



# Disclaimer

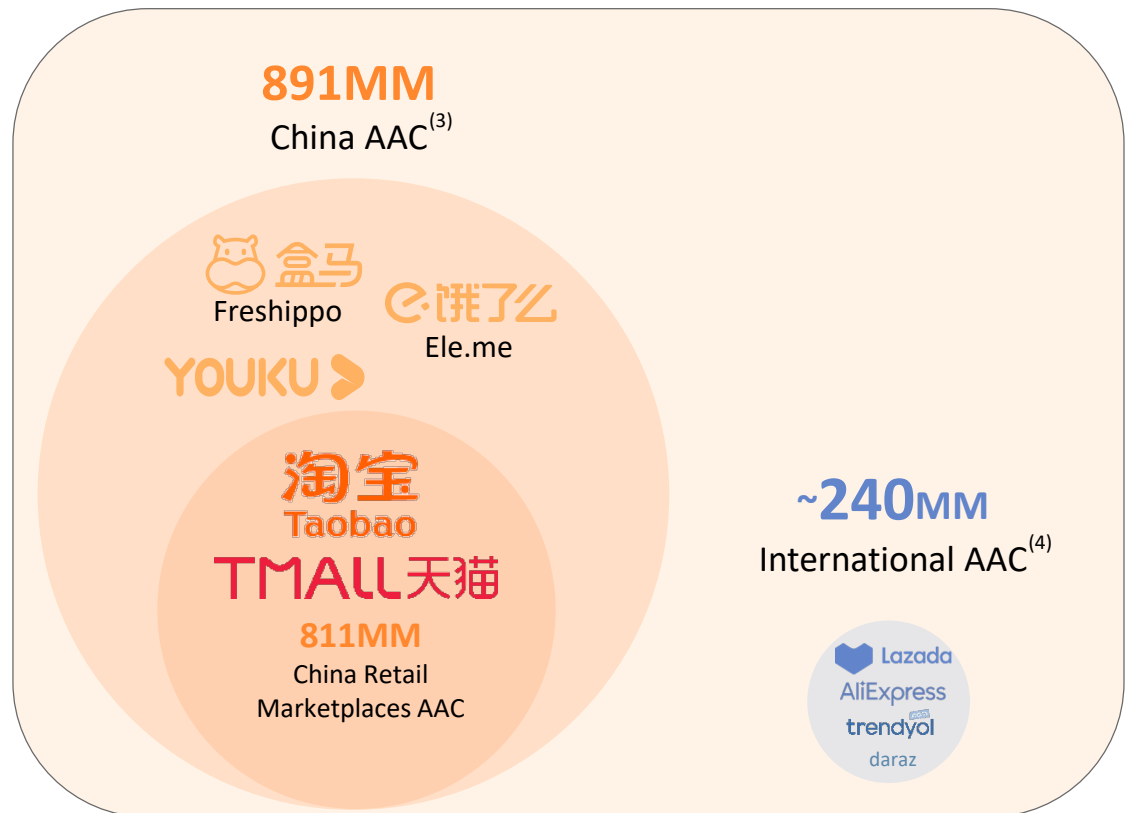
This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”), including adjusted EBITDA (including adjusted EBITDA margin), adjusted EBITA (including adjusted EBITA margin), marketplace-based core commerce adjusted EBITA, non-GAAP net income, non-GAAP diluted earnings per share/ADS and free cash flow. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see GAAP to Adjusted/Non-GAAP Measures Reconciliation.

This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets,” “guidance” and similar statements. In addition, statements that are not historical facts, including statements about Alibaba’s strategies and business plans, Alibaba’s beliefs, expectations and guidance regarding the growth of its business and its revenue, the business outlook and quotations from management in this presentation, as well as Alibaba’s strategic and operational plans, are or contain forward-looking statements. Alibaba may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in announcements made on the website of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Alibaba’s ability to maintain the trusted status of its ecosystem; risks associated with sustained investments in Alibaba’s business and strategic acquisitions and investments; Alibaba’s expected revenue growth and ability to maintain or grow its revenue or business; Alibaba’s ability to continue to compete effectively and maintain and improve the network effects of its ecosystem; company culture; Alibaba’s ability to continue to innovate; risks and challenges associated with operating a complex and large-scale company; risks associated with expanding our international and cross-border businesses and operations; fluctuations in general economic and business conditions in China and globally; impacts of the COVID-19 pandemic; uncertainties arising from competition among countries and geopolitical tensions, including protectionist or national security policies; changes in laws, regulations and regulatory environment that affect Alibaba’s business operations; risks associated with the performance of our business partners, including but not limited to Ant Group; privacy and data protection regulations and concerns; and security breaches, and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Alibaba’s filings with the SEC and announcements on the website of the Hong Kong Stock Exchange. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and Alibaba does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

**Alibaba  
Ecosystem GMV<sup>(1)</sup>**  
**US\$1.2 Trillion<sup>(2)</sup>**  
**RMB 8.1 Trillion**

**China Retail  
Marketplaces GMV**  
**RMB 7.5 Trillion**

## Annual Active Consumers (AAC) >1Bn Global AAC

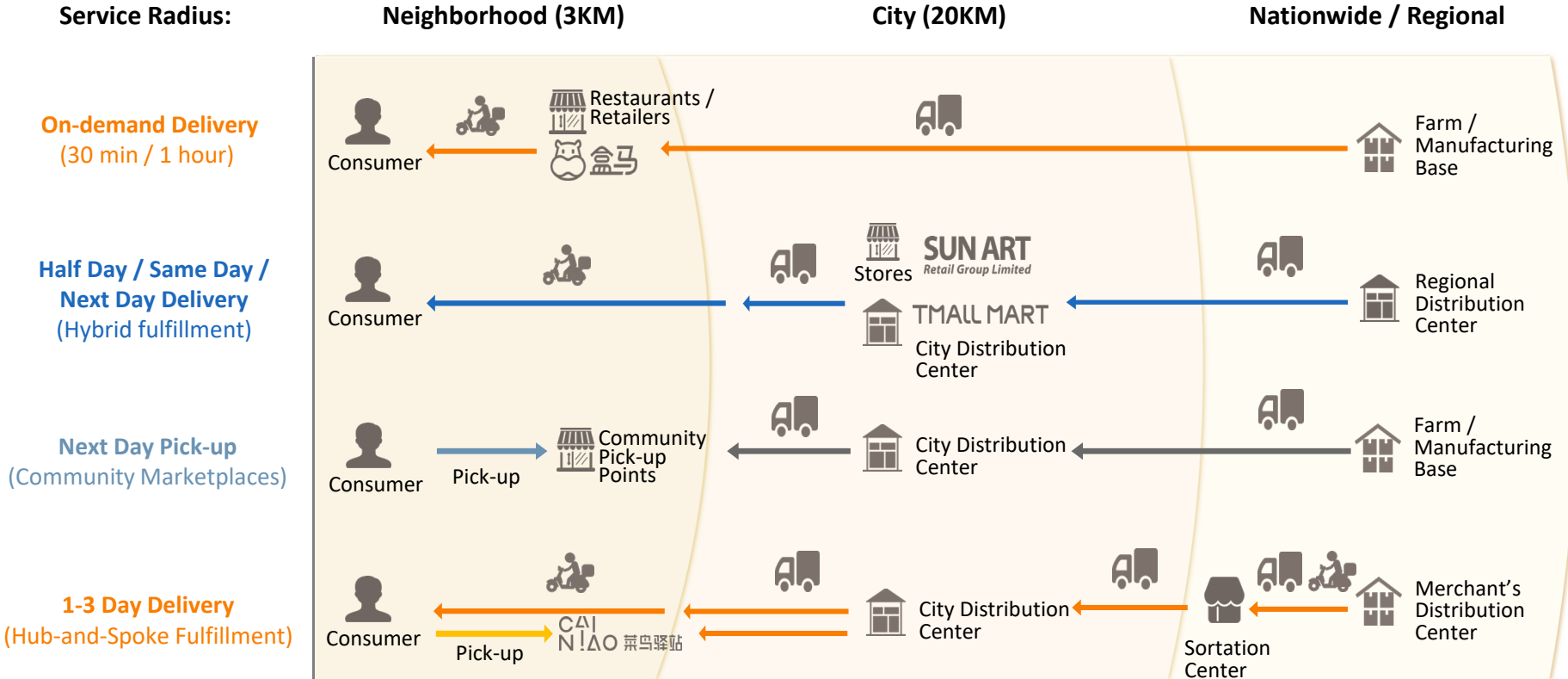


### Notes:

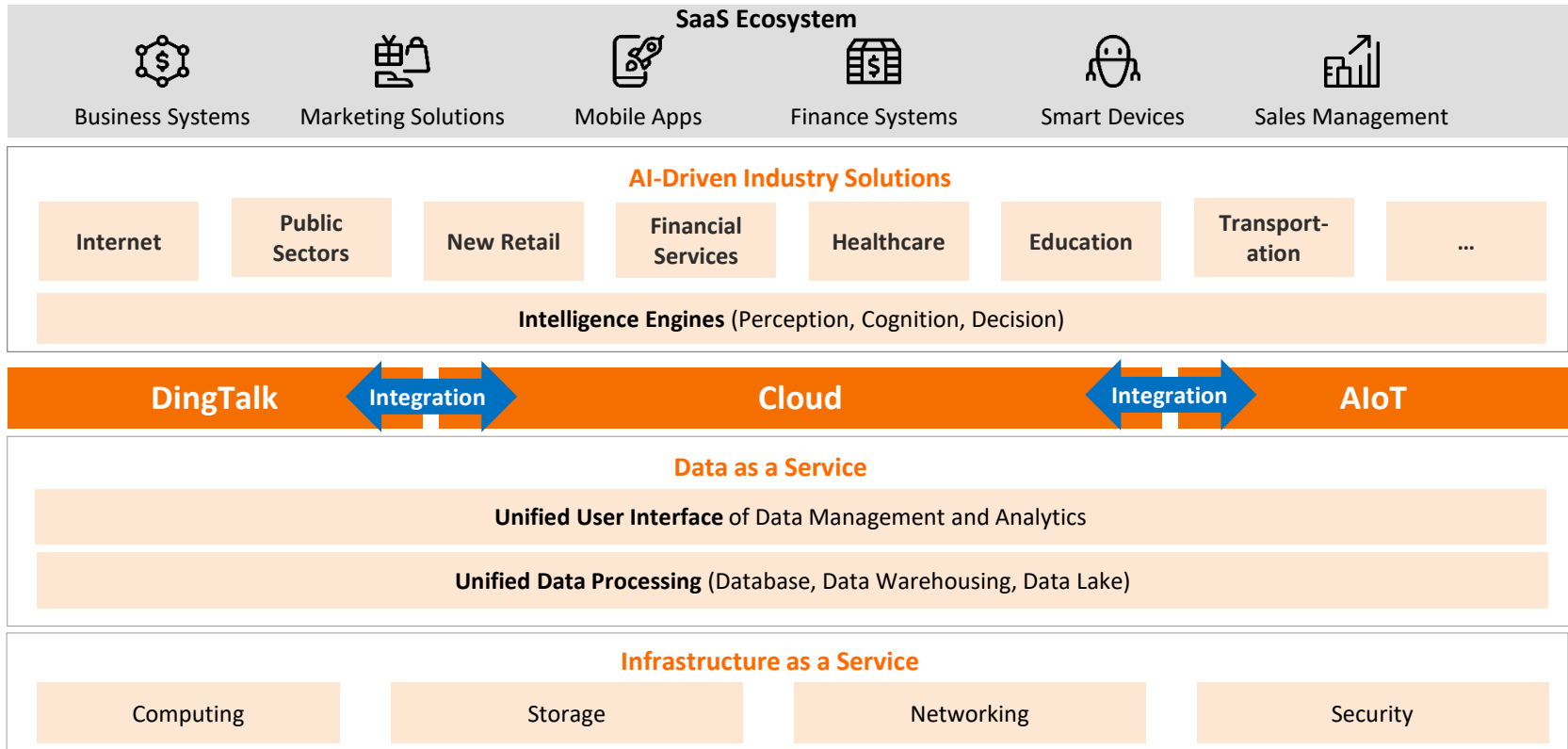
- (1) This mainly includes China retail marketplaces GMV, international retail marketplaces and local consumer services GMV during the twelve months ended March 31, 2021.
- (2) The translations of RMB into US\$ were made at RMB6.5518 to US\$1.00, the exchange rate on March 31, 2021 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (3) This included consumers in China who purchased goods or services on our China retail marketplaces, local consumer services and digital media and entertainment platforms during the twelve months ended March 31, 2021.
- (4) This included annual active consumers of Lazada, AliExpress, Trendyol and Daraz for the twelve months ended March 31, 2021.

# New Retail: Multi-Format Digital Commerce Infrastructure

- Our New Retail strategy is to develop a digital commerce infrastructure that offers an upgraded consumer experience by seamlessly integrating online and offline.
- As part of our latest exploration in new retail, we started the community marketplace business in select regions in China. Our Community Marketplace is supported by the supply chain capabilities of Freshippo, Sun Art and other partners. In addition to the 1-hour, half-day, same-day and next-day delivery options, we now offer community consumers with the option of “order today and pick up tomorrow”.



- The post-pandemic world is facing a massive opportunity for industrial digitization. Cloud infrastructure will eventually replace IT infrastructure, empowering enterprises to achieve digital transformation.
- Alibaba Cloud will capture the opportunity by providing computing, data and business management services to enterprises.
  - We will continue to invest in core IAAS and PAAS products to establish Alibaba Cloud’s core product competencies benchmarking against the global cloud leaders.
  - We will further expand the integration of intelligence (AI) with cloud infrastructure to provide our customers with more diversified industry intelligence solutions together with our partners.

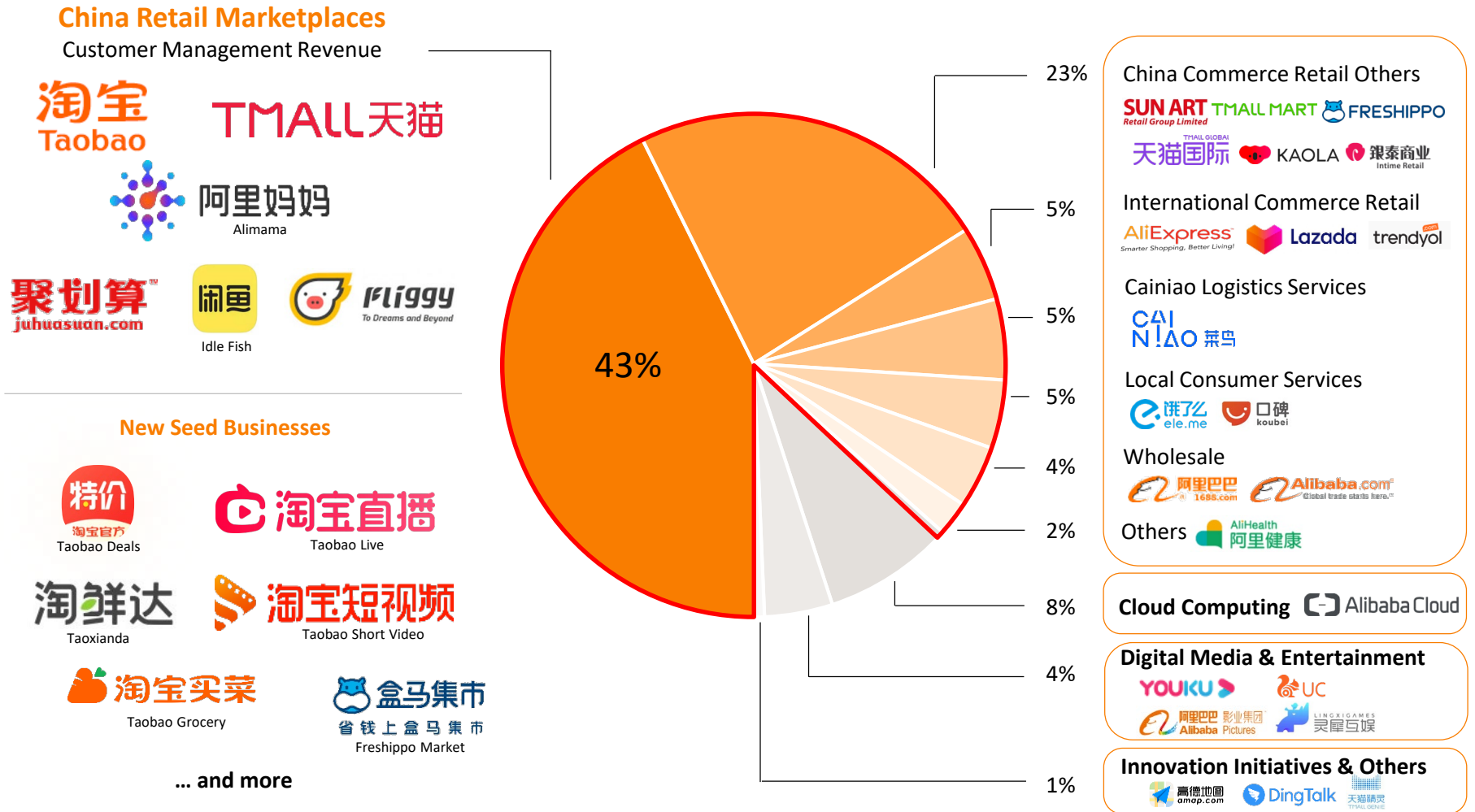






# Multi-Engine Businesses Driving Long-Term Growth

## Revenue Contribution By Segments (Year ended March 31, 2021)



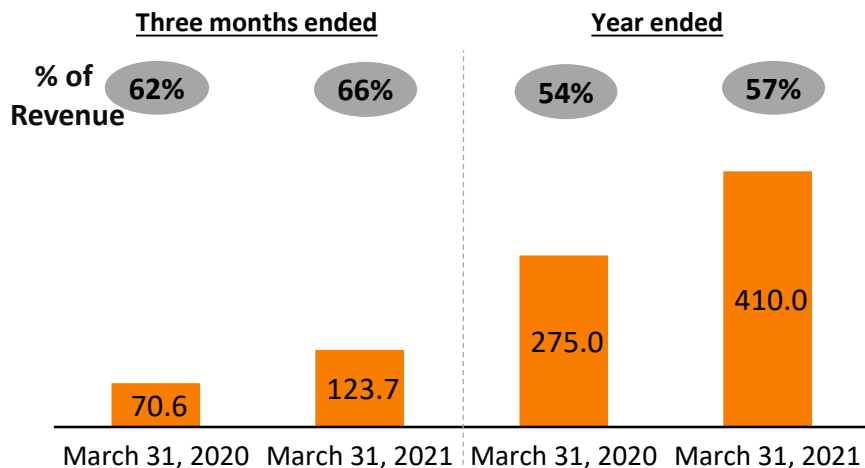
Notes:

- (1) Our total revenue grew 41% year-over-year for the twelve months ended March 31, 2021.
- (2) The area inside the red line of the chart is our Core Commerce businesses, which includes China retail marketplaces, China commerce retail others, International commerce retail, Cainiao Network, Local consumer services, Wholesale and others.

# Cost Trends

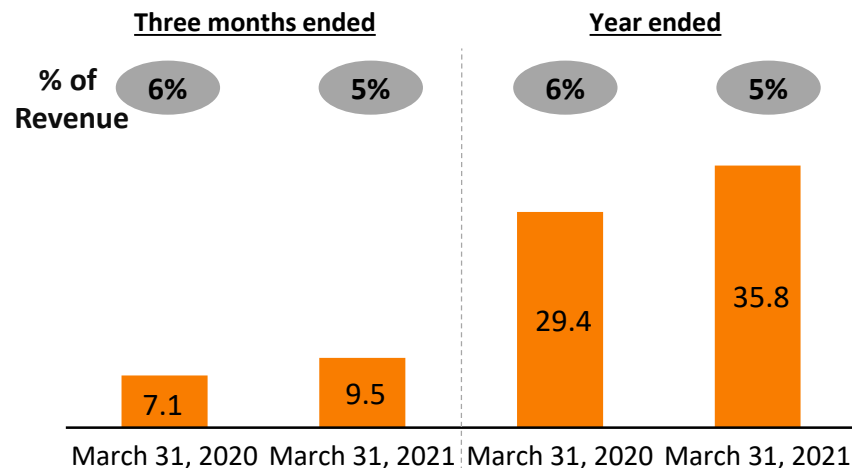
## Cost of Revenue (Excluding SBC)

(RMB Bn)



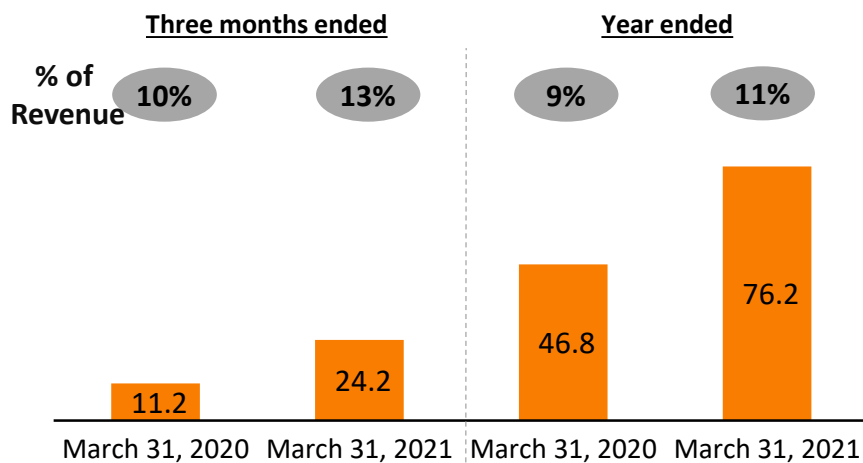
## Product Development Expenses (Excluding SBC)

(RMB Bn)



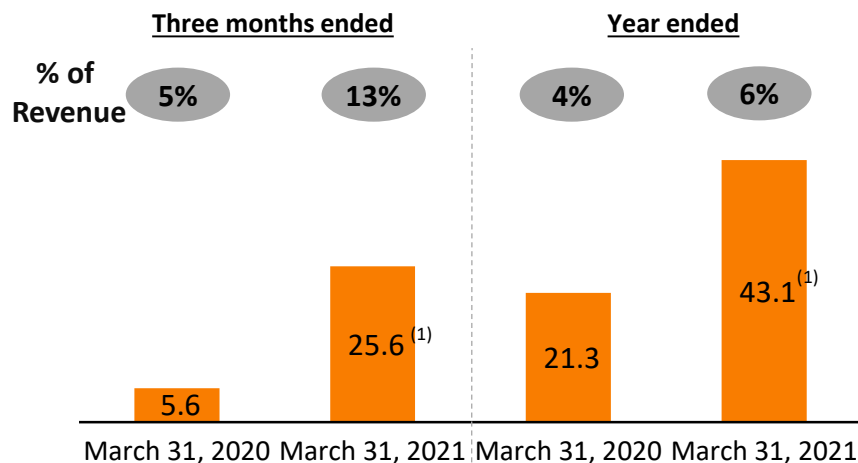
## Sales & Marketing Expenses (Excluding SBC)

(RMB Bn)



## General & Administrative Expenses (Excluding SBC)

(RMB Bn)



Note:

(1) This included the Anti-monopoly Fine in the amount of RMB18,228 million (US\$2,782 million).



# Revenue and Adjusted EBITA Summary

Total Revenue Breakdown	Three months ended March 31, 2021			Year ended March 31, 2021		
	RMB MM	% of Total	% YoY	RMB MM	% of Total	% YoY
China commerce retail	123,213	66%	74%	473,683	66%	42%
- Customer Management <sup>(1)</sup>	63,598	34%	40%	306,070	43%	24%
- Others <sup>(2)</sup>	59,615	32%	134%	167,613	23%	94%
China commerce wholesale	3,370	2%	21%	14,322	2%	15%
International commerce retail	9,496	5%	77%	34,455	5%	42%
International commerce wholesale	3,920	2%	59%	14,396	2%	50%
Cainiao logistic services	9,959	5%	101%	37,258	5%	68%
Local consumer services	7,249	4%	50%	31,537	5%	24%
Others	4,158	2%	62%	15,495	2%	66%
<b>Total Core Commerce</b>	<b>161,365</b>	<b>86%</b>	<b>72%</b>	<b>621,146</b>	<b>87%</b>	<b>42%</b>
Cloud Computing	16,761	9%	37%	60,120	8%	50%
Digital Media and Entertainment <sup>(3)</sup>	8,047	4%	12%	31,186	4%	7%
Innovation Initiatives and Others <sup>(3)</sup>	1,222	1%	18%	4,837	1%	8%
<b>Total Revenue</b>	<b>187,395</b>	<b>100%</b>	<b>64%</b>	<b>717,289</b>	<b>100%</b>	<b>41%</b>
<i>Total Revenue (excl. Sun Art)</i>	<i>159,952</i>		<i>40%</i>	<i>674,420</i>		<i>32%</i>

Total Adjusted EBITA Breakdown	Three months ended March 31, 2021			Year ended March 31, 2021		
	RMB MM	Change YoY	% YoY	RMB MM	Change YoY	% YoY
Core Commerce	30,680	2,554	9%	194,512	28,712	17%
Marketplace-based Core Commerce <sup>(4)</sup>	44,336	9,789	28%	229,134	33,104	17%
Cloud Computing	308	487	N/A	(166)	1,248	88%
Digital Media and Entertainment <sup>(3)</sup>	(2,698)	637	19%	(6,118)	5,328	47%
Innovation Initiatives and Others <sup>(3)</sup>	(3,179)	(73)	(2)%	(10,257)	(1,772)	(21)%
Unallocated	(2,499)	(820)	(49)%	(7,518)	(199)	(3)%
<b>Total Adjusted EBITA</b>	<b>22,612</b>	<b>2,785</b>	<b>14%</b>	<b>170,453</b>	<b>33,317</b>	<b>24%</b>

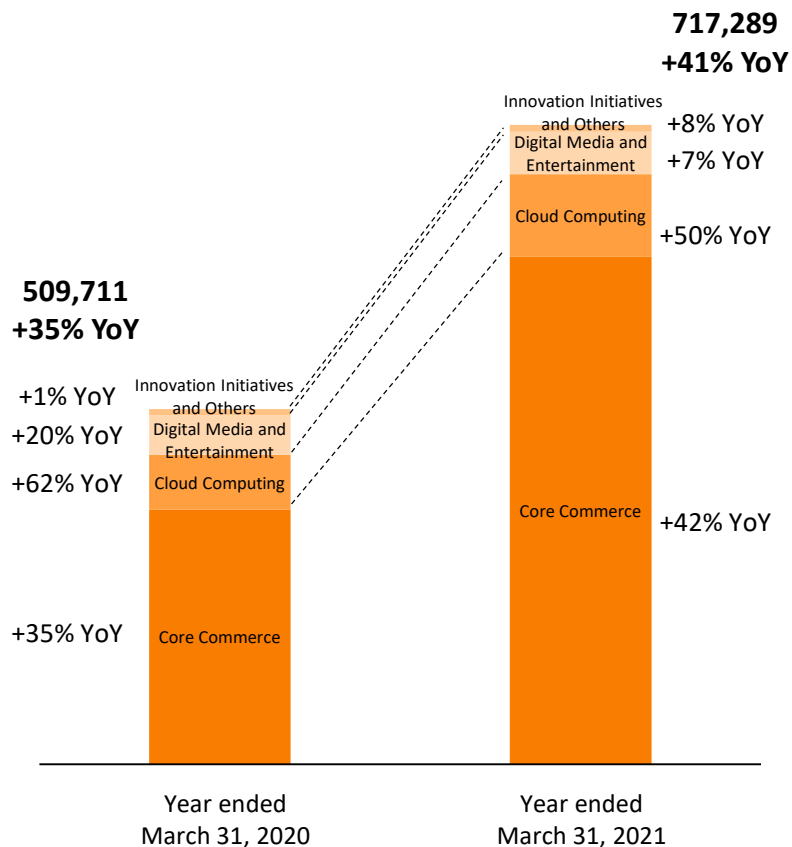
Notes:

- (1) We presented our commission revenue as part of customer management revenue in order to better reflect our value proposition to merchants on our platforms. Comparative figures are presented in the same manner accordingly.
- (2) "Others" revenue under China commerce retail is primarily generated by our New Retail and direct sales businesses, comprising mainly Sun Art, Tmall Supermarket, Freshippo, direct import and Intime.
- (3) Beginning on April 1, 2020, we reclassified the results from our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.
- (4) Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

# Revenue and Adjusted EBITA Summary

## Revenue<sup>(1)</sup>

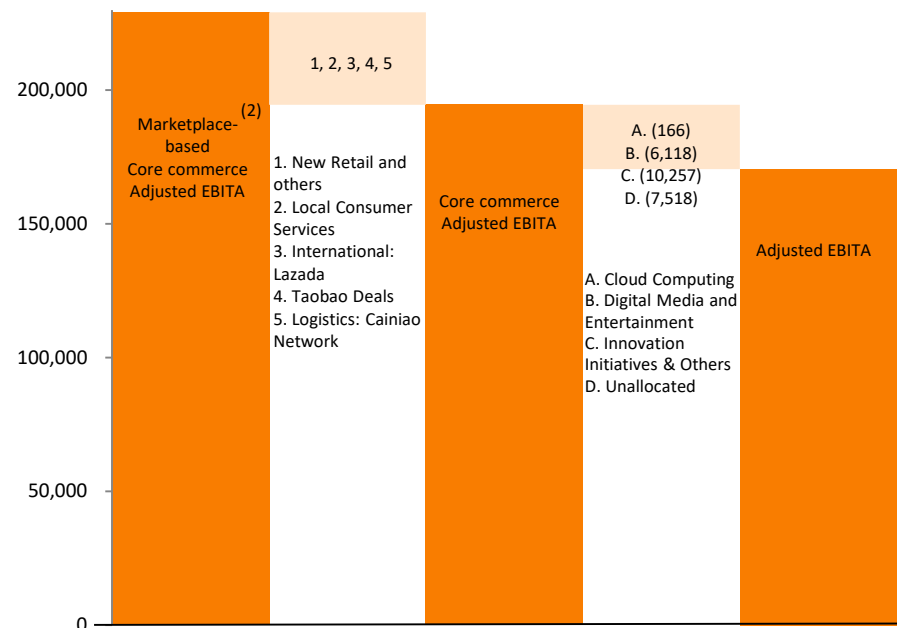
(RMB MM)



## Adjusted EBITA<sup>(1)</sup>

(RMB MM)

Year ended	Total Adjusted EBITA	YoY Change
March 31, 2021	229,134	+17% YoY
March 31, 2020	194,512	+17% YoY



### Notes:

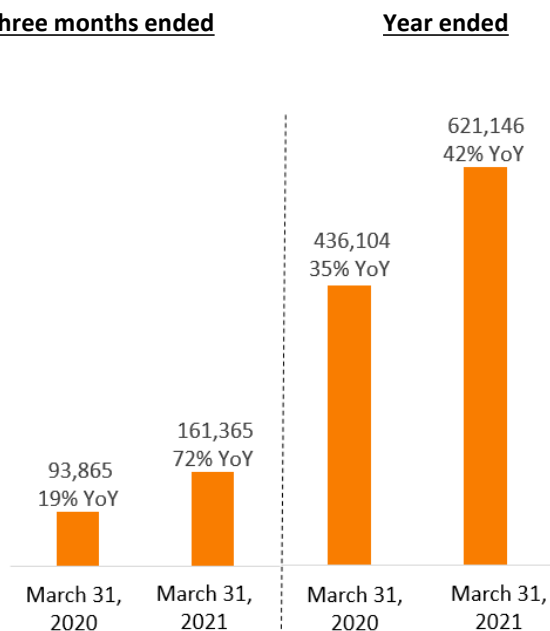
- Beginning on April 1, 2020, we reclassified the results from our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.
- Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

# Segment Reporting: Core Commerce

- Revenue from our core commerce business in the quarter ended March 31, 2021 was RMB161,365 million (US\$24,629 million), an increase of 72% compared to the same quarter of 2020. Revenue from our core commerce business in the year ended March 31, 2021 was RMB621,146 million (US\$94,805 million), an increase of 42% compared to the same period last year.
- Adjusted EBITA of Core Commerce increased by 9% to RMB30,680 million (US\$4,683 million) in the quarter ended March 31, 2021, compared to RMB28,126 million in the same quarter of 2020, primarily due to marketplace-based core commerce adjusted EBITA increasing 28% year-over-year to RMB44,336 million (US\$6,767 million), partly offset by the increase in our strategic investments, including Local Consumer Services and Taobao Deals, as well as the normalization of grocery demand from Freshippo stores after China's recovery from the COVID-19 pandemic.
- Adjusted EBITA of Core Commerce increased by 17% to RMB194,512 million (US\$29,688 million) in fiscal year 2021, compared to RMB165,800 million in fiscal year 2020. Marketplace-based core commerce adjusted EBITA increased 17% to RMB229,134 million (US\$34,973 million) in fiscal year 2021.

## Revenue

(RMB MM)



## Adjusted EBITA<sup>(1)</sup>

	Three months ended March 31, 2021	
	RMB MM	% YoY
Marketplace-based Core Commerce	44,336	28%
Strategic investment areas	(13,656)	
<b>Core Commerce</b>	<b>30,680</b>	<b>9%</b>
	Year ended March 31, 2021	
	RMB MM	% YoY
Marketplace-based Core Commerce	229,134	17%
Strategic investment areas	(34,622)	
<b>Core Commerce</b>	<b>194,512</b>	<b>17%</b>

Note:

(1) Starting this quarter, for purposes of presenting our marketplace-based core commerce adjusted EBITA, we expanded the list of new initiative businesses that we break out in order to present the progress of our strategic investments as well as the profitability of our marketplace-based core commerce businesses on a like-for-like basis. The new initiative businesses, which now include our New Retail businesses, Local Consumer Services, Lazada, Taobao Deals, Cainiao Network and others, represent strategic areas where we are executing to capture incremental opportunities. Comparative figures are presented in the same manner accordingly.

# Segment Reporting: Alibaba Cloud

- Revenue from our cloud computing business in the quarter ended March 31, 2021 was RMB16,761 million (US\$2,558 million), an increase of 37% compared to RMB12,217 million in the same quarter of 2020, primarily driven by growth in revenue from customers in the Internet, public sector and finance industries. The slower revenue growth during the quarter was primarily due to revenue decline from a top cloud customer in the Internet industry. This customer, which has a sizeable presence outside of China that used our overseas cloud services in the past, has decided to terminate the relationship with respect to their international business due to non-product related requirements. Excluding this customer, Alibaba Cloud's top ten non-affiliated customers together accounted for no more than eight percent of Alibaba Cloud's total revenue in fiscal year 2021. Going forward, we believe that our cloud computing revenue will be further diversified across customers and industries. Revenue from our cloud computing business in fiscal year 2021 was RMB60,120 million (US\$9,176 million), an increase of 50% compared to RMB40,016 million in fiscal year 2020.
- Adjusted EBITA was a profit of RMB308 million (US\$47 million) in the quarter ended March 31, 2021, compared to a loss of RMB179 million in the same quarter of 2020, primarily attributable to the realization of economies of scale. Adjusted EBITA in fiscal year 2021 was a loss of RMB166 million (US\$25 million), compared to a loss of RMB1,414 million in fiscal year 2020.

## Revenue

(RMB MM)

### Three months ended

12,217  
58% YoY

March 31,  
2020

16,761  
37% YoY

March 31,  
2021

### Year ended

40,016  
62% YoY

March 31,  
2020

60,120  
50% YoY

March 31,  
2021

## Adjusted EBITA

(RMB MM)

### Three months ended

(179)  
-15 YoY

March 31,  
2020

308  
+487 YoY

March 31,  
2021

### Year ended

(1,414)  
-256 YoY

March 31,  
2020

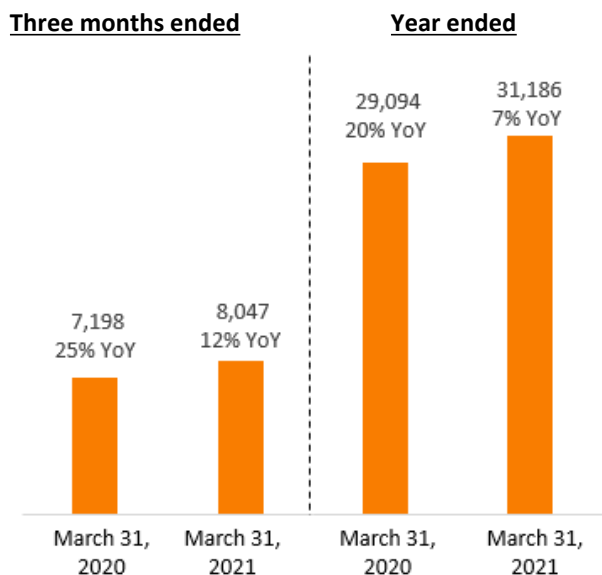
(166)  
+1,248 YoY

March 31,  
2021

- Revenue from our digital media and entertainment segment in the quarter ended March 31, 2021 was RMB8,047 million (US\$1,228 million), an increase of 12% compared to RMB7,198 million in the same quarter of 2020. The slight increase was primarily due to the increase in revenues from Alibaba Pictures and online games business, partly offset by the decrease in revenue from customer management. Revenue from our digital media and entertainment business in fiscal year 2021 was RMB31,186 million (US\$4,760 million), an increase of 7% compared to RMB29,094 million in fiscal year 2020.
- Adjusted EBITA in the quarter ended March 31, 2021 was a loss of RMB2,698 million (US\$412 million), compared to a loss of RMB3,335 million in the same quarter of 2020. Adjusted EBITA margin improved to negative 34% in the quarter ended March 31, 2021 from negative 46% in the quarter ended March 31, 2020, primarily due to reduced losses of Alibaba Pictures, partly offset by the decrease in revenue contribution from customer management. Adjusted EBITA in fiscal year 2021 was a loss of RMB6,118 million (US\$934 million), compared to a loss of RMB11,446 million in fiscal year 2020.

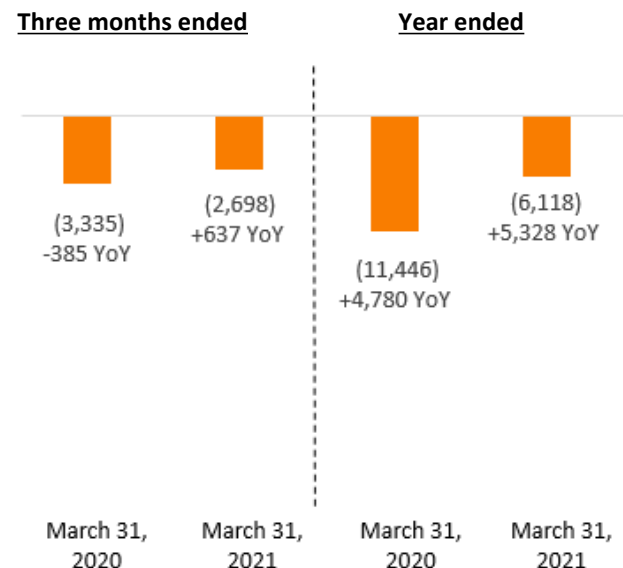
## Revenue<sup>(1)</sup>

(RMB MM)



## Adjusted EBITA<sup>(1)</sup>

(RMB MM)



Note:

(1) Beginning on April 1, 2020, we reclassified the results from our self-developed online games business, which was previously reported under the innovation initiatives and others segment, to the digital media and entertainment segment because it has moved beyond the incubation stage. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

# Income Statement: Selected Financial Metrics

- **Interest and investment income, net** in the quarter ended March 31, 2021 was RMB111 million (US\$17 million), compared to a loss of RMB7,715 million in the same quarter of 2020, primarily due to the year-over-year decrease in net loss arising from the fair value changes of our investments in the quarter ended March 31, 2021.
- **Other income, net** in the quarter ended March 31, 2021 was RMB2,115 million (US\$323 million), compared to RMB1,180 million in the same quarter of 2020. The increase in other income, net was mainly due to the decrease in exchange loss.
- **Share of results of equity method investees** in the quarter ended March 31, 2021 was RMB5,992 million (US\$915 million), compared to RMB3,545 million in the same quarter of 2020. We record our share of results of all equity method investees one quarter in arrears.

	Three months ended March 31,			Year ended March 31,		
	2020	2021		2020	2021	
	RMB MM	RMB MM	US\$ MM	RMB MM	RMB MM	US\$ MM
<b>Revenue</b>	114,314	187,395	28,602	509,711	717,289	109,480
Cost of revenue	(72,502)	(125,454)	(19,148)	(282,367)	(421,205)	(64,289)
Product development expenses	(10,587)	(13,302)	(2,031)	(43,080)	(57,236)	(8,736)
Sales and marketing expenses	(12,179)	(25,153)	(3,839)	(50,673)	(81,519)	(12,442)
General and administrative expenses	(7,871)	(27,734)	(4,233)	(28,197)	(55,224)	(8,429)
Amortization and impairment of intangible assets	(4,044)	(3,415)	(521)	(13,388)	(12,427)	(1,896)
Impairment of goodwill	—	—	—	(576)	—	—
<b>Income (Loss) from operations</b>	7,131	(7,663)	(1,170)	91,430	89,678	13,688
Interest and investment income, net	(7,715)	111	17	72,956	72,794	11,110
Interest expense	(1,165)	(1,160)	(177)	(5,180)	(4,476)	(683)
Other income, net	1,180	2,115	323	7,439	7,582	1,157
<b>(Loss) Income before income tax and share of results of equity method investees</b>	(569)	(6,597)	(1,007)	166,645	165,578	25,272
Income tax expenses	(2,628)	(7,049)	(1,076)	(20,562)	(29,278)	(4,469)
Share of results of equity method investees	3,545	5,992	915	(5,733)	6,984	1,066
<b>Net income (loss)</b>	348	(7,654)	(1,168)	140,350	143,284	21,869

- As of March 31, 2021, **cash, cash equivalents and short-term investments** were RMB473,638 million (US\$72,291 million), compared to RMB456,314 million as of December 31, 2020. The increase in cash, cash equivalents and short-term investments during the quarter ended March 31, 2021 was primarily due to net proceeds of RMB32,008 million (US\$4,885 million) from issuance of unsecured senior notes, partly offset by cash used in investment and acquisition activities of RMB17,597 million (US\$2,686 million).
- In the quarter ended March 31, 2021, **net cash provided by operating activities** was RMB24,183 million (US\$3,691 million), which includes a net cash inflow of RMB18,796 million (US\$2,869 million) in connection with the consumer protection fund deposits received primarily from Tmall merchants, as well as our increased spending for strategic initiatives.
- **Free cash flow**, which excluded the above-mentioned deposits and certain other items, was an outflow of RMB658 million (US\$100 million) in the quarter ended March 31, 2021, compared to an outflow of RMB4,214 million in the same quarter of 2020.



# GAAP to Non-GAAP Net Income Attributable to Ordinary Shareholders

- **Net loss attributable to ordinary shareholders** in the quarter ended March 31, 2021 was RMB5,479 million (US\$836 million), compared to net income attributable to ordinary shareholders of RMB3,162 million in the same quarter of 2020 primarily due to the Anti-monopoly Fine in the amount of RMB18,228 million (US\$2,782 million), partly offset by the year-over-year decrease in net loss arising from the fair value changes of our investments in the quarter ended March 31, 2021. **Net income attributable to ordinary shareholders** in fiscal year 2021 was RMB150,308 million (US\$22,941 million), as compared to RMB149,263 million in fiscal year 2020.
- Excluding the Anti-monopoly Fine, share-based compensation expense, revaluation and disposal gains/losses of investments, impairment of investments and intangible assets and certain other items, **non-GAAP net income** in the quarter ended March 31, 2021 was RMB26,216 million (US\$4,001 million), an increase of 18% compared to RMB22,287 million in the same quarter of 2020.

	Three months ended March 31			Year ended March 31		
	2020	2021	YoY %	2020	2021	YoY %
	RMB MM	RMB MM		RMB MM	RMB MM	
<b>Net income (loss) attributable to ordinary shareholders – basic</b>	<b>3,162</b>	<b>(5,479)</b>	N/A	<b>149,263</b>	<b>150,308</b>	1%
Dilution effect on earnings arising from option plans operated by equity method investees and subsidiaries	(1)	(2)	(100)%	(48)	(55)	(15)%
<b>Net income (loss) attributable to ordinary shareholders – diluted</b>	<b>3,161</b>	<b>(5,481)</b>	N/A	<b>149,215</b>	<b>150,253</b>	1%
Add: Share-based compensation expense	8,652	8,632	(0)%	31,742	50,120	58%
Add: Amortization and impairment of intangible assets	4,044	3,415	(16)%	13,388	12,427	(7)%
Add: Impairment of investments and goodwill	709	532	(25)%	25,656	14,737	(43)%
Add loss/Less gain on deemed disposals/disposals/revaluation of investments and others	10,334	3,085	(70)%	(4,764)	(66,305)	(1292)%
Add: Fine imposed pursuant to China’s Anti-Monopoly Law	—	18,228	N/A	—	18,228	N/A
Less: Gain in relation to the receipt of the 33% equity interest in Ant Group	—	—	N/A	(71,561)	—	N/A
Add: Amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Group	—	—	N/A	97	—	N/A
Adjusted for tax effects on non-GAAP adjustments <sup>(1)</sup>	(1,800)	(22)	99%	(2,429)	(506)	79%
<b>Non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share/ADS</b>	<b>25,100</b>	<b>28,389</b>	<b>13%</b>	<b>141,344</b>	<b>178,954</b>	<b>27%</b>

Note:

(1) Tax effects on non-GAAP adjustments primarily comprised of tax effects relating to certain gains and losses from investments, share-based compensation expense and amortization and impairment of intangible assets.

# GAAP to Adjusted/Non-GAAP Measures Reconciliation

	Three months ended March 31		
	2020	2021	US\$MM <sup>(1)</sup>
	RMB MM	RMB MM	
<b>Adjusted EBITA and Adjusted EBITDA</b>			
Income (Loss) from operations	7,131	(7,663)	(1,170)
Add: Share-based compensation expense	8,652	8,632	1,318
Add: Amortization and impairment of intangible assets	4,044	3,415	521
Add: Fine imposed pursuant to China's Anti-Monopoly Law	—	18,228	2,782
<b>Adjusted EBITA</b>	<b>19,827</b>	<b>22,612</b>	<b>3,451</b>
Add: Depreciation of property and equipment, and operating lease cost relating to land use rights	5,613	7,286	1,112
<b>Adjusted EBITDA</b>	<b>25,440</b>	<b>29,898</b>	<b>4,563</b>
<b>Non-GAAP net income</b>			
Net income (loss)	348	(7,654)	(1,168)
Add: Share-based compensation expense	8,652	8,632	1,318
Add: Amortization and impairment of intangible assets	4,044	3,415	521
Add: Impairment of investments and goodwill	709	532	81
Add: Loss on deemed disposals/disposals/revaluation of investments and others	10,334	3,085	471
Add: Fine imposed pursuant to China's Anti-Monopoly Law	—	18,228	2,782
Adjusted for tax effects on non-GAAP adjustments <sup>(2)</sup>	(1,800)	(22)	(4)
<b>Non-GAAP net income</b>	<b>22,287</b>	<b>26,216</b>	<b>4,001</b>
<b>Non-GAAP Free cash flow</b>			
Net cash provided by operating activities <sup>(3)</sup>	2,164	24,183	3,691
Less: Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(3,881)	(6,043)	(922)
Less: Acquisition of licensed copyrights <sup>(3)</sup> and other intangible assets	(2,716)	(2)	—
Less: Changes in the consumer protection fund deposits	219	(18,796)	(2,869)
<b>Non-GAAP Free cash flow</b>	<b>(4,214)</b>	<b>(658)</b>	<b>(100)</b>

## Notes:

- (1) The translations of RMB into US\$ were made at RMB6.5518 to US\$1.00, the exchange rate on March 31, 2021 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) Tax effects on non-GAAP adjustments primarily comprised of tax effects relating to certain gains and losses from investments, share-based compensation expense and amortization and impairment of intangible assets.
- (3) We adopted ASU 2019-02, "Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350)," on April 1, 2020. As a result of our adoption of this new accounting update, we are now reporting cash outflows for the acquisition of licensed copyrights as operating activities in the consolidated statements of cash flows prospectively beginning on April 1, 2020. Prior to our adoption of ASU 2019-02, cash outflows for the acquisition of licensed copyrights were previously classified as investing activities in the consolidated statements of cash flows.

# GAAP to Adjusted/Non-GAAP Measures Reconciliation

	Year ended March 31		
	2020	2021	
	(RMB MM)	(RMB MM)	(US\$MM) <sup>(1)</sup>
<b>Adjusted EBITA and Adjusted EBITDA</b>			
Income from operations	91,430	89,678	13,688
Add: Share-based compensation expense	31,742	50,120	7,650
Add: Amortization and impairment of intangible assets	13,388	12,427	1,896
Add: Fine imposed pursuant to China's Anti-Monopoly Law	—	18,228	2,782
Add: Impairment of goodwill	576	—	—
<b>Adjusted EBITA</b>	<b>137,136</b>	<b>170,453</b>	<b>26,016</b>
Add: Depreciation of property and equipment, and operating lease cost relating to land use rights	20,523	26,389	4,028
<b>Adjusted EBITDA</b>	<b>157,659</b>	<b>196,842</b>	<b>30,044</b>
<b>Non-GAAP net income</b>			
Net income	140,350	143,284	21,869
Add: Share-based compensation expense	31,742	50,120	7,650
Add: Amortization and impairment of intangible assets	13,388	12,427	1,896
Add: Impairment and goodwill of investments	25,656	14,737	2,250
Less: Gain on deemed disposals/disposals/revaluation of investments and others	(4,764)	(66,305)	(10,120)
Add: Fine imposed pursuant to China's Anti-Monopoly Law	—	18,228	2,782
Less: Gain in relation to the receipt of the 33% equity interest in Ant Group	(71,561)	—	—
Add: Amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Group	97	—	—
Adjusted for tax effects on non-GAAP adjustments <sup>(2)</sup>	(2,429)	(506)	(77)
<b>Non-GAAP net income</b>	<b>132,479</b>	<b>171,985</b>	<b>26,250</b>
<b>Non-GAAP Free cash flow</b>			
Net cash provided by operating activities <sup>(3)</sup>	180,607	231,786	35,378
Less: Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(24,662)	(36,160)	(5,519)
Less: Acquisition of licensed copyrights <sup>(3)</sup> and other intangible assets	(12,836)	(1,735)	(265)
Less: Changes in the consumer protection fund deposits	(12,195)	(21,229)	(3,241)
<b>Non-GAAP Free cash flow</b>	<b>130,914</b>	<b>172,662</b>	<b>26,353</b>

Notes:

(1) The translations of RMB into US\$ were made at RMB6.5518 to US\$1.00, the exchange rate on March 31, 2021 as set forth in the H.10 statistical release of the Federal Reserve Board.

(2) Tax effects on non-GAAP adjustments primarily comprised of tax effects relating to certain gains and losses from investments, share-based compensation expense and amortization and impairment of intangible assets.

(3) We adopted ASU 2019-02, "Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350)," on April 1, 2020. As a result of our adoption of this new accounting update, we are now reporting cash outflows for the acquisition of licensed copyrights as operating activities in the consolidated statements of cash flows prospectively beginning on April 1, 2020. Prior to our adoption of ASU 2019-02, cash outflows for the acquisition of licensed copyrights were previously classified as investing activities in the consolidated statements of cash flows.

