

Cheetah Mobile Announces Second Quarter 2021 Unaudited Consolidated Financial Results

BEIJING, September 7, 2021 -- Cheetah Mobile Inc. (NYSE: CMCM) (“Cheetah Mobile” or the “Company”), a leading internet company, today announced its unaudited consolidated financial results for the second quarter 2021 ended June 30, 2021.

Management Commentary

Mr. Sheng Fu, Cheetah Mobile’s Chairman and Chief Executive Officer, stated, “We delivered a healthy quarter with total revenue of RMB212 million (USD33 million), which is within our previous guidance. For the first time in 10 quarters, we achieved a quarter over quarter sequential revenue growth. In this quarter, our Internet membership business maintained a strong momentum in both membership number and revenue, especially the revenue from renewal. We are also happy to see more and more members choosing longer-term service now. For our AI business, the business model of shopping-mall coupon-selling robots has been working well. In this quarter, we have opened up more new use cases and GMV (Gross Merchandise Volume) was up by double digits. We are optimistic about the progress we are making and confident that we will continue to achieve our strategic goals steadily.”

Mr. Thomas Ren, Cheetah Mobile's Chief Financial Officer, commented, “In the second quarter of 2021, our gross margin kept improving to 76.1%, compared to 71.2% in the same period last year and 70.1% in the first quarter 2021. This result reflects our continuous efforts in improving operational efficiency. We ended this quarter with RMB1,672 million (US\$259 million) in cash and cash equivalents, restricted cash and short-term investments. The robust balance sheet makes it possible for us to invest across our core business to support our long-term growth plans.”

Second Quarter 2021 Consolidated Financial Results

REVENUES

Total revenues were RMB211.7 million (US\$32.8 million) in the second quarter of 2021, representing a decrease of 46.3% year over year and an increase of 6.7% quarter over quarter.

Revenues from the Company’s internet business decreased by 45.6% year over year and increased by 8.6% quarter over quarter to RMB203.8 million (US\$31.6 million) in the second quarter of 2021. The year-over-year decrease was due to the Company’s strategic efforts to diminish the gaming-related business in past quarters. The quarter-over-quarter increase was mainly from the growth of our membership business and the commercialization of some new utility products on mobile platform.

Revenues from the AI and others were RMB7.9 million (US\$1.2 million) in the second quarter of 2021, representing a 59.2% year-over-year decrease and a 26.7% quarter-over-quarter decrease. The year-over-year decline was primarily attributable to the drop in sales of consumer-facing AI-related products. The quarter-over-quarter decrease was from the expected volatility during the transition of business model.

COST OF REVENUES AND GROSS PROFIT

Cost of revenues decreased by 55.5% year over year and 14.8% quarter over quarter to RMB50.6 million (US\$7.8 million) in the second quarter of 2021. The decrease was primarily due to the Company's ongoing efforts to streamline the business and improve operational efficiency. **Non-GAAP cost of revenues** decreased by 55.7% year over year and 14.9% quarter over quarter to RMB50.2 million (US\$7.8 million) in the second quarter of 2021.

Gross profit decreased by 42.6% year over year and increased 15.9% quarter over quarter to RMB161.2 million (US\$25.0 million) in the second quarter of 2021. **Non-GAAP gross profit** decreased by 42.5% year over year and increased 15.9% quarter over quarter to RMB161.5 million (US\$25.0 million) in the second quarter of 2021.

Gross margin was 76.1% in the second quarter of 2021, compared to 71.2% in the second quarter of 2020 and 70.1% in the first quarter of 2021. **Non-GAAP gross margin** was 76.3% in the second quarter of 2021, compared to 71.2% in the second quarter of 2020 and 70.2% in the first quarter of 2021.

OPERATING INCOME/LOSS AND EXPENSES

Total operating expenses decreased by 52.5% year over year and increased by 12.5% quarter over quarter to RMB220.0 million (US\$34.1 million) in the second quarter of 2021. **Total non-GAAP operating expenses** decreased by 47.3% year over year and increased by 10.3% quarter over quarter to RMB217.9 million (US\$33.7million) in the second quarter of 2021.

- **Research and development expenses** decreased by 62.2% year over year and 35.4% quarter over quarter to RMB47.3 million (US\$7.3 million) in the second quarter of 2021. The year over year decrease was mainly from the deconsolidation of certain gaming business in past quarters. The quarter over quarter decrease was due to the technology to support our current AI business has been relatively well-developed. **Non-GAAP research and development expenses** decreased by 58.4% year over year and 33.2% quarter over quarter to RMB47.1 million (US\$7.3 million) in the second quarter of 2021.
- **Selling and marketing expenses** decreased by 40.7% year over year and increased by 52.8% quarter over quarter to RMB121.8 million (US\$18.9 million) in the

second quarter of 2021. This year-over-year decrease was attributable to the streamlining of our business and the strategic cost cutting. While the quarter-over-quarter increase was mostly from the promotion of our new utility products. **Non-GAAP selling and marketing expenses** decreased by 40.7% year over year and increased by 52.2% quarter over quarter to RMB121.4 million (US\$18.8 million) in the second quarter of 2021.

- **General and administrative expenses** decreased by 60.4% year over year and increased by 20.2% quarter over quarter to RMB53.0 million (US\$8.2 million) in the second quarter of 2021. The year-over-year decrease was mainly due to the streamlining of our business and the effective expense control. While the quarter-over-quarter increase was caused by reversal of share-based compensation expenses due to forfeitures in the first quarter 2021. **Non-GAAP general and administrative expenses** decreased by 46.5% year over year and increased by 5.9% quarter over quarter to RMB51.6 million (US\$8.0 million) in the second quarter of 2021.

Operating loss was RMB58.8 million (US\$9.1 million) in the second quarter of 2021, compared to RMB182.9 million in the same period of the last year and RMB56.5 million in the first quarter of 2021. **Non-GAAP operating loss** was RMB56.4 million (US\$8.7 million) in the second quarter of 2021, compared to RMB132.7 million in the same period of the last year and RMB58.2 million in the first quarter of 2021.

- **Operating loss for the internet business** was RMB3.4 million in the second quarter of 2021, compared to an operating profit of RMB35.6 million in the same period last year and operating profit of RMB27.7 million in the first quarter of 2021.
- **Operating loss for AI and others business** was RMB53.0 million in the second quarter of 2021, narrowed from an operating loss of RMB168.3 million in the same period last year and an operating loss of RMB85.9 million in the first quarter of 2021.

Share-based compensation expenses were RMB2.4 million (US\$0.4 million) in the second quarter of 2021, compared to RMB50.2 million in the same period of the last year and negative RMB1.6 million in the first quarter of 2021.

OTHER INCOME, NET

Other income, net was RMB34.9 million (US\$5.4 million) in the second quarter of 2021, which was primarily from the appreciation on the value of certain long-term investments.

NET INCOME ATTRIBUTABLE TO CHEETAH MOBILE SHAREHOLDERS

Net income attributable to Cheetah Mobile shareholders was RMB0.9 million (US\$0.1 million) in the second quarter of 2021, compared to a net income attributable

to Cheetah Mobile shareholders of RMB193.7 million in the same period of the last year and a net income attributable to Cheetah Mobile shareholders of RMB76.4 million in the first quarter of 2021.

Non-GAAP net income attributable to Cheetah Mobile shareholders was RMB3.3 million (US\$0.5 million) in the second quarter of 2021, compared to a non-GAAP net income attributable to Cheetah Mobile shareholders of RMB243.9 million in the same period of the last year and non-GAAP net income attributable to Cheetah Mobile shareholders of RMB74.8 million in the first quarter of 2021.

NET INCOME PER ADS

Diluted Income per ADS was RMB0.01 (US\$0.00) in the second quarter of 2021, compared to diluted earnings per ADS of RMB1.38 in the same period of the last year and diluted earnings per ADS of RMB0.54 in the first quarter of 2021. **Non-GAAP diluted income per ADS** was RMB0.02 (US\$0.00) in second quarter of 2021, compared to RMB1.74 in the same period of the last year and RMB0.53 in the first quarter of 2021.

BALANCE SHEET

As of June 30, 2021, the Company had cash and cash equivalents, restricted cash and short-term investments of RMB1,671.9 million (US\$258.9 million).

SHARES ISSUED AND OUTSTANDING

As of June 30, 2021, the Company had a total of 1,403,070,144 Class A and Class B ordinary shares issued and outstanding. One ADS represents 10 Class A ordinary shares.

Business Outlook

For the third quarter of 2021, the Company expects its total revenues to be between RMB180 million (US\$27.8 million) and RMB230 million (US\$35.6 million). This amount reflects the Company's current and preliminary expectations.

Conference Call Information

The Company will hold a conference call on September 7th, 2021, at 7:00 a.m. Eastern Time (or 7:00 p.m. Beijing Time) to discuss its financial results. Listeners may access the call by dialing the following numbers:

International: +1-412-902-4272

United States Toll Free: +1-888-346-8982

Mainland China Toll Free: 4001-201-203

Hong Kong Toll Free: 800-905-945

Conference ID: Cheetah Mobile

The replay will be accessible through September 14th, 2021 by dialing the following numbers:

International: +1-412-317-0088
United States Toll Free: +1-877-344-7529
Access Code: 10159259

A live and archived webcast of the conference call will also be available at the Company's investor relations website at <http://ir.cmcm.com>.

Exchange Rate

This press release contains translations of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of readers. Unless otherwise noted, all translations from Renminbi to U.S. dollars in this press release were made at a rate of RMB6.4566 to US\$1.00, the exchange rate in effect as of June 30, 2021, as set forth in the H.10 statistical release of the Federal Reserve Board. Such translations should not be construed as representations that RMB amounts could be converted into U.S. dollars at that rate or any other rate, or to be the amounts that would have been reported under accounting principles generally accepted in the United States of America (“U.S. GAAP”).

About Cheetah Mobile Inc.

Cheetah Mobile is a leading internet company. It has attracted hundreds of millions of monthly active users through an array of internet products such as Clean Master, Security Master and several casual games. The Company provides advertising services to advertisers worldwide as well as value-added services including the sale of premium membership and in-app virtual items to its users. Cheetah Mobile is also committed to leveraging its cutting-edge artificial intelligence technologies to power its products and make the world smarter. It has been listed on the New York Stock Exchange since May 2014.

Safe Harbor Statement

This press release contains forward-looking statements. These statements, including management quotes and business outlook, constitute forward-looking statements under the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Such statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in the forward-looking statements, including but are not limited to the following: Cheetah Mobile’s growth strategies; Cheetah Mobile’s ability to retain and increase its user base and expand its product and service offerings; Cheetah Mobile’s ability to monetize its platform; Cheetah Mobile’s future business development, financial condition and results of operations; competition with companies in a number of industries including internet

companies that provide online marketing services and internet value-added services; expected changes in Cheetah Mobile's revenues and certain cost or expense items; and general economic and business condition globally and in China. Further information regarding these and other risks is included in Cheetah Mobile's filings with the U.S. Securities and Exchange Commission. Cheetah Mobile does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

Use of Non-GAAP Financial Measures

This release contains the following non-GAAP financial measures:

- Non-GAAP cost of revenues excludes share-based compensation expenses
- Non-GAAP gross profit excludes share-based compensation expenses
- Non-GAAP gross margin excludes share-based compensation expense
- Total non-GAAP operating expenses exclude share-based compensation expenses
- Non-GAAP research and development expenses exclude share-based compensation expenses
- Non-GAAP selling and marketing expenses exclude share-based compensation expenses
- Non-GAAP general and administrative expenses exclude share-based compensation expenses
- Non-GAAP operating profit/loss excludes share-based compensation expenses
- Non-GAAP net income/loss attributable to Cheetah Mobile shareholders excludes share-based compensation expenses
- Non-GAAP diluted income/loss per ADS excludes share-based compensation expenses
- Non-GAAP adjusted EBITDA represents net income attributable to Cheetah Mobile shareholders excluding share-based compensation, interest income, depreciation and amortization, net (loss) income attributable to noncontrolling interests, other expense (income), net and income tax expenses

The Company reviews these non-GAAP financial measures together with GAAP financial measures to obtain a better understanding of its operating performance. It uses

the non-GAAP financial measures for planning, forecasting and measuring results against the forecast. The Company believes that non-GAAP financial measures are useful supplemental information for investors and analysts to assess its operating performance without the effect of share-based compensation expenses, which have been and will continue to be significant recurring expenses in its business. However, the use of non-GAAP financial measures has material limitations as an analytical tool. One of the limitations of using non-GAAP financial measures is that they do not include all items that impact the Company's net income for the period. In addition, because non-GAAP financial measures are not measured in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider non-GAAP financial measure in isolation from or as an alternative to the financial measure prepared in accordance with U.S. GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Cheetah Mobile Inc. Reconciliations of GAAP and Non-GAAP Results".

Investor Relations Contact

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CHEETAH MOBILE INC.
Condensed Consolidated Balance Sheets
(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"))

| | As of | | |
|--|-------------------|------------------|----------------|
| | December 31, 2020 | June 30, 2021 | June 30, 2021 |
| | RMB | RMB | USD |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 1,299,658 | 1,468,769 | 227,483 |
| Restricted cash | 797 | 789 | 122 |
| Short-term investments | 360,803 | 202,350 | 31,340 |
| Accounts receivable | 225,586 | 247,298 | 38,302 |
| Prepayments and other current assets | 835,694 | 880,346 | 136,348 |
| Due from related parties | 224,323 | 194,251 | 30,086 |
| Total current assets | 2,946,861 | 2,993,803 | 463,681 |
| Non-current assets: | | | |
| Property and equipment, net | 101,984 | 100,241 | 15,525 |
| Right-of-use assets, net | 17,729 | 43,144 | 6,682 |
| Intangible assets, net | 12,575 | 10,902 | 1,689 |
| Investment in equity investees | 216,126 | 278,834 | 43,186 |
| Other long term investments | 2,193,600 | 2,138,182 | 331,162 |
| Due from related parties | 3,522 | 37,507 | 5,809 |
| Deferred tax assets | 15,607 | 15,131 | 2,343 |
| Other non-current assets | 105,479 | 96,560 | 14,955 |
| Total non-current assets | 2,666,622 | 2,720,501 | 421,351 |
| Total assets | 5,613,483 | 5,714,304 | 885,032 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Accounts payable | 105,832 | 107,712 | 16,683 |
| Accrued expenses and other current liabilities | 1,390,042 | 1,433,269 | 221,984 |
| Due to related parties | 48,938 | 34,538 | 5,349 |
| Income tax payable | 27,505 | 32,123 | 4,975 |
| Total current liabilities | 1,572,317 | 1,607,642 | 248,991 |
| Non-current liabilities: | | | |
| Deferred tax liabilities | 60,502 | 59,857 | 9,271 |
| Other non-current liabilities | 192,272 | 212,501 | 32,912 |
| Total non-current liabilities | 252,774 | 272,358 | 42,183 |
| Total liabilities | 1,825,091 | 1,880,000 | 291,174 |
| Shareholders' equity: | | | |
| Ordinary shares | 234 | 235 | 36 |
| Additional paid-in capital | 2,726,619 | 2,730,368 | 422,880 |
| Retained earnings | 857,188 | 934,553 | 144,744 |
| Accumulated other comprehensive income | 163,340 | 126,879 | 19,651 |
| Total Cheetah Mobile shareholders' equity | 3,747,381 | 3,792,035 | 587,311 |
| Noncontrolling interests | 41,011 | 42,269 | 6,547 |
| Total equity | 3,788,392 | 3,834,304 | 593,858 |
| Total liabilities and equity | 5,613,483 | 5,714,304 | 885,032 |

CHEETAH MOBILE INC.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for number of shares and per share(or ADS) data)

| | For The Three Months Ended | | | |
|--|----------------------------|------------------|------------------|-----------------|
| | June 30, 2020 | March 31, 2021 | June 30, 2021 | June 30, 2021 |
| | RMB | RMB | RMB | USD |
| Revenues | 394,210 | 198,420 | 211,726 | 32,792 |
| Internet business | 374,759 | 187,598 | 203,790 | 31,563 |
| AI and others | 19,451 | 10,822 | 7,936 | 1,229 |
| Cost of revenues (a) | (113,661) | (59,359) | (50,554) | (7,830) |
| Gross profit | 280,549 | 139,061 | 161,172 | 24,962 |
| Operating income and expenses: | | | | |
| Research and development (a) | (125,036) | (73,251) | (47,284) | (7,323) |
| Selling and marketing (a) | (205,562) | (79,716) | (121,845) | (18,871) |
| General and administrative (a) | (133,840) | (44,106) | (53,022) | (8,213) |
| Other operating income | 998 | 1,484 | 2,162 | 335 |
| Total operating income and expenses | (463,440) | (195,589) | (219,989) | (34,072) |
| Operating loss | (182,891) | (56,528) | (58,817) | (9,110) |
| Other income/(expenses): | | | | |
| Interest income, net | 8,496 | 4,786 | 3,644 | 564 |
| Foreign exchange (loss) / gain | (3,409) | (4,846) | 14,620 | 2,266 |
| (Loss)/gain from equity method investments, net | (5,452) | 56,040 | 7,606 | 1,178 |
| Other income, net | 453,549 | 85,561 | 34,887 | 5,403 |
| Income before taxes | 270,293 | 85,013 | 1,940 | 301 |
| Income tax expenses | (82,198) | (7,792) | (316) | (49) |
| Net income | 188,095 | 77,221 | 1,624 | 252 |
| Less: net (loss)/income attributable to noncontrolling interests | (5,626) | 774 | 707 | 110 |
| Net income attributable to Cheetah Mobile shareholders | 193,721 | 76,447 | 917 | 142 |
| Earnings per share | | | | |
| Basic | 0.14 | 0.05 | 0.00 | 0.00 |
| Diluted | 0.14 | 0.05 | 0.00 | 0.00 |
| Earnings per ADS | | | | |
| Basic | 1.41 | 0.54 | 0.01 | 0.00 |
| Diluted | 1.38 | 0.54 | 0.01 | 0.00 |
| Weighted average number of shares outstanding | | | | |
| Basic | 1,383,251,669 | 1,427,820,687 | 1,429,575,967 | 1,429,575,967 |
| Diluted | 1,405,836,201 | 1,431,305,814 | 1,434,171,737 | 1,434,171,737 |
| Weighted average number of ADSs outstanding | | | | |
| Basic | 138,325,167 | 142,782,069 | 142,957,597 | 142,957,597 |
| Diluted | 140,583,620 | 143,130,581 | 143,417,174 | 143,417,174 |
| Other comprehensive (loss)/income, net of tax of nil | | | | |
| Foreign currency translation adjustments | (2,116) | 16,797 | (51,664) | (8,002) |
| Other comprehensive income/(loss) | (2,116) | 16,797 | (51,664) | (8,002) |
| Total comprehensive income/(loss) | 185,979 | 94,018 | (50,040) | (7,750) |
| Less: Total comprehensive (loss)/income attributable to noncontrolling interests | (5,426) | 2,946 | 129 | 20 |
| Total comprehensive income/(loss) attributable to Cheetah Mobile shareholders | 191,405 | 91,072 | (50,169) | (7,770) |

CHEETAH MOBILE INC.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for number of shares and per share(or ADS) data)

| | For The Three Months Ended | | | |
|--|----------------------------|----------------|---------------|---------------|
| | June 30, 2020 | March 31, 2021 | June 30, 2021 | June 30, 2021 |
| | RMB | RMB | RMB | USD |
| (a) Share-based compensation expenses | | | | |
| Cost of revenues | 230 | 313 | 307 | 48 |
| Research and development | 11,826 | 2,722 | 186 | 29 |
| Selling and marketing | 785 | (49) | 460 | 71 |
| General and administrative | 37,359 | (4,612) | 1,436 | 222 |
| Total | 50,200 | (1,626) | 2,389 | 370 |

CHEETAH MOBILE INC.

Reconciliation of GAAP and Non-GAAP Results

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for per share data)

| | For The Three Months Ended June 30, 2021 | | | |
|--|--|--------------|-----------|----------|
| | GAAP | Share-based | Non-GAAP | Non-GAAP |
| | Result | Compensation | Result | Result |
| | RMB | RMB | RMB | USD |
| Revenues | 211,726 | - | 211,726 | 32,792 |
| Cost of revenues | (50,554) | 307 | (50,247) | (7,782) |
| Gross profit | 161,172 | 307 | 161,479 | 25,010 |
| Research and development | (47,284) | 186 | (47,098) | (7,294) |
| Selling and marketing | (121,845) | 460 | (121,385) | (18,800) |
| General and administrative | (53,022) | 1,436 | (51,586) | (7,991) |
| Other operating expense | 2,162 | - | 2,162 | 335 |
| Total operating income and expenses | (219,989) | 2,082 | (217,907) | (33,750) |
| Operating loss | (58,817) | 2,389 | (56,428) | (8,740) |
| Net income attributable to Cheetah Mobile shareholders | 917 | 2,389 | 3,306 | 512 |
| Diluted earnings per ordinary share (RMB) | 0.00 | 0.00 | 0.00 | |
| Diluted earnings per ADS (RMB) | 0.01 | 0.02 | 0.02 | |
| Diluted earnings per ADS (USD) | 0.00 | 0.00 | 0.00 | |

| | For The Three Months Ended March 31, 2021 | | |
|--|---|--------------|-----------|
| | GAAP | Share-based | Non-GAAP |
| | Result | Compensation | Result |
| | RMB | RMB | RMB |
| Revenues | 198,420 | - | 198,420 |
| Cost of revenues | (59,359) | 313 | (59,046) |
| Gross profit | 139,061 | 313 | 139,374 |
| Research and development | (73,251) | 2,722 | (70,529) |
| Selling and marketing | (79,716) | (49) | (79,765) |
| General and administrative | (44,106) | (4,612) | (48,718) |
| Other operating expense | 1,484 | - | 1,484 |
| Total operating income and expenses | (195,589) | (1,939) | (197,528) |
| Operating loss | (56,528) | (1,626) | (58,154) |
| Net income attributable to Cheetah Mobile shareholders | 76,447 | (1,626) | 74,821 |
| Diluted earnings per ordinary share (RMB) | 0.05 | 0.00 | 0.05 |
| Diluted earnings per ADS (RMB) | 0.54 | (0.01) | 0.53 |

| | For The Three Months Ended June 30, 2020 | | |
|--|--|--------------|-----------|
| | GAAP | Share-based | Non-GAAP |
| | Result | Compensation | Result |
| | RMB | RMB | RMB |
| Revenues | 394,210 | - | 394,210 |
| Cost of revenues | (113,661) | 230 | (113,431) |
| Gross profit | 280,549 | 230 | 280,779 |
| Research and development | (125,036) | 11,826 | (113,210) |
| Selling and marketing | (205,562) | 785 | (204,777) |
| General and administrative | (133,840) | 37,359 | (96,481) |
| Other operating income | 998 | - | 998 |
| Total operating income and expenses | (463,440) | 49,970 | (413,470) |
| Operating loss | (182,891) | 50,200 | (132,691) |
| Net loss attributable to Cheetah Mobile shareholders | 193,721 | 50,200 | 243,921 |
| Diluted losses per ordinary share (RMB) | 0.14 | 0.04 | 0.17 |
| Diluted losses per ADS (RMB) | 1.38 | 0.36 | 1.74 |

CHEETAH MOBILE INC.

Information about Segment

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for percentage)

For The Three Months Ended June 30, 2021

| | Internet Business | AI and others | Unallocated* | Consolidated | |
|------------------|-------------------|---------------|--------------|--------------|---------|
| | RMB | RMB | RMB | RMB | USD |
| Revenue | 203,790 | 7,936 | - | 211,726 | 32,792 |
| Operating loss | (3,396) | (53,032) | (2,389) | (58,817) | (9,110) |
| Operating margin | (1.7)% | (668.2)% | - | (27.8)% | (27.8)% |

For The Three Months Ended March 31, 2021

| | Internet Business | AI and others | Unallocated* | Consolidated |
|-------------------------|-------------------|---------------|--------------|--------------|
| | RMB | RMB | RMB | RMB |
| Revenue | 187,598 | 10,822 | - | 198,420 |
| Operating profit/(loss) | 27,731 | (85,885) | 1,626 | (56,528) |
| Operating margin | 14.8% | (793.6)% | - | (28.5)% |

For The Three Months Ended June 30, 2020

| | Internet Business | AI and others | Unallocated* | Consolidated |
|-------------------------|-------------------|---------------|--------------|--------------|
| | RMB | RMB | RMB | RMB |
| Revenue | 374,759 | 19,451 | - | 394,210 |
| Operating profit/(loss) | 35,609 | (168,300) | (50,200) | (182,891) |
| Operating margin | 9.5% | (865.3)% | - | (46.4)% |

* Unallocated expenses refer to SBC expenses that are not allocated to individual segments.

CHEETAH MOBILE INC.

Reconciliation from Net Income Attributable to Cheetah Mobile Shareholders to Adjusted EBITDA (Non-GAAP)

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"))

| | For The Three Months Ended | | | |
|--|----------------------------|-----------------|-----------------|----------------|
| | June 30, 2020 | March 31, 2021 | June 30, 2021 | June 30, 2021 |
| | RMB | RMB | RMB | USD |
| Net income attributable to Cheetah Mobile shareholders | 193,721 | 76,447 | 917 | 142 |
| Add: | | | | |
| Income tax expenses | 82,198 | 7,792 | 316 | 49 |
| Interest income, net | (8,496) | (4,786) | (3,644) | (564) |
| Depreciation and amortization | 18,528 | 8,144 | 8,719 | 1,350 |
| Net (loss)/income attributable to noncontrolling interests | (5,626) | 774 | 707 | 110 |
| Other income, net | (444,688) | (136,755) | (57,113) | (8,847) |
| Share-based compensation | 50,200 | (1,626) | 2,389 | 370 |
| Adjusted EBITDA | (114,163) | (50,010) | (47,709) | (7,390) |

CHEETAH MOBILE INC.

Reconciliation of GAAP and Non-GAAP Results

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for per share data)

| | For The Three Months Ended June 30, 2021 | | | |
|--|--|--------------|-----------|----------|
| | GAAP | Share-based | Non-GAAP | Non-GAAP |
| | Result | Compensation | Result | Result |
| | RMB | RMB | RMB | USD |
| Revenues | 211,726 | - | 211,726 | 32,792 |
| Cost of revenues | (50,554) | 307 | (50,247) | (7,782) |
| Gross profit | 161,172 | 307 | 161,479 | 25,010 |
| Research and development | (47,284) | 186 | (47,098) | (7,294) |
| Selling and marketing | (121,845) | 460 | (121,385) | (18,800) |
| General and administrative | (53,022) | 1,436 | (51,586) | (7,991) |
| Other operating expense | 2,162 | - | 2,162 | 335 |
| Total operating income and expenses | (219,989) | 2,082 | (217,907) | (33,750) |
| Operating loss | (58,817) | 2,389 | (56,428) | (8,740) |
| Net income attributable to Cheetah Mobile shareholders | 917 | 2,389 | 3,306 | 512 |
| Diluted earnings per ordinary share (RMB) | 0.00 | 0.00 | 0.00 | |
| Diluted earnings per ADS (RMB) | 0.01 | 0.02 | 0.02 | |
| Diluted earnings per ADS (USD) | 0.00 | 0.00 | 0.00 | |

| | For The Three Months Ended March 31, 2021 | | | |
|--|---|--------------|-----------|--|
| | GAAP | Share-based | Non-GAAP | |
| | Result | Compensation | Result | |
| | RMB | RMB | RMB | |
| Revenues | 198,420 | - | 198,420 | |
| Cost of revenues | (59,359) | 313 | (59,046) | |
| Gross profit | 139,061 | 313 | 139,374 | |
| Research and development | (73,251) | 2,722 | (70,529) | |
| Selling and marketing | (79,716) | (49) | (79,765) | |
| General and administrative | (44,106) | (4,612) | (48,718) | |
| Other operating expense | 1,484 | - | 1,484 | |
| Total operating income and expenses | (195,589) | (1,939) | (197,528) | |
| Operating loss | (56,528) | (1,626) | (58,154) | |
| Net income attributable to Cheetah Mobile shareholders | 76,447 | (1,626) | 74,821 | |
| Diluted earnings per ordinary share (RMB) | 0.05 | 0.00 | 0.05 | |
| Diluted earnings per ADS (RMB) | 0.54 | (0.01) | 0.53 | |

| | For The Three Months Ended June 30, 2020 | | | |
|--|--|--------------|-----------|--|
| | GAAP | Share-based | Non-GAAP | |
| | Result | Compensation | Result | |
| | RMB | RMB | RMB | |
| Revenues | 394,210 | - | 394,210 | |
| Cost of revenues | (113,661) | 230 | (113,431) | |
| Gross profit | 280,549 | 230 | 280,779 | |
| Research and development | (125,036) | 11,826 | (113,210) | |
| Selling and marketing | (205,562) | 785 | (204,777) | |
| General and administrative | (133,840) | 37,359 | (96,481) | |
| Other operating income | 998 | - | 998 | |
| Total operating income and expenses | (463,440) | 49,970 | (413,470) | |
| Operating loss | (182,891) | 50,200 | (132,691) | |
| Net loss attributable to Cheetah Mobile shareholders | 193,721 | 50,200 | 243,921 | |
| Diluted losses per ordinary share (RMB) | 0.14 | 0.04 | 0.17 | |
| Diluted losses per ADS (RMB) | 1.38 | 0.36 | 1.74 | |

CHEETAH MOBILE INC.

Information about Segment

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for percentage)

For The Three Months Ended June 30, 2021

| | Internet Business | AI and others | Unallocated* | Consolidated | |
|------------------|-------------------|---------------|--------------|--------------|---------|
| | RMB | RMB | RMB | RMB | USD |
| Revenue | 203,790 | 7,936 | - | 211,726 | 32,792 |
| Operating loss | (3,396) | (53,032) | (2,389) | (58,817) | (9,110) |
| Operating margin | (1.7)% | (668.2)% | - | (27.8)% | (27.8)% |

For The Three Months Ended March 31, 2021

| | Internet Business | AI and others | Unallocated* | Consolidated |
|-------------------------|-------------------|---------------|--------------|--------------|
| | RMB | RMB | RMB | RMB |
| Revenue | 187,598 | 10,822 | - | 198,420 |
| Operating profit/(loss) | 27,731 | (85,885) | 1,626 | (56,528) |
| Operating margin | 14.8% | (793.6)% | - | (28.5)% |

For The Three Months Ended June 30, 2020

| | Internet Business | AI and others | Unallocated* | Consolidated |
|-------------------------|-------------------|---------------|--------------|--------------|
| | RMB | RMB | RMB | RMB |
| Revenue | 374,759 | 19,451 | - | 394,210 |
| Operating profit/(loss) | 35,609 | (168,300) | (50,200) | (182,891) |
| Operating margin | 9.5% | (865.3)% | - | (46.4)% |

* Unallocated expenses refer to SBC expenses that are not allocated to individual segments.

CHEETAH MOBILE INC.

Reconciliation from Net Income Attributable to Cheetah Mobile Shareholders to Adjusted EBITDA (Non-GAAP)

(Unaudited, amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"))

| | For The Three Months Ended | | | |
|--|----------------------------|----------------|---------------|---------------|
| | June 30, 2020 | March 31, 2021 | June 30, 2021 | June 30, 2021 |
| | RMB | RMB | RMB | USD |
| Net income attributable to Cheetah Mobile shareholders | 193,721 | 76,447 | 917 | 142 |
| Add: | | | | |
| Income tax expenses | 82,198 | 7,792 | 316 | 49 |
| Interest income, net | (8,496) | (4,786) | (3,644) | (564) |
| Depreciation and amortization | 18,528 | 8,144 | 8,719 | 1,350 |
| Net (loss)/income attributable to noncontrolling interests | (5,626) | 774 | 707 | 110 |
| Other income, net | (444,688) | (136,755) | (57,113) | (8,847) |
| Share-based compensation | 50,200 | (1,626) | 2,389 | 370 |
| Adjusted EBITDA | (114,163) | (50,010) | (47,709) | (7,390) |