



Momo Announces Unaudited Financial Results for the Second Quarter of 2020

September 3, 2020

BEIJING, Sept. 3, 2020 /PRNewswire/ -- Momo Inc. (NASDAQ: MOMO) ("Momo" or the "Company"), a leading mobile social networking platform in China, today announced its unaudited financial results for the second quarter of 2020.

Second Quarter of 2020 Highlights

- Net revenues decreased by 6.8% year over year to RMB3,868.3 million (US\$547.5 million*) in the second quarter of 2020.
- Net income attributable to Momo Inc. decreased to RMB456.4 million (US\$64.6 million) in the second quarter of 2020 from RMB731.8 million in the same period of 2019.
- Non-GAAP net income attributable to Momo Inc. (note 1) decreased to RMB669.8 million (US\$94.8 million) in the second quarter of 2020, from RMB1,242.5 million in the same period of 2019.
- Diluted net income per American Depositary Share ("ADS") was RMB2.11 (US\$0.30) in the second quarter of 2020, compared to RMB3.33 in the same period of 2019.
- Non-GAAP diluted net income per ADS (note 1) was RMB3.05 (US\$0.43) in the second quarter of 2020, compared to RMB5.60 in the same period of 2019.
- Monthly Active Users ("MAU") on Momo application were 111.5 million in June 2020, compared to 113.5 million in June 2019.
- Total paying users of our live video service and value-added service, without double counting the overlap and including 3.9 million paying users of Tantan Limited ("Tantan"), were 12.8 million for the second quarter of 2020, compared to 11.8 million for the second quarter of 2019, which included 3.2 million paying users of Tantan.

First Half of 2020 Highlights

- Net revenues decreased 5.2% year over year to RMB7,462.3 million (US\$1,056.2 million) for the first half of 2020.
- Net income attributable to Momo Inc. was RMB995.3 million (US\$140.9 million) for the first half of 2020, compared with RMB1,021.1 million during the same period of 2019.
- Non-GAAP net income attributable to Momo Inc. (note 1) was RMB1,406.0 million (US\$199.0 million) for the first half of 2020, compared with RMB2,152.8 million during the same period of 2019.
- Diluted net income per ADS was RMB4.57 (US\$0.65) for the first half of 2020, compared with RMB4.71 during the same period of 2019.
- Non-GAAP diluted net income per ADS (note 1) was RMB6.39 (US\$0.90) for the first half of 2020, compared with RMB9.75 during the same period of 2019.

* 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 RMB7.0651 to US\$1.00, the effective noon buying rate for June 30, 2020 as set forth in the H.10 statistical release of the Federal Reserve Board.

CEO statement

"The second quarter of 2020 was a busy quarter for us. With things gradually coming back to normal on the traffic side, starting from the second quarter of 2020, our teams have stepped up efforts to push toward our long term strategic goals." commented Yan Tang, Chairman and CEO of Momo. "I am glad to see that Tantan has reached a breakthrough with its testing of live video service. With the strength coming from Tantan and the value-added service on the core Momo, we can now focus more on driving structural changes to the core live broadcasting business so that it can grow healthily and steadily in the new macro environment."

Second Quarter of 2020 Financial Results

Net revenues

Total net revenues were RMB3,868.3 million (US\$547.5 million) in the second quarter of 2020, a decrease of 6.8% from RMB4,152.6 million in the second quarter of 2019.

Live video service revenues were RMB2,602.9 million (US\$368.4 million) in the second quarter of 2020, a decrease of 16% from RMB3,099.9 million during the same period of 2019. The decrease was primarily due to the impact of COVID-19 adversely affecting the sentiment of our paying users, especially among the top of the pyramid paying users. Meanwhile, Tantan has been accelerating the testing of its live video service since the middle of April, and live video service revenues from Tantan were 191.7 million (US\$27.1 million) in the second quarter of 2020.

Value-added service revenues mainly include virtual gift revenues and membership subscription revenues. Total value-added service revenues were RMB1,204.3 million (US\$170.5 million) in the second quarter of 2020, an increase of 27% from RMB948.4 million during the same period of 2019. The year-over-year increase was primarily attributable to the continued growth of the virtual gift business on the Momo application driven by more innovative features launched and more paying scenarios introduced to enhance the social entertainment experience of Momo users, and to a lesser extent, the increase in the membership subscription revenues of Tantan.

Mobile marketing revenues were RMB38.0 million (US\$5.4 million) in the second quarter of 2020, a decrease of 50% from RMB76.2 million during the same period of 2019. The decrease in mobile marketing revenues was primarily caused by the decreased demand from our advertising and marketing customers as well as our strategy to underweight the line in terms of resource allocation.

Mobile games revenues were RMB11.6 million (US\$1.6 million) in the second quarter of 2020, a decrease of 50% from RMB23.2 million in the second quarter of 2019. The decrease in mobile game revenues was mainly due to the continued decrease in quarterly paying users of mobile games.

Net revenues from Momo segment decreased from RMB3,865.4 million in the second quarter of 2019 to RMB3,340.7 million (US\$472.8 million) in the second quarter of 2020, primarily due to the decrease in net revenues from live video service, partially offset by the increase in net revenues from value-added service. Net revenues from Tantan segment increased from RMB284.8 million in the second quarter of 2019 to RMB517.2 million (US\$73.2 million) in the second quarter of 2020, which was mainly due to the increase in net revenues from live video service.

Cost and expenses

Cost and expenses were RMB3,146.9 million (US\$445.4 million) in the second quarter of 2020, a decrease of 7.1% from RMB3,386.8 million in the second quarter of 2019. The decrease was primarily attributable to: (a) a decrease in share-based compensation expenses due to the related expense from the options granted to Tantan's founders in the amount of RMB323.7 million charged in the second quarter of 2019 when the necessary performance conditions were satisfied; (b) a decrease in revenue sharing with broadcasters related to our live video service. The decrease was partially offset by an increase in marketing and promotional expenses to attract users on Tantan, and an increase in revenue sharing with virtual gift recipients for our virtual gift service.

Non-GAAP cost and expenses (note 1) were RMB2,923.7 million (US\$413.8 million) in the second quarter of 2020, an increase of 2.0% from RMB2,866.7 million during the same period of 2019.

Other operating income

Other operating income was RMB91.3 million (US\$12.9 million) in the second quarter of 2020, a decrease from RMB161.9 million during the second quarter of 2019. The decrease was mainly due to less government incentives received in the second quarter of 2020.

Income from operations

Income from operations was RMB812.7 million (US\$115.0 million) in the second quarter of 2020, compared to RMB927.7 million during the same period of 2019. Income from operations of Momo segment was RMB945.3 million (US\$133.8 million) in the second quarter of 2020, decreasing from RMB1,354.4 million in the second quarter of 2019. Loss from operations of Tantan segment was RMB125.6 million (US\$17.8 million) in the second quarter of 2020, compared to loss from operations of RMB431.4 million in the second quarter of 2019.

Non-GAAP income from operations (note 1) was RMB1,035.8 million (US\$146.6 million) in the second quarter of 2020, compared to RMB1,447.9 million during the same period of 2019. Non-GAAP income from operations of Momo segment was RMB1,102.6 million (US\$156.1 million) in the second quarter of 2020, decreasing from RMB1,488.5 million in the second quarter of 2019. Non-GAAP loss from operations of Tantan segment was RMB62.4 million (US\$8.8 million) in the second quarter of 2020, compared to non-GAAP loss from operations of RMB47.9 million in the second quarter of 2019.

Income tax expenses

Income tax expenses were RMB443.6 million (US\$62.8 million) in the second quarter of 2020, increasing from RMB283.9 million in the second quarter of 2019. The increase in income tax expenses was mainly due to the payment of withholding income tax of 10% on dividends distributed by our wholly-foreign owned enterprise ("WFOE") in China to our offshore entity in the second quarter of 2020. The dividends of RMB2,200.0 million (US\$311.4 million) and withholding income tax of RMB220.0 million (US\$31.1 million) were paid in the second quarter of 2020.

Net income

Net income was RMB455.5 million (US\$64.5 million) in the second quarter of 2020, compared to RMB731.1 million during the same period of 2019. Net income from Momo segment was RMB586.7 million (US\$83.0 million) in the second quarter of 2020, decreasing from RMB1,149.5 million in the second quarter of 2019. Net loss from Tantan segment was RMB124.3 million (US\$17.6 million) in the second quarter of 2020, compared to net loss of RMB423.2 million in the second quarter of 2019.

Non-GAAP net income (note 1) was RMB668.9 million (US\$94.7 million) in the second quarter of 2020, compared to RMB1,241.8 million during the same period of 2019. Non-GAAP net income from Momo segment was RMB744.0 million (US\$105.3 million) in the second quarter of 2020, decreasing from RMB1,283.6 million in the second quarter of 2019. Non-GAAP net loss of Tantan segment was RMB70.8 million (US\$10.0 million) in the second quarter of 2020, compared to non-GAAP net loss of RMB49.1 million in the second quarter of 2019.

Net income attributable to Momo Inc.

Net income attributable to Momo Inc. was RMB456.4 million (US\$64.6 million) in the second quarter of 2020, compared to RMB731.8 million during the same period of 2019.

Non-GAAP net income (note 1) attributable to Momo Inc. was RMB669.8 million (US\$94.8 million) in the second quarter of 2020, compared to RMB1,242.5 million during the same period of 2019.

Net income per ADS

Diluted net income per ADS was RMB2.11 (US\$0.30) in the second quarter of 2020, compared to RMB3.33 in the second quarter of 2019.

Non-GAAP diluted net income per ADS (note 1) was RMB3.05 (US\$0.43) in the second quarter of 2020, compared to RMB5.60 in the second quarter of 2019.

Cash and cash flow

As of June 30, 2020, Momo's cash, cash equivalents, short-term deposits and long-term deposits totaled RMB15,376.5 million (US\$2,176.4 million), compared to RMB15,225.3 million as of December 31, 2019. Net cash provided by operating activities in the second quarter of 2020 was RMB807.3 million (US\$114.3 million), compared to RMB1,422.0 million in the second quarter of 2019.

First Half of 2020 Financial Results

Net revenues for the first half of 2020 were RMB7,462.3 million (US\$1,056.2 million), a decrease of 5.2% from RMB7,875.5 million in the same period of 2019.

Net income attributable to Momo Inc. was RMB995.3 million (US\$140.9 million) for the first half of 2020, compared to RMB1,021.1 million during the same period of 2019.

Non-GAAP net income attributable to Momo Inc. (note 1) was RMB1,406.0 million (US\$199.0 million) for the first half of 2020, compared to RMB2,152.8 million during the same period of 2019.

Diluted net income per ADS was RMB4.57 (US\$0.65) during the first half of 2020, compared to RMB4.71 in the same period of 2019.

Non-GAAP diluted net income per ADS (note 1) was RMB6.39 (US\$0.90) during the first half of 2020, compared to RMB9.75 in the same period of 2019.

Net cash provided by operating activities was RMB1,350.7 million (US\$191.2 million) during the first half of 2020, compared to RMB2,597.9 million in the same period of 2019.

Recent Development

On September 3, 2020, Momo's board of directors authorized a share repurchase program under which the Company may repurchase up to US\$300 million of its shares over the next 12 months.

The Company's proposed repurchases may be made from time to time on the open market at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations. The Company's board of directors will review the share repurchase program periodically, and may authorize adjustment of its terms and size. The timing and conditions of the share repurchases will be subject to various factors, including the requirements under Rule 10b-18 and Rule 10b5-1 promulgated pursuant to the Securities Exchange Act of 1934, as amended. The Company plans to fund repurchases from its existing cash balance.

Business Outlook

For the third quarter of 2020, the Company expects total net revenues to be between RMB3.7 billion to RMB3.8 billion, representing a decrease of 16.9% to 14.6% year over year. This forecast considers the potential impact of the COVID-19 outbreak and reflects the Company's current and preliminary views on the market and operational conditions, which are subject to change, particularly as to the potential impact of the COVID-19 on the economy in China.

Note 1: Non-GAAP measures

To supplement our consolidated financial statements presented in accordance with U.S. generally accepted accounting principles ("GAAP"), we use various non-GAAP financial measures that are adjusted from the most comparable GAAP results to exclude share-based compensation and amortization of intangible assets from business acquisitions, and tax impacts related to the amortization of intangible assets from business acquisitions.

Reconciliations of our non-GAAP financial measures to our U.S. GAAP financial measures are shown in tables at the end of this earnings release, which provide more details about the non-GAAP financial measures.

Our non-GAAP financial information is provided as additional information to help investors compare business trends among different reporting periods on a consistent basis and to enhance investors' overall understanding of the historical and current financial performance of our continuing operations and our prospects for the future. Our non-GAAP financial information should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to the GAAP results. In addition, our calculation of the non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited.

Our non-GAAP information (including non-GAAP cost and operating expenses, income (loss) from operations, net income (loss), net income attributable to Momo Inc., and diluted net

income per ADS) is adjusted from the most comparable GAAP results to exclude share-based compensation, amortization of intangible assets from business acquisitions, and tax impacts related to the amortization of intangible assets from business acquisitions. A limitation of using these non-GAAP financial measures is that share-based compensation, amortization of intangible assets from business acquisitions and tax impacts related to the amortization of intangible assets from business acquisitions have been and will continue to be for the foreseeable future a significant recurring expense in our results of operations. We compensate for these limitations by providing reconciliations of our non-GAAP measures to our U.S. GAAP measures. Please see the reconciliation tables at the end of this earnings release.

Conference Call

Momo's management will host an earnings conference call on Thursday, September 3, 2020, at 8:00 a.m. U.S. Eastern Time (8:00 p.m. Beijing / Hong Kong Time on September 3, 2020).

All participants must preregister online prior to the call to receive the dial-in details. Once preregistration has been complete, participants will receive dial-in numbers, direct event passcode, and a unique registrant ID.

PRE-REGISTER LINK <http://apac.directeventreg.com/registration/event/9767454>

To join the conference, simply dial the number in the calendar invite you receive after preregistering, enter the passcode followed by your registrant ID, and you will join the conference instantly.

A telephone replay of the call will be available after the conclusion of the conference call through 9:00 a.m. U.S. Eastern Time, September 11, 2020. The dial-in details for the replay are as follows:

International: +61-2-8199-0299
U.S. Toll Free: +1-855-452-5696
Passcode: 9767454

Additionally, a live and archived webcast of the conference call will be available on the Investor Relations section of Momo's website at <http://ir.immomo.com>.

About Momo

We are a leading player in China's online social and entertainment space. Through Momo, Tantan and other properties within our product portfolio, we enable users to discover new relationships, expand their social connections and build meaningful interactions. Momo is a mobile application that connects people and facilitates interactions based on location, interests and a variety of recreational activities including live talent shows, short videos, social games as well as other video- and audio-based interactive experiences, such as live chats and mobile karaoke experience. Tantan, which was added into our family of applications through acquisition in May 2018, is a leading social and dating application for the younger generation. Tantan is designed to help its users find and establish romantic connections as well as meet interesting people.

For investor and media inquiries, please contact:

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Safe Harbor Statement

This news release contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include but are not limited to our management quotes, our financial outlook for the third quarter of 2020, as well as the amount of, timing, methods and funding sources for repurchases of our shares under the share repurchase program.

Our forward-looking statements are not historical facts but instead represent only our belief regarding expected results and events, many of which, by their nature, are inherently uncertain and outside of our control. Our actual results and other circumstances may differ, possibly materially, from the anticipated results and events indicated in these forward-looking statements. Announced results for the second quarter of 2020 are preliminary, unaudited and subject to audit adjustment. In addition, we may not meet our financial outlook for the third quarter of 2020 and may be unable to grow our business in the manner planned. We may also modify our strategy for growth. Moreover, there are other risks and uncertainties that could cause our actual results to differ from what we currently anticipate, including those relating to our ability to retain and grow our user base, our ability to attract and retain sufficiently trained professionals to support our operations, our ability to anticipate and develop new services and enhance existing services to meet the demand of our users or customers, the impact of the COVID-19 to Momo's business operations and the economy in China, the market price of Momo's stock prevailing from time to time, the nature of other investment opportunities presented to Momo from time to time, Momo's cash flows from operations, general economic conditions, and other factors. For additional information on these and other important factors that could adversely affect our business, financial condition, results of operations, and prospects, please see our filings with the U.S. Securities and Exchange Commission.

All information provided in this press release and in the attachments is as of the date of the press release. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, after the date of this release, except as required by law. Such information speaks only as of the date of this release.

Momo Inc.
Unaudited Condensed Consolidated Statement of Operations
(All amounts in thousands, except share and per share data)

| | Three months ended June 30 | | | First half year ended June 30 | | |
|---------------------------|-------------------------------|------------------|----------------|----------------------------------|------------------|------------------|
| | 2019 RMB | 2020 RMB | 2020 US\$ | 2019 RMB | 2020 RMB | 2020 US\$ |
| Net revenues: | | | | | | |
| Live video service | 3,099,887 | 2,602,876 | 368,413 | 5,789,300 | 4,934,880 | 698,487 |
| Value-added service | 948,394 | 1,204,320 | 170,460 | 1,852,243 | 2,380,074 | 336,878 |
| Mobile marketing | 76,208 | 37,964 | 5,373 | 156,937 | 95,119 | 13,463 |
| Mobile games | 23,240 | 11,564 | 1,637 | 62,248 | 24,255 | 3,433 |
| Other services | 4,901 | 11,528 | 1,633 | 14,821 | 28,008 | 3,964 |
| Total net revenues | 4,152,630 | 3,868,252 | 547,516 | 7,875,549 | 7,462,336 | 1,056,225 |

| | | | | | | |
|--|--------------------|--------------------|------------------|--------------------|--------------------|------------------|
| Cost and expenses: | | | | | | |
| Cost of revenues | (2,063,863) | (2,036,305) | (288,220) | (3,937,437) | (3,913,221) | (553,880) |
| Research and development | (251,658) | (279,002) | (39,490) | (501,089) | (541,161) | (76,596) |
| Sales and marketing | (570,609) | (651,500) | (92,214) | (1,194,457) | (1,361,308) | (192,681) |
| General and administrative | (500,660) | (180,061) | (25,486) | (1,103,256) | (357,310) | (50,574) |
| Total cost and expenses | (3,386,790) | (3,146,868) | (445,410) | (6,736,239) | (6,173,000) | (873,731) |
| Other operating income | 161,901 | 91,329 | 12,927 | 172,855 | 117,448 | 16,624 |
| Income from operations | 927,741 | 812,713 | 115,033 | 1,312,165 | 1,406,784 | 199,118 |
| Interest income | 100,175 | 108,536 | 15,362 | 193,953 | 239,359 | 33,879 |
| Interest expense | (19,315) | (20,121) | (2,848) | (38,304) | (39,940) | (5,653) |
| Impairment loss on long-term investments | - | - | - | (4,500) | (6,000) | (849) |
| Income before income tax and share of income on equity method investments | 1,008,601 | 901,128 | 127,547 | 1,463,314 | 1,600,203 | 226,495 |
| Income tax expenses | (283,868) | (443,633) | (62,792) | (447,519) | (606,524) | (85,848) |
| Income before share of income on equity method investments | 724,733 | 457,495 | 64,755 | 1,015,795 | 993,679 | 140,647 |
| Share of income (loss) on equity method investments | 6,375 | (1,967) | (278) | 1,871 | (440) | (62) |
| Net income | 731,108 | 455,528 | 64,477 | 1,017,666 | 993,239 | 140,585 |
| Less: net loss attributable to non-controlling interest | (669) | (872) | (123) | (3,428) | (2,067) | (293) |
| Net income attributable to the shareholders of Momo Inc. | 731,777 | 456,400 | 64,600 | 1,021,094 | 995,306 | 140,878 |
| Net income per share attributable to ordinary shareholders | | | | | | |
| Basic | 1.76 | 1.09 | 0.15 | 2.46 | 2.38 | 0.34 |
| Diluted | 1.67 | 1.05 | 0.15 | 2.36 | 2.29 | 0.32 |
| Weighted average shares used in calculating net income per ordinary share | | | | | | |
| Basic | 414,769,943 | 417,559,984 | 417,559,984 | 414,370,874 | 417,427,113 | 417,427,113 |
| Diluted | 450,480,301 | 452,500,168 | 452,500,168 | 449,410,610 | 452,915,745 | 452,915,745 |

Momo Inc.

Unaudited Condensed Consolidated Statement of Comprehensive Income
(All amounts in thousands, except share and per share data)

| | Three months ended June 30 | | | First half year ended June 30 | | |
|--|----------------------------|----------------|---------------|-------------------------------|------------------|----------------|
| | 2019 | 2020 | 2020 | 2019 | 2020 | 2020 |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Net income | 731,108 | 455,528 | 64,477 | 1,017,666 | 993,239 | 140,585 |
| Other comprehensive income (loss), net of tax | | | | | | |
| Foreign currency translation adjustment | 40,899 | 8,818 | 1,248 | (32,082) | 7,951 | 1,125 |
| Comprehensive income | 772,007 | 464,347 | 65,725 | 985,584 | 1,001,190 | 141,710 |
| Less: comprehensive (loss) income attributed to the non-controlling interest | 2,271 | (1,423) | (201) | (2,963) | (6,992) | (990) |
| Comprehensive income attributable to Momo Inc. | 769,736 | 465,770 | 65,524 | 988,547 | 994,198 | 142,700 |

Momo Inc.

Unaudited Condensed Consolidated Balance Sheets
(All amounts in thousands, except share and per share data)

| | December 31 | June 30 | June 30 |
|---|-------------------|-------------------|------------------|
| | 2019 | 2020 | 2020 |
| | RMB | RMB | US\$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 2,612,743 | 2,977,583 | 421,450 |
| Short-term deposits | 12,312,585 | 9,298,879 | 1,316,171 |
| Accounts receivable, net of allowance for doubtful accounts of RMB 12,209 and RMB10,240 as of December 31, 2019 and June 30, 2020, respectively | 265,155 | 254,710 | 36,052 |
| Amount due from a related party | 4,382 | 2,029 | 287 |
| Prepaid expenses and other current assets | 599,000 | 554,848 | 78,535 |
| Total current assets | 15,793,865 | 13,088,049 | 1,852,495 |

| | | | |
|---|-------------------|-------------------|------------------|
| Long-term deposits | 300,000 | 3,100,000 | 438,777 |
| Right-of-use assets, net | 190,552 | 144,313 | 20,426 |
| Property and equipment, net | 346,345 | 327,855 | 46,405 |
| Intangible assets | 890,303 | 821,860 | 116,327 |
| Rental deposits | 25,028 | 24,838 | 3,516 |
| Long-term investments | 495,905 | 492,578 | 69,720 |
| Other non-current assets | 44,009 | 71,998 | 10,191 |
| Deferred tax assets | 37,064 | 34,591 | 4,896 |
| Goodwill | 4,360,610 | 4,424,985 | 626,316 |
| Total assets | 22,483,681 | 22,531,067 | 3,189,069 |
| Liabilities and equity | | | |
| Current liabilities | | | |
| Accounts payable | 714,323 | 692,865 | 98,071 |
| Deferred revenue | 503,461 | 470,187 | 66,551 |
| Accrued expenses and other current liabilities | 985,873 | 785,415 | 111,169 |
| Amount due to related parties | 29,606 | 18,373 | 2,601 |
| Lease liabilities due within one year | 135,169 | 122,427 | 17,328 |
| Income tax payable | 153,976 | 219,032 | 31,002 |
| Deferred consideration in connection with business acquisitions | 84,346 | 67,293 | 9,525 |
| Total current liabilities | 2,606,754 | 2,375,592 | 336,247 |
| Deferred tax liabilities | 222,576 | 205,465 | 29,082 |
| Convertible senior notes | 4,954,352 | 5,035,982 | 712,797 |
| Share-based compensation liability | 902,047 | 931,401 | 131,831 |
| Lease liabilities | 56,498 | 21,226 | 3,004 |
| Other non-current liabilities | 22,672 | 38,662 | 5,472 |
| Total liabilities | 8,764,899 | 8,608,328 | 1,218,433 |
| Shareholder's equity (i) | 13,718,782 | 13,922,739 | 1,970,636 |
| Total liabilities and shareholder's equity | 22,483,681 | 22,531,067 | 3,189,069 |

(i): As of June 30, 2020, the number of ordinary shares issued and outstanding was 418,121,042.

Momo Inc.
Unaudited Condensed Consolidated Statement of Cash Flows
(All amounts in thousands, except share and per share data)

| | Three months ended June 30 | | | First half year ended June 30 | | |
|---|----------------------------|----------------|----------------|-------------------------------|------------------|----------------|
| | 2019 RMB | 2020 RMB | 2020 US\$ | 2019 RMB | 2020 RMB | 2020 US\$ |
| Cash flows from operating activities: | | | | | | |
| Net income | 731,108 | 455,528 | 64,477 | 1,017,666 | 993,239 | 140,585 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | | |
| Depreciation of property and equipment | 48,236 | 52,210 | 7,390 | 96,636 | 104,591 | 14,804 |
| Amortization of intangible assets | 39,020 | 40,288 | 5,702 | 77,615 | 80,170 | 11,347 |
| Share-based compensation | 482,537 | 184,100 | 26,058 | 1,075,611 | 352,627 | 49,911 |
| Share of (income) loss on equity method investments | (6,375) | 1,967 | 278 | (1,871) | 440 | 62 |
| Impairment loss on long-term investments | - | - | - | 4,500 | 6,000 | 849 |
| Gain on subsidiary deconsolidation | - | - | - | - | (6,676) | (945) |
| Gain on disposal of property and equipment | (338) | (1) | - | (334) | (1) | - |
| Provision of allowance for doubtful accounts | 9,309 | 1,060 | 150 | 9,309 | 406 | 57 |
| Cash received on investment income distribution | - | - | - | - | 1,153 | 163 |
| Changes in operating assets and liabilities: | | | | | | |
| Accounts receivable | 25,712 | 39,725 | 5,623 | 435,126 | 1,746 | 247 |
| Prepaid expenses and other current assets | 19,385 | 42,671 | 6,040 | 1,196 | 43,833 | 6,204 |
| Amount due from a related party | (271) | 230 | 33 | (271) | 2,353 | 333 |
| Rental deposits | (1,078) | 363 | 51 | (2,395) | 190 | 27 |
| Deferred tax assets | 570 | 435 | 62 | 26,107 | 2,473 | 350 |
| Other non-current assets | (18,796) | 3,411 | 483 | 12,643 | 18,251 | 2,583 |
| Accounts payable | 55,573 | 63,598 | 9,002 | 88,088 | (16,475) | (2,332) |
| Income tax payable | 64,570 | 44,712 | 6,329 | (6,988) | 65,056 | 9,208 |
| Deferred revenue | (48,764) | (12,249) | (1,734) | (29,922) | (33,272) | (4,709) |
| Accrued expenses and other current liabilities | 43,872 | (59,987) | (8,491) | (141,623) | (214,230) | (30,322) |
| Amount due to related parties | (16,752) | (16,217) | (2,295) | (42,717) | (11,233) | (1,590) |
| Deferred tax liability | (9,755) | (10,072) | (1,426) | (25,297) | (20,043) | (2,837) |
| Other non-current liabilities | 4,201 | (24,522) | (3,471) | 4,794 | (19,852) | (2,810) |
| Net cash provided by operating activities | 1,421,964 | 807,250 | 114,261 | 2,597,873 | 1,350,746 | 191,185 |
| Cash flows from investing activities: | | | | | | |
| Purchase of property and equipment | (41,682) | (45,803) | (6,483) | (94,480) | (83,970) | (11,885) |
| Proceeds from disposal of property and equipment | 505 | 15 | 2 | 510 | 17 | 2 |
| Payment for long-term investments | (12,000) | - | - | (24,000) | (4,500) | (637) |
| Prepayment of long-term investments | (15,000) | - | - | (15,000) | - | - |
| Cash dividend received | - | - | - | - | 233 | 33 |
| Cash outflow due to subsidiary deconsolidation | - | - | - | - | (1,026) | (145) |
| Purchase of short-term deposits | (6,230,000) | (4,941,858) | (699,475) | (9,715,005) | (8,241,858) | (1,166,559) |
| Cash received on maturity of short-term deposits | 4,860,025 | 8,306,434 | 1,175,699 | 7,865,030 | 11,285,574 | 1,597,369 |
| Payment for short-term investments | (40,000) | - | - | (250,000) | (10,000) | (1,415) |
| Cash received from sales of short-term investment | 60,000 | - | - | 160,000 | 10,000 | 1,415 |
| Purchase of long-term deposits | (2,800,000) | (396,314) | (56,047) | (2,800,000) | (396,314) | (56,047) |
| Net cash (used in) provided by investing activities | (1,418,152) | 518,788 | 73,429 | (2,072,945) | 154,470 | 21,864 |

| | | | | | | |
|---|------------------|--------------------|------------------|--------------------|--------------------|------------------|
| Cash flows from financing activities: | | | | | | |
| Deferred payment for business acquisition | (73,681) | (18,355) | (2,598) | (378,748) | (18,355) | (2,598) |
| Proceeds from exercise of share options | 32 | 1 | - | 115 | 1 | - |
| Deferred payment of purchase of property and equipment | - | - | - | (94) | - | - |
| Dividends payment | (877,346) | (1,123,983) | (159,089) | (877,346) | (1,123,983) | (159,089) |
| Net cash used in financing activities | (950,995) | (1,142,337) | (161,687) | (1,256,073) | (1,142,337) | (161,687) |
| Effect of exchange rate changes | 4,584 | (5,332) | (756) | (1,146) | 1,961 | 278 |
| Net (decrease) increase in cash and cash equivalents | (942,599) | 178,369 | 25,247 | (732,291) | 364,840 | 51,640 |
| Cash and cash equivalents at the beginning of period | 2,678,342 | 2,799,214 | 396,203 | 2,468,034 | 2,612,743 | 369,810 |
| Cash and cash equivalents at the end of period | 1,735,743 | 2,977,583 | 421,450 | 1,735,743 | 2,977,583 | 421,450 |

Momo Inc.
Reconciliation of Non-GAAP financial measures to comparable GAAP measures
(All amounts in thousands, except per share data)

| | | | | | | | | | | | | | | | |
|--------------------------------------|---|--|--------------------------|------------------|--------------------|----------------------------------|--|--------------------------|------------------|--------------------|----------------------------------|--|--------------------------|------------------|------------------|
| 1. | Reconciliation of Non-GAAP cost and operating expenses, income from operations, and net income to comparable GAAP measures. | | | | | | | | | | | | | | |
| | Three months ended June 30, 2019 | | | | | Three months ended June 30, 2020 | | | | | Three months ended June 30, 2020 | | | | |
| | GAAP | Amortization of intangible assets from business acquisitions | Share-based compensation | Tax impacts (ii) | Non-GAAP | GAAP | Amortization of intangible assets from business acquisitions | Share-based compensation | Tax impacts (ii) | Non-GAAP | GAAP | Amortization of intangible assets from business acquisitions | Share-based compensation | Tax impacts (ii) | Non-GAAP |
| | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | US\$ | US\$ | US\$ | US\$ | US\$ |
| Cost of revenues | (2,063,863) | 18,227 | 5,447 | - | (2,040,189) | (2,036,305) | 18,929 | 2,804 | - | (2,014,572) | (288,220) | 2,679 | 397 | - | (285,144) |
| Research and development | (251,658) | 2,315 | 44,523 | - | (204,820) | (279,002) | 2,404 | 49,985 | - | (226,613) | (39,490) | 340 | 7,075 | - | (32,075) |
| Sales and marketing | (570,609) | 17,045 | 51,293 | - | (502,271) | (651,500) | 17,702 | 43,123 | - | (590,675) | (92,214) | 2,506 | 6,104 | - | (83,604) |
| General and administrative | (500,660) | - | 381,274 | - | (119,386) | (180,061) | - | 88,188 | - | (91,873) | (25,486) | - | 12,482 | - | (13,004) |
| Cost and operating expenses | (3,386,790) | 37,587 | 482,537 | - | (2,866,666) | (3,146,868) | 39,035 | 184,100 | - | (2,923,733) | (445,410) | 5,525 | 26,058 | - | (413,827) |
| Income from operations | 927,741 | 37,587 | 482,537 | - | 1,447,865 | 812,713 | 39,035 | 184,100 | - | 1,035,848 | 115,033 | 5,525 | 26,058 | - | 146,616 |
| Net income attributable to Momo Inc. | 731,777 | 37,587 | 482,537 | (9,397) | 1,242,504 | 456,400 | 39,035 | 184,100 | (9,759) | 669,776 | 64,600 | 5,525 | 26,058 | (1,381) | 94,802 |

Momo Inc.
Reconciliation of Non-GAAP financial measures to comparable GAAP measures
(All amounts in thousands, except per share data)

| | | | | | | | | | | | | | | | |
|----------------------------|---|--|--------------------------|------------------|-------------|-------------------------------------|--|--------------------------|------------------|-------------|-------------------------------------|--|--------------------------|------------------|-----------|
| 1. | Reconciliation of Non-GAAP cost and operating expenses, income from operations, and net income to comparable GAAP measures-continued. | | | | | | | | | | | | | | |
| | First half year ended June 30, 2019 | | | | | First half year ended June 30, 2020 | | | | | First half year ended June 30, 2020 | | | | |
| | GAAP | Amortization of intangible assets from business acquisitions | Share-based compensation | Tax impacts (ii) | Non-GAAP | GAAP | Amortization of intangible assets from business acquisitions | Share-based compensation | Tax impacts (ii) | Non-GAAP | GAAP | Amortization of intangible assets from business acquisitions | Share-based compensation | Tax impacts (ii) | Non-GAAP |
| | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | RMB | US\$ | US\$ | US\$ | US\$ | US\$ |
| Cost of revenues | (3,937,437) | 36,248 | 9,633 | - | (3,891,556) | (3,913,221) | 37,574 | 9,773 | - | (3,865,874) | (553,880) | 5,318 | 1,383 | - | (547,179) |
| Research and development | (501,089) | 4,604 | 84,253 | - | (412,232) | (541,161) | 4,772 | 92,745 | - | (443,644) | (76,596) | 675 | 13,127 | - | (62,794) |
| Sales and marketing | (1,194,457) | 33,898 | 90,745 | - | (1,069,814) | (1,361,308) | 35,138 | 90,197 | - | (1,235,973) | (192,681) | 4,973 | 12,767 | - | (174,941) |
| General and administrative | (1,103,256) | - | 890,980 | - | (212,276) | (357,310) | - | 159,912 | - | (197,398) | (50,574) | - | 22,634 | - | (27,940) |

| | | | | | | | | | | | | | | | |
|--------------------------------------|--------------------|---------------|------------------|----------------------|--------------------|---------------|----------------|---------------------|------------------|---------------|---------------|--------------------|--------|---------|---------|
| Cost and operating expenses | (6,736,239) | 74,750 | 1,075,611 | - (5,585,878) | (6,173,000) | 77,484 | 352,627 | -(5,742,889) | (873,731) | 10,966 | 49,911 | - (812,854) | | | |
| Income from operations | 1,312,165 | 74,750 | 1,075,611 | - 2,462,526 | 1,406,784 | 77,484 | 352,627 | - 1,836,895 | 199,118 | 10,966 | 49,911 | - 259,995 | | | |
| Net income attributable to Momo Inc. | 1,021,094 | 74,750 | 1,075,611 | (18,688) | 2,152,767 | 995,306 | 77,484 | 352,627 | (19,371) | 1,406,046 | 140,878 | 10,966 | 49,911 | (2,742) | 199,013 |

(ii) Includes tax impacts related to the amortization of intangible assets from business acquisition. There is no tax impact related to share-based compensation.

Momo Inc.
Unaudited Condensed Segment Report
(All amounts in thousands, except share and per share data)

| | Three months ended June 30, 2020 | | | | |
|---|-------------------------------------|------------------|-----------------|--------------------|------------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Net revenues: | | | | | |
| Live video service | 2,411,223 | 191,653 | - | 2,602,876 | 368,413 |
| Value-added service | 878,804 | 325,516 | - | 1,204,320 | 170,460 |
| Mobile marketing | 37,964 | - | - | 37,964 | 5,373 |
| Mobile games | 11,564 | - | - | 11,564 | 1,637 |
| Other services | 1,163 | - | 10,365 | 11,528 | 1,633 |
| Total net revenues | 3,340,718 | 517,169 | 10,365 | 3,868,252 | 547,516 |
| Cost and expenses (iii): | | | | | |
| Cost of revenues | (1,792,442) | (232,445) | (11,418) | (2,036,305) | (288,220) |
| Research and development | (202,774) | (76,228) | - | (279,002) | (39,490) |
| Sales and marketing | (337,196) | (314,293) | (11) | (651,500) | (92,214) |
| General and administrative | (154,161) | (19,828) | (6,072) | (180,061) | (25,486) |
| Total cost and expenses | (2,486,573) | (642,794) | (17,501) | (3,146,868) | (445,410) |
| Other operating income | 91,190 | - | 139 | 91,329 | 12,927 |
| Income (loss) from operations | 945,335 | (125,625) | (6,997) | 812,713 | 115,033 |
| Interest income | 107,776 | 689 | 71 | 108,536 | 15,362 |
| Interest expense | (20,121) | - | - | (20,121) | (2,848) |
| Income (loss) before income tax and share of income on equity method investments | 1,032,990 | (124,936) | (6,926) | 901,128 | 127,547 |
| Income tax (expenses) benefits | (444,278) | 645 | - | (443,633) | (62,792) |
| Income (loss) before share of income on equity method investments | 588,712 | (124,291) | (6,926) | 457,495 | 64,755 |
| Share of loss on equity method investments | (1,967) | - | - | (1,967) | (278) |
| Net income (loss) | 586,745 | (124,291) | (6,926) | 455,528 | 64,477 |

(iii) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

| | Three months ended June 30, 2020 | | | | |
|--------------------------------|-------------------------------------|---------------|--------------|----------------|---------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Cost of revenues | 3,396 | (592) | - | 2,804 | 397 |
| Research and development | 36,670 | 13,315 | - | 49,985 | 7,075 |
| Sales and marketing | 38,905 | 4,218 | - | 43,123 | 6,104 |
| General and administrative | 78,250 | 7,280 | 2,658 | 88,188 | 12,482 |
| Total cost and expenses | 157,221 | 24,221 | 2,658 | 184,100 | 26,058 |

Momo Inc.
Reconciliation of GAAP and NON-GAAP Results of Unaudited Segment Report
(All amounts in thousands, except share and per share data)

| | Three months ended June 30, 2020 | | | | |
|--|-------------------------------------|-----------------|----------------|------------------|----------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Operating income (loss) | 945,335 | (125,625) | (6,997) | 812,713 | 115,033 |
| Share-based compensation | 157,221 | 24,221 | 2,658 | 184,100 | 26,058 |
| Amortization of intangible assets from business acquisitions | - | 39,035 | - | 39,035 | 5,525 |
| Non-GAAP operating income (loss) | 1,102,556 | (62,369) | (4,339) | 1,035,848 | 146,616 |

| | | | | | |
|--|----------------|-----------------|----------------|----------------|---------------|
| Net income (loss) | 586,745 | (124,291) | (6,926) | 455,528 | 64,477 |
| Share-based compensation | 157,221 | 24,221 | 2,658 | 184,100 | 26,058 |
| Amortization of intangible assets from business acquisitions | - | 39,035 | - | 39,035 | 5,525 |
| Tax impacts | - | (9,759) | - | (9,759) | (1,381) |
| Non-GAAP net income (loss) | 743,966 | (70,794) | (4,268) | 668,904 | 94,679 |

Momo Inc.
Unaudited Condensed Segment Report
(All amounts in thousands, except share and per share data)

| | Three months ended June 30, 2019 | | | | |
|---|-------------------------------------|------------------|-----------------|--------------------|------------------|
| | Momo | Tantan | QOOL | Total | Total |
| | RMB | RMB | RMB | RMB | US\$(2) |
| Net revenues: | | | | | |
| Live video service | 3,099,887 | - | - | 3,099,887 | 451,549 |
| Value-added service | 663,601 | 284,793 | - | 948,394 | 138,149 |
| Mobile marketing | 76,208 | - | - | 76,208 | 11,101 |
| Mobile games | 23,240 | - | - | 23,240 | 3,385 |
| Other services | 2,452 | - | 2,449 | 4,901 | 715 |
| Total net revenues | 3,865,388 | 284,793 | 2,449 | 4,152,630 | 604,899 |
| Cost and expenses (iv): | | | | | |
| Cost of revenues | (1,970,672) | (89,362) | (3,829) | (2,063,863) | (300,636) |
| Research and development | (181,866) | (69,792) | - | (251,658) | (36,658) |
| Sales and marketing | (356,578) | (212,628) | (1,403) | (570,609) | (83,119) |
| General and administrative | (142,384) | (344,434) | (13,842) | (500,660) | (72,929) |
| Total cost and expenses | (2,651,500) | (716,216) | (19,074) | (3,386,790) | (493,342) |
| Other operating income | 140,535 | - | 21,366 | 161,901 | 23,584 |
| Income (loss) from operations | 1,354,423 | (431,423) | 4,741 | 927,741 | 135,141 |
| Interest income | 97,118 | 3,024 | 33 | 100,175 | 14,592 |
| Interest expense | (19,315) | - | - | (19,315) | (2,814) |
| Income (loss) before income tax and share of income on equity method investments | 1,432,226 | (428,399) | 4,774 | 1,008,601 | 146,919 |
| Income tax (expenses) benefits | (289,101) | 5,233 | - | (283,868) | (41,350) |
| Income (loss) before share of income on equity method investments | 1,143,125 | (423,166) | 4,774 | 724,733 | 105,569 |
| Share of income on equity method investments | 6,375 | - | - | 6,375 | 929 |
| Net income (loss) | 1,149,500 | (423,166) | 4,774 | 731,108 | 106,498 |

(iv) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

| | Three months ended June 30, 2019 | | | | |
|--------------------------------|-------------------------------------|----------------|--------------|----------------|---------------|
| | Momo | Tantan | QOOL | Total | Total |
| | RMB | RMB | RMB | RMB | US\$ |
| Cost of revenues | 4,870 | 577 | - | 5,447 | 793 |
| Research and development | 27,587 | 16,936 | - | 44,523 | 6,486 |
| Sales and marketing | 47,381 | 3,912 | - | 51,293 | 7,472 |
| General and administrative | 54,235 | 324,479 | 2,560 | 381,274 | 55,539 |
| Total cost and expenses | 134,073 | 345,904 | 2,560 | 482,537 | 70,290 |

(2) All translations from RMB to U.S. dollars are made at a rate of RMB 6.865 to US\$1.00, the effective noon buying rate for June 28, 2019 as set forth in the H.10 statistical release of the Federal Reserve Board.

Momo Inc.
Reconciliation of GAAP and NON-GAAP Results of Unaudited Segment Report
(All amounts in thousands, except share and per share data)

| | Three months ended June 30, 2019 | | | | |
|--|-------------------------------------|-----------------|--------------|------------------|----------------|
| | Momo | Tantan | QOOL | Total | Total |
| | RMB | RMB | RMB | RMB | US\$ |
| Operating income (loss) | 1,354,423 | (431,423) | 4,741 | 927,741 | 135,141 |
| Share-based compensation | 134,073 | 345,904 | 2,560 | 482,537 | 70,290 |
| Amortization of intangible assets from business acquisitions | - | 37,587 | - | 37,587 | 5,476 |
| Non-GAAP operating income (loss) | 1,488,496 | (47,932) | 7,301 | 1,447,865 | 210,907 |
| Net income (loss) | 1,149,500 | (423,166) | 4,774 | 731,108 | 106,498 |
| Share-based compensation | 134,073 | 345,904 | 2,560 | 482,537 | 70,290 |
| Amortization of intangible assets from business acquisitions | - | 37,587 | - | 37,587 | 5,476 |
| Tax impacts | - | (9,397) | - | (9,397) | (1,369) |
| Non-GAAP net income (loss) | 1,283,573 | (49,072) | 7,334 | 1,241,835 | 180,895 |

Momo Inc.
Unaudited Condensed Segment Report
(All amounts in thousands, except share and per share data)

| | First half year ended June 30, 2020 | | | | |
|---|--|--------------------|-----------------|--------------------|------------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Net revenues: | | | | | |
| Live video service | 4,737,168 | 197,712 | - | 4,934,880 | 698,487 |
| Value-added service | 1,678,907 | 701,167 | - | 2,380,074 | 336,878 |
| Mobile marketing | 95,119 | - | - | 95,119 | 13,463 |
| Mobile games | 24,255 | - | - | 24,255 | 3,433 |
| Other services | 7,358 | - | 20,650 | 28,008 | 3,964 |
| Total net revenues | 6,542,807 | 898,879 | 20,650 | 7,462,336 | 1,056,225 |
| Cost and expenses (v): | | | | | |
| Cost of revenues | (3,528,959) | (364,723) | (19,539) | (3,913,221) | (553,880) |
| Research and development | (386,674) | (154,487) | - | (541,161) | (76,596) |
| Sales and marketing | (731,560) | (629,714) | (34) | (1,361,308) | (192,681) |
| General and administrative | (297,296) | (47,508) | (12,506) | (357,310) | (50,574) |
| Total cost and expenses | (4,944,489) | (1,196,432) | (32,079) | (6,173,000) | (873,731) |
| Other operating income | 117,309 | - | 139 | 117,448 | 16,624 |
| Income (loss) from operations | 1,715,627 | (297,553) | (11,290) | 1,406,784 | 199,118 |
| Interest income | 237,054 | 2,161 | 144 | 239,359 | 33,879 |
| Interest expense | (39,940) | - | - | (39,940) | (5,653) |
| Impairment loss on long-term investments | (6,000) | - | - | (6,000) | (849) |
| Income (loss) before income tax and share of income on equity method investments | 1,906,741 | (295,392) | (11,146) | 1,600,203 | 226,495 |
| Income tax (expenses) benefits | (612,490) | 5,966 | - | (606,524) | (85,848) |
| Income (loss) before share of income on equity method investments | 1,294,251 | (289,426) | (11,146) | 993,679 | 140,647 |
| Share of loss on equity method investments | (440) | - | - | (440) | (62) |
| Net income (loss) | 1,293,811 | (289,426) | (11,146) | 993,239 | 140,585 |

(v) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

| | First half year ended June 30, 2020 | | | | |
|--------------------------------|--|---------------|--------------|----------------|---------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Cost of revenues | 9,007 | 766 | - | 9,773 | 1,383 |
| Research and development | 63,472 | 29,273 | - | 92,745 | 13,127 |
| Sales and marketing | 84,346 | 5,851 | - | 90,197 | 12,767 |
| General and administrative | 133,234 | 21,401 | 5,277 | 159,912 | 22,634 |
| Total cost and expenses | 290,059 | 57,291 | 5,277 | 352,627 | 49,911 |

Momo Inc.
Reconciliation of GAAP and NON-GAAP Results of Unaudited Segment Report
(All amounts in thousands, except share and per share data)

| | First half year ended June 30, 2020 | | | | |
|--|--|------------------|----------------|------------------|----------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Operating income (loss) | 1,715,627 | (297,553) | (11,290) | 1,406,784 | 199,118 |
| Share-based compensation | 290,059 | 57,291 | 5,277 | 352,627 | 49,911 |
| Amortization of intangible assets from business acquisitions | - | 77,484 | - | 77,484 | 10,966 |
| Non-GAAP operating income (loss) | 2,005,686 | (162,778) | (6,013) | 1,836,895 | 259,995 |
| Net income (loss) | 1,293,811 | (289,426) | (11,146) | 993,239 | 140,585 |
| Share-based compensation | 290,059 | 57,291 | 5,277 | 352,627 | 49,911 |
| Amortization of intangible assets from business acquisitions | - | 77,484 | - | 77,484 | 10,966 |
| Tax impacts | - | (19,371) | - | (19,371) | (2,742) |
| Non-GAAP net income (loss) | 1,583,870 | (174,022) | (5,869) | 1,403,979 | 198,720 |

Momo Inc.
Unaudited Condensed Segment Report
(All amounts in thousands, except share and per share data)

| | First half year ended June 30, 2019 | | | | |
|---|--|--------------------|-----------------|--------------------|------------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Net revenues: | | | | | |
| Live video service | 5,789,300 | - | - | 5,789,300 | 843,307 |
| Value-added service | 1,272,103 | 580,140 | - | 1,852,243 | 269,810 |
| Mobile marketing | 156,937 | - | - | 156,937 | 22,860 |
| Mobile games | 62,248 | - | - | 62,248 | 9,067 |
| Other services | 4,009 | - | 10,812 | 14,821 | 2,159 |
| Total net revenues | 7,284,597 | 580,140 | 10,812 | 7,875,549 | 1,147,203 |
| Cost and expenses (vi): | | | | | |
| Cost of revenues | (3,740,710) | (188,218) | (8,509) | (3,937,437) | (573,552) |
| Research and development | (366,139) | (134,950) | - | (501,089) | (72,992) |
| Sales and marketing | (719,536) | (468,549) | (6,372) | (1,194,457) | (173,992) |
| General and administrative | (256,648) | (824,399) | (22,209) | (1,103,256) | (160,707) |
| Total cost and expenses | (5,083,033) | (1,616,116) | (37,090) | (6,736,239) | (981,243) |
| Other operating income | 151,489 | - | 21,366 | 172,855 | 25,179 |
| Income (loss) from operations | 2,353,053 | (1,035,976) | (4,912) | 1,312,165 | 191,139 |
| Interest income | 187,976 | 5,915 | 62 | 193,953 | 28,252 |
| Interest expense | (38,304) | - | - | (38,304) | (5,580) |
| Impairment loss on long-term investments | (4,500) | - | - | (4,500) | (655) |
| Income (loss) before income tax and share of income on equity method investments | 2,498,225 | (1,030,061) | (4,850) | 1,463,314 | 213,156 |
| Income tax (expenses) benefits | (456,704) | 9,185 | - | (447,519) | (65,188) |
| Income (loss) before share of income on equity method investments | 2,041,521 | (1,020,876) | (4,850) | 1,015,795 | 147,968 |
| Share of income on equity method investments | 1,871 | - | - | 1,871 | 273 |
| Net income (loss) | 2,043,392 | (1,020,876) | (4,850) | 1,017,666 | 148,241 |

(vi) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

| | First half year ended June 30, 2019 | | | | |
|--------------------------------|--|----------------|--------------|------------------|----------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Cost of revenues | 8,476 | 1,157 | - | 9,633 | 1,403 |
| Research and development | 49,300 | 34,953 | - | 84,253 | 12,273 |
| Sales and marketing | 82,855 | 7,890 | - | 90,745 | 13,218 |
| General and administrative | 93,726 | 792,163 | 5,091 | 890,980 | 129,786 |
| Total cost and expenses | 234,357 | 836,163 | 5,091 | 1,075,611 | 156,680 |

Momo Inc.
Reconciliation of GAAP and NON-GAAP Results of Unaudited Segment Report
(All amounts in thousands, except share and per share data)

| | First half year ended June 30, 2019 | | | | |
|--|--|------------------|-------------|------------------|----------------|
| | Momo RMB | Tantan RMB | QOOL RMB | Total RMB | Total US\$ |
| Operating income (loss) | 2,353,053 | (1,035,976) | (4,912) | 1,312,165 | 191,139 |
| Share-based compensation | 234,357 | 836,163 | 5,091 | 1,075,611 | 156,680 |
| Amortization of intangible assets from business acquisitions | - | 74,750 | - | 74,750 | 10,889 |
| Non-GAAP operating income (loss) | 2,587,410 | (125,063) | 179 | 2,462,526 | 358,708 |
| Net income (loss) | 2,043,392 | (1,020,876) | (4,850) | 1,017,666 | 148,241 |
| Share-based compensation | 234,357 | 836,163 | 5,091 | 1,075,611 | 156,680 |
| Amortization of intangible assets from business acquisitions | - | 74,750 | - | 74,750 | 10,889 |
| Tax impacts | - | (18,688) | - | (18,688) | (2,723) |
| Non-GAAP net income (loss) | 2,277,749 | (128,651) | 241 | 2,149,339 | 313,087 |

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