Leading Services with Highly Engaged User Base

Games
- #1 by users in China across PC and mobile
- #1 globally by revenue

Weixin & WeChat
- #1 mobile community
- MAU at 1,263m

QQ
- QQ mobile devices MAU at 574m

Communication & Social

Digital Content

FinTech

Mobile Payment
- #1 by MAU & DAU

Public Cloud
- #2 service provider by revenue

Long-Form Video
- #1 by subscriptions

News
- #1 news services by MAU

Music
- #1 music services provider

Literature
- #1 online content library and publisher

Mobile Browser
- #1 by MAU

Mobile Security
- #1 by MAU

* All rankings above refer to China market, unless otherwise stated. Ranking for public cloud is based on IaaS and PaaS revenue. Company data as of Sep 30, 2021.
Digital Ecosystem Fulfilling Everyday Needs of Consumers

1 billion+

daily average commercial payment transactions on Weixin Pay (1)

RMB1.6 trillion+
total transaction value generated from
Weixin Mini Programs (2)

235 million
total fee-based VAS subscriptions (3)

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1. Since 4Q2019
2. Annual transaction value in 2020
3. Fee-based VAS subscriptions as of Sep 30, 2021
Weixin Connects Users, Content and Services in China

- **Chat and Moments**
  - Weixin Chat provides synchronous communication between mutual contacts
  - Moments provide asynchronous photo, video and audio sharing

- **Weixin Pay**
  - Easy and secured online/offline transactions
  - Over 1 billion average commercial transactions per day since 4Q2019

- **Mini Programs**
  - Provide Weixin users with products, content and services
  - Assist businesses in building their own digital channel and customer relationships, and driving sales
  - 2020 annual transaction value more than doubled YoY

- **Official Accounts**
  - Allow individuals, media and businesses to share original content and engage with audience
  - Strengthen brand awareness and content management

- **Video Accounts & Live Streaming**
  - A separate ID-based content platform for public sharing of video and live streaming content
  - Provide unique channel for acquiring and managing customers efficiently
  - Composed of both knowledge-based and entertainment content, offered to users via social and algorithmic recommendations

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Largest communication and social service in China for over 1.26 billion MAU *(1)*

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1. As of Sep 30, 2021
QQ Caters to Evolving Interactive Needs of Young Generations

**QQ Wallet**
Mobile payment for daily services, transportation, shopping and entertainment services, etc.

**Mini Programs**
Connect users with content & services, e.g., animated series provided by third-parties.

**Chat & Group**
Users discuss game-related topics and form teams in game communities.

**Video-focused UGC**
UGC creation, sharing and immersive consumption experience

**News feed**
Articles, images and videos provided by news media and quality content creators.

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1. As of Sep 30, 2021

574 million QQ MAU (1) on mobile devices
Embrace Industrial Internet with Comprehensive Technological Capabilities

- Extending our strategy of ‘Connection’ to connecting industries, consumers and business partners
- Customise smart industry solutions based on Tencent Cloud; leverage our high-DAU products and software, and proprietary technologies to assist enterprises in digital transformation

1. As of Sep 30, 2021

Smart Solutions
- Retail
- Healthcare
- Education
- Finance
- Transportation

Software and Services
- WeCom
- Tencent Meeting / VooV Meeting
- Tencent Docs
- Weixin
- Weixin Pay
- Tencent Security

Technologies
- Security Capabilities
- Autonomous Driving
- YouTu AI Lab
- Tencent AI Lab
- Big Data Analytics
- Location-based Services

Infrastructure
- Tencent Cloud
- Comprehensive range of products and services (>300) on top of computing and storage
- Solid infrastructure in 27 regions and 68 availability zones (1)
- Over 1 million paying customers since 4Q2019
Embrace future opportunities with proactive investments

New market opportunities clearly emerging

• Businesses accelerate movement online; various industries speed up digitalisation
• Game user base expanded; long-term growth driven by new genres and technologies
• Users seek more diverse and nutritious short video content

Investees’ value appreciates, while incurring wider losses

• Valuation increased: fair value of our listed investees was over USD185 billion
• Several investees at heavy loss stage due to investment in new opportunities

Tencent is proactively investing for future

• Business Services: assist in digitalisation
• Games: focus on high-production value games with global appeal
• Short-Form Video Content: cultivate differentiated ecosystems
• Sustainable Social Value & Common Prosperity: bring technology benefits to society

1. As of Sep 30, 2021. Excluding subsidiaries. Including those held via Special Purpose Vehicles, on an attributable basis.
Promote Sustainable Innovations for Social Value

- Realise our aspiration: bring benefits and value to society sustainably by leveraging our technology and products
- Broad undertaking to elevate importance of sustainable social value in making product decisions
- Established SSV Org to deploy social value initiatives in a professional and entrepreneurial way
- Incubate projects in various areas, linking with our existing businesses when appropriate
- Promote development of self-sustainable operations in addition to providing donations
- Pursue long-term social value rather than economic profits
- Capital funded by our investment gains
Our ESG Commitment and Approach

### Environment
- **Carbon neutrality**: explore renewable energy solutions; leverage self-developed T-block technology to optimise power usage efficiency in data centres
- **AI for Food, Energy and Water (FEW)**: leverage AI, big data analytics and cloud computing to facilitate desert reclamation

### Social
- **Privacy and security**: adhere to ‘Privacy by Design’ and protect user data with advanced security technologies
- **Responsibility towards teenage users**: upgrade our Balanced Online Entertainment System; released teenager mode in multiple products to advocate digital well-being
- **Fighting COVID-19**: Health Code facilitates domestic travel and reduces transmission risks for over 1 billion users; Weixin Pay, Mini Programs and other digital tools assisted economic recovery

### Governance
- **Integrity as core value**: prevent corruption with stringent risk management and internal controls
- **Fostering ecosystem**: support the growth of third-party partners, promote fair competition and industry collaboration
- **Diversity**: enhance board diversity in gender, background and expertise

**MSCI ESG Rating: BBB | Sustainalytics ESG risk score: 22.9 (1)**

1. Out of 100, the lower the better
Leading industry in fostering a healthy gameplay environment in China

• Pioneered a system for parents to manage minors’ game activity in Feb 2017. Introduced the strictest measures in the industry with mandatory real-name verification, game time and spending limits in Sep 2018

• Further tightened game time and spending limits beyond regulatory requirement in Aug 2021, reducing daily time limit for users aged under 18 and preventing in-game spending by users aged under 12

• Full compliance with new regulations enforced since Sep 1, 2021: users aged under 18 can only play games between 8-9pm on Fridays, Saturdays, Sundays and statutory holidays.

• Industry-leading effort in combatting minors’ usage of adult accounts: 1) upgraded our screening system to identify misused adult accounts; and 2) proactively assist authorities in cracking down on illegal account transactions

• Users aged under 18 accounted for: 1) 0.7% of Domestic Games time spent in Sep 2021, down from 6.4% in Sep 2020; 2) 1.1% of our Domestic Games grossing receipts in Sep 2021, down from 4.8% in Sep 2020
1. Business Model

2. Financials
Resilient Business Model with Diversified Revenue Streams

Revenues by Business Segment (1)(2)

(RMB in billions)

5-year CAGR 33%

Segment

FinTech and Business Services(2)
- Enterprise and consumer-driven
  - Payments, distribution of wealth management and other FinTech services
  - Cloud and other enterprise-facing services, such as smart retail solutions

Online Advertising
- Enterprise-driven
  - Social and other advertising inventories: Weixin, QQ, app store, browser, mobile advertising network, etc.
  - Media advertising inventories: news, video and music, etc.

VAS: International games (4)
- Consumer-driven
  - Mobile games
  - PC games
  - Console games

VAS: Domestic games (4)
- Consumer-driven
  - Digital content subscriptions
  - Membership privileges
  - Virtual item sales

VAS: Social Networks

549.6
2%

1. "Others" segment revenues is marked in grey. "Others" segment revenues for 2016-2017 include FinTech and Business Services, and the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities. "Others" segment revenues for 2018 – 2020 included the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.

2. Starting 1Q2019, we moved "FinTech and Business Services" revenues out of the "Others" segment to form a new segment, comparative figures in 2018 were restated accordingly.

3. Last twelve months ended Sep 30, 2021

4. Starting 3Q21, we disclose revenue from Domestic Games and International Games as new sub-segments under VAS, reflecting the increasing scale of our International Games business. For the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan.

151.9
18%
17%
47%
24%
11%

237.8
23%
19%
31%
24%
18%

312.7
23%
4%
23%

377.3
27%
7%
25%

482.1
27%
8%
23%

549.6
29%
17%
21%
Digital Content Services

- Leading digital content platforms offer high quality content in various forms, including literature, anime, video, games and others
- Expertise in curating popular IP and extending IP influence across various media forms and high-DAU properties
- Strategic partner of choice for major content producers and owners locally and globally

High Quality Content

- Long-form & Short-form Videos
- Comics / Anime
- Novels
- Games
- Music
- Sports
- eSports

Growing Fee-based VAS Subscriptions (in millions)

- Total video subscriptions: 129 million (1)
- Total music subscriptions: 71 million (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>3Q2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>110</td>
<td></td>
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<tr>
<td>2017</td>
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<tr>
<td>2018</td>
<td></td>
<td></td>
<td>160</td>
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<td>2019</td>
<td></td>
<td></td>
<td></td>
<td>180</td>
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<td></td>
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<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>219</td>
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<tr>
<td>3Q2021</td>
<td></td>
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<td></td>
<td>235</td>
</tr>
</tbody>
</table>

1. As of Sep 30, 2021
Games

Leading global platform for game development, publishing and operation

Sizable Developer

Owned Studios

- TiMi
- LightSpeed & Quantum
- Morefun
- Digital Extremes

Invested External Studios

- Epic Games
- Activision
- Rovio
- KRAFTON
- UBISOFT
- Shengqu Games

Partnership with External Studios

- Nintendo
- Nexon
- T2 Games
- EA

Deep Portfolio of Massively Popular Titles across Genres

- **Honour of Kings**
  - #1 China mobile game by DAU (1)

- **League of Legends**
  - #2 global PC game (2)

- **League of Legends: Wild Rift**
  - #2 China mobile games by DAU (3)

- **Brawl Stars**
  - Top 10 mobile games globally by DAU (3)

- **Peacekeeper Elite**
  - #3 China mobile game by grossing (1)

- **PUBG Mobile**
  - #1 international mobile game by MAU (4)

- **Call of Duty Mobile**
  - Highest DAU game launched in China in 2020 (5)

- **Valorant**
  - Most successful new PC game internationally launched in 2020 (5)

- **Clash of Clans**
  - Top 10 mobile games globally by DAU (3)

- **Alchemy Stars**
  - Tactical RPG

- **Light and Night**
  - Dating simulation

Expanding international presence

Investing in talents & leading studios

- Scaling up talents in owned studios
- Acquiring and nurturing specialist genre-leading studios

Global IP portfolio

- Internally - extending IPs to multiple genres, and creating new IPs
- Externally - partnering with IP owners to develop and operate popular games

Building operational capabilities

- Expanding local publishing teams
- Fostering player communities via eSports

1. QuestMobile, as of Oct 2021
2. Newzoo, global ranking by MAU as of Sep 2021.
Online Advertising

Large Share of Time Spent with Significant Headroom for Monetisation

36.2%

Time spent on apps in China is captured by apps of Tencent \(^{(1)}\)

11.0%

Market share of online ads revenue in China \(^{(2)}\)

Our Advertising Properties

Our Technology

Integrated Advertising Solutions

• Integrated digital marketing solutions provide access to full range of Tencent and third-party advertising inventories

Leading Advertising Technology

• Offers a range of digital tools including user insight, campaign management, and digital asset management
• Supported by Tencent's AI technology, anonymized data aggregation and data analytics
• Enables us to deliver higher CTR, sales conversion and hence higher ROI for advertisers

Strong advertising revenue growth (32% CAGR from 2016 to 2020) even during COVID-19 (20% growth rate from 2019 to 2020)

1. According to QuestMobile, in December 2020; including apps with MAU of no less than 10,000.
2. Market share calculated as Tencent Online Advertising revenue in 2020 divided by China online advertising market size in 2020 according to CNNIC adjusted by adding customer management revenue of Alibaba in 2020 as disclosed.
FinTech and Business Services

Payment Solutions

- Over 1 billion average daily commercial payment transactions since 4Q2019
- Take-rate collected from merchants for commercial transactions
- Social and other transactions including red packets, bill sharing and utility payment

Weixin Pay

Other FinTech Services

- Offers wealth management services including compliant and inclusive financial products from partners
- Offers insurance services
- Offers a channel for making small-sized, short maturity consumer loans to our users

LiCaiTong  
WeSure  
WeiLiDai

Receives distribution fees from WeBank with no credit risk or balance sheet exposure (1)

Cloud Services

Tencent Cloud  
WeCom  
Tencent Meeting/VooV Meeting

IaaS, PaaS, SaaS and technology solutions from enterprise customers
- Strong adoption in private cloud, security, AI and big data services
- IaaS: Star Lake server and T-block technology enhanced service performance
- PaaS: increasing adoption of real-time communication PaaS and TDSQL database
- SaaS: Tencent Meeting/VooV Meeting, WeCom, Tencent Docs for digitalisation

Other Business Services

- Customised smart industry solutions help partners move their businesses to digital, applied across verticals including retail, healthcare, transportation, education, finance, tourism, etc.

Smart Retail  
Smart Healthcare  
Smart Transportation  
Smart Education

1. WeBank is an affiliate of Tencent and is a licensed bank
1. Business Model

2. Financial Highlights
### Highly Profitable and Cash-Generative Business Model

#### Adjusted EBITDA (1) and Free Cash Flow (FCF) (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA</th>
<th>Free Cash Flow (FCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>66.9 RMB</td>
<td>55.0 RMB</td>
</tr>
<tr>
<td>2017</td>
<td>95.9 RMB</td>
<td>93.4 RMB</td>
</tr>
<tr>
<td>2018</td>
<td>118.3 RMB</td>
<td>87.8 RMB</td>
</tr>
<tr>
<td>2019</td>
<td>147.4 RMB</td>
<td>120.3 RMB</td>
</tr>
<tr>
<td>2020</td>
<td>183.3 RMB</td>
<td>153.2 RMB</td>
</tr>
<tr>
<td>LTM Sep 2021</td>
<td>199.1 RMB</td>
<td>136.8 RMB</td>
</tr>
</tbody>
</table>

#### Key Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA CAGR (5)</td>
<td>29%</td>
</tr>
<tr>
<td>Adj. EBITDA Margin (6)</td>
<td>38%</td>
</tr>
<tr>
<td>FCF Growth (7)</td>
<td>39%</td>
</tr>
<tr>
<td>FCF Conversion (8)</td>
<td>67%</td>
</tr>
</tbody>
</table>

1. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses.
2. Free cash flow calculated as net cash flow generated from operating activities minus payments for capital expenditures. In 2019, interest paid was re-classified from operating to financing cash flows, comparative figures from 2018 were re-stated accordingly.
3. Starting from 2020, free cash flow was adjusted by subtracting payments for media contents and lease liabilities, in addition to subtracting payments for capital expenditure from operating cash flow. RMB120.3 billion in 2019, RMB153.2 billion in 2020 and RMB136.8 billion in LTM 2021 are the free cash flow numbers before the adjustments.
4. Last twelve months as of September 30, 2021
5. 2016–2020 CAGR
6. 2020 Adjusted EBITDA as % of Revenues
7. FCF Growth in 2020 from 2019
8. FCF Conversion = FCF / Adjusted EBITDA; In 2020
1. In 2019, interest paid was re-classified from operating to financing cash flows, comparative figures from 2018 were re-stated accordingly.

2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents). Dividends paid include dividends paid to both the Company’s shareholders and non-controlling interests.

3. Last twelve months as of Sep 30, 2021
## Solid Balance Sheet Position

### Net Cash / (Debt) Position

(RMB in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total cash (1)</th>
<th>Net cash/ (debt)</th>
<th>Total debt (2)</th>
<th>3Q2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>127.6</td>
<td>18.1</td>
<td>(109.5)</td>
<td>26.1</td>
</tr>
<tr>
<td>2017</td>
<td>148.2</td>
<td>16.3</td>
<td>(131.9)</td>
<td>(315.6)</td>
</tr>
<tr>
<td>2018</td>
<td>167.1</td>
<td>(12.2)</td>
<td>(179.3)</td>
<td>(248.4)</td>
</tr>
<tr>
<td>2019</td>
<td>205.3</td>
<td>(15.5)</td>
<td>(220.8)</td>
<td></td>
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<tr>
<td>2020</td>
<td>259.5</td>
<td>11.1</td>
<td>(289.5)</td>
<td></td>
</tr>
<tr>
<td>3Q2021</td>
<td>289.5</td>
<td>(26.1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fair Value of Shareholdings in Listed Investee Companies (3)

(RMB in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>3Q2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD185 billion (4)</td>
<td>1,204.9</td>
<td>1,227.6</td>
<td>1,202.6</td>
<td>1,202.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. Based on cash and cash equivalents, and term deposits and others
2. Total debt consists of borrowings and notes payable
3. Publicly listed companies only (excluding subsidiaries)
4. 2020 and 3Q21 figures quoted in US dollars are based on the exchange rate of US$1 to RMB6.5249, and US$1 to RMB6.4854, respectively
Prudent Capital Management and Robust Credit Metrics

**Total debt / Adjusted EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>1.6x</td>
<td>1.4x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>1.4x</td>
<td>1.6x</td>
</tr>
</tbody>
</table>

**Total debt / (Adjusted EBITDA – CAPEX paid)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>1.9x</td>
<td>1.6x</td>
<td>1.9x</td>
<td>1.9x</td>
<td>1.7x</td>
<td>1.9x</td>
</tr>
</tbody>
</table>

**Adjusted EBITDA / Interest expense**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>30.9x</td>
<td>31.3x</td>
<td>24.1x</td>
<td>19.2x</td>
<td>24.6x</td>
<td>26.6x</td>
</tr>
</tbody>
</table>

**Total debt / Total capitalisation**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>LTM Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>37.0%</td>
<td>32.3%</td>
<td>33.5%</td>
<td>31.1%</td>
<td>24.2%</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

---

1. Total debt consists of borrowings and notes payable; Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents)
3. Last twelve months as of Sep 30, 2021
4. Total capitalisation consists of total debt plus total equity (book value)