

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

	<b>Three Months Ended</b>		
	<b>Mar. 31, 2023</b>	<b>Dec. 31, 2022</b>	<b>Mar. 31, 2022</b>
Revenues:			
Brand advertising	\$ 22,524	\$ 28,778	\$ 23,770
Online games	129,463	121,381	157,854
Others	9,806	10,241	11,794
Total revenues	<u>161,793</u>	<u>160,400</u>	<u>193,418</u>
Cost of revenues:			
Brand advertising (includes share-based compensation expense of \$13, \$-8, and \$23, respectively) <sup>5</sup>	18,687	14,020	23,413
Online games (includes share-based compensation expense of \$18, \$18, and \$41, respectively)	19,028	18,888	21,971
Others	2,728	2,888	3,725
Total cost of revenues	<u>40,443</u>	<u>35,796</u>	<u>49,109</u>
Gross profit	121,350	124,604	144,309
Operating expenses:			
Product development (includes share-based compensation expense of \$269, \$217, and \$607, respectively)	73,048	67,147	63,839
Sales and marketing (includes share-based compensation expense of \$35, \$-21, and \$58, respectively)	52,443	47,067	51,707
General and administrative (includes share-based compensation expense of \$410, \$332, and \$834, respectively)	14,311	15,970	16,092
Total operating expenses	<u>139,802</u>	<u>130,184</u>	<u>131,638</u>
Operating profit/(loss)	(18,452)	(5,580)	12,671
Other income, net	3,797	779	4,879
Interest income	11,084	6,190	2,593
Exchange difference	(1,074)	(1,071)	(477)
Income/(loss) before income tax expense	<u>(4,645)</u>	<u>318</u>	<u>19,666</u>
Income tax expense	13,289	7,413	16,997
Net income/(loss)	<u>(17,934)</u>	<u>(7,095)</u>	<u>2,669</u>
Less: Net income/(loss) attributable to the noncontrolling interest shareholders	<u>(1)</u>	<u>(1)</u>	<u>3</u>
Net income/(loss) attributable to Sohu.com Limited	<u>(17,933)</u>	<u>(7,094)</u>	<u>2,666</u>
Basic net income/(loss) per share/ADS attributable to Sohu.com Limited <sup>6</sup>	<u>\$ (0.53)</u>	<u>\$ (0.21)</u>	<u>\$ 0.07</u>
Shares/ADSs used in computing basic net income/(loss) per share/ADS attributable to Sohu.com Limited	<u>34,091</u>	<u>34,091</u>	<u>36,802</u>
Diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	<u>\$ (0.53)</u>	<u>\$ (0.21)</u>	<u>\$ 0.07</u>
Shares/ADSs used in computing diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	<u>34,091</u>	<u>34,091</u>	<u>36,802</u>

<sup>5</sup> The cost of brand advertising revenues for the fourth quarter of 2022 included a waiver of unpaid long-term accounts payable of approximately US\$11

<sup>6</sup> 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 Mar. 31, 2023			Three Months Ended Dec. 31, 2022			Three Months Ended Mar. 31, 2022		
	GAAP	Non-GAAP Adjustment	Non-GAAP	GAAP	Non-GAAP Adjustment	Non-GAAP	GAAP	Non-GAAP Adjustments	Non-GAAP
Brand advertising gross profit	\$ 3,837	13 (a)	\$ 3,850	\$ 14,758	(8) (a)	\$ 14,750	\$ 357	23 (a)	\$ 380
Brand advertising gross margin	<u>17%</u>	<u>13</u>	<u>17%</u>	<u>51%</u>	<u>(8)</u>	<u>51%</u>	<u>2%</u>	<u>23</u>	<u>2%</u>
Online games gross profit	\$ 110,435	18 (a)	\$ 110,453	\$ 102,493	18 (a)	\$ 102,511	\$ 135,883	41 (a)	\$ 135,924
Online games gross margin	<u>85%</u>	<u>18</u>	<u>85%</u>	<u>84%</u>	<u>18</u>	<u>84%</u>	<u>86%</u>	<u>41</u>	<u>86%</u>
Others gross profit	\$ 7,078	- (a)	\$ 7,078	\$ 7,353	- (a)	\$ 7,353	\$ 8,069	- (a)	\$ 8,069
Others gross margin	<u>72%</u>	<u>-</u>	<u>72%</u>	<u>72%</u>	<u>-</u>	<u>72%</u>	<u>68%</u>	<u>-</u>	<u>68%</u>
Gross profit	\$ 121,350	31 (a)	\$ 121,381	\$ 124,604	10 (a)	\$ 124,614	\$ 144,309	64 (a)	\$ 144,373
Gross margin	<u>75%</u>	<u>31</u>	<u>75%</u>	<u>78%</u>	<u>10</u>	<u>78%</u>	<u>75%</u>	<u>64</u>	<u>75%</u>
Operating expenses	\$ 139,802	(714) (a)	\$ 139,088	\$ 130,184	(528) (a)	\$ 129,656	\$ 131,638	(1,499) (a)	\$ 130,139
Operating profit/(loss)	\$ (18,452)	745 (a)	\$ (17,707)	\$ (5,580)	538 (a)	\$ (5,042)	\$ 12,671	1,563 (a)	\$ 14,234
Operating margin	<u>-11%</u>	<u>745</u>	<u>-11%</u>	<u>-3%</u>	<u>538</u>	<u>-3%</u>	<u>7%</u>	<u>1,563</u>	<u>7%</u>
Income tax expense	\$ 13,289	(2,420) (c,d)	\$ 10,869	\$ 7,413	(1,954) (c,d)	\$ 5,459	\$ 16,997	125 (c,d)	\$ 17,122
Net income/(loss) before non-controlling interest	\$ (17,934)	745 (a) 2,218 (b) (555) (c) 2,975 (d)	\$ (12,551)	\$ (7,095)	538 (a) 2,442 (b) (610) (c) 2,564 (d)	\$ (2,161)	\$ 2,669	1,563 (a) 5,348 (b) (1,338) (c) 1,213 (d)	\$ 9,455
Net income/(loss) attributable to Sohu.com Limited for diluted net income/(loss) per share/ADS	\$ (17,933)	745 (a) 2,218 (b) (555) (c) 2,975 (d)	\$ (12,550)	\$ (7,094)	538 (a) 2,442 (b) (610) (c) 2,564 (d)	\$ (2,160)	\$ 2,666	1,563 (a) 5,348 (b) (1,338) (c) 1,213 (d)	\$ 9,452
Diluted net income/(loss) per share/ADS attributable to Sohu.com Shares/ADSs used in computing diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ (0.53)		\$ (0.37)	\$ (0.21)		\$ (0.06)	\$ 0.07		\$ 0.26
	<u>34,091</u>		<u>34,091</u>	<u>34,091</u>		<u>34,091</u>	<u>36,802</u>		<u>36,802</u>

Note:

- (a) To eliminate the impact of share-based awards.  
(b) To adjust for changes in the fair value of the Company's investments.  
(c) To adjust for the impacts of income tax related to changes in the fair value of the Company's investments.  
(d) To adjust for the effect of the Toll Charge.