



sea

connecting the dots



Fourth Quarter & Full Year 2017 Results

February 27, 2018 (U.S. Eastern Time)

February 28, 2018 (Singapore / Hong Kong Time)



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This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the U.S. (“GAAP”), including “adjusted revenue”, “total adjusted revenue”, “adjusted net loss”, “adjusted EBITDA and “total adjusted EBITDA” The reconciliation of those measures to the most comparable GAAP measures is contained within this presentation. The non-GAAP measures have limitations as an analytical tool and you should not consider them in isolation or as a substitute for an analysis of the Company’s results under GAAP.

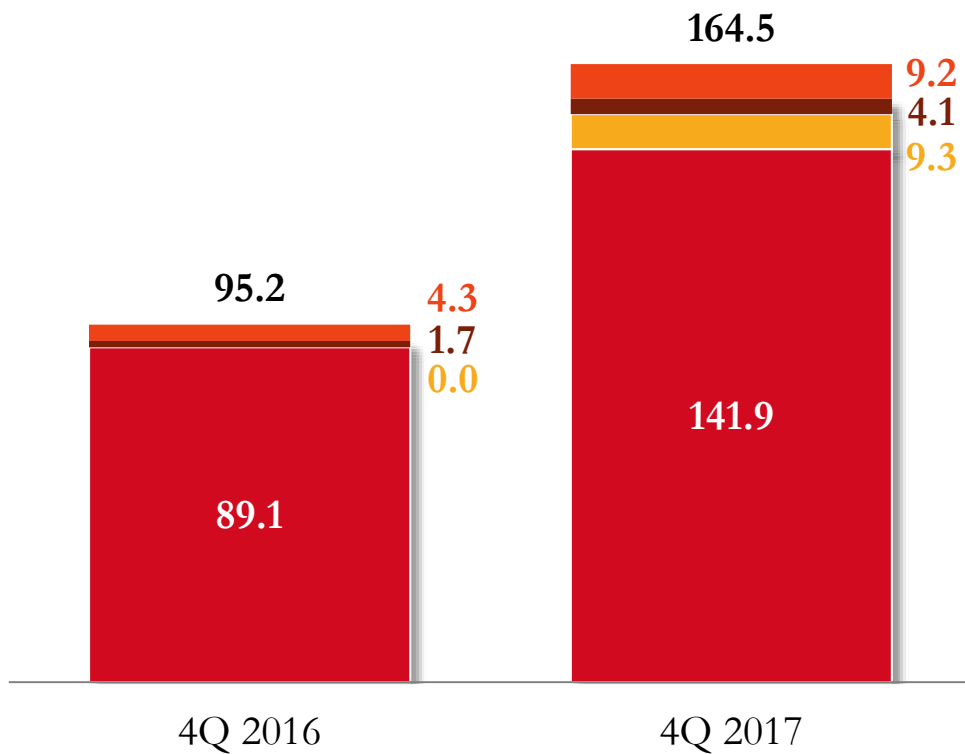
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Expanding Leadership on Organic Growth

73% YoY Growth in Total Adjusted Revenue¹

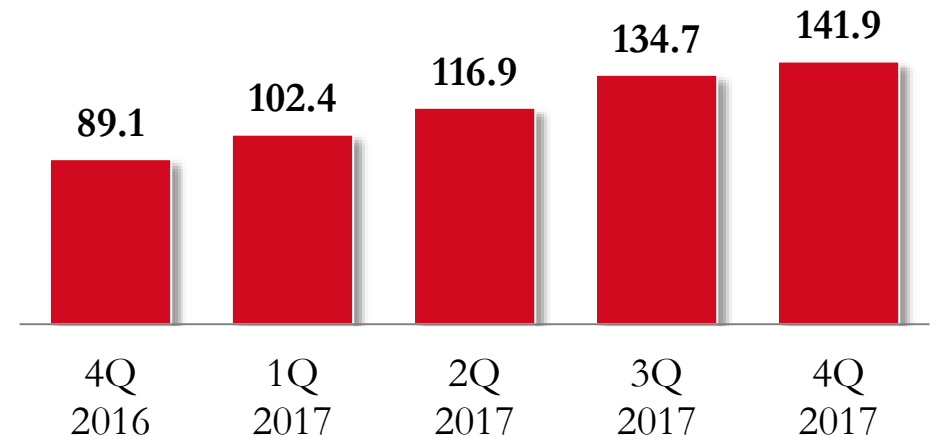
US\$ Millions

■ DE Adjusted Revenue ■ EC Adjusted Revenue
■ DFS Revenue ■ Other Services Revenue



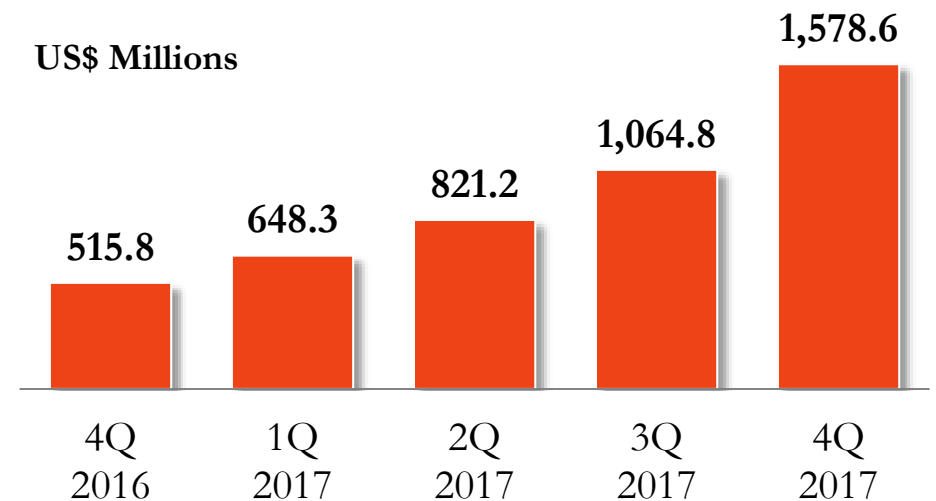
59% YoY Growth in DE Adjusted Revenue²

US\$ Millions



206% YoY Growth in E-Commerce GMV

US\$ Millions



Note: Financial figures are unaudited

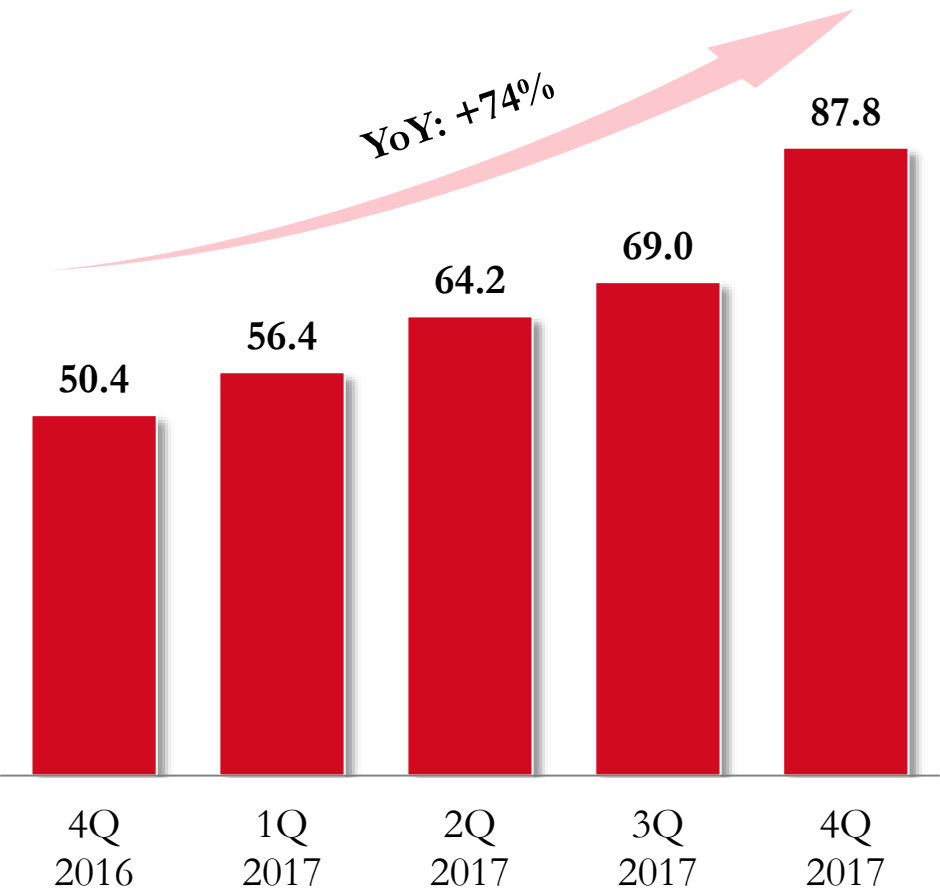
1. Sum of digital entertainment (“DE”) adjusted revenue, e-commerce (“EC”) adjusted revenue, digital financial services (“DFS”) revenue, and other services revenue. For details on reconciliation, please refer to slide 7.
2. Digital entertainment revenue plus change in digital entertainment deferred revenue

Digital Entertainment: Strong Growth + Launch of Self-Developed Game (Free Fire)



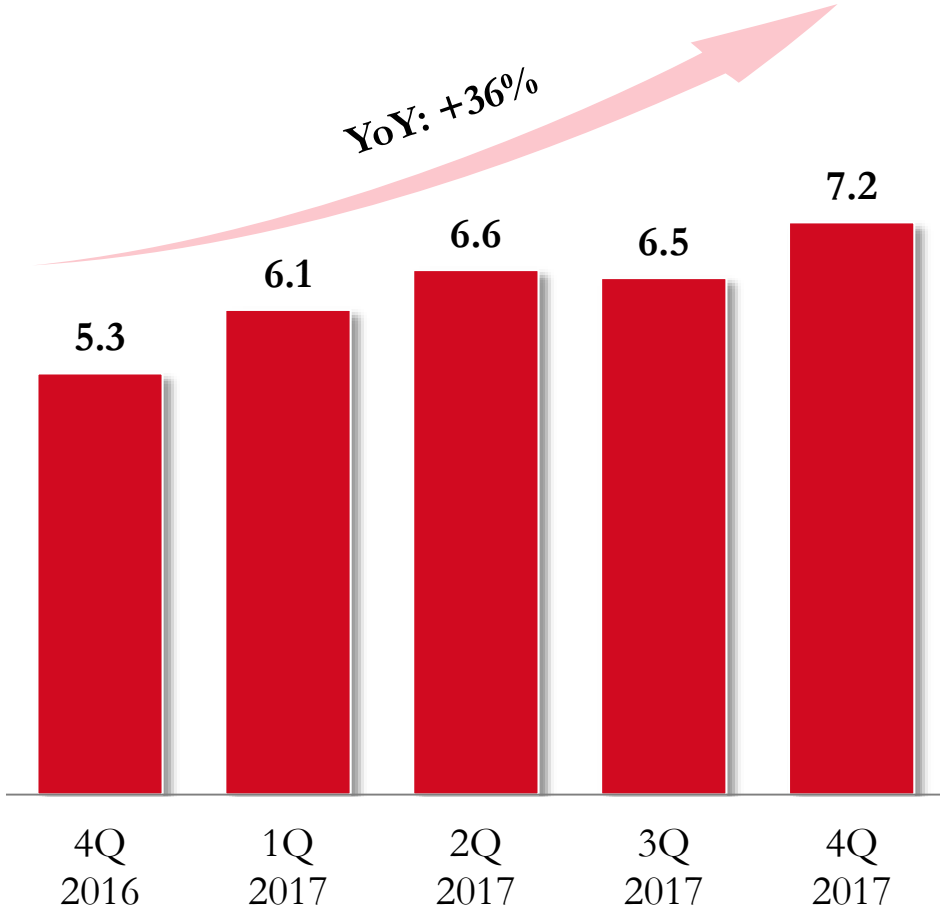
Garena Quarterly Active Users

Millions



Garena Quarterly Paying Users

Millions

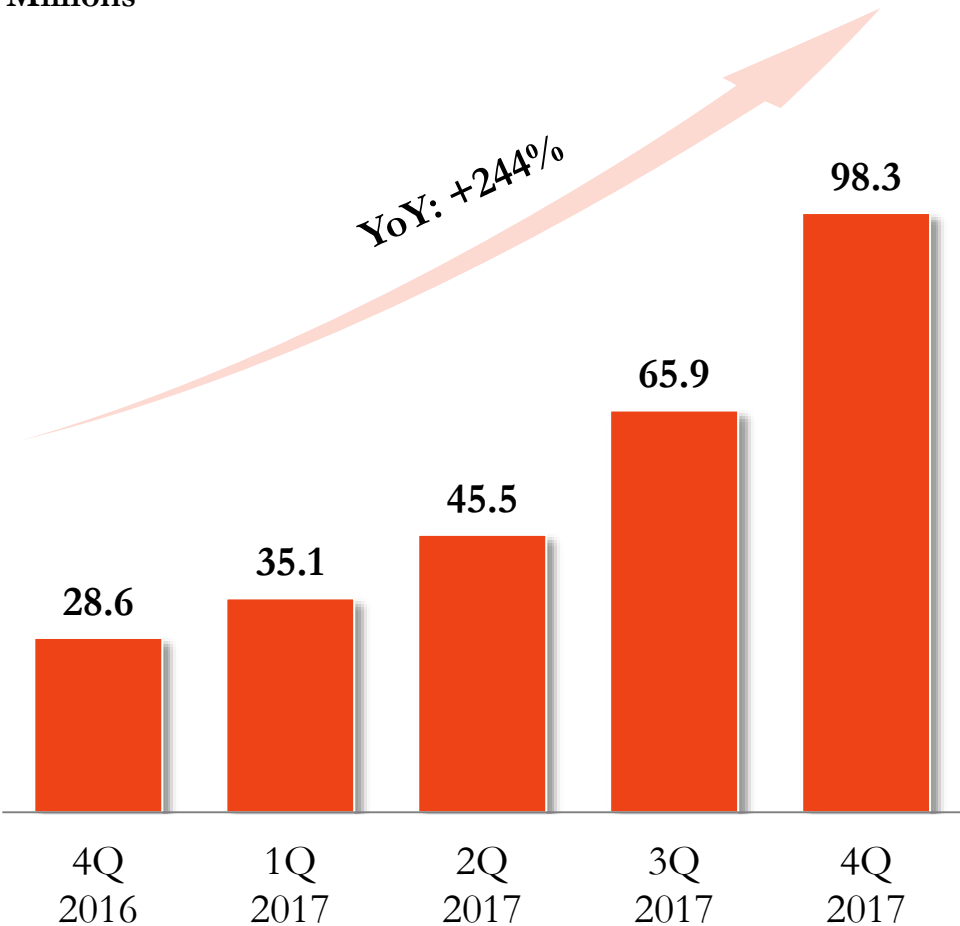


E-Commerce: Robust Growth Across All Markets

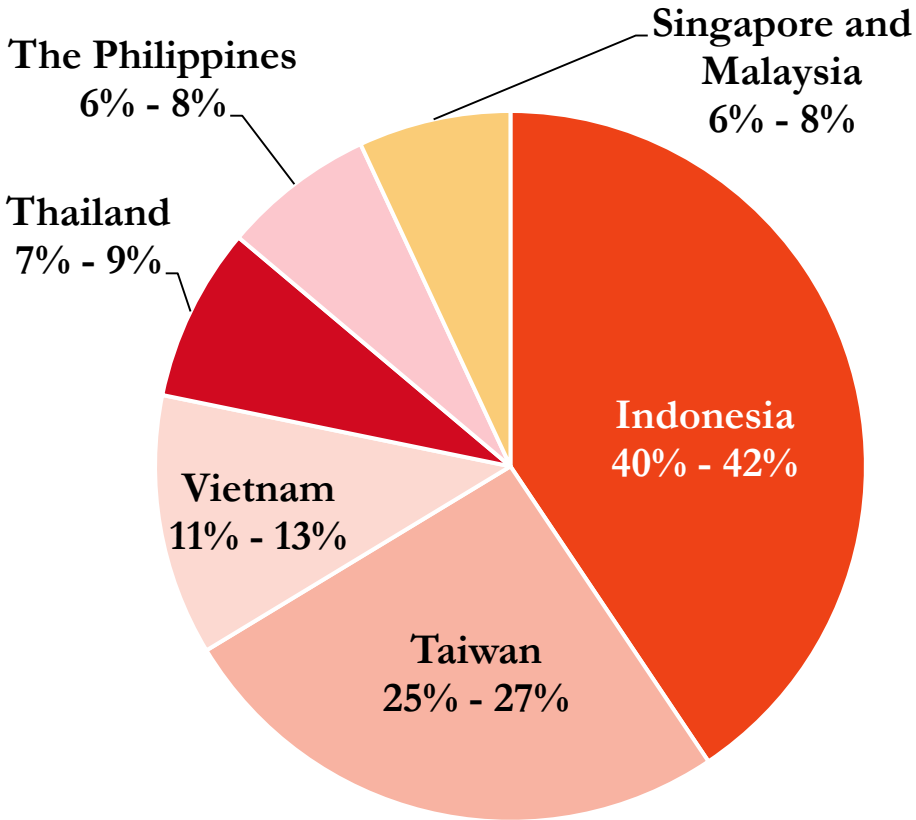


Shopee Gross Orders

Millions



4Q 2017 Orders by Market (%)

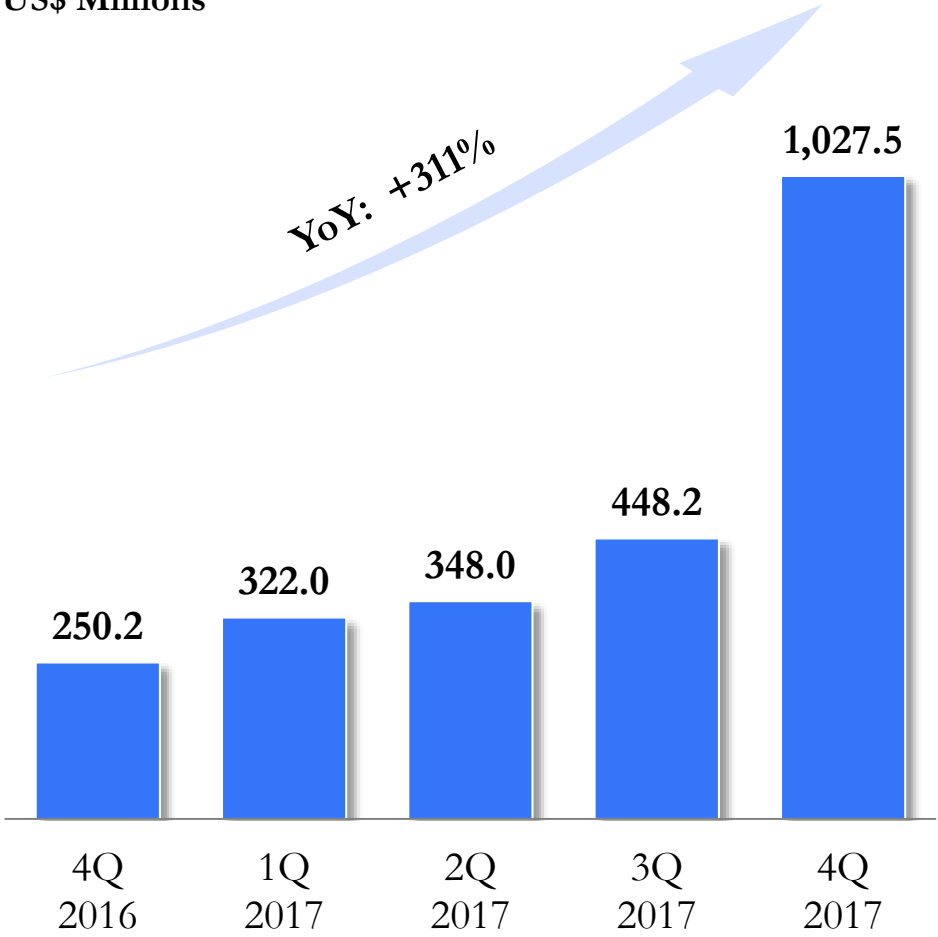


Digital Financial Services: Further Strengthening of Payment Infrastructure

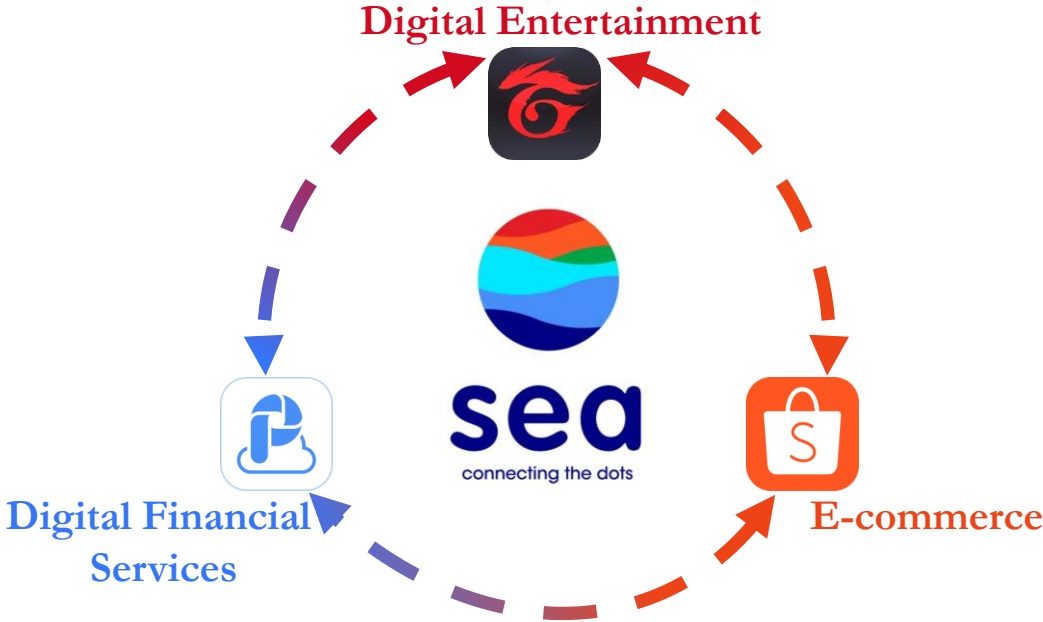


AirPay Total Gross Transaction Value

US\$ Millions



Growing Synergies Across Businesses

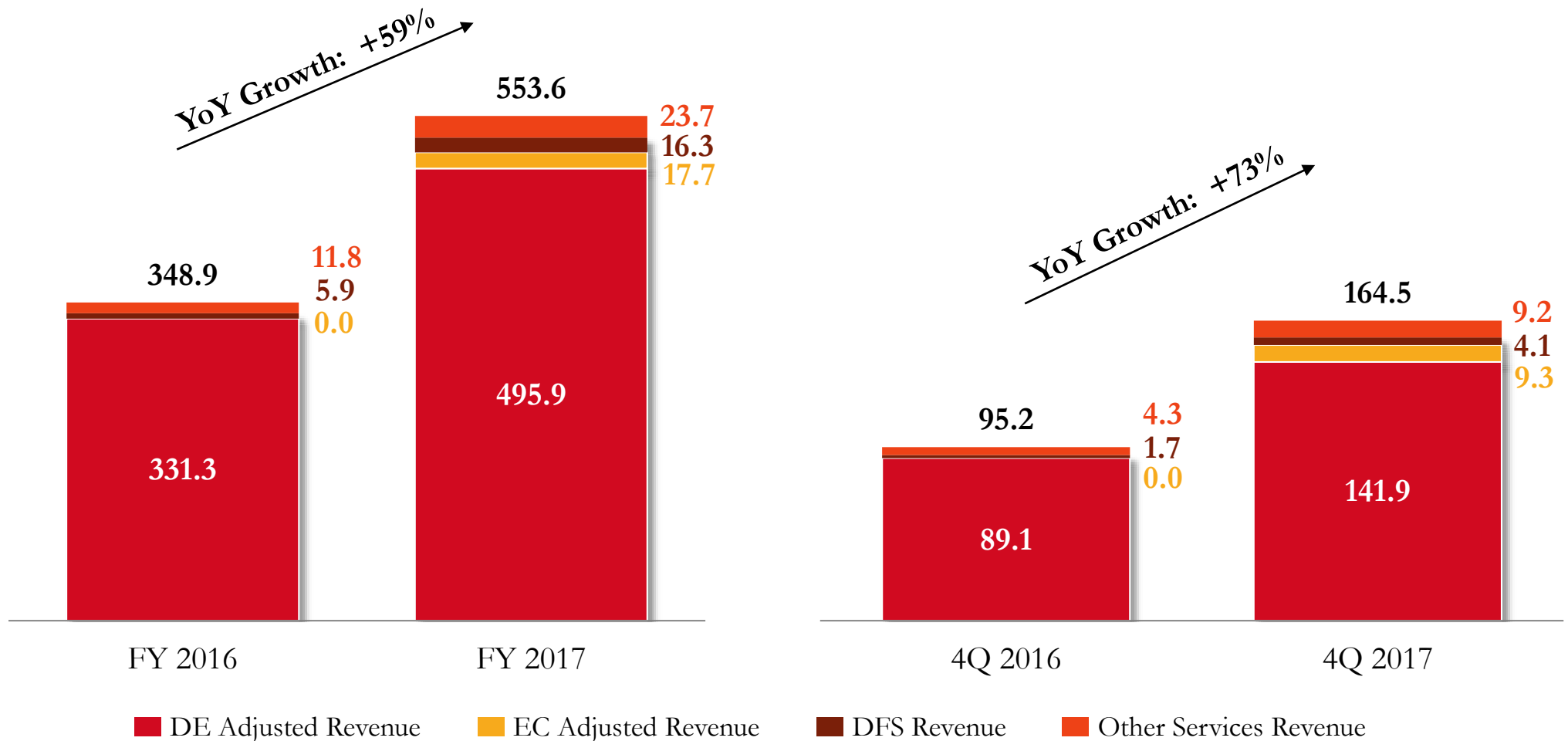


Non-GAAP Revenue

Total Adjusted Revenue

US\$ Millions

US\$ Millions



Note: Financial figures are unaudited

Reconciliation between GAAP and non-GAAP Revenue

US\$ thousands	4Q 2016	4Q 2017	FY 2016	FY 2017
Digital Entertainment				
<i>Revenue</i>	82,407	106,323	327,985	365,167
<i>Change in deferred revenue</i>	6,725	35,560	3,267	130,711
Digital Entertainment Adjusted Revenue	89,132	141,883	331,252	495,878
E-Commerce				
<i>Revenue</i>	-	4,966	-	9,034
<i>Commission income</i>	-	4,353	-	8,683
E-commerce Adjusted Revenue	-	9,319	-	17,717
Group				
<i>Revenue</i>	88,461	124,604	345,670	414,190
<i>Change in deferred revenue</i>	6,725	35,560	3,267	130,711
<i>Commission income</i>	-	4,353	-	8,683
Total Adjusted Revenue	95,186	164,517	348,937	553,584

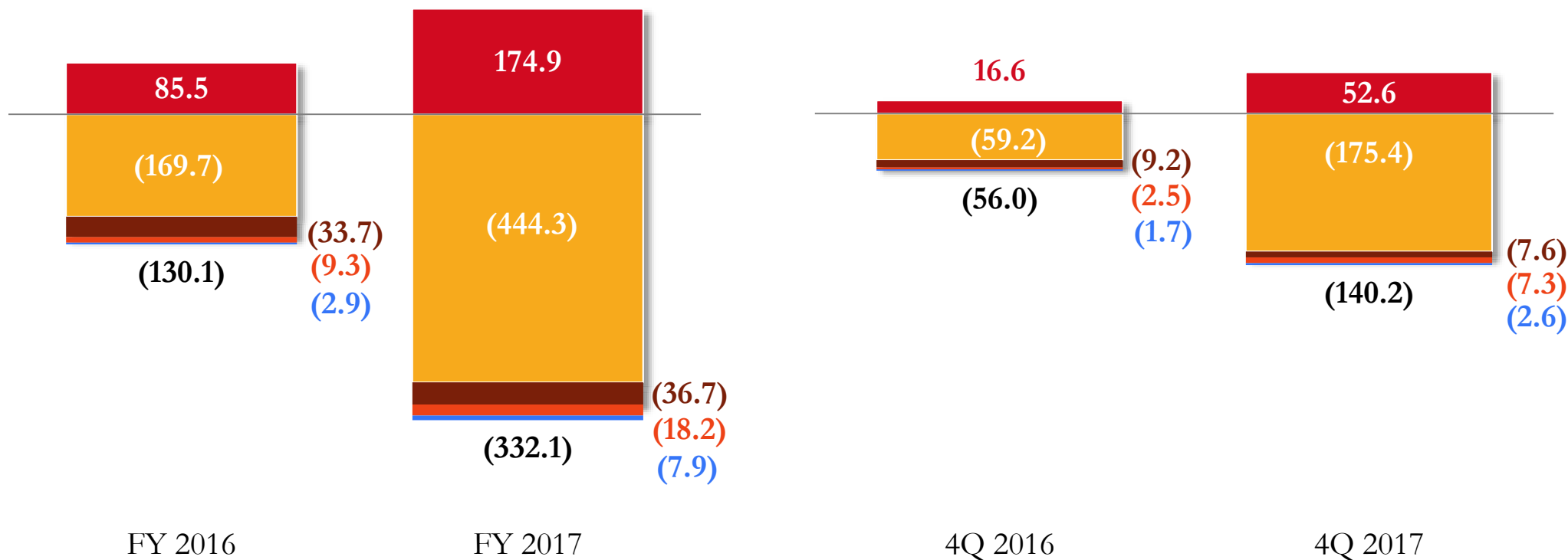
Note: Financial figures are unaudited

Non-GAAP EBITDA

Total Adjusted EBITDA

US\$ Millions

US\$ Millions



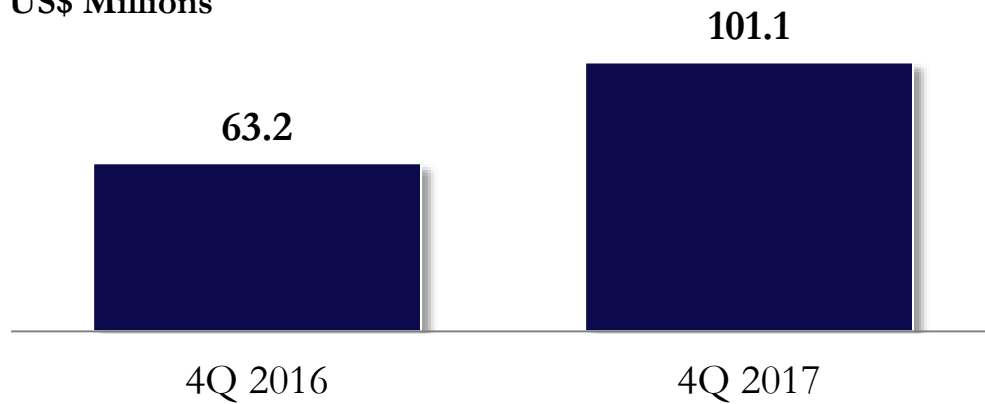
■ DE Adjusted EBITDA
 ■ EC Adjusted EBITDA
 ■ DFS EBITDA
 ■ Other Services EBITDA
 ■ Unallocated Expenses

Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.

Cost and Expense Trends

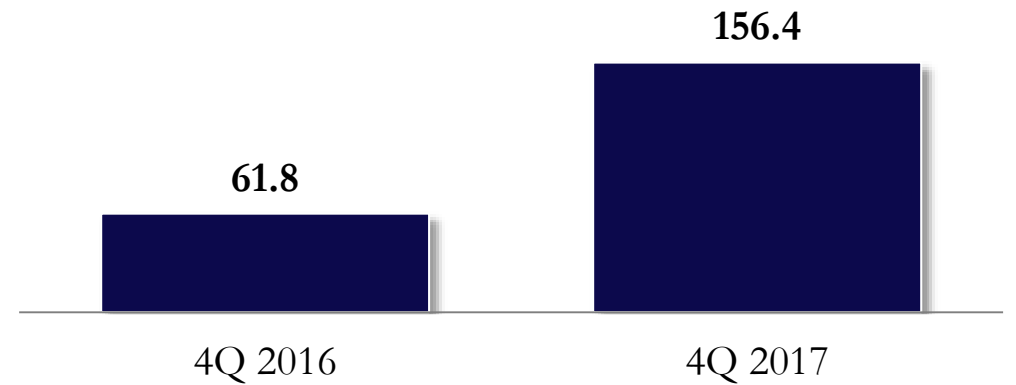
Cost of Revenue

US\$ Millions



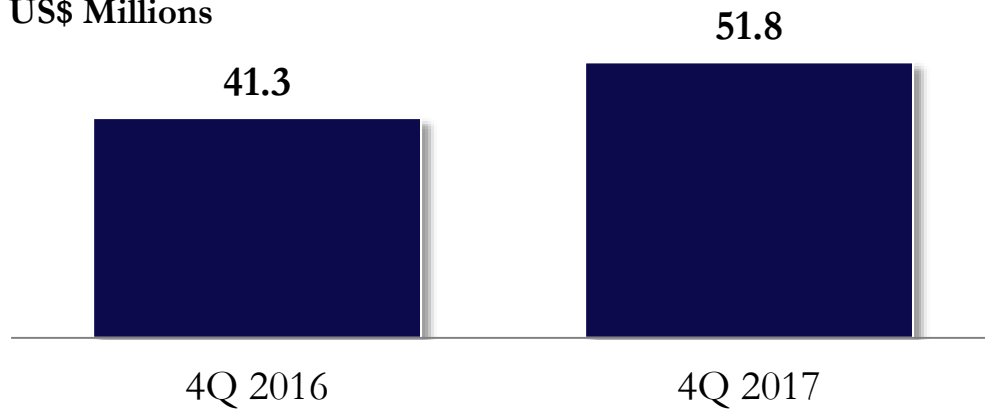
Sales & Marketing

US\$ Millions



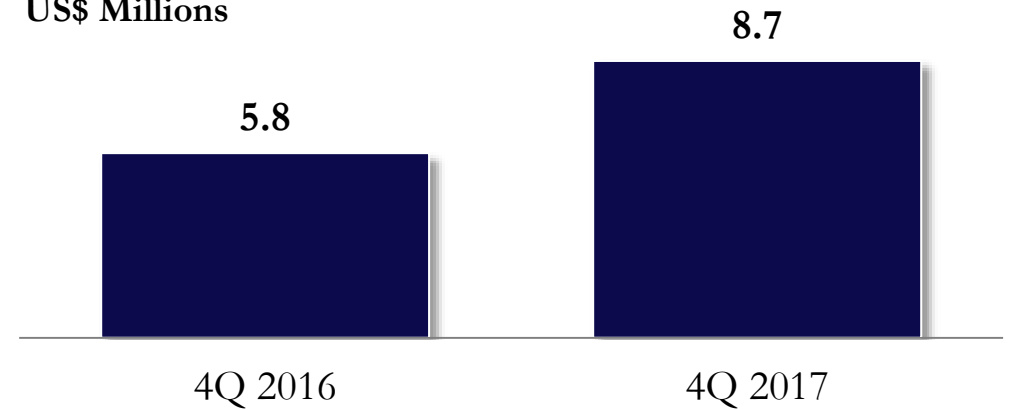
General & Administrative Expenses

US\$ Millions



R&D Expenses

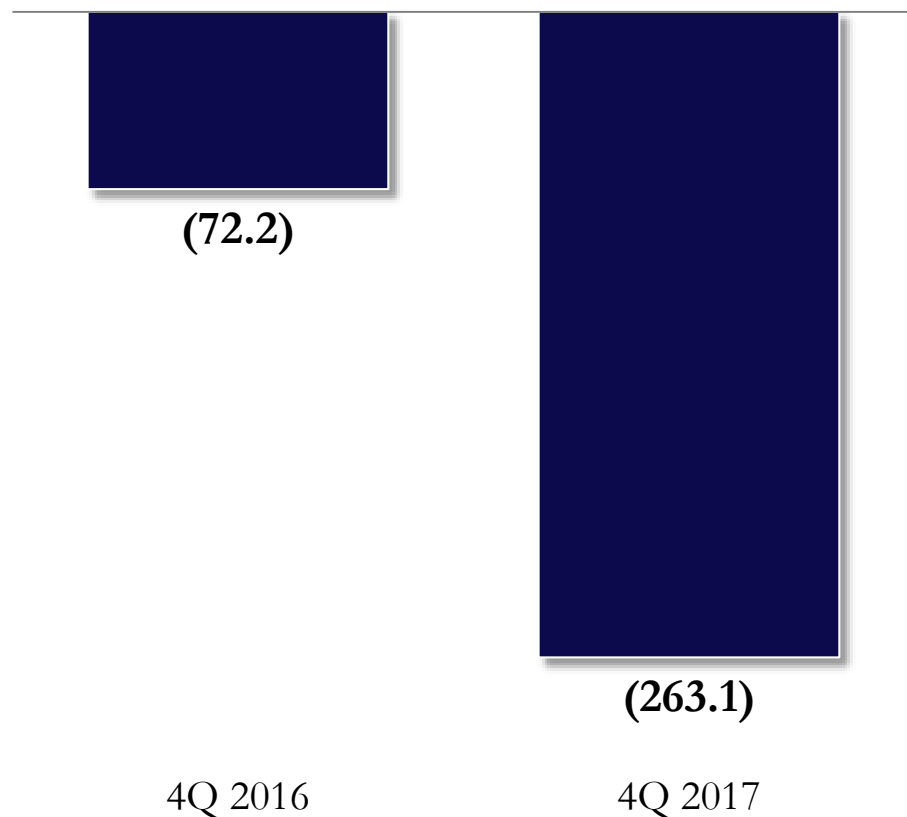
US\$ Millions



Net Loss and Adjusted Net Loss

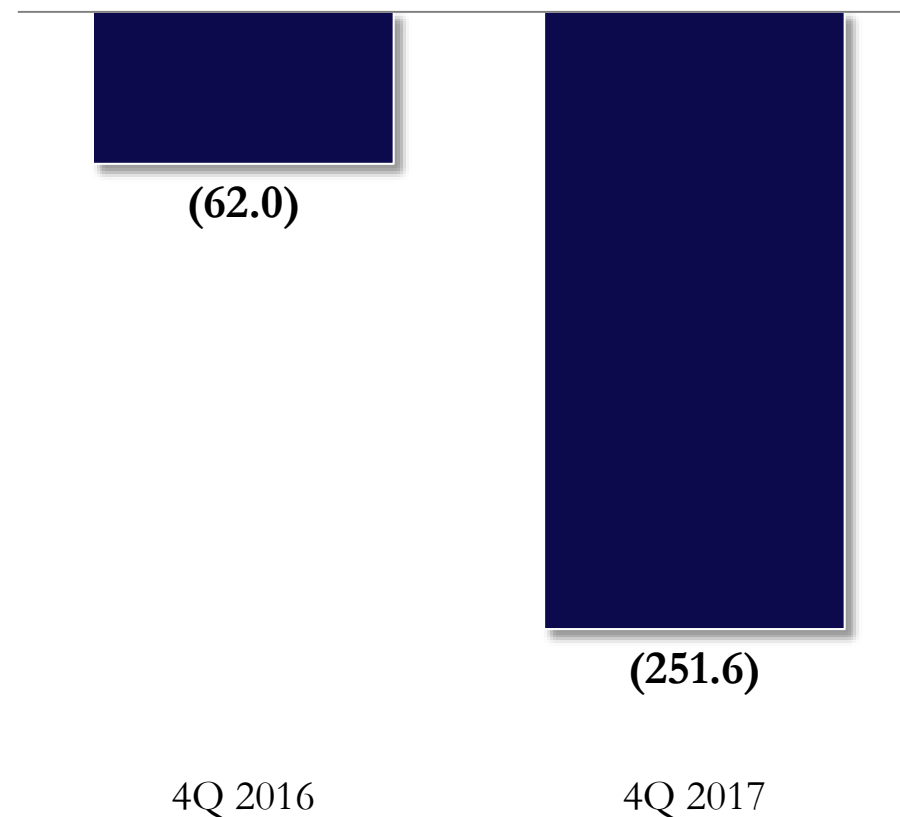
Net Loss

US\$ Millions



Adjusted Net Loss¹

US\$ Millions



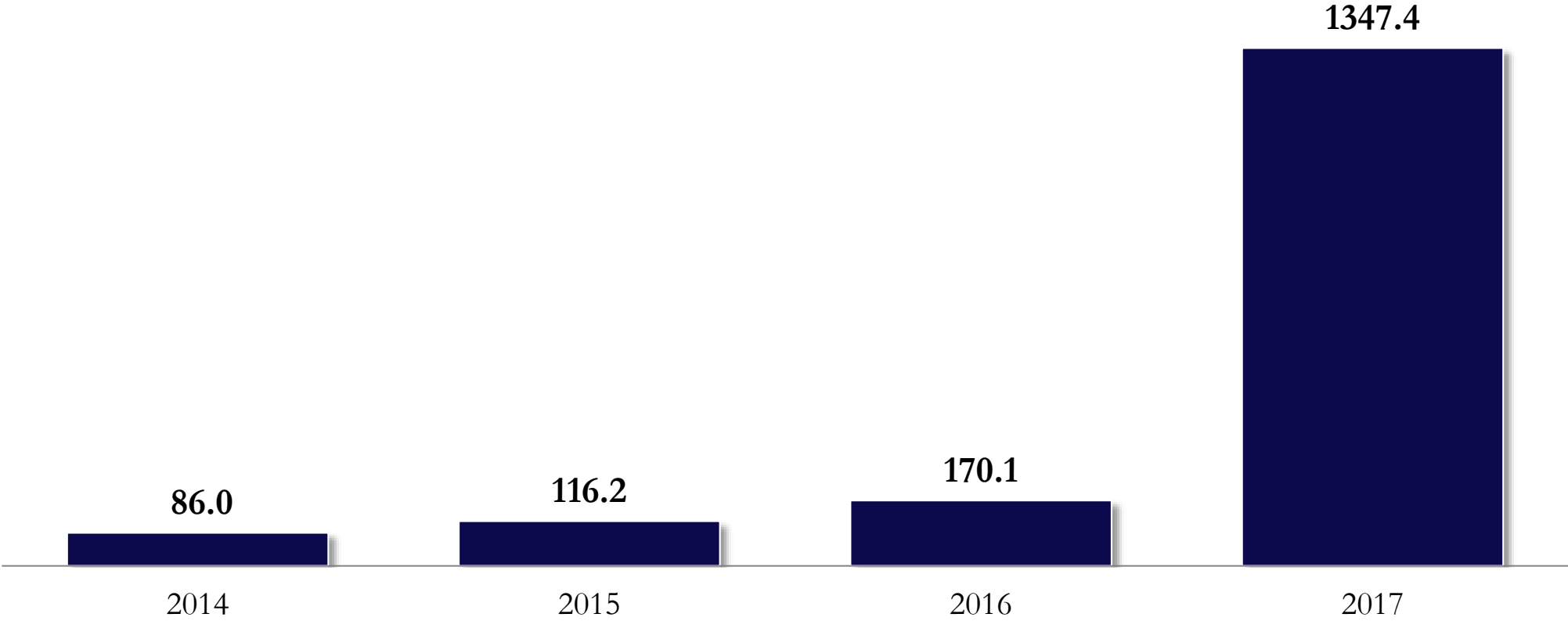
Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.

1. Excludes share-based compensation

Cash and Cash Equivalents

Cash and Cash Equivalents

US\$ Millions



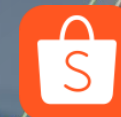
Note: Financial figure for the full year of 2017 is unaudited

Full Year 2018 Guidance

Guidance	
Total Adjusted Revenue	US\$730 million to US\$770 million
E-Commerce GMV	US\$7.5 billion to US\$8.0 billion



Garena



Shopee



AirPay

APPENDIX

Reconciliation between GAAP and non-GAAP EBITDA

US\$ thousands	4Q 2016	4Q 2017	FY 2016	FY 2017
Digital Entertainment				
<i>Operating income / (loss)</i>	1,780	18,102	45,525	45,637
<i>Net effect of change in deferred revenue & related cost</i>	6,724	26,724	6,875	100,678
<i>Depreciation and amortization</i>	8,122	7,781	33,092	28,624
Digital Entertainment Adjusted EBITDA	16,626	52,607	85,492	174,939
E-Commerce				
<i>Operating income / (loss)</i>	(60,117)	(178,780)	(172,409)	(452,233)
<i>Net effect of change in deferred revenue & related cost</i>	-	-	-	-
<i>Depreciation and amortization</i>	929	3,366	2,693	7,953
E-commerce Adjusted EBITDA	(59,188)	(175,414)	(169,716)	(444,280)
Group				
<i>Operating income / (loss)</i>	(83,154)	(191,141)	(205,389)	(502,356)
<i>Net effect of change in deferred revenue & related cost</i>	6,724	26,724	6,875	100,678
<i>Depreciation and amortization</i>	10,170	12,627	39,554	40,927
<i>Share-based compensation</i>	10,255	11,577	28,841	28,636
Total Adjusted EBITDA	(56,005)	(140,213)	(130,119)	(332,115)

Note: Financial figures are unaudited

Reconciliation between GAAP and non-GAAP Net Loss

US\$ thousands	4Q 2016	4Q 2017	FY 2016	FY 2017
Group				
<i>Net loss</i>	(72,236)	(263,140)	(224,955)	(561,166)
<i>Share-based compensation</i>	10,255	11,577	28,841	28,636
Adjusted Net Loss	(61,981)	(251,563)	(196,114)	(532,530)