,150) | (860) | — | (6,150) | (860) |
| Foreign exchange gain | 5,419 | 33,542 | 4,693 | 6,879 | 76,416 | 10,691 |
| Other income, net | 918 | 23,176 | 3,242 | 7,138 | 55,608 | 7,780 |
| Loss before income tax and share of results of equity investee | (1,098,323) | (2,326,790) | (325,530) | (7,793,232) | (5,207,748) | (728,590) |
| Share of results of equity investee | — | (8,218) | (1,150) | — | (8,218) | (1,150) |
| Income tax expenses | — | — | — | — | — | — |
| Net loss | (1,098,323) | (2,335,008) | (326,680) | (7,793,232) | (5,215,966) | (729,740) |

PINDUODUO INC.
NOTES TO FINANCIAL INFORMATION
(Amounts in thousands of RMB and US\$)

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|---|--|--------------------|---------------------|---|--------------------|---------------------|
| | 2018 | 2019 | | 2018 | 2019 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) |
| Net loss | (1,098,323) | (2,335,008) | (326,680) | (7,793,232) | (5,215,966) | (729,740) |
| Deemed distribution to certain holders of convertible preferred shares | — | — | — | (80,496) | — | — |
| Net loss attributable to ordinary shareholders | (1,098,323) | (2,335,008) | (326,680) | (7,873,728) | (5,215,966) | (729,740) |
| Loss per ordinary share: | | | | | | |
| -Basic | (0.30) | (0.50) | (0.07) | (3.19) | (1.13) | (0.16) |
| -Diluted | (0.30) | (0.50) | (0.07) | (3.19) | (1.13) | (0.16) |
| Loss per ADS (4 ordinary shares equals 1 ADS): | | | | | | |
| -Basic | (1.20) | (2.00) | (0.28) | (12.76) | (4.52) | (0.64) |
| -Diluted | (1.20) | (2.00) | (0.28) | (12.76) | (4.52) | (0.64) |
| Weighted average number of outstanding ordinary shares (in thousands): | | | | | | |
| -Basic | 3,678,051 | 4,649,429 | 4,649,429 | 2,467,082 | 4,619,623 | 4,619,623 |
| -Diluted | 3,678,051 | 4,649,429 | 4,649,429 | 2,467,082 | 4,619,623 | 4,619,623 |

PINDUODUO INC.
NOTES TO FINANCIAL INFORMATION
(Amounts in thousands of RMB and US\$)

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|-----------------------------|--|--------------------|---------------------|---|--------------------|---------------------|
| | 2018 | 2019 | | 2018 | 2019 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) |
| Revenues | | | | | | |
| Online marketplace services | | | | | | |
| - Online marketing services | 2,974,145 | 6,711,455 | 938,967 | 6,453,197 | 17,126,942 | 2,396,147 |
| - Transaction services | 398,273 | 802,493 | 112,273 | 1,012,871 | 2,222,218 | 310,900 |
| Total | 3,372,418 | 7,513,948 | 1,051,240 | 7,466,068 | 19,349,160 | 2,707,047 |

PINDUODUO INC.
NOTES TO FINANCIAL INFORMATION
(Amounts in thousands of RMB and US\$)

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|---|--|--------------------|---------------------|---|--------------------|---------------------|
| | 2018 | 2019 | | 2018 | 2019 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) |
| Share-based compensation costs included in: | | | | | | |
| Costs of revenues | 559 | 8,567 | 1,199 | 1,370 | 16,579 | 2,319 |
| Sales and marketing expenses | 180,468 | 219,008 | 30,640 | 213,961 | 623,508 | 87,232 |
| General and administrative expenses | 264,782 | 206,066 | 28,830 | 6,040,515 | 562,118 | 78,643 |
| Research and development expenses | 33,652 | 234,786 | 32,848 | 57,715 | 556,829 | 77,903 |
| Total | <u>479,461</u> | <u>668,427</u> | <u>93,517</u> | <u>6,313,561</u> | <u>1,759,034</u> | <u>246,097</u> |

PINDUODUO INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of RMB and US\$)

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|--|--|--------------------|---------------------|---|--------------------|---------------------|
| | 2018 | 2019 | | 2018 | 2019 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) |
| Net cash provided by operating activities | 1,631,413 | 2,618,232 | 366,303 | 2,035,530 | 5,222,963 | 730,719 |
| Net cash used in investing activities | (6,217,168) | (16,175,856) | (2,263,085) | (7,309,874) | (16,857,806) | (2,358,494) |
| Net cash provided by financing activities | 11,537,514 | 6,967,004 | 974,720 | 17,358,293 | 14,960,832 | 2,093,098 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 359,056 | 292,531 | 40,927 | 613,877 | 500,402 | 70,009 |
| Increase/(decrease) in cash, cash equivalents and restricted cash | 7,310,815 | (6,298,089) | (881,135) | 12,697,826 | 3,826,391 | 535,332 |
| Cash, cash equivalents and restricted cash at beginning of period | 17,816,012 | 40,664,166 | 5,689,126 | 12,429,001 | 30,539,686 | 4,272,659 |
| Cash, cash equivalents and restricted cash at end of period | 25,126,827 | 34,366,077 | 4,807,991 | 25,126,827 | 34,366,077 | 4,807,991 |

PINDUODUO INC.
RECONCILIATION OF NON-GAAP MEASURES TO THE MOST DIRECTLY COMPARABLE GAAP MEASURES
(Amounts in thousands of RMB and US\$, except for per share data)

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|---|--|--------------------|---------------------|---|--------------------|---------------------|
| | 2018 | 2019 | | 2018 | 2019 | |
| | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) | RMB (Unaudited) | RMB (Unaudited) | US\$ (Unaudited) |
| Operating Loss | (1,269,479) | (2,791,973) | (390,611) | (8,158,832) | (6,402,907) | (895,799) |
| Add: Share-based compensation | 479,461 | 668,427 | 93,517 | 6,313,561 | 1,759,034 | 246,097 |
| Non-GAAP operating loss | <u>(790,018)</u> | <u>(2,123,546)</u> | <u>(297,094)</u> | <u>(1,845,271)</u> | <u>(4,643,873)</u> | <u>(649,702)</u> |
| Net loss attributable to ordinary shareholders | (1,098,323) | (2,335,008) | (326,680) | (7,873,728) | (5,215,966) | (729,740) |
| Add: Share-based compensation | 479,461 | 668,427 | 93,517 | 6,313,561 | 1,759,034 | 246,097 |
| Add: Interest expense related to convertible bonds' amortization to face value | — | 6,150 | 860 | — | 6,150 | 860 |
| Non-GAAP net loss attributable to ordinary shareholders | <u>(618,862)</u> | <u>(1,660,431)</u> | <u>(232,303)</u> | <u>(1,560,167)</u> | <u>(3,450,782)</u> | <u>(482,783)</u> |
| Weighted-average number of outstanding ordinary shares - basic and diluted (in thousands) | 3,678,051 | 4,649,429 | 4,649,429 | 2,467,082 | 4,619,623 | 4,619,623 |
| Non-GAAP basic loss per share | <u>(0.17)</u> | <u>(0.36)</u> | <u>(0.05)</u> | <u>(0.63)</u> | <u>(0.75)</u> | <u>(0.10)</u> |
| Non-GAAP basic loss per ADS | <u>(0.68)</u> | <u>(1.44)</u> | <u>(0.20)</u> | <u>(2.52)</u> | <u>(3.00)</u> | <u>(0.40)</u> |
| Non-GAAP diluted loss per share | <u>(0.17)</u> | <u>(0.36)</u> | <u>(0.05)</u> | <u>(0.63)</u> | <u>(0.75)</u> | <u>(0.10)</u> |
| Non-GAAP diluted loss per ADS | <u>(0.68)</u> | <u>(1.44)</u> | <u>(0.20)</u> | <u>(2.52)</u> | <u>(3.00)</u> | <u>(0.40)</u> |