

No longer just in your **thought bubble**

DearU

3Q24 Earnings Results

Nov 2024

Disclaimer

All financial information contained herein is based on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”).

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We expressly disclaim and do not bear responsibility to publicly update any changes in our expectations, or any changes in our events, conditions.

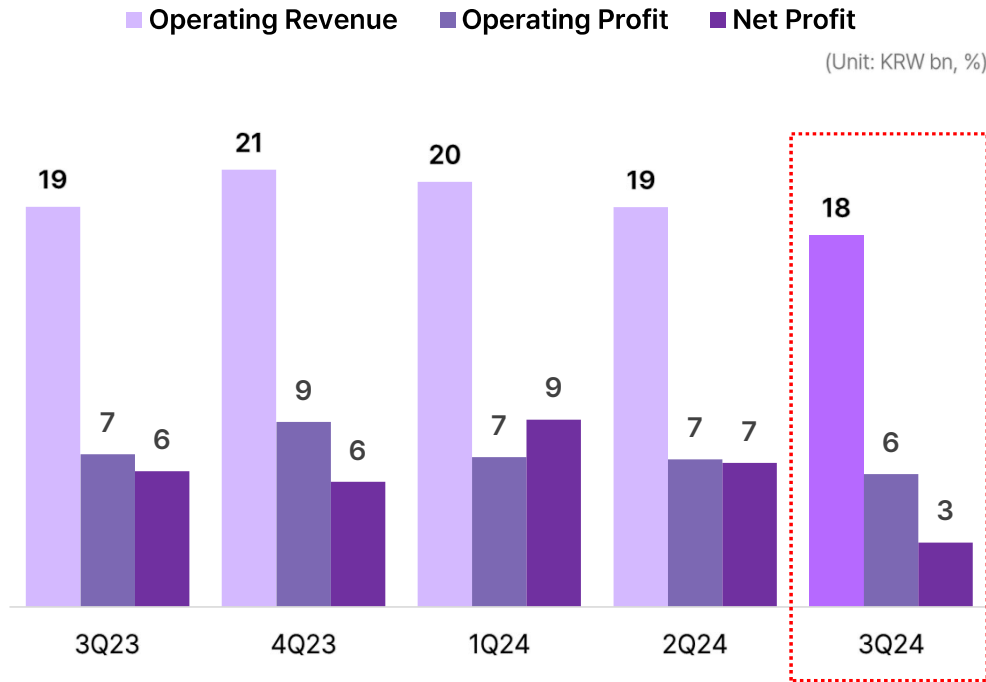
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Ticker: 376300, KOSDAQ

3Q24 Earnings Summary



3Q24 Review

▶ 3Q24

Operating Revenue: W 17.7 bn (- 7.0% QoQ, - 8.5% YoY)
 Operating Profit: W 6.3 bn (-10.1% QoQ, -13.1% YoY)
 Net Profit: W 3.1 bn (-55.2% QoQ, -52.5% YoY)

▶ Operating revenue decreased due to slowed subscription, which fell 6% QoQ in 3Q

- Subscriptions slowed due to prolonged impact of absence of ZEROBASEONE who exited bubble in 2Q, amidst lack of new major IP onboarding
- Also K-Pop artist activity was slow in 3Q due to delayed album launches to avoid the Olympics period

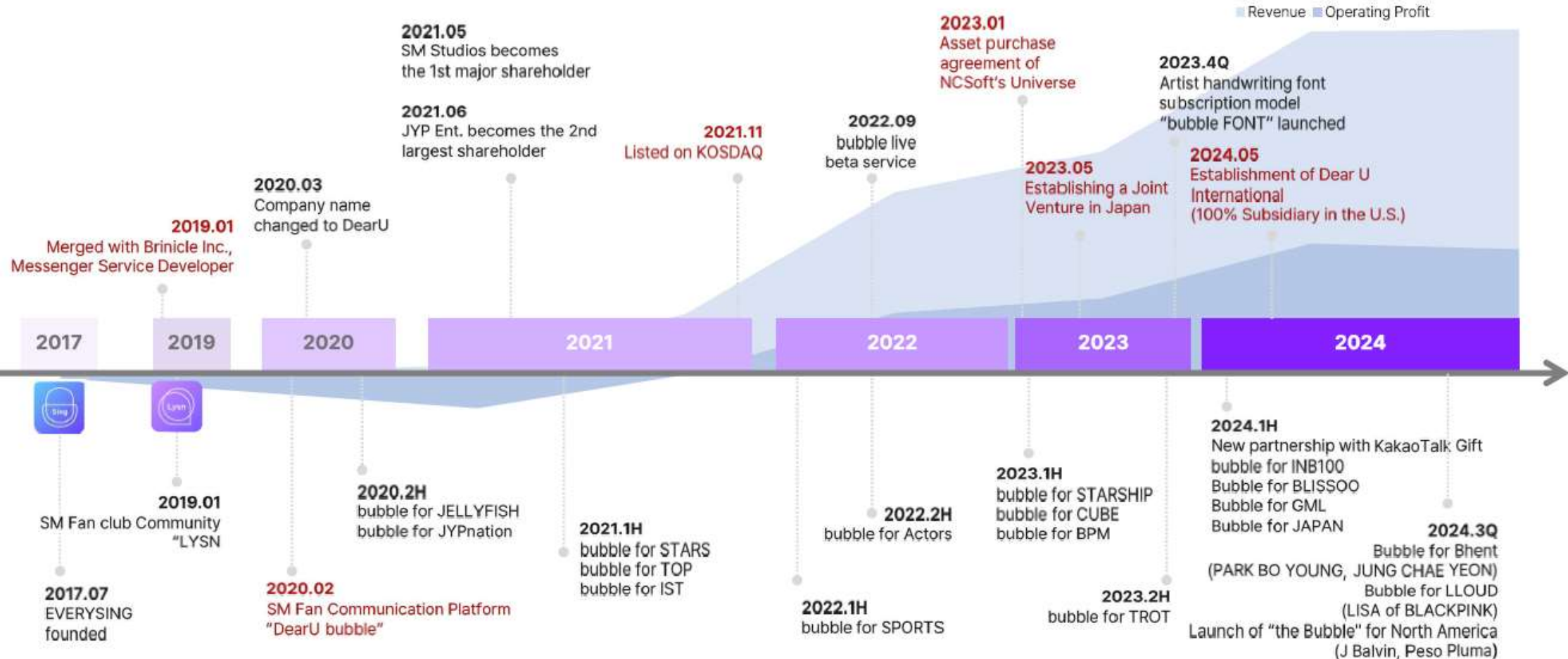
▶ OpEx rose from US subsidiary, legal and admin expenses related to launching 'the bubble' service in the Americas region

▶ NP fell QoQ due to FX related losses

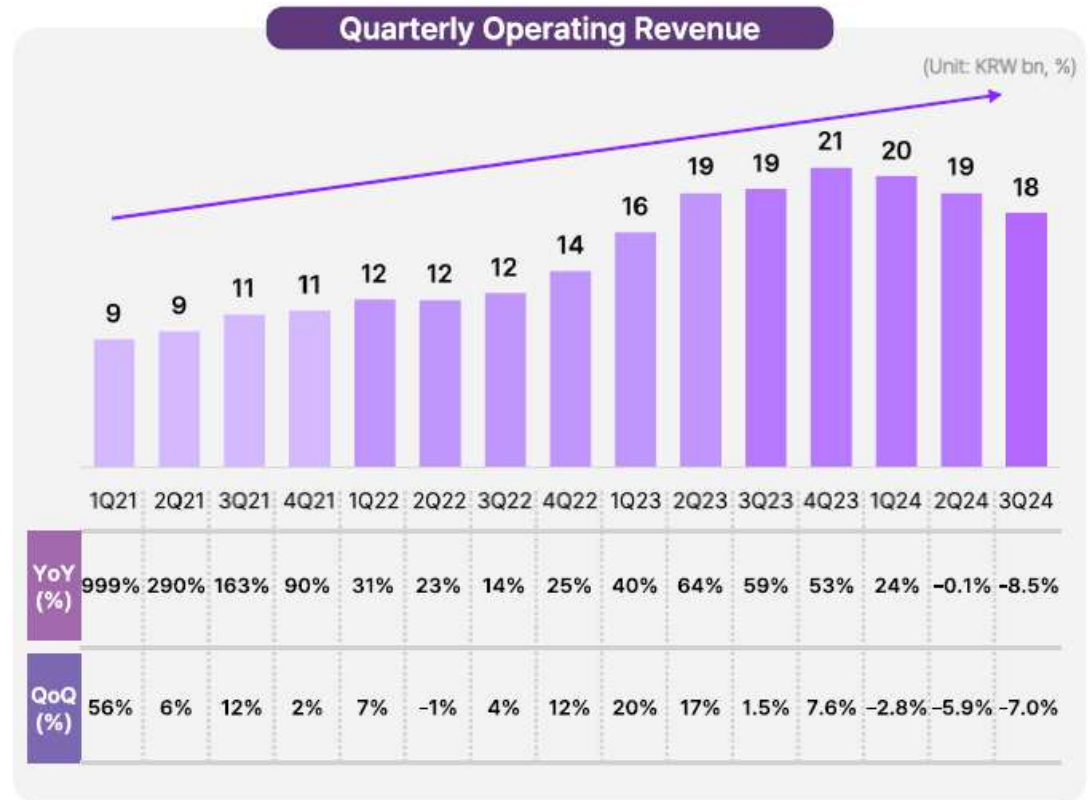
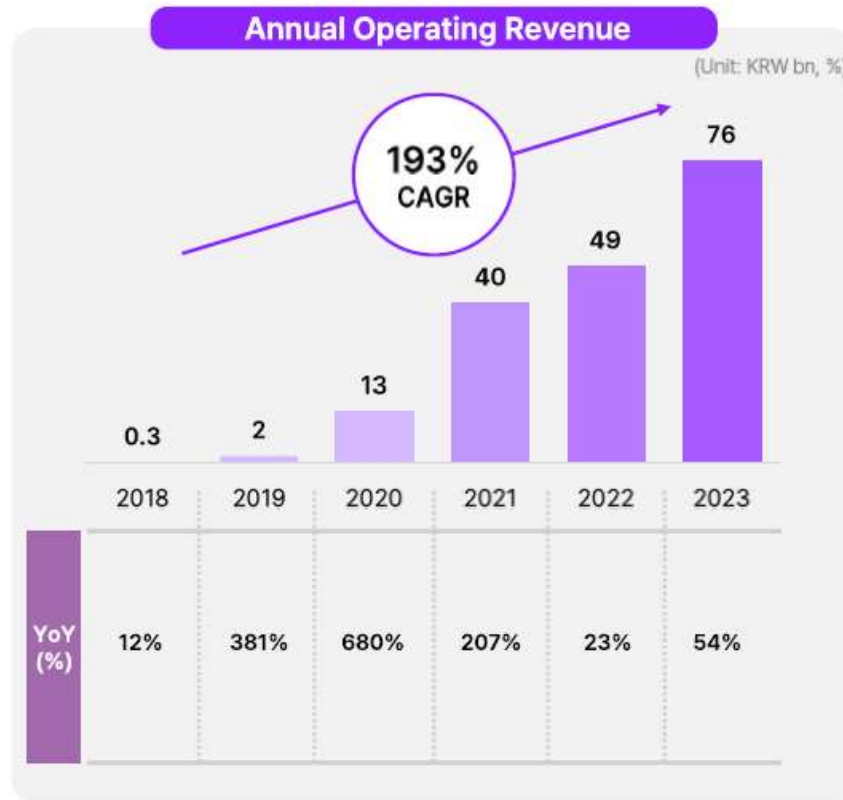
▶ New Launches in September

- **LISA (BLACKPINK)** on "bubble for LLOUD"
- **US:** 'the bubble' launched with popular Latin artists
J Balvin: known as the KING of Reggaeton, has sold over 35 million albums
Peso Pluma: The most popular star in Mexico and 5th most streamed artist on Spotify in 2023

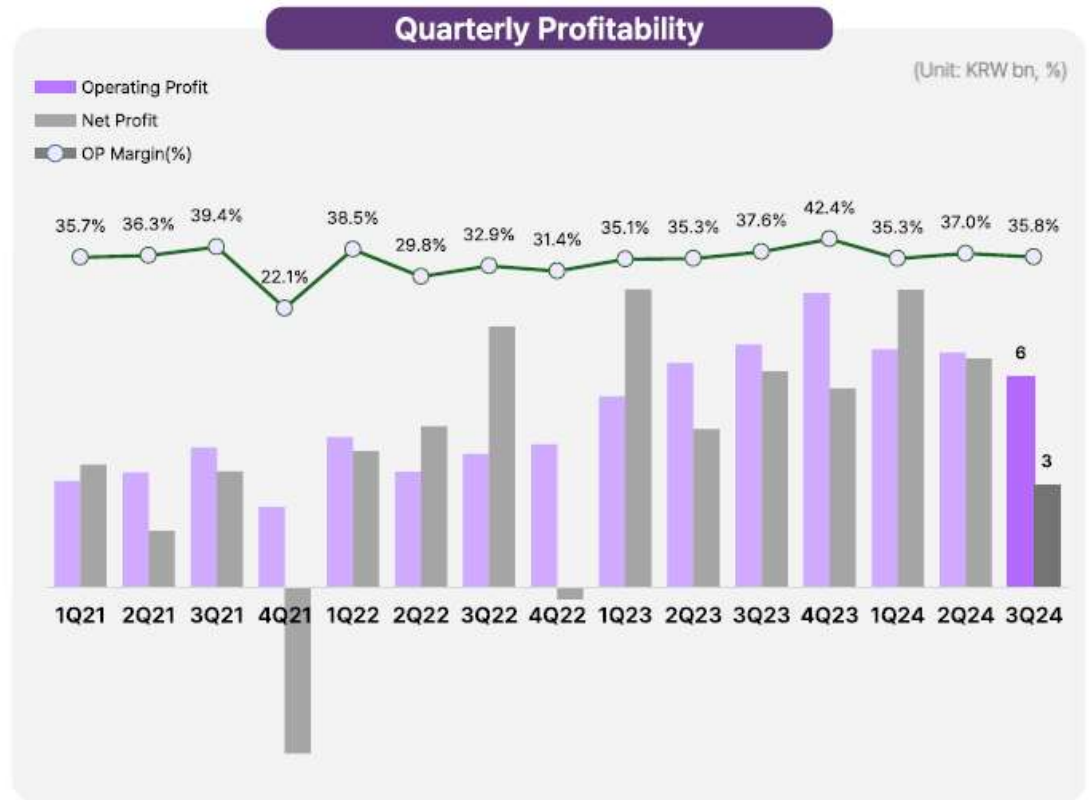
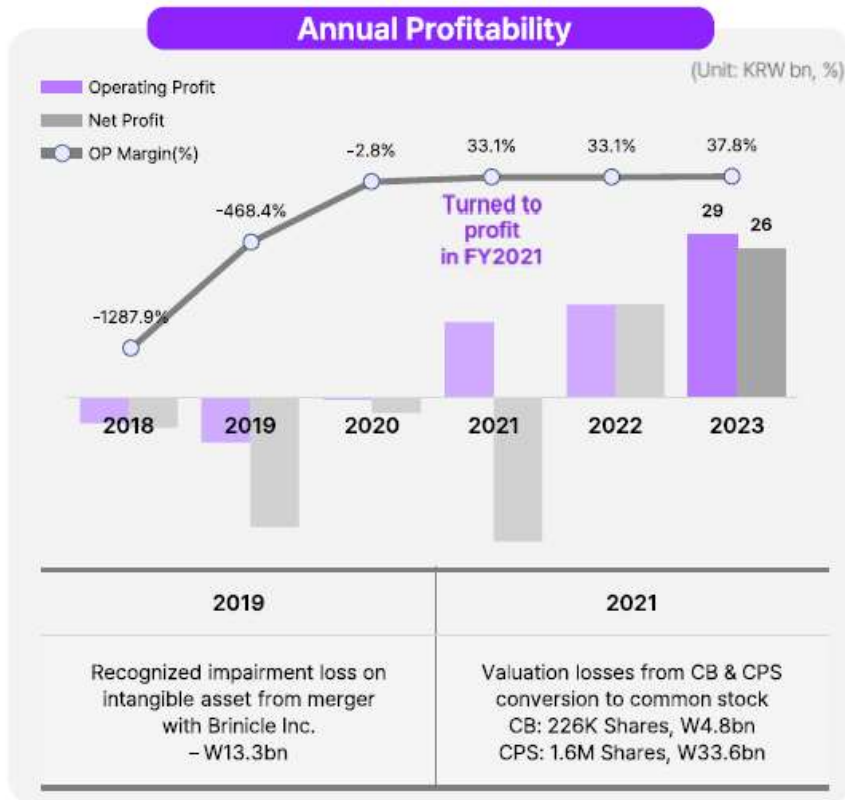
Company Timeline



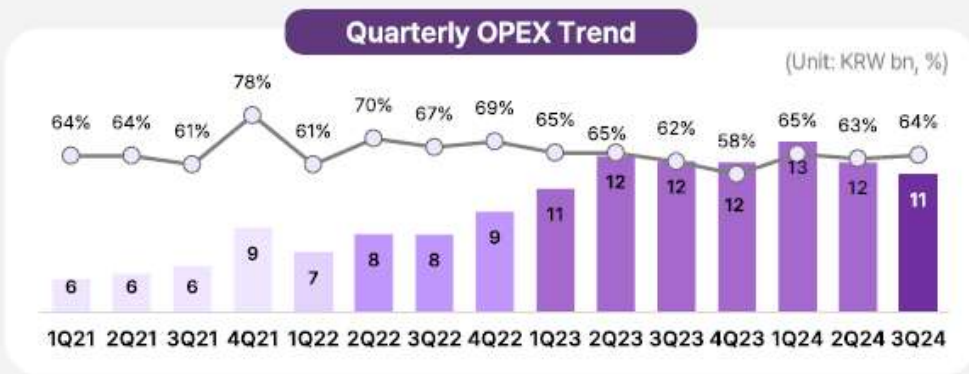
Financial Highlights(1) – Operating Revenue



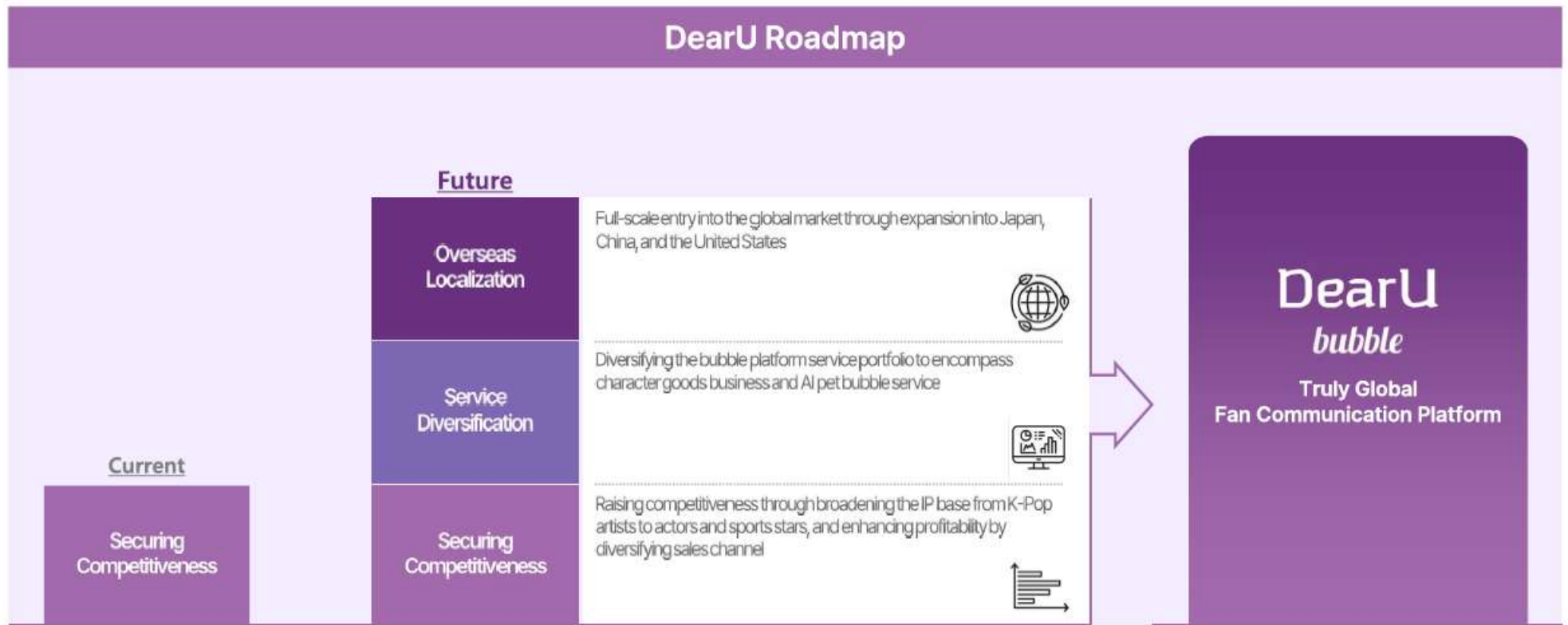
Financial Highlights(2) – Profitability



Financial Highlights(3) – OPEX



DearU Roadmap



Appendix. Non-consolidated Financial Statements

Statement of Income

(Unit: KRW Mil.)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	2021	2022	2023
Operating Revenue	11,706	11,647	12,165	13,676	16,353	19,098	19,383	20,858	20,280	19,076	17,736	40,001	49,194	75,692
Operating Expenses	7,196	8,174	8,160	9,378	10,612	12,351	12,089	12,014	13,127	12,016	11,162	26,760	32,908	47,066
Operating Income	4,510	3,472	4,005	4,299	5,741	6,747	7,294	8,844	7,153	7,060	6,575	13,241	16,286	28,626
Non-operating Income	541	1,605	3,893	-2,123	3,280	1,642	2,944	1,390	4,568	3,589	1,084	1,260	3,916	9,256
Non-operating Expenses	29	221	59	2,986	60	620	1,126	3,391	213	1,967	3,420	38,881	3,294	5,199
Earnings before income taxes	5,022	4,857	7,839	-810	8,960	7,769	9,113	6,841	11,508	8,682	4,239	-24,380	16,907	32,683
Income tax expense	930	28		-447		3,011	2,622	832	2,521	1,690	978	852	511	6,465
Net Income	4,091	4,829	7,839	-363	8,960	4,758	6,491	6,009	8,987	6,992	3,261	-25,232	16,396	26,218

Statement of Financial Position

(Unit: KRW Mil.)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Current Assets	111,326	115,193	129,076	134,889	139,683	138,959	151,911	147,355	155,523	157,360	159,639
Cash and Cash Equivalents	90,586	94,472	109,778	115,659	105,123	113,132	123,527	118,434	121,887	126,563	130,119
Non-current Assets	27,627	19,093	19,080	17,652	27,143	32,727	32,213	43,302	46,349	49,859	51,060
Total Assets	138,952	134,286	148,156	152,541	166,827	171,686	184,124	190,657	201,872	207,219	210,699
Current Liabilities	10,416	10,015	10,192	11,049	13,021	13,854	19,194	16,856	18,804	16,730	17,608
Non-current Liabilities	734	674	684	267	450	427	341	4,243	3,941	3,951	3,388
Total Liabilities	11,150	10,689	10,876	11,316	13,471	14,281	19,535	21,099	22,745	20,682	20,996
Capital Stock	10,989	10,989	11,565	11,792	11,852	11,869	11,869	11,869	11,869	11,869	11,869
Capital Surplus	150,740	150,740	156,670	159,005	162,102	162,282	162,282	162,282	162,282	162,282	162,282
Other elements of shareholders' equity	19,340	10,306	9,644	11,161	10,693	10,283	10,283	10,283	10,283	10,283	10,283
Accumulated other comprehensive income					482	-13	679	-129	453	872	777
Retained earnings	-53,267	-48,438	-40,599	-40,733	-31,773	-27,015	-20,525	-14,747	-5,760	1,231	4,492
Total Shareholders' equity	127,802	123,597	137,280	141,225	153,356	157,405	164,588	169,558	179,127	186,537	189,703

Appendix. Consolidated Financial Statements

Statement of Income

(Unit: KRW Mil.)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	2021	2022	2023
Operating Revenue	11,706	11,647	12,165	13,676	16,353	19,098	19,383	20,858	20,280	19,076	17,736	40,001	49,194	75,692
Operating Expenses	7,196	8,174	8,160	9,378	10,612	12,351	12,089	12,014	13,127	12,025	11,395	26,760	32,908	47,066
Operating Income	4,510	3,472	4,005	4,299	5,741	6,747	7,294	8,844	7,153	7,051	6,342	13,241	16,286	28,626
Non-operating Income	541	1,605	3,893	-2,123	3,280	1,642	2,944	1,391	4,568	3,589	1,070	1,260	3,916	9,256
Non-operating Expenses	29	221	59	2,986	60	620	1,126	3,421	253	2,073	3,350	38,881	3,294	5,227
Earnings before income taxes	5,022	4,857	7,839	-810	8,960	7,769	9,113	6,813	11,468	8,567	4,062	-24,380	16,907	32,655
Income tax expense	930	28		-447		3,011	2,622	832	2,521	1,690	978	852	511	6,465
Net Income	4,091	4,829	7,839	-363	8,960	4,758	6,491	5,982	8,947	6,876	3,084	-25,232	16,396	26,190

Statement of Financial Position

(Unit: KRW Mil.)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Current Assets	111,326	115,193	129,076	134,889	139,683	138,959	151,911	147,355	155,523	158,749	161,928
Cash and Cash Equivalents	90,586	94,472	109,778	115,659	105,123	113,132	123,527	118,434	121,887	127,952	131,247
Non-current Assets	27,627	19,093	19,080	17,652	27,143	32,727	32,213	43,258	46,260	48,299	48,305
Total Assets	138,952	134,286	148,156	152,541	166,827	171,686	184,124	190,613	201,783	207,048	210,233
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Total Liabilities	11,150	10,689	10,876	11,316	13,471	14,281	19,535	21,099	22,745	20,691	21,040
Capital Stock	10,989	10,989	11,565	11,792	11,852	11,869	11,869	11,869	11,869	11,869	11,869
Capital Surplus	150,740	150,740	156,670	159,005	162,102	162,282	162,282	162,282	162,282	162,282	162,282
Other elements of shareholders' equity	19,340	10,306	9,644	11,161	10,693	10,283	10,283	10,283	10,283	10,283	10,283
Accumulated other comprehensive income					482	-13	679	-145	433	875	627
Retained earnings	-53,267	-48,438	-40,599	-40,733	-31,773	-27,015	-20,525	-14,776	-5,829	1,047	4,131
Total Shareholders' equity	127,802	123,597	137,280	141,225	153,356	157,405	164,588	169,513	179,038	186,356	189,193