

## iQIYI Announces Second Quarter 2025 Financial Results

BEIJING, CHINA, August 20, 2025 – iQIYI, Inc. (Nasdaq: IQ) (“iQIYI” or the “Company”), a leading provider of online entertainment video services in China, today announced its unaudited financial results for the second quarter ended June 30, 2025.

### Second Quarter 2025 Highlights

- Total revenues were RMB6.63 billion (US\$925.3 million<sup>1</sup>), decreasing 11% year over year.
- Operating loss was RMB46.2 million (US\$6.4 million) and operating loss margin was 1%, compared to operating income of RMB342.1 million and operating income margin of 5% in the same period in 2024.
- Non-GAAP operating income<sup>2</sup> was RMB58.7 million (US\$8.2 million) and non-GAAP operating income margin was 1%, compared to non-GAAP operating income of RMB501.4 million and non-GAAP operating income margin of 7% in the same period in 2024.
- Net loss attributable to iQIYI was RMB133.7 million (US\$18.7 million), compared to net income attributable to iQIYI of RMB68.7 million in the same period in 2024.
- Non-GAAP net income attributable to iQIYI<sup>2</sup> was RMB14.7 million (US\$2.0 million), compared to non-GAAP net income attributable to iQIYI of RMB246.9 million in the same period in 2024.

“During the second quarter and into the summer season, we delivered a series of blockbusters and secured the top market share in total drama viewership, according to Enlightent data,” commented Mr. Yu Gong, Founder, Director, and Chief Executive Officer of iQIYI. “Meanwhile, we are focusing on innovation and investing in key growth areas such as AI applications, micro dramas, experience business, and global expansion, all with the goal of driving sustainable, long-term success.”

“We effectively managed our resources and optimized our capital structure, with net interest expense<sup>3</sup> consistently declining over the last seven consecutive quarters. This better positions us for long-term value creation,” commented Mr. Jun Wang, Chief Financial Officer of iQIYI.

### Second Quarter 2025 Financial Highlights

|                             | Three Months Ended |           |           |
|-----------------------------|--------------------|-----------|-----------|
|                             | June 30,           | March 31, | June 30,  |
|                             | 2024               | 2025      | 2025      |
|                             | RMB                | RMB       | RMB       |
| Total revenues              | 7,438,785          | 7,186,469 | 6,628,248 |
| Operating income/(loss)     | 342,093            | 341,897   | (46,168)  |
| Operating income (non-GAAP) | 501,417            | 458,535   | 58,678    |

|  |         |         |           |
|--|---------|---------|-----------|
| Net income/(loss) attributable to iQIYI, Inc.      | 68,685  | 182,145 | (133,708) |
| Net income attributable to iQIYI, Inc. (non-GAAP)  | 246,914 | 304,420 | 14,652    |
| Diluted net income/(loss) per ADS                  | 0.07    | 0.19    | (0.14)    |
| Diluted net income per ADS (non-GAAP) <sup>2</sup> | 0.25    | 0.31    | 0.02      |

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Footnotes:

<sup>[1]</sup> Unless otherwise noted, RMB to USD was converted at an exchange rate of RMB7.1636 as of June 30, 2025, as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Translations are provided solely for the convenience of the reader.

<sup>[2]</sup> Non-GAAP measures are defined in the Non-GAAP Financial Measures section (see also “Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures” for more details).

<sup>[3]</sup> Net interest expense refers to the net amount of interest expense and interest income, both of which are presented in the Condensed Consolidated Statements of Income/(Loss).

## Second Quarter 2025 Financial Results

Total revenues reached RMB6.63 billion (US\$925.3 million), decreasing 11% year over year.

Membership services revenue was RMB4.09 billion (US\$571.0 million), decreasing 9% year over year, primarily due to a lighter content slate compared to the same period last year.

Online advertising services revenue was RMB1.27 billion (US\$177.6 million), decreasing 13% year over year. During the quarter, some advertisers adjusted their advertising and promotion strategies in response to macro pressures.

Content distribution revenue was RMB436.6 million (US\$60.9 million), decreasing 37% year over year, primarily due to the decrease in barter transactions and, to a lesser extent, the decrease in cash transactions.

Other revenues were RMB829.3 million (US\$115.8 million), increasing 6% year over year.

Cost of revenues was RMB5.29 billion (US\$738.9 million), decreasing 7% year over year. Content costs as a component of cost of revenues were RMB3.78 billion (US\$528.0 million), decreasing 8% year over year. The decrease in content cost was primarily due to a lighter content slate in the quarter.

Selling, general and administrative expenses were RMB959.6 million (US\$134.0 million), decreasing 1% year over year.

Research and development expenses were RMB421.9 million (US\$58.9 million), decreasing 6% year over year.

Operating loss was RMB46.2 million (US\$6.4 million), compared to operating income of RMB342.1 million in the same period in 2024. Operating loss margin was 1%, compared to operating income margin of 5% in the same period in 2024.

Non-GAAP operating income was RMB58.7 million (US\$8.2 million), compared to non-GAAP operating income of RMB501.4 million in the same period in 2024. Non-GAAP operating income margin was 1%, compared to non-GAAP operating income margin of 7% in the same period in 2024.

Total other expense was RMB61.9 million (US\$8.6 million), decreasing 74% year over year, primarily due to gain from foreign exchange.

Loss before income taxes was RMB108.1 million (US\$15.1 million), compared to income before income taxes of RMB101.7 million in the same period in 2024.

Income tax expense was RMB27.2 million (US\$3.8 million), compared to income tax expense of RMB25.7 million in the same period in 2024.

Net loss attributable to iQIYI was RMB133.7 million (US\$18.7 million), compared to net income attributable to iQIYI of RMB68.7 million in the same period in 2024. Diluted net loss attributable to iQIYI per ADS was RMB0.14 (US\$0.02) for the second quarter of 2025, compared to diluted net income attributable to iQIYI per ADS of RMB0.07 in the same period of 2024.

Non-GAAP net income attributable to iQIYI was RMB14.7 million (US\$2.0 million), compared to non-GAAP net income attributable to iQIYI of RMB246.9 million in the same period in 2024. Non-GAAP diluted net income attributable to iQIYI per ADS was RMB0.02 (US\$0.00), compared to non-GAAP diluted net income attributable to iQIYI per ADS of RMB0.25 in the same period of 2024.

Net cash used for operating activities was RMB12.7 million (US\$1.8 million), compared to net cash provided by operating activities of RM410.8 million in the same period of 2024. Free cash flow was negative RMB34.1 million (negative US\$4.8 million), compared to free cash flow of RMB382.5 million in the same period of 2024.

As of June 30, 2025, the Company had cash, cash equivalents, restricted cash, short-term investments and long-term restricted cash included in prepayments and other assets of RMB5.06 billion (US\$705.7 million). In addition, as of the same date, the Company had a loan of US\$522.5 million to PAG, recorded under the line item of amounts due from related parties.

In the second quarter of 2025, the Company had repurchased an aggregate principal amount of US\$85.0 million of the 2028 Notes for cash. As of June 30, 2025, US\$0.1 million principal amount of the 2026 Notes, US\$522.5 million principal amount of the PAG Notes, US\$208.1 million principal amount of the 2028 Notes, and US\$350.0 million principal amount of the 2030 Notes remained outstanding.

## Conference Call Information

iQIYI's management will hold an earnings conference call at 7:00 AM on August 20, 2025, U.S. Eastern Time (7:00 PM on August 20, 2025, Beijing Time).

Please register in advance of the conference using the link provided below. Upon registering, you will be provided with participant dial-in numbers, passcode and unique access PIN by a calendar invite.

Participant      Online      Registration:      <https://s1.c-conf.com/diamondpass/10049037-erdm7c.html>

It will automatically direct you to the registration page of "iQIYI Second Quarter 2025 Earnings Conference Call", where you may fill in your details for RSVP.

In the 10 minutes prior to the call start time, you may use the conference access information (including dial-in number(s), passcode and unique access PIN) provided in the calendar invite that you have received following your pre-registration.

A telephone replay of the call will be available after the conclusion of the conference call through August 27, 2025.

Dial-in numbers for the replay are as follows:

International Dial-in      +1 855 883 1031

Passcode:      10049037

A live and archived webcast of the conference call will be available at <http://ir.iqiyi.com/>.

## About iQIYI, Inc.

iQIYI, Inc. is a leading provider of online entertainment video services in China. It combines creative talent with technology to foster an environment for continuous innovation and the production of blockbuster content. It produces, aggregates and distributes a wide variety of professionally produced content, as well as a broad spectrum of other video content in a variety of formats. iQIYI distinguishes itself in the online entertainment industry by its leading technology platform powered by advanced AI, big data analytics and other core proprietary technologies. Over time, iQIYI has built a massive user base and developed a diversified monetization model including membership services, online advertising services, content distribution, online games, IP licensing, talent agency, online literature, etc.

## **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of 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,” “confident” and similar statements. Among other things, the quotations from management in this announcement, as well as iQIYI’s strategic and operational plans, contain forward-looking statements. iQIYI may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including but not limited to statements about iQIYI’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: iQIYI’s strategies; iQIYI’s future business development, financial condition and results of operations; iQIYI’s ability to retain and increase the number of users, members and advertising customers, and expand its service offerings; competition in the online entertainment industry; changes in iQIYI’s revenues, costs or expenditures; Chinese governmental policies and regulations relating to the online entertainment industry, general economic and business conditions globally and in China and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in the Company’s filings with the Securities and Exchange Commission. All information provided in this press release and in the attachments is as of the date of the press release, and iQIYI undertakes no duty to update such information, except as required under applicable law.

## **Non-GAAP Financial Measures**

To supplement iQIYI’s consolidated financial results presented in accordance with GAAP, iQIYI uses the following non-GAAP financial measures: non-GAAP operating income, non-GAAP operating income margin, non-GAAP net income/(loss) attributable to iQIYI, non-GAAP diluted net income/(loss) attributable to iQIYI per ADS and free cash flow. The presentation of the non-GAAP financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

iQIYI believes that these non-GAAP financial measures provide meaningful supplemental information regarding its operating performance by excluding certain items that may not be indicative of its business operating results, such as operating performance excluding non-cash charges or non-operating in nature. The Company believes that both management and investors benefit from referring to the non-GAAP financial measures in assessing its performance and when planning and forecasting future periods. These non-GAAP financial measures also facilitate management’s internal comparisons to iQIYI’s historical operating performance. The Company believes the non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information

used by management in its financial and operational decision making. A limitation of using these non-GAAP financial measures is that the non-GAAP measures exclude certain items that have been and will continue to be for the foreseeable future a significant component in the Company's results of operations. These non-GAAP financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data.

Non-GAAP operating income represents operating income excluding share-based compensation expenses, amortization of intangible assets resulting from business combinations.

Non-GAAP net income/(loss) attributable to iQIYI, Inc. represents net income/(loss) attributable to iQIYI, Inc. excluding share-based compensation expenses, amortization of intangible assets resulting from business combinations, disposal gain or loss, impairment of long-term investments, fair value change of long-term investments, adjusted for related income tax effects. iQIYI's share of equity method investments for these non-GAAP reconciling items, primarily amortization and impairment of intangible assets not on the investees' books, accretion of their redeemable non-controlling interests, and the gain or loss associated with the issuance of shares by the investees at a price higher or lower than the carrying value per share, adjusted for related income tax effects, are also excluded.

Non-GAAP diluted net income/(loss) per ADS represents diluted net income/(loss) per ADS calculated by dividing non-GAAP net income/(loss) attributable to iQIYI, Inc, by the weighted average number of ordinary shares expressed in ADS.

Free cash flow represents net cash provided by operating activities less capital expenditures.

For more information, please contact:

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iQIYI, INC.

Condensed Consolidated Statements of Income/(Loss)

(In RMB thousands, except for number of shares and per share data)

|  | Three Months Ended |                    |                    | Six Months Ended    |                     |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|
|  | June 30,           | March 31,          | June 30,           | June 30,            | June 30,            |
|  | 2024               | 2025               | 2025               | 2024                | 2025                |
|  | RMB                | RMB                | RMB                | RMB                 | RMB                 |
|  | (Unaudited)        | (Unaudited)        | (Unaudited)        | (Unaudited)         | (Unaudited)         |
| <b>Revenues:</b>   |                    |                    |                    |                     |                     |
| Membership services  | 4,495,310          | 4,399,010          | 4,090,126          | 9,294,171           | 8,489,136           |
| Online advertising services  | 1,461,367          | 1,327,827          | 1,272,198          | 2,943,419           | 2,600,025           |
| Content distribution   | 698,175            | 628,743            | 436,578            | 1,626,184           | 1,065,321           |
| Others   | 783,933            | 830,889            | 829,346            | 1,502,366           | 1,660,235           |
| <b>Total revenues</b>  | <b>7,438,785</b>   | <b>7,186,469</b>   | <b>6,628,248</b>   | <b>15,366,140</b>   | <b>13,814,717</b>   |
| <b>Operating costs and expenses:</b>   |                    |                    |                    |                     |                     |
| Cost of revenues   | (5,678,342)        | (5,406,341)        | (5,292,894)        | (11,309,581)        | (10,699,235)        |
| Selling, general and administrative  | (969,673)          | (1,025,742)        | (959,604)          | (1,891,708)         | (1,985,346)         |
| Research and development   | (448,677)          | (412,489)          | (421,918)          | (878,005)           | (834,407)           |
| <b>Total operating costs and expenses</b>  | <b>(7,096,692)</b> | <b>(6,844,572)</b> | <b>(6,674,416)</b> | <b>(14,079,294)</b> | <b>(13,518,988)</b> |
| <b>Operating income/(loss)</b>   | <b>342,093</b>     | <b>341,897</b>     | <b>(46,168)</b>    | <b>1,286,846</b>    | <b>295,729</b>      |
| <b>Other income/(expenses):</b>  |                    |                    |                    |                     |                     |
| Interest income  | 68,688             | 78,756             | 87,779             | 127,428             | 166,535             |
| Interest expenses  | (288,162)          | (233,429)          | (235,267)          | (570,297)           | (468,696)           |
| Foreign exchange gain/(loss), net  | (51,338)           | 41,889             | 100,811            | (82,889)            | 142,700             |
| Share of gains/(losses) from equity method investments   | (2,100)            | (3,617)            | (1,086)            | 11,414              | (4,703)             |
| Others, net  | 32,476             | 1,724              | (14,134)           | 12,617              | (12,410)            |
| <b>Total other expense, net</b>  | <b>(240,436)</b>   | <b>(114,677)</b>   | <b>(61,897)</b>    | <b>(501,727)</b>    | <b>(176,574)</b>    |
| <b>Income/(loss) before income taxes</b>   | <b>101,657</b>     | <b>227,220</b>     | <b>(108,065)</b>   | <b>785,119</b>      | <b>119,155</b>      |
| Income tax expense   | (25,741)           | (41,590)           | (27,155)           | (43,374)            | (68,745)            |
| <b>Net income/(loss)</b>   | <b>75,916</b>      | <b>185,630</b>     | <b>(135,220)</b>   | <b>741,745</b>      | <b>50,410</b>       |
| Less: Net income/(loss) attributable to noncontrolling interests   | 7,231              | 3,485              | (1,512)            | 17,743              | 1,973               |
| <b>Net income/(loss) attributable to iQIYI, Inc.</b>   | <b>68,685</b>      | <b>182,145</b>     | <b>(133,708)</b>   | <b>724,002</b>      | <b>48,437</b>       |
| <b>Net income/(loss) attributable to ordinary shareholders</b>   | <b>68,685</b>      | <b>182,145</b>     | <b>(133,708)</b>   | <b>724,002</b>      | <b>48,437</b>       |
| <b>Net income/(loss) per share for Class A and Class B ordinary shares:</b>  |                    |                    |                    |                     |                     |
| Basic  | 0.01               | 0.03               | (0.02)             | 0.11                | 0.01                |
| Diluted  | 0.01               | 0.03               | (0.02)             | 0.11                | 0.01                |
| <b>Net income/(loss) per ADS (1 ADS equals 7 Class A ordinary shares):</b>   |                    |                    |                    |                     |                     |
| Basic  | 0.07               | 0.19               | (0.14)             | 0.75                | 0.05                |
| Diluted  | 0.07               | 0.19               | (0.14)             | 0.74                | 0.05                |
| <b>Weighted average number of Class A and Class B ordinary shares used in net income/(loss) per share computation:</b> |                    |                    |                    |                     |                     |
| Basic  | 6,725,978,497      | 6,740,810,595      | 6,743,563,754      | 6,721,815,708       | 6,742,194,780       |
| Diluted  | 6,857,915,450      | 6,780,303,294      | 6,743,563,754      | 6,822,994,286       | 6,780,167,606       |

**iQIYI, INC.**  
**Condensed Consolidated Balance Sheets**

(In RMB thousands, except for number of shares and per share data)

|   | <b>December 31,<br/>2024</b> | <b>June 30,<br/>2025</b>   |
|---|------------------------------|----------------------------|
|   | <b>RMB</b>                   | <b>RMB<br/>(Unaudited)</b> |
| <b>ASSETS</b>                                     |                              |                            |
| <b>Current assets:</b>                            |                              |                            |
| Cash and cash equivalents                         | 3,529,679                    | 3,329,708                  |
| Restricted cash                                   | -                            | 2,062                      |
| Short-term investments                            | 941,610                      | 917,165                    |
| Accounts receivable, net                          | 2,191,178                    | 2,191,126                  |
| Prepayments and other assets                      | 2,192,928                    | 2,172,378                  |
| Amounts due from related parties                  | 283,123                      | 264,262                    |
| Licensed copyrights, net                          | 388,718                      | 579,132                    |
| <b>Total current assets</b>                       | <b>9,527,236</b>             | <b>9,455,833</b>           |
| <b>Non-current assets:</b>                        |                              |                            |
| Fixed assets, net                                 | 877,982                      | 839,284                    |
| Long-term investments                             | 2,108,477                    | 1,978,055                  |
| Deferred tax assets, net                          | 23,536                       | 21,197                     |
| Licensed copyrights, net                          | 6,930,053                    | 6,669,903                  |
| Intangible assets, net                            | 289,861                      | 252,596                    |
| Produced content, net                             | 14,707,869                   | 14,484,001                 |
| Prepayments and other assets                      | 2,913,919                    | 4,470,231                  |
| Operating lease assets                            | 609,832                      | 513,704                    |
| Goodwill  | 3,820,823                    | 3,820,823                  |
| Amounts due from related parties                  | 3,950,937                    | 3,859,086                  |
| <b>Total non-current assets</b>                   | <b>36,233,289</b>            | <b>36,908,880</b>          |
| <b>Total assets</b>                               | <b>45,760,525</b>            | <b>46,364,713</b>          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                              |                            |
| <b>Current liabilities:</b>                       |                              |                            |
| Accounts and notes payable                        | 6,482,209                    | 6,956,061                  |
| Amounts due to related parties                    | 3,239,036                    | 3,361,596                  |
| Customer advances and deferred revenue            | 4,403,686                    | 4,457,113                  |
| Convertible senior notes, current portion         | 242,460                      | 1,483,936                  |
| Short-term loans                                  | 3,786,901                    | 2,757,119                  |
| Long-term loans, current portion                  | 167,987                      | 717,991                    |
| Operating lease liabilities, current portion      | 96,675                       | 81,728                     |
| Accrued expenses and other liabilities            | 3,058,379                    | 2,725,586                  |
| <b>Total current liabilities</b>                  | <b>21,477,333</b>            | <b>22,541,130</b>          |
| <b>Non-current liabilities:</b>                   |                              |                            |
| Long-term loans                                   | 1,036,835                    | 2,300,177                  |
| Convertible senior notes                          | 8,350,570                    | 6,739,446                  |
| Amounts due to related parties                    | 59,226                       | 49,057                     |
| Operating lease liabilities                       | 461,974                      | 363,730                    |
| Other non-current liabilities                     | 1,000,823                    | 860,803                    |
| <b>Total non-current liabilities</b>              | <b>10,909,428</b>            | <b>10,313,213</b>          |
| <b>Total liabilities</b>                          | <b>32,386,761</b>            | <b>32,854,343</b>          |
| <b>Shareholders' equity:</b>                      |                              |                            |
| Class A ordinary shares                           | 238                          | 238                        |
| Class B ordinary shares                           | 193                          | 193                        |
| Additional paid-in capital                        | 55,623,841                   | 55,842,259                 |
| Accumulated deficit                               | (43,809,369)                 | (43,760,932)               |
| Accumulated other comprehensive income            | 1,550,523                    | 1,438,027                  |
| Non-controlling interests                         | 8,338                        | (9,415)                    |
| <b>Total shareholders' equity</b>                 | <b>13,373,764</b>            | <b>13,510,370</b>          |
| <b>Total liabilities and shareholders' equity</b> | <b>45,760,525</b>            | <b>46,364,713</b>          |



iQIYI, INC.

Condensed Consolidated Statements of Cash Flows

(In RMB thousands, except for number of shares and per share data)

|  | Three Months Ended      |                         |                         |
|--|-------------------------|-------------------------|-------------------------|
|  | June 30,<br>2024        | March 31,<br>2025       | June 30,<br>2025        |
|  | RMB                     | RMB                     | RMB                     |
|  | (Unaudited)             | (Unaudited)             | (Unaudited)             |
| <b>Net cash provided by/(used for) operating activities</b>                                      | <b>410,752</b>          | <b>338,950</b>          | <b>(12,731)</b>         |
| Net cash provided by/(used for) investing activities <sup>(1-2)</sup>                            | 336,256                 | (30,136)                | (114,005)               |
| Net cash provided by/(used for) financing activities   | 865,894                 | 860,477                 | (465,256)               |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash                    | 23,113                  | (1,232)                 | (27,881)                |
| <b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>                     | <b>1,636,015</b>        | <b>1,168,059</b>        | <b>(619,873)</b>        |
| Cash, cash equivalents and restricted cash at the beginning of the period                        | 6,271,368               | 3,590,331               | 4,758,390               |
| Cash, cash equivalents and restricted cash at the end of the period                              | <u>7,907,383</u>        | <u>4,758,390</u>        | <u>4,138,517</u>        |
| <b>Reconciliation of cash and cash equivalents and restricted cash:</b>                          |                         |                         |                         |
| Cash and cash equivalents  | 6,301,808               | 4,320,028               | 3,329,708               |
| Restricted cash  | -                       | 1,899                   | 2,062                   |
| Long-term restricted cash  | 1,605,575               | 436,463                 | 806,747                 |
| <b>Total cash and cash equivalents and restricted cash shown in the statements of cash flows</b> | <b><u>7,907,383</u></b> | <b><u>4,758,390</u></b> | <b><u>4,138,517</u></b> |
| <b>Net cash provided by/(used for) operating activities</b>                                      | <b>410,752</b>          | <b>338,950</b>          | <b>(12,731)</b>         |
| Less: Capital expenditures <sup>(2)</sup>  | (28,299)                | (31,252)                | (21,410)                |
| <b>Free cash flow</b>  | <b><u>382,453</u></b>   | <b><u>307,698</u></b>   | <b><u>(34,141)</u></b>  |

- (1) Net cash provided by or used for investing activities primarily consists of net cash flows from investing in debt securities, purchase of long-term investments and capital expenditures.
- (2) Capital expenditures are incurred primarily in connection with construction in process, computers and servers.

iQIYI, INC.

Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures

(Amounts in thousands of Renminbi ("RMB"), except for per ADS information, unaudited)

|  | Three Months Ended |                |                  |
|--|--------------------|----------------|------------------|
|  | June 30,           | March 31,      | June 30,         |
|  | 2024               | 2025           | 2025             |
|  | RMB                | RMB            | RMB              |
| <b>Operating income/(loss)</b>                           | <b>342,093</b>     | <b>341,897</b> | <b>(46,168)</b>  |
| Add: Share-based compensation expenses                   | 157,791            | 115,105        | 103,313          |
| Add: Amortization of intangible assets <sup>(1)</sup>    | 1,533              | 1,533          | 1,533            |
| <b>Operating income (non-GAAP)</b>                       | <b>501,417</b>     | <b>458,535</b> | <b>58,678</b>    |
| <b>Net income/(loss) attributable to iQIYI, Inc.</b>     | <b>68,685</b>      | <b>182,145</b> | <b>(133,708)</b> |
| Add: Share-based compensation expenses                   | 157,791            | 115,105        | 103,313          |
| Add: Amortization of intangible assets <sup>(1)</sup>    | 1,533              | 1,533          | 1,533            |
| Add: Impairment of long-term investments                 | 16,591             | 2,000          | 25,950           |
| Add: Fair value loss/(gain) of long-term investments     | 2,577              | (1,740)        | 17,564           |
| Add: Reconciling items on equity method investments      | -                  | 5,377          | -                |
| Add: Tax effects on non-GAAP adjustments <sup>(2)</sup>  | (263)              | -              | -                |
| <b>Net income attributable to iQIYI, Inc. (non-GAAP)</b> | <b>246,914</b>     | <b>304,420</b> | <b>14,652</b>    |
| <b>Diluted net income/(loss) per ADS</b>                 | <b>0.07</b>        | <b>0.19</b>    | <b>(0.14)</b>    |
| Add: Non-GAAP adjustments to earnings per ADS            | 0.18               | 0.12           | 0.16             |
| <b>Diluted net income per ADS (non-GAAP)</b>             | <b>0.25</b>        | <b>0.31</b>    | <b>0.02</b>      |

(1) This represents amortization of intangible assets resulting from business combinations.

(2) This represents tax impact of all relevant non-GAAP adjustments.