

No longer just in your **thought bubble**

DearU

2Q'24 Earnings Results

Aug 2024



Disclaimer

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

Please note that all forward-looking statements are based on various factors relating to our internal operations, business strategy and market environments and our actual future results and the timing of certain events may differ materially from those forward-looking statements implied herein.

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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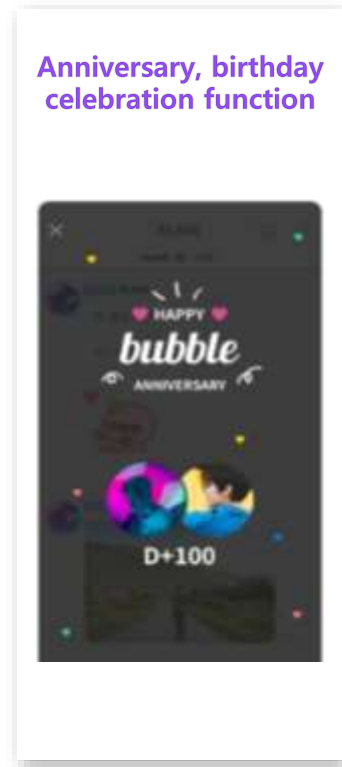
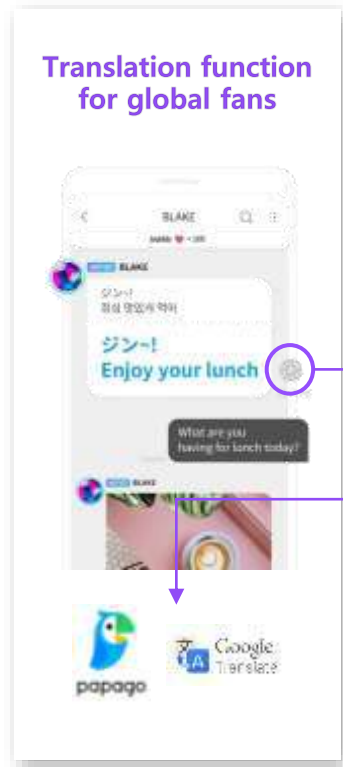
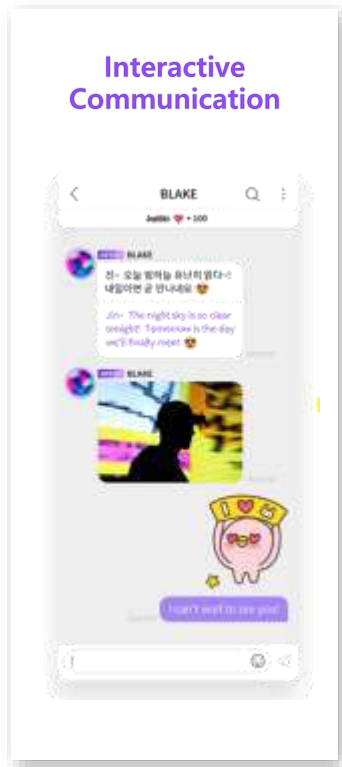
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01. About DearU bubble

Artist's message is sent to each subscriber in a 1:1 chatting format → experience a private conversation with favorite artist



02. Why bubble?

bubble

Global Fan
Communication Platform
Playground for stars
and fans

For Artists

Artist's UI →
1 : Group Chatting

100% paid subscription-based communication channel

Since the majority are core fans, Artists are less exposed to negative comments than other social platforms

Utilizing Spare Time

Artists can communicate with fans during their spare time without hassle

Easy-to-use Interface

Just as simple as any other mobile messenger app, using "bubble" is simple and easy

Managing & Expanding My Core Fans

Engaging and managing core fans through subscription service

No Extra Cost

Artists can generate income at no extra cost, such as travel, hair & makeup, wardrobes, etc.

For Fans

Fan's UI →
1:1 Chatting

Exclusive Contents

Access Artist's daily lives outside official schedule through text messages and multimedia files while also enjoying their audio/video livestream

Maximum Benefit at Minimum Cost, Without Time and Space Constraints

Transcending the limitations of cost and time in of offline fandom environment through convenient and direct online communication

Getting to Know Artist's Daily Life

Getting a glimpse into Artist's everyday life to gain intimacy with the Artist

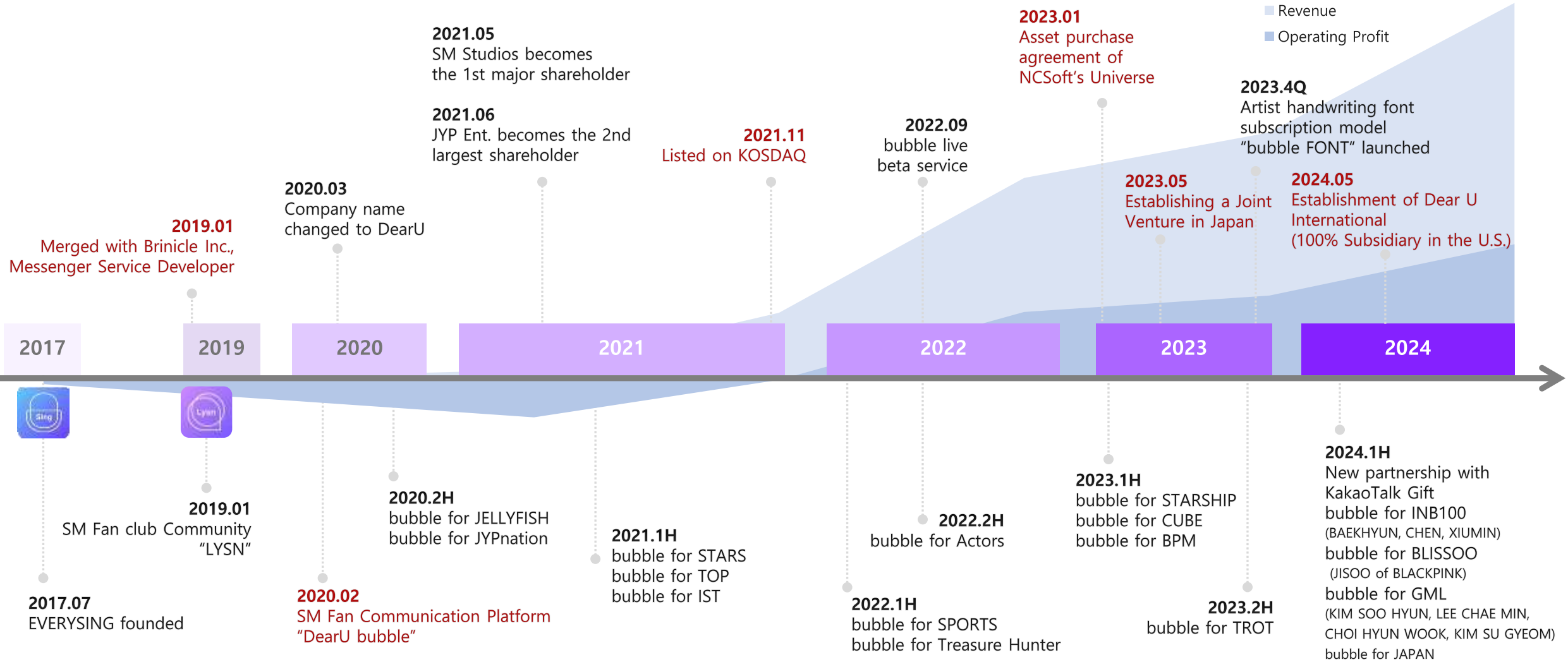
Longer You Subscribe, Longer Message You Can Send

Lock-in effect for fans

Continuous Support

Fans can send encouraging messages and also help the artist generate profit through paid subscription

03. Company Timeline

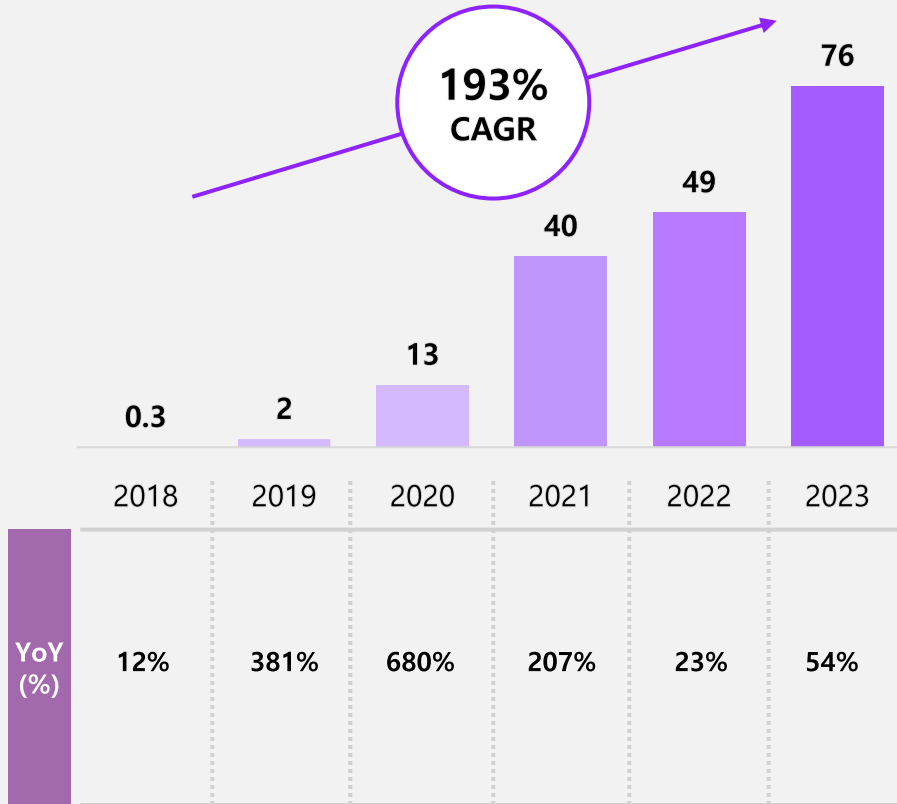


04. Financial Highlights(1) – Operating Revenue

Annual Operating Revenue

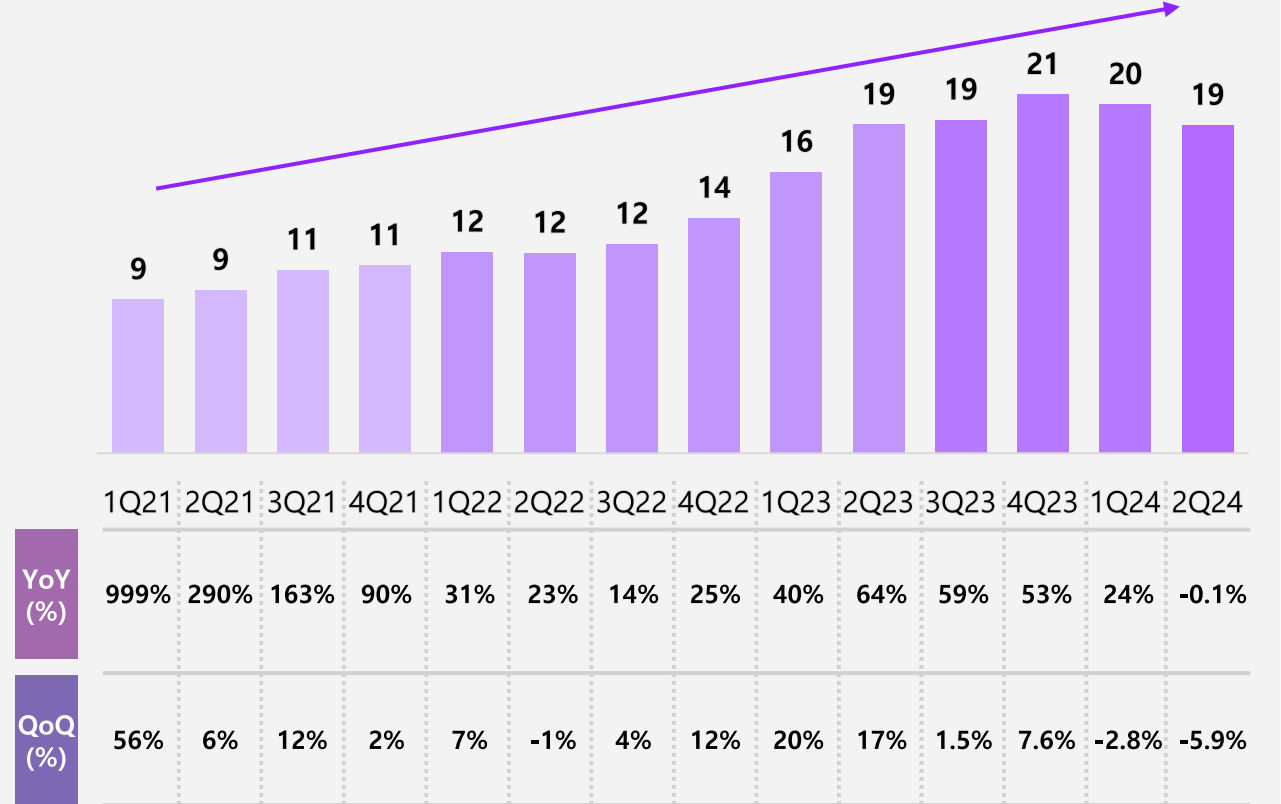
(Unit: KRW bn, %)

193%
CAGR



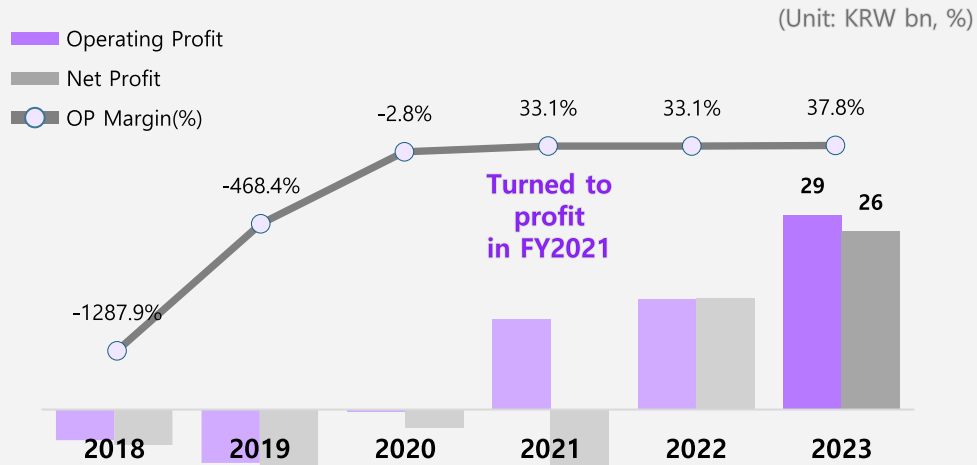
Quarterly Operating Revenue

(Unit: KRW bn, %)



04. Financial Highlights(2) – Profitability

Annual Profitability



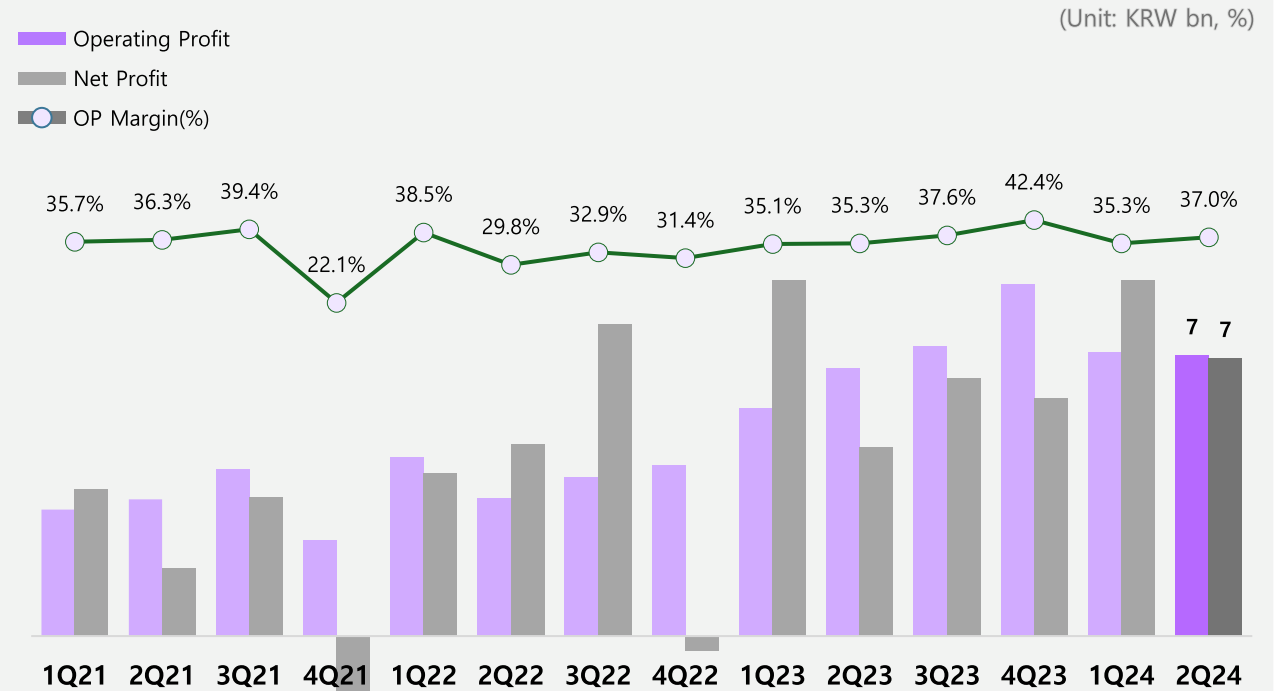
2019

Recognized impairment loss on intangible asset from merger with Brinicle Inc.
- W13.3bn

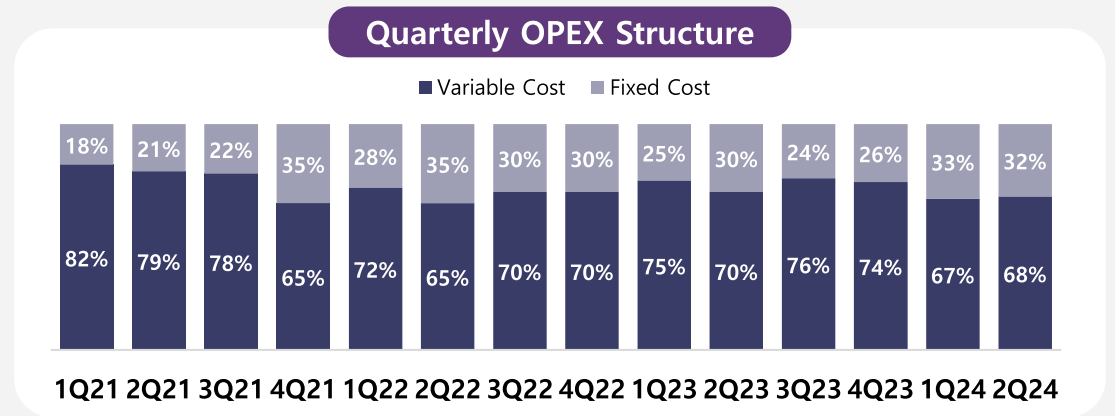
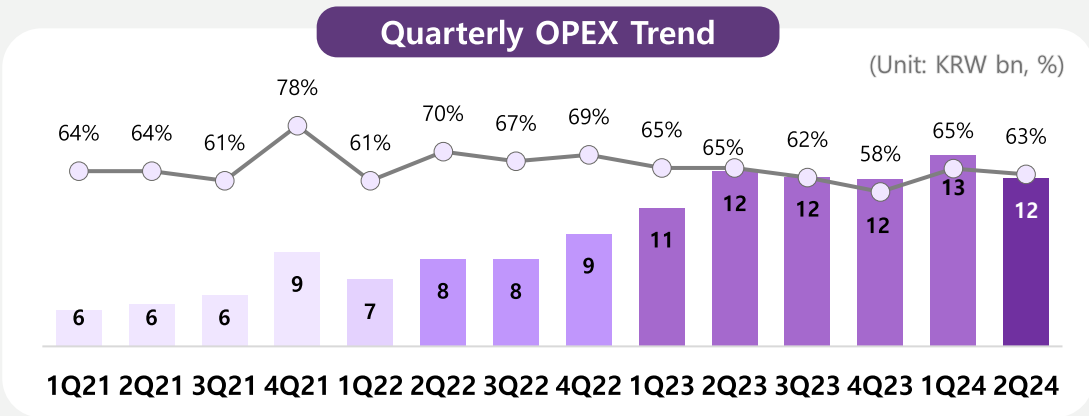
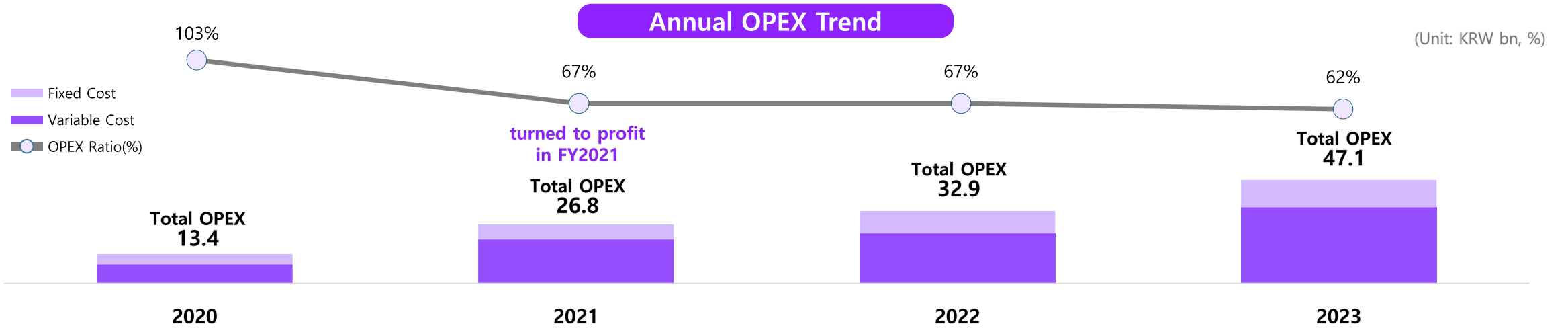
2021

Valuation losses from CB & CPS conversion to common stock
CB: 226K Shares, W4.8bn
CPS: 1.6M Shares, W33.6bn

Quarterly Profitability



04. Financial Highlights(3) – OPEX



05. 2Q24 Highlights

IP Diversification

1

New IPs include BLACKPINK's Jisoo (BLISSOO) and actor Kim Soo-hyun (GML)

- Expanding to include major domestic IPs, new actors, and emerging artists

Overseas Localization

2

Launched Bubble for JAPAN

- Started with 8 groups, including Mrs. GREEN APPLE, and 10 artists → reaching 25,000 subscriptions in about a month
- On August 6, 2024, onboarded 40 members of popular Japanese idol group SKE48

3

Established Dear U International and will launch Bubble service in the U.S.

- Established U.S. subsidiary (100% owned) → Launching Bubble service in the U.S. & recruiting global artists
- July 2024: Contract signed with Latin global artist J Balvin

4

Patents registered in the U.S. and Japan

- Patents for the "Personalized Messaging Service System" registered in the U.S. and Japan; awaiting registration in Europe

New Business Model

5

Developing the "AI Pet Bubble Service"

- New service generating synergy with existing Bubble service → Launch planned by year-end

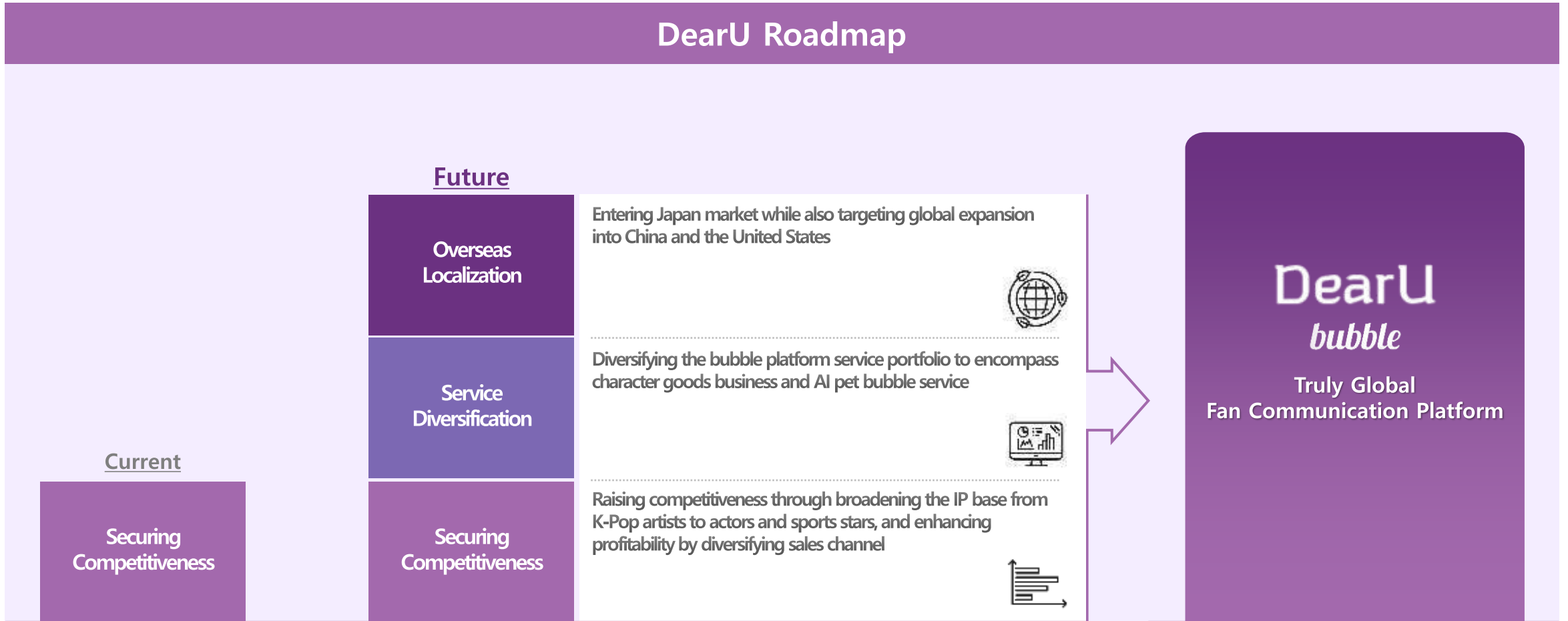
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'Expansion into Physical Goods business

- Developing physical goods based on AI Pet → Launch expected in the second half of the year

06. DearU Roadmap

DearU Roadmap



Appendix. Non-consolidated Financial Statements

Statement of Income

(Unit: KRW Mil.)	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	2021	2022	2023
Operating Revenue	8,941	9,486	10,659	10,915	11,706	11,647	12,165	13,676	16,353	19,098	19,383	20,858	20,280	19,076	40,001	49,194	75,692
Operating Expenses	5,753	6,041	6,463	8,503	7,196	8,174	8,160	9,378	10,612	12,351	12,089	12,014	13,127	12,016	26,760	32,908	47,066
Operating Income	3,188	3,445	4,196	2,412	4,510	3,472	4,005	4,299	5,741	6,747	7,294	8,844	7,153	7,060	13,241	16,286	28,626
Non-operating Income	1,077	17	22	144	541	1,605	3,893	-2,123	3,280	1,642	2,944	1,391	4,568	3,589	1,260	3,916	9,256
Non-operating Expenses	582	991	91	37,216	29	221	59	2,986	60	620	1,126	3,421	253	1,967	38,881	3,294	5,199
Earnings before income taxes	3,682	2,471	4,127	-34,660	5,022	4,857	7,839	-810	8,960	7,769	9,113	6,814	11,468	8,682	-24,380	16,907	32,683
Income tax expense		778	644	-570	930	28		-447		3,011	2,622	832	2,521	1,690	852	511	6,465
Net Income	3,682	1,693	3,483	-34,091	4,091	4,829	7,839	-363	8,960	4,758	6,491	5,982	8,947	6,992	-25,232	16,396	26,218

Statement of Financial Position

(Unit: KRW Mil.)	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Current Assets	10,250	13,737	17,954	106,042	111,326	115,193	129,076	134,889	139,683	138,959	151,911	147,355	155,523	157,360
Cash and Cash Equivalents	6,275	8,537	13,611	86,825	90,586	94,472	109,778	115,659	105,123	113,132	123,527	118,434	121,887	126,563
Non-current Assets	7,948	7,885	8,138	27,514	27,627	19,093	19,080	17,652	27,143	32,727	32,213	43,302	46,349	49,859
Total Assets	18,199	21,622	26,092	133,556	138,952	134,286	148,156	152,541	166,827	171,686	184,124	190,657	201,872	207,219
Current Liabilities	15,630	17,232	18,089	9,257	10,416	10,015	10,192	11,049	13,021	13,854	19,194	16,856	18,804	16,730
Non-current Liabilities	357	349	343	724	734	674	684	267	450	427	341	4,243	3,941	3,951
Total Liabilities	15,987	17,581	18,433	9,980	11,150	10,689	10,876	11,316	13,471	14,281	19,535	21,099	22,745	20,682
Capital Stock	8,406	8,406	8,406	10,989	10,989	10,989	11,565	11,792	11,852	11,869	11,869	11,869	11,869	11,869
Capital Surplus	21,747	21,747	21,747	150,740	150,740	150,740	156,670	159,005	162,102	162,282	162,282	162,282	162,282	162,282
Other elements of shareholders' equity	317	452	587	19,205	19,340	10,306	9,644	11,161	10,693	10,283	10,283	10,283	10,283	10,283
Accumulated other comprehensive Income									482	-13	679	-129	453	872
Retained earnings	-28,259	-26,565	-23,082	-57,358	-53,267	-48,438	-40,599	-40,733	-31,773	-27,015	-20,525	-14,747	-5,760	1,231
Total Shareholders' equity	2,212	4,041	7,659	123,576	127,802	123,597	137,280	141,225	153,356	157,405	164,588	169,558	179,127	186,537