



K Wave Media Announces Nasdaq Capital Market Approval, Strengthened Balance Sheet and Strategic AI Growth Initiative

July 20, 2026

SEOUL, South Korea and NEW YORK, July 20, 2026 (GLOBE NEWSWIRE) -- [K Wave Media Ltd.](#) (Nasdaq: **KWM**) ("K Wave Media," "KWM" or the "Company"), today announced several significant milestones that mark an important step in the Company's strategic transformation and position it for its next phase of growth.

On July 17, 2026, the Nasdaq Stock Market approved the Company's application to transfer the listing of its ordinary shares from the Nasdaq Global Market to the Nasdaq Capital Market and granted the Company an additional 180-day compliance period, through January 4, 2027, to regain compliance with Nasdaq's minimum \$1.00 bid price requirement. The Company's ordinary shares are expected to begin trading on the Nasdaq Capital Market on July 21, 2026.

The Nasdaq approval follows a series of significant corporate actions completed during July that have materially strengthened the Company's financial position.

On July 10, 2026, shareholders approved key proposals at the Company's Annual General Meeting, including authorization for the Board of Directors to implement a reverse stock split, if and when deemed necessary, to regain compliance with Nasdaq's minimum bid price requirement. The Board intends to utilize this authorization only when appropriate.

At the Annual General Meeting, shareholders also ratified the Company's restructuring efforts, including its disposition of the Company's subsidiary, Play Company Co., Ltd., which significantly improved the Company's balance sheet and financial profile.

As a result of the successful shareholder approvals:

- Shareholders' equity improved from a deficit position to approximately US\$22 million as set forth in the 12.31.2025 pro forma financial statements filed by the Company with the SEC on June 29, 2026.
- Total liabilities were reduced by approximately 77%. The Company's balance sheet has been substantially strengthened, providing greater financial flexibility to pursue strategic growth initiatives.

The Company believes these actions have resolved the shareholders' equity deficiency that previously affected its financial position and have established a significantly stronger foundation for future growth.

"Our Nasdaq Capital Market approval represents much more than an extension of our bid price compliance period," said Ted Kim, the Company's Chief Executive Officer. "Over the past several months, we have fundamentally restructured our balance sheet. We have transformed shareholders' equity from negative to approximately \$22 million while reducing our liabilities by approximately \$40 million. We believe that this marks a significant milestone in K Wave Media's turnaround."

Mr. Kim continued, "With a much stronger financial foundation, we are now focused on executing the next stage of our strategy. Artificial intelligence is reshaping virtually every industry, and we believe attractive investment and acquisition opportunities continue to emerge throughout the AI ecosystem. Our objective is to identify businesses with compelling technologies, scalable business models, and experienced management teams that can increase long-term shareholder value."

The Company has already begun evaluating multiple acquisition and investment opportunities in the AI ecosystem, including AI software, AI infrastructure, data center infrastructure, AI-enabled enterprise solutions, AI content-producing platform, and other adjacent technologies. More updates will be provided as definitive agreements are executed.

About K Wave Media Ltd.

K Wave Media Ltd. (Nasdaq: KWM) is a publicly traded company pursuing strategic investment, acquisition and operating opportunities focused on artificial intelligence and other high-growth technology sectors.

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of other performance metrics and projections of market opportunity. These statements are based on various assumptions, whether or not identified in this communication, and on the current expectations of KWM's management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and may differ from assumptions. Many actual events and circumstances are beyond the control of KWM. Some important risks that could cause actual results to differ materially from those in any forward-looking statements include changes in domestic and foreign business, market, financial, political, and legal conditions.

If any of these risks materialize or KWM's assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that KWM does not presently know, or that KWM currently believes are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect KWM's current expectations, plans, and forecasts of future events and views as of the date hereof.

Nothing in this communication should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved.

You should not place undue reliance on forward-looking statements in this communication, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein and the risk factors of KWM described in KWM's Annual Report on Form 20-F filed with the SEC on May 15, 2025, including those under the heading "Risk Factors" therein. KWM anticipates that subsequent events and developments may cause its assessments to change. However, while KWM may elect to update these forward-looking statements at some point in the future, KWM specifically disclaims any obligation to do so, except as required by law. The forward-looking statements contained herein should not be relied upon as representing KWM's assessments as of any date subsequent to the date of this communication. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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