



Second Quarter 2020 Results

August 2020



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This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the U.S. (“GAAP”), including “adjusted revenue,” “total adjusted revenue,” “adjusted EBITDA,” “total adjusted EBITDA,” and “net loss excluding share-based compensation and changes in fair value of the 2017 convertible notes.” The reconciliation of those measures to the most comparable GAAP measures is contained within this presentation. The non-GAAP measures have limitations as an analytical tool and you should not consider them in isolation or as a substitute for an analysis of the Company’s results under GAAP.

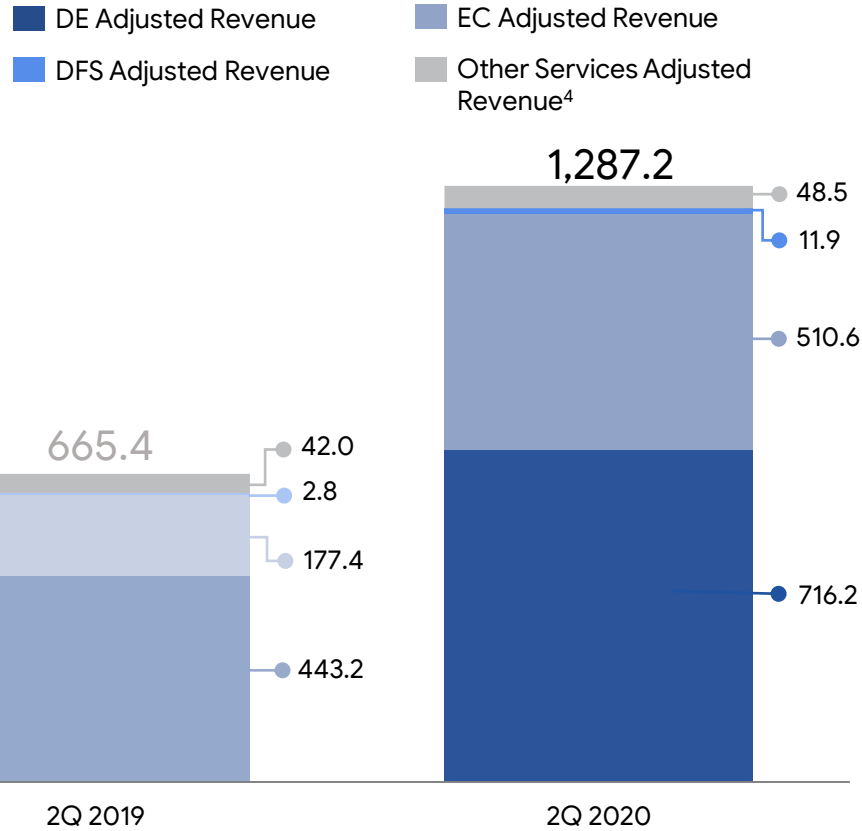
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Group: Robust Revenue Growth

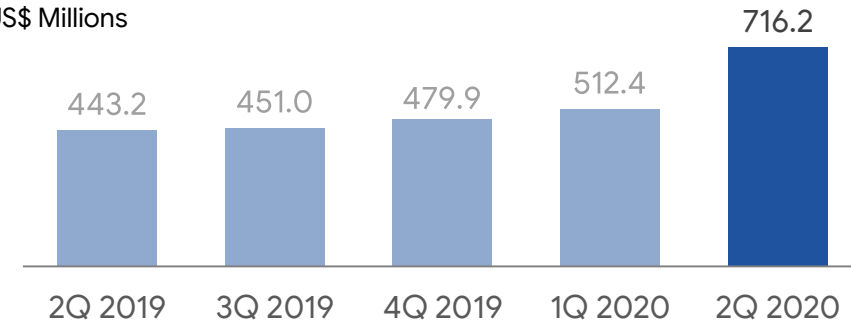
93% YoY Growth in Total Adjusted Revenue¹

US\$ Millions



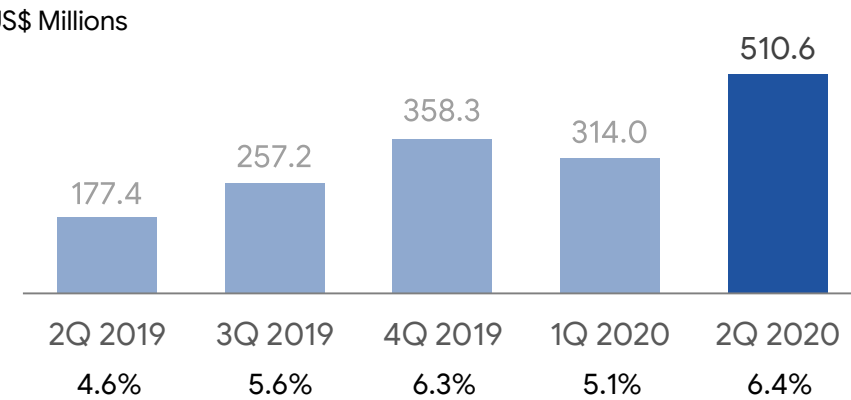
62% YoY Growth in DE Adjusted Revenue²

US\$ Millions



188% YoY Growth in EC Adjusted Revenue³

US\$ Millions



Note: Financial figures are unaudited.

1. Sum of digital entertainment ("DE") adjusted revenue, e-commerce ("EC") adjusted revenue, digital financial services ("DFS") adjusted revenue, and other services adjusted revenue. For details on reconciliation, please refer to slide 8.

2. Digital entertainment revenue plus change in digital entertainment deferred revenue.

3. Revenue of the e-commerce segment (currently consisting of marketplace revenue and product revenue) plus certain revenues that were net-off against their corresponding sales incentives.

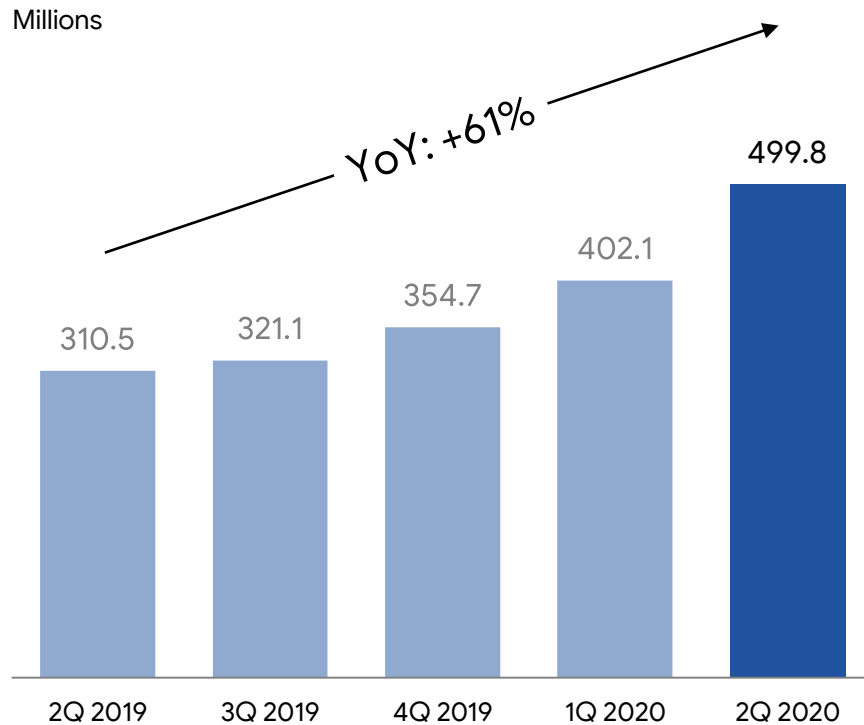
4. A combination of multiple business activities that does not meet the quantitative thresholds to qualify as reportable segments are grouped together as "Other Services."

Private & Confidential

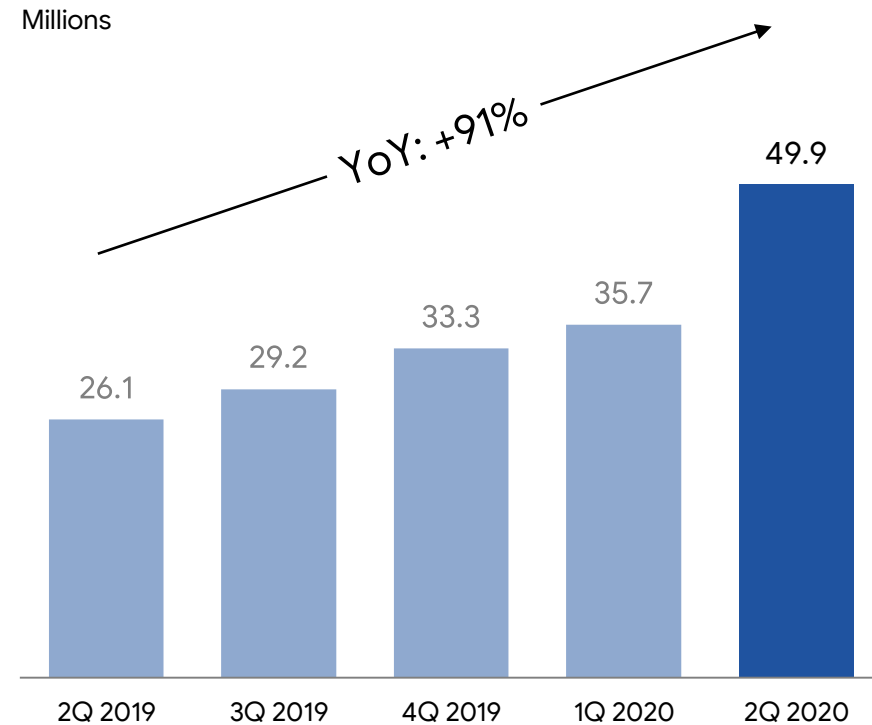


Digital Entertainment: Continued Growth of User Base

Quarterly Active Users



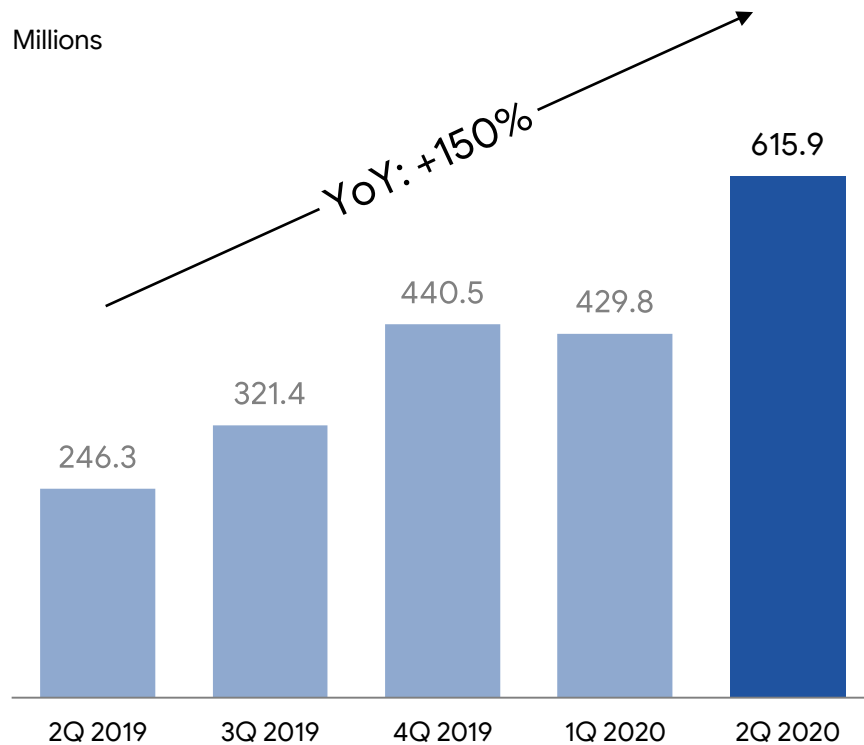
Quarterly Paying Users



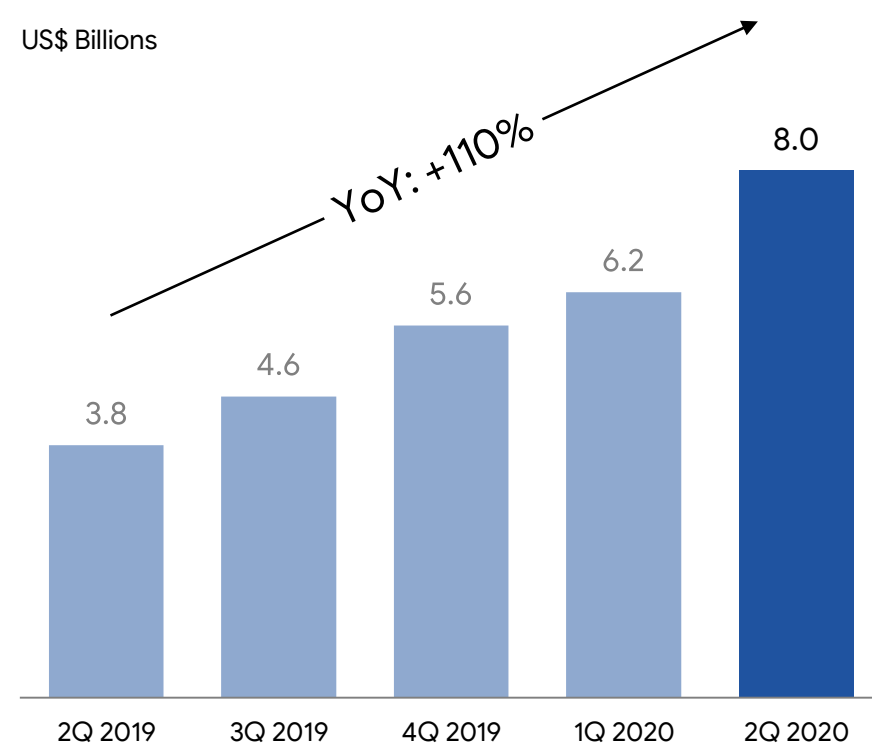


E-commerce: Extending Our Leading Position Across the Region

Gross Orders



GMV





Digital Financial Services: Accelerating Adoption In Our Region

> US\$1.6 Billion

in mobile wallet
Total Payment Volume in 2Q 2020

> 15 Million

Quarterly Paying Users for
mobile wallet services in 2Q 2020

Strong and Sustained User Engagement Into 3Q 2020



New Record High

in Monthly Adjusted Revenue in July¹

> 100%

YoY growth in *Free Fire*'s
Monthly Paying Users in July¹



> 45%

of Shopee's Gross Orders in Indonesia paid
using our mobile wallet service in July²

Note:

- ¹ In July 2020, Garena hit a new record high in monthly adjusted revenue. *Free Fire* also achieved a new record in monthly paying users in July, which more than doubled year-on-year.
- ² In July 2020, more than 45% of Shopee's gross orders in Indonesia, our largest market for SeaMoney, were paid using our mobile wallet.



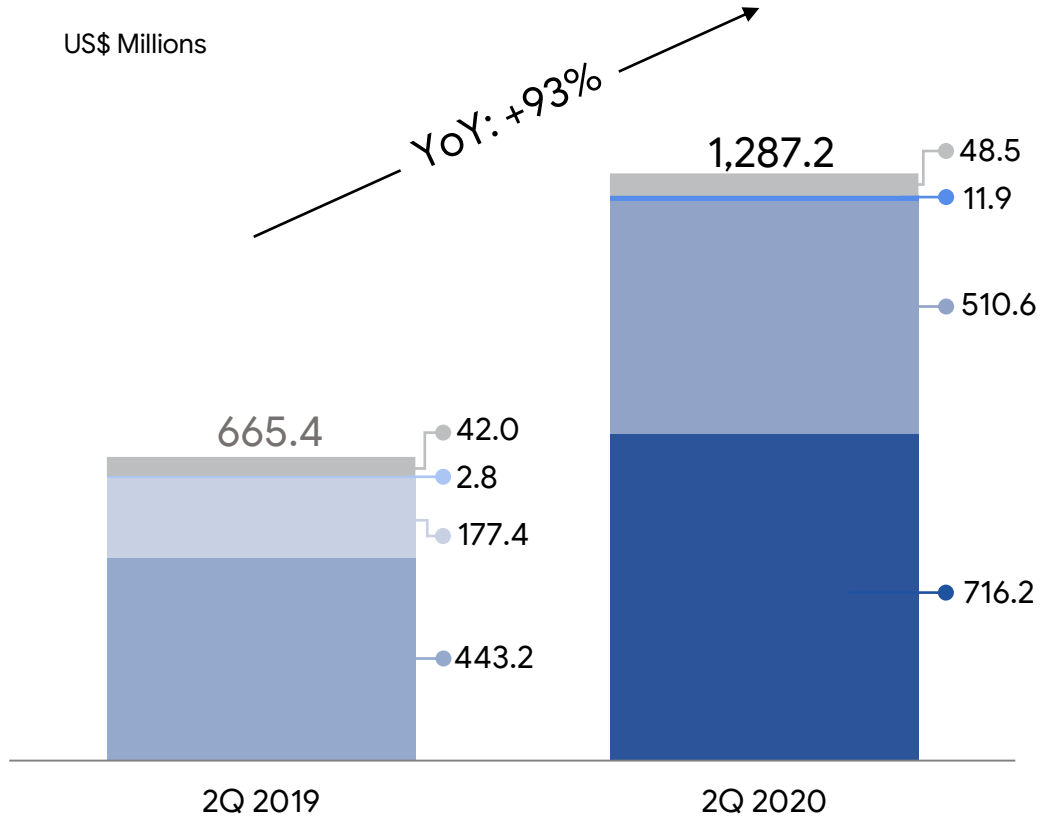
Non-GAAP Revenue

DE Adjusted Revenue EC Adjusted Revenue

DFS Adjusted Revenue Other Services Adjusted Revenue

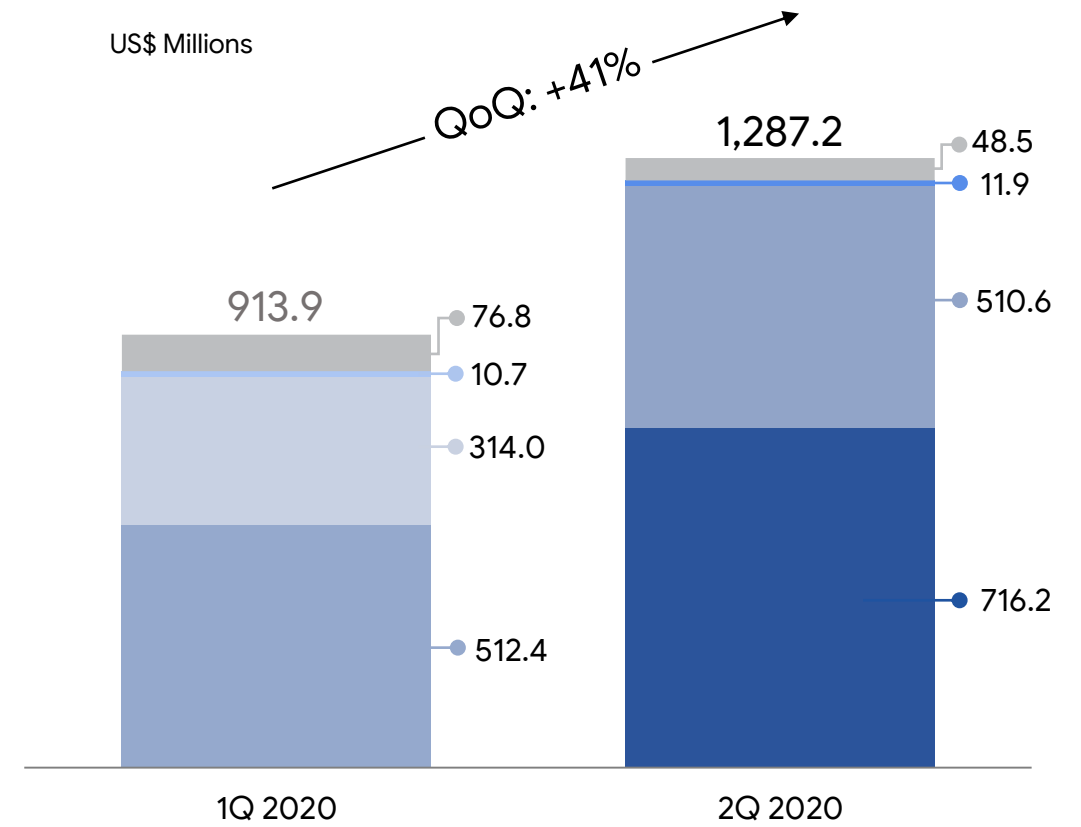
US\$ Millions

YoY: +93%



US\$ Millions

QoQ: +41%



Note: Financial figures are unaudited.



Reconciliation Between GAAP and Non-GAAP Revenue

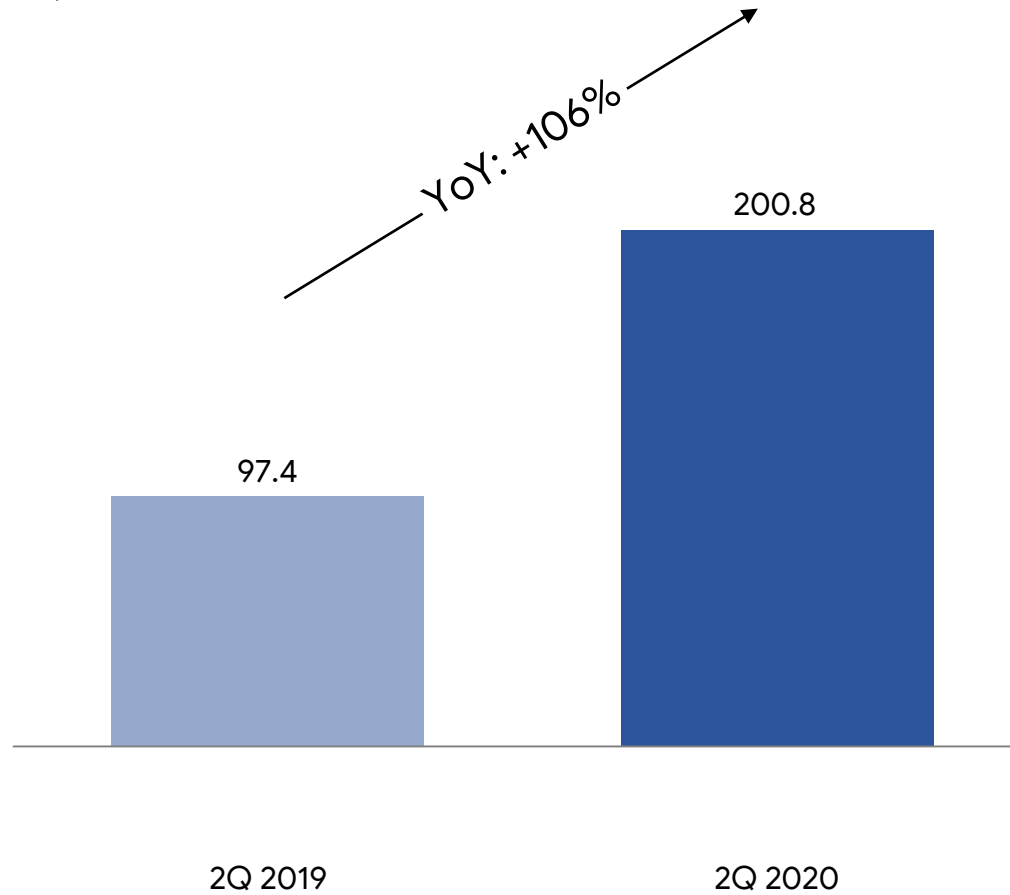
US\$ Thousands	2Q 2019	2Q 2020
Digital Entertainment		
<i>Revenue</i>	229,478	383,946
<i>Changes in Deferred Revenue</i>	213,707	332,264
Digital Entertainment Adjusted Revenue	443,185	716,210
E-commerce		
<i>Revenue</i>	162,615 ¹	443,035 ¹
<i>Sales Incentives Net-Off</i>	14,834	67,562
E-commerce Adjusted Revenue	177,449²	510,597²
Group		
<i>Revenue</i>	436,151	882,034
<i>Changes in Deferred Revenue</i>	213,707	332,264
<i>Sales Incentives Net-Off</i>	15,558	72,916
Total Adjusted Revenue	665,416	1,287,214

Note: Financial figures are unaudited.

- For 2Q 2020, revenue of \$443,035 included marketplace revenue of \$311,146 and product revenue of \$131,889 net of sales incentives. For 2Q 2019, revenue of \$162,615 included marketplace revenue of \$122,955 and product revenue of \$39,660 net of sales incentives.
- For 2Q 2020, adjusted revenue of \$510,597 included adjusted marketplace revenue of \$378,708 and adjusted product revenue of \$131,889. For 2Q 2019, adjusted revenue of \$177,449 included adjusted marketplace revenue of \$137,789 and adjusted product revenue of \$39,660.

Total Gross Profit

US\$ Millions

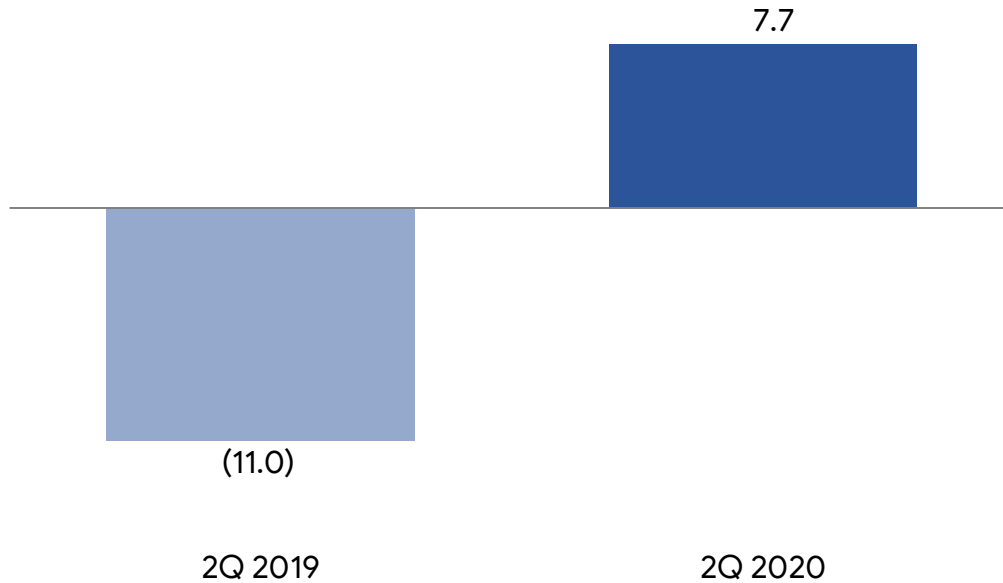




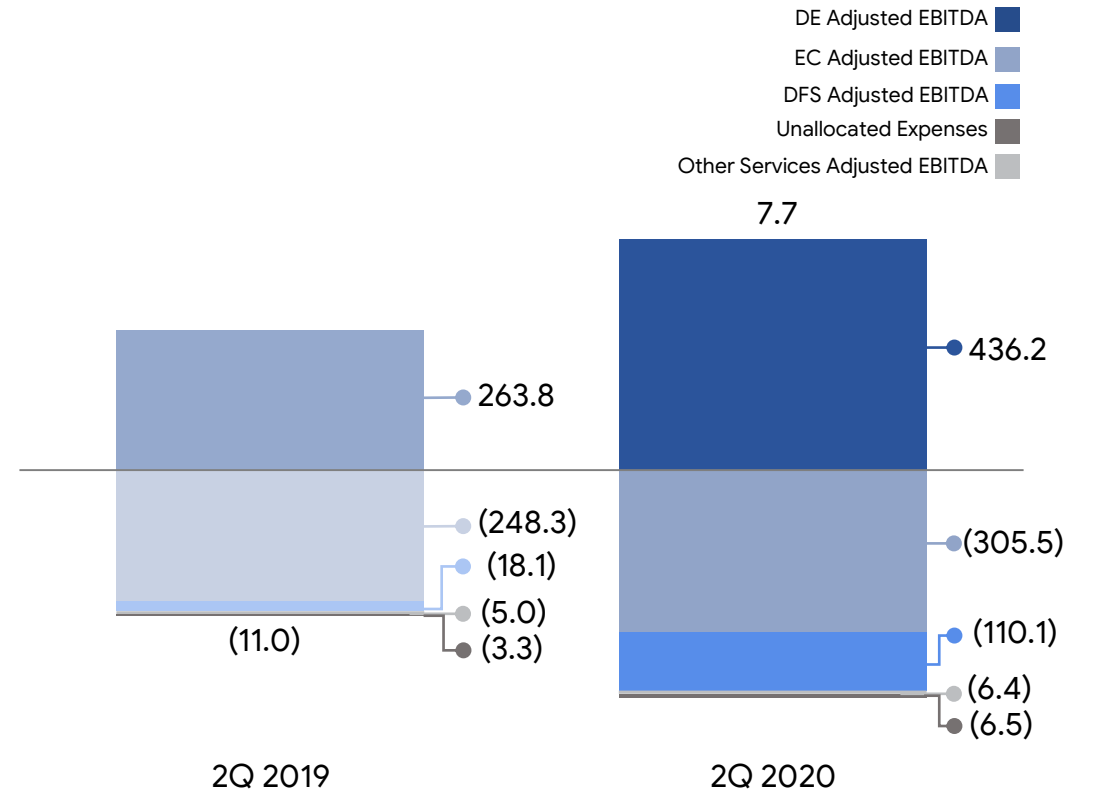
Non-GAAP EBITDA

Total Adjusted EBITDA

US\$ Millions



US\$ Millions

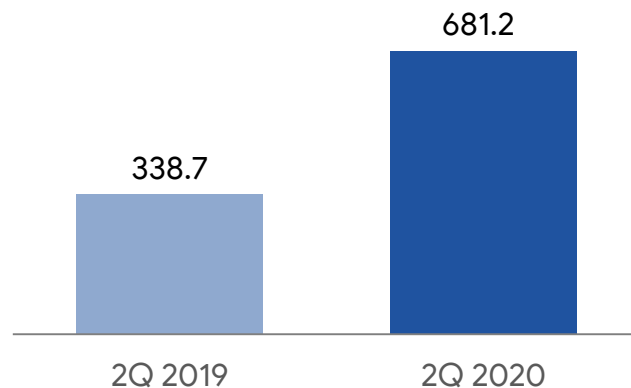


Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.

Cost and Expense Trends

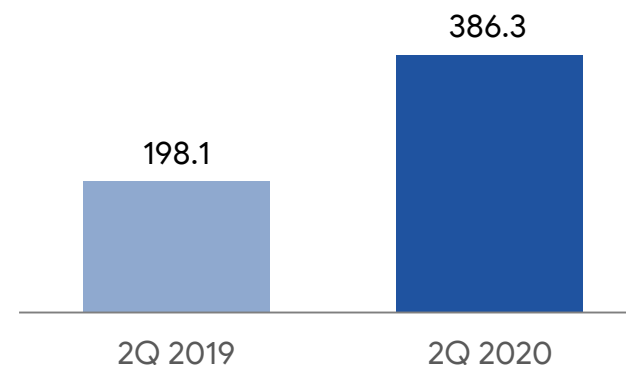
Cost of Revenue

US\$ Millions



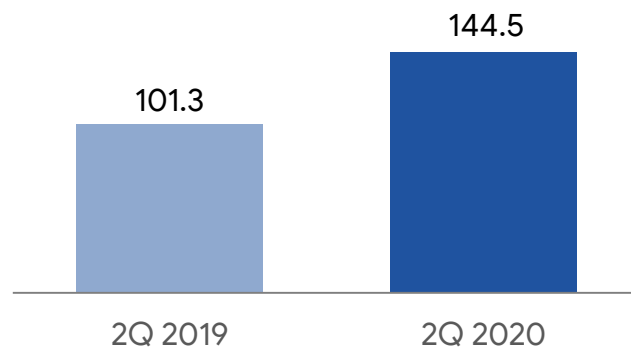
Sales & Marketing Expenses

US\$ Millions



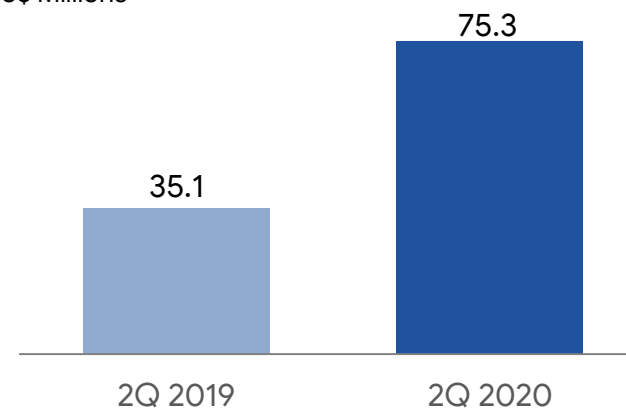
General & Administrative Expenses

US\$ Millions



R&D Expenses

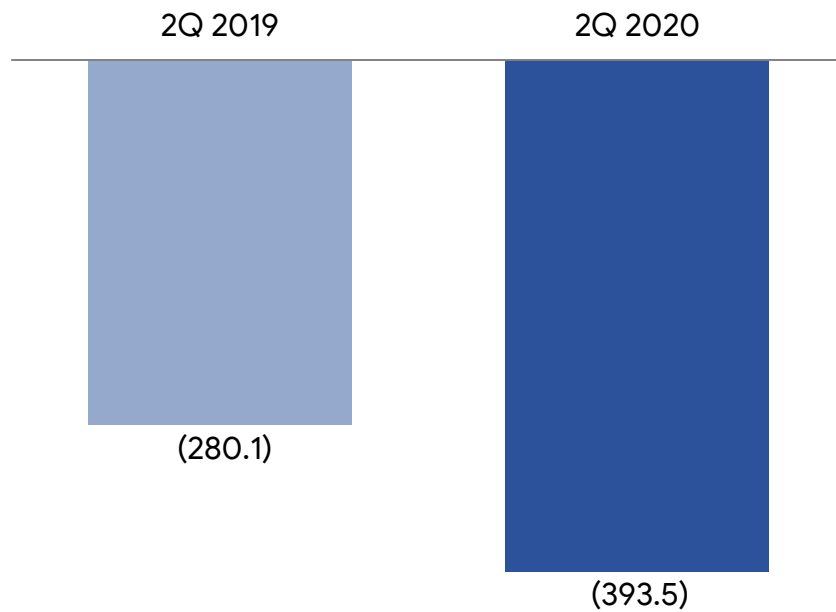
US\$ Millions



Net Loss

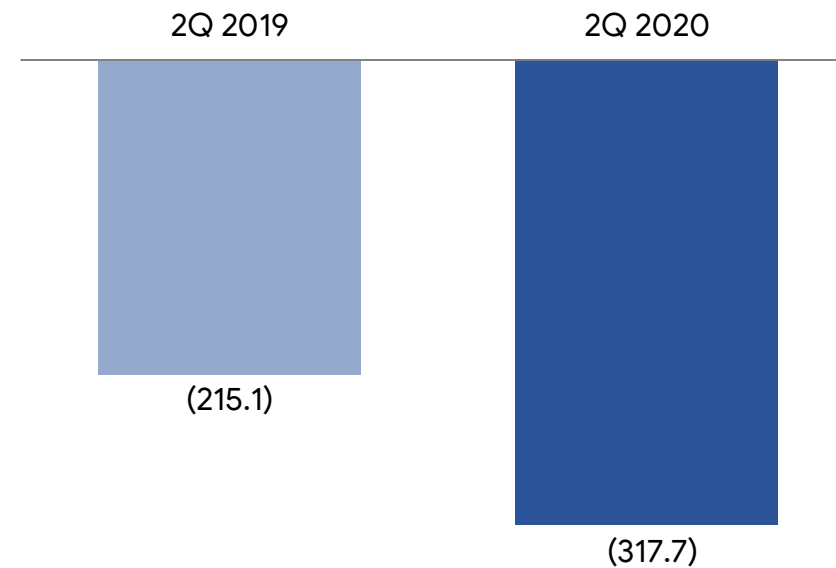
Net Loss

US\$ Millions



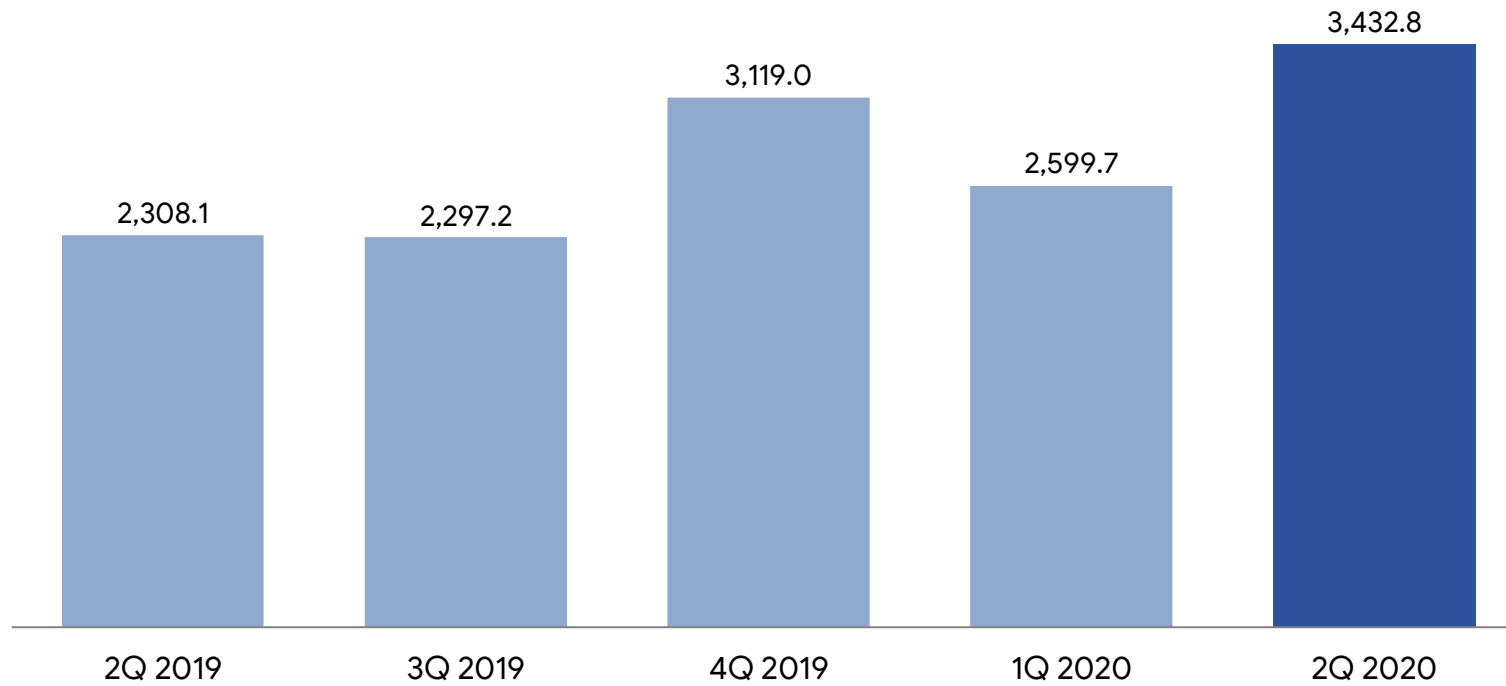
Net Loss Excluding Share-based Compensation and Changes in Fair Value of the 2017 Convertible Notes

US\$ Millions



Cash and Cash Equivalents

US\$ Millions





Appendix



Reconciliation Between GAAP and Non-GAAP EBITDA

US\$ Thousands	2Q 2019	2Q 2020
Digital Entertainment		
<i>Operating income / (loss)</i>	98,126	167,027
<i>Net effect of changes in deferred revenue & related cost</i>	161,283	262,966
<i>Depreciation and amortization</i>	4,351	6,242
Digital Entertainment Adjusted EBITDA	263,760	436,235
E-commerce		
<i>Operating income / (loss)</i>	(269,648)	(344,842)
<i>Intersegment sales incentives</i>	-	8,251
<i>Depreciation and amortization</i>	21,397	31,114
E-commerce Adjusted EBITDA	(248,251)	(305,477)
Group		
<i>Operating income / (loss)</i>	(234,519)	(372,808)
<i>Net effect of changes in deferred revenue & related cost</i>	161,283	262,966
<i>Depreciation and amortization</i>	29,040	41,710
<i>Share-based compensation</i>	33,226	75,870
Total Adjusted EBITDA	(10,970)	7,738

Note: Financial figures are unaudited.



Reconciliation Between Net Loss and Net Loss Excluding Share-based Compensation and Changes in Fair Value of the 2017 Convertible Notes

US\$ Thousands	2Q 2019	2Q 2020
Group		
<i>Net loss</i>	(280,096)	(393,535)
<i>Share-based compensation</i>	33,226	75,870
<i>Changes in fair value of the 2017 convertible notes</i>	31,756	-
Net loss excluding share-based compensation and changes in fair value of the 2017 convertible notes	(215,114)	(317,665)

Note: Financial figures are unaudited.