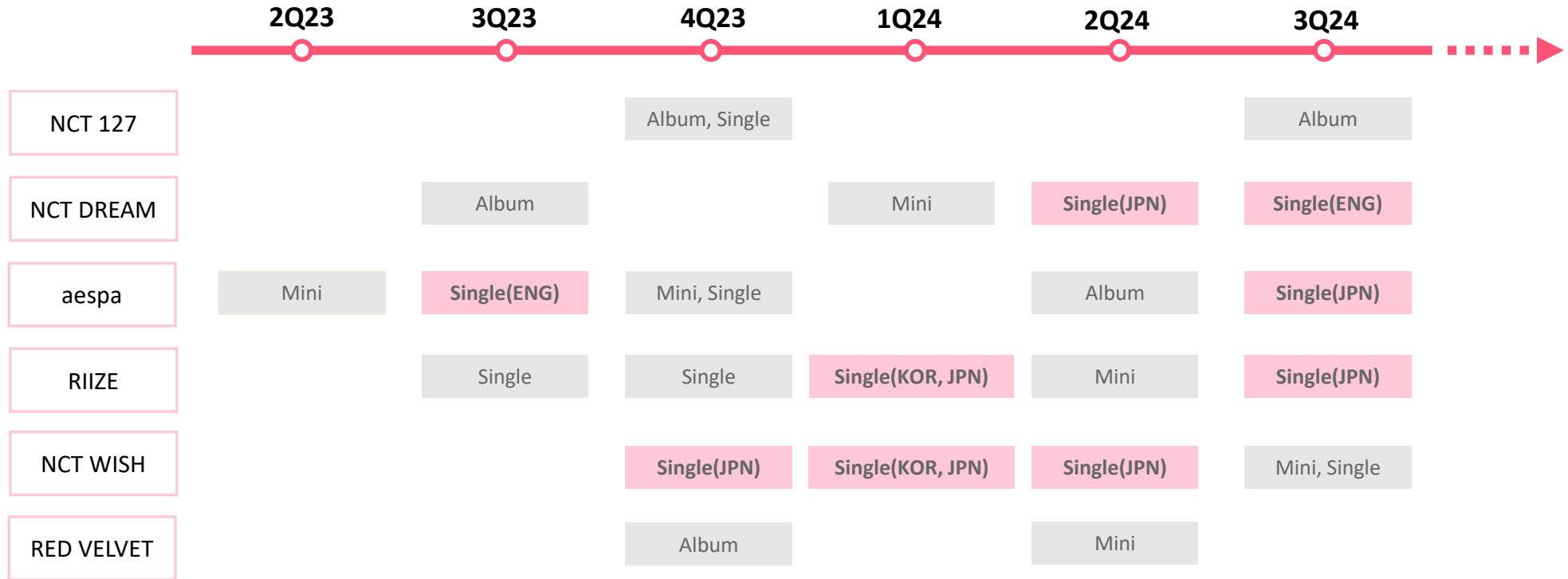


SM ENTERTAINMENT
EARNINGS RELEASE
- CEO Message

1Q24

1. Strengthened overseas lineup



Strengthened overseas lineup

▪ Expanding global fandom through global strategic album releases

- JPN : NCT WISH(4Q23, 1Q24, 2Q24), RIIZE(1Q24, 3Q24), aespa(3Q24), NCT DREAM(2Q24)
- ENG : aespa(3Q23), NCT DREAM(3Q24)

2. New IP expansion - new IP lineup

Securing additional growth engines through new IP debut

3Q23

4Q23

1Q24

2Q24

3Q24

4Q24

RIIZE

Debuted on '23 9/4

NCT WISH

Debuted on '24 2/21

naevis

3Q24 (expected)

New girl group

4Q24 (expected)

UK boy group

4Q24 (expected)



2. New IP expansion - Virtual Artist 'naevis'

As SM's Virtual Artist, naevis is a virtual character IP business
that develops various content and secondary businesses based on Origin Story and music

naevis



Origin Story and music activities

- **Strengthening fandom's immersion in artist** via worldview story
- Development of origin **story + music activities**
 - Origin story contents (webtoon, animations)
 - Simultaneous development of easy-listening music (stories that fans and the public can immerse in and empathize with, music that can be easily listened to)

+

Diversifying content and activating fan communication

- Activating **fan communication/user participation content**
- Continuous fan communication content/activities
- Establish a virtuous cycle ecosystem of 'Fan participation – Creation – Reward' by providing IP Asset/Platform for fan creative activities

Super IP

capable of sustainable profit generation

Enhance corporate value

through future-oriented IP

Expand SM fandom

to subcultures and virtual fans

Create synergy

through collaboration with Kakao

3. Synergy with Kakao - secondary IP business expansion

Securing stable new revenue sources by activating secondary IP business based on primary IPs of 'worldview/albums/concerts'

Diversification of our IP-based content

- Monetizing secondary content production based on IPs owned by SM

kakaogames

Mobile game incorporating K-POP scheduled for release within the year

- ✓ Signing of IP licensing agreement with Kakao Games for mobile game development utilizing SM artists
- ✓ 'SM Game Station (working title)' is a mobile game with a concept where users become managers of artists, managing vocal, dance training, and overall activities
- ✓ Targeting global launch in second half of 2024

kakao
page

- ✓ Publication of webtoons based on the NCT universe and web novels depicting the growth story of RIIZE



Expanding MD distribution channels

Launched on KakaoTalk Gift store

Matching key age groups between service users and MD purchasers, effective sales and marketing expected

