2021 INVESTOR DAY

Alibaba Group Strategy

Daniel ZHANG, Chairman and CEO
Our Mission, Strategic Engines and Foundation

Our Mission: To Make It Easy to Do Business Anywhere in the Digital Era

Our Strategic Engines: China Consumption, Globalization, Technology

Our Foundation: ESG
Our Business Overview

* Also have marketplace revenues

DATA TECHNOLOGY

China Commerce
- Marketplace (3P)
- Retailer (1P)*
- Wholesale
- TMALL.com
- 1688.com

International Commerce
- Retail (1P+3P)
- Lazada
- Daraz
- AliExpress
- Trendyol
- Wholesale

Local Consumer Services
- Youku
- UC
- Alibaba Cloud
- Damo Academy

Digital Media & Entertainment
- Cloud
- Technology infrastructure for Cloud, IoT, and Data Intelligence
Three Strategic Engines

01 China Consumption

02 Globalization

03 Technology
We Have The Largest and Most Valuable Consumer Base in China

Annual Active Consumers ("AACs") in China (1)

953 Mn
YoY Net Adds +125 Mn

Average Annual Spending of AACS (ARPU) in China (2)

8.4K RMB

Retention Rate Across Consumer Cohorts (3)

- ARPU > RMB 7K: 98%
- ARPU between RMB 2-7K: 96%
- ARPU < RMB 2K: 66%

Notes:
1. For the twelve months ended September 30, 2021.
2. Represents average annual GMV per AAC of our consumer businesses in China for the twelve months ended September 30, 2021.
3. Represents the percentage of our China AACs in the respective cohorts for the twelve months ended September 30, 2020 who continued to transact on our China consumer platforms in the twelve months ended September 30, 2021.
Our Comprehensive Offering with Differentiated Consumer Mindset

- Taobao Deals
- Idle Fish
- Taobao
- Taocaicai
- Tmall Supermarket
- Eleme
- Freshippo

Positioning

Delivery Time

Value

Premium

Less Time Sensitive

More Time Sensitive
User Growth Opportunities in Less Developed Regions

Consumer Base in China

- **1.4 Bn** Total Population
- **1.2 Bn** Online Population
- **953 Mn** AAC

Alibaba AAC Penetration as % of online population in China

- **85%** Tier 1+2 cities: Sep 30, 2020
- **71%** Tier 3 cities: Sep 30, 2021
- **64%** Tier 4 cities and Below: Sep 30, 2020
- **71%** Tier 4 cities and Below: Sep 30, 2021

Notes:
2. Online population based on QuestMobile monthly active user data for Chinese Internet users in September 2021.
3. Alibaba China AAC as percentage of online population for the twelve-month period ended September 30, 2020 and September 30, 2021, respectively.
Share of Wallet Expansion Opportunities in Category Cross-Selling

Wallet Share Expansion Potential (↑ and →)
(Size of Bubble Represents China’s Retail Market Size in the Relevant Category)

Our GMV Market Share as % of Retail (2)

Category Penetration in Our China AACs (1)

Source: Internal estimates and market research
Notes:
1. Represents our AACs for the respective categories as % of our total China AACs.
2. Represents our estimated GMV market share as % of the retail market size (both online and offline) of the relevant categories in China.
Value Creation Opportunities in Innovations Across Consumer Value Chain

- **Lifetime Value of Consumers**
  - New Customer Acquisition
  - Online Sales & Distribution

- **Lifetime Value of Products**
  - Digital Marketing & Branding
  - Channel Management

- **Customer Management Revenues**
  - Consumer-Centric

- **Delivery Services**

- **Fulfillment Services**

- **Supply Chain Management**

**Long-term Valuation Creation**

**Data-Driven Product Innovation**
Location-Based Consumer Services Serving Daily Demands to Home and to Destination

To Home

Comprehensive Products and Local Services for High-Frequency Categories Delivered to Home

- Restaurants, grocery stores, pharmacies and other merchants

To Destination

Service Discovery and Purchases Near the Destination and Along the Journey

- Ride hailing
- Gas services
- Merchant reviews and lists
- Hotels, attraction tickets, travel content
Multi-Format New Retail Infrastructure Built on Diversified Fulfillment Models

Service Radius:

- **Neighborhood (3KM)**
  - Instant Delivery (30 min / 1 hour)
  - Same Day / Next Day Delivery (Hybrid Fulfillment)
  - Next Day Pick-Up (Community Group Buying)
  - 1-3 Day Delivery (Hub-and-Spoke Fulfillment)

- **City (20KM)**
  - City Distribution Center

- **Nationwide**
  - Farm / Manufacturing Base
  - Regional Distribution Center
  - Merchant’s Distribution Center
The Future of Retail: Omni-Channel Experience Built on Digital Supply Chain and Location-based Fulfillment

- Virtual
  - Commerce
  - Content
  - Social

- Offline Stores
  - Local (same city)
  - Remote

- Fulfillment Centers

- Hub-and-spoke Fulfillment

- Same-City Fulfillment

- Offline Experience
  - Offline Purchase
  - Online Purchase

- Discovery
  - Online Purchase

- Outreach
Three Strategic Engines

01  China Consumption

02  Globalization

03  Technology
## Our International Retail Business Ranks #4 by MAU and #6 by GMV Among the Global eCommerce Players

### Global eCommerce Platforms Ranking (Sep 2021)

**Top 20 by MAU (1)**

1. Alibaba - China Core Commerce (3)
2. Pinduoduo
3. Amazon
4. Alibaba - Intl Commerce Retail (4)
5. Shopee
6. JD.com
7. Flipkart
8. Lazada
9. AliExpress (5)
10. Mercado Libre
11. eBay
12. Vipshop
13. Naver
14. GoTo
15. Trendyol
16. Rakuten
17. Coupang
18. Daraz
19. Zalando
20. Bukalapak

**Top 20 by GMV (2)**

1. Alibaba - China Core Commerce (3)
2. Amazon
3. JD.com
4. Pinduoduo
5. Lazada
6. AliExpress (5)
7. Rakuten
8. Shopee
9. AliExpress Russia
10. Z Holdings
11. Mercado Libre
12. Vipshop
13. Naver
14. Wayfair
15. Naver
16. Bukalapak

### Notes:

1. Represents app monthly active users for the month of September 2021.
2. Represents GMV for the latest available twelve-month period. Data for Alibaba businesses are based on effective GMV for the twelve months ended September 30, 2021.
3. Alibaba China Core Commerce business includes our China Retail Marketplaces and New Retail Initiatives.
4. Alibaba International Commerce Retail numbers are the aggregate total of Lazada, AliExpress (including AliExpress Russia), Trendyol and Daraz, without deduplication.
5. Including AliExpress Russia.

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Source: Internal data for Alibaba businesses; Other data based on public filings, third-party estimates and market research.
Organizing Global Supply to Serve International Consumers and Merchants
Our Penetration in the Market Is Still Low

**EMEA**
- Regional eCommerce Penetration: 12%
- Our AAC as % of regional Internet Users: 15%

**Southeast Asia**
- Regional eCommerce Penetration: 11%
- Our AAC as % of regional Internet Users: 34%

Source: Internal estimates and market research

Notes:
1. eCommerce penetration is based on market research estimate of the region’s online retail market size as % of total retail.
2. AAC penetration is calculated based on Alibaba international retail business’ AACs for the region as % of the region’s Internet users.
Our Global Smart Logistics Infrastructure
Three Strategic Engines

01 China Consumption
02 Globalization
03 Technology
Redefining Cloud Computing in China

| Ecosystem & Open Source | City Brain | Business Systems | Marketing Management | Retail | Mobile App | Financial Management | Smart Devices | Sales Management | AI/ML | APP | Mini Apps | ...
|-------------------------|------------|------------------|----------------------|-------|------------|----------------------|--------------|-----------------|------|-----|----------|------
| Industry Solutions      | Internet   | Public Services  | New Retail           | New Finance | Transportation | Manufacturing | ...            |
| Digitalization          | Data Analytics | Database Management | Big Data + AI | Enterprise Digitalization | DingTalk Low-code Application Development | AoIT | AoIT Platform |
| Infrastructure          | Security   | Database         | DevOps               | CDN    | Big Data    | AI                  |
|                         | Elastic Computing | Container | Storage | Network | Big Data Engine |
| DAMO Academy            | Machine Intelligence | Data Processing | Fintech | Robot | T-head | Quantum Computing |

Cloud Computing as Defined by Alibaba Cloud
Investing in Technologies for the Future

Developing World-class Proprietary Technology
Investing in Technologies for the Future – Case Studies

**City Brain**
Improving Transportation Efficiency With Artificial Intelligence

**Autonomous Robots**
1/3 Cost vs Industry Average
Last Mile Delivery of 1mn+ Orders Completed

**Cognitive AI**
World’s Largest AI Pre-Training Model
Ultimate Low Carbon and High Efficiency
Our ESG Strategy and Goals

Environmental Strategy: Neutralize / Reduce Carbon Emissions

- **Scope 3+**: Emissions from participants in the digital ecosystem
- **Scope 3**: Other indirect emissions that occur in a company's corporate value chain
- **Scope 2**: Indirect emissions from purchased electricity and heating
- **Scope 1**: Direct emissions from owned or controlled sources

Social Strategy: Increase Stakeholders Impact

- **General Public**
- **Customers, Suppliers and Business Partners**
- **Indirect Workforce**
- **Employees**

Notes:
1. Scope 1, 2 and 3 are defined by global Greenhouse Gas ("GHG") Protocols. Scope 1 includes direct emissions from owned or controlled sources. Scope 2 includes indirect emissions from purchased electricity, steam, heating, and cooling. Scope 3 includes upstream and downstream emissions of the organization's activities, such as emissions from purchased products and services, emissions from the use of the products the organization sells, employee commuting, business travel and others.
2. Scope 3+ is a new concept we plan to introduce as a digital ecosystem, covering all the emissions from the ecosystem participants' activities on the platform.
Environmental Strategy: Neutralize / Reduce Carbon Emissions (Scope 1, 2 & 3)

Scope 1 + 2 Target:
Carbon Neutrality by 2030

Scope 3 Target:
Carbon Intensity (1) Halved; Alibaba Cloud Carbon Neutrality by 2030

Notes:
1. Carbon Intensity = Carbon emission in mt CO2e / Gross revenue in $ million
2. mt CO2e: metric ton carbon dioxide equivalent, a term for describing different greenhouse gases in a common unit.
3. Offset mainly indicates buying carbon credits from carbon trading market to compensate for emissions. Removal is a process in which greenhouse gas is removed from the atmosphere and sequestered almost permanently. Its methods include afforestation, agricultural practices that sequester carbon in soils, bio-energy with carbon capture and storage, ocean fertilization, enhanced weathering, and direct air capture when combined with storage.
Environmental Strategy: Introduce and Implement “Scope 3+” as a Novel Emission Category Reflecting Our Platform Responsibility

Our Scope 3+ Target: To Facilitate 1.5 Gigaton of Our Ecosystem Decarbonization by 2035

Sustainable Cloud

Scope 3

Sustainable Consumption

Upstream of suppliers

Suppliers

Consumers

Use, disposal, and recycle

Ecosystem Service Providers

Merchants

Customers

Use, disposal, and recycle

Digitalized Collaboration

Green Logistics & Supply Chain

Green Transportation

Re-Commerce

Less Control

More Control
Social Responsibility: 10 Initiatives Aligned with UN Sustainable Development Goals

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<tr>
<th>Our Focus Areas</th>
<th>Our 10 Initiatives</th>
<th>Aligned with UN Sustainability Goals</th>
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| Technology Innovation | 1. Increase investments in technology to support the digitalization of underdeveloped areas; | ✓ Decent work and economic growth  
✓ Affordable & clean energy  
✓ Industry innovation and infrastructure |
| Economic Development | 2. Support the growth of micro, small and medium-sized enterprises;  
3. Support the industrialization of the agricultural sector;  
4. Support small and medium-sized enterprises to expand into new overseas markets; | ✓ Responsible consumption and production  
✓ Zero hunger  
✓ Partnership for the growth |
| Job Creation, Training & Support | 5. Support high-quality employment and job training;  
6. Improve the welfare of gig economy workers; | ✓ Decent work and economic growth  
✓ Quality education |
| Care for Vulnerable Groups | 7. Promote digital equality between urban and rural areas;  
8. Narrow digital divide and strengthen services for vulnerable populations;  
9. Enhance healthcare capability in less developed areas; | ✓ Reduced inequalities  
✓ Good health and well-being  
✓ Sustainable cities and communities |

10. Establishment of a RMB 20 billion development fund
Our ESG Strategy and Goals - Recap

Environmental Strategy: Neutralize / Reduce Carbon Emissions

Scope 1+2(1)
Carbon Neutrality by 2030
Scope 3(1)
Carbon Intensity Halved; Alibaba Cloud Carbon Neutrality by 2030

Scope 3+(2)
Facilitate 1.5 Gigaton of Our Ecosystem Decarbonization by 2035

Social Strategy: Increase Stakeholders Impact

Technology Innovation
Economic Development
Job Creation & Training
Care for Vulnerable Groups

Governance Structure to Enhance Sustainability

Notes:
1. Scope 1, 2 and 3 are defined by global Greenhouse Gas ("GHG") Protocols. Scope 1 includes direct emissions from owned or controlled sources. Scope 2 includes indirect emissions from purchased electricity, steam, heating, and cooling. Scope 3 includes upstream and downstream emissions of the organization's activities, such as emissions from purchased products and services, emissions from the use of the products the organization sells, employee commuting, business travel and others.
2. Scope 3+ is a new concept we plan to introduce as a digital ecosystem, covering all the emissions from the ecosystem participants' activities on the platform.
Our Vision Remains the Same

FY2036 Long-term Vision

2 Bn Consumers

100 Mn Job Creation

10 Mn Profitable SMEs
To Make It Easy To Do Business Anywhere
让天下没有难做的生意