



# Fourth Quarter and Full Year 2019 Results

March 2020

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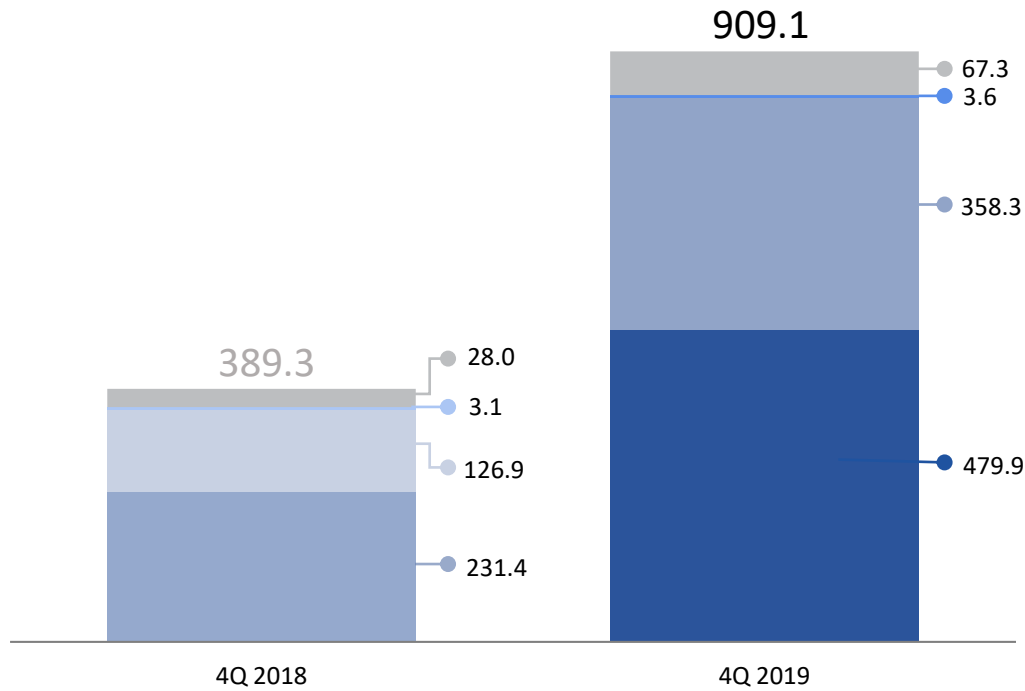


# Robust Revenue Growth

134% YoY Growth in Total Adjusted Revenue<sup>1</sup>

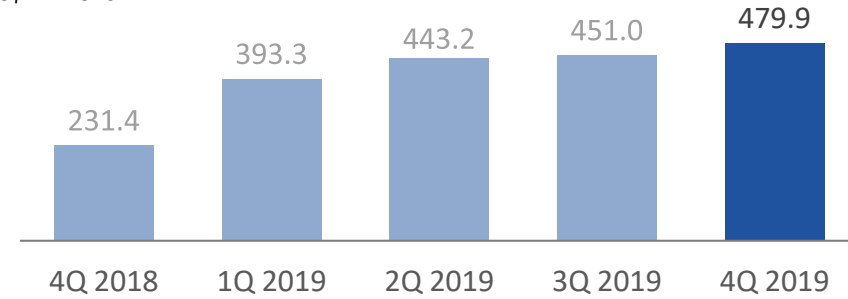
US\$ Millions

- DE Adjusted Revenue
- EC Adjusted Revenue
- DFS Adjusted Revenue
- Other Services Revenue<sup>4</sup>



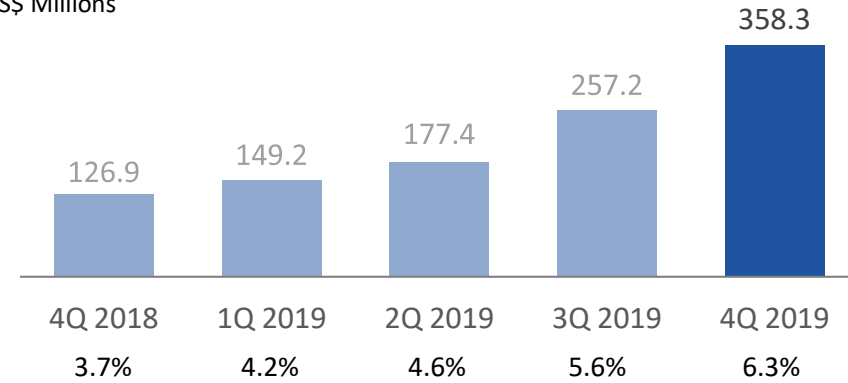
107% YoY Growth in DE Adjusted Revenue<sup>2</sup>

US\$ Millions



182% YoY Growth in EC Adjusted Revenue<sup>3</sup>

US\$ Millions



EC Adjusted Revenue as a % of GMV

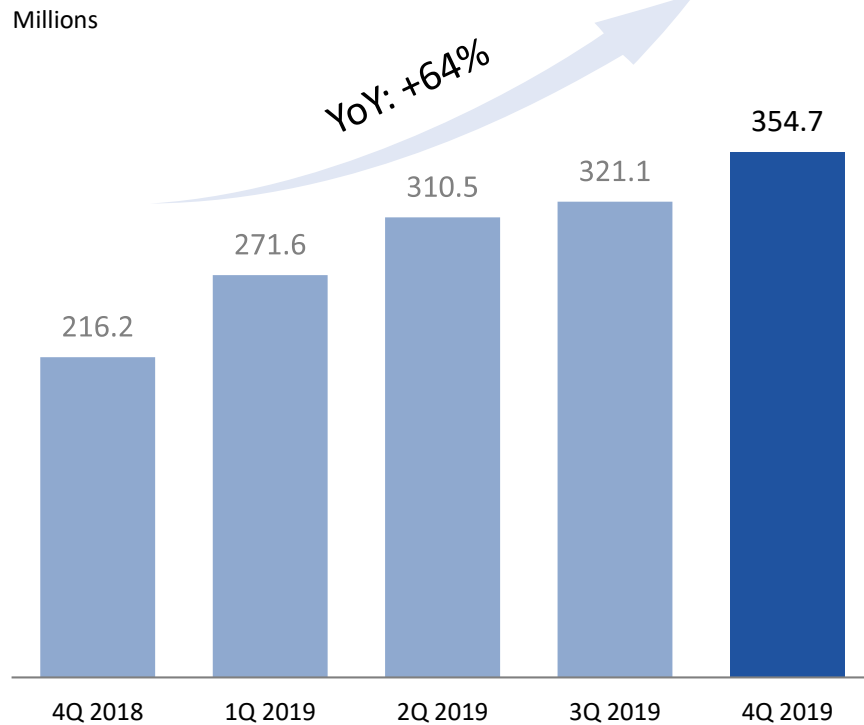
Note: Financial figures are unaudited.

1. Sum of digital entertainment ("DE") adjusted revenue, e-commerce ("EC") adjusted revenue, digital financial services ("DFS") adjusted revenue, and other services revenue. For details on reconciliation, please refer to slide 6.
2. Digital entertainment revenue plus change in digital entertainment deferred revenue.
3. Revenue of the e-commerce segment (currently consisting of marketplace revenue and product revenue) plus certain revenues that were net-off against their corresponding sales incentives.
4. A combination of multiple business activities that does not meet the quantitative thresholds to qualify as reportable segments are grouped together as "Other Services."

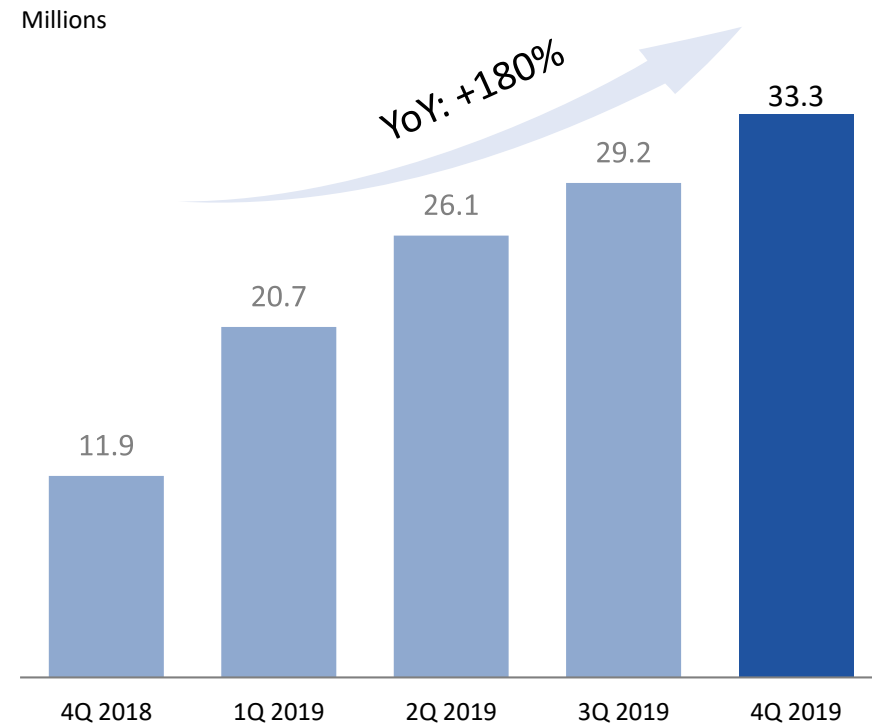


# Digital Entertainment: Continued Growth of User Base

### Quarterly Active Users



### Quarterly Paying Users

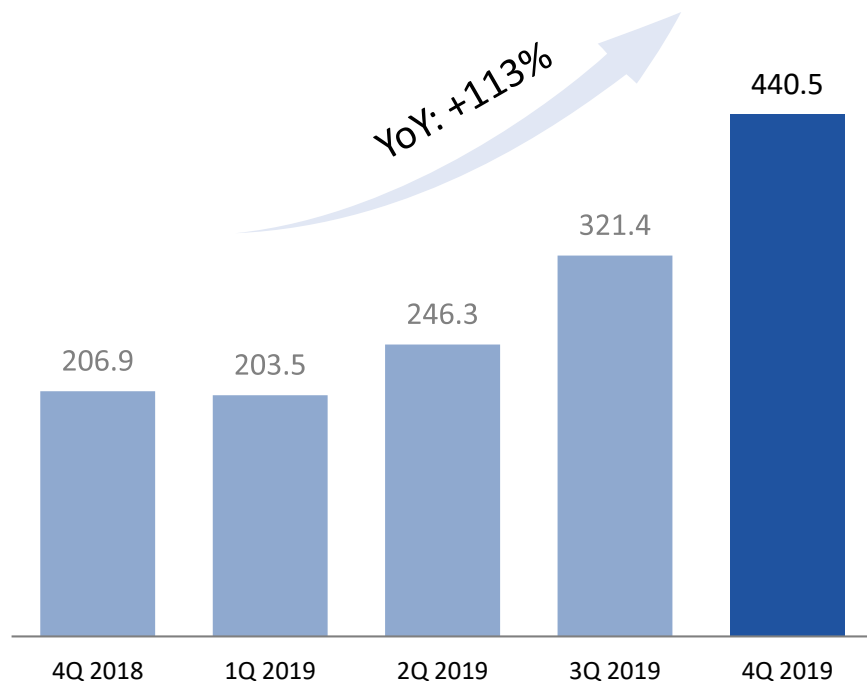




# E-commerce: Extending Our Leading Position Across the Region

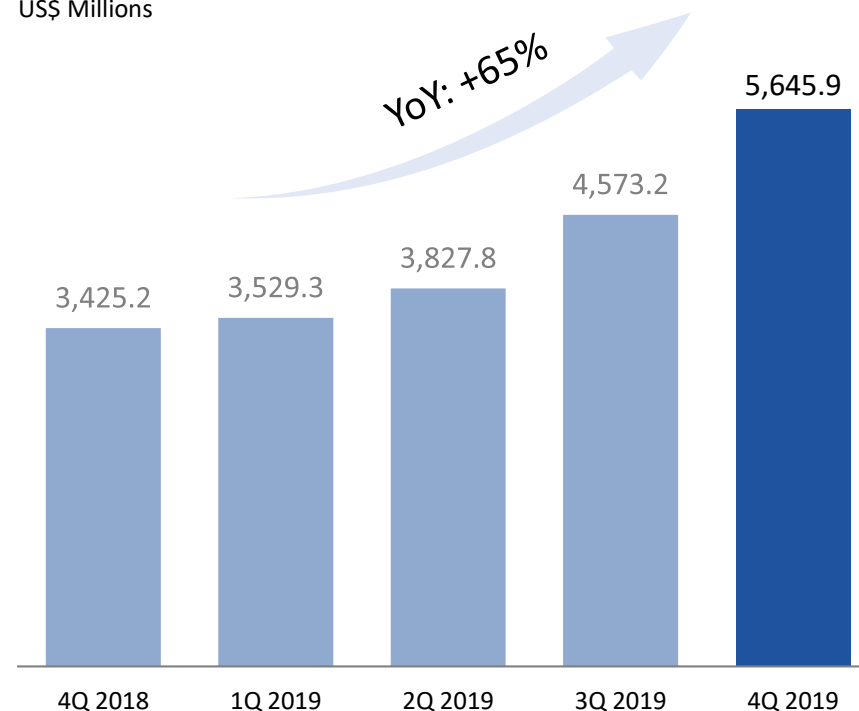
### Gross Orders

Millions



### GMV

US\$ Millions

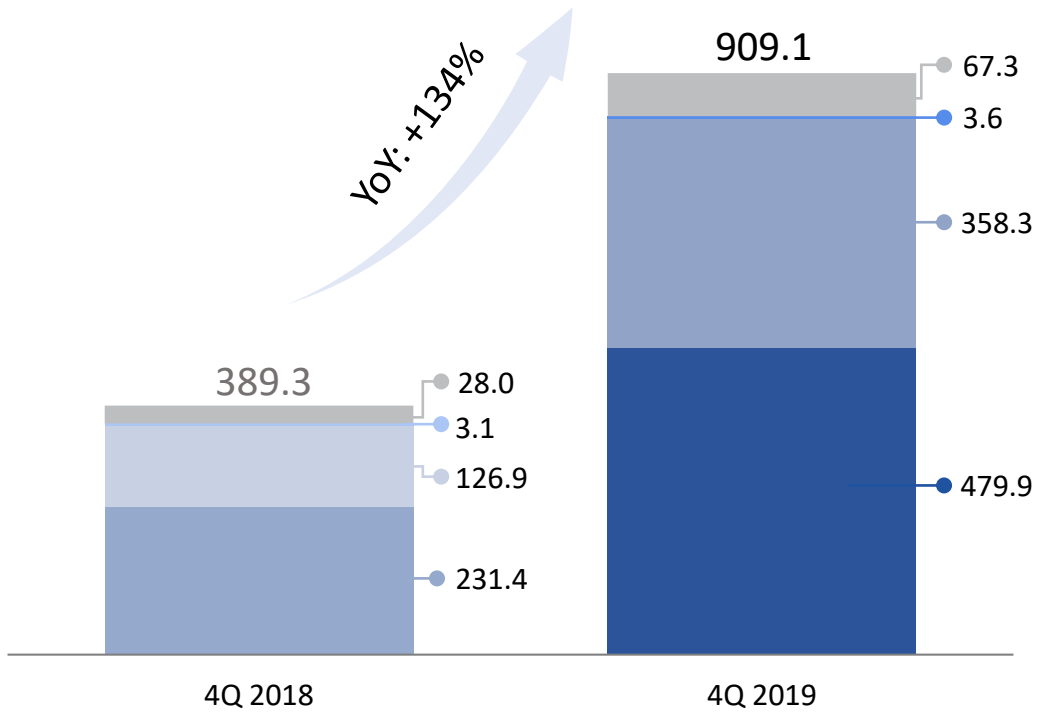




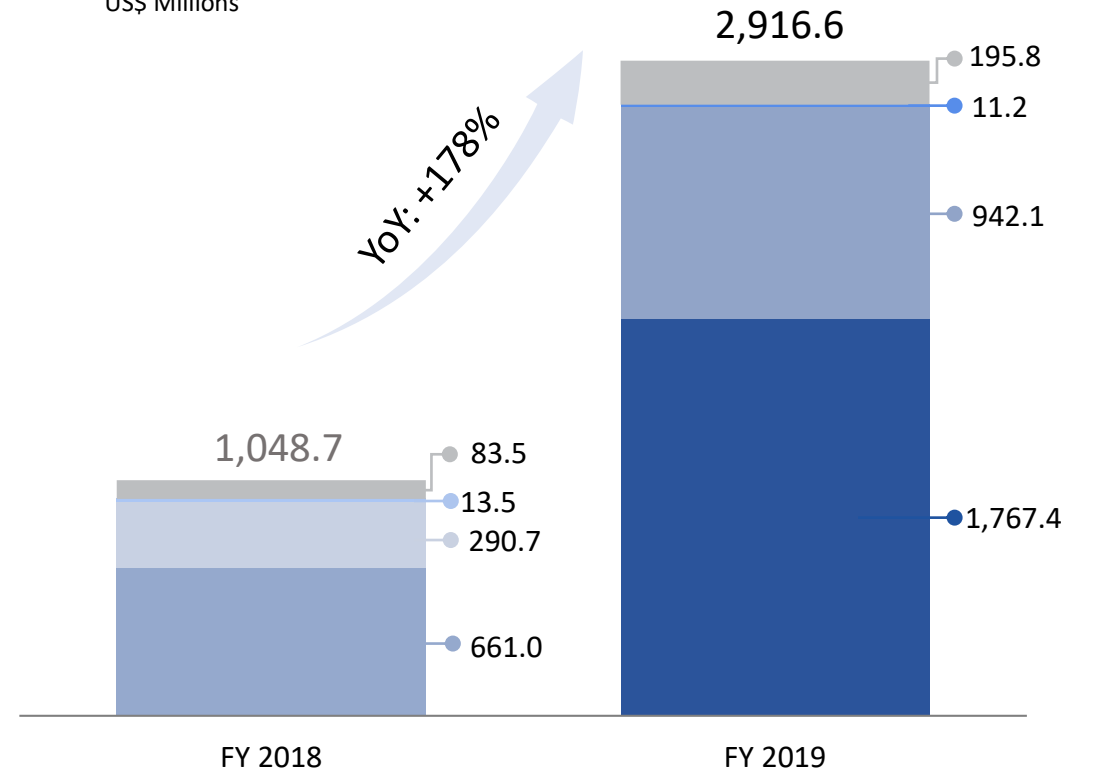
# Non-GAAP Revenue

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

US\$ Millions



US\$ Millions



Note: Financial figures are unaudited.

# Reconciliation Between GAAP and Non-GAAP Revenue

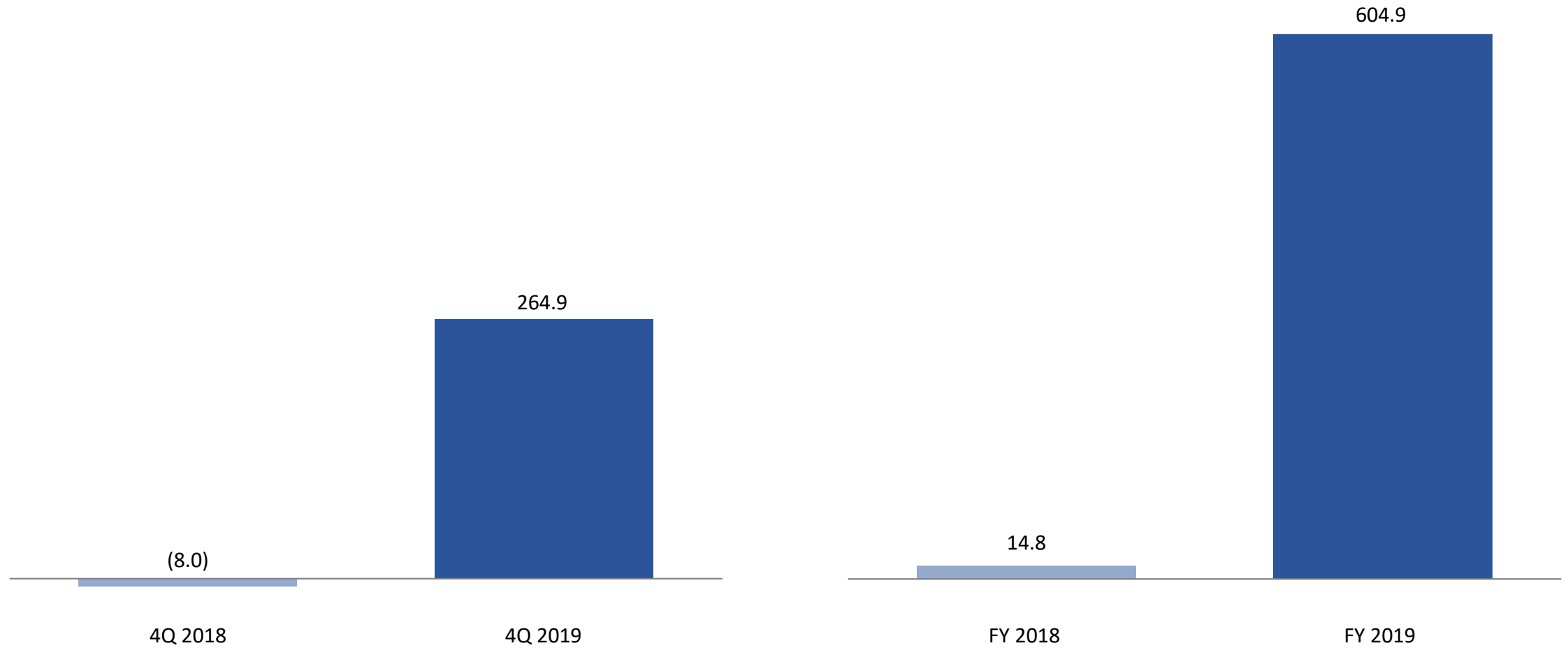
US\$ Thousands	4Q 2018	4Q 2019	FY 2018	FY 2019
<b>Digital Entertainment</b>				
<i>Revenue</i>	131,257	404,082	462,464	1,136,017
<i>Changes in Deferred Revenue</i>	100,095	75,794	198,578	631,354
<b>Digital Entertainment Adjusted Revenue</b>	<b>231,352</b>	<b>479,876</b>	<b>661,042</b>	<b>1,767,371</b>
<b>E-commerce</b>				
<i>Revenue</i>	121,660 <sup>1</sup>	302,590 <sup>1</sup>	269,578 <sup>3</sup>	834,295 <sup>3</sup>
<i>Sales Incentives Net-Off</i>	5,254	55,679	21,128	107,827
<b>E-commerce Adjusted Revenue</b>	<b>126,914<sup>2</sup></b>	<b>358,269<sup>2</sup></b>	<b>290,706<sup>4</sup></b>	<b>942,122<sup>4</sup></b>
<b>Group</b>				
<i>Revenue</i>	283,224	777,224	826,968	2,175,378
<i>Changes in Deferred Revenue</i>	100,095	75,794	198,578	631,354
<i>Sales Incentives Net-Off</i>	5,973	56,076	23,182	109,853
<b>Total Adjusted Revenue</b>	<b>389,292</b>	<b>909,094</b>	<b>1,048,728</b>	<b>2,916,585</b>

Note: Financial figures are unaudited.

1. For 4Q 2019, revenue of \$302,590 included marketplace revenue of \$227,856 and product revenue of \$74,734 net of sales incentives. For 4Q 2018, revenue of \$121,660 included marketplace revenue of \$82,483 and product revenue of \$39,177 net of sales incentives.
2. For 4Q 2019, adjusted revenue of \$358,269 included marketplace revenue of \$283,535 and product revenue of \$74,734. For 4Q 2018, adjusted revenue of \$126,914 included marketplace revenue of \$87,618 and product revenue of \$39,296.
3. For FY 2019, revenue of \$834,295 included marketplace revenue of \$623,612 and product revenue of \$210,683 net of sales incentives. For FY 2018, revenue of \$269,578 included marketplace revenue of \$176,434 and product revenue of \$93,144 net of sales incentives.
4. For FY 2019, adjusted revenue of \$942,122 included marketplace revenue of \$731,346 and product revenue of \$210,776. For FY 2018, adjusted revenue of \$290,706 included marketplace revenue of \$197,285 and product revenue of \$93,421.

## Total Gross Profit

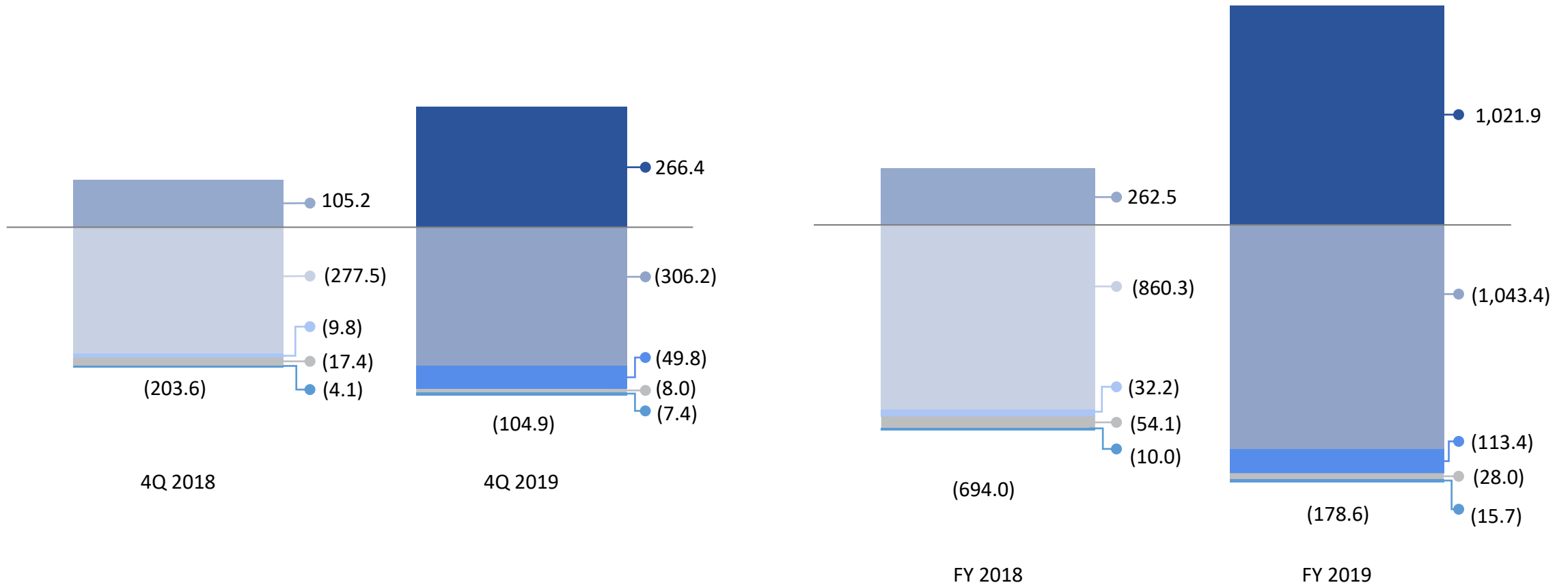
US\$ Millions





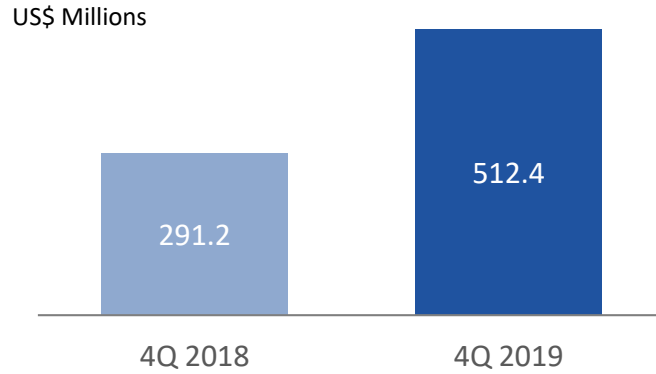
## Total Adjusted EBITDA

US\$ Millions

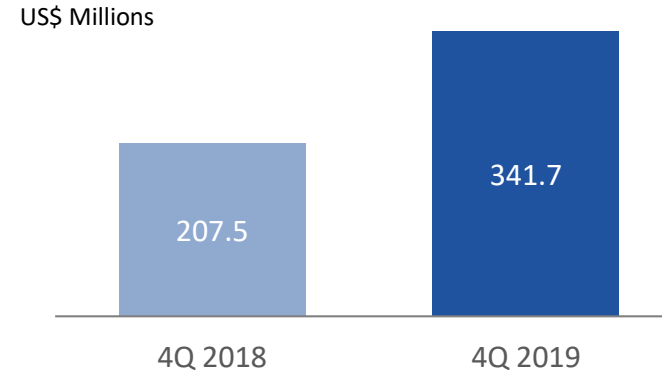


# Cost and Expense Trends

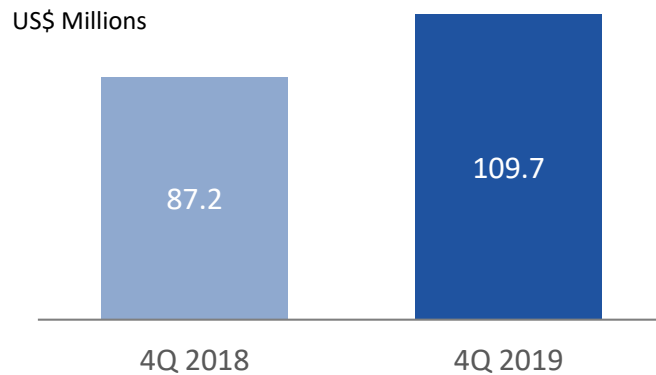
## Cost of Revenue



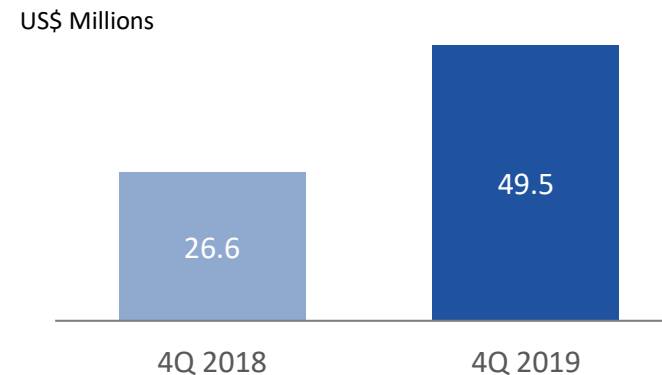
## Sales & Marketing Expenses



## General & Administrative Expenses



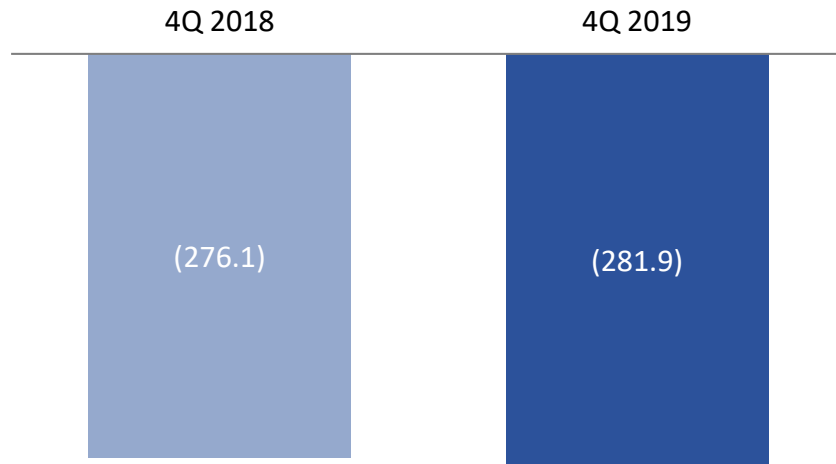
## R&D Expenses



# Net Loss

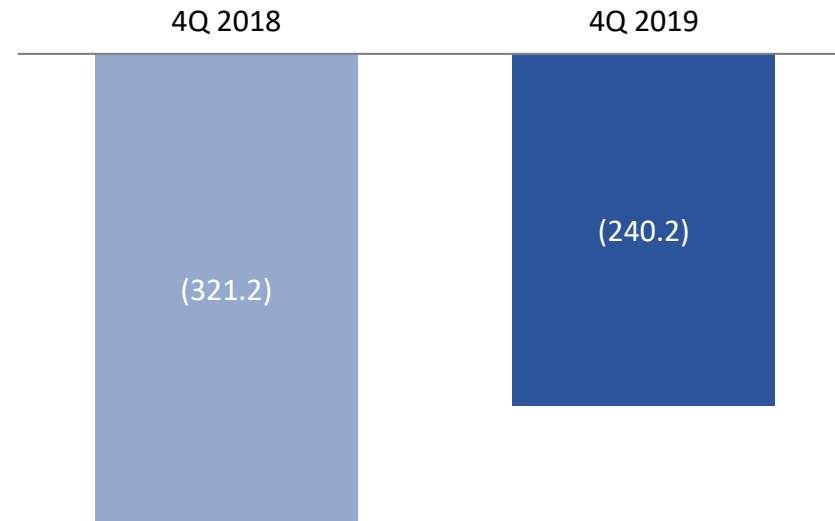
## Net Loss

US\$ Millions

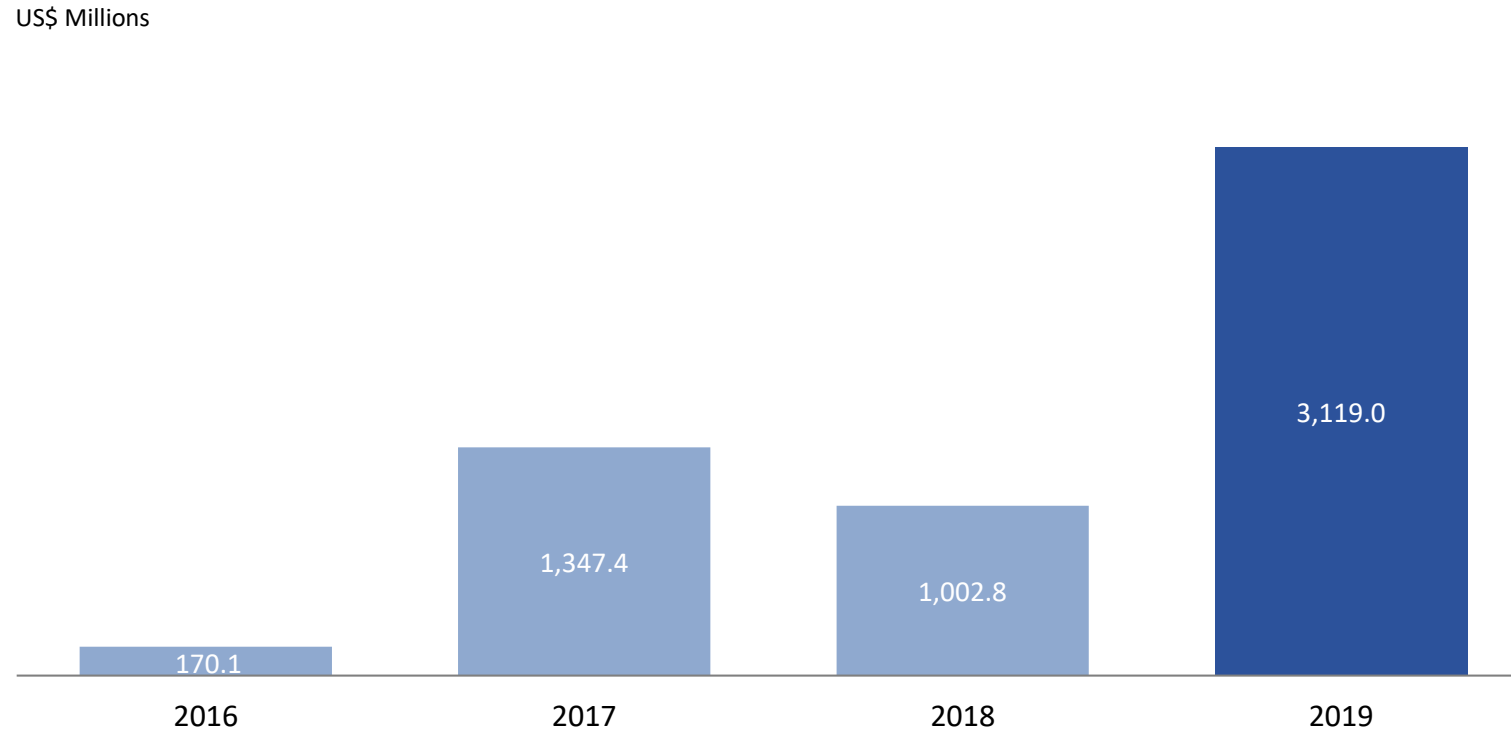


## Net loss excluding share-based compensation and changes in fair value of the 2017 convertible notes

US\$ Millions



# Cash and Cash Equivalents





# Full Year 2020 Guidance

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Guidance	
Digital Entertainment Adjusted Revenue	US\$1.9 Billion to US\$2.0 Billion
E-commerce Adjusted Revenue	US\$1.7 Billion to US\$1.8 Billion

Digital Entertainment Adjusted Revenue

US\$1.9 Billion to US\$2.0 Billion

E-commerce Adjusted Revenue

US\$1.7 Billion to US\$1.8 Billion



# Appendix

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# Reconciliation Between GAAP And Non-GAAP EBITDA

US\$ Thousands	4Q 2018	4Q 2019	FY 2018	FY 2019
<b>Digital Entertainment</b>				
<i>Operating income / (loss)</i>	16,121	205,559	69,449	529,524
<i>Net effect of changes in deferred revenue &amp; related cost</i>	78,659	55,902	157,918	474,340
<i>Depreciation and amortization</i>	10,418	4,946	35,171	18,077
<b>Digital Entertainment Adjusted EBITDA</b>	<b>105,198</b>	<b>266,407</b>	<b>262,538</b>	<b>1,021,941</b>
<b>E-commerce</b>				
<i>Operating income / (loss)</i>	(290,616)	(331,431)	(893,489)	(1,131,771)
<i>Net effect of changes in deferred revenue &amp; related cost</i>	-	-	-	-
<i>Depreciation and amortization</i>	13,119	25,281	33,167	88,405
<b>E-commerce Adjusted EBITDA</b>	<b>(277,497)</b>	<b>(306,150)</b>	<b>(860,322)</b>	<b>(1,043,366)</b>
<b>Group</b>				
<i>Operating income / (loss)</i>	(324,957)	(230,045)	(988,768)	(891,232)
<i>Net effect of changes in deferred revenue &amp; related cost</i>	78,659	55,902	157,918	474,340
<i>Depreciation and amortization</i>	26,595	34,329	78,728	121,214
<i>Share-based compensation</i>	16,058	34,935	58,121	117,069
<b>Total Adjusted EBITDA</b>	<b>(203,645)</b>	<b>(104,879)</b>	<b>(694,001)</b>	<b>(178,609)</b>

## Reconciliation between Net Loss and Net loss excluding share-based compensation and changes in fair value of the 2017 convertible notes

US\$ Thousands	4Q 2018	4Q 2019	FY 2018	FY 2019
<b>Group</b>				
<i>Net loss</i>	(276,058)	(281,920)	(961,034)	(1,457,722)
<i>Share-based compensation</i>	16,058	34,935	58,121	117,069
<i>Changes in fair value of the 2017 convertible notes</i>	(61,187)	6,775	(41,259)	472,877
<b>Net loss excluding share-based compensation and changes in fair value of the 2017 convertible notes</b>	<b>(321,187)</b>	<b>(240,210)</b>	<b>(944,172)</b>	<b>(867,776)</b>