



Kuaishou Technology Announces First Quarter 2023 Unaudited Financial Results

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HONG KONG, May 22, 2023 /PRNewswire/ -- Kuaishou Technology (HK:1024) (the "Company" or "Kuaishou"), a leading content community and social platform, today announced its unaudited consolidated first quarterly results for the three months ended March 31, 2023.

First Quarter 2023 Key Highlights

- **Average DAUs on Kuaishou APP** were 374.3 million, representing an increase of 8.3% from 345.5 million for the same period of 2022.
- **Average MAUs on Kuaishou APP** were 654.4 million, representing an increase of 9.4% from 597.9 million for the same period of 2022.
- **Total e-commerce GMV⁽¹⁾** was RMB224.8 billion, representing an increase of 28.4% from RMB175.1 billion for the same period of 2022.
- **Total revenue** increased by 19.7% to RMB25.2 billion from RMB21.1 billion for the same period of 2022. Online marketing services and live streaming contributed 51.8% and 37.0%, respectively, to the total revenue. The other 11.2% came from other services.
- **Gross profit** increased by 33.4% to RMB11.7 billion from RMB8.8 billion for the same period of 2022. Gross profit margin in the first quarter of 2023 was 46.4%, improving from 41.7% for the same period of 2022.
- **Adjusted net profit⁽²⁾** was RMB42 million, compared to adjusted net loss⁽²⁾ of RMB3.7 billion for the same period of 2022.
- **Operating profit from the domestic segment⁽³⁾** was RMB963 million, compared to an operating loss⁽³⁾ of RMB1.5 billion for the same period of 2022.

Mr. Cheng Yixiao, Co-founder and Chief Executive Officer of Kuaishou said, "We delivered strong results in the first quarter of 2023 with positive adjusted net profit at the group level for the first time since our listing. Our significant breakthrough in profitability was achieved on the back of record level user metrics, revenue growth and operating efficiency improvement. Our total revenue reached RMB25.2 billion, growing 19.7% year-over-year in the first quarter of 2023, driven by further advancements in breadth and depth across our user, traffic and commercialization ecosystems. DAUs and MAUs on the Kuaishou App continued to grow, reaching record highs of 374.3 million and 654.4 million, respectively. As we move through 2023, we will continue to leverage technology to deliver high-quality experiences and services to our users and empower content creators, advertisers and merchants while at the same time unlocking monetization potential throughout our vast and vibrant ecosystems to ultimately create long-term value for our stakeholders and shareholders."

First Quarter 2023 Financial Review

Revenue from our online marketing services increased by 15.1% to RMB13.1 billion for the first quarter of 2023, from RMB11.4 billion for the same period of 2022, primarily attributable to the growth in the number of advertisers and increased spending from advertisers, especially from our e-commerce merchants, driven by our efforts to further strengthen our data infrastructure, optimize our product capabilities and refine our industry-specific management strategies.

Revenue from our live streaming business increased by 18.8% to RMB9.3 billion for the first quarter of 2023, from RMB7.8 billion for the same period of 2022, as a result of a 6.4% year-over-year growth in MPUs, which was supported by our enriched content supply, evolving collaboration strategy with talent agencies, and continuous optimization of our live streaming ecosystem and algorithms.

Revenue from our other services increased by 51.3% to RMB2.8 billion for the first quarter of 2023, from RMB1.9 billion for the same period of 2022, primarily due to the growth of our e-commerce business, evidenced by the growth in our e-commerce GMV and continuous improvement in our business strategy in e-commerce. The growth in e-commerce GMV was primarily driven by increases in the number of monthly active e-commerce paying users, average order price and monthly ordering frequency.

Other Key Financial Information for the First Quarter of 2023

Operating loss was RMB698 million, significantly narrowed from RMB5.6 billion for the same period of 2022.

Adjusted EBITDA⁽⁴⁾ was RMB2.0 billion, compared to adjusted EBITDA of negative RMB1.6 billion for the same period of 2022.

Total available funds⁽⁵⁾ reached RMB44.8 billion as of March 31, 2023.

Notes:

(1) Placed on or directed to our partners through our platform.

(2) We define "adjusted net profit/(loss)" as loss for the period adjusted by share-based compensation expenses and net fair value changes on investments.

(3) Unallocated items, which consist of share-based compensation expenses, other income, and other gains/(losses), net, are not included.

(4) We define "adjusted EBITDA" as adjusted net profit/(loss) for the period adjusted by income tax expenses, depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, and finance (income)/expense, net.

(5) Total available funds included but not limited to cash and cash equivalents, time deposits, financial assets and restricted cash. Financial assets mainly included wealth management products and others.

Business Review

In the first quarter of 2023, we recorded group level adjusted net profit for the first time since our listing on the Stock Exchange in 2021, representing a significant breakthrough in our profitability. This milestone was achieved on the back of a strong first quarter performance driven by new records in user metrics, revenues growth and efforts in operating efficiency improvement.

In addition to healthy growth in our DAUs and MAUs, we continued to grow the number of content creators, advertisers and merchants on our platform while promoting a more integrated commercialization and traffic ecosystem. We also made substantial progress with our store-wide ROI strategy in driving end-to-end sales funnel conversion for both advertising and e-commerce businesses. As a result of these, combined with macro-economic tailwinds, our revenue growth accelerated across all three business segments (online marketing services, e-commerce and live streaming) in the first quarter of 2023 and outperformed their respective industries.

Our success in enhancing monetization and operating efficiency while maintaining our pace of business growth played a pivotal role in our profitability turnaround. Our domestic business delivered an operating profit for the fourth consecutive quarter, while the operating loss in our overseas segment also narrowed by 45.1% quarter-over-quarter, leading to an adjusted net profit at the group level in the first quarter of 2023.

User and content ecosystem

In the first quarter of 2023, we set a new record for the scale of our user community by capitalizing on the growth opportunities from some seasonal festivals including the Chinese New Year. Average DAUs and MAUs on the Kuaishou App reached 374.3 million and 654.4 million, representing a year-over-year increase of 8.3% and 9.4%, respectively. Average daily time spent per DAU on the Kuaishou App was 126.8 minutes, while total views of our short video and live streaming content increased by over 10% year-over-year, representing a higher growth rate than total user time spent.

With a focus on both the efficiency and quality of user growth, we lowered our user acquisition and retention costs in the first quarter of 2023 on both a quarter-over-quarter and year-over-year basis. This was the result of the refined management and technological tools as well as optimized placement strategies for original, high-quality short video and live streaming content. Meanwhile, we further improved our ROI on user acquisition through growing the proportion of users with higher lifetime value.

We reinforced the virtuous cycle of content supply and consumption by optimizing content supply through enhanced algorithm-based learning system targeting different user groups. We also continued to strengthen the social attributes and community vitality of our platform, key factors setting us apart from our competitors. By the end of the first quarter of 2023, pairs of mutual followers on the Kuaishou App reached a cumulative 29.6 billion, representing a 57.6% growth year-over-year.

The Chinese New Year period has been an important window for user growth and brand promotion. This year, through a combination of "content + interaction," we provided users with dual venues to celebrate the new year on Kuaishou. In terms of content, we provided a diverse range of consumption choices including CCTV Spring Festival Gala, *Kuaishou 1001 Nights Fans' Gala (快手一千零一夜老铁联欢晚会)*, online festival fairs, short plays and more. Among them, *Kuaishou 1001 Nights Fans' Gala*, Kuaishou's self-produced program, attracted more than 270 million viewers and received over 520 million likes in the first run. On the interaction side, we offered a variety of interesting interactive features and social games.

In addition to our engaging event-driven content, we also continued to enrich our content supply across various verticals. In terms of short plays, we further augmented the genres on offer while maintaining our industry-leading ability to produce blockbuster short plays. We launched a total of 55 short plays produced by *Project Astral (星芒計劃)* during the 2023 winter break period. Among them, *Donglan Snow (東欄雪)* accumulated 100 million views within a record-breaking 40 hours of its launch. Our high-quality short play content and growing brand awareness in this area have also been recognized by advertisers. In the first quarter of 2023, revenue from advertising sponsorship of *Project Astral (星芒計劃)* short plays increased by more than 300% year-over-year. In terms of pan-knowledge content, we continued to enrich our inclusive education program *New Knowledge Open Class (新知如師說)*. We have collaborated with top notch institutions such as Tsinghua University and Peking University to offer courses covering a wide variety of fields such as history, science and technology, economics and fine arts, attracting approximately ten million viewers.

We further refined the search function on our platform, which has led to stronger user habits on searching that facilitate content discovery. In the first quarter of 2023, Kuaishou search's average monthly users exceeded 420 million, and the number of daily searches on our platform peaked at more than 650 million. Meanwhile, we have also achieved continuous progress in commercialization of our search function, as evidenced by a doubling of increase in search-generated e-commerce GMV year-over-year, as well as a year-over-year growth in search advertising revenue of over 50% in the first quarter of 2023.

Online marketing services

Our revenue from online marketing services for the first quarter of 2023 grew by 15.1% year-over-year to reach approximately RMB13.1 billion, accounting for 51.8% of our total revenue, although a considerable number of advertisers also remained cautiously optimistic towards the recovery of macro-economy and consumption trends in 2023. This was primarily driven by our efforts to further strengthen our data infrastructure, optimize our product capabilities and refine our industry-specific management strategies. The number of advertisers on our platform also continued to grow rapidly year-over-year and quarter-over-quarter in the first quarter of 2023.

Our advertising services provided to our native e-commerce merchants experienced robust growth momentum, propelled by the strong growth in the e-commerce GMV on our platform in the first quarter of 2023. In addition, we pioneered the use of store-wide ROI as a key performance indicator and completed pilot runs for certain advertisers during the Valentines' Day and March 8 Women's Day shopping festivals. Those trials proved the effectiveness of our new system in end-to-end sales funnel conversion from brand promotion to performance ads, and ultimately to transactions. In addition, we launched a project to grow our small and medium-sized e-commerce merchant client base to capitalize on their advertising needs and optimize our merchant ecosystem. In particular, we strengthened our client acquisition and marketing capabilities and upgraded our *Magnetic Taurus (磁力金牛)* platform for e-commerce marketing solutions on mobile devices.

In terms of our external performance-based advertising services, to facilitate our advertisers to capture this recovery trend and achieve their long-term goals, we are leveraging products and algorithms that are well integrated with industry attributes to promote the discovery, accumulation and user-brand matching of high-value user cohorts. This enables us to empower advertisers to achieve in-depth conversion of their target users. At the same time, we actively monitor the healthiness of external advertisements on our platform, ensuring their penetration of high-value users through our optimized traffic allocation mechanism. In addition, we have established review standards and system for native advertisement materials to improve

the quality of creative materials and reduce their negative impact on user experience and our ecosystem. These efforts, together with our "organic + commercial" traffic allocation mechanism to enhance conversion efficiency and ROI for advertisers, have propelled the growth of our external advertising services. An encouraging recovery trend gradually began to take shape during the first quarter of 2023 in industries such as information services, medical care, finance and education.

With respect to brand advertising, we focused on strengthening our product capabilities. We established a rich advertising product portfolio, which included splash ads and sponsorships for our self-produced IPs as well as KOLs' home pages and searches, further expanding our brand advertising scenarios and resources. Furthermore, we designed and customized solutions for brand advertisers at various stages across different industries. We systematically established user assets for brand advertisers and created an end-to-end conversion path integrating brand promotion, performance ads and transaction, leading to increased recognition of our platform's value from a growing number of brand advertisers. Driven by these initiatives to unlock our ecosystem's potential for brand advertisers and benefitting from key promotion events such as the Chinese New Year and March 8 Women's Day in the first quarter of 2023, our revenue from brand advertising maintained its growth momentum with a year-over-year increase of over 20%.

E-commerce

In the first quarter of 2023, we continued to strengthen our trust-based e-commerce ecosystem and execute our omni-domain operating strategy. We further satisfied our users' needs by enriching our merchandise, improving matching accuracy between buyers and sellers and harnessing high-quality streamer resources and e-commerce content, which in turn drove a year-over-year increase in GMV of 28.4% to RMB224.8 billion.

On the merchandise side, we continued to reinforce our merchandising capabilities, amplifying the exposure of more high-quality products for recommendation through product evaluations and ratings based on a broader array of metrics. At the same time, we guided merchants to continue enhancing product information quality and quantity as well as elevating their service abilities.

On the merchant side, we further upgraded the cooperative mechanism between merchants and KOLs. We delved into users' needs and established connections between users and merchants leveraging high-quality recommendation content produced by KOLs. We also facilitated more accurate product matching for KOLs engaged in product distributions through a more refined, tiered operation strategy, leading to an over 50% year-over-year increase in GMV through the KOL distribution channel in this quarter. Since the first quarter of 2023, we started to generate commission revenue from KOL distribution. We also expect that it will contribute to incremental e-commerce revenue growth going forward. Moreover, by leveraging our "**Stream Initiative (川流計劃)**" to build a bridge between merchants and KOLs, we have created a flywheel of merchandise and traffic, driving increased flow of both on our platform.

Onboarding and development of merchants are also critical in driving the success of this segment. We established cooperation with more brand merchants across a growing range of industries, catering to our users' increasing needs and consumption of branded merchandise. Leveraging our deep insights into users' consumption behaviors, we carried out targeted on-boarding program of merchants, leading to a year-over-year increase of approximately 30% in the average number of brands onboarded per month in the first quarter of 2023. Aided by promotional events such as **Super Brand Day**, the increase rate of GMV from brands, including **Kwai Brands**, was much higher than the overall platform. We also facilitated brands' self-operated live streaming through creative content formats, such as press conferences, product launches and live streaming by bosses, to better cater to users' purchasing needs for brand merchandise. In the first quarter of 2023, GMV of brands' self-operated live streaming grew by approximately 70% year-over-year. Going forward, we aim to help more brands expand their user base, while achieving GMV ramp-up and sustainable operations.

Additionally, we worked with service providers to attract merchants in industry zones and improve our merchant empowerment system. In the first quarter of 2023, we launched the **Gold Rush Initiative (斗金計劃)** with exclusive policy and traffic support to help small and medium merchants grow. In March 2023, the number of both monthly onboarded business merchants and monthly active business merchants increased by over 50% year-over-year. As for merchants with steady operations on Kuaishou, we leveraged promotion activities, such as Spring Festival Goods Festivals and March 8 Women's Day promotions to refine our subsidy strategies, optimize traffic allocation and enhance conversion efficiency, thus fostering GMV scale-up for small and medium merchants.

On the user front, we continued to refine our tiered operations for e-commerce paying users. We cultivated user mindsets through recommendations and reinforced the conversions of new paying users and potential customers via smart subsidies, promotions and traffic allocation adjustments. In the first quarter of 2023, new e-commerce paying users' monthly purchase frequency increased continuously year-over-year and quarter-over-quarter, with retention rates improving every month. With respect to paying users who are relatively less active, we strengthened the identification and reactivation of users with subpar experience. As for e-commerce active paying users, we launched our early warning and targeted anti-churn strategies in the first quarter of 2023 to provide better services to high-value users. In the first quarter of 2023, the number of monthly active e-commerce paying users and average order price continued to increase year-over-year, with monthly ordering frequency rising year-over-year. Algorithm-wise, we mitigated the impact of e-commerce content on user time spent by modeling the relationship between e-commerce related user interactions and consumption time spent. This optimized users' e-commerce consumption experience, leading to more effective recommendations and conversion.

Shelf-based e-commerce is another major realm in Kuaishou's omni-domain e-commerce business strategy. In the first quarter of 2023, we started to test the new shopping mall entry button on the landing page of Kwai shop to better meet the intent-driven shopping needs of highly active paying users. Meanwhile, as we further optimized our search function to better identify user intentions, we improved the product relevance of search results, leading to a doubling of GMV generated from searches year-over-year in the first quarter of 2023.

Live streaming

In the first quarter of 2023, live streaming revenue grew by 18.8% year-over-year to RMB9.3 billion, driven by year-over-year increases in both average MPUs and monthly ARPPU. Specifically, average MPUs increased by 6.4% year-over-year to 60.1 million, while monthly ARPPU rose by double digits year-over-year. These achievements are a result of our consistent improvement of live streaming content quality and optimization of user-content matching efficiency through algorithm iterations.

On the supply side, we focused on promoting the development of live streaming as a profession and continuously advanced our diverse cooperation with top talent agencies and streamers. In the first quarter of 2023, the number of active streamers from talent agencies increased by over 140% year-over-year. We also provided traffic support to high-quality mid-level streamers to optimize the constituents of our live streaming supply. At the

same time, we continued to explore different live streaming categories, including knowledge-based live streaming and virtual person live streaming, to bring our users an endless flow of new types of live streaming content.

Our innovative "live streaming +" services made steady progress in the first quarter of 2023, with average daily resume submissions on **Kwai Hire (快聘)** growing by over 300% year-over-year and peak daily resume submissions exceeding 500,000. As at the end of the first quarter of 2023, **Ideal Housing (理想家)** covered more than 70 cities nationwide, with cumulative gross transaction value surpassing RMB8 billion in the first quarter of 2023.

Overseas

In the first quarter of 2023, we further deepened our key country focus strategy to optimize resource allocation and improve our monetization capabilities. As a result, revenue from our overseas business grew at an accelerated pace to reach RMB338 million in the first quarter of 2023, increasing by over six times year-over-year driven by robust expansion of live streaming and online marketing services. In our core region markets such as Brazil and Indonesia, DAUs and user time spent continued to grow year-over-year and quarter-over-quarter thanks to ongoing content enhancement efforts and effective customer acquisition methods. Meanwhile, we continued to narrow our overall operating loss in the overseas markets by 45.1% quarter-over-quarter in the first quarter of 2023 as we further enhanced operating efficiency and continued to reduce costs through an ROI-based investment approach.

With respect to live streaming, we optimized our content supply by adding a vast array of talent agencies to our partner roster and energizing our existing talent agency partners to produce more and better live streaming content. Meanwhile, we ramped up our exploration in live streaming revenue products and rolled out new iterations of operational process, leading to steady improvements in live streaming paying ratio and ARPPU. In addition, we successfully enhanced the gross profit margin of our live streaming business through a series of measures to improve talent agencies' efficiency. On the advertising front, we achieved better-than-expected revenue growth, thanks to our efforts to strengthen local operation capabilities, expand advertiser coverage to more industries, and optimize our product portfolio and service capabilities. In addition, we launched our e-commerce services in Brazil in the first quarter of 2023 to test the waters and preliminarily verified our processes.

Corporate social responsibilities

Given the accelerated digitalization of China's economy, digital technology has profoundly changed people's ways of living, working and learning. As digital technology becomes deeply integrated with all walks of life, Kuaishou has grown into an important learning platform for enhancing the digital literacy and skills of the Chinese people. In 2022, Kuaishou launched over 26 million agriculture-related live streaming sessions to help farmers sell their agriculture products, as well as improve their knowledge and skills through training. Over 5 million of Kuaishou's live streaming sessions throughout 2022 were about recruitment and employment, which promoted online recruitment. Due to our outstanding practices in strengthening the workforce's digital capabilities and competitiveness, along with our empowerment of employment and entrepreneurship through digital technology and tools, Kuaishou was selected as one of "Excellent Cases of Digital Work to Enhance Digital Literacy and Skills of the Chinese Population in 2022" in March 2023.

About Kuaishou

Kuaishou is a leading content community and social platform with its mission to be the most customer-obsessed company in the world. Kuaishou has relentlessly been focusing on serving its customers and creating value for them through the continual innovation and optimization of its products and services. At Kuaishou, any user can chronicle and share their life experiences through short videos and live streams and showcase their talents. Working closely with content creators and businesses together, Kuaishou provides product and service offerings that address various user needs that arise naturally, including entertainment, online marketing services, e-commerce, online games, online knowledge-sharing, and more.

Forward-Looking Statements

Certain statements included in this press release, other than statements of historical fact, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "might", "can", "could", "will", "would", "anticipate", "believe", "continue", "estimate", "expect", "forecast", "intend", "plan", "seek", or "timetable". These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include our business outlook, estimates of financial performance, forecast business plans, growth strategies and projections of anticipated trends in our industry. These forward-looking statements are based on information currently available to the Group 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, many of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this press release should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstance occurring after the date of this press release or those that might reflect the occurrence of unanticipated events.

For investor and media inquiries, please contact

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CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited

Three Months Ended March 31

	March 31, 2023	December 31, 2022	March 31, 2022
	<i>RMB'Million</i>	<i>RMB'Million</i>	<i>RMB'Million</i>
Revenues	25,217	28,293	21,067
Cost of revenues	<u>(13,505)</u>	<u>(15,417)</u>	<u>(12,285)</u>
Gross profit	11,712	12,876	8,782
Selling and marketing expenses	(8,723)	(9,740)	(9,488)
Administrative expenses	(919)	(1,034)	(871)
Research and development expenses	(2,920)	(3,446)	(3,523)
Other income	52	450	263
Other gains/(losses), net	<u>100</u>	<u>(349)</u>	<u>(806)</u>
Operating loss	(698)	(1,243)	(5,643)
Finance income/(expense), net	111	107	(11)
Share of losses of investments accounted for using the equity method	<u>(14)</u>	<u>(27)</u>	<u>(37)</u>
Loss before income tax	(601)	(1,163)	(5,691)
Income tax expenses	<u>(275)</u>	<u>(384)</u>	<u>(563)</u>
Loss for the period	<u>(876)</u>	<u>(1,547)</u>	<u>(6,254)</u>
Attributable to:			
—Equity holders of the Company	(873)	(1,547)	(6,254)
—Non-controlling interests	<u>(3)</u>	<u>-</u>	<u>-</u>
	<u>(876)</u>	<u>(1,547)</u>	<u>(6,254)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of March 31, 2023	Audited As of December 31, 2022
	<i>RMB'Million</i>	<i>RMB'Million</i>
ASSETS		
Non-current assets		
Property and equipment	12,407	13,215
Right-of-use assets	10,130	10,806
Intangible assets	1,145	1,123
Investments accounted for using the equity method	264	268
Financial assets at fair value through profit or loss	4,094	3,626
Other financial assets at amortized cost	697	670
Deferred tax assets	5,223	5,095
Long-term time deposits	7,776	7,870
Other non-current assets	415	776
	<u>42,151</u>	<u>43,449</u>
Current assets		
Trade receivables	5,117	6,288
Prepayments, other receivables and other current assets	3,071	4,106
Financial assets at fair value through profit or loss	10,885	13,087
Other financial assets at amortized cost	556	726
Short-term time deposits	11,031	8,318
Restricted cash	319	59
Cash and cash equivalents	<u>12,473</u>	<u>13,274</u>
	<u>43,452</u>	<u>45,858</u>
Total assets	<u>85,603</u>	<u>89,307</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of March 31, 2023 RMB'Million	Audited As of December 31, 2022 RMB'Million
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	-	-
Share premium	274,521	274,473
Other reserves	29,965	29,239
Accumulated losses	(264,755)	(263,882)
	<u>39,731</u>	<u>39,830</u>
Non-controlling interests	<u>5</u>	<u>8</u>
Total equity	<u><u>39,736</u></u>	<u><u>39,838</u></u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	8,155	8,721
Deferred tax liabilities	22	23
Other non-current liabilities	5	16
	<u>8,182</u>	<u>8,760</u>
Current liabilities		
Accounts payables	18,951	22,868
Other payables and accruals	10,735	10,190
Advances from customers	3,281	3,240
Income tax liabilities	1,233	936
Lease liabilities	3,485	3,475
	<u>37,685</u>	<u>40,709</u>
Total liabilities	<u><u>45,867</u></u>	<u><u>49,469</u></u>
Total equity and liabilities	<u><u>85,603</u></u>	<u><u>89,307</u></u>

Financial Information by Segment

	Unaudited Three Months Ended									
	March 31, 2023			December 31, 2022			March 31, 2022			
	Domestic	Overseas	Unallocated	Domestic	Overseas	Unallocated	Domestic	Overseas	Unallocated	Total
Revenues	24,879	338	- 25,217	28,008	285	- 28,293	21,019	48	-	21,067
Operating profit/(loss)	963	(823)	(838) (698)	1,267	(1,499)	(1,011) (1,243)	(1,543)	(1,846)	(2,254)	(5,643)

Reconciliation of Non-IFRS Measures to the Nearest IFRS Measures

Unaudited Three Months Ended		
March 31, 2023	December 31, 2022	March 31, 2022
RMB'Million	RMB'Million	RMB'Million

Loss for the period	(876)	(1,547)	(6,254)
Add:			
Share-based compensation expenses	990	1,112	1,711
Net fair value changes on investments ⁽¹⁾	(72)	390	821
Adjusted net profit/(loss)	42	(45)	(3,722)
Adjusted net profit/(loss)	42	(45)	(3,722)
Add:			
Income tax expenses	275	384	563
Depreciation of property and equipment	964	891	733
Depreciation of right-of-use assets	788	776	828
Amortization of intangible assets	38	37	35
Finance (income)/expense, net	(111)	(107)	11
Adjusted EBITDA	1,996	1,936	(1,552)

Note:

(1) Net fair value changes on investments represents net fair value (gains)/losses on financial assets at fair value through profit or loss of our investments in listed and unlisted entities, net (gains)/losses on deemed disposals of investments and impairment provision for investments, which is unrelated to our core business and operating performance and subject to market fluctuations, and exclusion of which provides investors with more relevant and useful information to evaluate our performance.

 View original content: <https://www.prnewswire.com/news-releases/kuaisihou-technology-announces-first-quarter-2023-unaudited-financial-results-301830560.html>

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