



Maoyan Entertainment

Maoyan Entertainment Announces Interim Results for the First Half of 2021

BEIJING, August 19, 2021 – Maoyan Entertainment (“Maoyan” or the “Company”, 1896.HK), a leading platform providing innovative Internet empowered entertainment services in China, today announced its unaudited consolidated financial results for the six months ended June 30, 2021.

First Half 2021 Financial Highlights

- **Revenue** was RMB1,799.8 million, increasing by 786.2% from RMB203.1 million in the first half of 2020.
- **Gross profit** was RMB1,045.5 million, compared with a gross loss of RMB20.6 million in the first half of 2020.
- **Net profit for the first half of 2021** was RMB387.1 million, compared with a net loss of RMB430.7 million in the first half of 2020.
- **Adjusted EBITDA¹** was RMB625.7 million, compared with negative RMB283.6 million in the first half of 2020.
- **Adjusted net profit²** was RMB464.0 million, compared with an adjusted net loss of RMB307.1 million in the first half of 2020.

BUSINESS REVIEW AND OUTLOOK

In this announcement, “we”, “us” and “our” refer to the Company.

1. BUSINESS REVIEW

Online Entertainment Ticketing Services

¹ In the first half of 2021 and 2020, the Company defined EBITDA as operating (loss)/profit for the period adjusted for depreciation and amortization expenses. The Company added back share-based compensation and listing expenses to EBITDA to derive adjusted EBITDA.

² In the first half of 2021 and 2020, the Company defined adjusted net (loss)/profit as net (loss)/profit for the six months adjusted by adding back share-based compensation, net losses of convertible bonds classified as financial liabilities at fair value through profit or loss, listing expenses and the amortization of intangible assets resulting from business combinations.

In the first half of 2021, the movie market continued to recover in China. As of June 30, 2021, the total box office of Chinese movie market amounted to RMB27.57 billion. In particular, the box office performance during the New Year's Day, Spring Festival, Qingming Festival and Labor Day holidays all exceeded the box office performance during the same period in 2019, demonstrating the strong recovery and room for further development of the Chinese movie market.

As a leading movie ticketing service provider in China, we persisted in paying attention to and strengthening our services and assistance to the movie industry and our partners, and constantly improve our platform capabilities and services by the launch of co-member format, one-click block booking (一鍵包場), the continuous optimization of the ticketing system and other measures, to improve the viewer activity and increase the profitability and operation efficiency of movie theaters.

Our live entertainment ticketing business was also progressing and developing steadily. We have become the leading live entertainment ticketing service provider in China, providing services covering concerts, stage plays, talk shows, e-sports events, leisure exhibitions, music festivals and immersive escape rooms, etc. In the first half of 2021, we provided general ticketing agency services for various high-quality shows and events, such as the famous Monet & Impressionists Masterpieces, the MIDI Festival 2021, and the King Pro League 2021, etc.

Entertainment Content Services

Relying on the integration of professional experience and technological capabilities, as well as the continuous consolidation and improvement of management structure and capabilities, we have become a leading promoter and distributor of domestic movies and also a premium movie investor and developer with an abundant content reserves, strong promotion and distribution resources and capabilities of domestic movies. We formed efficient and accurate movie distribution services and resource integration capabilities and achieved breakthrough growth in the first half of 2021.

In the first half of 2021, we participated in the production/distribution of 19 movies, which realized a box office of approximately RMB16.46 billion, accounting for 74% of the national box office of domestic movies in the same period. Among them, we participated in the distribution of a total of 12 movies. As of the end of the Reporting Period, we participated in the production/distribution for all of the top 5 domestic movies in terms of box office in China released in the first half of 2021.

During the Reporting Period, all movies we participated in had outstanding performances in the relevant major seasons:

- During the 2021 New Year's Day holiday, A Little Red Flower (送你一朵小紅花) and The Warm Hug (溫暖的抱抱), of which we participated in the production/distribution, were ranked first and second respectively in terms of box office in the period;
- During the 2021 Spring Festival holiday, among the 7 movies starting to be released on the first day of the lunar year, we participated in 5 movies, which contributed more than 94% of the total box office of the period. Among them, Hi, Mom (你好，李煥英), of which we acted as the producer and lead distributor, had an outstanding performance and recorded a box office of more than RMB5.4 billion, being the highest-grossing movie of the period and ranking second historically in terms of domestic movie box office performance;
- During the 2021 Qingming Festival holiday, the Sister (我的姐姐), of which we participated in the production, had an outstanding performance and was the highest-grossing movie of the period, contributing nearly half of the total box office in the period;
- During the 2021 Labor Day holiday, movies including the Cliff Walkers (懸崖之上) and Once upon a Time in Hong Kong (追虎擒龍) achieved excellent performances, of which we participated in the production/distribution.

In July and August 2021, the movies we participated in, such as "1921", The Doctors (中國醫生), Raging Fire (怒火·重案), Upcoming Summer (盛夏未來), White Snake 2: Green Snake (白蛇 2：青蛇劫起), were also released successively, all performed well in terms of box office and reputation. There will be a series of quality movies that we act as producer/distributor at opportune time, such as Justices Seeker (檢察風雲), G storm 5 (反貪風暴 5), Theory of Ambitions (風再起時), Myna Bird (被害人), Warriors of Future (明日戰記), Knock Knock (不速來客) and Farewell, My Lad (再見，少年).

We continued to cultivate the self-production of movies and TV series, further consolidate our own IP and strive to become a producer of high-quality contents. We have gradually established a professional movie and television self-production management system, continued to integrate resources and strengthened self-production capabilities. At present, we have a relatively abundant self-produced movie reserves. Among them, After Back to The Wharf (風平浪靜) and On Your Mark (了不起的老爸) have been released and performed well both in box office performance and reputation. In the future, there will be more movies self-produced by us to be launched successively, including A Film Is Born (揚名立萬) and Moses on the Plain (平原上的摩西), the release schedules of which have been finalized, and Flaming Cloud (三貴情史), The Woman in the Storm (我經過風暴) and Game Start (天才遊戲), etc. to be released as appropriate.

In addition to cinema movies, we were also constantly strengthening the production of other types of contents to expand our presence across the pan-entertainment industry. Currently, we have more than 10 TV series and online movie projects under production. Among them, production of The Last Straw (落水者) and Blinding Elephant (盲區), each being a legal drama TV series developed and produced by us, were completed in July 2021 and both will be broadcasted exclusively on Youku later. In addition, Genius Go Talent (天才棋士), Beauty in Truth (女為悅己者), Love Me If You Dare (服不服) and several other TV series and certain online movies self-produced by us will also be released successively.

In addition, our efforts in improving promotion and distribution capabilities are also proved to be effective. As a top-notch domestic movie distributor and a leading pan-entertainment marketing platform, we continued to improve our product capabilities, iterative cognition and system capabilities. Now we have established a professional promotion and distribution team with outstanding promotion and distribution capabilities to continuously upgrade our standardized and customized promotion and distribution products. We gradually form our unique intelligent promotion and distribution product system and one-stop network-wide promotion and distribution capabilities. We have also achieved industry-leading promotion and distribution service coverage of cinema movie projects, for example, we provided various promotion and distribution services fully covered 100% of the cinema movies during major seasons such as Spring Festival, Qingming Festival and Labor Day holidays in 2021. The “real-time wish-list gathering” (實時想看) and “real-time pre-sale” (實時預售), two indicators supported by us, have been recognized as standard indicators of the industry with increasingly higher industry authority and provided professional tool-like services and support for the promotion and distribution work of our partners in the industry. Further, we continued to launch innovative marketing products and marketing programs, such as “Maoyan’s word-of-mouth marketing” (貓眼口碑營銷), “cloud block booking” (雲包場) and other products, which have been widely recognized by the market and further demonstrated our professional promotion and distribution capabilities.

Advertising Services and Others

We continue to build a marketing platform, expand and diversify advertising resources to cover all online and offline entertainment scenarios. During the Reporting Period, the number of both monthly active users and daily active users of Maoyan app and Maoyan Pro app recorded new highs. The total number of users of our Maoyan applet ecosystem covering Douyin, WeChat, Baidu and other platforms has exceeded 450 million and is growing continuously.

Maoyan Pro has always been committed to helping improve the efficiency and transparency of the industry from the availability of box office, movie schedule, attendance, box office forecast and other

basic movie data services to the launch of online movie box office list, movie popularity list, webcast popularity list, TV ratings list, short video popularity list and other lists of various types and channels, and further to the movie promotion and distribution list covering the 6 major lists, i.e. the real-time wish list, real-time pre-sale list, WeChat index list, Baidu index list, Douyin's relevant index lists and Weibo's relevant index lists.

In addition, we continued to improve the commercialization capabilities based on industrial big data service. During the Reporting Period, our industrial big data service business provided support to more than 40 projects, covering various seasons, such as the New Year, Spring Festival, Qingming, Labor Day and summer vacation. We continued to expand our service model and have published a number of industrial data reports, including movie market data insights of major seasons, research on online movie market and in-depth research on movie schedules, etc., to share our industrial data research capabilities with the public, supporting industry participants to better understand the changes and trends of the market.

2. Company Outlook

Looking forward, we will continue to devote ourselves to the pan-entertainment industry. Based on "Technology+Pan-Entertainment", our core development strategy, we will continue to produce diversified contents with excellent quality and positive values, strengthen business synergy and value aggregation, and strive to create more value for the pan-entertainment industry. Meanwhile, given the industry we are operating in, the core needs of our development and the challenges and business possibilities we are facing, we will constantly expand the business portfolio, achieve long-term development, and continuously improve competitiveness and risk resistance capacity. We are willing to work together and grow up steadily with our partners to embrace the bright future of the industry.

About Maoyan Entertainment

Maoyan Entertainment (1896.HK) is a leading technology-driven entertainment company providing diversified services and valuable industry insights in China's pan-entertainment industry. The Company's mission is to make it easy to create, deliver, and enjoy great entertainment. Based on its core development strategy of "technology + pan-entertainment," the Company has grown from an online movie ticketing service provider into an innovative one-stop platform with comprehensive entertainment services.

Non-GAAP Financial Measures

To supplement the consolidated results of the Company prepared in accordance with IFRS, certain additional non-GAAP financial measures (in terms of, operating profit, operating margin, profit for the

period, net margin, profit attributable to equity holders of the Company, basic EPS and diluted EPS), have been presented in this press release. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Company's financial performance prepared in accordance with IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

The Company's management believes that the non-GAAP financial measures provide investors with useful supplementary information to assess the performance of the Company's core operations by excluding certain noncash items and certain impact of M&A transactions. In addition, non-GAAP adjustments include relevant non-GAAP adjustments for the Company's material associates based on available published financials of the relevant material associates, or estimates made by the Company's management based on available information, certain expectations, assumptions and premises.

Forward-Looking Statements

This press release contains forward-looking statements relating to the business outlook, forecast business plans and growth strategies of the Company. These forward-looking statements are based on information currently available to the Company and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in future. Underlying the forward-looking statements is a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in our other public disclosure documents on our corporate website.

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