

An isometric illustration of a media production studio. At the top, a rocket launches from a cloud. Below it, two large monitors display a play button and a video camera icon. In the center, a film set features a director's chair, a clapperboard, and a camera on a tripod. To the left, a rack of clothes and a stack of books are visible. To the right, a large open book shows a space scene with a rocket and a planet, with a small figure sitting in front of it. The entire scene is framed by a large, stylized letter 'S' that forms a path through the studio.

STRAWBEAR ENTERTAINMENT GROUP

2021 Annual Results Presentation

March 25, 2022

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Business Updates

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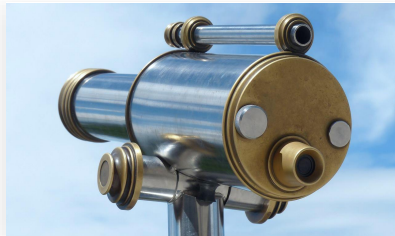
Chapter 1



Financial Updates

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Chapter 2



Outlook

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Chapter 3

Speakers



LIU Xiaofeng

Chairman of the Board & CEO

- About 20 years of experience in media industry
- Produced and/or distributed tens of drama series
- The first to initiate the “Online first, TV next” broadcasting model
- Member of China Television Artists Association , Member of Jiangsu Television Artists Association , Vice chairman of Nanjing Film, Television and Animation Artists Association
- 2020 Leading Talent in China's Radio, Television, and Internet Audiovisual Industries



ZHAI Fang

Executive Director & COO

- More than 10 years of experience in equity investment and management
- Worked for China Allied Shengshi Culture (Beijing) Co., Ltd. Which is a subsidiary of Alibaba Pictures Group Limited (Stock Code: 1060.HK and S91.SGX), Shanghai Fosun Capital Investment Management Co., Ltd., and Ping An Asset Management Co., Ltd.



Chapter 1

Business Updates

2021 Annual Results Summary

Solid financial performance & remarkable business progress

- Adhering to the purpose of “with high-quality content as the core assets, constantly explore diversified assets operation modes”, the group has formed the network effect of high-quality resources under the platform business model, and promoted the industrial production of high-quality content.

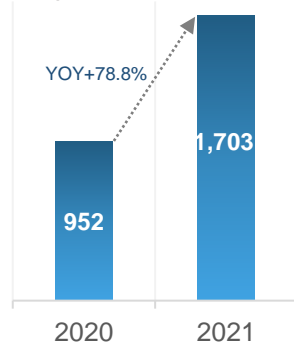
Financial



Revenue

In RMB million

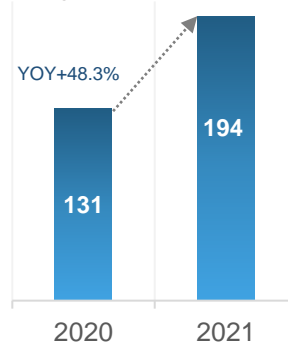
YOY+78.8%



Adjusted Net Profit

In RMB million

YOY+48.3%



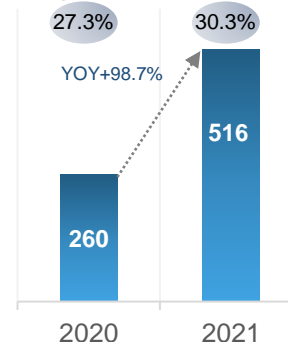
Gross Profit

In RMB million

27.3%

YOY+98.7%

30.3%

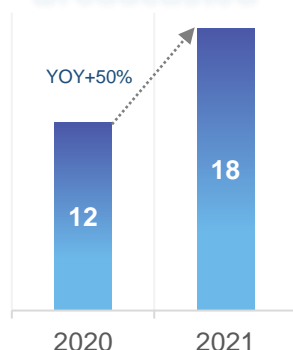


Business



The number of drama series Broadcasted

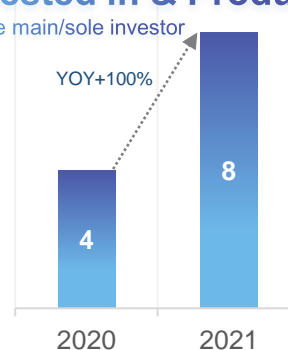
YOY+50%



The number of drama series Invested in & Produced

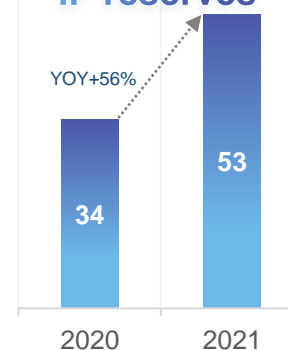
As the main/sole investor

YOY+100%



The number of IP reserves

YOY+56%



Competitive Advantage

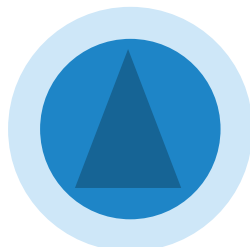
Improving quality and efficiency as the core; Based on enhancing endogenous resources efficiency, continuously producing top tier content



Deepening the layout of the entire industry chain resources

The Group's professional business service capability and forward-looking business judgment have attracted many excellent artists. The group relied on the "comprehensive middle platform" service capability and content ecological platform to commercialize art content.

- **Joint-ventures:** the group has established several joint-investment companies with excellent director and screenwriter teams in the industry, to jointly develop quality works
- **Incentives:** The Group also adopted the RSU scheme in 2021. The grantees include business partners, such as directors, screenwriters and other excellent artists



Driving both quantity and quality growth with platform operation

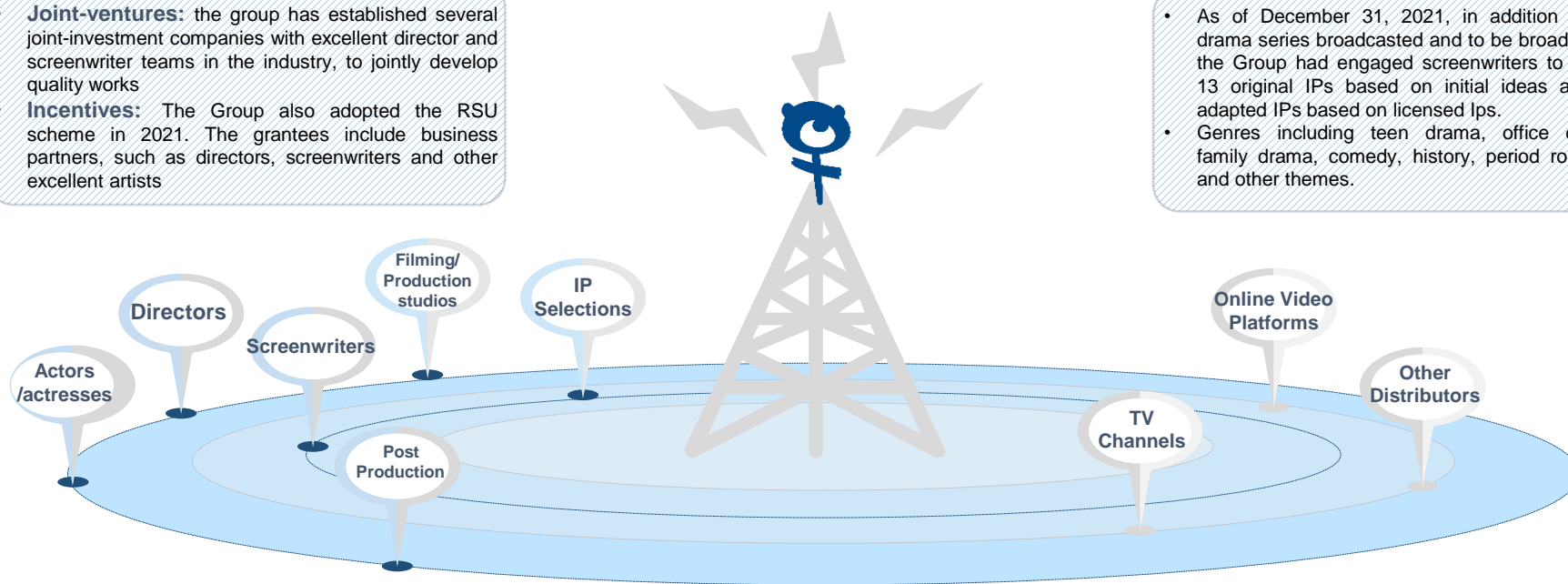
The Group rapidly expanded the depth and range of resource integration under the platform business model. Driven by both the rapid gathering of quality resources and the continuous improvement of internal quality control capabilities, the group realized both quantity and quality growth in content and further promote the network effect across the platform.



Accumulating IP reserves and optimizing IP structure

The Group attached great importance to the exploration of IPs' commercial value, taking advantage of its resources to actively seek and accumulate quality IP resources, exploring the development, operation and realization channels of endogenous IP in various resource channels

- As of December 31, 2021, in addition to the drama series broadcasted and to be broadcasted, the Group had engaged screenwriters to create 13 original IPs based on initial ideas and 40 adapted IPs based on licensed IPs.
- Genres including teen drama, office drama, family drama, comedy, history, period romance and other themes.



Promotion of brand influence; Continuous market recognition

With the implementation of the development strategies in 2021, the group achieved remarkable business breakthrough

Efficient industrial production

As the only investor and producer, the group invested in and produced 8 drama series in 2021. Among them, 7 drama series are under post-production and to be broadcasted as the end of 2021, and the remaining one finished filming this year.



Diversified layout of genres

Among the broadcasted drama series, the genres included fantasy, modern metropolitan, war/spy and so on. The genres of drama series to be broadcasted include not only metropolitan and period fantasy, but also comedies.



Continuous market recognition

Holding Television Drama Production Permit (Class A) for five consensus years since 2017; one of the 41 holders in 2021-2023; the only non-state-owned holder in Jiangsu province.



Diversified broadcast channel

The channels of broadcasted drama series cover the three major online video platforms and many TV channels in the main stream. The group will continue to develop both TV and online channels.



Promotion of brand influence

The branding and business supplement each other and the virtuous cycle in between has come into being. The group is determined to promote its products' quality so as to expand the brand effect of a single product.



Business Progress

Broadcasted drama series examples

In 2021, the group has achieved significant large-scale effect of the drama series production

15

broadcast
drama series



3

made-to-order
drama series



The Forerunner (前行者)



Starring: Zhang Luyi(张鲁一), Nie Yuan(聂远)

Channel: Beijing TV, IQiyi, Tencent video

a breathtaking story of the battle of wits between the firm and advancing revolutionaries and secret agents in the early 1930s

Breath of Destiny (一起深呼吸)



Starring: Qi Wei(戚薇), Yang Youning(杨祐宁)

Channel: Jiangsu TV, IQiyi, Tencent Video

A Chinese foreign aid medical team challenges the extreme environment and tries its best to save lives in an overseas island full of unknown and out of control.

Spirit Realm (灵域)



Starring: Fan Chengcheng(范丞丞), Cheng Xiao(程潇)

Channel: IQiyi

A young guy who lost his memory, after going through all the dangers, grows up and starts a new journey in Spirit Realm.

My Bargain Queen (我的砍价女王)



Starring: Lin Gengxin(林更新), Wu Jinyan(吴谨言)

Channel: Dragon TV, Youku, IQiyi, Tencent Video

Sheng Zhening and bargain queen Xia Qian encounter, and solve a lot of puzzles and difficulties in each other's life together, then become sweet lovers.

Business Progress

To-be-broadcast and invested drama series examples

In 2021, as the only investor and producer, the group invested in and produced 8 drama series, representing a 100% increase

8 invested and produced drama series



8 to-be broadcast drama series



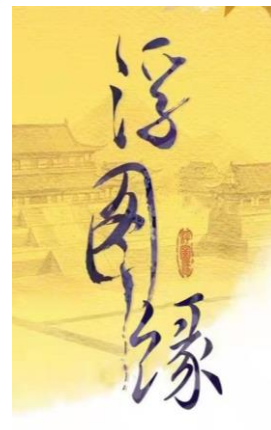
Comedy
as the featured genre



The bachelors(追爱家族)
Genre: metropolitan
Starring:
Guo Jingfei(郭京飞)
Jia Nailiang(贾乃亮)
Tan Zhuo(谭卓)
Xiong Ziqi(熊梓淇)



Flying to the Moon(月歌行)
Genre: period legend
Starring:
Zhang Binbin(张彬彬)
Xu Lu(徐璐)



Our Destiny in Self-redemption (浮图缘)
Genre: period legend
Starring:
Wang Hedi(王鹤棣)
Chen Yuqi(陈钰琪)



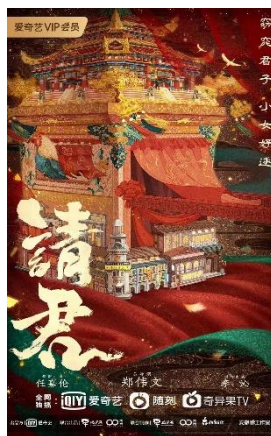
My Girlfriend is the Antidote (我的女友是解药)
Genre: metropolitan
Starring:
Jia Yi(嘉羿)
Jin Zixuan(金子璇)



Cat & Thief(斗贼)
Genre: crime & comedy
Starring:
Huang Jingyu(黄景瑜)
Xiu Rui(修睿)



Legend of Bikini(乘风踏浪)
Genre: metropolitan & comedy
Starring:
Qiao Shan(乔杉)
Yang Zishan(杨子姗)



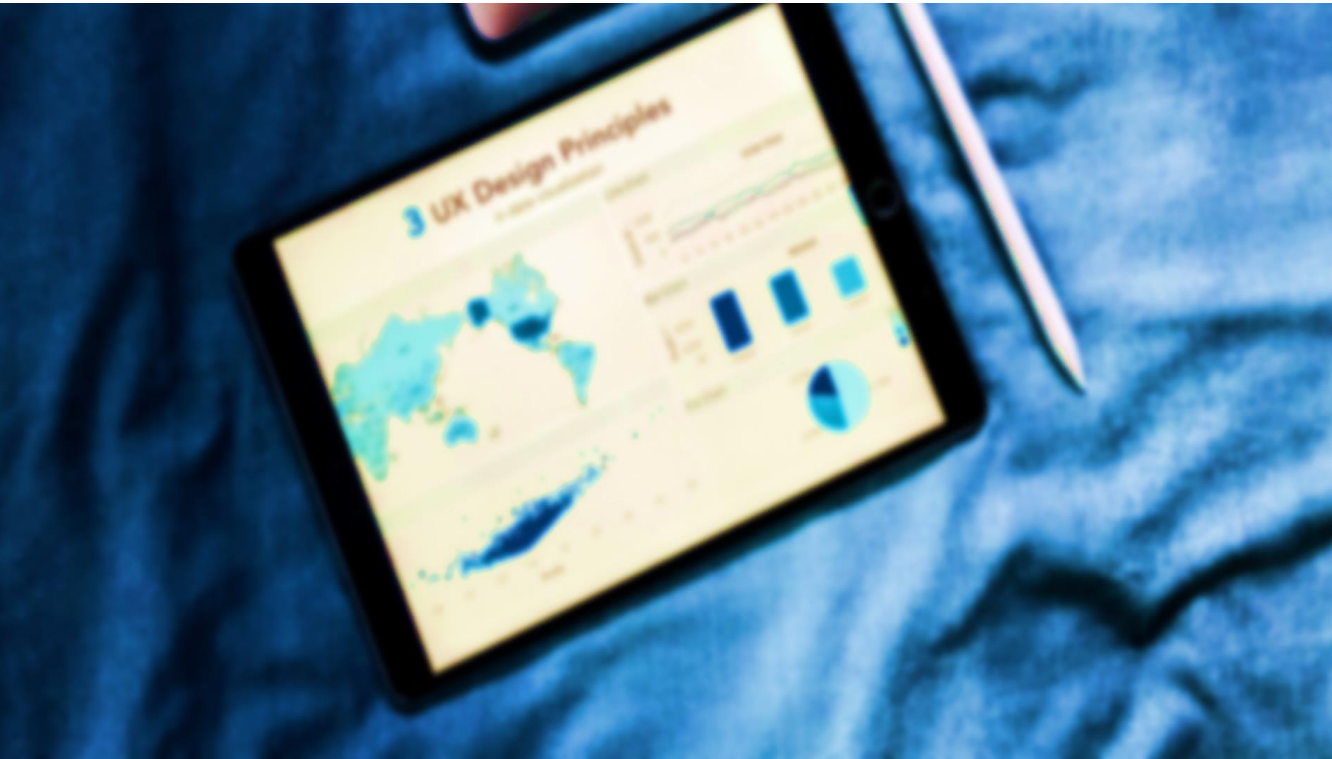
Welcome(请君)
Genre: period legend
Starring:
Ren Jialun(任嘉伦)
Li Qin(李沁)



Never Too Late(我的助理六十岁)
Genre: Sitcom
Starring:
Wang Ziwen(王子文)
Deng Jie(邓婕)
Bai Jingting(白敬亭)



Never Give Up(今日宜加油)
Genre: Sitcom
Starring:
Zheng Kai(郑恺)
Wang Hedi(王鹤棣)
Chen Yuqi(陈钰琪)



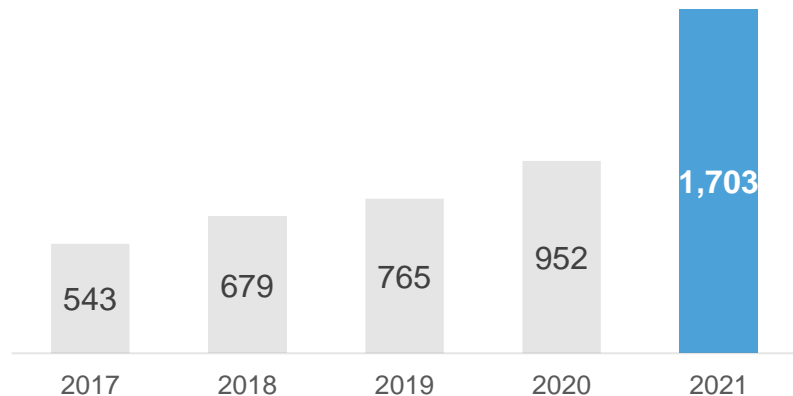
Chapter 2

Financial Updates

Revenue Scale

Over the past five years,
the compound annual growth rate was 33.1%

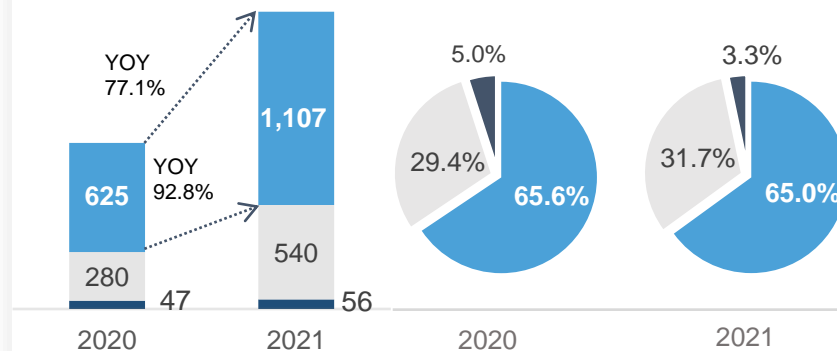
In RMB million



Revenue Structure

■ licensing of broadcasting rights of drama series
■ made-to-order drama series
■ others

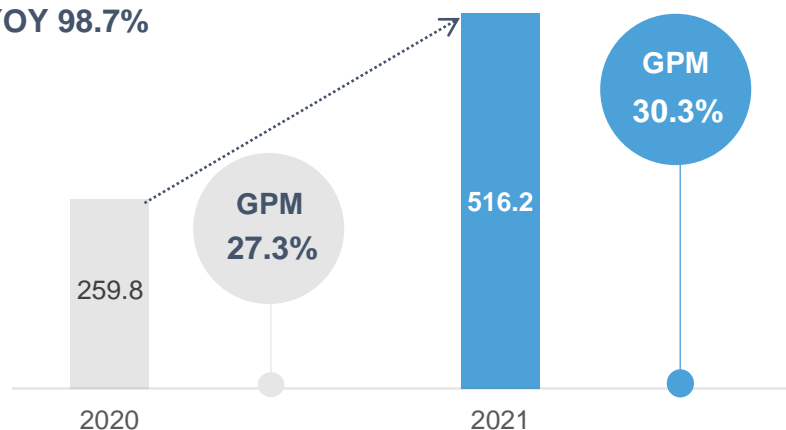
In RMB million



Gross Profit

GP
YOY 98.7%

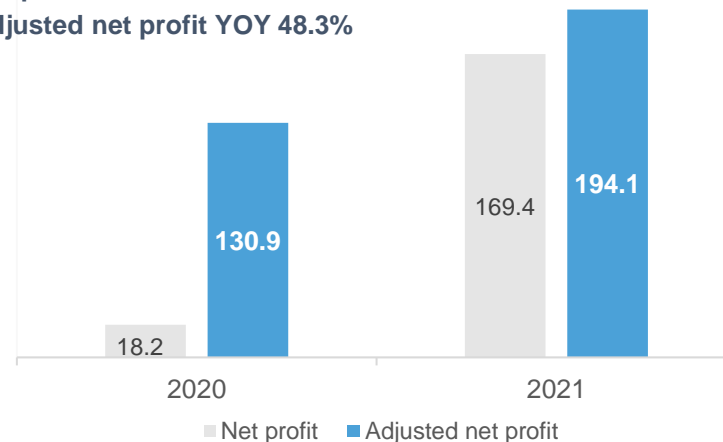
In RMB million



Net Profit

Net profit YOY 831.1%
Adjusted net profit YOY 48.3%

In RMB million



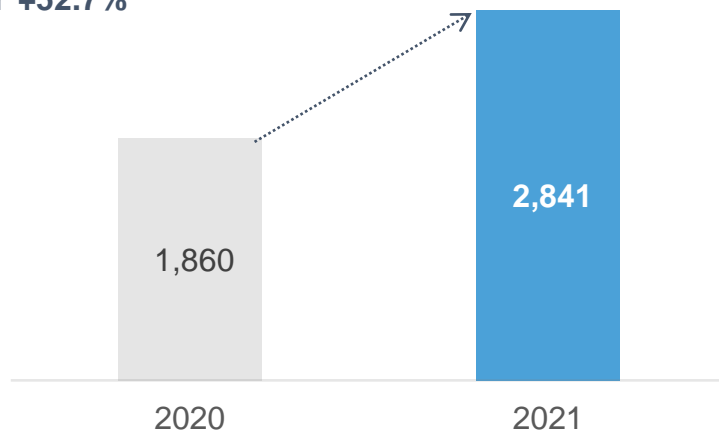
Assets Structure

Expansion in asset scale; enhancement in debt-paying ability

Total Assets

In RMB Million

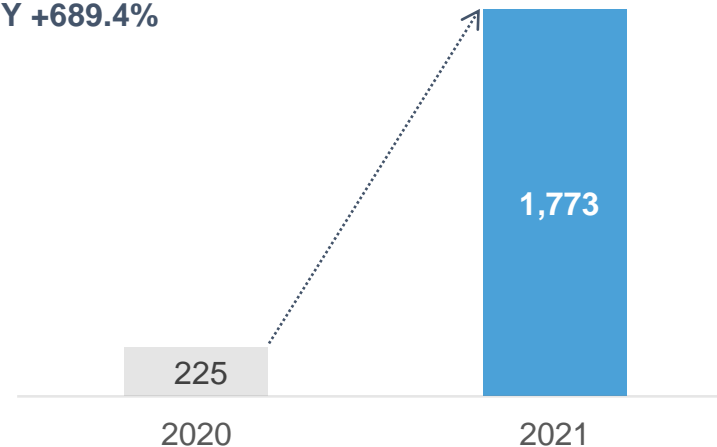
YOY +52.7%



Net Assets

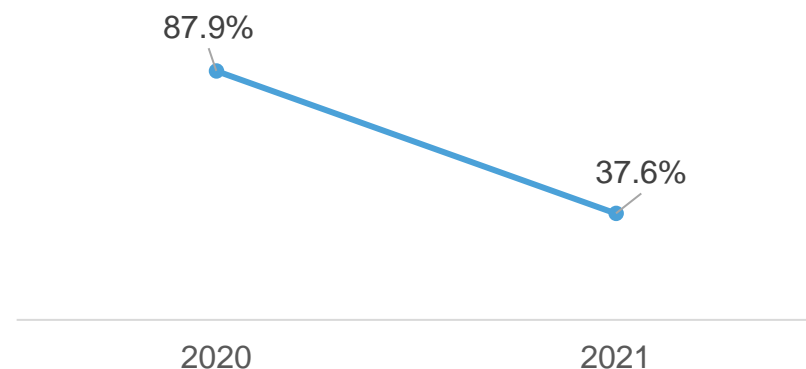
In RMB Million

YOY +689.4%



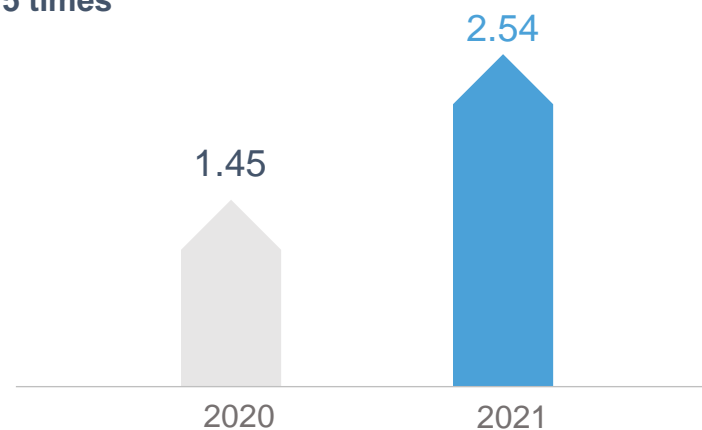
Liabilities-to-assets ratio

Decrease 50.3pts



Current ratio

1.75 times

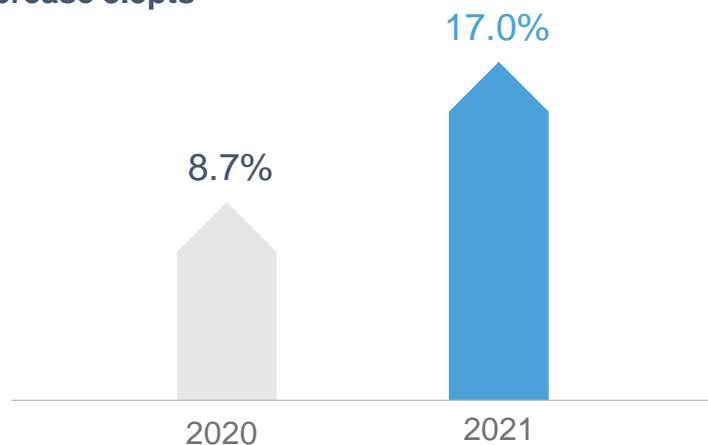


Key Operation Ratios

Improvement in ROE & ROA; boost in operational efficiency

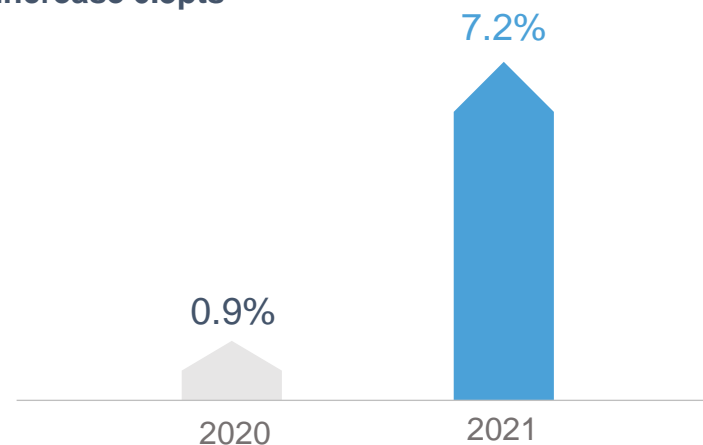
ROE

Increase 8.3pts



ROA

Increase 6.3pts



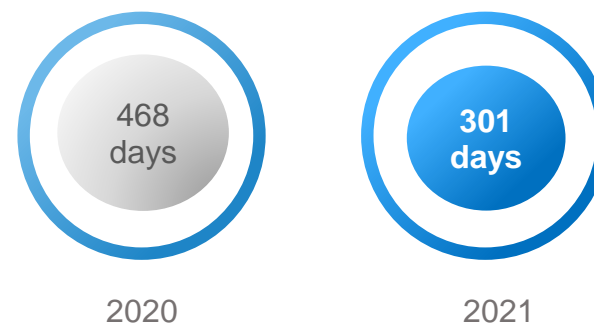
Trade and notes receivables turnover rate⁽¹⁾

Shorten 45 days



Inventories turnover rates⁽²⁾

Shorten 167 days



(1)The trade and notes receivables turnover days was calculated using the average of the opening and closing trade and notes receivables(before deduction of loss allowance) balances for the period, divided by revenue for the relevant period, multiplied by 365 days for 2020 and 2021.

(2)Inventory turnover days was calculated using the average of the opening and closing inventory balances for the period, divided by cost of sales for the relevant period, multiplied by 365 days for 2020 and 2021.

Financial Data

Statement of Profit or Loss

In RMB'000	2020	2021	同比
Revenue	952,362	1,703,064	78.8%
Cost	(692,541)	(1,186,879)	71.4%
Gross Profit	259,821	516,185	98.7%
Other income and gains	24,882	44,145	77.4%
Selling and distribution expenses	(80,972)	(227,353)	180.8%
Administrative expenses	(61,043)	(56,578)	-7.3%
Impairment of trade receivables	(6,974)	(6,460)	-7.4%
Other expenses	-	1,235	N/A
Finance costs	(9,944)	(22,008)	121.3%
Share of profits and losses of joint ventures	307	1,073	249.5%
Changes in fair value of financial liabilities at fair value through profit or loss	(77,657)	(1,610)	-97.9%
PROFIT BEFORE TAX	48,420	246,159	408.4%
Income tax expense	(30,228)	(76,781)	154.0%
Profit for the period	18,192	169,378	831.1%
Attributable to owners of the parent	18,430	169,249	818.3%
Adjusted net profit*	130,882	194,137	48.3%

*Adjusted net profit as profit for the period adjusted by adding back changes in fair value of financial liabilities at fair value through profit or loss, equity-settled share award expense and/or listing expenses incurred during the respective period



Chapter 3

Outlook

Upgrading content positioning and quality, extending the content ecological chain

01

Emphasis on organic growth and strict control of content quality

- Deepening platform business model, improving service capability of its "comprehensive middle platform", striving to maintain a virtuous cycle in content production capacity and quality.
- Emphasizing content creation and production with endogenous IP, enhancing and building the brand effect and commercial success of a single product.
- In the short term, developing and producing content with a focus on realistic themes and take various subjects into account; in the long run, striving to enhance the rate of quality content, actively expand diversified content segments and develop serialization and branding.

02

Active development of business partners

- Strengthening the Group's position in the content ecosystem, providing efficient interactive platforms and solutions for business partners and customers.
- Actively exploring innovation in business models, thereby further expanding and acquiring new business partners and customers.

03

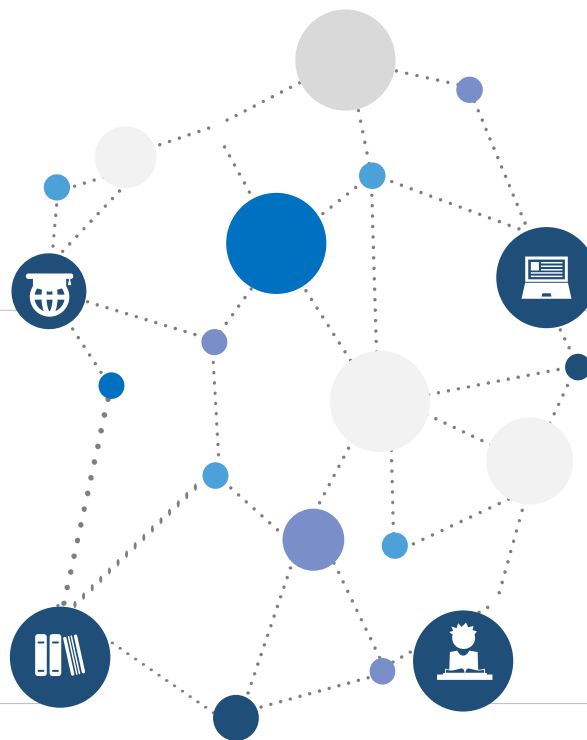
Continuous exploration of quality industry talents and artists

- Seeking cooperation with outstanding talents, artists and promising young actors within the industry chain, maintaining long-term and stable relationships with them through the provision of professional operation and management services and diversified incentive mechanisms, to empower the production of quality content.
- Exploring the business and/or equity cooperation with outstanding content providers. In December 2021, the Group signed a non-legally binding term sheet of intent to acquire 100% equity interest in Shanghai GH Entertainment & Media Co. Ltd., a premium content production company focusing on the metropolitan emotion content.

04

Active expansion into new segments

- Explore its new business layout within the culture and entertainment industry to achieve diversified monetization.
- Tap into D2C content segments, actively expand into overseas content markets and the OST segment. The Group has reserved/invested to produce D2C contents which will be broadcast in accordance with business process.



STRAWBEAR ENTERTAINMENT GROUP

稻草熊娱乐集团

Q&A



稻草熊
STRAWBEAR

| 彼之所乐，我之所幸