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Meitu, Inc.

美图公司

(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as “美图之家”)

(Stock code: 1357)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is issued by Meitu, Inc. (the “**Company**” and, together with its subsidiaries and Xiamen Meitu Networks Technology Co., Ltd., Xiamen MeituEve Network Services Co., Ltd., and their respective subsidiaries, collectively the “**Group**” for the purpose of this announcement) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended December 31, 2023 (the “**Management Accounts**”), as well as other relevant information currently available to the Board, it is expected that on a non-IFRS¹ basis, the Group may record an adjusted net profit attributable to the owners of the Company² of between approximately RMB330 million and RMB370 million for the year ended December 31, 2023, as compared to an adjusted net profit attributable to the owners of the Company of approximately RMB111 million for the year ended December 31, 2022, representing a growth of approximately 200% to 230% year-over-year.

The significant growth of non-IFRS adjusted net profit attributable to the owners of the Company, a generic metric used in the industry to measure the Group’s operating performance, was mainly due to the rapid growth in revenue from the photo, video and design products business through VIP subscription driven by:

- A) the continuous and fast-rising subscription rate for a suite of image product offerings backed by generative AI technology, especially products aimed at solving image productivity demands such as *X-Design*, *Action*, etc., which have exceeded expectations in terms of user growth, VIP subscription conversion, etc.; and

¹ The term ‘IFRS’ means International Financial Reporting Standards.

² The term ‘adjusted net profit attributable to the owners of the Company’ is defined as the net profit attributable to the owners of the Company for the reporting period excluding certain non-cash items, such as share-based compensation, (reversal of) impairment losses on cryptocurrencies, changes in fair value of long term investments, gains on disposal of a subsidiary, impairment loss on goodwill and etc.. Please see the Company’s 2022 annual report for a more detailed definition.

- B) our globalization strategy - the Group's products have covered approximately 195 countries and regions around the globe, leading to the continued rapid growth of VIP subscribers outside mainland China and driving an increase in global revenue from the photo, video and design products business.

Due to the high gross profit margin of the Group's photo, video and design products business, the rapid growth in the gross profit from this business has driven the operating leverage effect, resulting in a substantial increase in the adjusted net profit attributable to the owners of the Company for the year ended December 31, 2023.

In 2023, in addition to the outstanding operational performance, non-operating items also had a net positive impact on the net profit of the Group. The Board expects that the Group may record a net profit attributable to the owners of the Company of between approximately RMB340 million and RMB390 million for the year ended December 31, 2023, as compared to a net profit attributable to the owners of the Company of approximately RMB94 million for the year ended December 31, 2022, representing a growth of approximately 260% to 310% year-over-year. The non-operating items mainly consist of the reversal of impairment losses on cryptocurrencies and goodwill impairment.

Such expected operating results were broadly in line with what the Company disclosed in its interim report for the six months ended June 30, 2023, as extracted below:

“Looking ahead, as we continue to execute our integrated AIGC strategy, launching more apps and features that address the productivity use cases, as well as optimizing our pricing strategies, we believe there is still ample room for both subscriber penetration and ARPPU to grow in the future.”

It should be noted that the Company is still in the course of finalising its annual results for the year ended December 31, 2023 (the “**Annual Results**”). The information contained in this announcement is only based on information currently available to the Group and the Board's preliminary assessment of the Management Accounts, which have not been reviewed by the Company's auditors or audit committee. As such, the actual Annual Results may be different from what is disclosed in this announcement. Shareholders and investors are therefore advised to read carefully the Annual Results announcement of the Company for the year ended December 31, 2023 to be published in around March 2024.

Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Meitu, Inc.
Wu Zeyuan
Chairman

Hong Kong, January 21, 2024

As at the date of this announcement, the executive directors of the Company is Mr. Wu Zeyuan (also known as Mr. Wu Xinhong); the non-executive directors of the Company are Dr. Guo Yihong, Dr. Lee Kai-fu, Mr. Chen Jiarong and Mr. Hong Yupeng; the independent non-executive directors of the Company are Mr. Zhou Hao, Mr. Lai Xiaoling and Ms. Kui Yingchun.