

1Q25 Earnings Release

Studio Dragon
8th May 2025

STUDIO
Dragon

Disclaimer

This financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external audit on our 1Q 2025 financial results is completed. The audit outcomes may cause some parts of this document to change.

In addition, this document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, “forward-looking statements” often address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks” or “will”. Our actual results to be materially different from those expressed in this document due to uncertainties.

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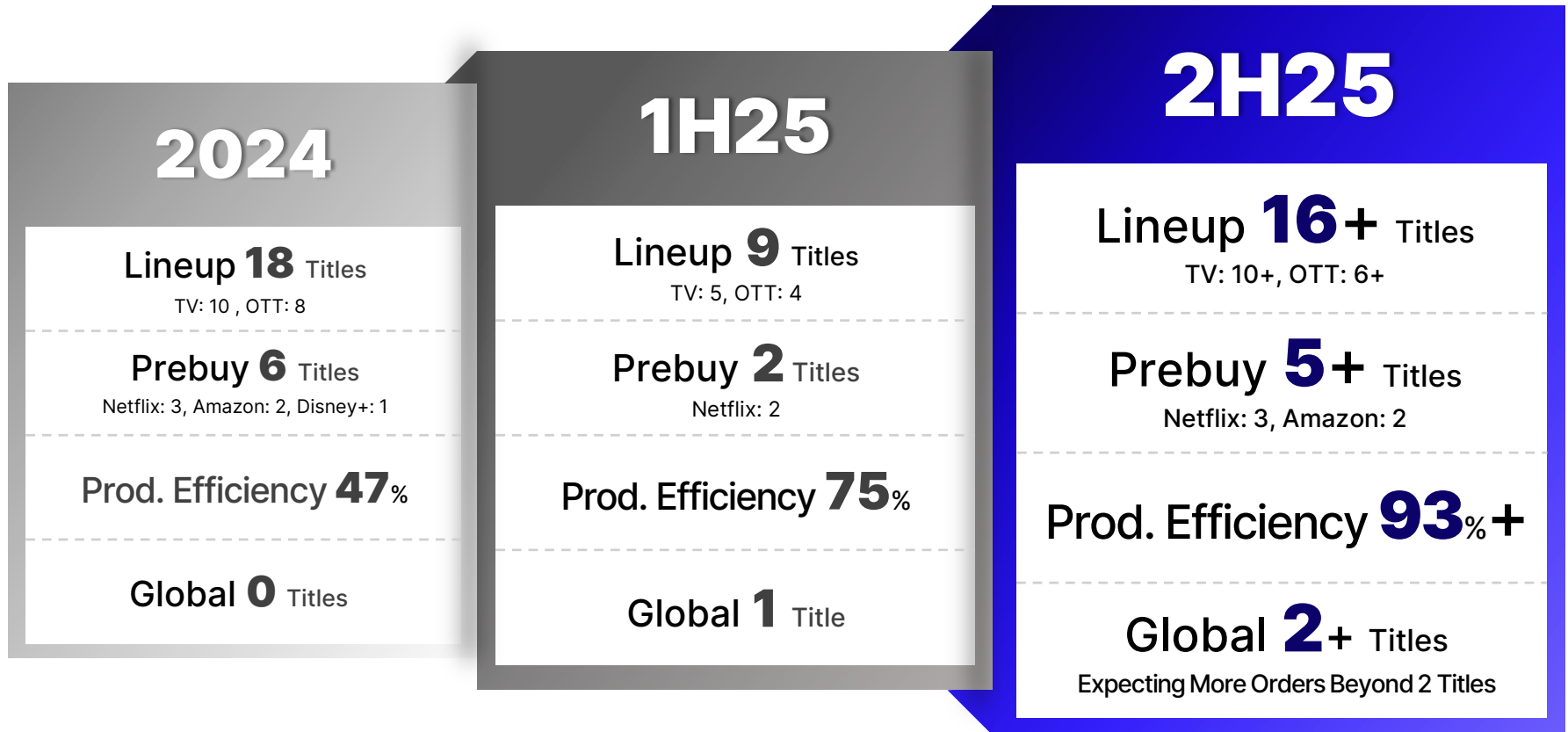
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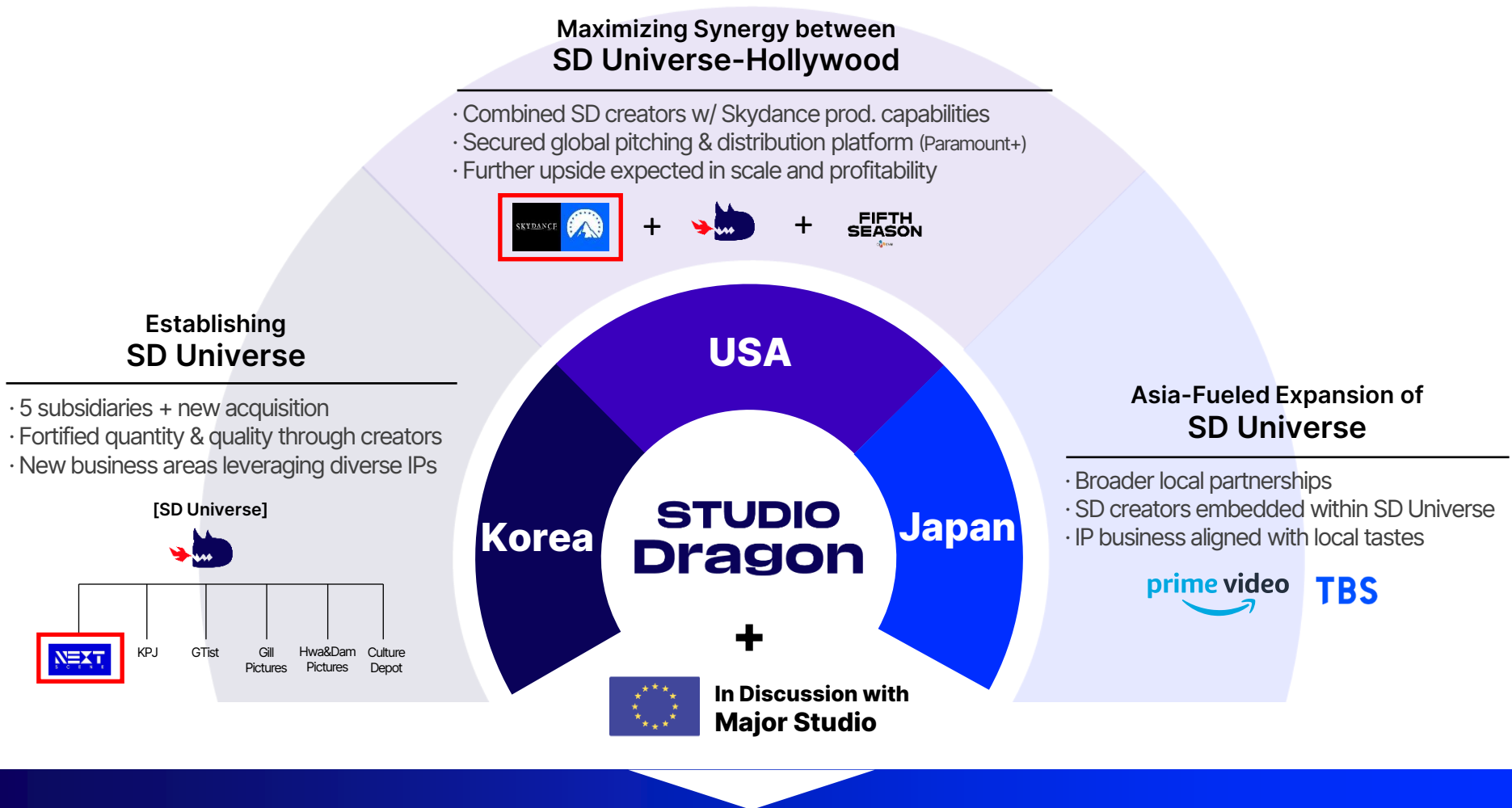
Turning the Corner into 2H25



Fundamental Rebuild, Strategic Uplift in 2H25

/ KEY STRATEGIES

Enhancing Growth Drivers: M&A and Equity Investments



Volume, **I**mpact, **P**rofitability Up

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/ 1Q25 HIGHLIGHTS

Resilience in Progress

POSITIVES

| Diversified Genre | More Originals | Stronger Local Presence |
|---|---|--|
| <ul style="list-style-type: none">• YA/School series<ul style="list-style-type: none">- <Study Group> S2 Confirmed- New Format under review• Female-led historical show | <ul style="list-style-type: none">• Originals +2 eps (YoY)• <Study Group> #1 in Tving Paid Subscriber Contribution (for 4 Weeks) | <ul style="list-style-type: none">• Local sales +52.0% (YoY)• Expanded regional sales driving local influence |

NEGATIVES

| Reduced Lineup | Sluggish Ratings | Declined Sales |
|--|---|--|
| <ul style="list-style-type: none">• 59 eps (YoY -12 eps)<ul style="list-style-type: none">- TV: 40 eps (YoY -14 eps)- OTT 19 eps (YoY +2 eps) | <ul style="list-style-type: none">• Avg. rating -3.1%p (YoY)• Penalty incurred for 16 eps^(*) due to low ratings <p>^(*) <When the Stars Gossip></p> | <ul style="list-style-type: none">• Prebuys -38 eps (YoY)• VOD -37.3% (YoY) |

/ SUMMARY

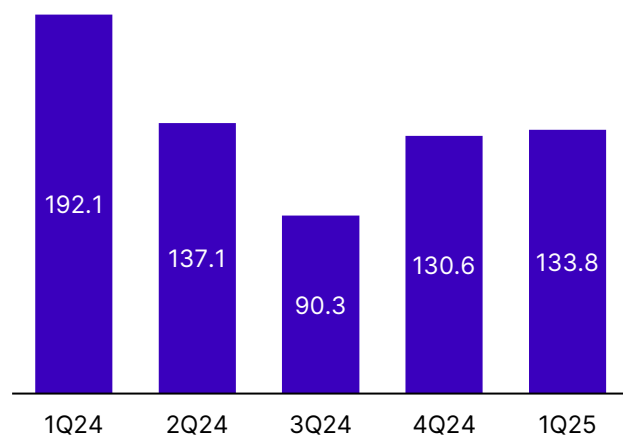
1Q25 Revenue W133.8bn(YoY -30.3%, QoQ +2.5%), **OP W4.3bn**(YoY -80.1%, QoQ -20.1%)

Weak Performance due to reduced lineup(71→59 eps), decline of prebuy titles (54→16 eps), and underperforming new IPs

2Q25: Offsetting reduced TV lineup with originals, focusing on the strategic pivot toward new growth drivers

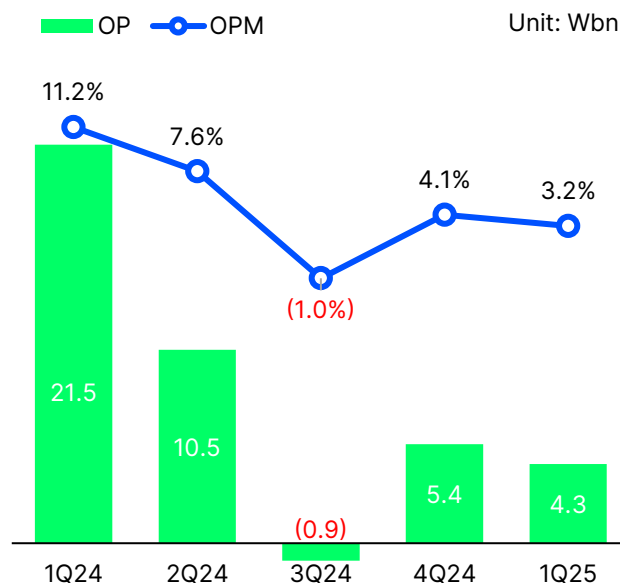
Revenue

Unit: Wbn



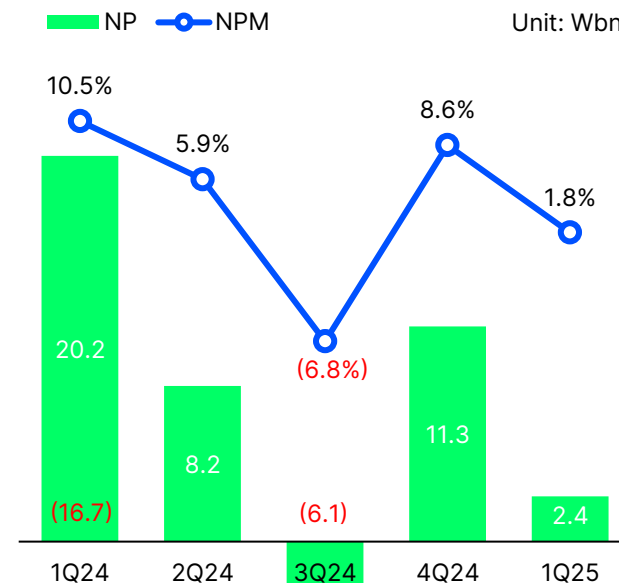
Operating Profit

Unit: Wbn



Net Profit

Unit: Wbn

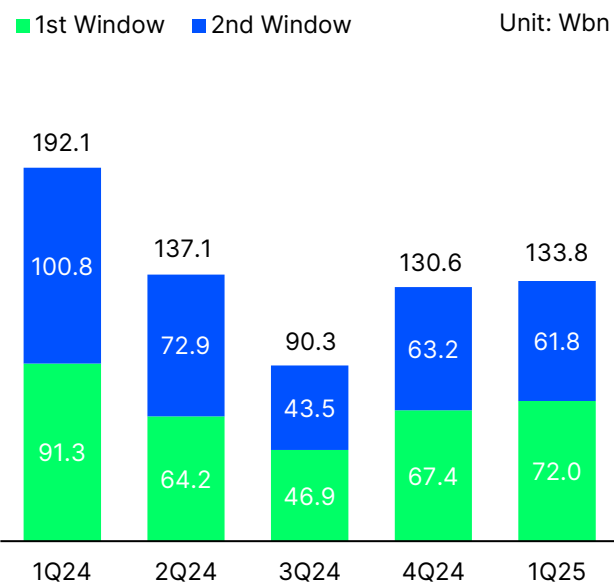


/ REVENUE BREAKDOWN

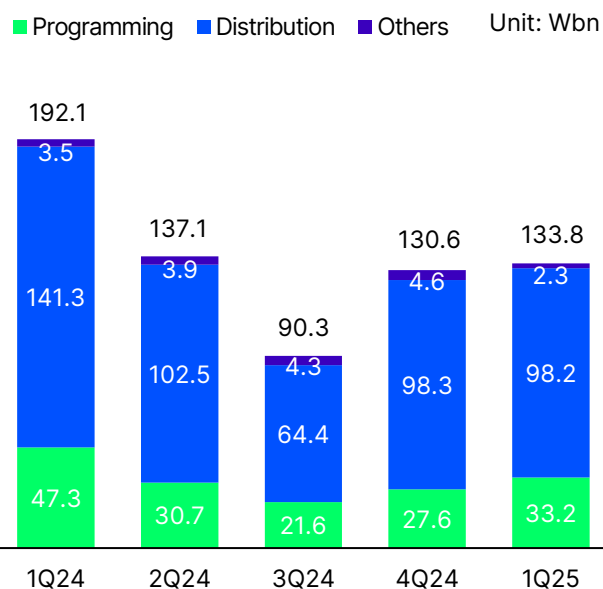
Resilient revenue mix sustained via diversified formats and regional sales, despite fewer airings and pre-sales

- **Windows**, 1st Window W72.0bn (YoY -21.1%), 2nd Window W61.8bn (YoY -38.7%)
- **Channels**, Programming W33.2bn (YoY -29.7%), Distribution W98.2bn (YoY -30.5%), Others W2.3bn (YoY -33.3%)
- **Regions**, Domestic W57.9bn (YoY -13.7%), Overseas W75.9bn (YoY -39.3%)

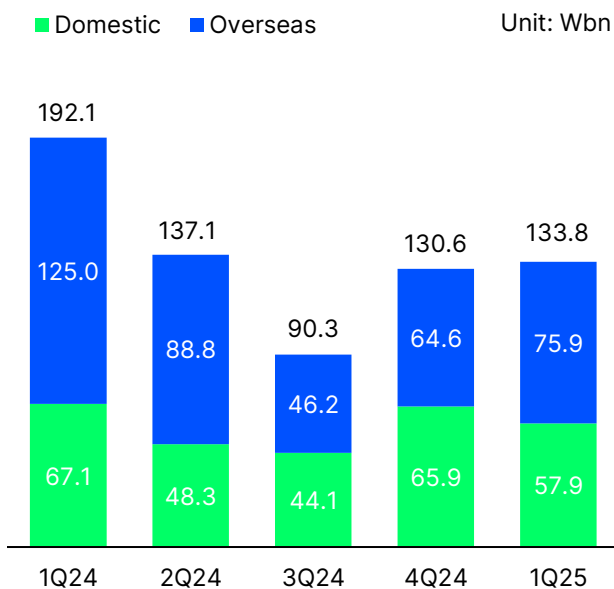
Windows^(*)



Channels



Regions



^(*) 1st Window = Rev. from TV programming, OTT original Series, Sponsorship, etc. / 2nd Window = VOD, Licensing, other business excel. sponsorship, etc.

/ COST BREAKDOWN

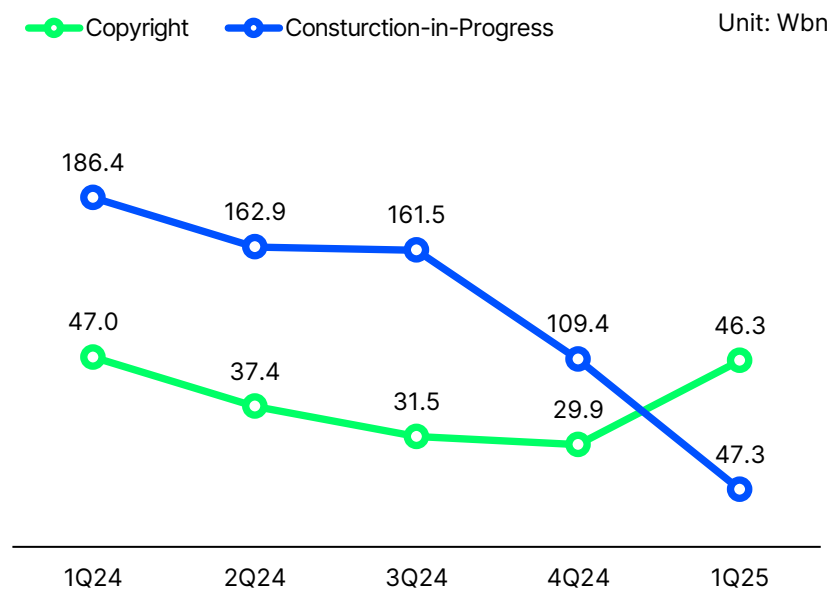
OPEX, Total costs declined due to fewer titles, but the COGS ratio (YoY +6.4%p) and SG&A ratio (YoY +1.6%) rose amid weak revenue

Intangible Asset, Construction-in-progress temporarily declined (YoY -74.6%) reflecting reduced TV programming

OPEX Breakdown (P/L)

| | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 |
|-----------------|--------------|--------------|-------------|--------------|--------------|
| Unit: Wbn | | | | | |
| Production COGS | 91.3 | 59.6 | 45.4 | 67.1 | 69.5 |
| Labor Costs | 7.5 | 7.4 | 7.5 | 9.3 | 7.5 |
| Depreciation | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 |
| Amortization | 50.2 | 38.6 | 26.1 | 28.2 | 36.2 |
| Commissions | 19.0 | 18.0 | 10.0 | 17.1 | 13.5 |
| Others | 1.7 | 2.1 | 1.4 | 2.6 | 2.0 |
| OPEX | 170.5 | 126.7 | 91.3 | 125.2 | 129.5 |

Intangible Asset (B/S)



/ FINANCIAL STATEMENT

| (Unit: Wbn) | 1Q24 | 4Q24 | 1Q25 | QoQ (%) | YoY (%) |
|--------------------------------------|----------------|--------------|--------------|--------------|---------------|
| Total Assets | 1,066.0 | 925.7 | 929.8 | 0.4 | (12.8) |
| Current Assets | 412.5 | 393.8 | 406.1 | 3.1 | (1.6) |
| Cash and Cash Equivalents | 205.7 | 178.2 | 207.7 | 16.6 | 1.0 |
| Others | 206.9 | 215.6 | 198.4 | (8.0) | (4.1) |
| Non-Current Assets | 653.5 | 531.9 | 523.7 | (1.5) | (19.9) |
| Tangible Assets | 12.0 | 11.7 | 11.3 | (3.9) | (5.9) |
| Intangible Assets | 319.5 | 204.9 | 157.6 | (23.0) | (50.7) |
| Others | 322.0 | 315.3 | 354.7 | 12.5 | 10.2 |
| Total Liabilities | 350.2 | 185.9 | 191.2 | 2.9 | (45.4) |
| Current Liabilities | 333.7 | 169.4 | 135.1 | (20.3) | (59.5) |
| Non-Current Liabilities | 16.5 | 16.4 | 56.1 | 241.3 | 239.7 |
| Shareholders' Equity | 715.8 | 739.8 | 738.6 | (0.2) | 3.2 |
| Capital Stock | 15.0 | 15.0 | 15.0 | 0.0 | 0.0 |
| Paid-In Capital in Excess of Par Val | 473.4 | 473.4 | 473.4 | 0.0 | 0.0 |
| Retained Earnings | 262.2 | 274.8 | 277.1 | 0.9 | 5.7 |
| Other Components of Equity | (0.3) | (0.1) | (0.2) | CR | CR |
| Key Financial Ratios | | | | | |
| Current Ratio(%) | 123.6 | 232.4 | 300.7 | 68.3%p | 177.1%p |
| Net Debt(Net Cash)Ratio(%) | (4.8) | (23.9) | (27.7) | (3.9)%p | (23.0)%p |
| Cash Ratio(%) | 61.6 | 105.1 | 153.8 | 48.6%p | 92.1%p |

Note (1) K-IFRS consolidated basis

(2) Current Ratio = Current Assets / Current Liabilities, Net Debt (Net Cash) to Equity = Net Debt (Net Cash) / Shareholders' Equity,

Cash Ratio = Cash and Cash Equivalents / Current Liabilities

(3) TR (Turned Red), TB (Turned Black), CR (Continued Red), n/a (not available)

/ INCOME STATEMENT

| (Unit: Wbn) | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | QoQ (%) | YoY (%) | 2023 | 2024 | YoY (%) |
|------------------------|-------|-------|-------|--------|-------|---------|---------|--------|-------|---------|
| # of Episodes Aired | 71 | 42 | 59 | 46 | 59 | 28.3 | (16.9) | 341 | 218 | (36.1) |
| TV | 54 | 34 | 38 | 26 | 40 | 53.8 | (25.9) | 227 | 152 | (33.0) |
| OTT | 17 | 8 | 21 | 20 | 19 | (5.0) | 11.8 | 114 | 66 | (42.1) |
| Revenue | 192.1 | 137.1 | 90.3 | 130.6 | 133.8 | 2.5 | (30.3) | 753.1 | 550.1 | (27.0) |
| Programming | 47.3 | 30.7 | 21.6 | 27.6 | 33.2 | 20.2 | (29.7) | 154.1 | 127.2 | (17.4) |
| Distribution | 141.3 | 102.5 | 64.4 | 98.3 | 98.2 | (0.1) | (30.5) | 588.9 | 406.5 | (31.0) |
| Others | 3.5 | 3.9 | 4.3 | 4.6 | 2.3 | (49.9) | (33.3) | 10.1 | 16.4 | 61.2 |
| OPEX | 170.5 | 126.7 | 91.3 | 125.2 | 129.5 | 3.4 | (24.1) | 697.3 | 513.7 | (26.3) |
| COGS | 163.4 | 119.0 | 84.4 | 115.3 | 122.4 | 6.2 | (25.1) | 665.3 | 482.1 | (27.5) |
| SG&A | 7.2 | 7.7 | 6.8 | 9.9 | 7.1 | (28.2) | (0.5) | 32.0 | 31.6 | (1.3) |
| Operating Profit | 21.5 | 10.5 | (0.9) | 5.4 | 4.3 | (20.1) | (80.1) | 55.9 | 36.4 | (34.9) |
| Margin(%) | 11.2 | 7.6 | (1.0) | 4.1 | 3.2 | (0.9)%p | (8.0)%p | 7.4 | 6.6 | (0.8)%p |
| Non-Operating Profit | 5.7 | 2.7 | (3.1) | (13.4) | 1.8 | TB | (68.2) | (18.7) | (8.2) | CR |
| Non-Operating Income | 8.7 | 6.6 | (0.6) | 5.8 | 2.6 | (54.4) | (69.5) | 15.3 | 20.4 | 34.0 |
| Non-Operating Expenses | 3.0 | 3.9 | 2.5 | 19.2 | 0.8 | (95.7) | (72.1) | 33.9 | 28.6 | (15.6) |
| Pre-tax Profit | 27.2 | 13.2 | (4.1) | (8.1) | 6.1 | TB | (77.6) | 37.2 | 28.2 | (24.2) |
| Income Taxes | 7.0 | 5.0 | 2.1 | (19.4) | 3.7 | TB | (47.0) | 7.1 | (5.3) | TR |
| Net Profit | 20.2 | 8.2 | (6.1) | 11.3 | 2.4 | (79.0) | (88.3) | 30.1 | 33.5 | 11.3 |
| Margin(%) | 10.5 | 5.9 | (6.8) | 8.6 | 1.8 | (6.9)%p | (8.7)%p | 4.0 | 6.1 | 2.1%p |

Note (1) K-IFRS consolidated basis

(2) TR (Turned Red), TB (Turned Black), CR (Continued Red), n/a (not available)



Second Shot at Love

tvN
12 eps
May 12th~ June 17th

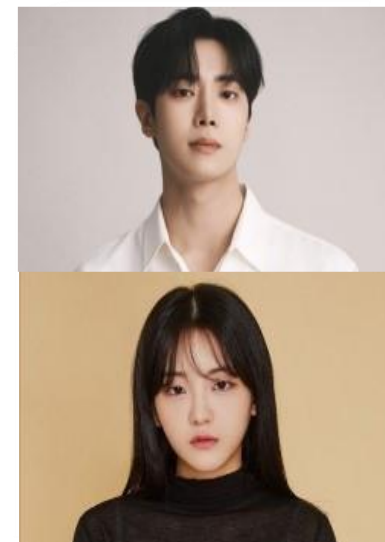


Our Unwritten Seoul

tvN, Netflix
12 eps
May 24th~ June 29th

Gyeon U and Fairy

tvN, Amazon Prime Video
12 eps
Slated for June



Marry My Husband (JP)

Amazon Prime Video
10 eps
June 27th

Genie, Make a Wish

Netflix
To be delivered in June



Dear X

TVING
To be delivered in June

Thank you

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