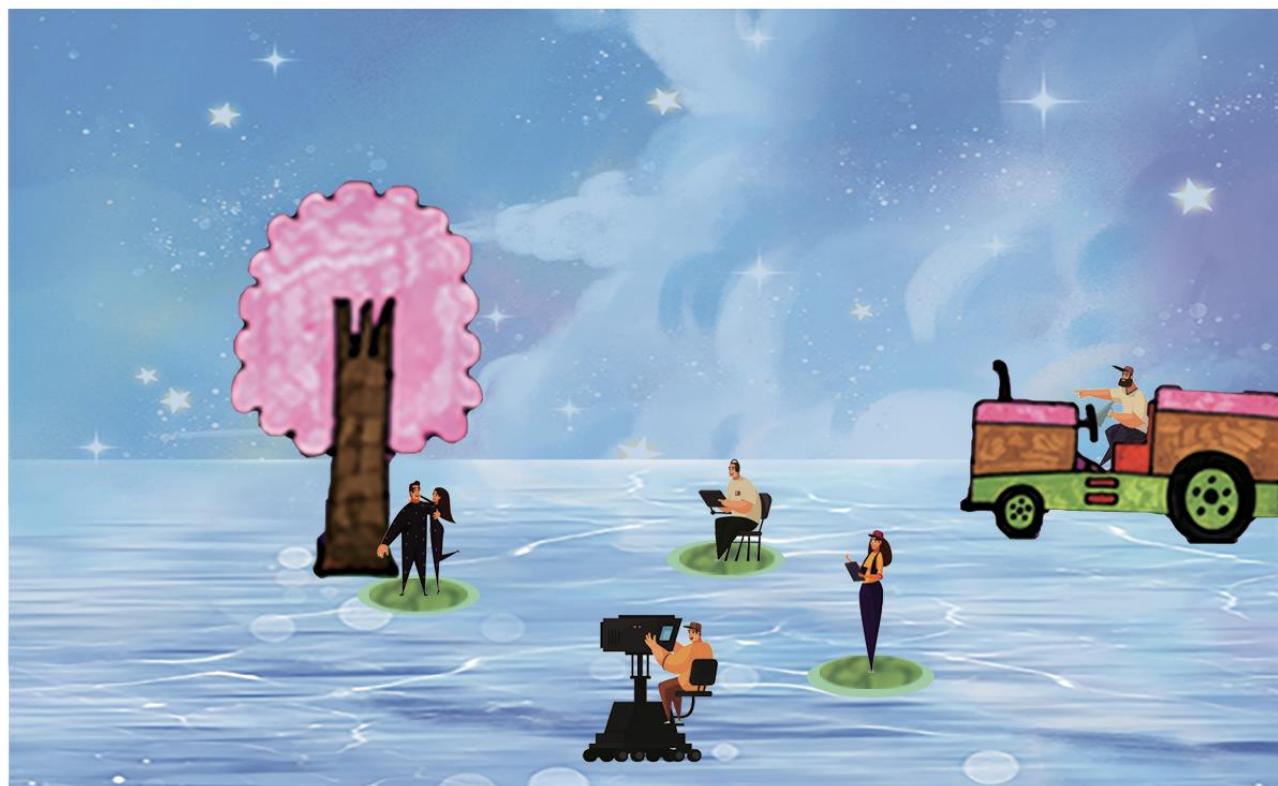


2022年度业绩会

EARNINGS CALL

2023年3月24日



INCORPORATED IN THE CAYMAN ISLANDS WIT
於開曼群島注册成立之有限公司

股份代號
STOCK CODE
2125

稻草熊娱乐集团
STRAWBEAR ENTERTAINMENT GROUP

彼之所乐, 我之所幸

稻草熊
STRAWBEAR



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Contents



Business Updates

Page 4

Chapter 1



Financial Updates

Page 11

Chapter 2



Outlook

Page 15

Chapter 3

Our Presenters



LIU Xiaofeng

Chairman of the Board & CEO

- Around **20** years of experience in media industry
- Produced and/or distributed **more than 25** drama series with **over 1250** episodes
- Pioneer of the “**Online first, TV next**” broadcasting model, A first-mover in cooperation with online video platforms, so having seized the opportunities brought by **the rise of such platforms**
- **Member** of *China Television Artists Association, Jiangsu Provincial Television Artists Association,*
- **Vice President** of *Film and Television Artists Association of Nanjing City*
- 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



The Group adhered to its development strategy of persevering in producing quality content as a long-termist, focused on improving both production efficiency and quality assurance.



Financial Performance

- Continuous profitability for 6 consecutive years
- Total revenue RMB 980.9 million
- Adjusted net profit RMB 73.6 million
- Current Ratio increased by 40.0% YoY
- Liabilities-to-assets Ratio decreased 10.8 bps



Business Performance

- Keeping the drama series investment and production at a steady pace: started shooting 5 dramas series in 2022
- Wide reserves of drams series: 9+ in post-production period or awaiting broadcast, and 6+ in pipeline
- Long-term stable high-quality IP reserves: 50+ original IPs and adaptation IPs

Competitive Advantage

PLATFORM OPERATION MODEL IMPROVED THE CLOSED-LOOP ECOSYSTEM FOR THE ENTIRE INDUSTRY CHAIN
DIVERSIFIED IP RESERVES CREATED AN IP ECOLOGICAL MATRIX



FULLY EXERTING THE NETWORK EFFECT BROUGHT BY THE PLATFORM OPERATION MODEL

Steady accumulation of quality partners

The Group was cautiously optimistic in its continuous exploration and comprehensive layout of content segments and inclusive content formats, fully integrating resources of various types of quality creators in the market.

The Group enhanced the adhesion between the Group and outstanding artists through various means, such as business/equity partnerships and equity incentives, and further attracted talents and outstanding artists in the industry to empower the production of quality content.

CONTINUING TO INCREASE DRAMA SERIES PRODUCTION EFFICIENCY AND THE BRAND INFLUENCE

Virtuous cycle between content production and drama series quality

Noticing the style/preference and clear user profile of the downstream broadcasting platform, the Group develop tailored content and deliver them precisely, continuously optimising and broadening its customer base in a prospective manner.

Promoted by industrial production, the Group continued to keep the drama series investment and production at a steady pace, actively developing and producing quality drama series with stronger market influence and in-platform attention, in a bid to bring better quality and premium content to the public.

DIVERSIFIED IP RESERVES AND CREATED AN IP ECOLOGICAL MATRIX


Multiple target circles and tiers and diversified segments

The Group has prioritised its IP development work, strengthened its own creation and research and development, actively developed original IP and expanded to build an IP ecological matrix with meta-universe nature.

As of December 31, 2022, the Group has engaged screenwriters to create more than 20 original IPs based on initial ideas and more than 30 adapted IPs based on licensed IPs.




Industrial production model achieved significant results




The Group started shooting 5 drama series in 2022. Confronting COVID-19 and volatile market environment, the Group make full use of its own advantages and accumulated high-quality resources to carry out a balanced layout of content production, keeping investment and production at a steady pace.

Wide and diversified content pipeline



The Group's pipeline covered realism, comedy, teen and period dramas. The Group also kept abreast with the market and actively set the trend for mainstream business.

Continuing market recognition



The Group has been listed as the holder of the Television Drama Production Permit (Class A) for six consecutive years and became one of the 41 holders of the permit in 2021-2023 as well as the only non-state-owned company holding the permit in Jiangsu Province.

Seizing market opportunities, optimising client structure and revenue model



The Group's broadcasting episodes cover the three major online video platforms and multiple mainstream TV stations. In 2022, the Group continued to optimize client structure (becoming a strategic partner in Mango TV's 2023 New Mango S Plan and became iQiyi's broadcasting rights' sole distributor.

Continuing to further brand effect



Strawbear's brand effect continued to further. In April 2022, the Group was awarded the accolade of the fourth-year *Top 30 Private Cultural Enterprise* in Jiangsu Province. The Group will also strengthen the company's brand and single products' branding operation in the future.

Confronting challenges of volatile market environment, we accumulated and conserved our own resources and corporate strengths with the effective operation of the platform-based operation model and the continuous improvement of the internal middle platform's management capability as the cornerstone.

- Business of licensing of the broadcasting rights of drama series



Genre: Metropolitan
Major Cast Members:
Guo Jingfei, Jia Nailiang,
Tan Zhuo, Xiong Ziqi



Genre: Period Legend
Major Cast Members:
Wang Hedi, Chen Yuqi



Genre: Metropolitan
Major Cast Members:
Zhao Liying, Ou Hao, Li
Guangjie



Genre: Major Revolution
Major Cast Members: Hou
Jingjian, Li Naiwen, Zhang
Hongrui, Xu Min, Guan Renzi

- Business of made-to-order drama series production



Genre: Period Legend
Major Cast Members:
Ren Jialun, Li Qin



Genre: Metropolitan
Major Cast Members:
Chen Baoguo, Wang
Qianyuan, Hu Xianxu



Genre: Period Legend
Major Cast Members:
Zhang Binbin, Xu Lu

The Group will maintain a virtuous cycle between production and quality and to strive for steady and consistent delivering of premium quality content.



Genre: Metropolitan (Pioneer Romance)
Major Cast Members: Yan Chengxu, Xu Ruohan
*Broadcast on Tencent Video on February 13, 2023



Genre: Metropolitan (Comedy)
Major Cast Members: Zheng Kai, Chen Yuqi, Wang Hedi
*Broadcast on iQiyi on February 21, 2023



Genre: Metropolitan
Major Cast Members: Mao Xiaotong, Zhang Li, Li Zefeng
*Broadcast on CCTV 8 on March 9, 2023



Genre: Metropolitan (D2C)
Major Cast Members: Jia Yi, Jin Zixuan
*Broadcast on iQiyi on March 20, 2023



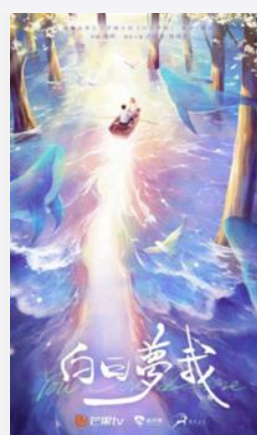
Genre: Crime (Comedy)
Major Cast Members: Huang Jingyu, Xiu Rui



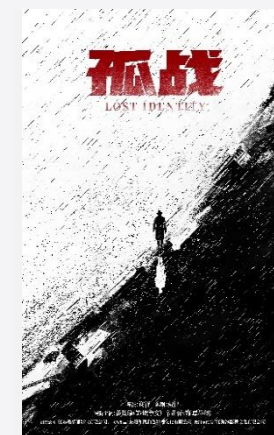
Genre: Metropolitan (Comedy)
Major Cast Members: Qiao Shan, Yang Zishan



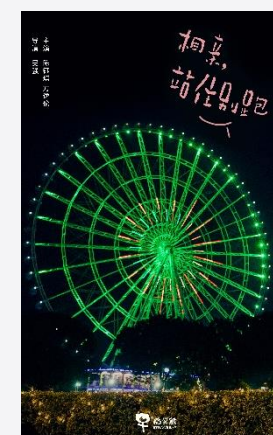
Genre: Metropolitan
Major Cast Members: Wang Ziwen, Deng Jie, Bai Jingting



Genre: Metropolitan
Major Cast Members: Zhuang Dafei, Zhou Yiran



Genre: Modern Revolution
Major Cast Members: Huang Jingyu, Xin Zhilei



Genre: Metropolitan
Major Cast Members: Chen Yuqi, Fang Yilun

AS OF DECEMBER 31, 2022, EXAMPLES FOR TV SERIES/WEB SERIES THAT HAD APPLIED FOR PUBLIC RECORD AND REGISTERED WITH THE LOCAL COUNTERPARTS OF THE NRTA

- The Group attached great importance to the stockpiling and development of IPs and has been strengthening the evaluation dimension and market acumen of its content evaluation team to continuously accumulate IPs with diversified themes and genres.
- As of December 31, 2022, the Group has several quality drama series in pipeline.

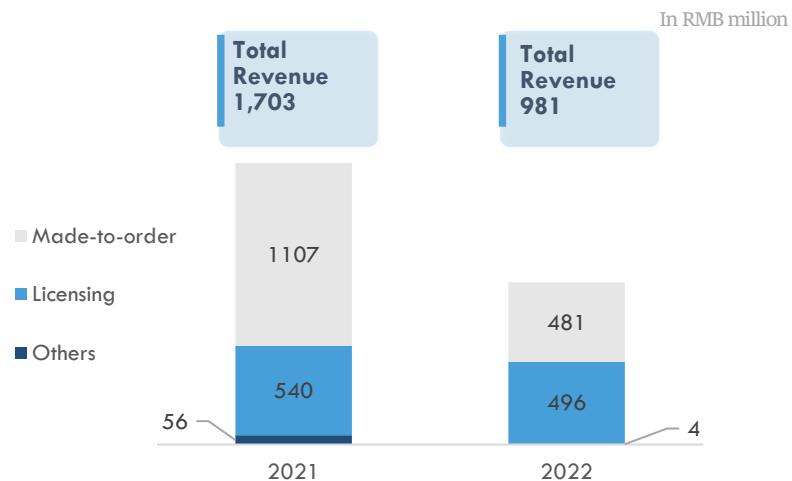
Proposed Name of the Drama Series	Genre	Status as of December 31, 2022
TV Series		
In The Name Of Handsome (以英俊之名)	Metropolitan	Pre-production
Early Spring (没有我的城)	Modern Revolution	Pre-production
On The Silent And Lonely Stream (在寂与寞的川流上)	Metropolitan	Pre-production
Ordinary Life, Ordinary Love (人间烟火和你)	Metropolitan	Pre-production
Web Series		
Cloud Lovers (云端恋人)	Modern Other	Pre-production
Four Seas Song (四海颜歌)	Modern Other	Pre-production

Chapter 2 Financial Updates

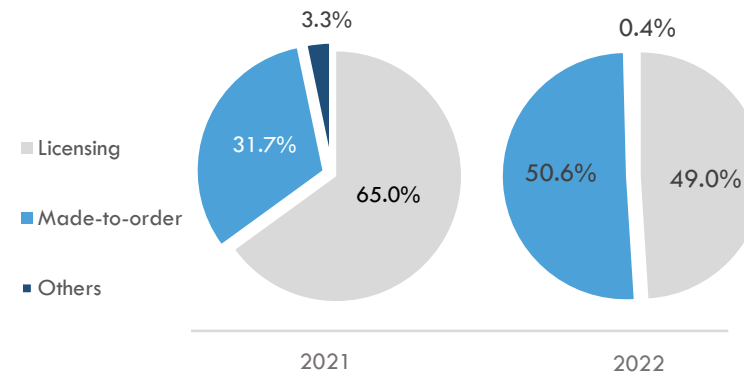


CONTINUING TO MAINTAIN STABLE PROFIT AND REVENUE STRUCTURE

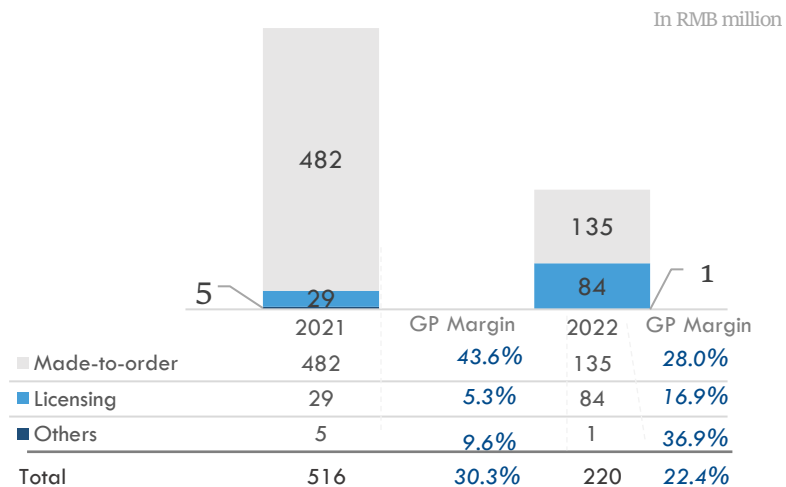
Total Revenue



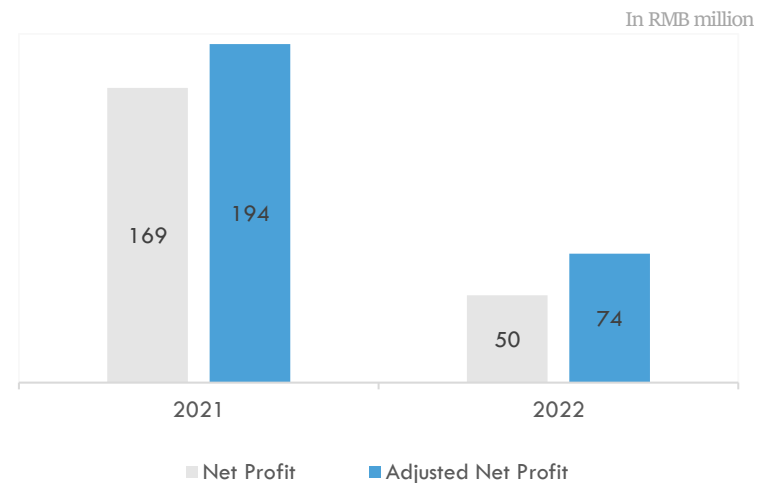
Revenue Structure



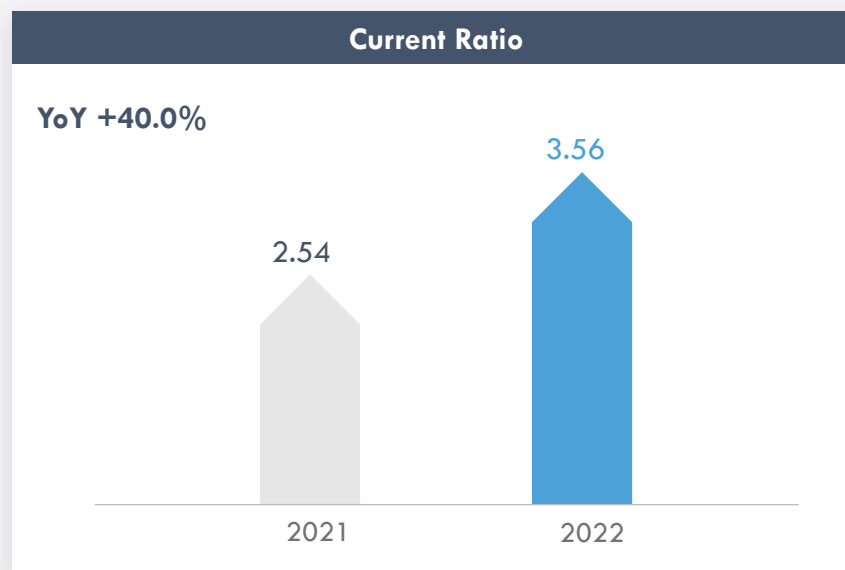
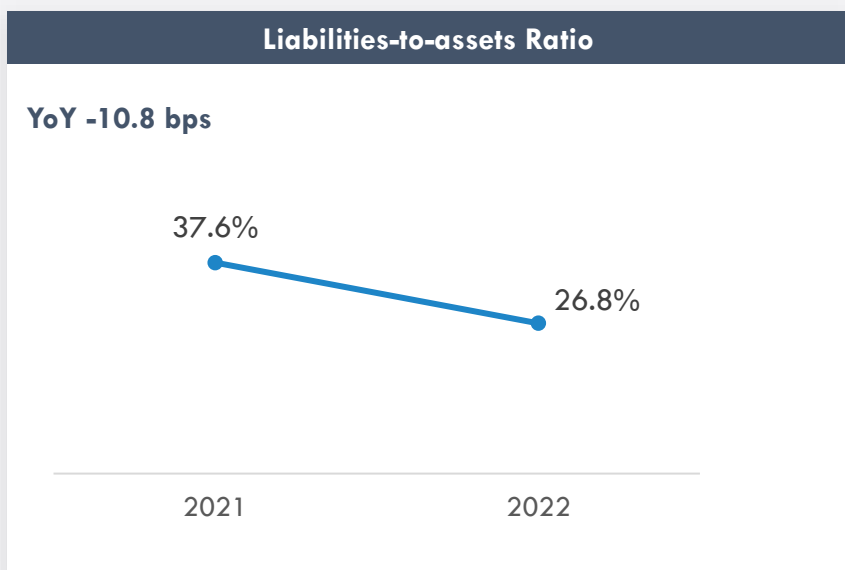
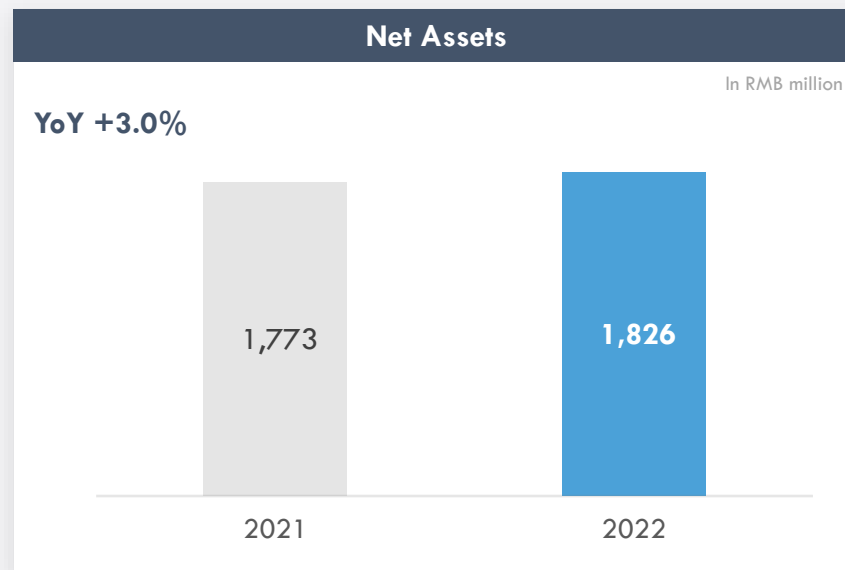
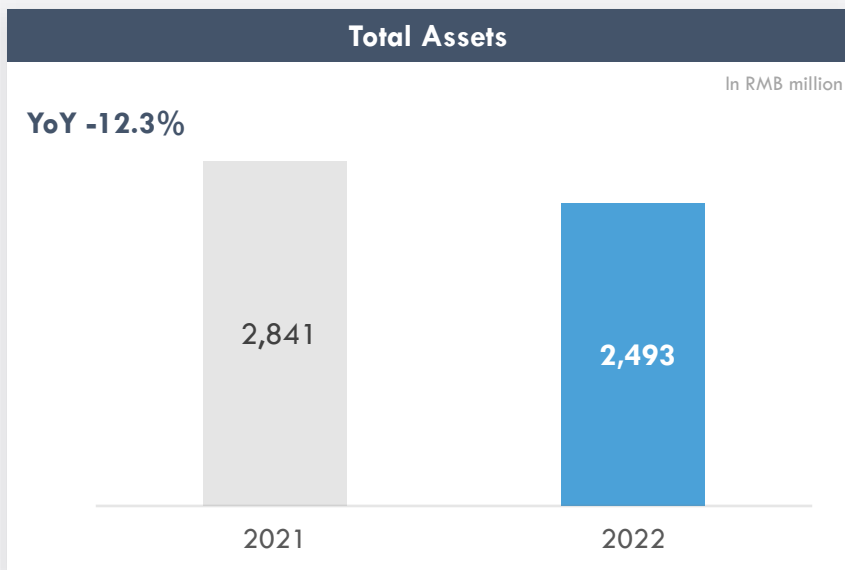
Gross Profit & Gross Profit Margin



Net Profit



STEADILY EXPANDING THE SCALE OF NET ASSETS, GRADUALLY OPTIMIZING THE ASSET STRUCTURE



STATEMENT OF PROFIT OR LOSS

In RMB '000	2021	2022	YoY
REVENUE	1,703,064	980,923	-42.4%
Cost of sales	(1,186,879)	(761,170)	-35.9%
Gross profit	516,185	219,753	-57.4%
Other income and gains	44,145	33,889	-23.2%
Selling and distribution expenses	(227,353)	(48,309)	-78.8%
Administrative expenses	(56,578)	(65,432)	15.6%
Impairment of financial assets, net	(6,460)	(39,166)	506.3%
Other expenses	(1,235)	(888)	-28.1%
Finance costs	(22,008)	(17,329)	-21.3%
Share of profits or losses of joint ventures/associates	1,073	(4,582)	-527.0%
Changes in fair value of financial assets and liabilities at fair value through profit or loss	(1,610)	-	-100.0%
PROFIT BEFORE TAX	246,159	77,936	-68.3%
Income tax expense	(76,781)	(27,929)	-63.6%
PROFIT FOR THE YEAR	169,378	50,007	-70.5%
Owners of the parent	169,249	50,933	-69.9%
Adjusted net profit*	194,137	73,562	-62.1%

*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



The Group is determined to make great strides forward hand in hand with industry participants, to share diversified and high-quality premium content for the public.



Continuing emphasise on organic growth and build content brands

- Comprehensively enhancing its ability to evaluate and select content and its competence in gate-keeping of content production
- Strengthening the recognition of the content label



Active development of quality business partners

- Continuing to provide professional business services to quality players in the market
- Opening up communication and collaboration with the upstream and downstream of the industry chain, establishing a closed-loop ecosystem for efficient interaction in both directions



Creatively transform existing strengths and innovatively develop new segments

- Actively exploring new segments and extension of business cooperation methods within the greater cultural and entertainment industry
- The Group actively explored and developed D2C content, and expanded its music and online movie segments, content business exportation as well as offline live interactive partnership channels and business models.

STRAWBEAR ENTERTAINMENT GROUP

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Q&A



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