2025 Third Quarter Results Presentation

November 13, 2025

1. Overview
2. Business Review
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Domestic Games

HoK

- Gross receipts grew YoY in 3Q25, benefitting from collaborations with China Literature IPs, Lord of the Mysteries and Fox Spirit Matchmaker
- DAU reached 139 million on the game's 10th anniversary in Oct, featuring hero and minion outfits inspired by Bronze Age Shu Kingdom artefacts

Delta Force

- Ranked among top 3 games industry-wide by gross receipts in 3Q25[1]
- Achieved over 30 million DAU in Sep, including more than 10 million on PC, fueled by new season content with enriched warfare mode, extensive first anniversary events, and global eSports tournament

VALORANT Franchise

- Mobile version released on Aug 19 and became China's most successful mobile launch YTD by first month DAU and gross receipts[2]
- After mobile launch, VALORANT franchise MAU more than doubled from Jul to Oct, exceeding 50 million
- PC DAU and gross receipts reached record high in Sep on new eSports-themed weapon items

1. Source: Company data, Sensor Tower
2. Source: QuestMobile, Sensor Tower, for Jan 1 - Nov 12, 2025

International Games

Clash Royale

- Released new auto-chess mode Merge Tactics and extended Trophy Road achievement system, driving higher player engagement
- Monthly DAU and gross receipts in Sep achieved all-time highs since launch in 2016. Gross receipts increased more than 400% YoY in 3Q25

PUBG Mobile

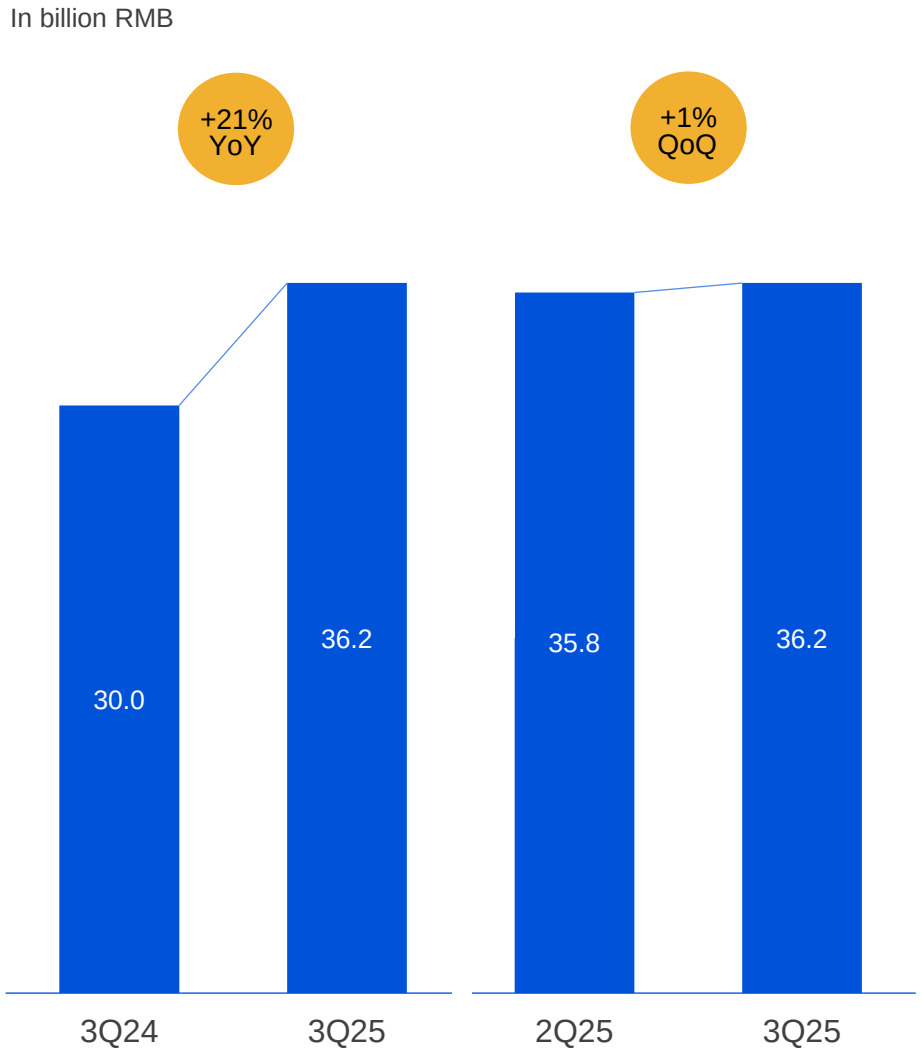
- Gross receipts increased YoY in 3Q25, benefitting from popular Egyptian-themed outfits, innovative X-suit with emote sound effects and a 2-player glider, and collaborations with Transformers and Lotus Cars

Dying Light : The Beast

- Open-world action survival game on PC & console based on Dying Light IP, developed and operated by subsidiary Techland; offers the engaging Beast Mode and a well-crafted world featuring the return of original protagonist
- Received “Very Positive” [1] user review scores on Steam since launch in Sep

1. Received 87% positive player review as of Nov 12, 2025

Marketing Services



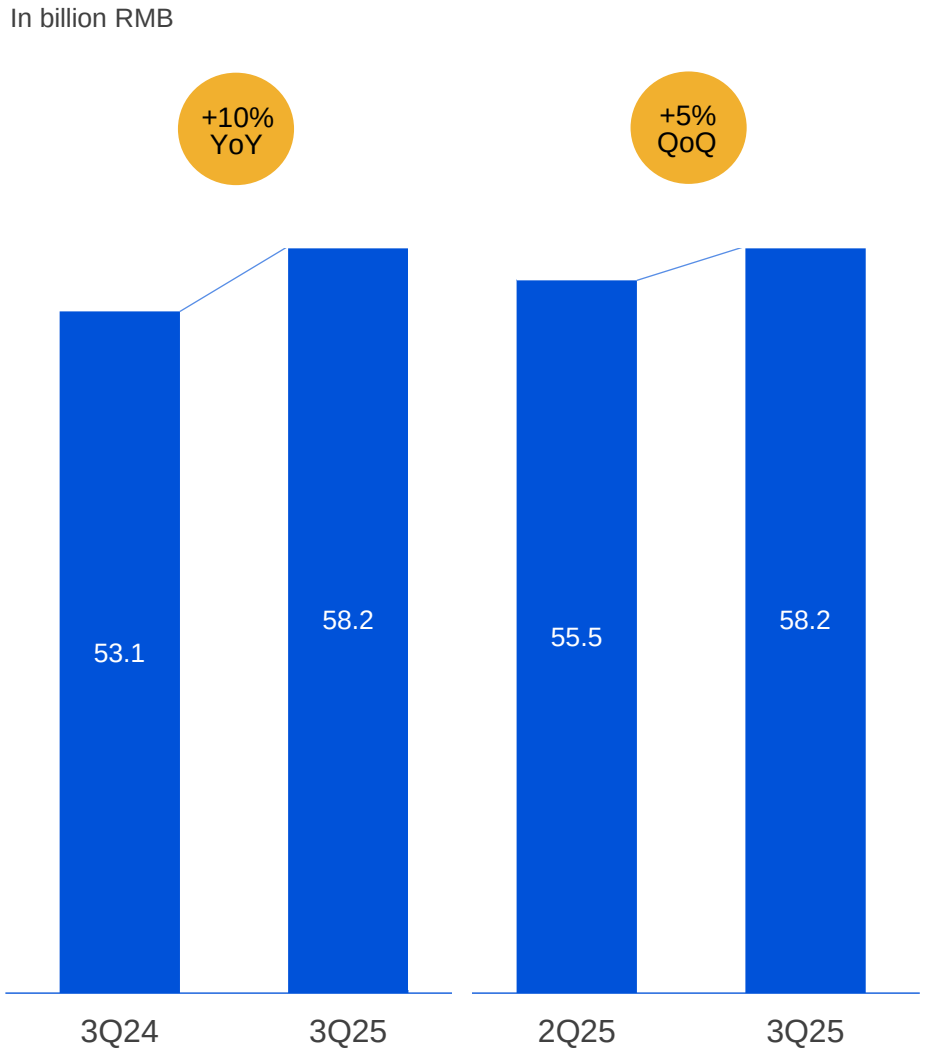
Overall

- Revenue increased 21% YoY, underpinned by ad spend growth in all major categories
- Impressions grew YoY as we enhanced engagement as well as increased ad load across Video Accounts, Mini Programs and Weixin Search
- Average eCPM increased YoY as we upgraded adtech foundation model and captured more closed-loop marketing demand
- Introduced our automated ad campaign solution AIM+

Weixin

- Video Accounts: increases in DAU and time spent per user contributed to growth in ad impressions. Advertisers increasingly adopted our marketing tools to drive traffic to short videos, live streams and Mini Shops
- Mini Programs : increases in activations and time spent attracted ad spend from mini dramas and mini games, bolstering the ecosystem's flywheel effect
- Weixin Search : increases in commercial query volume and CTRs contributed to revenue growth. We improved relevance of search ad by upgrading LLM capabilities and optimising sponsored results for user queries

FinTech and Business Services



FinTech Services

- Revenue grew by high single-digit % YoY, primarily driven by commercial payment services and consumer loan services
- For commercial payment volume, YoY growth was higher than previous quarter. Online TPV grew robustly, and offline TPV trend improved, particularly in retail and transportation categories
- For consumer loan services, non-performing loan rates remained among the lowest in industry and improved YoY

Business Services

- Revenue grew at teens % YoY despite supply chain constraints on sourcing GPUs, driven by cloud services and fees collected on Mini Shops eCommerce transactions
- Revenue from cloud storage and data management products grew notably YoY
- WeCom launched AI summarisation feature to generate project recaps and provide advice based on users' emails and conversations, enhancing project collaboration efficiency

Income Statement

In billion RMB	3Q2025	3Q2024	YoY	2Q2025	QoQ
Revenue	192.9	167.2	+15%	184.5	+5%
COPS	(84.1)	(78.4)	+7%	(79.5)	+6%
Gross profit	108.8	88.8	+22%	105.0	+4%
Operating expenses	(45.7)	(38.5)	+19%	(41.3)	+11%
Other gains (losses), net	0.5	3.0	-84%	(3.6)	N/A
Operating profit	63.6	53.3	+19%	60.1	+6%
Net gains from investments and others	2.8	3.1	-8%	2.6	+7%
Interest income	4.3	4.0	+7%	4.1	+3%
Finance costs	(3.8)	(3.5)	+6%	(3.9)	-5%
Share of profit of associates & JVs, net	7.8	6.0	+30%	4.5	+76%
Income tax expense	(9.8)	(8.9)	+10%	(11.4)	-14%
Net profit	64.9	54.0	+20%	56.0	+16%
Net profit attributable to equity holders	63.1	53.2	+19%	55.6	+13%
Diluted EPS in RMB	6.779	5.644	+20%	5.996	+13%
Non-IFRS					
Operating profit	72.6	61.3	+18%	69.2	+5%
Net profit attributable to equity holders	70.6	59.8	+18%	63.1	+12%
Diluted EPS[1] in RMB	7.575	6.340	+19%	6.793	+12%
Weighted average number of shares in million[2]	9,232	9,360	-1%	9,247	-0.2%

1. Diluted EPS is calculated using the weighted average number of outstanding shares in the period incl. the dilutive effect of share options and awarded shares as determined under the treasury stock method
2. Weighted average number of shares for calculation of diluted EPS includes the dilutive effect of share options and awarded shares as determined under the treasury stock method

Non-IFRS Adjustments

In billion RMB	IFRS 3Q2025	SBC	Net (gains)/ losses from investee companies [1]	Amortisation of intangible assets	Impairment provision s/ (reversals) [2]	SSV & CPP [3]	Others [4]	Tax effects	Non-IFRS 3Q2025	YoY change	QoQ change
Operating profit	63.6	7.2	-	1.6	-	0.2	-	-	72.6	+18%	+5%
Share of profit of associates & JVs, net	7.8	0.9	(0.6)	1.8	-	-	0.4	-	10.3	+21%	+63%
Net profit	64.9	8.1	1.7	3.4	(4.8)	0.3	0.4	(1.2)	72.8	+19%	+12%
Net profit attributable to equity holders	63.1	7.9	1.7	3.1	(4.8)	0.3	0.4	(1.1)	70.6	+18%	+12%
Operating margin	33.0%								37.6%	+1.0ppt	+0.1ppt

Note:

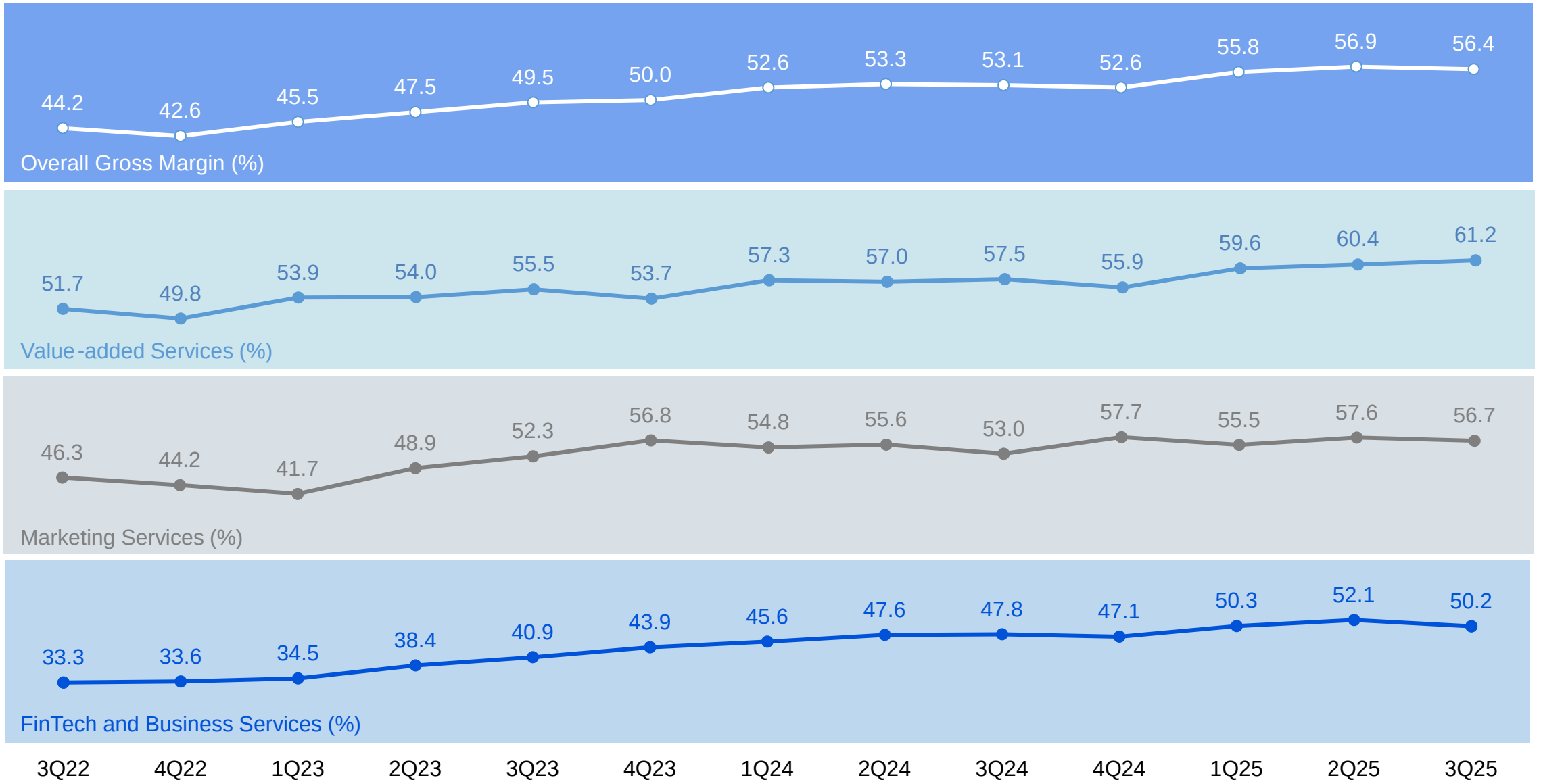
1. Including net (gains)/losses on deemed disposals/disposals of investee companies, fair value changes arising from investee companies, and other expenses in relation to equity transactions of investee companies.

2. Mainly including impairment provisions/(reversals) for associates, joint ventures, goodwill and other intangible assets arising from acquisitions.

3. Mainly including donations and expenses incurred for the Group's Sustainable Social Value & Common Prosperity Programme initiatives.

4. Primarily non-recurring compliance-related costs and expenses incurred for certain litigation settlements of the Group and/or arising from investee companies

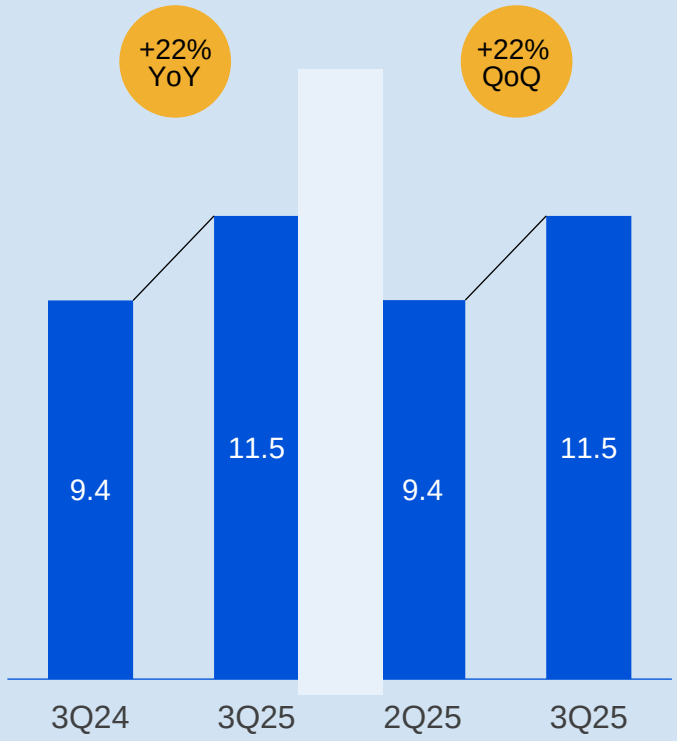
Gross Margins



Operating Expenses

S&M

in billion RMB

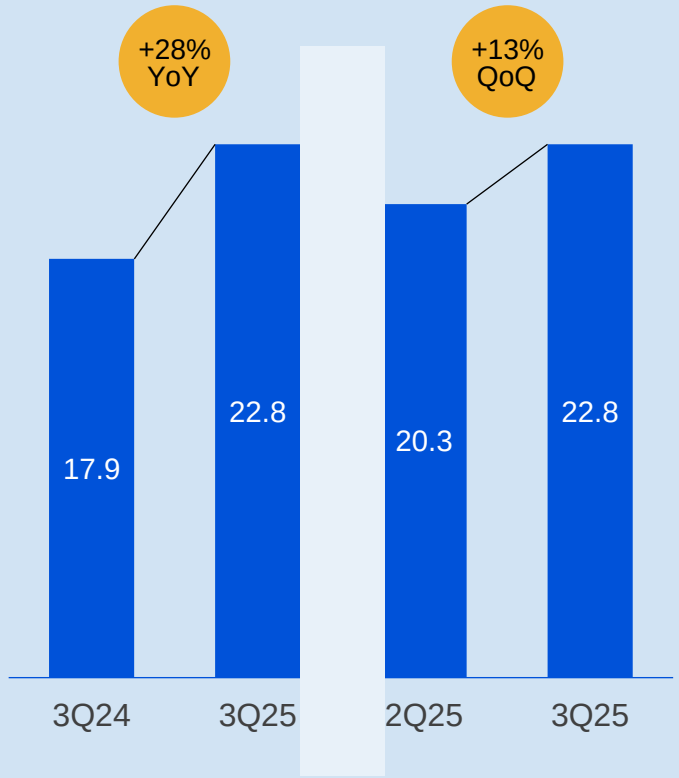


Non-IFRS

3Q25 S&M grew by 22% YoY and 23% QoQ

R&D

in billion RMB

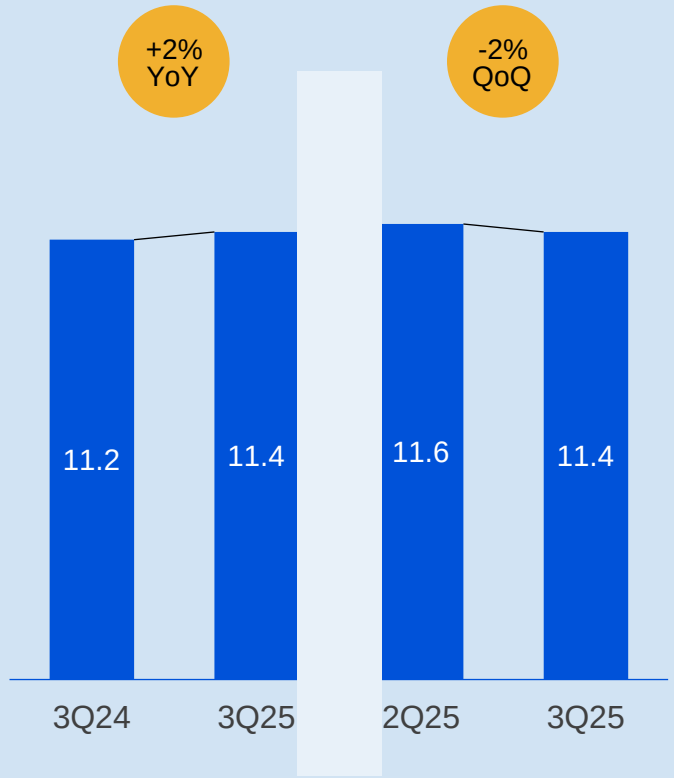


Non-IFRS

3Q25 R&D grew by 25% YoY and 13% QoQ

G&A (excl. R&D)

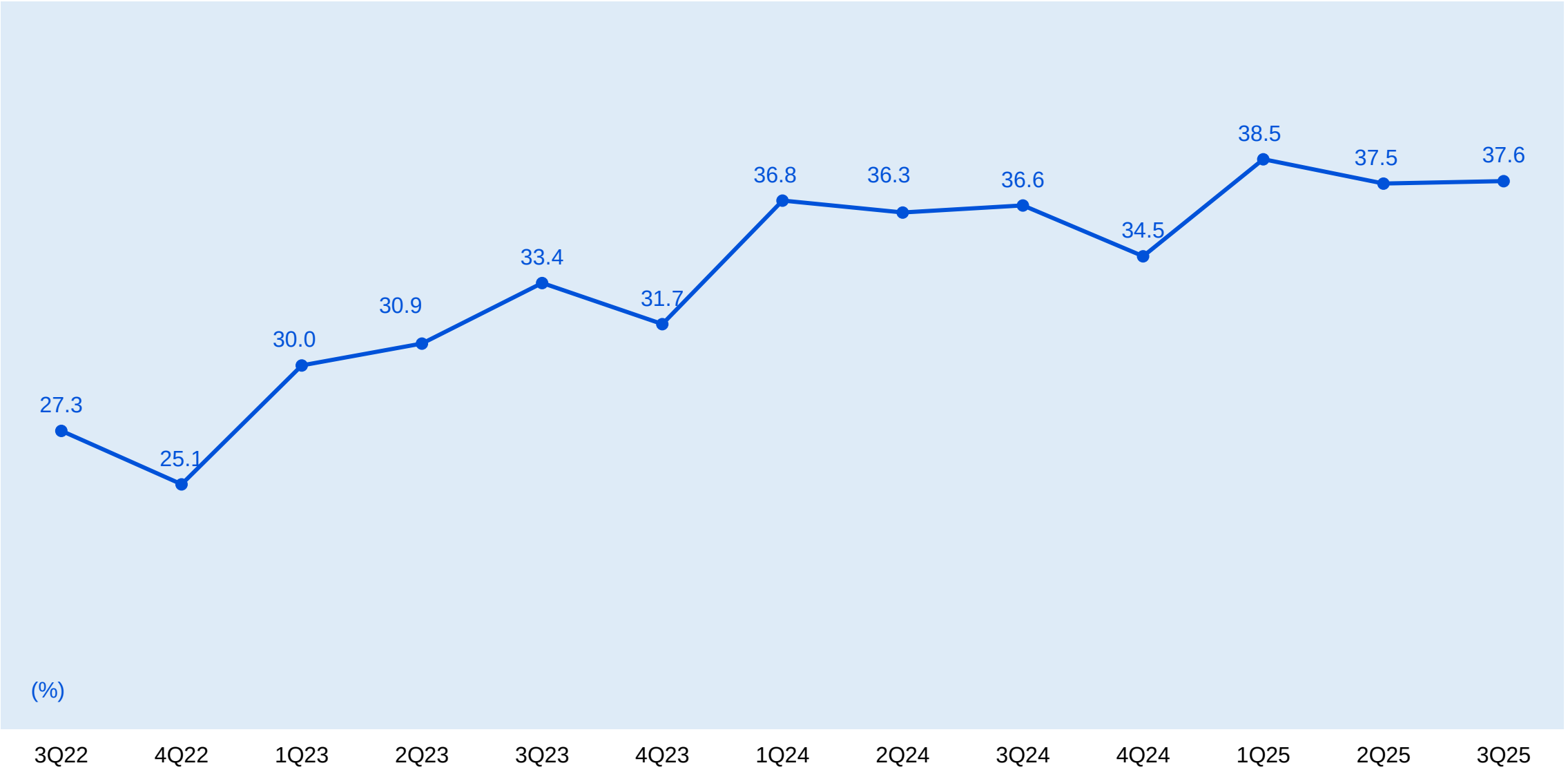
in billion RMB



Non-IFRS

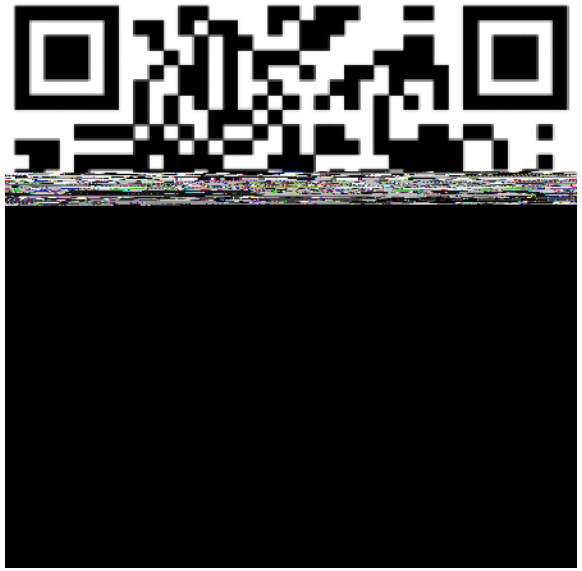
3Q25 G&A (excl. R&D) grew by 11% YoY and 5% QoQ

Non-IFRS Operating Margin



CAPEX, FCF and Cash Position

In billion RMB	3Q2025	3Q2024	YoY	2Q2025	QoQ
Operating CAPEX	12.0	14.7	-18%	17.9	-33%
Non-operating CAPEX	1.0	2.4	-59%	1.2	-19%
Total CAPEX	13.0	17.1	-24%	19.1	-32%
Operating Cash Flow	85.3	78.1	+9%	74.4	+15%
Less: CAPEX Paid	(20.0)	(12.0)	+67%	(22.9)	-12%
Payments for media content	(4.9)	(5.6)	-11%	(6.3)	-22%
Payments for lease liabilities	(1.9)	(2.0)	-3%	(2.2)	-14%
Free Cash Flow	58.5	58.5	-0.1%	43.0	+36%
Total Cash	493.3	425.5	+16%	468.4	+5%
Less: Total Debt	(390.9)	(330.0)	+18%	(393.8)	-0.7%
Net Cash	102.4	95.5	+7%	74.6	+37%

- Repurchased ~35 million shares with an aggregated cost of ~RMB19 billion during 3Q25
- As at 30 Sep 2025, the f air value of our shareholdings [1] in listed investee companies (excluding subsidiaries) was ~RMB801 billion (USD113 billion) and the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was ~RMB345 billion (USD49 billion)

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