2019 INVESTOR DAY
September 23-24, 2019 Hangzhou, China

Alibaba Digital Economy Strategy
Daniel Zhang, Executive Chairman and CEO, Alibaba Group
OUR MISSION
TO MAKE IT EASY TO DO BUSINESS ANYWHERE IN THE DIGITAL ERA
Alibaba Digital Economy

Physical Goods

Services

Entertainment

Logistics Infrastructure

Data Technology for Digital Media and Entertainment

Marketing Services & Data Management Platform

Payment & Financial Services Infrastructure

Mobile Digital Map, Navigation & Real-Time Traffic Information Provider

Technology Infrastructure for Cloud, IoT, Mobility and Big Data

Note:
* Not a consolidated business of Alibaba Group.
Growth Engine for Alibaba Digital Economy

To Consumer
- User Growth
- Category Expansion
- Globalization

To Business
- Digitization of Enterprises
- Digital Infrastructure Empowerment
- Data Technology Enablement
Robust Annual Active Consumers Growth in Retail Marketplaces

China Retail Marketplaces
- Taobao + Tmall

International Marketplaces
- Lazada + AliExpress

Notes:
1. Annual active consumers on China retail marketplaces for the twelve months ended on the respective dates.

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Active Consumers (mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2017</td>
<td>466</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>576</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td>674</td>
</tr>
</tbody>
</table>

\[1\]

\[2\]

Annual Active Consumers ~130 mn
Growth Through Consumer Segmentation, Product Differentiation, Engagement Innovations

Consumers

- ~85%Penetration in developed areas
- ~40%Penetration in less developed areas

Products

- Branded Products
- OEM Products
- Agricultural Products
- Imported Products
- Long-tail Products

Digital Community

- Interactive Games & Entertainment
- Content Discovery
- Live Streaming

Notes:
1. Annual active consumers on China retail marketplaces in tier 1 and tier 2 cities divided by the population in these cities for the twelve months ended June 30, 2019.
2. Annual active consumers on China retail marketplaces in areas outside of tier 1 and tier 2 cities divided by the population therein for the twelve months ended June 30, 2019.

Sources:
Agricultural Products: China retail marketplaces and other platforms.
Branded Products: China retail marketplaces.
OEM Products: China retail marketplaces.
Agricultural Products: China retail marketplaces.
Imported Products: China retail marketplaces.
Long-tail Products: China retail marketplaces.
730 mn
Annual Active Consumers in China

Category Expansion Catalyzed by Multi-Platform Synergy

Notes:
1. Percentage of annual active consumers on China retail marketplaces that were also Ele.me and Koubei's annual active consumers for the twelve months ended June 30, 2019.
2. Percentage of annual active consumers on China retail marketplaces that were also Youku's annual active consumers for the twelve months ended June 30, 2019.
3. For the twelve months ended June 30, 2019.

25% AAC are also annual consumers of Local Consumer Services (1)
12% AAC are also annual paying subscribers of Youku (2)
Alibaba Digital Economy Has Penetrated 70% of Chinese Population

**Notes:**
1. Alibaba Group’s annual active consumers in China for the twelve months ended June 30, 2019.
3. Deduped sum of Alibaba Group’s annual active consumers in China and Alipay’s annual active users in China for the twelve months ended June 30, 2019.
Multi-branded Commerce Strategy Serving International Consumers and Merchants

Multi-branded International Commerce

- Lazada
- AliExpress
- daraz
- Trendyol

Daraz is a multi-branded international commerce platform serving international consumers and merchants.
International Payment Network of Merchants and Local eWallet

- 56 Markets with Offline Merchant Acceptance

**Local eWallet**
- AlipayHK
- Alipay
- Paytm
- GCash
- DBS PayLah
- Touch CASH
- Bcash

**Markets**
- Hong Kong SAR, China
- India
- South Korea
- Pakistan
- Bangladesh
- Philippines
- Malaysia
- Thailand
- Indonesia
- Brunei

**International Payment**
- Alibaba Group
Growing Global Consumers Across the Alibaba Digital Economy

730mn
Annual Active Consumers in China

~130mn
Annual Active Consumers outside China

Notes:
Growing Global Consumers Across the Alibaba Digital Economy

Notes:

Global Annual Active Consumers of Alibaba Group ~860 mn
New Retail Drives Addressable Market Expansion

Notes:
1. China retail sales in 2018 according to the National Bureau of Statistics.
2. China online retail sales of physical goods in 2018 according to the National Bureau of Statistics.
3. China offline retail sales in 2018 according to the National Bureau of Statistics.

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Digital Transformation of Brand Physical Stores
- Consumer Electronics
- Fashion & Department Stores
- FMCG & Supermarkets
- Home Decoration
- Local Services
- Less Developed Areas
- Neighborhood Stores Upgrade

Logistics & Payment Infrastructure

DATA TECHNOLOGY

Total Retail Sales
- RMB 38.1tn
- US$ 5.8tn

Online Retail Sales
- RMB 7.0tn
- US$ 1.1tn

Offline Retail Sales
- RMB 31.1tn
- US$ 4.7tn
New Retail Enables Omni-Channel Customer Management and Retail Operations Upgrade

Online Integration
- High-intent Marketplaces
- Multi-channel Targeting
- Superior Experience

Data Technology
- Omni-channel Customer Management and Retail Operations Upgrade

Offline Digitization
- Digitized Orders and Payment
- Digitized Products & Services
- Digitized In-store Traffic
Live @ Alibaba - Serving Needs Across All Facets of Chinese Consumer Everyday Life

Note:
1. For the month ended June 30, 2019.
Growth Engine for Alibaba Digital Economy

- User Growth
- Category Expansion
- Globalization

To Consumer

To Business

- Digitization of Enterprises
- Digital Infrastructure Empowerment
- Data Technology Enablement
Digitization of Commerce Value Chain

Consumers

Lifetime Value of Consumers

Online Sales & Distribution

Digital Marketing & Branding

Channel Management

Data-Driven Product Innovation

New Manufacturing

Lifetime Value of Products

DATA TECHNOLOGY
Alibaba Business Operating System Empowers Digital Transformation of Enterprises

Alibaba Commerce Ecosystem
- Business as a Service
- Data Platform
- Cloud Intelligence

Alibaba Business Operating System
- Business as a Service + SaaS Ecosystem
- Data Platform + DaaS
- IaaS + PaaS (Cloud, IoT, Mobility)

Alibaba Cloud Intelligence
- SaaS Ecosystem
- Data as a Service
- IaaS + PaaS (Cloud, IoT, Mobility)

Note: Not a consolidated business of Alibaba Group.
Alibaba Business Operating System Empowers Digital Transformation of Enterprises

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<tr>
<th>Retail</th>
<th>Finance</th>
<th>Logistics</th>
<th>Transportation</th>
<th>Local Services</th>
<th>Media &amp; Entertainment</th>
<th>Public Sector, Manufacturing and More</th>
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</thead>
</table>

- Data Platform + DaaS
- IaaS + PaaS (Cloud, IoT, Mobility)

Notes:
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Alibaba One-Stop Global Logistics Solution Improves Supply Chain Efficiency for Global Trade

- Digitized Parcel Network in China
  - Enabled by Alibaba
  - Cainiao Guoguo - Crowdsourced Parcels Delivery Platform
  - Cainiao Post - Pick-up Drop-off Network

- Fulfillment & Delivery Network in China
  - Fulfilled by Alibaba
  - Cainiao Fulfillment Network
  - Cainiao Delivery Network
  - Fengniao On-demand Delivery Network

- International Fulfillment & Delivery Network
  - Fulfilled by Alibaba
  - Global Parcel Network
  - Global Supply Chain
  - Global Last-mile Network
Integrated Financial Services Empower Merchants and Stimulate Consumers in BIG Closed Loop

Merchants
- 1688.com

Ant Financial

Consumption Scenarios
- Taobao
- Tmall
- Koubei
- Youku
- buckle
- Goumeng

Merchant Closed Loop
- New Merchants
- Financing Enablement

Merchant Finance
- MY LOAN

Ant Financial
- Credit Assessment
- Payment Enablement

New User Referrals

Personal Finance
- Data Aggregation

Consumer Closed Loop
- New User Referrals
Alibaba Business Operating System Transforming Enterprises With Digital Infrastructure and Data Technology

Consumers

Data-Driven Product Innovation

Channel Management

Online Sales & Distribution

Digital Marketing & Branding

Logistics & Supply Chain Management

Financial Services

Cloud Intelligence + Data Technology
Track Record of Innovation Over 20 Years
FY2024 Five-year Goals

China

- 1bn+ Annual Active Consumers in China
- 10tn+ GMV (RMB)

FY2036 Long-term Vision

Global

- 2bn Consumers
- 100mn Job Creation
- 10mn Profitable SMEs
THANK YOU