2026 Second Quarter Results Presentation

Aug 12, 2026

Cautionary Note

This presentation may contain forward-looking statements relating to the forecasts, targets, outlook, estimates of financial performance, opportunities, challenges, business developments, business plans and growth strategies of Tencent Holdings Limited (the “Company” or “Tencent”) and its group companies. These forward-looking statements are based on information currently available to Tencent and are stated here on the basis of the outlook at the time that this presentation was produced. The Company undertakes no obligation to publicly update any forward- looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. The forward-looking statements are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. The forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying the forward-looking statements are a large number of risks and uncertainties. Therefore you should not rely on any of these forward-looking statements. Please see our various other public disclosure documents for a detailed discussion of those risks and uncertainties.

This presentation also contains some unaudited non-IFRS financial measures which should be considered in addition to, but not as a substitute for, measures of the Company's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies. The Company's management believes that the non-IFRS financial measures provide investors with useful supplementary information to assess the performance of the Company’s core operations by excluding certain non-cash items and certain impact of acquisitions. For further explanation of our non-IFRS measures and reconciliations between our IFRS and non-IFRS results, please refer to our earnings announcement.

In addition, information relating to other companies and the market in general presented in these materials has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by Tencent and cannot be guaranteed.

The reporting currency of the company is Renminbi. For the purpose of this presentation, all figures quoted in US dollars are based on the exchange rate of US$1 to RMB6.8109 for 2Q2026.

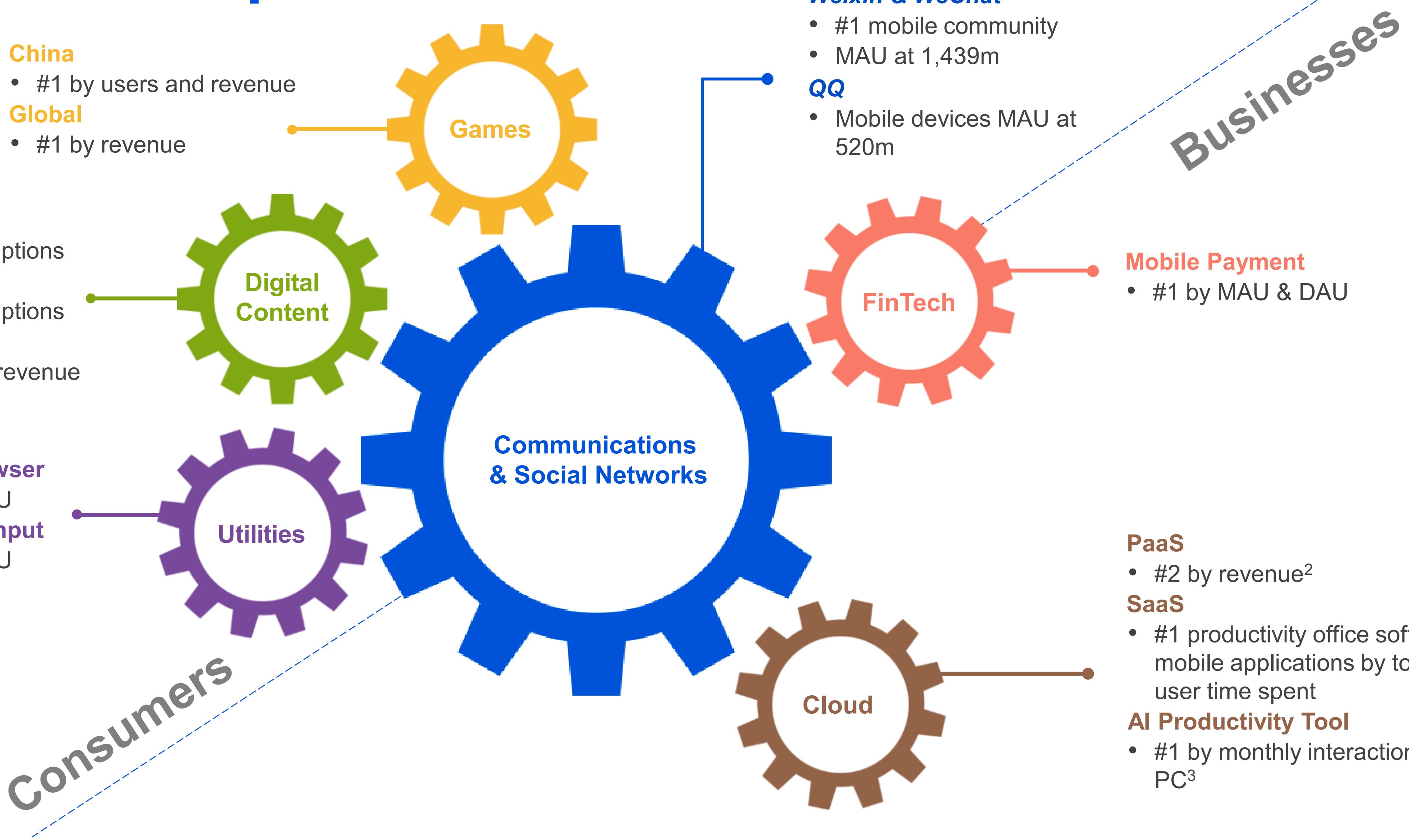
1. Overview
2. Strategy Review
3. Business Review
4. Financial Review
5. Q&A

Financial Highlights

In billion RMB	2Q2026	2Q2025	*YoY*	1Q2026	*QoQ*
Total Revenue	**204.8**	**184.5**	***+11%***	**196.5**	***+4%***
Value-added Services	98.4	91.4	*+8%*	96.1	*+2%*
Social Networks	32.5	32.2	*+0.8%*	31.9	*+2%*
Domestic Games[1]	47.3	40.4	*+17%*	45.4	*+4%*
International Games	18.6	18.8	*-0.8%*	18.8	*-0.7%*
Marketing Services	43.6	35.8	*+22%*	38.2	*+14%*
FinTech and Business Services	60.3	55.5	*+9%*	59.9	*+0.7%*
Others	2.5	1.8	*+37%*	2.3	*+10%*
Gross Profit	**118.4**	**105.0**	***+13%***	**111.3**	***+6%***
Non-IFRS					
Operating Profit excl. New AI Products[2]	**86.1**	**72.4**	***+19%***	**84.4**	***+2%***
Operating Profit	**75.6**	**69.2**	***+9%***	**75.6**	***stable***
Operating Margin	36.9%	37.5%	*-0.6ppt*	38.5%	*-1.6ppt*
Net Profit Attributable to Equity Holders	**68.4**	**63.1**	***+9%***	**67.9**	***+0.8%***

1. Domestic Games refers to our games business in the PRC excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
2. New AI Products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*

Key Services Update



China
- #1 by users and revenue

Global
- #1 by revenue

Video
- #1 by paid subscriptions

Music
- #1 by paid subscriptions

Literature
- #1 by users' paid revenue

Mobile Browser
- #1 by MAU

Language Input
- #1 by MAU

Weixin & WeChat
- #1 mobile community
- MAU at 1,439m

QQ
- Mobile devices MAU at 520m

Mobile Payment
- #1 by MAU & DAU

PaaS
- #2 by revenue[2]

SaaS
- #1 productivity office software mobile applications by total user time spent

AI Productivity Tool
- #1 by monthly interactions on PC[3]

1. All rankings above refer to China market, unless otherwise stated. Company data and QuestMobile, 2Q26
2. IDC Quarterly Public Cloud Services Tracker, 1Q26
3. *WorkBuddy* & *CodeBuddy* – Analysys, June 2026

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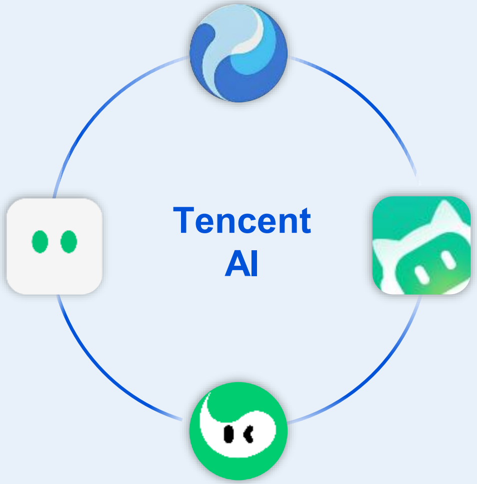
AI Strategy Update

- **Existing businesses are growing solidly due to intrinsic moats and AI enablement** – Moats arise from network effects, depth and value added along supply chain, IP, low take rates, regulatory requirements and private data. AI is deployed across *Weixin*, games and advertising and generating positive results. Provides strong financial support for new AI initiatives

- **New AI initiatives** – built robust foundation and accelerating growth; potential to generate substantial returns on upside from franchise products (e.g., Hy, *WorkBuddy*, *Xiaowei*); clear downside protection as most of investment is in AI infrastructure, which we can choose to rent externally at attractive prices via Tencent Cloud if needed



1. **Accelerating progress – Hy foundation model**
2. **Leading in productivity AI – *WorkBuddy* & *CodeBuddy***
3. **Driving broader adoption of consumer AI – *Xiaowei* & *Yuanbao***
4. **Investing in AI infrastructure – for internal use cases and for Tencent Cloud**

Hy Foundation Model: Accelerating Progress

Big step up versus Hy3 preview

- Based on feedback collected on 50+ products, we further improved the quality and diversity of post-training data while scaling up RL training
- Improved across task completion rate, hallucination rate, and multi-turn question error rate

Stronger agent capabilities

- In productivity scenarios such as coding, office work, financial modeling, and front-end design, Hy3 now serves as a reliable, cost-effective model option for everyday *WorkBuddy* tasks
- Advantage most substantial in front-end development, user interface design, data analysis, and software development & deployment

More reliable product experience

- Widely usable in multiple agentic use cases
- Implemented fine-grained data cleaning and training constraints to reduce hallucination rate
- Improved long-dialogue performance through joint optimisation of SFT and RL

Token usage increased significantly

- Ranked top 3 on OpenRouter by token usage
- Hy3 daily token usage ~7x compared to Hy3 preview across all channels during paid period, reflecting accelerated external customer demand

A leading model in its size

- Hy3 significantly outperforms similar-sized models, while rivaling flagship open-source models with substantially larger parameter sizes, demonstrating higher intelligence density

Hy3's production version is a stepping-stone toward Hy family of models attaining SOTA capabilities in future, while providing users with cost performance efficiency today

Hy Foundation Model: Accelerating Progress

Deep product integration

WorkBuddy

Increases task success rate and cut time-to-completion, particularly for complex agent workflows

Yuanbao

Delivers leading execution quality in information retrieval, data processing, document workflows, and everyday decision-making

Games

Enhances quality and efficiency in AI teammate creation and code review for games including *Peacekeeper Elite*

Weixin

Deployed in multiple high-frequency scenarios, including powering AI assistant in *Official Accounts* and developer tools for *Mini Programs*

- By continuously feeding real-world product usage and domain feedback into model training, model-product co-design approach allows Hy to validate model accuracy and identify edge cases, enabling faster model iteration and sustained performance gains

Established a system for fast model iteration

- Scaling more powerful RL to substantially upgrade models after pre-training is done
- Upgrading Hy's multi-modal capabilities
- Training a larger parameter model, Hy4, to be released later this year
- Accelerating technical iteration and pushing boundaries of model intelligence, toward SOTA level capabilities

Return consideration

- Build a large and valuable AI native business that consists of applications, own model, and compute

WorkBuddy & CodeBuddy: Leading in Productivity AI

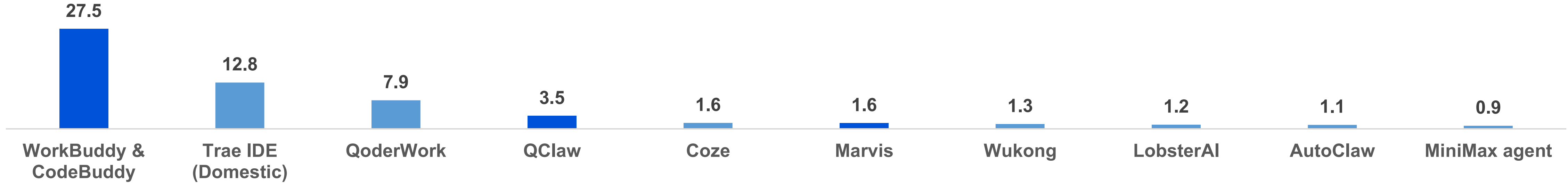
Most-used productivity AI service in China

- One-stop workspace that orchestrates multiple agents to handle complex work end-to-end
- Attractive features include: 1) users can remotely control via *Weixin* and *WeCom*, as well as directly via PC; 2) access to 70K+ skills from Tencent Cloud's *SkillHub* and ability to interact with products in Tencent's ecosystem including *Tencent Docs, Tencent Meeting,* and *ima*; and 3) can execute transactions by embedding *SkillPay* + *Weixin Pay* inside the task flow
- Growing fast with high retention rates
- High willingness to pay as directly contributes to productivity

Return consideration

- Unlocks huge opportunities in productivity market, including coding and existing office work scenarios
- Current focus is on market education and extending leadership position; economics to improve over time as we enhance paying user benefits and increase penetration, and as we reduce token costs through agent efficiency, inference efficiency and model optimisation
- Tencent applications already widely used within and by enterprises (e.g., *Weixin, WeCom, Tencent Meeting*) – *WorkBuddy* provides new way to monetise enterprise relationships

WorkBuddy & CodeBuddy ranked #1 among PC-based AI-native office agents in China



1. Source: millions of Interactions in June 2026, Analysys

Driving Broader Adoption of AI among Consumers

Xiaowei – consumer agentic AI in *Weixin*

- Released prototype to deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s social graph, knowledge graph, merchant reach and payment functionality

Weixin customised model WeLM

Laser focus on user privacy, *Weixin* use cases and cost efficiency

Content personalisation

Helps users navigate and derive insight from diverse Weixin content universe in a personalised and efficient way

Service & transaction enablement

Leverages unique *Mini Programs* ecosystem to help users discover products, make purchase decisions, and place orders, laying groundwork for agent-to-agent transaction loop

- While the prototype can technically handle advanced agentic workflows, *Xiaowei* currently requires user intervention and multi-step confirmations as safety measures
- We are working to fulfill user needs in *Weixin*'s environment through phased rollout going forward: 1) enhance core capabilities including conversation, memory and recommendation, 2) integrate more services and content, and 3) strengthen AI infrastructure and harness to improve GPU utilisation and explore on-device inference in the future

Return consideration: Upgrade *Weixin* for AI era with well controlled cost, accelerating growth and monetisation of the *Weixin* ecosystem

Yuanbao – AI chat bot

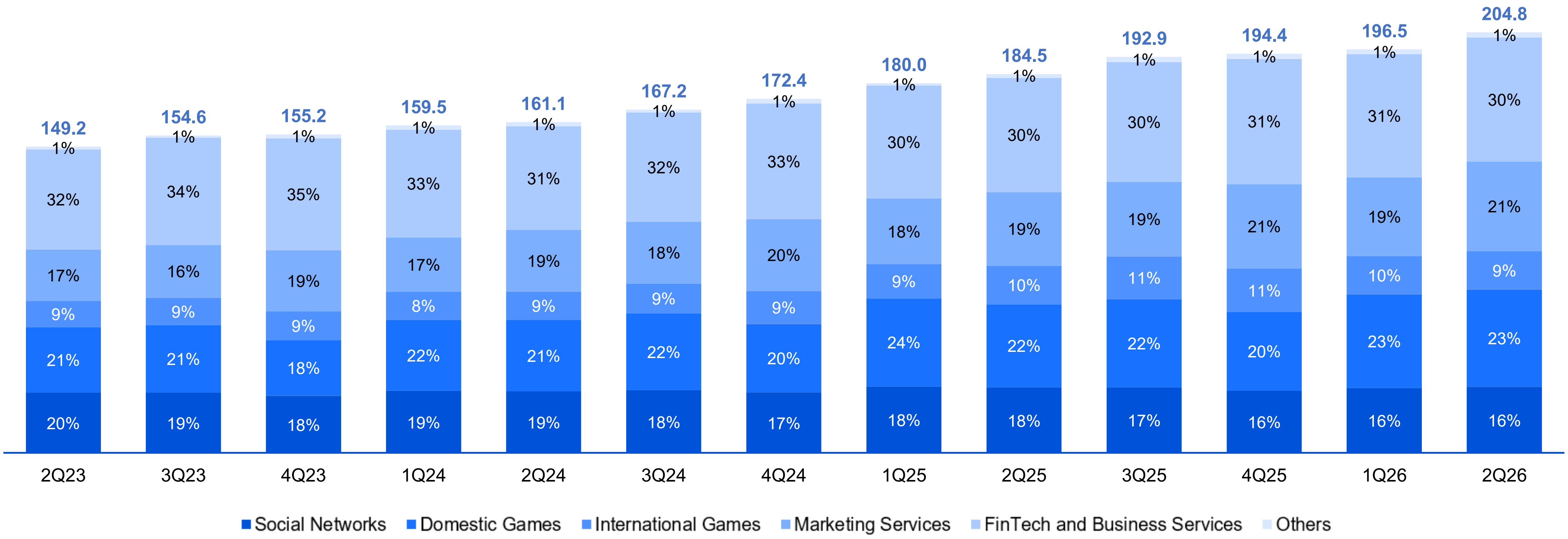
- Focus on improving capabilities and user experience, particularly in search, automatic speech recognition and text-to-speech
- Can address broader long-tail AI needs for consumers, including multimodal generation
- Plays an important role in the co-design flywheel, as its conversational use cases generate valuable feedback to help improve Hy models
- Over time, *Yuanbao*-developed functionalities can become atomic capabilities for use in *WorkBuddy*, *CodeBuddy*, *Weixin*, *QQ Browser*, etc.

Revenue

Revenue Growth (YoY %)

+11%	+10%	+7%	+6%	+8%	+8%	+11%	+13%	+15%	+15%	+13%	+9%	+11%

Revenue by Segment (billion RMB)

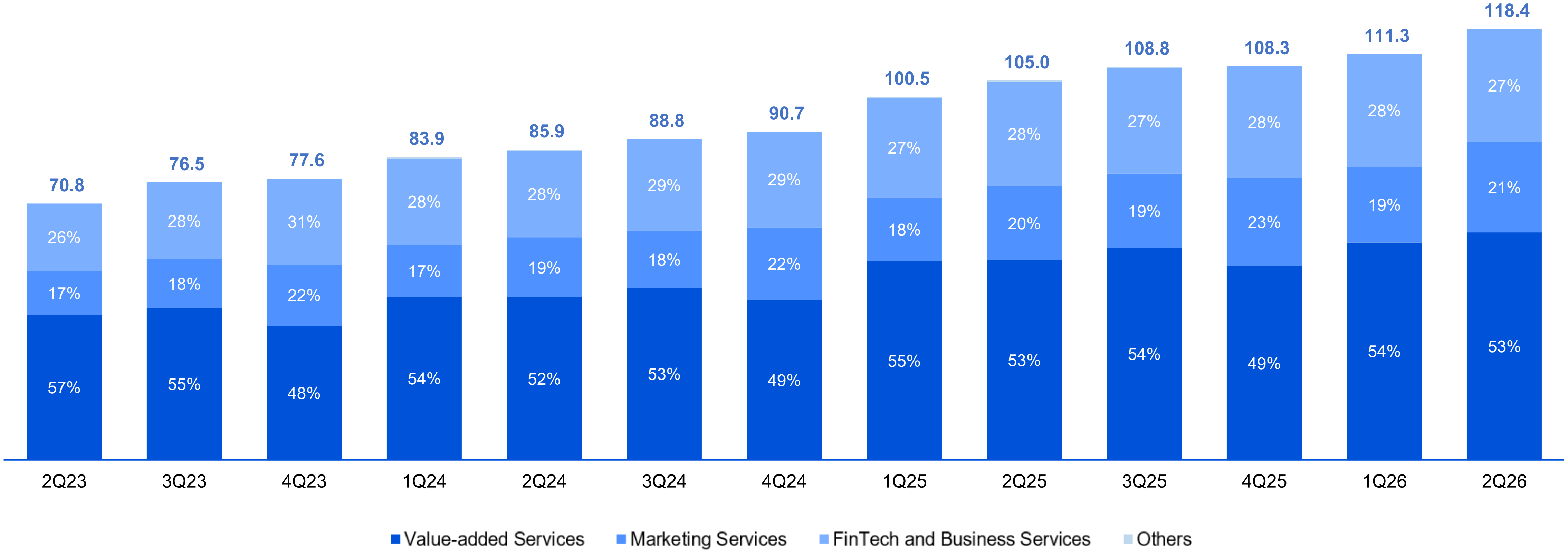


Gross Profit

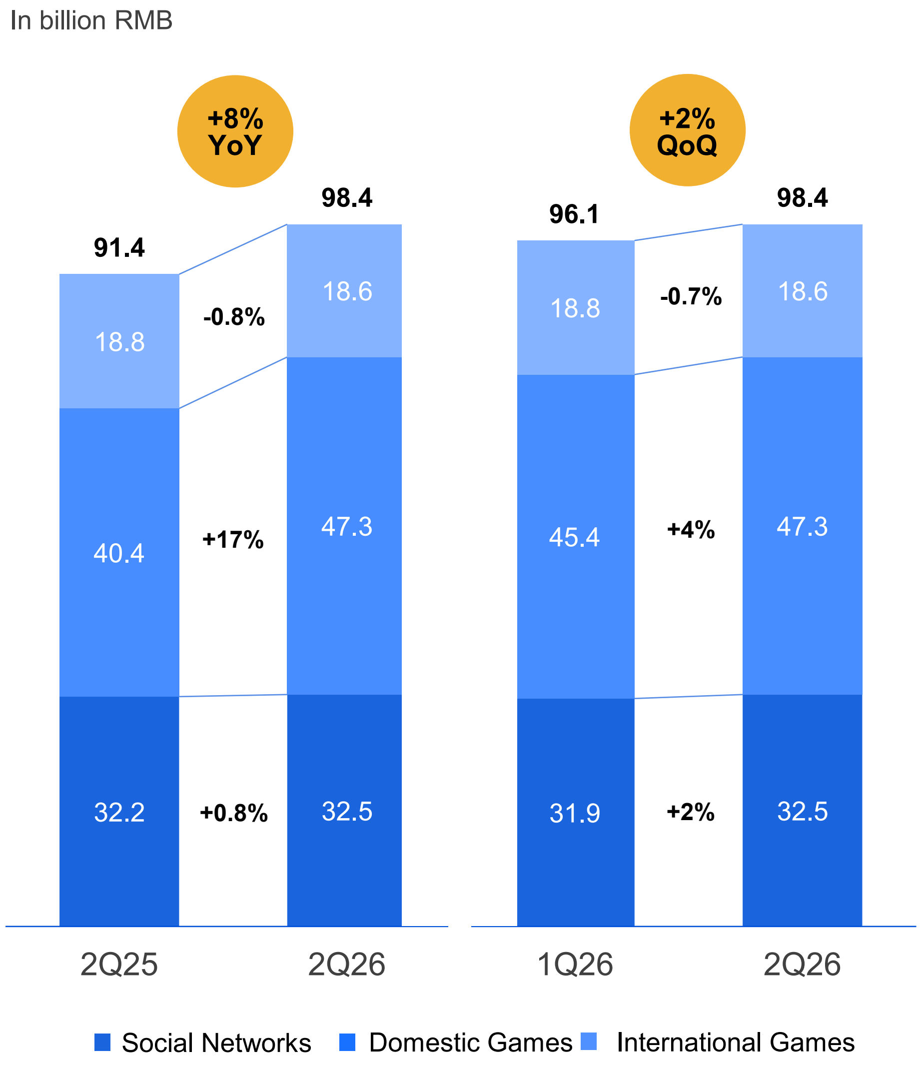
Gross Profit Growth (YoY %)

+22%	+23%	+25%	+23%	+21%	+16%	+17%	+20%	+22%	+22%	+19%	+11%	+13%

Gross Profit by Segment (billion RMB)



Value-added Services



Social Networks

- Revenue was up 1% YoY, driven by increased revenue from app-based games item sales, partially offset by decreased revenue from long-form video subscriptions
- Long-form video subscription revenue decreased 6% YoY, but our exclusive drama series, *The Lead*, ranked #1 industry-wide[1] in 2Q26.
- Audio subscription revenue increased 8% YoY, driven by higher music ARPU and enriched content. We facilitated users discovering new music and following new artists by enabling one-click access from *Video Accounts* to *QQ Music*
- We believe that bringing Ximalaya into Tencent Group will benefit resilience and diversity of TME's business model, deepen content supply relationship between China Literature and Ximalaya, and provide users with new content formats such as audiobooks and podcasts

Domestic Games

- Revenue grew 17% YoY, primarily driven by *Delta Force*, *VALORANT PC*, *VALORANT Mobile* and recently released *Roco Kingdom: World*

International Games

- Revenue was down 1% YoY (up 4% YoY in constant currency), as growth from *Wuthering Waves* and *VALORANT PC* was offset by certain Supercell's games

1. Source: Enlightent, by video views across all long-form video platforms in China for 2Q26

Communications & Social Networks

Video Accounts

- Total time spent grew over 20% YoY in 2Q26, benefiting from enriched content, upgraded interactive features and introducing a new multi-variable content ranking system
- Added content which appeals to younger users through IP partnerships with game studios, music labels, and TV shows
- Created new ad inventory in creators' profile feed, providing new revenue sharing opportunity to creators, and thereby expanding the population of creators that generate direct revenue from within *Video Accounts*

Mini Shops

- GMV generated from centralised eCommerce gateway page grew significantly YoY, as we introduced brand and discount zones, and broadened product selection
- Introduced new marketing tools such as viral lucky draws, helping merchants to enhance brand awareness and drive product discovery
- Upgraded incentives to extend customer lifecycles and lifetime value

Domestic Games

Delta Force

- Average DAU achieved lifetime high in 2Q26, driven by Burst Fest campaign, first professional league final and global 20v20 tournament
- Integrated AI tools across production workflows, such as data agents for performance analysis and Hy 3D model for asset generation

VALORANT PC

- Average DAU hit lifetime high in 2Q26, fueled by Skirmish: Ascension mode with round-progressive weapons, and Summit map with droppable walls
- Expanded reach through influencer collaborations, on-the-ground city events and 10,000+ Internet café promotions

Roco Kingdom: World

- #5 by average DAU[1] and #8 by gross receipts[2] across all mobile games in 2Q26, the highest-ranked new title released YTD industry-wide
- Rapid content delivery cadence: added ~100 creatures and expanded map with 7 new regions in ~3 months

Runaway Evolution

- Multi-platform SOC game adapted for China players from *Rust* (highly regarded PC game, generally ranked among top 20 on Steam by PCU), by expanding to mobile devices and by adding sandbox safe zone for new players
- Provides high risk and high reward gameplay in which players strive to survive, build bases, and win their server, over ~1 week competitive periods

1. Source: QuestMobile
2. Source: Sensor Tower

International Games

League of Legends

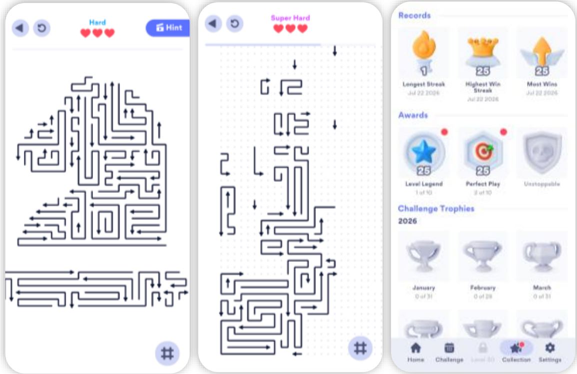
- DAU increased YoY in 2Q26, mainly driven by ARAM: Mayhem mode
- League Classic, a nostalgic mode launched in July, re-engages longtime fans by recreating early-era gameplay with pre-rework champions, classic runes, and original Summoner's Rift map layout

Warframe

- DAU grew YoY and gross receipts achieved lifetime high in 2Q26, benefiting from a new wolf-themed Prime Warframe, Voruna Prime, and new storyline *Jade Shadows: Constellations*
- TennoCon 2026 in July unveiled Warframe's next major content update, Tau, bringing players to the homeworld of the Sentients

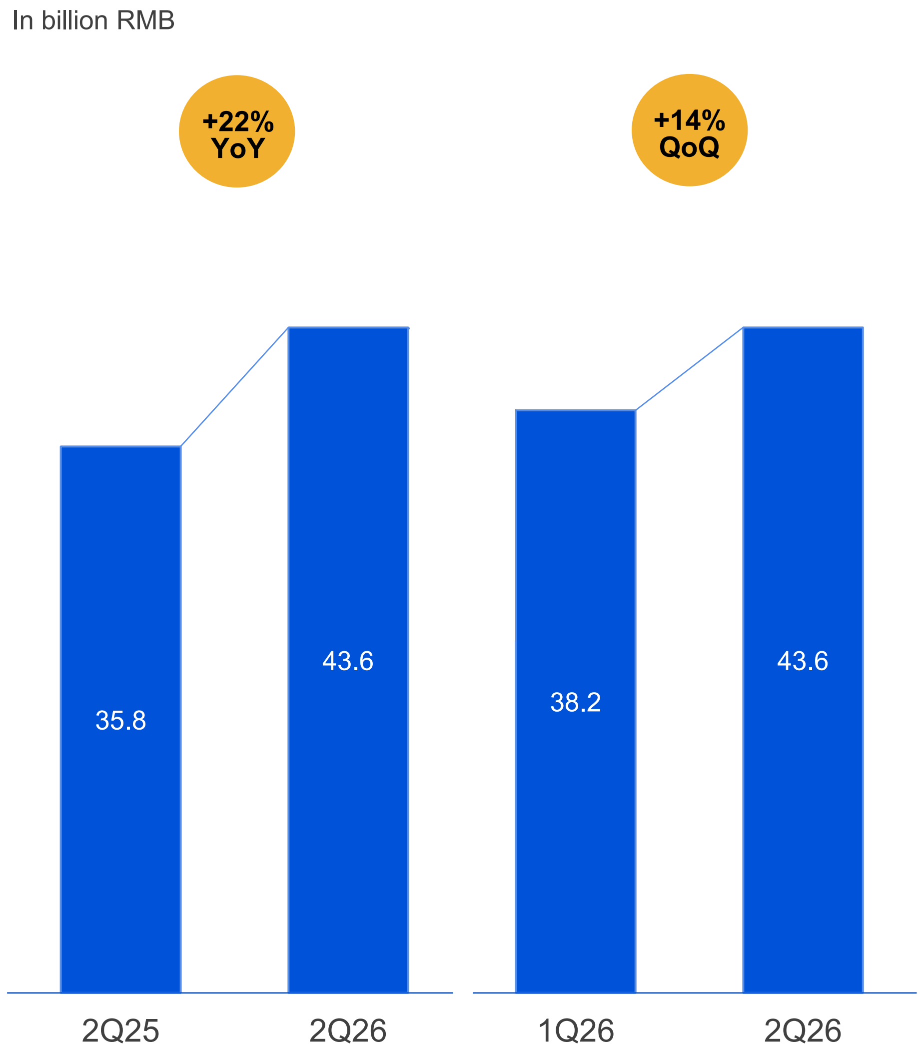
Arrows – Puzzle Escape

- #1 downloaded mobile game globally in 2Q26[1]. Collision-free clearing of intricate mazes provides deeply satisfying and self-paced game experience
- Demonstrates that the innovative capabilities of Miniclip's family of studios, supported by Miniclip's publishing expertise, can together pioneer and break out leaders in new genres of casual game
- Monetises via in-app-advertising, revenue reported in marketing services segment



1. Source: Sensor Tower

Marketing Services



Overall

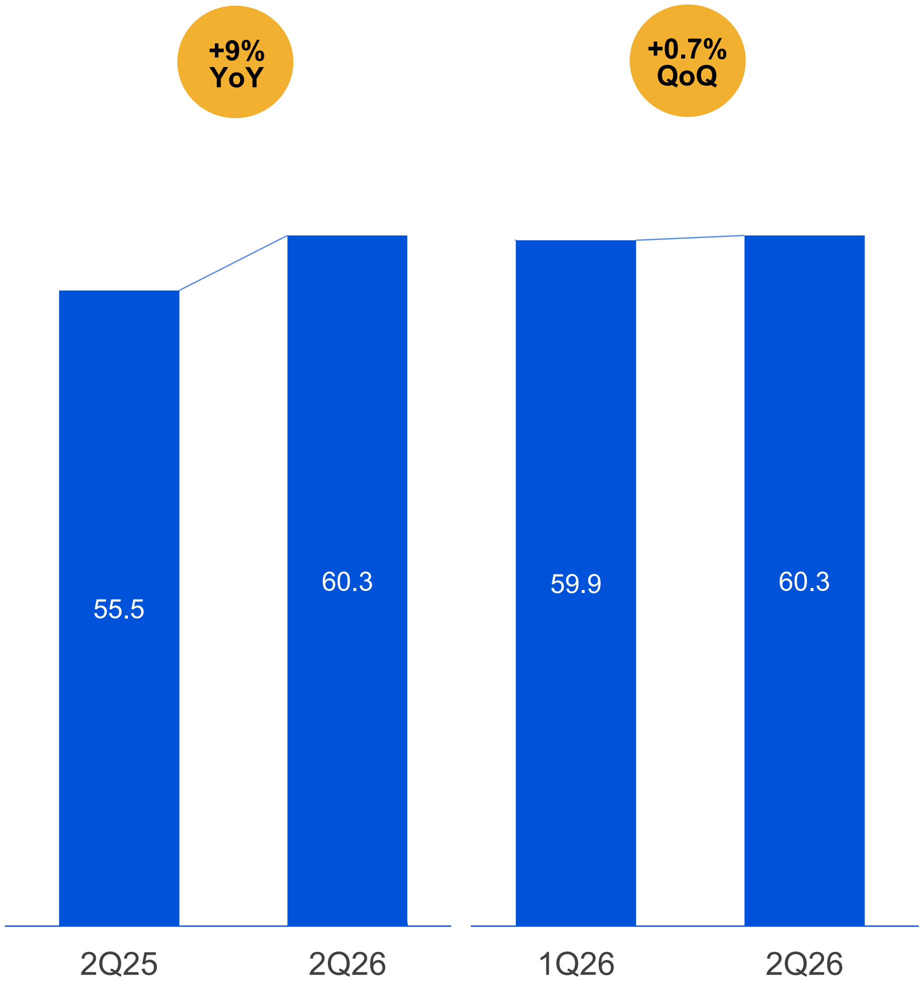
- Revenue grew 22% YoY, driven by higher eCPM and impressions. Most major categories increased marketing spending on our platforms YoY, including eCommerce, Internet services and local services
- We upgraded our automated campaign management solution, *AIM+,* with end-to-end execution capabilities for mini shop and mini drama advertisers, enabling smart product selection, ad creative generation, and dynamic bidding
- We significantly scaled up our ad AI recommendation system to capture user interests with more granularity and improve conversions

Weixin

- ***Video Accounts'*** ad impressions grew rapidly YoY, driven by higher video views and ad load. We maintained below-industry ad load
- ***Mini Programs'*** increasingly vibrant content ecosystem attracted rising marketing spend from mini drama and mini game studios. Rewarded ads delivered high conversions and resulted in rapid growth in eCPM

FinTech and Business Services

In billion RMB



FinTech Services

- Revenue grew YoY, driven by increases in commercial payment, wealth management, and consumer loan services
- For commercial payment, number of transactions grew YoY, while decline in value per transaction YoY continued to narrow
- For wealth management, aggregated customer assets increased YoY, benefitting from the popularity of automated investment strategies and thematic index funds

Business Services

- Cloud revenue growth accelerated to low-twenties % YoY due to AI-related demand, international expansion, and increased uptake for general cloud services
- AI-related demand translated into increased revenue across GPU rental, Model-as-a-Service, and *WorkBuddy* & *CodeBuddy,* although we are still compute constrained
- Tencent Cloud international business expanded rapidly; using Skills developed with *WorkBuddy* & *CodeBuddy*, we accelerated speed of conducting cloud migrations to Tencent Cloud

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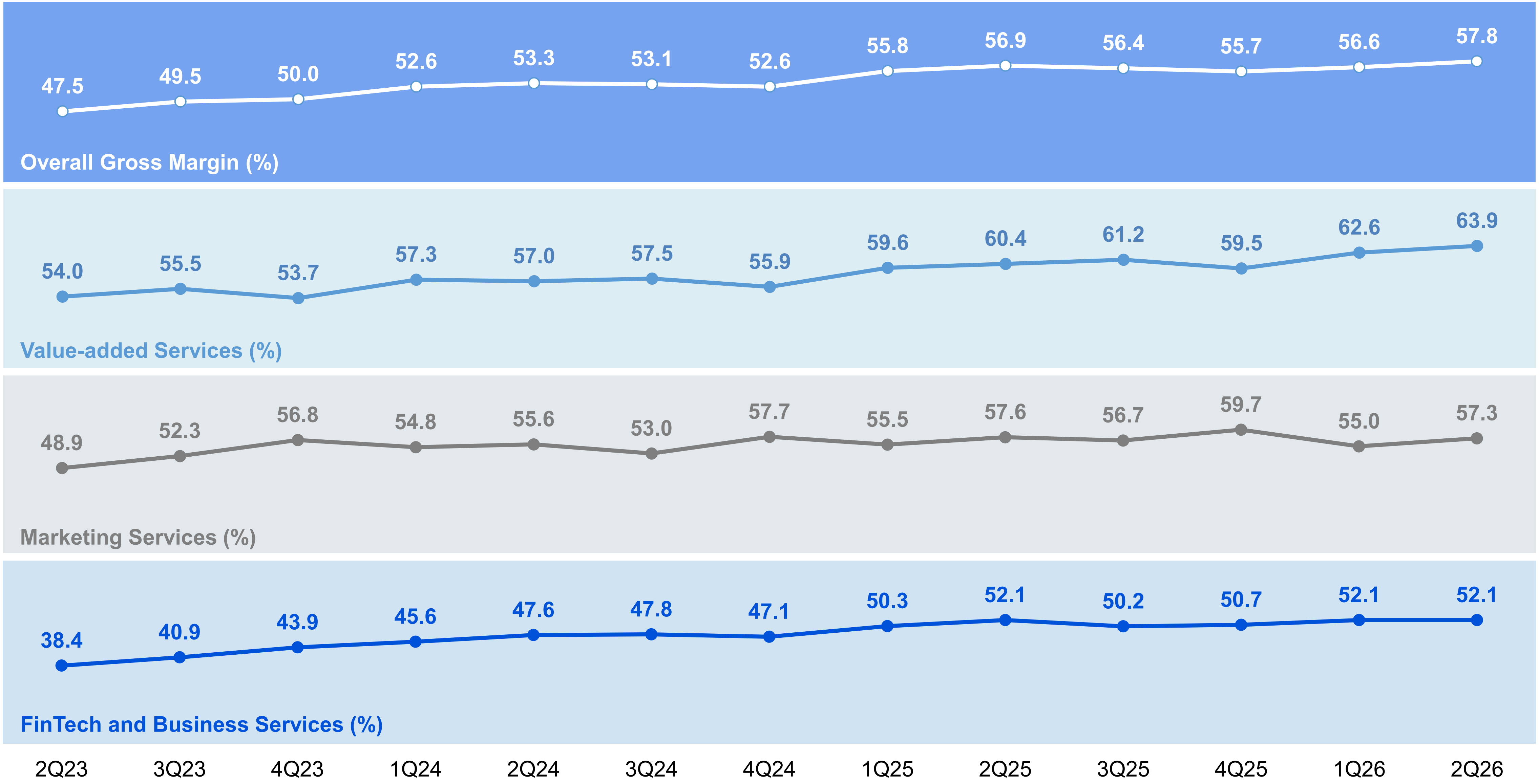
Income Statement

In billion RMB	2Q2026	2Q2025	*YoY*	1Q2026	*QoQ*
Revenue	**204.8**	**184.5**	***+11%***	**196.5**	***+4%***
Gross profit	**118.4**	**105.0**	***+13%***	**111.3**	***+6%***
Operating expenses	(50.6)	(41.3)	*+23%*	(45.2)	*+12%*
Other gains/(losses), net	(0.5)	(3.6)	*-87%*	1.3	*NA*
Operating profit	**67.3**	**60.1**	***+12%***	**67.4**	***-0.1%***
Net gains from investments and others	11.2	2.6	*+324%*	1.9	*+480%*
Interest income	4.2	4.1	*+2%*	4.0	*+4%*
Finance costs	(3.0)	(3.9)	*-24%*	(3.0)	*stable*
Share of profit/(loss) of associates & JVs, net	(10.0)	4.5	*NA*	3.6	*NA*
Income tax expense	(11.7)	(11.4)	*+3%*	(14.5)	*-20%*
Net profit	**58.0**	**56.0**	***+3%***	**59.4**	***-2%***
Net profit attributable to equity holders	**56.0**	**55.6**	***+0.7%***	**58.1**	***-4%***
Diluted EPS in RMB	6.104	5.996	*+2%*	6.302	*-3%*
Non-IFRS					
Operating Profit excl. New AI Products[1]	**86.1**	**72.4**	***+19%***	**84.4**	***+2%***
Operating profit	**75.6**	**69.2**	***+9%***	**75.6**	***stable***
Net profit attributable to equity holders	**68.4**	**63.1**	***+9%***	**67.9**	***+0.8%***
Diluted EPS in RMB	7.433	6.793	*+9%*	7.364	*+0.9%*

1. New AI Products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*

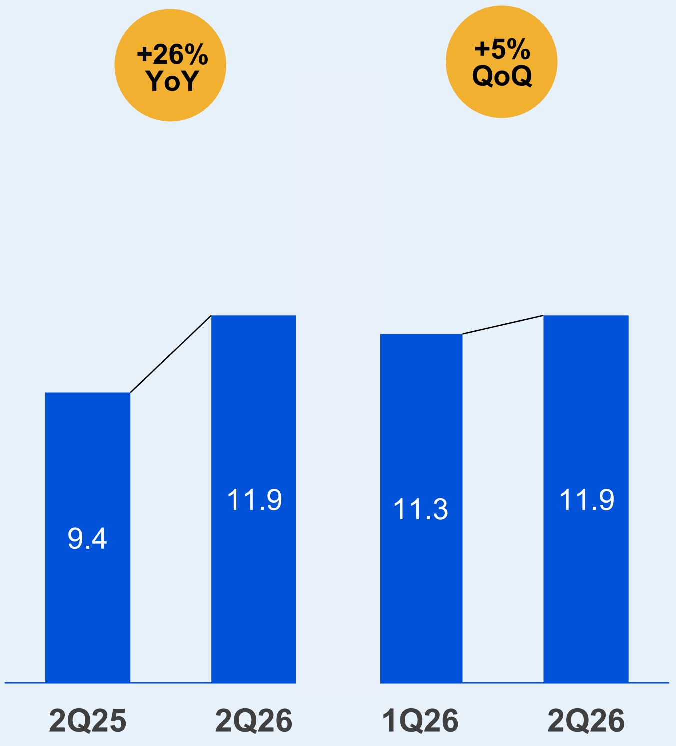
Gross Margins



Operating Expenses

S&M

in billion RMB

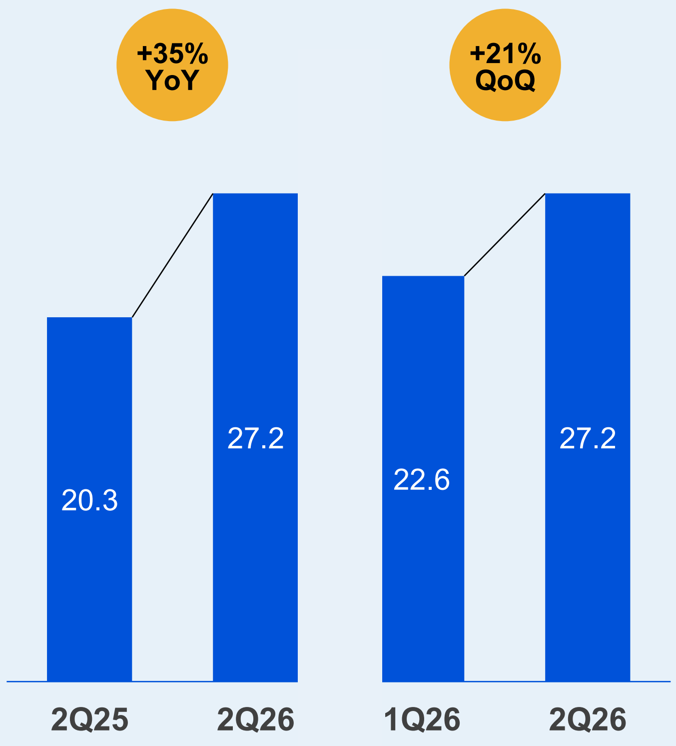


Non-IFRS

2Q26 S&M grew by 28% YoY and 5% QoQ

R&D

in billion RMB

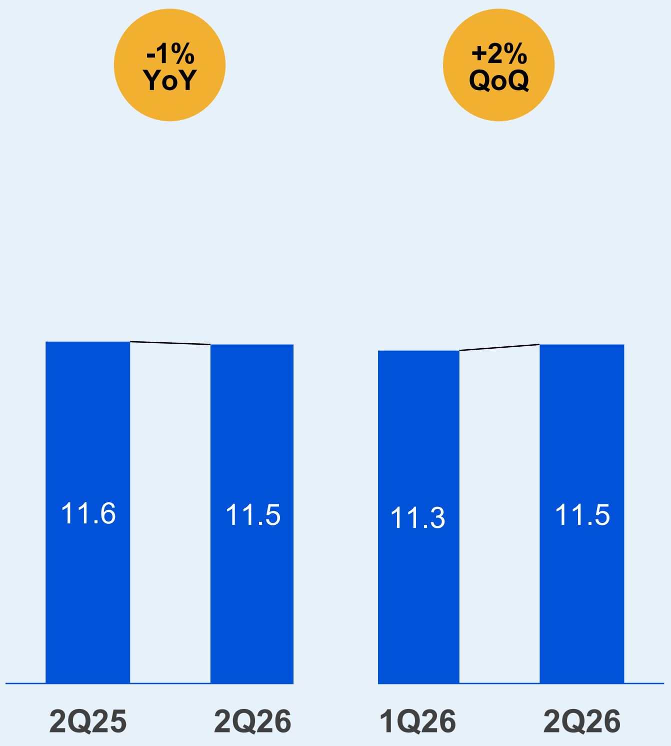


Non-IFRS

2Q26 R&D grew by 41% YoY and 23% QoQ

G&A (excl. R&D)

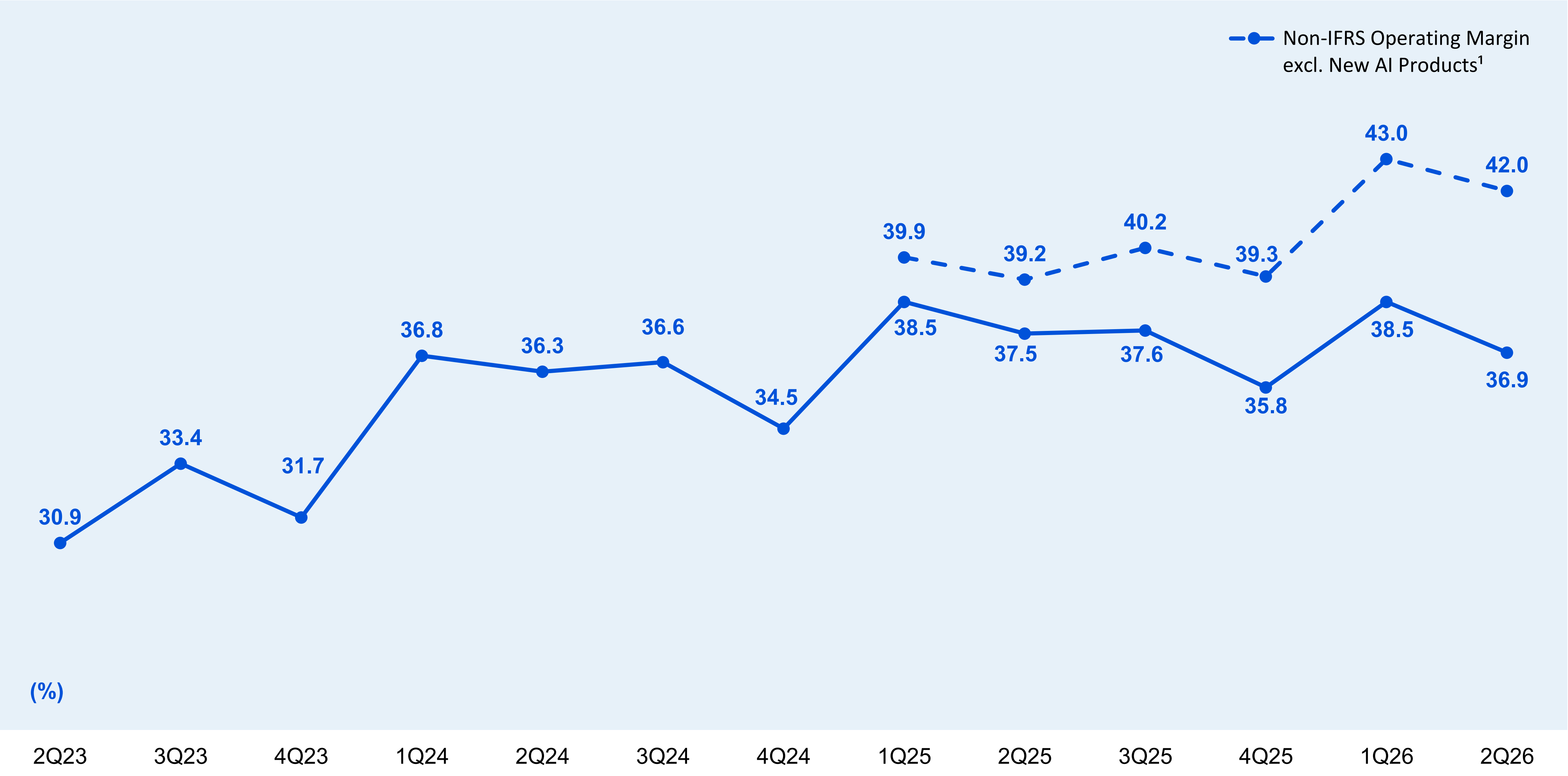
in billion RMB



Non-IFRS

2Q26 G&A (excl. R&D) grew by 5% YoY and 2% QoQ

Non-IFRS Operating Margin



1. New AI Products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*

CAPEX, FCF and Cash Position

In billion RMB	2Q2026	2Q2025	*YoY*	1Q2026	*QoQ*
Operating CAPEX	51.8	17.9	*+190%*	31.2	*+66%*
Non-operating CAPEX	1.0	1.2	*-20%*	0.7	*+30%*
Total CAPEX	**52.8**	**19.1**	***+176%***	**31.9**	***+65%***
Free Cash Flow	**(13.8)**	**43.0**	***NA***	**56.7**	***NA***
Total Cash	511.2	468.4	*+9%*	533.7	*-4%*
Less: Total Debt	(453.0)	(393.8)	*+15%*	(386.8)	*+17%*
Net Cash	**58.2**	**74.6**	***-22%***	**146.9**	***-60%***

- **Repurchased ~37 million shares for a consideration of ~RMB14.7 billion and paid cash dividend of ~RMB41.6 billion during 2Q26**
- **As at 30 Jun 2026, the fair value of our shareholdings[1] in listed investee companies (excluding subsidiaries) was ~RMB487 billion (USD72 billion) and the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was ~RMB388 billion (USD57 billion)**

1. Including those held via special purpose vehicles, on an attributable basis.

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Thank you!

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