



Renren Announces Unaudited First Quarter 2018 Financial Results and Update on Potential Financial Impact of the Transaction Announced on April 30, 2018

BEIJING, China, June 19, 2018 — Renren Inc. (NYSE: RENN) ("Renren" or the "Company"), which operates a social networking service (SNS) business, used auto business and SaaS business, today announced its unaudited financial results for the first quarter ended March 31, 2018.

First Quarter 2018 Highlights

- **Total net revenues were US\$140.5 million, a 570% increase from the corresponding period in 2017.**
 - *Internet Value-Added Services (IVAS) and others net revenues* were US\$14.7 million, a 26.5% increase from the corresponding period in 2017.
 - *Financing income* was US\$2.2 million, a 76.4% decrease from the corresponding period in 2017.
 - *Used car sales revenue* was US\$123.6 million. We initiated used car sales business through one of our subsidiaries in the second quarter of 2017. As of March 31, 2018, we had a presence in 14 cities in China for this business.
- **Gross profit was US\$11.9 million, an 85.0% increase from the corresponding period in 2017.**
- **Operating loss was US\$25.5 million, compared to an operating loss of US\$17.6 million in the corresponding period in 2017.**
- **Net loss attributable to the Company was US\$41.6 million, compared to a net loss of US\$16.2 million in the corresponding period in 2017.**
- **Adjusted loss from operations⁽¹⁾ (non-GAAP) was US\$13.1 million, compared with an adjusted loss from operations of US\$12.5 million in the corresponding period in 2017 and an adjusted loss from operations of US\$21.9 million in the fourth quarter of 2017.**
- **Adjusted net loss⁽¹⁾ (non-GAAP) was US\$18.8 million, compared to an adjusted net loss of US\$11.0 million in the corresponding period in 2017.**

(1) Adjusted loss from operations and net loss are non-GAAP measures, which are defined as loss from operations excluding share-based compensation expenses and amortization of intangible assets and net loss excluding share-based compensation expenses, fair value change of contingent consideration and amortization of intangible assets, respectively. See "About Non-GAAP Financial Measures" below.

First Quarter 2018 Results

Total net revenues for the first quarter of 2018 were US\$140.5 million, representing a 570% increase from the corresponding period in 2017, due to the launch of the used car retail business in the second quarter of 2017.

IVAS and others net revenues were US\$14.7 million, representing a 26.5% increase from the corresponding period of 2017. The increase was mainly due to the revenue from our Renren mobile live streaming service. Monthly unique log-in users of the Renren SNS platform were approximately 31 million in March 2018.

Financing income was US\$2.2 million for the first quarter of 2018, compared to US\$9.3 million in the corresponding period of 2017. The decrease was in line with the decrease of financing receivable from US\$270.1 million as of March 31, 2017 to US\$46.0 million as of March 31 2018.

Used car sales revenue of US\$123.6 million was generated through one of our subsidiaries conducting used car sales business, which is a new business that we initiated in the second quarter of 2017.

Cost of revenues was US\$128.6 million, compared to US\$14.5 million from the corresponding period of 2017. The increase was primarily due to the cost of used car sales.

Operating expenses were US\$37.4 million, a 55.7% increase from the corresponding period of 2017.

Selling and marketing expenses were US\$11.9 million, a 92.9% increase from the corresponding period of 2017. The increase was primarily due to the increase in headcount and personnel related expenses for the used car sales business.

Research and development expenses were US\$7.3 million, a 26.9% increase from the corresponding period in 2017. The increase was primarily due to the increase in headcount and personnel related expenses.

General and administrative expenses were US\$18.2 million, a 50.6% increase from the corresponding period in 2017. The increase was primarily due to the increase in share-based compensation expenses.

Share-based compensation expenses, which were all included in operating expenses, were US\$12.3 million, compared to US\$5.1 million in the corresponding period in 2017. The increase was primarily due to stock options granted during the first quarter of 2018 by our subsidiary conducting our used car business.

Loss from operations was US\$25.5 million, compared to a loss from operations of US\$17.6 million in the corresponding period in 2017.

Loss in equity method investments was US\$2.8 million, compared to income of US\$4.1 million in the corresponding period in 2017.

Net loss attributable to the Company was US\$41.6 million, compared to a net loss of US\$16.2 million in the corresponding period in 2017.

Adjusted loss from operations (non-GAAP) was US\$13.1 million, compared with an adjusted loss from operations of US\$12.5 million in the corresponding period in 2017 and an adjusted loss from operations of US\$21.9 million in the fourth quarter of 2017. Adjusted loss from operations is defined as loss from operations excluding share-based compensation expenses and amortization of intangible assets.

Adjusted net loss (non-GAAP) was US\$18.8 million, compared to an adjusted net loss of US\$11.0 million in the corresponding period in 2017. Adjusted net loss is defined as net loss excluding share-based compensation expenses, fair value change of contingent consideration and amortization of intangible assets.

Business Outlook

The Company expects to generate revenues in an amount ranging from US\$140 million to US\$145 million in the second quarter of 2018, representing a 527% to 549% year-over-year increase. This forecast reflects Renren's current and preliminary view, which is subject to change.

Potential Financial Impact on Renren of the Transaction Announced on April 30, 2018

The Company has announced a series of transactions that include a cash dividend by the Company and a private placement by its subsidiary Oak Pacific Investment ("the Transaction") on April 30, 2018. The Transaction is intended to address concerns that Renren may be deemed to be an investment company within the meaning of the Investment Company Act and is expected to close on June 21, 2018. The Transaction will have a significant impact on the Company's financial statements. Please refer to the Forms 6-K filed with the SEC on June 19 and May 14, 2018 for unaudited pro forma condensed consolidated financial statements. Based on the unaudited pro forma condensed consolidated balance sheet as though the Transaction had occurred on March 31, 2018, total Renren Inc. shareholders' equity value following the Transaction is currently estimated to be US\$174 million.

Conference Call Information

The Company will not host a conference call. Please contact our Investor Relations Department if you have any questions.

About Renren Inc.

Renren Inc. (NYSE: RENN) operates a social networking service (SNS) business, used car business and SaaS business. Renren's American depositary shares, each of which represents fifteen Class A ordinary shares, trade on NYSE under the symbol "RENN".

Safe Harbor Statement

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," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the business outlook for the second quarter of 2018 and quotations from management in this announcement, as well as Renren's strategic and operational plans, contain forward-looking statements. Renren may also make written or oral forward-looking statements in its filings with the U.S. Securities and Exchange Commission ("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 statements about Renren'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: our goals and strategies; our future business development, financial condition and results of operations; the expected growth of the social networking site market in China; our expectations regarding demand for and market acceptance of our services; our expectations regarding the retention and strengthening of our relationships with key advertisers and customers; our plans to enhance user experience, infrastructure and service offerings; competition in our industry in China; and relevant government policies and regulations relating to our industry. Further information regarding these and other risks is included in our annual report on Form 20-F and other documents filed with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Renren does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

About Non-GAAP Financial Measures

To supplement Renren's consolidated financial results presented in accordance with United States Generally Accepted Accounting Principles ("GAAP"), Renren uses "adjusted loss from operations and net loss" which are defined as "non-GAAP financial measures" by the SEC, in evaluating its business. We define adjusted loss from operations as loss from operations excluding share-based compensation expenses and amortization of intangible assets and adjusted net loss as net loss excluding share-based compensation expenses, fair value change of contingent consideration and amortization of intangible assets, respectively. Renren continuously and periodically reviews the operating results and business performance from operational perspectives. Starting from the first quarter of 2018, there was a significant impact on net loss due to the material and significant noncash amount of fair value change of contingent consideration relating to the used car dealership of the emerging used auto business. Due to the nature of the business, Renren believes that including adjusted loss from operations and excluding the impact of such fair value changes more appropriately reflects Renren's results of operations, and provides investors with a better understanding of Renren's business performance. To facilitate investors and analysts, we present the foresaid impact in "Reconciliation of non-GAAP results of operations measures to the comparable GAAP financial measures" retrospectively. We present adjusted loss from operations and net loss because they are used by our management to evaluate our operating performance. We also believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

The presentation of these non-GAAP financial measures are not intended to be considered in isolation from, or as a substitute for, the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the table captioned "Reconciliation of non-GAAP results of operations measures to the comparable GAAP financial measures" at the end of this release.

For more information, please contact:

Investor Relations Department

Renren Inc.
Tel: (86 10) 8448 1818 ext. 1300
Email: ir@renren-inc.com

RENREN INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in US dollars, in thousands, except shares,
per share, ADS, and per ADS data)

	December 31, 2017	March 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 128,595	\$ 128,956
Restricted Cash	47,253	49,468
Accounts receivable, net	6,260	2,199
Financing receivable, net	125,478	45,957
Prepaid expenses and other current assets	50,183	61,021
Amounts due from related parties	15,224	16,807
Inventory	95,012	99,288
Total current assets	468,005	403,696
Non-current assets:		
Long-term financing receivable, net	8	4
Property and equipment, net	29,532	30,789
Goodwill and intangible assets, net	104,197	112,479
Long-term investments	565,366	565,550
Other non-current assets	27,056	28,142
Total non-current assets	726,159	736,964
TOTAL ASSETS	\$ 1,194,164	\$ 1,140,660
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 20,046	\$ 16,986
Short-term debt	61,479	97,567
Accrued expenses and other current liabilities	45,898	48,847
Payable to investors	142,689	48,146
Amounts due to related parties	17,746	15,153
Deferred revenue and advance from customers	11,489	14,143
Income tax payable	12,652	13,793
Contingent consideration	5,944	7,121
Long-term debt current	52,604	52,604
Total current liabilities	370,547	314,360
Non-current liabilities:		
Long-term debt	47,665	47,899
Long-term Contingent consideration	60,850	74,398
Other non-current liabilities	6,356	6,123
Total non-current liabilities	114,871	128,420
TOTAL LIABILITIES	\$ 485,418	\$ 442,780
Shareholders' Equity:		
Class A ordinary shares	727	729
Class B ordinary shares	305	305
Additional paid-in capital	1,303,117	1,322,077
Statutory reserves	6,712	6,712
Accumulated deficit	(653,173)	(694,723)
Accumulated other comprehensive income	17,116	22,747
Total Renren Inc. shareholders' equity	674,804	657,847
Noncontrolling Interests	33,942	40,033
TOTAL EQUITY	708,746	697,880
TOAL LIABILITIES AND EQUITY	\$ 1,194,164	\$ 1,140,660

RENREN INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in US dollars, in thousands, except shares, per shares, ADS, and per ADS data)	For the Three Months Ended		
	March 31, 2017	December 31, 2017	March 31, 2018
Net revenues			
IVAS and others	\$ 11,599	\$ 14,531	\$ 14,669
Financing income	9,347	4,733	2,203
Used car sales	-	77,797	123,606
Total net revenues	20,946	97,061	140,478
Cost of revenues	(14,499)	(96,878)	(128,550)
Gross profit	6,447	183	11,928
Operating expenses:			
Selling and marketing	(6,148)	(8,399)	(11,860)
Research and development	(5,784)	(6,993)	(7,339)
General and administrative	(12,112)	(12,233)	(18,240)
Total operating expenses	(24,044)	(27,625)	(37,439)
Loss from operations	(17,597)	(27,442)	(25,511)
Other expenses	(6)	(5,997)	(10,443)
Interest income	315	623	807
Interest expenses	(2,305)	(2,760)	(2,819)
Realized gain on short-term investments	100	-	-
Realized gain on disposal of long-term investments	-	4,585	-
Impairment of long term investments	-	(17,052)	-
Total non-operating loss	(1,896)	(20,601)	(12,455)
Loss before provision of income tax and income (loss) in equity method investments, net of tax	(19,493)	(48,043)	(37,966)
Income tax expenses	(780)	(1,936)	(831)
Loss before income (loss) in equity method investments, net of tax	(20,273)	(49,979)	(38,797)
Income (loss) in equity method investments, net of tax	4,095	(4,211)	(2,773)
Net loss	(16,178)	(54,190)	(41,570)
Net loss (income) attributable to noncontrolling interests	-	(99)	20
Net loss attributable to Renren Inc.	\$ (16,178)	\$ (54,289)	\$ (41,550)
Net loss per share attributable to Renren Inc. shareholders:			
Basic	\$ (0.02)	\$ (0.05)	\$ (0.04)
Diluted	\$ (0.02)	\$ (0.05)	\$ (0.04)
Net loss attributable to Renren Inc. shareholders per ADS*:			
Basic	\$ (0.24)	\$ (0.79)	\$ (0.60)
Diluted	\$ (0.24)	\$ (0.79)	\$ (0.60)
Weighted average number of shares used in calculating net loss per ordinary share attributable to Renren Inc. shareholders:			
Basic	1,026,375,051	1,030,786,885	1,033,468,103
Diluted	1,026,375,051	1,030,786,885	1,033,468,103

* Each ADS represents 15 Class A ordinary shares.

Reconciliation of Non-GAAP results of operations measures to the comparable GAAP financial measures

Adjusted loss from operations and net loss

(Amounts in US dollars, in thousands)	For the Three Months Ended		
	March 31, 2017	December 31, 2017	March 31, 2018
Loss from operations	\$ (17,597)	\$ (27,442)	\$ (25,511)
Add back: Shared-based compensation expenses	5,143	5,494	12,327
Add back: Amortization of intangible assets	-	35	131
Adjusted loss from operations	\$ (12,454)	\$ (21,913)	\$ (13,053)
Net loss	\$ (16,178)	\$ (54,289)	\$ (41,550)
Add back: Shared-based compensation expenses	5,143	5,494	12,327
Add back: Fair value change of contingent consideration	-	2,601 *	10,265
Add back: Amortization of intangible assets	-	35	131
Adjusted net loss	\$ (11,035)	\$ (46,159)	\$ (18,827)

* We have retrospectively presented adjusted net loss (non GAAP) for the three months ended December 31, 2017, by adding back US\$2.6 million of fair value change of contingent consideration during that quarter. See "About Non-GAAP Financial Measures".