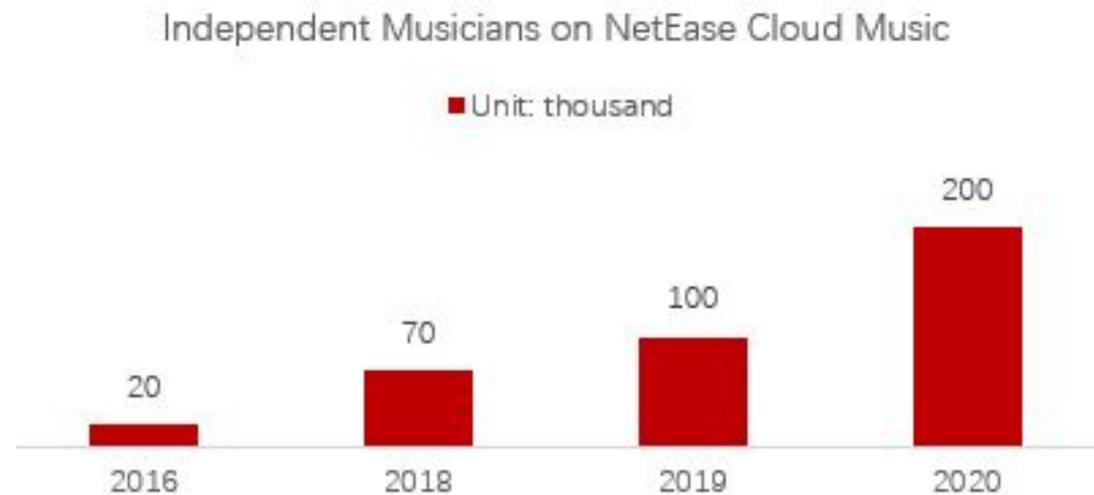
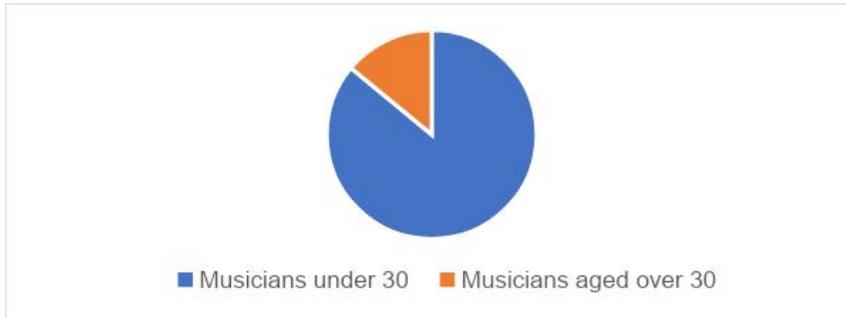


Key messages of NetEase Cloud Music's report:

1. NetEase Cloud Music is home to **over 200,000 Chinese independent musicians** as of October 2020, a 100% year-over-year growth and the number is 10 times higher than that of 2010. Online music platforms have greatly impacted the release pattern of music in China and empowered more musicians to have the chance to shine and thrive in the industry.



2. Compared with 2017, over 40% of independent musicians in China saw an obvious revenue growth. The **total revenue** of musicians participating in our Project Cloud Ladder, an initiative to encourage independent musicians to create better music, **exceeded over RMB 100 million** in the first 10 months of 2020. The income contributions for independent musicians include the following diverse activities:
 - Copyright licensing
 - Commercial projects
 - Live streaming
 - Performances
 - Arrangement/production
 - Virtual gifts/tipping from fans
 - Teaching music
3. The report, with 11,857 independent musician respondents, noted that independent music is now in “neck-and-neck position” with mainstream commercial music in China, in terms of the quality, quantity and influence of their music
4. In 2019 alone, there were over 273 billion streams of songs of independent musicians on the NetEase Cloud Music platform.
5. More than 75% of the independent musicians surveyed said that they had been affected by the impact of COVID-19. Around 90% of the musicians hold a positive or neutral attitude for live-streaming under the circumstances.
6. Around 86% of the independent musicians are under 30, which means the Generation Z is dominant in the market



FYI: our previous efforts:

Incubator for Original Music

Music provides a creative outlet for artists and listeners alike. As one of China's most active music platforms, NetEase Cloud Music strives to deliver highly differentiated music products with the mission to help tens of thousands of talented Chinese independent musicians create indigenous content that resonates with Chinese listeners.

Professional & Tailored Support for Musicians

NetEase's efforts to help independent musicians to be heard and appreciated also give us a competitive edge. In this way, fostering the growth of independent music both opens a bigger market for the musicians and also introduces original and diversified content to our users, which contributes to our sustainable growth.



Music events hosted by NetEase Cloud Music

Our Efforts Include

Project Cornerstone

Assisting aspiring independent musicians with promotion, live performance and royalties management

Project Cloud Ladder

RMB100 million incentive per year to encourage independent musicians to create better music; a special fund to support musicians when they are hit hard by illness or other accidents

Other Initiatives

To make independent musicians' voices heard through events such as our annual Indie Music Festival

Music provides a creative outlet for artists and listeners alike. As one of China's most active music platforms, NetEase Cloud Music strives to deliver highly differentiated music products with the mission to help tens of thousands of talented Chinese independent musicians create indigenous content that resonates with local listeners.

NetEase's efforts to help independent musicians to be heard and appreciated also give us a competitive edge. In this way, fostering the growth of independent music both opens up a bigger market for the musicians and also introduces original and diversified content to our users, which contributes to sustainable growth.