

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

	Three Months Ended		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Revenues:			
Marketing services ⁷	\$ 13,725	\$ 18,865	\$ 16,070
Online games	117,347	109,859	117,812
Others	4,573	5,960	5,508
Total revenues	<u>135,645</u>	<u>134,684</u>	<u>139,390</u>
Cost of revenues:			
Marketing services	12,341	17,787	15,848
Online games	18,136	18,133	14,482
Others	2,669	1,113	2,389
Total cost of revenues	<u>33,146</u>	<u>37,033</u>	<u>32,719</u>
Gross profit	102,499	97,651	106,671
Operating expenses:			
Product development (includes share-based compensation expense of nil, nil, and \$3, respectively)	62,972	61,584	66,209
Sales and marketing (includes share-based compensation expense of \$1, \$-1, and \$4, respectively)	45,586	48,588	54,806
General and administrative (includes share-based compensation expense of \$391, \$243, and \$77, respectively)	12,969	12,672	12,534
Total operating expenses	<u>121,527</u>	<u>122,844</u>	<u>133,549</u>
Operating loss	(19,028)	(25,193)	(26,878)
Other income, net	4,199	8,448	4,489
Interest income	7,708	8,632	11,358
Exchange difference	(119)	1,240	(19)
Loss before income tax expense	(7,240)	(6,873)	(11,050)
Income tax expense/(benefit) ⁸	(189,391)	14,387	13,924
Net income/(loss)	<u>182,151</u>	<u>(21,260)</u>	<u>(24,974)</u>
Less: Net income/(loss) attributable to the noncontrolling interest shareholders	(9)	31	-
Net income/(loss) attributable to Sohu.com Limited	<u>182,160</u>	<u>(21,291)</u>	<u>(24,974)</u>
Basic net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ <u>6.07</u>	\$ <u>(0.69)</u>	\$ <u>(0.76)</u>
Shares/ADSs used in computing basic net income/(loss) per share/ADS attributable to Sohu.com Limited ⁹	<u>30,008</u>	<u>30,799</u>	<u>33,033</u>
Diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ <u>6.07</u>	\$ <u>(0.69)</u>	\$ <u>(0.76)</u>
Shares/ADSs used in computing diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	<u>30,008</u>	<u>30,799</u>	<u>33,033</u>

⁷ See footnote 1.

⁸ See footnote 2.

⁹ 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, 2025			Three Months Ended Dec. 31, 2024			Three Months Ended Mar. 31, 2024		
	GAAP	Non-GAAP Adjustment	Non- GAAP	GAAP	Non-GAAP Adjustment	Non- GAAP	GAAP	Non-GAAP Adjustment	Non- GAAP
Marketing services gross profit	\$ 1,384	\$ - (a)	\$ 1,384	\$ 1,078	\$ - (a)	\$ 1,078	\$ 222	\$ 0 (a)	\$ 222
Marketing services gross margin	10%		10%	6%		6%	1%		1%
Online games gross profit	\$ 99,211	\$ - (a)	\$ 99,211	\$ 91,726	\$ - (a)	\$ 91,726	\$ 103,330	\$ 0 (a)	\$ 103,330
Online games gross margin	85%		85%	83%		83%	88%		88%
Others gross profit	\$ 1,904	\$ - (a)	\$ 1,904	\$ 4,847	\$ - (a)	\$ 4,847	\$ 3,119	\$ - (a)	\$ 3,119
Others gross margin	42%		42%	81%		81%	57%		57%
Gross profit	\$ 102,499	\$ - (a)	\$ 102,499	\$ 97,651	\$ - (a)	\$ 97,651	\$ 106,671	\$ 0 (a)	\$ 106,671
Gross margin	76%		76%	73%		73%	77%		77%
Operating expenses	\$ 121,527	\$ (392) (a)	\$ 121,135	\$ 122,844	\$ (242) (a)	\$ 122,602	\$ 133,549	\$ (84) (a)	\$ 133,465
Operating loss	\$ (19,028)	\$ 392 (a)	\$ (18,636)	\$ (25,193)	\$ 242 (a)	\$ (24,951)	\$ (26,878)	\$ 84 (a)	\$ (26,794)
Operating margin	-14%		-14%	-19%		-19%	-19%		-19%
Income tax expense/(benefit)	\$ (189,391)	\$ 199,018 (c)	\$ 9,627	\$ 14,387	\$ (3,961) (c)	\$ 10,426	\$ 13,924	\$ (3,691) (c)	\$ 10,233
Net income/(loss) before non-controlling interest	\$ 182,151	\$ (198,626)	\$ (16,475)	\$ (21,260)	\$ 6,290	\$ (14,970)	\$ (24,974)	\$ 3,377	\$ (21,597)
Net income/(loss) attributable to Sohu.com Limited for diluted net loss per share/ADS	\$ 182,160	\$ (198,626)	\$ (16,466)	\$ (21,291)	\$ 6,290	\$ (15,001)	\$ (24,974)	\$ 3,377	\$ (21,597)
Diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	\$ 6.07		(0.55)	\$ (0.69)		(0.49)	\$ (0.76)		(0.65)
Shares/ADSs used in computing diluted net income/(loss) per share/ADS attributable to Sohu.com Limited	30,008		30,008	30,799		30,799	33,033		33,033

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