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In Q1 2020

Total revenue was RMB49.7 billion, up 13.6% YoY

Adjusted net profit\(^1\) was RMB2.3 billion, up 10.6% YoY

Smartphones revenue grew 12.3% YoY

IoT and lifestyle products revenue grew 7.8% YoY

Internet services revenue grew 38.6% YoY

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\(^1\) Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects
Our global smartphone shipments increased against market downturn in Q1 2020, with the highest growth among major smartphone companies.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Q1 2020 Shipment Volume</th>
<th>Q1 2020 Market Share</th>
<th>Q1 2019 Shipment Volume</th>
<th>Q1 2019 Market Share</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>59.6</td>
<td>21.9%</td>
<td>71.5</td>
<td>22.8%</td>
<td>-17%</td>
</tr>
<tr>
<td>Huawei</td>
<td>49.0</td>
<td>18.0%</td>
<td>59.1</td>
<td>18.8%</td>
<td>-17%</td>
</tr>
<tr>
<td>Apple</td>
<td>37.1</td>
<td>13.6%</td>
<td>40.2</td>
<td>12.8%</td>
<td>-8%</td>
</tr>
<tr>
<td>Xiaomi</td>
<td>30.2</td>
<td>11.1%</td>
<td>27.8</td>
<td>8.9%</td>
<td>9%</td>
</tr>
<tr>
<td>Vivo</td>
<td>24.2</td>
<td>8.9%</td>
<td>23.5</td>
<td>7.5%</td>
<td>3%</td>
</tr>
<tr>
<td>Others</td>
<td>72.3</td>
<td>26.5%</td>
<td>91.6</td>
<td>29.2%</td>
<td>-21%</td>
</tr>
<tr>
<td>Total</td>
<td>272.5</td>
<td>100.0%</td>
<td>313.9</td>
<td>100.0%</td>
<td>-13%</td>
</tr>
</tbody>
</table>

Source: Canalys
Our mainland China business demonstrated resilience during the pandemic

Our mainland China smartphone and smart TV shipments rebounded rapidly after the dip in February

1 As % of January shipments
Short-term impact of COVID-19 on our business

Mainland China

- Mainland China smartphone market gradually returned to normal level in March 2020

India

- Our business was severely impacted by India’s strict lockdown starting in late March
- Since May, India has resumed production and retail operations in phases. In areas where sales have resumed, consumer demand has rebounded quickly, similar to the recovery pattern seen in mainland China

Overseas (excl. India)

- Different lockdown measures across markets are expected to impact our financials in Q2 2020
- Markets with easing lockdowns measures have followed similar recovery patterns as mainland China. In Europe, for example, the smartphone activation has returned to over 90% of pre-COVID-19 level\(^1\)
- Our extensive global reach has enabled us to agilely strategize and deploy resources across different markets in response to the pandemic

\(^1\) The third week of May as % of the daily average smartphone activation in January
Overseas smartphone business recovering from the pandemic

In Europe, smartphone activation has returned to over 90%\(^2\) of the pre-pandemic level

In Southeast Asia and Middle East, smartphone activation has already surpassed the pre-pandemic level\(^2\)

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\(^1\) Daily average smartphone activation for each week, as % of the daily average in January

\(^2\) As of the third week of May
The launch of Mi 10 Series solidified our position in the premium market.

Mi 10 Pro ranked No.1 in overall camera, photo, video and audio scores in DXOMARK at the time of launch.

Shipments of Mi 10/10 Pro in mainland China exceeded 1 million units two months after launch.

Mainland China: launched on February 13 with prices starting at RMB3,999/4,999

Overseas: launched on March 27 with prices starting at EUR799/999
Overseas revenue reached RMB24.8 billion in Q1 2020, up 47.8% YoY, contributing to 50.0% of total revenue.
Smartphones
In Q1 2020

Smartphone revenue reached RMB30.3 billion, up 12.3% YoY

Smartphone shipments reached 29.2 million units
Introduced highly competitive products at key price points to gain 5G smartphone market share

Xiaomi ranked Top 3\textsuperscript{2} in the RMB4,000–6,000 premium segment by sales volume

Xiaomi’s 5G smartphone market share in mainland China reached 14\%\textsuperscript{1}

\textsuperscript{1} In March 2020, according to third party statistics
\textsuperscript{2} In Q1 2020, by sales volume in mainland China, according to third party statistics
All dates refer to release date
Our smartphone ASP recorded 7.2% YoY growth in Q1 2020

5G smartphone rollouts have boosted our mainland China smartphone ASP
MIUI 12 technological breakthrough

Remarkable animation and visualized user interface powered by proprietary technologies

Enhanced privacy protection with multiple renowned privacy certificates
In Q1 2020

IoT and lifestyle product revenue reached RMB13.0 billion, up 7.8% YoY
Global leading consumer AIoT platform

252.0 million
Connected devices\(^1\)
YoY growth of 42.6%

4.6 million
Users with 5 or more devices connected to Xiaomi's IoT platform\(^1\)
YoY growth of 67.9%

70.5 million
AI assistant MAU
YoY growth of 54.9%

40.0 million
Mi Home APP MAU
YoY growth of 53.4%

\(^1\) As of March 31, 2020, excluding smartphones and laptops
Global smart TV shipments in Q1 2020 reached ~2.7 million units, up 3.0% despite a decline in global TV market

Ranked No.1 in mainland China for 5 consecutive quarters\(^1\)

Launched Redmi Smart TV MAX with an enormous 98" screen in March 2020, priced at RMB19,999

\(^1\) According to AVC, by shipments in Q1 2020
Key IoT products maintained strong growth despite large home appliances being impacted by the pandemic

<table>
<thead>
<tr>
<th>Product</th>
<th>YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiaomi TWS Earbuds No.3 globally</td>
<td>619.6%</td>
</tr>
<tr>
<td>Xiaomi WiFi Router No.2 in mainland China</td>
<td>124.0%</td>
</tr>
<tr>
<td>Mi Band No.1 globally</td>
<td>56.0%</td>
</tr>
<tr>
<td>Mi Electric Scooter No.1 globally</td>
<td>40.7%</td>
</tr>
<tr>
<td>Mi Robot Vacuum Cleaner No.2 in mainland China</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

1. In terms of revenue in Q1 2020
2. According to Canalys, in terms of global TWS shipments in 2019
3. According to AVC, in terms of onlinesales volume in Q1 2020
4. According to Canalys, in terms of global wearable bands shipments in 2019
5. According to iResearch, by shipments in 2019
Internet Services
In Q1 2020

Internet service revenue reached RMB5.9 billion, up 38.6% YoY
Global MIUI MAU¹ reached 330.7 million, an increase of 26.7% YoY

Mainland China MIUI MAU¹ was 111.5 million

TV MAU² grew 46.8% YoY to 30.4 million, paid users reached 4.3 million, up 53.7% YoY

¹ As of March in respective quarters
² As of March in respective quarters, including both TV and TV box users
Advertising business remained solid despite challenging environment

Advertising revenue increased 16.6% YoY in Q1 2020, mainly driven by:

• diversified monetization methods, including search, pre-installation, and news feeds
• diversification of advertising customers
• optimization of recommendation algorithms
• rapid growth of overseas internet advertising revenue
Gaming business delivered strong revenue growth, benefiting from:

• fast-growing online gaming market in mainland China in Q1 2020

• increased gaming ARPU from our premium smartphones
In Q1 2020, **38.1%** of internet services revenue was from internet services outside of advertising and gaming from mainland China smartphones, a YoY growth of **71.5%**.
Overseas
Overseas revenue in Q1 2020 was RMB24.8 billion, up 47.8% YoY, accounting for 50.0% of total revenue.
Overseas smartphone shipments achieved remarkable growth

Q1 2020 Xiaomi smartphone shipments
YoY growth

236.1% Latin America
58.3% Europe
284.9% Africa

Source: Canalys
Achieved strong growth against market downtrend in Western Europe, and ranked No.1 in Spain for the first time

### Western Europe smartphone market share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Vendor</th>
<th>Q1 2020 Market share</th>
<th>Shipment YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Samsung</td>
<td>37%</td>
<td>-21%</td>
</tr>
<tr>
<td>#2</td>
<td>Apple</td>
<td>24%</td>
<td>-8%</td>
</tr>
<tr>
<td>#3</td>
<td>Huawei</td>
<td>18%</td>
<td>-40%</td>
</tr>
<tr>
<td>#4</td>
<td>Xiaomi</td>
<td>10%</td>
<td>79%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
<td>-19%</td>
</tr>
</tbody>
</table>

### Spain smartphone market share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Vendor</th>
<th>Q1 2020 Market share</th>
<th>Shipment YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Xiaomi</td>
<td>28%</td>
<td>46%</td>
</tr>
<tr>
<td>#2</td>
<td>Huawei</td>
<td>24%</td>
<td>-14%</td>
</tr>
<tr>
<td>#3</td>
<td>Samsung</td>
<td>22%</td>
<td>-20%</td>
</tr>
<tr>
<td>#4</td>
<td>Apple</td>
<td>12%</td>
<td>-8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Source: Canalys
India’s No.1 smartphone brand, driving growth in adjacent markets

India smartphone market share

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>29.0%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>31.2%</td>
</tr>
</tbody>
</table>

Continued market share expansion in India

Nepal smartphone market share

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>14.0%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>30.9%</td>
</tr>
</tbody>
</table>

Ranked No.1 in Nepal smartphone market with market share of 30.9%, equal to the share of 2nd and the 3rd place combined

Source: IDC Worldwide Quarterly Mobile Phone Tracker, Q1 2020, by shipments
Financials
Solid operating profitability

Revenue
RMB billion

Q1 2019: 43.8
Q1 2020: 49.7
Increase: 13.6%

Gross profit less operating expenses
RMB billion

Q1 2019: 1.1
Q1 2020: 2.3
Increase: 109.6%

Gross profit
RMB billion

Q1 2019: 5.2
Q1 2020: 7.6
Increase: 44.9%

Adjusted net profit
RMB billion

Q1 2019: 2.1
Q1 2020: 2.3
Increase: 10.6%

1 Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects

Include FX loss of RMB503 million
Continued gross margin expansion

Overall gross margin trend

- Q1 2019: 11.9%
- Q4 2019: 13.9%
- Q1 2020: 15.2%

Gross margin by segments in Q1 2020

- Smartphones: 8.1%
- IoT and lifestyle products: 13.4%
- Internet services: 57.1%
Effective expense control during the pandemic

Operating expenses
RMB billion

Q4 2019: 6.9
Q1 2020: 5.3

Operating expense ratio

Q4 2019: 12.1%
Q1 2020: 10.6%
Efficient working capital management

AR turnover days
Q1 2019: 13
Q1 2020: 13

Inventory turnover days
Q1 2019: 65
Q1 2020: 71

AP turnover days
Q1 2019: 96
Q1 2020: 121
Increase in inventory turnover days was mainly due to the pandemic

Raw materials inventory increased because of the production disruption in Q1 2020, driving up the inventory balance

Finished goods inventory declined, with a shortage in supply

1 Excluding provision for impairment
300+
Xiaomi had invested in over 300 companies as of Q1 2020

RMB32.3 billion
Investment carrying amount\(^1\) as of Q1 2020, YoY growth of 11.4%

Kingsoft Cloud successfully listed on Nasdaq
USD4.8 billion
Kingsoft Cloud market capitalization\(^2\)
13.8%
Xiaomi’s stake\(^3\)

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\(^1\) Includes long-term investments measured at fair value through profit or loss and investments accounted for using the equity method
\(^2\) Based on closing price on the day of IPO
\(^3\) Upon Kingsoft Cloud’s completion of its IPO
Xiaomi is in the rapid growth stage, facing challenges of the pandemic this year.

Smartphones and IoT products demands are resilient. Xiaomi has been comparatively less impacted by the pandemic due to our advantages in online channels, value proposition of high price-performance and diversified businesses.

The development of the pandemic in overseas markets is expected to impact our business performance in Q2 2020. However, with the gradual lifting of lockdown measures, consumer demand has rebounded quickly in many of the markets we operate.