Alibaba Digital Media & Entertainment - Tap into the Growing Demand of Entertainment Consumers

FAN Luyuan, President of Digital Media & Entertainment Group
01 Online Entertainment
线上娱乐

02 Offline Entertainment
线下娱乐
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02 Offline Entertainment
线下娱乐
Accelerated Growth of Paying Subscribers

Youku Paying Subscribers Growth

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<tr>
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<th>June 2018</th>
<th>June 2019</th>
<th>June 2020</th>
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<td>Growth</td>
<td>+46%</td>
<td>+52%</td>
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Growth Drivers

1. Preference-oriented Content Scheduling and Recommendation
2. Subscriber Purchasing Cycle Management
3. Broader Ecosystem Benefits for Subscribers

Note:
1. YoY increase in number of average daily paying subscribers for the month ended June 30, 2019 and June 30, 2020 respectively.
Synergy with Alibaba Digital Economy Reduced Acquisition Cost and Increased Engagement Time

Paying Subscriber Acquisition from Non-Youku Channels

Increased User Time within Alibaba Digital Economy

Notes:
1. Youku subscribers derived from non-Youku channels between July 1, 2019 and June 30, 2020. Alibaba Digital Economy includes Alipay, 88VIP, and Ele.me, while third parties include business operators, brands and financial institutions.
2. Using June 30, 2020 as an example: Youku data refers to video playing time. Taobao data refers to app opening time.
From Licensing to Owning Content

Notes:
1. Breakdown of contract volume and contract value respectively for Youku’s drama and variety shows signed in FY2018, FY2019 and FY2020, excluding content that costs less than RMB10 million.
2. Ownership represents 50 years of copyright protection under PRC law.
Enhanced Platform Capabilities for Sustainable Supply of Premium Quality Content

强化平台能力，持续输出优质内容

Number of High Viewership Dramas on Youku

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<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>H1 2020</th>
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<td>Number</td>
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- **Content Supply Chain Management**
  内容供应链管理

- **Content Appraisal System**
  评估选品能力

- **Promotion and Distribution**
  宣发能力
Youku Content Cost Per Paying Subscriber
优酷单会员内容成本下降

Narrowed DME Adjusted EBITA Loss
DME经调整EBITA亏损收窄

Greater Efficiency from Our Content Creation and Operational Capabilities
内容与运营能力的提升，带动整体效率的提升

Note:
1. Cost per paying subscriber = Annual content cost / Average daily paying subscribers.
Convert Content Loyalty to Platform Loyalty: Thematic Content Clusters

从内容忠诚到对平台忠诚：剧场化人群覆盖

Year-round Non-stop Drama Scheduling
全年持续排播不断档

Period Romance  Puppy Love  Fantasy Fairy Romance  Youth Idols
Convert Content Loyalty to Platform Loyalty: Serialized Super IP Variety Shows

Record Single-Day Member Conversion on 1st Day of Season 3

Variety Shows
Live Shows
Documentaries
Movies

Variety Shows
Live Shows
Documentaries
Movies

Diverse Derivative Content
衍生内容矩阵
Diverse Derivative Merchandise
衍生商品多元化

Synergy with Alibaba Digital Economy
阿里数字经济体协同

Note:
Step Up Short Form Content Development

探索短内容领域的发展机会

Latest App Home Page has Improved Display Efficiency
新版首页提升分发效率

Short-form Video Views per User
人均短视频观看量

Note:
1. For the period of May 29 to August 13, 2020. The iOS version of the new home page was launched on June 6, 2020 and the android version was launched on June 8, 2020.
Selectively Explore Opportunities; Leveraging Alibaba’s e-Commerce and Entertainment Advantages

基于我们在文娱和电商领域优势，有选择的切入垂直赛道
Seeking Innovation and Breakthroughs while Maintaining Steady and Robust Growth

稳健发展长视频业务的同时，持续探索新的增长点
Tap into the Post COVID-19 Demand for Cinema Entertainment with Premium Film Reserve

以优质内容储备，服务影院复工下的用户线下娱乐需求

February 2020  |  Valentine’s Day |  Labor Day  |  Summer Vacation  |  Chinese Valentine’s Day  |  Mid-autumn Festival  |  National Day Week  |  New Year  |  Chinese New Year  
---|---|---|---|---|---|---|---|---
August 2020  |  |  |  |  |  |  |  |  

...
Blockbuster Hits for Cinema Reopening

Oscar Winning Hits

Highest Grossing Film in China (2020)\(^1\)

Box Office Record for Chinese Valentine’s Day\(^2\)

Notes:
Largest Ever Virtual Charity Concert in China

15-Day Preparation Period | 280 Groups of Singers | 440 Million Online Views

15天筹备期 | 280组歌手 | 4.4亿人次在线观看

Note:
Launched Online and Offline Concert Brand

推出线上线下相结合的演出品牌

Entertainers
表演者

Customized Production
Monetization
定制化制作
商业变现

Online
Live Streaming

Viewers
观众

Premium Content
Interactive Experience
高品质内容
互动体验

Offline
Live House
Venue
Outdoor

Damai’s Online & Offline Concert Brand

平行麦现场
Digital Solution for On-Site Management Post COVID-19

ID-Based Ticketing
线上: 实名购票

Venue Entry: ID Scan + Face Recognition, 1.5s/Person
入场: 刷身份证+人脸识别, 1.5秒/人

Analytics: Traffic Routing, Density, Peak Management
分析: 人流动线、人群密度、人流峰值
Expand Market Leadership in Cinema Coverage

持续扩大影院覆盖的行业领军地位

Reliable Ticketing System

Data Analysis and Insight

Operational Management System

Organic Growth

Fenghuang yunzhi

Smart Cinema Management Platform

Strategic Partnerships

凤凰云智

3,500+

3,900+

No. of Cinemas on Fenghuang Yunzhi

凤凰云智覆盖影院数量

August 2019

August 2020
Empower Online/Offline Distribution with Digital Innovation

用数字化创新，赋能线上线下内容宣发

Notes:
1. Cumulative projects including theatrical film releases, online films, TV dramas, variety shows and musicals as of August 31, 2020.
Execution of Proven Content Strategy
Empowering Industry with Innovation and New Infrastructure

坚定执行已被验证成功的内容策略，不断创新为行业提供新基础设施

Ordinary People
小人物

Authentic Heroes
真英雄

Positive Energy
正能量

Evoking Passion
大情怀

Premium Content
优质内容

New Infrastructure
新基础设施

Execution of Proven Content Strategy
Empowering Industry with Innovation and New Infrastructure
Diverse and Scalable Entertainment Platforms

打造规模化、多元化的娱乐平台

Integrated Video Platforms | Movies | Live Shows | Sports | Artist Agency
Serving Consumers with Diverse Entertainment Offerings Anytime, Anywhere

无论何时何地，始终致力于为消费者提供多元化的文化娱乐服务
2020 INVESTOR DAY
To Make It Easy To Do Business Anywhere
让天下没有难做的生意