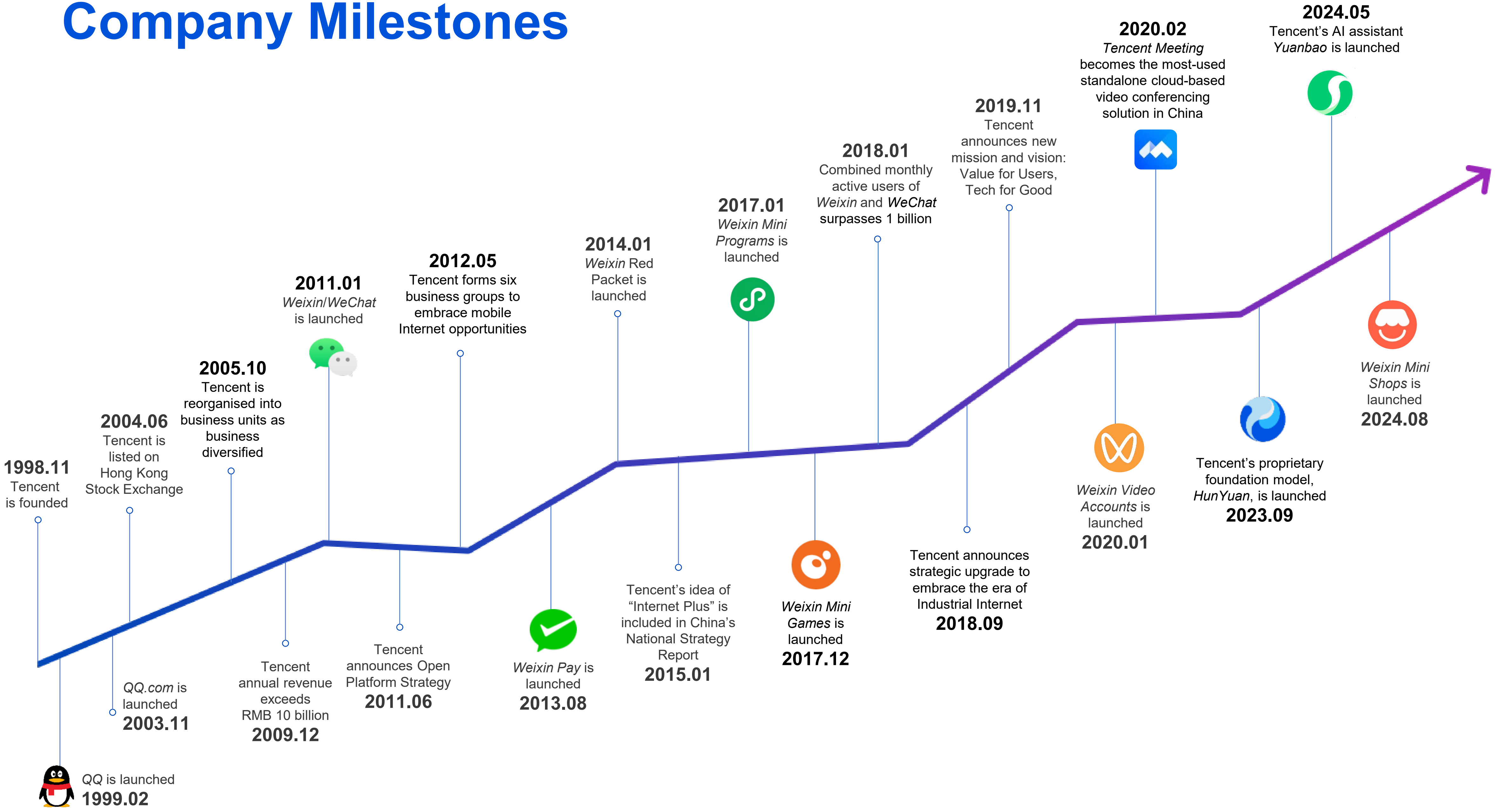
Tencent 腾讯

CORPORATE OVERVIEW

March 2026

1. **Business Overview**
2. Financials
3. Tech for Good

Company Milestones



Digital Ecosystem Fulfilling Needs of Customers and Enterprises

1 billion+
Daily average commercial payment transactions on *Weixin Pay* (1)

8 Trillion RMB
GMV facilitated by *Weixin Mini Programs* (2)

267 million
Fee-based VAS subscriptions (3)

1. Since 4Q19; 2. In 2024; 3. In 4Q25

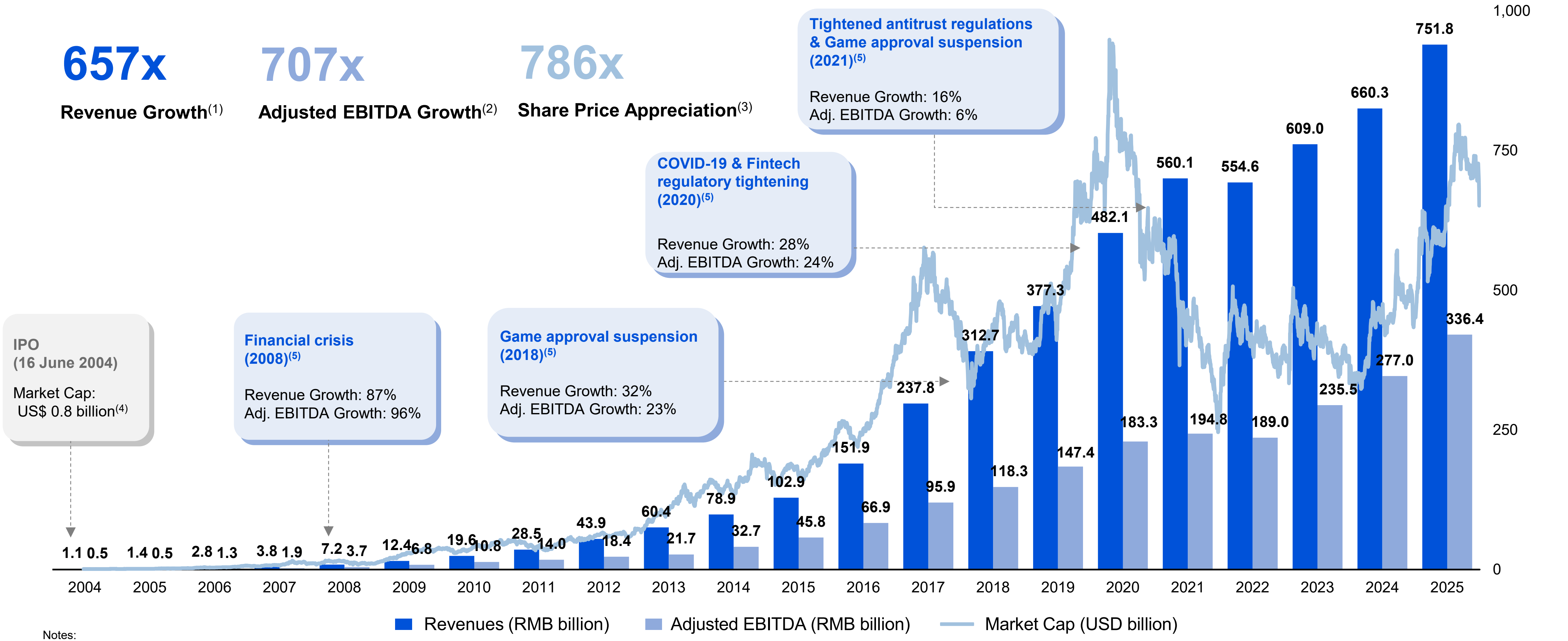
Resilient Growth through Cycles

What we have achieved since our listing in 2004…

657x
Revenue Growth[1]

707x
Adjusted EBITDA Growth[2]

786x
Share Price Appreciation[3]

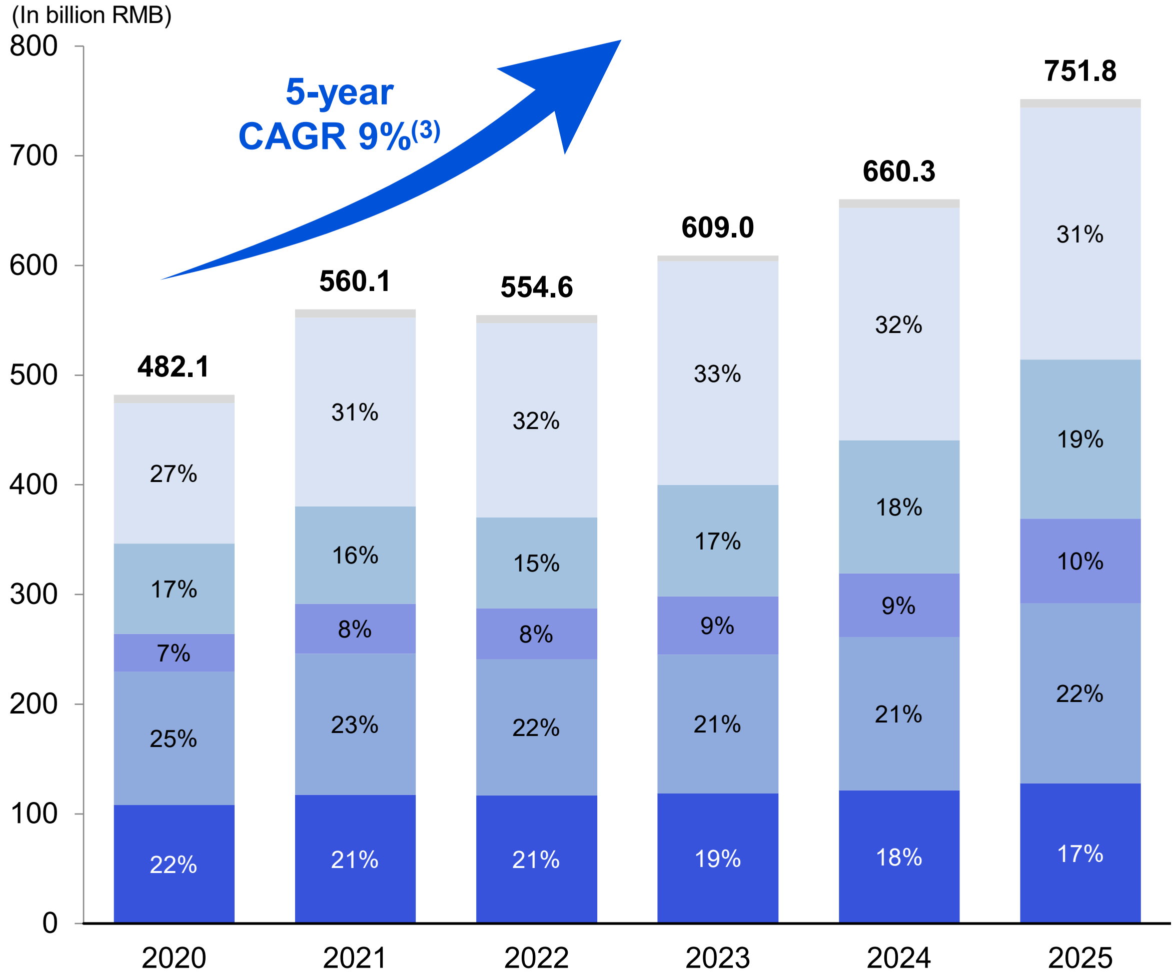


Notes:
1. Growth of 2025 revenues over 2004 revenues.
2. Growth of 2025 Adjusted EBITDA over 2004 Adjusted EBITDA. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
3. Growth of market capitalisation on Dec 31, 2025 over market capitalisation at IPO on Jun 16, 2004
4. Based on market capitalisation at IPO on Jun 16, 2004
5. YoY growth from 2007 to 2008 for financial crisis; YoY growth from 2017 to 2018 for game approval suspension; YoY growth from 2019 to 2020 for the COVID-19 pandemic; YoY growth from 2020 to 2021 for tightened antitrust regulations and game approval suspension

Sources: Company disclosure, Bloomberg

Resilient Business Model with Diversified Revenue Streams

Revenues by Business Segment [1][2]



Segment

FinTech and Business Services

- Enterprise and consumer-driven
- Payment, wealth management services, consumer loans, and online insurance services
- Cloud and other business services, such as eCommerce technology services

Marketing Services[4]

- Enterprise-driven
- Social Network inventories: *Moments*, *Video Accounts*, *Mini Programs*, *Official Accounts*, *Weixin Search*, etc.
- Content Platform inventories: video, music, news, etc.
- Mobile Ad Network inventories

VAS: International Games [2]

VAS: Domestic Games [2]

- Consumer-driven
- Item-based sales
- Season Pass
- Copy sales

VAS: Social Networks

- Consumer-driven
- Digital content subscriptions
- Membership privileges
- Virtual item sales
- *Mini Games* platform service fees

1. "Others" segment revenues is marked in grey. "Others" segment revenues included the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.
2. Starting 3Q21, we disclose revenue from Domestic Games and International Games as new sub-segments under VAS, reflecting the increasing scale of our International Games business. For the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan.
3. 2020-2025 CAGR
4. Starting 3Q24, we rename this revenue segment from 'Online Advertising' to 'Marketing Services' to better represent the breadth of our marketing solutions and accompanying technology services across our online marketing properties

Building HY Foundation Model: Significant Investment and Progress

- Since 2023, investing heavily in our proprietary HY Foundation Model
- Investment in HY allows us to: 1) develop end-to-end foundation model capabilities in terms of infrastructure, algorithm, training, alignment, and data management; 2) fulfill customised internal and external needs
- In 2025, we revamped team and processes, improved data quality and rebuilt infrastructure for pre-training and reinforcement learning, enabling us to iterate more intelligent models, more rapidly
- Leveraging our proprietary data and abundant use cases, our HY foundation models became industry leaders in multimodal capabilities including 3D, text-to-image and World modeling

HY Large language Models

HY 2.0
Deep thinking

HY MT-7B
#1 in WMT2025

HY 3.0
To be released in April 2026

HY Multi-modality Models

HY Image
#1 by LMArena[1]

HY Vision
#2 among Chinese peers by LMArena[2]

HY Video
Cinematic-level, highly dynamic

HY 3D
#1 on Hugging Face[3]

HY World
#1 on Worldscore[4]

HY Game
Industrial-grade production

1. Among text-to-image models, October 2025; 2. October 2025; 3. August 2025; 4. September 2025

Adopting Multi-model Strategy

1. Seek to provide **best user experience** leveraging all available models

2. Different AI models optimized for different capabilities, performance metrics and user cases – **combination of various models can handle complex tasks** better than a single model

3. Our experience in software businesses (such as online games) demonstrates **synergies in being a developer and an operator**

4. **Investing in our own foundation models** allows us to fully leverage our proprietary data, meet highly customised internal and customer needs

5. **Making use of external models** allows us to benefit from innovations across the industry

Our Key Franchises are Resilient in Age of AI

Criteria for product/service resilience to AI

- Network effects (consumer to consumer, consumer to content creator, consumer to business)
- Depth and value added along supply chain
- Regulatory environment and license requirements
- Scarce/unique resource (physical property or intellectual property)
- Low take rate compared to value provided or switching cost
- Private data versus public data

Our key franchises possess a lot of resilience criteria, and are highly defensible

Communications

- Network effects mean human users gravitate to services with most human users
- Internal data, not available on world wide web

Games

- Multi-player games (especially PvP games) present massive network effects
- Evergreen games cultivate strong IP
- AI not currently capable of creating innovative gameplay-centric games due to difficulty in providing balance, and generating consistent outcomes from similar inputs

FinTech

- Heavily regulated and licensed
- Require rails into multitude of partner banks, merchants, and consumers
- Payment platforms have significant network effects
- Low take rate versus global peers

Reinforcing Existing and Creating New Evergreen Games

- Developed an evergreen games[1] portfolio including *Honour of Kings*, *Peacekeeper Elite*, and recent breakout success *Delta Force*
- Strong development, publishing and operation capabilities of in-house studios
- Partner of choices for emerging studios and IP owners

Select Evergreen Games of Various Vintages

- 2015: Honour of Kings; CrossFire Mobile
- 2016: Naruto Mobile; Clash Royale
- 2018: Brawl Stars
- 2019: Peacekeeper Elite
- 2020: VALORANT
- 2024: Delta Force

Owned Studios

TiMi, LIGHTSPEED STUDIOS, Morefun, AURORA STUDIO, RIOT GAMES, SUPERCELL, MINICLIP, Techland

Invested External Studios

EPIC GAMES, FROMSOFTWARE, 游戏科学 GAME SCIENCE, KRAFTON, SHIFT UP, UBISOFT

External Partners

CAPCOM, EA, Microsoft, NEXON, SQUARE ENIX, T2 TAKE-TWO INTERACTIVE

1. Evergreen games refer to domestic and international games surpassing average quarterly DAU of 5 million for mobile or 2 million for PC, and generating over RMB4 billion annual gross receipts

AI Enhances Games Content Production and Experience

Accelerate content production speed and scale with proprietary tools including *Goskinning*

Enable virtual teammates in PvP games including *Peacekeeper Elite*, and **more realistic NPCs** (1) in PvE games

Enhance marketing for player acquisition and engagement, such as AI bot distributing limited *Valorant Mobile* beta invites to targeted users

1. Non-player character

AI-powered AdTech Upgrades Benefitting Ad Efficiency and Revenue Growth

2025 — **Advertising revenue outgrew industry**[1]

3Q25 — **Introduced automated ad campaign solution AIM+**, improving advertisers’ return on marketing investment

1H25 — **Scaled up foundation model,** analysing user interactions with text, image and video, and analysing ad CTR and conversion, to determine user interests and optimize ad performance in real time

2023 — **Added LLM capabilities**, enabling automation and acceleration of ad creative production, and faster and more accurate approval of ad content

2020 — **Rebuilt ad tech platform with large model capabilities,** enabling analysis of long sequence user behaviour across multiple properties, and improved ad ranking mechanism

2015 — **Enhanced ad system with neural network AI capabilities**

AIM+

- Customised solutions for multiple use cases, e.g., content consumption, eCommerce transactions
- Automated ad targeting, bidding and placement, and optimise ad creation
- LLM-powered campaign agent

Tencent AdMuse Solutions

1. Source: Tencent Marketing Services revenue grew 19% in 2025 versus 14% of industry growth, according to company data and Bloomberg

Accelerating AI Integration into Cloud Offerings

IaaS

- **Hyper Computing Cluster (HCC)** enables enterprises to run high-performance AI training and inference with low latency and elastic scalability
- **Hyper Application Inventor (HAI)** provides "one click" deployment of mainstream foundation models for developers through visual interfaces

PaaS

- **TI Platform** for fine-tuning and running inference on AI models
- **Tencent CloudBase** enables developers to generate mini programs and mobile applications through natural language prompts and uploading design mockups

SaaS

- ***Tencent Meeting*** AI Delegate can attend multiple meetings simultaneously on behalf of users and generate summaries
- ***WeCom*** AI search and summarisation capabilities for private and public data benefits customer communication and productivity workflow efficiency
- ***Tencent Docs*** boosted documentation productivity in content generation and processing

Breakout AI Native Application Yuanbao

Users can select among multiple leading models (CoT reasoning models, fast thinking models)

Provides access to proprietary high-quality content from Tencent ecosystem

Processes prompts in image, voice and document, and generate results in image, voice and video

Yuanbao PAI, an AI-native social group within Yuanbao, expands one-to-one chatbot to one-to-many experience in entertainment and collaborative tasks

DAU exceeded 50 million in Feb 2026

Enriching AI Features in Weixin

Weixin Chat

Integrated AI chat bot ***Yuanbao*** as a Weixin contact to provide AI interaction such as automated text summaries for *Video Accounts* content

Weixin Search

Weixin Search provided structured results for more use cases, such as sports event leaderboards

Video Accounts

Provided @Yuanbao feature in ***Video Accounts*** and ***Official Accounts*** comment boxes, to generate content summaries and encourage users' follow-up questions

Tencent News

Enriched ***Tencent News feed*** in Weixin with *Yuanbao*-generated content, facilitated user exploration of relevant topics via direct link to ***Yuanbao*** app

Mini Programs

Upgraded developer toolkits with AI plugins, such as Tencent CodeBuddy, which support development using natural language input

Mini Shops

Enhanced merchandise recommendation with foundation model capabilities to deepen understanding of user interests, driving higher sales conversions in ***Mini Shops***

AI Agent Solutions Boosting Productivity

- Suite of autonomous AI agent solutions and agent-related infrastructure transforms AI from passive chatbots to active agents, translating intelligence directly into deliverables through autonomous workflows and continuous task execution
- Embed agent solutions with industry leading communication platforms, enabling users to command multiple agents directly from chat interface, and to leverage our diverse content ecosystem and extensive merchant/developer network
- Enable users to conveniently invoke skills from our SkilHub and leverage security infrastructure provided by Tencent Cloud, which in turn shall benefit our cloud business

Facilitating Early Adopters

WorkBuddy

- Self-developed desktop workstation AI agent features one-click-deployment and access to leading global foundation models

QClaw

- Local AI agent based on OpenClaw, enabling novice users to execute tasks via *Weixin Mini Programs*

Empowering Developers and Enterprises

Tencent Cloud Lighthouse

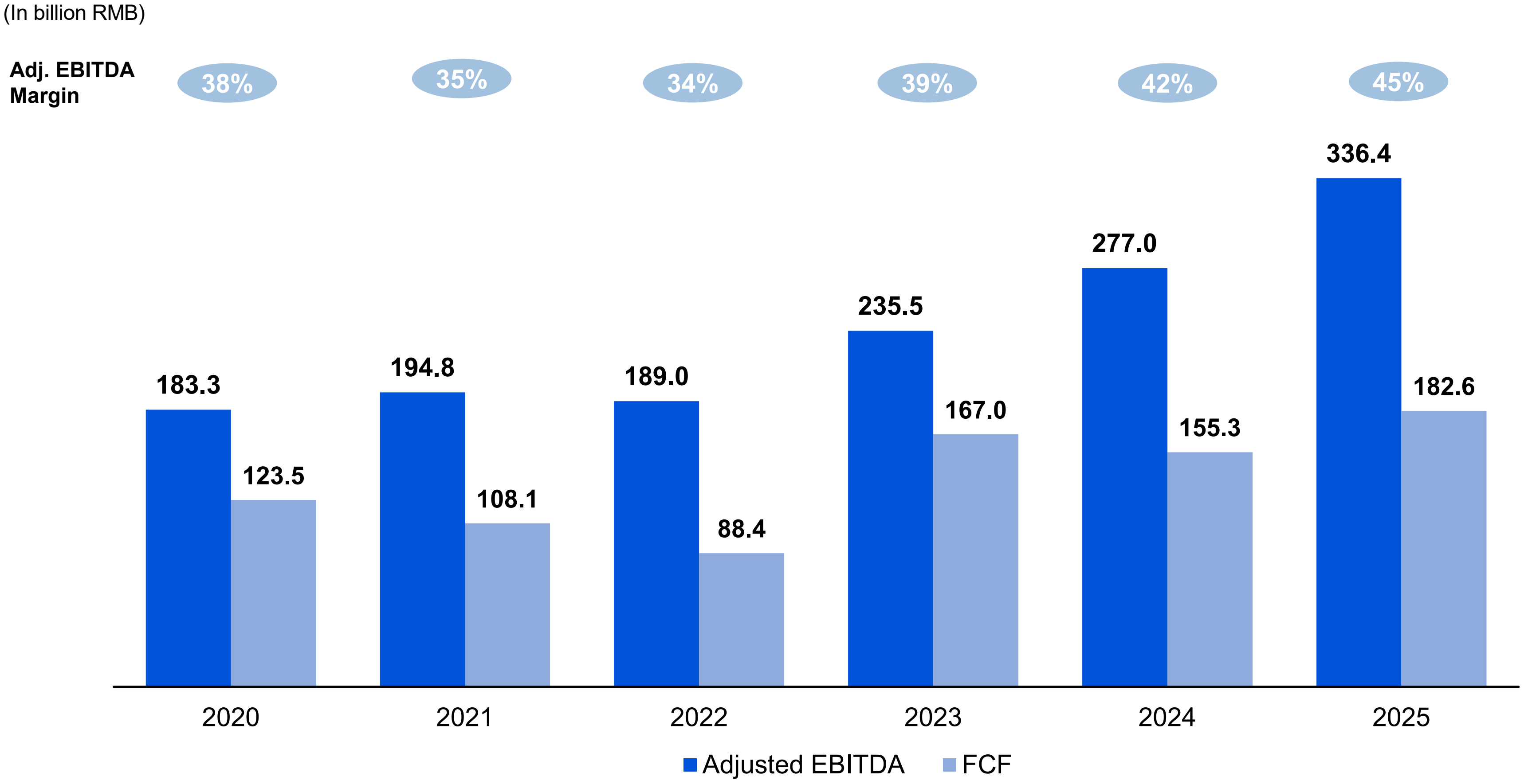
- Lightweight cloud services supports constant access to OpenClaw, and agent interaction via domestic and international chat services e.g., *WeCom*, QQ, WhatsApp

Tencent Cloud Agent Development Platform

- Facilitates large enterprises building agents for functions such as customer services by leveraging corporates' own knowledge base

High-Quality Cash-Generative Business Model

Adjusted EBITDA [1] and Free Cash Flow (FCF) [2]



Key Metrics

13%
Adj. EBITDA CAGR [3]

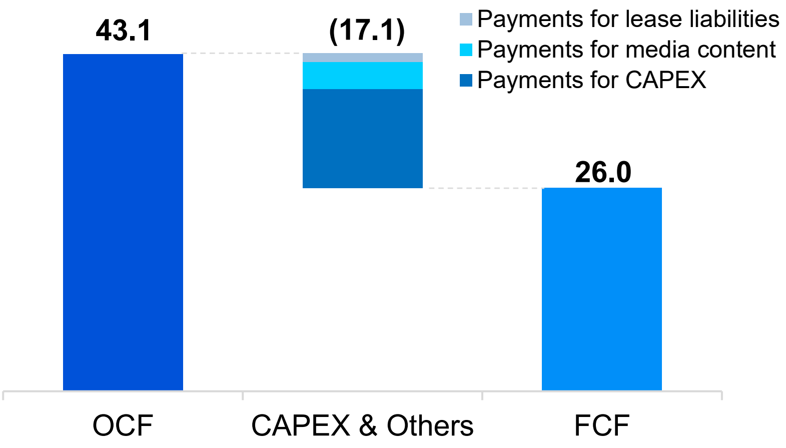
45%
Adj. EBITDA Margin [4]

54%
FCF Conversion [5]

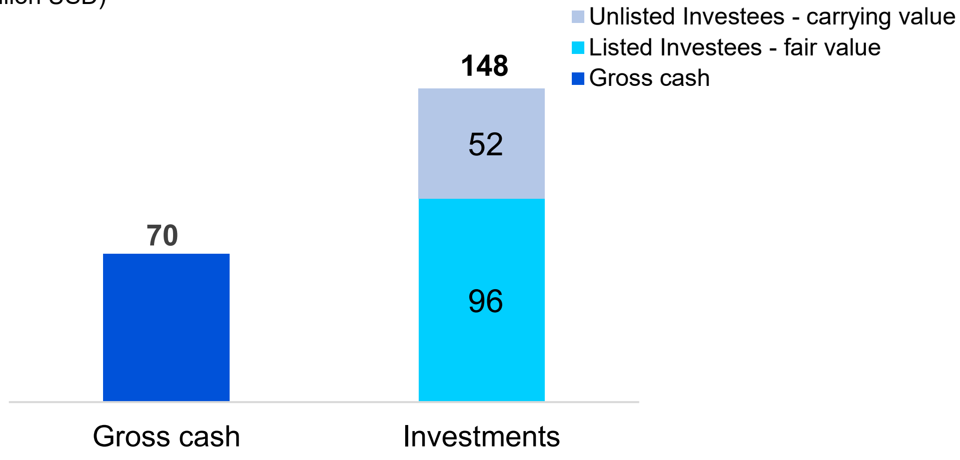
1. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Starting from 2020, free cash flow was adjusted by subtracting payments for media contents and lease liabilities, in addition to subtracting payments for capital expenditure from operating cash flow
3. 2020–2025 CAGR
4. Adjusted EBITDA as % of revenues ; In 2025
5. FCF Conversion = FCF / Adjusted EBITDA; In 2025

Sustainable Shareholder Return Supported by Financial Strength

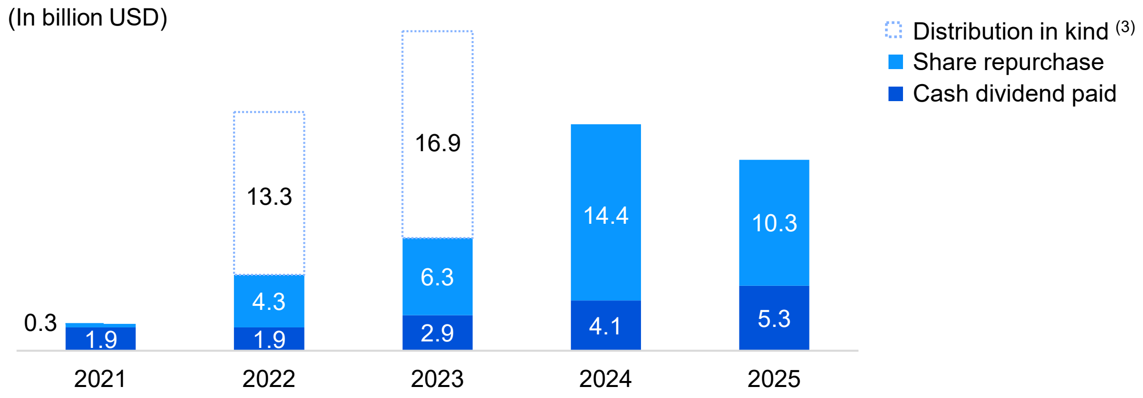
Robust free cash flow (LTM Dec 31, 2025) [1]



Sizeable cash and investment portfolio [1,2]



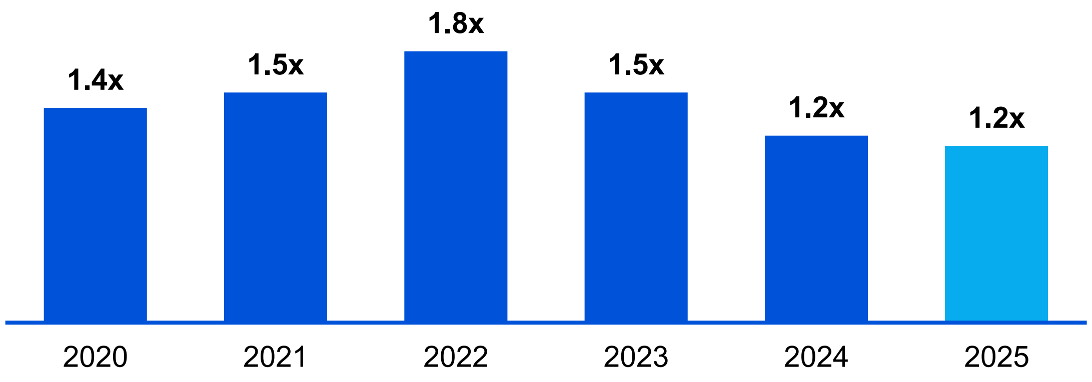
Return of capital to shareholders [1]



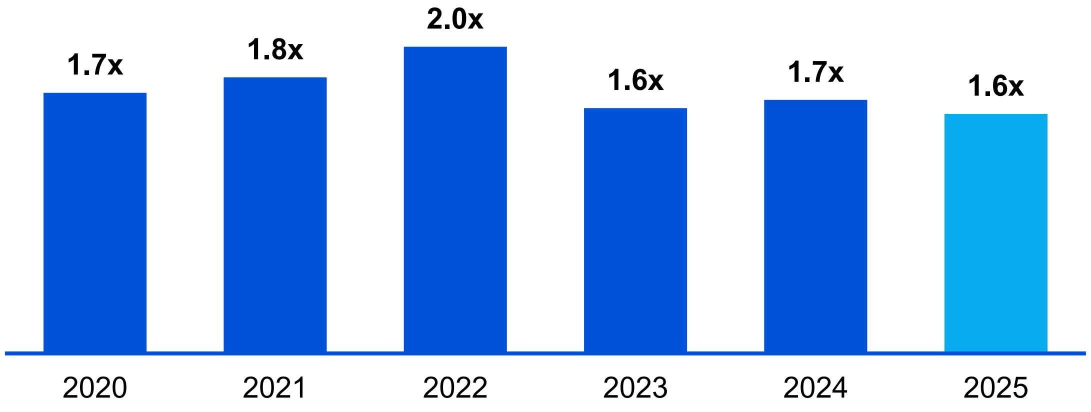
1. As at Dec 31, 2025, USD1 to RMB7.0288, USD1 to HKD7.7819
2. Investment portfolio consists of: a) our shareholdings (including those held via special purpose vehicles, fair value on an attribute basis) in listed investee companies (excluding subsidiaries) (defined as "Listed Investees"); and b) our shareholdings in unlisted investees companies (excluding subsidiaries) (defined as "Unlisted Investees")
3. Based on closing share price on dispatch date(s) for JD.com (Mar 25, 2022) and Meituan (Mar 24, 2023)

Prudent Capital Management and Robust Credit Metrics

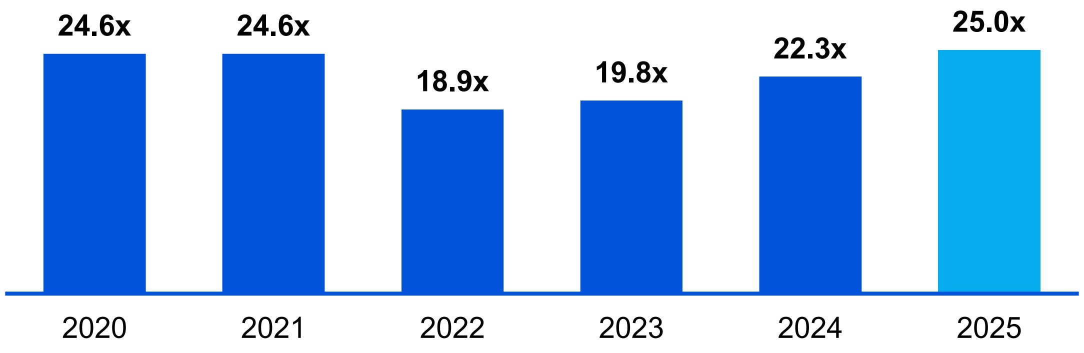
Total debt / Adjusted EBITDA (1)



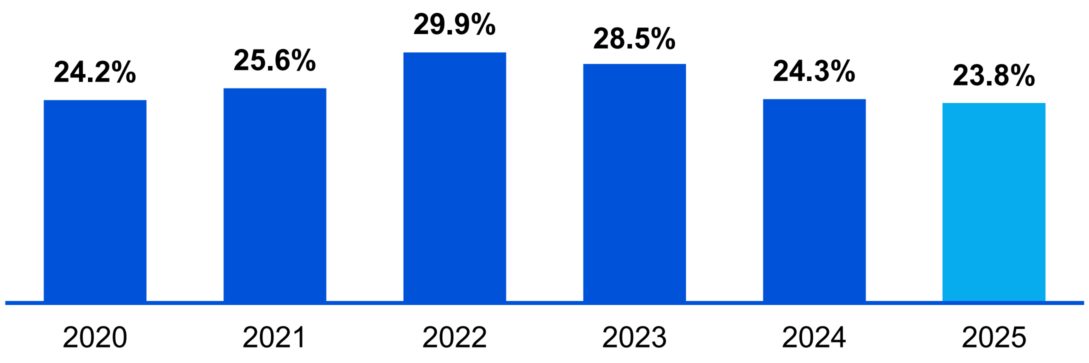
Total debt / (Adjusted EBITDA – CAPEX paid) (2)



Adjusted EBITDA / Interest expense



Total debt / Total capitalisation (3)



1. Total debt consists of borrowings and notes payable; Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents)
3. Total capitalisation consists of total debt plus total equity (book value)

1. Business Overview
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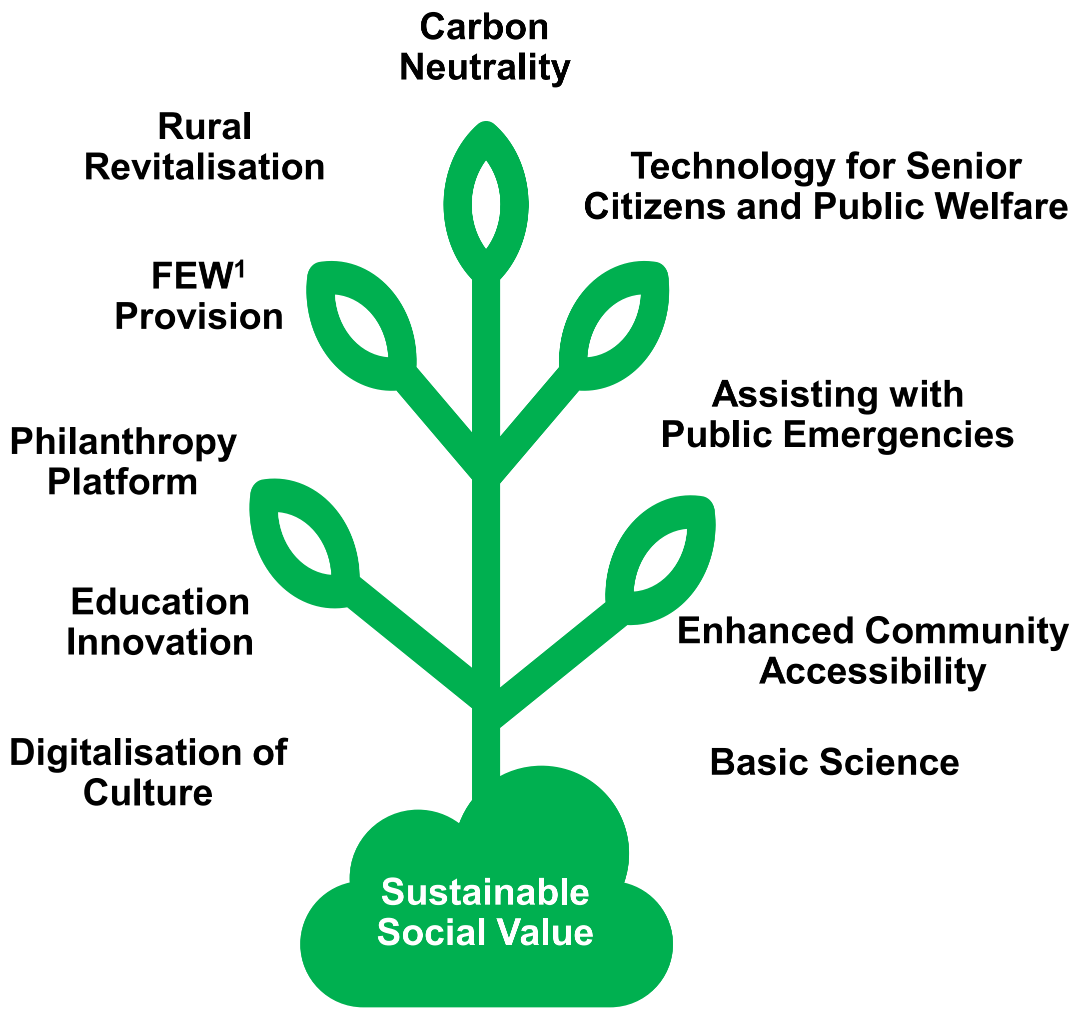
Harnessing our Technology and Platform to Create Social Value



Established Sustainable Social Value Org (SSV) in Apr 2021, to deploy social value initiatives in a professional and entrepreneurial way

Contributed to common prosperity with new commitment in Aug 2021

Pursue long-term social value leveraging our technology and products:

- **Facilitate philanthropic digitalisation** by providing capital, technology and resources
- **Fund basic scientific research** with a commitment of RMB10 billion over 10 years via New Cornerstone Investigator Programme
- Building a **public AED emergency response platform** leveraging IoT solutions and *Weixin Mini Programs*
- **Support rural revitalisation** by nurturing administrative and business talents in rural areas
- Leverage digital tools and user reach to help **preserve cultural heritage** e.g., assisting the successful inclusion of Beijing Central Axis into UNESCO World Heritage List

1. Food, Energy and Water

Our ESG Commitment and Approach

Integrate social responsibility into products and services

Environment

- Committed to achieving **Carbon Neutrality** in our own operations and supply chain, and shifting to 100% renewable energy **by 2030**
- Net-zero target by 2050 and absolute greenhouse gas emission reduction targets are validated by SBTi
- Published our **Biodiversity Statement,** outlining our commitment to developing businesses in an eco-friendly way

Social

- Our **Giving for Good** campaign promoted charity as part of everyday life, by leveraging our social network, digital tools and offline partners, users engaged in over 530 million philanthropic acts in 2025
- Signed up to the **Women's Empowerment Principles**
- Signed **AI Safety Commitment** to demonstrate commitment to AI risk management and governance

Governance

- **Enhanced board independence and diversity** with 63% INED and 25% female representation
- **Uphold corporate integrity** through implementation of Sunshine Code of Conduct and anti-fraud policy
- Joined the **United Nations Global Compact** as signatory in Aug 2023

Industry Recognition ► **1st in Best ESG** (1) for 5 consecutive years and **1st in Best Company Board** (1)

MSCI ESG Rating: A | Sustainalytics ESG risk score: 17.2 – Medium Risk (2) **| S&P Global ESG Score: 61** (3)

1. By Institutional Investor in 2025, in Asia (ex-Japan) Internet sector, combined votes from sell-side and buy-side; 2. Out of 100, the lower the better, as of 7 Jan 2026; 3. Out of 100, the higher the better, as of 13 Nov, 2025

Tencent Holdings Limited

Corporate Overview

Thank you!

https://www.tencent.com/ir