Disclaimer

By attending the meeting where this presentation is made, or by reading the presentation materials, you agree to be bound by the following limitations:

The information in this presentation has been prepared by representatives of Xiaomi Corporation (the "Company", and together with its subsidiaries, the "Group") for use in presentations by the Group and does not constitute a recommendation regarding the securities of the Group. No part of this presentation should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. Neither the Company nor any of the Company's subsidiaries, affiliates, advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its subsidiaries, affiliates, advisors or representatives are under an obligation to update, revise or affirm.

The information communicated in this presentation may contain certain statements that are or may be forward looking. These statements typically contain words such as "will", "may", "expects", "forecasts", "plans" and "anticipates" and words of similar import. By their nature forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There may be additional material risks that are currently not considered to be material or of which the Company and its advisors or representatives are unaware. Against the background of these uncertainties, readers should not rely on these forward-looking statements. Neither the Company nor its subsidiaries, affiliates, advisors or representatives assume any responsibility to update forward-looking statements or to adapt them to future events or developments.

This presentation and the information contained herein does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities of the Company or any of its subsidiaries or affiliates in any jurisdiction. The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold or delivered within the United States or to U.S. persons absent from registration under or an applicable exemption from the registration requirements of the United States securities laws.

In addition, certain information related to other companies and market in general presented in this presentation has been obtained from publicly available information. The accuracy and appropriateness of that information has not been verified by the Company and cannot be guaranteed.

No invitation is made by this presentation or the information contained herein to enter into, or offer to enter into, any agreement to purchase, acquire, dispose of, subscribe for or underwrite any securities or structured products, and no offer is made of any shares in or debentures of a company for purchase or subscription except as permitted under relevant laws.
Q2 2018
Total revenue RMB45.2 billion
YoY growth of 68.3%
Net profit RMB14.6 billion
Adjusted net profit\(^1\) RMB2.1 billion

\(^1\)Adjusted net profit is defined as loss or profit for the period, as adjusted by adding back (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation, (iii) net fair value gains on investments, and (iv) amortization of intangible assets resulting from acquisitions.
International revenue grew 151.7% YoY and accounted for 36.3% of revenue in Q2 2018; Xiaomi was ranked top 5 in 25 smartphone markets.

- No.1 in India
- No.2 in Indonesia
- No.2 in Myanmar
- No.3 in Estonia
- No.3 in Greece
- No.3 in Israel
- No.3 in Russia
- No.3 in Spain
- No.3 in Ukraine
- No.4 in China
- No.4 in Czech Republic
- No.4 in Italy
- No.4 in Romania
- No.4 in Slovenia
- No.4 in UAE
- No.4 in Vietnam
- No.5 in Croatia
- No.5 in Hungary
- No.5 in Malaysia
- No.5 in Poland
- No.5 in Singapore
- No.5 in Sri Lanka
- No.5 in Turkey

Source: Based on Q2 2018 smartphone shipments, Canalys
Maintained No.1 in India and reached No.2 in Indonesia smartphone market share

### India smartphone market share Q2 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Vendor</th>
<th>Q2 17 Market Share</th>
<th>Q2 18 Market Share</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Xiaomi</td>
<td>18%</td>
<td>30%</td>
<td>106%</td>
</tr>
<tr>
<td>#2</td>
<td>Samsung</td>
<td>25%</td>
<td>30%</td>
<td>47%</td>
</tr>
<tr>
<td>#3</td>
<td>OPPO</td>
<td>13%</td>
<td>11%</td>
<td>32%</td>
</tr>
<tr>
<td>#4</td>
<td>VIVO</td>
<td>9%</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Canalys

### Indonesia smartphone market share Q2 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Vendor</th>
<th>Q2 17 Market Share</th>
<th>Q2 18 Market Share</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Samsung</td>
<td>25%</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>#2</td>
<td>Xiaomi</td>
<td>8%</td>
<td>23%</td>
<td>282%</td>
</tr>
<tr>
<td>#3</td>
<td>OPPO</td>
<td>19%</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>#4</td>
<td>VIVO</td>
<td>8%</td>
<td>10%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Canalys
Innovation
Mi 8 series started selling on June 5 2018 and sold over 1.1 million units in the same month.

First smartphone in the world with pressure sensitive in-display fingerprint technology
First smartphone in the world with dual frequency GPS
First Android smartphone with 3D face unlock
Review: Facebook’s New Oculus Go Headset Is What Virtual Reality Should Have Always Been

“What virtual reality should have always been”

2017 TIME’s Best Inventions
AI and IoT
2 billion\textsuperscript{1} activations since the release of Xiaomi AI speaker a year ago

Xiaomi AI assistant has over 30 million\textsuperscript{1} MAU

\textsuperscript{1}As of July 2018
Announced our open source deep learning framework optimized for mobile platforms
~115 million
Connected devices\(^1\)
QoQ growth of 15%

~1.7 million
Users with more than 5 Xiaomi IoT devices\(^1\)
QoQ growth of 19%

\(^1\)Data as of June 30, 2018, excluding smartphones and laptops
Quality
23 July 2018
Appointed Yan Kesheng as Vice President & Chairman of the Quality Committee

“Our top priority following our IPO is to continue to improve the quality of our products and services in every aspect. The Group has appointed Yan Kesheng as VP and Chairman of Quality Committee to lead quality control for all products and services and to promote the ongoing improvement of user experience”

- Lei Jun
Xiaomi ranked as the No.1 smartphone brand by brand reputation according to Toutiao’s survey

How do customers perceive each mobile brand? Xiaomi was ranked No.1, according to a survey we conducted across 100,000 customers before March 15. Toutiao distributed the customer satisfaction surveys, with a maximum score of 10, to nearly 100,000 users of 88 mainstream mobile phones launched in 2017. The result showed that Xiaomi users gave their phones an average score of 8.19, topping customer satisfaction among all brands. Wow, Xiaomi is simply the best!
Significant quality improvement in H1 2018
Smartphone fault feedback ratio decreased by ~20% YoY¹

¹Company internal data
In Q2 2018, Xiaomi ranked No.1 in the India smartphone market for after-sales service satisfaction

Source: After-Sales Service Performance Report, Red Quanta, Q2 2018
Xiaomi maintained an operating expense of 8.8% in Q2 2018 while expanding offline channels

- 400+ Mi Homes; 360+ authorized stores
- Direct supply network of 37,000+ locations, spread across 30+ provinces, 300+ cities and over 2,500+ towns

- No.1 in offline smartphone market in 8 cities
- Achieved over 20% of the overall offline smartphone market

Note: Data as of June, 2018; operating expenses exclude a one-off share-based compensation of RMB9.9 billion
Financials
Q2 2018
Total revenue RMB45.2 billion
YoY growth of 68.3%
Net profit RMB14.6 billion
Adjusted net profit\(^1\) RMB2.1 billion

\(^1\)Adjusted net profit is defined as loss or profit for the period, as adjusted by adding back (i) fair value changes of convertible redeemable preferred shares, (ii) share-based compensation, (iii) net fair value gains on investments, and (iv) amortization of intangible assets resulting from acquisitions.
Smartphones
Smartphones revenue reached RMB30.5 billion in Q2 2018, representing a YoY growth of 58.7%
Xiaomi sold 32 million units of smartphones in Q2 2018\(^1\); continued to maintain the highest growth rate among top smartphone manufacturers globally.

<table>
<thead>
<tr>
<th>Company</th>
<th>Q2 18 Shipment Volumes</th>
<th>Q2 18 Market Share</th>
<th>Q2 17 Shipment Volumes</th>
<th>Q2 17 Market Share</th>
<th>Year-Over-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>71.5</td>
<td>20.9%</td>
<td>79.8</td>
<td>22.9%</td>
<td>-10.4 %</td>
</tr>
<tr>
<td>Huawei</td>
<td>54.2</td>
<td>15.8%</td>
<td>38.5</td>
<td>11.0%</td>
<td>40.9%</td>
</tr>
<tr>
<td>Apple</td>
<td>41.3</td>
<td>12.1%</td>
<td>41.0</td>
<td>11.8%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Xiaomi</td>
<td>31.9</td>
<td>9.3%</td>
<td>21.4</td>
<td>6.2%</td>
<td>48.8%</td>
</tr>
<tr>
<td>OPPO</td>
<td>29.4</td>
<td>8.6%</td>
<td>28.0</td>
<td>8.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Others</td>
<td>113.7</td>
<td>33.2%</td>
<td>139.5</td>
<td>40.1%</td>
<td>-18.5%</td>
</tr>
<tr>
<td>Total</td>
<td>342.0</td>
<td>100.0%</td>
<td>348.2</td>
<td>100.0%</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

Source: IDC Worldwide Quarterly Mobile Phone Tracker

1. Company internal sales data
Further strengthened our position in the China high-end smartphone market

Smartphone ASP in China grew over **25% YoY** in Q2 2018
New smartphone models released in Q2 2018

Flagship (RMB2,000 and above)
- Mi 8
- Mi 8 SE

Mid-range (RMB800-1,999)
- Mi 6X
- Redmi 6
- Redmi 6 Pro
- Redmi S2

Entry level (RMB799 and below)
- Redmi 6A
Mi 8 series started selling on June 5 2018 and sold over 1.1 million units in the same month.
IoT and lifestyle products
IoT and lifestyle products revenue reached 10.4 billion in Q2 2018, representing a YoY growth of 104.3%
Q2 2018

Became the No.1 brand in China by sales volume

Smart TVs sales volume grew over 350% YoY

Rapidly gained significant market share since entering the India market in February 2018
Internet services
Internet services revenue reached RMB4.0 billion in Q2 2018, representing a YoY growth of 63.6%
Xiaomi sustained MIUI user and ARPU growth

MIUI MAU (in millions)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>146.0</td>
<td>206.9</td>
</tr>
</tbody>
</table>

Quarterly ARPU (RMB)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>16.6</td>
<td>19.1</td>
</tr>
</tbody>
</table>
International
Q2 2018 international revenue continued to grow rapidly with YoY growth of 151.7%, representing 36.3% of total revenue.

International revenue
RMB billion

Q2 17  Q2 18
6.5     16.4

24.3% of total revenue  36.3% of total revenue
Xiaomi ranked top 5 in 25 smartphone markets

- Continued robust growth in the India market and maintained No.1 position in the smartphone market
- Strong growth in Indonesia, currently No.2 in the smartphone market
- Rapid growth in West Europe and entered France and Italy in May, smartphone shipment YoY growth exceeded 2700%

Source: Based on Q2 2018 smartphone shipments, Canalys
Gross margins by segment

Hardware gross margin\(^1\)
\[
\begin{align*}
\text{Q2 17} & : 9.4 \\
\text{Q2 18} & : 7.4 
\end{align*}
\]

Internet services gross margin
\[
\begin{align*}
\text{Q2 17} & : 62.4 \\
\text{Q2 18} & : 62.8 
\end{align*}
\]

---

1. Hardware gross margin is derived from the sum of gross profits from smartphones and IoT and lifestyle products divided by the sum of their respective revenue \(\times 100\%\).
Stable operating expenses¹ ratio, exhibiting continued operating efficiency

¹ Q2 2018 excludes a one-off share-based compensation of RMB9.9 billion
220+
Xiaomi has invested in over 220 companies as of Q2 2018

100+
With more than 100 invested companies focused on IoT and lifestyle products

Listed portfolio companies

Companies listed in 2018:

- 51信用卡
- iQIYI 爱奇艺
- bilibili
- huami

Selected companies listed previously:

- 金山
- 世纪互联
- TAM 恒华
- 万利达
- Midea
- 迅雷
- GETTOP 航达
- 摆渡者
## Adjusted net profit

<table>
<thead>
<tr>
<th>RMB (in millions)</th>
<th>Net profit</th>
<th>Net margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS</td>
<td>14,632.6</td>
<td>32.3%</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>10,527.3</td>
<td></td>
</tr>
<tr>
<td>Fair value changes of convertible redeemable preferred shares</td>
<td>(22,532.7)</td>
<td></td>
</tr>
<tr>
<td>Net fair value gains of investment</td>
<td>(510.9)</td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets resulting from acquisition</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Non-IFRS</td>
<td>2,116.8</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

## Working capital

<table>
<thead>
<tr>
<th>Working capital</th>
<th>2Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables turnover days</td>
<td>13</td>
</tr>
<tr>
<td>Inventory turnover days</td>
<td>42</td>
</tr>
<tr>
<td>Trade payables turnover days</td>
<td>85</td>
</tr>
<tr>
<td>Cash conversion cycle</td>
<td>(30)</td>
</tr>
</tbody>
</table>

## Cash flow

<table>
<thead>
<tr>
<th>RMB (in millions)</th>
<th>2Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash generated from/(used in) operating activities</td>
<td>8,197.8</td>
</tr>
<tr>
<td>Net cash generated from/(used in) investing activities</td>
<td>(4,286.4)</td>
</tr>
<tr>
<td>Net cash generated from/(used in) financing activities</td>
<td>(685.0)</td>
</tr>
<tr>
<td><strong>Net Increase/(decrease) in cash and cash equivalents</strong></td>
<td><strong>3,226.4</strong></td>
</tr>
</tbody>
</table>

1Net cash generated from/(used in) operating activities excludes the increase in loan and interest receivables resulting from internet finance business; Net cash generated from/(used in) financing activities excludes change of borrowing for internet finance business.
## Group consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th>2Q18 (in millions)</th>
<th>2Q17 (in millions)</th>
<th>YoY</th>
<th>1Q18 (in millions)</th>
<th>CoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>45,235.5</td>
<td>26,879.0</td>
<td>68.3%</td>
<td>34,412.3</td>
<td>31.5%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(39,583.7)</td>
<td>(23,031.4)</td>
<td>71.9%</td>
<td>(30,110.9)</td>
<td>31.5%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>5,651.8</td>
<td>3,847.6</td>
<td>46.9%</td>
<td>4,301.4</td>
<td>31.4%</td>
</tr>
<tr>
<td><strong>Selling and marketing expenses</strong></td>
<td>(2,075.7)</td>
<td>(1,143.5)</td>
<td>81.5%</td>
<td>(1,402.8)</td>
<td>48.0%</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(10,456.9)</td>
<td>(228.8)</td>
<td>4469.5%</td>
<td>(465.3)</td>
<td>2147.2%</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>(1,363.9)</td>
<td>(707.3)</td>
<td>92.8%</td>
<td>(1,103.8)</td>
<td>23.5%</td>
</tr>
<tr>
<td><strong>Fair value changes on investments measured at fair value through profit or loss</strong></td>
<td>526.9</td>
<td>1,738.3</td>
<td>-69.7%</td>
<td>1,762.9</td>
<td>-70.1%</td>
</tr>
<tr>
<td><strong>Share of (losses) / gains of investments accounted for using equity method</strong></td>
<td>(128.5)</td>
<td>(84.6)</td>
<td>51.9%</td>
<td>16.3</td>
<td>-887.0%</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>207.3</td>
<td>172.9</td>
<td>19.9%</td>
<td>158.2</td>
<td>31.0%</td>
</tr>
<tr>
<td><strong>Other (losses) / gains, net</strong></td>
<td>46.7</td>
<td>64.7</td>
<td>-27.8%</td>
<td>97.6</td>
<td>-52.1%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>(7,592.0)</td>
<td>3,659.3</td>
<td>-307.5%</td>
<td>3,364.5</td>
<td>-325.6%</td>
</tr>
<tr>
<td><strong>Finance (expenses) / income, net</strong></td>
<td>(32.3)</td>
<td>4.5</td>
<td>-821.7%</td>
<td>17.8</td>
<td>-281.3%</td>
</tr>
<tr>
<td><strong>Fair value changes of convertible redeemable preferred shares</strong></td>
<td>22,532.7</td>
<td>(15,004.2)</td>
<td>-250.2%</td>
<td>(10,071.4)</td>
<td>-323.7%</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>(275.8)</td>
<td>(626.2)</td>
<td>-56.0%</td>
<td>(338.3)</td>
<td>-18.5%</td>
</tr>
<tr>
<td><strong>(Loss) / profit for the period</strong></td>
<td>14,632.6</td>
<td>(11,966.6)</td>
<td>-222.3%</td>
<td>(7,027.4)</td>
<td>-308.2%</td>
</tr>
<tr>
<td><strong>Non-IFRS measurement:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted net profit</strong></td>
<td>2,116.8</td>
<td>1,691.5</td>
<td>25.1%</td>
<td>1,699.3</td>
<td>24.6%</td>
</tr>
</tbody>
</table>