2020 INVESTOR DAY

Freshippo – Innovating the Future of New Retail

HOU Yi, President of Freshippo
01 Solid and Rapid Growth
高质量快速增长

02 Building Capabilities that Last
打造可持续的能力

03 The Future of New Retail
新零售的未来
Rapid Growth of Store Network and User Base

**Stores**

全国门店数量

<table>
<thead>
<tr>
<th></th>
<th>Jun 2019</th>
<th>Jun 2020</th>
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<tbody>
<tr>
<td></td>
<td>159</td>
<td>227</td>
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**Annual Active Consumers**

年度活跃买家

25 Mn+

**Multiple Formats for Different Shopping Scenarios**

门店网络和用户规模快速增长

Notes:

1. Data include self-operated, jointly operated and franchise stores, as of June 30, 2019 and June 30, 2020.
Rapid Increase of Sales and Sales Per Sqm.

Same Store Sales\(^{(1)}\)

Annualized Sales Per Sqm.\(^{(1)}\)

Note:
1. Data from 130 self-operated stores that were opened before April 2019.
Growing Share of Online GMV Driven by Innovative Model and Technology

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1. Data from 130 self-operated stores that were opened before April 2019.
COVID-19 Boosted New Retail Market and Reinforced Freshippo's Competitive Edge

Targeting Urban Mainstream Consumers\(^{(1)}\)

Growing Contribution from Core Customers\(^{(2)}\)

Increasing Wallet Share of Core Customers\(^{(2)}\)

~400 Mn

Notes:
1. Number of people in China with annual household disposable income more than RMB138K. McKinsey, 'Meet the 2020 Chinese Consumer' (December 2019).
2. Core customers are customers who shopped at Freshippo 4+ days on average in one month during the past twelve months ended June 30, 2020.
Solid and Rapid Growth

Building Capabilities that Last

The Future of New Retail
Procurement Cost Optimization and Merchandise Differentiation (1)

Increased Merchandise Differentiation

- SKUs of Private Label Products and Exclusive Products (2)
  - 自有品牌和独家定制SKU数
  - 1,000+

- % of Imported Products
  - 进口商品比例
  - 30%+

- New Brands Introduced during the Last 12 Months
  - 新引入品牌数量
  - 6,000+

Notes:
1. Data on this page are as of June 30, 2020.
2. Stock keeping units (SKUs) of products, including products under Freshippo-owned brands and products from partners that are solely developed for and sold at Freshippo.
Enhancing Nationwide Cold Chain Network and Logistics Capabilities

在全国加速布局冷链物流网络，进一步升级物流供应链能力

Notes:
1. Data on this page is as of June 30, 2020.
2. S2B2C means that the S (supplier) and B (business) work together to serve C (the end customer) collectively.
Building a User-Content-Merchandise Growth Engine based on Social Groups of Customers within 3km Radius

Gamified Shopping Experience

Data-driven Product Development

2. KOCs refer to Key Opinion Customers.
Operation Cost Reduction through Technology and Data

AI-powered Loss Prevention System
天眼AI视觉防损系统

Remote Store & Warehouse Inspection
远程巡店巡仓

IoT Energy Management
IoT能源管理

Notes:
1. Based on pilot results from 3 stores in Shanghai from April 2020 to June 2020. Store unknown shrinkage is reduction in inventory due to shoplifting, employee theft and other reasons.
2. Based on results from Freshippo’s order fulfillment operations from March 2020 to June 2020. Inspection labor cost is cost associated with retailer employees in management roles or operation roles that are attributable to inspecting retail stores and warehouses.
Labor Cost Optimization through Technology and Data

Flexible Staffing System

- Labor Cost compared to Using Full-time Staff(1)
  - 相对全职小时工降低用工成本
  - ↓ 20%

Real-time Visualization of Labor Efficiency

- Productive Time Ratio at Store Warehouse(2)
  - 提升门店后场生产工作饱和度
  - ↑ 40%

Smart Shift Scheduling

- Productive Time Ratio at Storefront(3)
  - 提升门店前场非生产工作饱和度
  - ↑ 30%

Notes:
1. Based on pilot results from 7 stores (three in Shanghai and four in Shenzhen) in the month of June 2020.
2. Based on pilot results from 2 stores in Shanghai from February 2020 to March 2020. Productive time ratio is defined as the length of staff's actual working hours divided by total work hours.
3. Based on pilot results from 2 stores (one in Shenzhen and one in Chengdu) from February 2020 to March 2020.
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新零售的未来
Freshippo Mini: Faster Penetration into Urban Communities and Suburbs
盒马Mini：快速渗透城市社区和郊区，获取更多新客户

**Positioning** 定位
- 500-1,000 sqm. community stores
- Serve consumers within 1.5km radius
- 7 stores launched in Shanghai

**Unique Advantages** 独特的优势
- Selected Freshippo merchandise
- Much lower online order delivery cost due to smaller delivery radius and higher operation efficiency
- Faster deployment and growth backed by Freshippo's supply chain capabilities and operational know-how

**Online GMV %**
线上占比
55%

**Annualized Sales Per Sqm.**
年化坪效
≥RMB 80K

Note:
1. Data for the month ended June 30, 2020 from 4 Freshippo Mini stores in Shanghai that have been in operation for 6 months or more by the end of June 2020.
Freshippo Pick & Go: Breakfast-focused Convenience Stores Targeting Office Workers
盒小马：以早餐为核心场景的便利店，服务写字楼人群

**Positioning** 定位
- 20-50 sqm. stores in business districts
- Breakfast and afternoon tea
- Recognized as Exemplary Breakfast Project by Shanghai Municipal Government

**Unique Advantages** 独特的优势
- Better product quality than traditional convenience stores
- Saving up to 10 minutes of valuable time for consumers
- Faster deployment and growth backed by Freshippo’s supply chain capabilities and operational know-how

**Pre-order Online and Fast Pick-up In-store**
App线上预订，到店扫码快速取餐
Freshippo B2C: Free Delivery and Sustained Profitability Enabled by Innovative Logistics Model

盒马云超：创新B2C的物流模式，全免运费，已持续盈利

Positioning
- 20K+ SKUs. Complementary to Freshippo's O2O assortment for one-stop shopping\(^1\)
- Expand offerings to existing Freshippo O2O user base
- Nationwide operation with 100k+ daily orders in 14 cities combined\(^1\)

Unique Advantages
- Higher margin driven by daily consumption needs rather than promotions
- Low customer acquisition cost, leveraging Freshippo's existing user base
- Low delivery cost, using Freshippo's existing logistics infrastructure

First Successful New Retail Omni-channel Model Built in the World

打造全球首个新零售Omni-channel的成功样板
2020 INVESTOR DAY

To Make It Easy To Do Business Anywhere

让天下没有难做的生意