

SOHU.COM LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Three Months Ended		
	Jun. 30, 2025	Mar. 31, 2025	Jun. 30, 2024
Revenues:			
Marketing services	\$ 15,624	\$ 13,725	\$ 19,853
Online games	105,994	117,347	146,997
Others	4,649	4,573	5,483
Total revenues	<u>126,267</u>	<u>135,645</u>	<u>172,333</u>
Cost of revenues:			
Marketing services (includes share-based compensation expense of nil, nil, and \$1, respectively)	12,979	12,341	15,904
Online games	14,544	18,136	35,588
Others	768	2,669	4,974
Total cost of revenues	<u>28,291</u>	<u>33,146</u>	<u>56,466</u>
Gross profit	97,976	102,499	115,867
Operating expenses:			
Product development (includes share-based compensation expense of nil, nil, and \$10, respectively)	58,824	62,972	65,209
Sales and marketing (includes share-based compensation expense of \$1, \$1, and \$10, respectively)	48,545	45,586	83,936
General and administrative (includes share-based compensation expense of \$352, \$391, and \$-421, respectively)	12,922	12,969	11,012
Total operating expenses	<u>120,291</u>	<u>121,527</u>	<u>160,157</u>
Operating loss	(22,315)	(19,028)	(44,290)
Other income, net	3,481	4,199	5,572
Interest income	7,570	7,708	9,561
Exchange difference	185	(119)	231
Loss before income tax expense	<u>(11,079)</u>	<u>(7,240)</u>	<u>(28,926)</u>
Income tax expense/(benefit) ⁶	8,937	(189,391)	8,731
Net income/(loss)	<u>(20,016)</u>	<u>182,151</u>	<u>(37,657)</u>
Less: Net loss attributable to the noncontrolling interest shareholders	-	(9)	-
Net income/(loss) attributable to Sohu.com Limited	<u>(20,016)</u>	<u>182,160</u>	<u>(37,657)</u>
Basic net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ (0.69)	\$ 6.07	\$ (1.16)
Shares/ADSs used in computing basic net income/(loss) per share/ADS attributable to Sohu.com Limited ⁷	<u>28,826</u>	<u>30,008</u>	<u>32,492</u>
Diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ (0.69)	\$ 6.07	\$ (1.16)
Shares/ADSs used in computing diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	<u>28,826</u>	<u>30,008</u>	<u>32,492</u>

⁶ See footnote 1.

⁷ Each ADS represents one ordinary share.

SOHU.COM LIMITED
RECONCILIATIONS OF NON-GAAP RESULTS OF OPERATIONS MEASURES TO THE NEAREST COMPARABLE GAAP MEASURES
(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Three Months Ended Jun. 30, 2025			Three Months Ended Mar. 31, 2025			Three Months Ended Jun. 30, 2024		
	GAAP	Non-GAAP Adjustment	Non-GAAP	GAAP	Non-GAAP Adjustment	Non-GAAP	GAAP	Non-GAAP Adjustment	Non-GAAP
Marketing services gross profit	\$ 2,645	\$ - (a)	\$ 2,645	\$ 1,384	\$ - (a)	\$ 1,384	\$ 3,949	\$ 1 (a)	\$ 3,950
Marketing services gross margin	17%	-	17%	10%	-	10%	20%	-	20%
Online games gross profit	\$ 91,450	\$ - (a)	\$ 91,450	\$ 99,211	\$ - (a)	\$ 99,211	\$ 111,409	\$ - (a)	\$ 111,409
Online games gross margin	86%	-	86%	85%	-	85%	76%	-	76%
Others gross profit	\$ 3,881	\$ - (a)	\$ 3,881	\$ 1,904	\$ - (a)	\$ 1,904	\$ 509	\$ - (a)	\$ 509
Others gross margin	83%	-	83%	42%	-	42%	9%	-	9%
Gross profit	\$ 97,976	\$ - (a)	\$ 97,976	\$ 102,499	\$ - (a)	\$ 102,499	\$ 115,867	\$ 1 (a)	\$ 115,868
Gross margin	78%	-	78%	76%	-	76%	67%	-	67%
Operating expenses	\$ 120,291	\$ (353) (a)	\$ 119,938	\$ 121,527	\$ (392) (a)	\$ 121,135	\$ 160,157	\$ 401 (a)	\$ 160,558
Operating loss	\$ (22,315)	\$ 353 (a)	\$ (21,962)	\$ (19,028)	\$ 392 (a)	\$ (18,636)	\$ (44,290)	\$ (400) (a)	\$ (44,690)
Operating margin	-18%	-	-17%	-14%	-	-14%	-26%	-	-26%
Income tax expense/(benefit)	\$ 8,937	\$ - (c)	\$ 8,937	\$ (189,391)	\$ 199,018 (c)	\$ 9,627	\$ 8,731	\$ (3,764) (c)	\$ 4,967
Net income/(loss) before non-controlling interest	\$ (20,016)	\$ 353 (a)	\$ (19,663)	\$ 182,151	\$ (199,018) (c)	\$ (16,475)	\$ (37,657)	\$ 3,495 (a)	\$ (34,162)
Net income/(loss) attributable to Sohu.com Limited for diluted net loss per share/ADS	\$ (20,016)	\$ 353 (a)	\$ (19,663)	\$ 182,160	\$ (199,018) (c)	\$ (16,466)	\$ (37,657)	\$ 3,495 (a)	\$ (34,162)
Diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ (0.69)		\$ (0.68)	\$ 6.07		\$ (0.55)	\$ (1.16)		\$ (1.05)
Shares/ADSs used in computing diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	28,826		28,826	30,008		30,008	32,492		32,492

Note:

(a) Share-based compensation expense

(b) Change in the fair value of the Company's investments

(c) Reversal of the tax expense in connection with the Toll Charge and related accrued interest expense