

Studio City International Holdings Limited and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
OPERATING REVENUES				
Provision of gaming related services	\$ 101,145	\$ 70,194	\$ 191,536	\$ 168,595
Rooms	20,990	21,750	41,950	43,583
Food and beverage	17,277	15,406	34,790	31,459
Entertainment	3,911	2,618	10,083	6,273
Services fee	10,326	9,955	19,378	19,606
Mall	(4,456)	4,264	1,926	10,698
Retail and other	517	1,084	1,150	1,956
Total operating revenues	<u>149,710</u>	<u>125,271</u>	<u>300,813</u>	<u>282,170</u>
OPERATING COSTS AND EXPENSES				
Provision of gaming related services	(5,852)	(5,261)	(11,634)	(10,756)
Rooms	(5,095)	(5,533)	(10,733)	(10,954)
Food and beverage	(14,302)	(13,465)	(29,326)	(27,370)
Entertainment	(6,453)	(3,545)	(13,220)	(6,886)
Mall	(2,273)	(2,248)	(5,007)	(5,382)
Retail and other	(412)	(621)	(902)	(1,274)
General and administrative	(32,819)	(33,913)	(63,259)	(65,855)
Pre-opening costs	(60)	(11)	(2,549)	(53)
Amortization of land use right	(825)	(830)	(1,648)	(1,661)
Depreciation and amortization	(43,762)	(42,135)	(86,077)	(83,783)
Property charges and other	(8,196)	(1,164)	(8,325)	(3,527)
Total operating costs and expenses	<u>(120,049)</u>	<u>(108,726)</u>	<u>(232,680)</u>	<u>(217,501)</u>
OPERATING INCOME	<u>29,661</u>	<u>16,545</u>	<u>68,133</u>	<u>64,669</u>
NON-OPERATING INCOME (EXPENSES)				
Interest income	457	696	1,961	1,439
Interest expenses	(33,354)	(40,102)	(67,408)	(80,184)
Loan commitment fees	(104)	(105)	(207)	(208)
Foreign exchange losses, net	(2,214)	(310)	(1,301)	(162)
Other (expenses) income, net	(88)	(88)	605	(22)
Loss on extinguishment of debt	-	-	(2,995)	-
Costs associated with debt modification	-	-	(579)	-
Total non-operating expenses, net	<u>(35,303)</u>	<u>(39,909)</u>	<u>(69,924)</u>	<u>(79,137)</u>
LOSS BEFORE INCOME TAX	<u>(5,642)</u>	<u>(23,364)</u>	<u>(1,791)</u>	<u>(14,468)</u>
INCOME TAX EXPENSE	<u>(77)</u>	<u>(328)</u>	<u>(143)</u>	<u>(375)</u>
NET LOSS	<u>(5,719)</u>	<u>(23,692)</u>	<u>(1,934)</u>	<u>(14,843)</u>
NET LOSS ATTRIBUTABLE TO PARTICIPATION INTEREST	<u>1,320</u>	<u>-</u>	<u>447</u>	<u>-</u>
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL HOLDINGS LIMITED	<u>\$ (4,399)</u>	<u>\$ (23,692)</u>	<u>\$ (1,487)</u>	<u>\$ (14,843)</u>
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL HOLDINGS LIMITED PER CLASS A ORDINARY SHARE:				
Basic and diluted	<u>\$ (0.018)</u>	<u>\$ (0.131)</u>	<u>\$ (0.006)</u>	<u>\$ (0.082)</u>
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL HOLDINGS LIMITED PER ADS:				
Basic and diluted	<u>\$ (0.073)</u>	<u>\$ (0.523)</u>	<u>\$ (0.025)</u>	<u>\$ (0.328)</u>
WEIGHTED AVERAGE CLASS A ORDINARY SHARES OUTSTANDING USED IN NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL HOLDINGS LIMITED PER CLASS A ORDINARY SHARE CALCULATION:				
Basic and diluted	<u>241,818,016</u>	<u>181,279,400</u>	<u>241,818,016</u>	<u>181,279,400</u>

Note:

In connection with the Company's initial public offering (the "IPO") on October 22, 2018, the Company underwent a series of organizational transactions. For the preparation of the accompanying unaudited condensed consolidated financial statements and the calculation of net loss attributable to Studio City International Holdings Limited per Class A ordinary share for the periods prior to the IPO, the Company has retrospectively presented net loss attributable to Studio City International Holdings Limited per Class A ordinary share and the share capital as if the organizational transactions had occurred at the beginning of the earliest period presented. Such retrospective presentation reflects the redesignation of the issued 18,127.94 ordinary shares of \$1 par value each to 181,279,400 Class A ordinary shares of \$0.0001 par value each. For the periods prior to the IPO date, the retrospective presentation does not include the exchange of 72,511,760 Class A ordinary shares into 72,511,760 Class B ordinary shares of \$0.0001 par value each and the issuance of 115,000,000 Class A ordinary shares in the IPO.

Studio City International Holdings Limited and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars, except share and per share data)

	June 30,	December 31,
	2019	2018
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 520,601	\$ 345,854
Bank deposit with original maturity over three months	60,152	-
Restricted cash	29,245	31,582
Accounts receivable, net	1,614	1,712
Amounts due from affiliated companies	61,412	42,339
Inventories	10,061	9,904
Prepaid expenses and other current assets	13,372	27,650
Total current assets	696,457	459,041
PROPERTY AND EQUIPMENT, NET	2,124,976	2,175,858
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	37,708	45,766
RESTRICTED CASH	130	129
OPERATING LEASE RIGHT-OF-USE ASSETS	14,385	-
LAND USE RIGHT, NET	120,170	121,544
TOTAL ASSETS	\$ 2,993,826	\$ 2,802,338
LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST		
CURRENT LIABILITIES		
Accounts payable	\$ 4,436	\$ 6,421
Accrued expenses and other current liabilities	69,240	62,825
Income tax payable	33	33
Current portion of long-term debt, net	348,957	347,740
Amounts due to affiliated companies	16,095	21,953
Total current liabilities	438,761	438,972
LONG-TERM DEBT, NET	1,432,585	1,261,904
OTHER LONG-TERM LIABILITIES	5,526	4,017
DEFERRED TAX LIABILITIES	1,190	1,044
OPERATING LEASE LIABILITIES, NON-CURRENT	13,207	-
AMOUNT DUE TO AN AFFILIATED COMPANY	282	-
TOTAL LIABILITIES	1,891,551	1,705,937
SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST		
Class A ordinary shares	24	24
Class B ordinary shares	7	7
Additional paid-in capital	1,655,602	1,655,602
Accumulated other comprehensive losses	(8,056)	(14,063)
Accumulated losses	(799,585)	(798,098)
Total shareholders' equity	847,992	843,472
PARTICIPATION INTEREST	254,283	252,929
Total shareholders' equity and participation interest	1,102,275	1,096,401
TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST	\$ 2,993,826	\$ 2,802,338

Studio City International Holdings Limited and Subsidiaries
Reconciliation of Net Loss Attributable to Studio City International Holdings Limited to
Adjusted Net Income (Loss) Attributable to Studio City International Holdings Limited
(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Loss Attributable to				
Studio City International Holdings Limited	\$ (4,399)	\$ (23,692)	\$ (1,487)	\$ (14,843)
Pre-opening Costs	60	11	2,549	53
Property Charges and Other	8,196	1,164	8,325	3,527
Loss on Extinguishment of Debt	-	-	2,995	-
Costs Associated with Debt Modification	-	-	579	-
Participation Interest Impact on Adjustments	(1,905)	-	(3,333)	-
Adjusted Net Income (Loss) Attributable to				
Studio City International Holdings Limited	<u>\$ 1,952</u>	<u>\$ (22,517)</u>	<u>\$ 9,628</u>	<u>\$ (11,263)</u>
ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO				
STUDIO CITY INTERNATIONAL HOLDINGS LIMITED				
PER CLASS A ORDINARY SHARE:				
Basic and diluted	<u>\$ 0.008</u>	<u>\$ (0.124)</u>	<u>\$ 0.040</u>	<u>\$ (0.062)</u>
ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO				
STUDIO CITY INTERNATIONAL HOLDINGS LIMITED				
PER ADS:				
Basic and diluted	<u>\$ 0.032</u>	<u>\$ (0.497)</u>	<u>\$ 0.159</u>	<u>\$ (0.249)</u>
WEIGHTED AVERAGE CLASS A ORDINARY SHARES				
OUTSTANDING USED IN ADJUSTED NET INCOME (LOSS)				
ATTRIBUTABLE TO				
STUDIO CITY INTERNATIONAL HOLDINGS LIMITED				
PER CLASS A ORDINARY SHARE CALCULATION:				
Basic and diluted	<u>241,818,016</u>	<u>181,279,400</u>	<u>241,818,016</u>	<u>181,279,400</u>

Studio City International Holdings Limited and Subsidiaries
Reconciliation of Operating Income to Adjusted EBITDA
(In thousands of U.S. dollars)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating Income	\$ 29,661	\$ 16,545	\$ 68,133	\$ 64,669
Pre-opening Costs	60	11	2,549	53
Depreciation and Amortization	44,587	42,965	87,725	85,444
Property Charges and Other	8,196	1,164	8,325	3,527
Adjusted EBITDA	<u>\$ 82,504</u>	<u>\$ 60,685</u>	<u>\$ 166,732</u>	<u>\$ 153,693</u>

Studio City International Holdings Limited and Subsidiaries
Reconciliation of Net Loss Attributable to Studio City International Holdings Limited to Adjusted EBITDA
(In thousands of U.S. dollars)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Loss Attributable to				
Studio City International Holdings Limited	\$ (4,399)	\$ (23,692)	\$ (1,487)	\$ (14,843)
Net Loss Attributable to Participation Interest	(1,320)	-	(447)	-
Net Loss	<u>(5,719)</u>	<u>(23,692)</u>	<u>(1,934)</u>	<u>(14,843)</u>
Income Tax Expense	77	328	143	375
Interest and Other Non-Operating Expenses, Net	35,303	39,909	69,924	79,137
Property Charges and Other	8,196	1,164	8,325	3,527
Depreciation and Amortization	44,587	42,965	87,725	85,444
Pre-opening Costs	60	11	2,549	53
Adjusted EBITDA	<u>\$ 82,504</u>	<u>\$ 60,685</u>	<u>\$ 166,732</u>	<u>\$ 153,693</u>

Studio City International Holdings Limited and Subsidiaries
Supplemental Data Schedule

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Room Statistics:				
Average daily rate ⁽³⁾	\$ 132	\$ 135	\$ 133	\$ 137
Occupancy per available room	100%	100%	100%	100%
Revenue per available room ⁽⁴⁾	\$ 132	\$ 135	\$ 133	\$ 137
Other Information:				
Average number of table games	293	293	293	293
Average number of gaming machines	985	959	980	951
Table games win per unit per day ⁽⁵⁾	\$ 12,812	\$ 13,509	\$ 12,660	\$ 14,399
Gaming machines win per unit per day ⁽⁶⁾	\$ 225	\$ 237	\$ 218	\$ 244

⁽³⁾ Average daily rate is calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total occupied rooms including complimentary rooms

⁽⁴⁾ Revenue per available room is calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available

⁽⁵⁾ Table games win per unit per day is shown before discounts, commissions, non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis

⁽⁶⁾ Gaming machines win per unit per day is shown before non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis