

DISCLAIMER

The financial information included in this document are consolidated earnings results based on K-IFRS.

The “financial results for 1Q 2021” for Netmarble (the “Company”) contained in this document have been provided for investors’ convenience only and have not been audited by an independent auditor. Therefore, certain part(s) of this document are subject to change upon the audit outcome.

This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, “forward-looking statements” often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.” “Forward-looking statements” by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties which could adversely or positively affect our future results include the behavior of financial markets, the Company’s strategic actions, unanticipated dramatic developments in our major business conditions, and numerous other matters at the national and international levels which could affect our financial results.

These uncertainties may cause our actual results to be materially different from those expressed in this document.

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1. 1Q EARNINGS SUMMARY

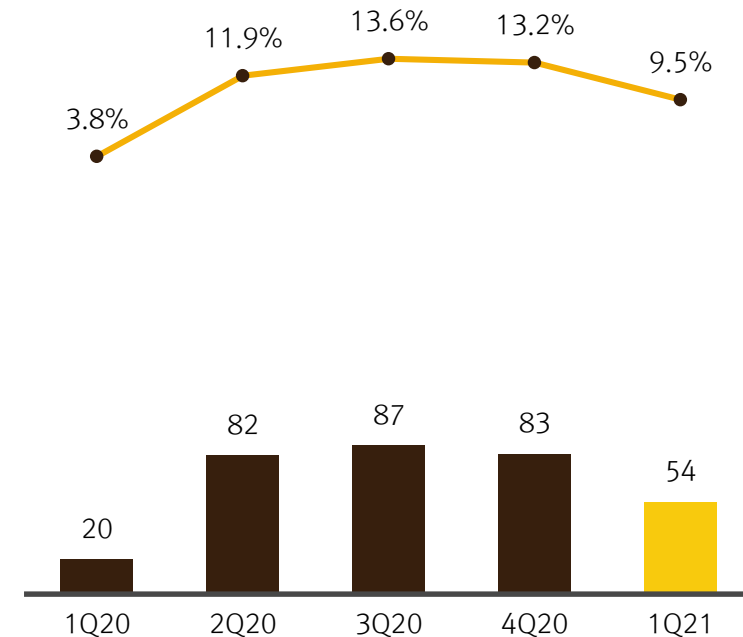
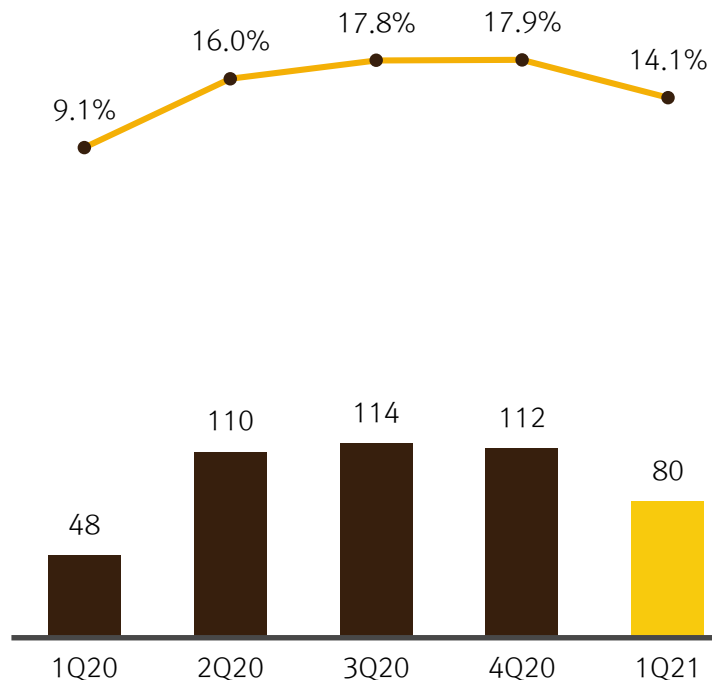
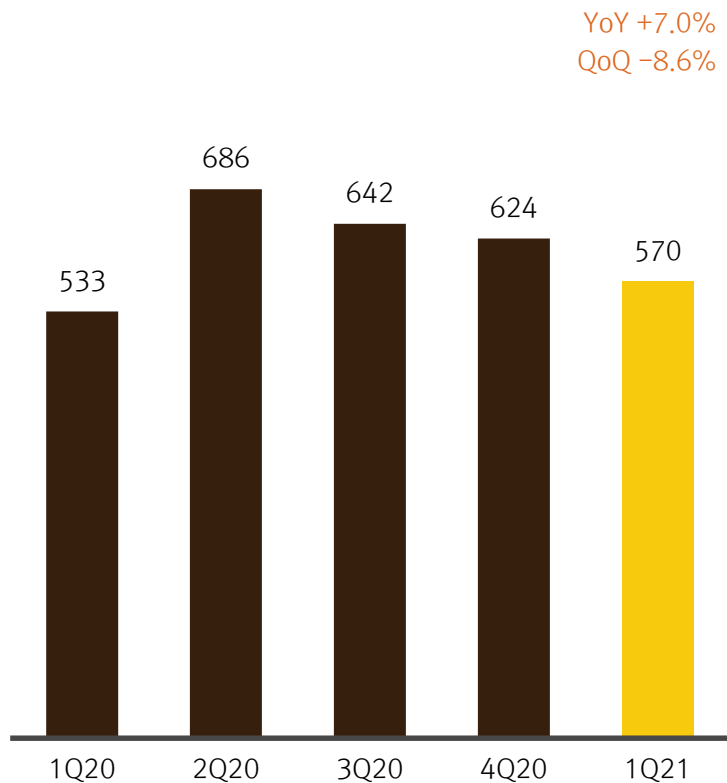
- 1Q recorded revenue of KRW 570.4bn (YoY +7.0%, QoQ -8.6%), EBITDA of KRW 80.3bn (YoY +65.9%, QoQ -28.0%), and operating profit of KRW 54.2bn (YoY +165.7%, QoQ -34.3%)
- Absence of major game launches in 1Q and a soft landing of existing games decreased revenue, which also influenced a decrease in operating profit

Revenue

EBITDA

Operating Profit

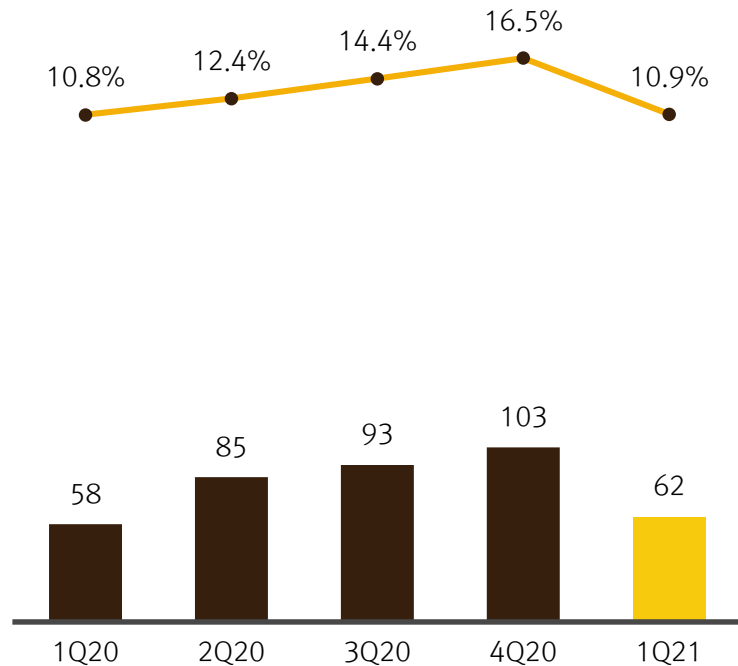
(Unit : KRW bn)



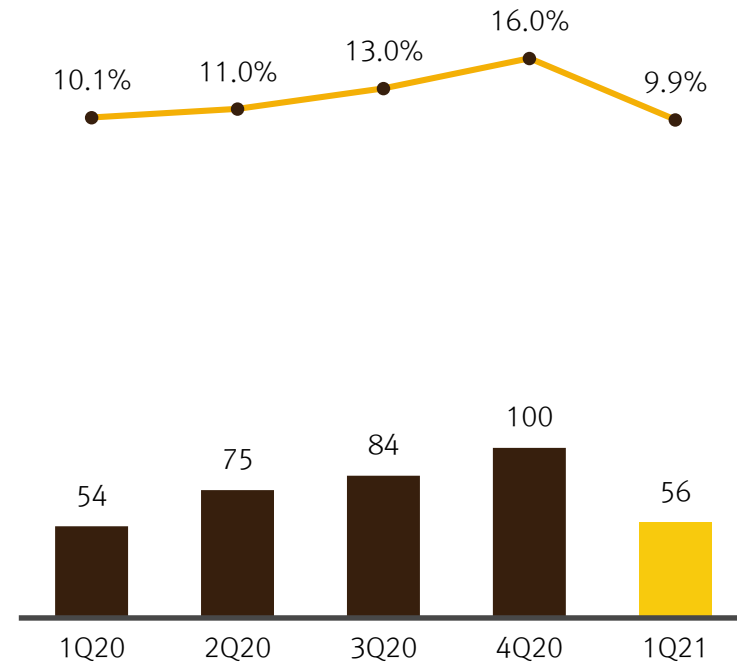
1. 1Q EARNINGS SUMMARY

- Net profit was KRW 61.9bn (YoY +7.7%, QoQ -39.8%), Net profit (controlling) was KRW 56.4bn (YoY +4.6%, QoQ -43.7%)
- Non-operating income & cost was KRW 40.4bn including gains from equity method (KRW 22.3bn) and dividend income (KRW 16.7bn)

Net Profit



Net Profit (Controlling)



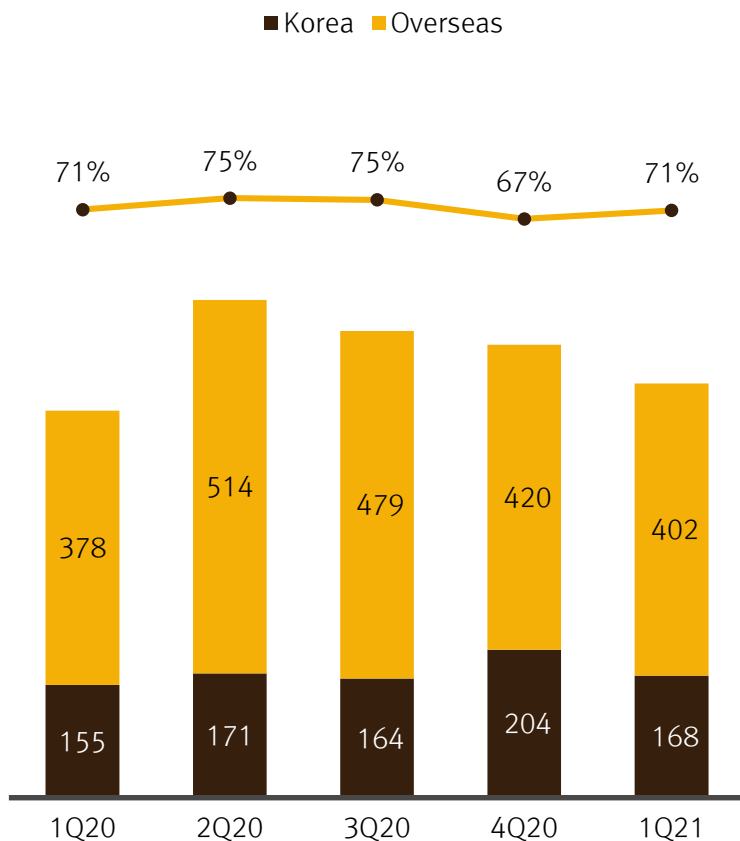
(Unit : KRW bn)

2. OVERSEAS REVENUE SHARE

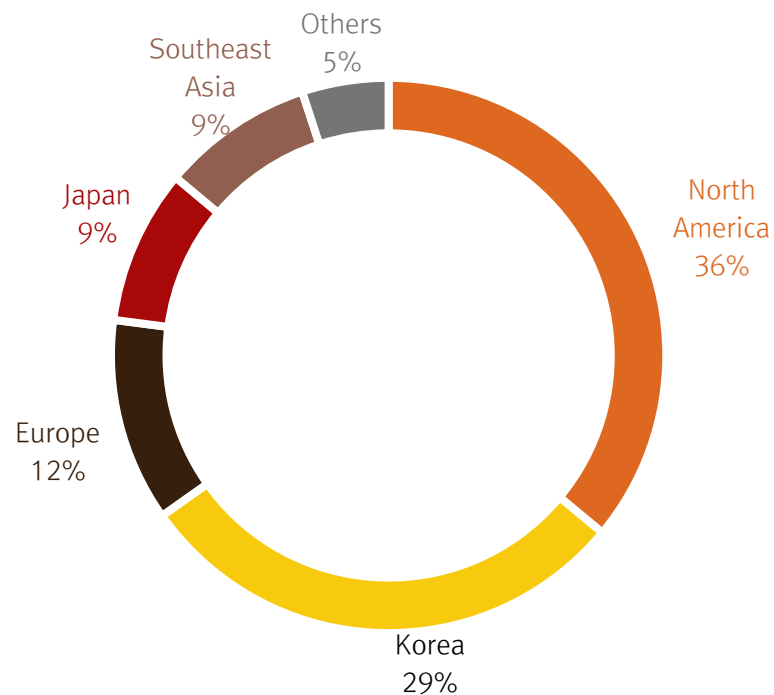
- Overseas revenue for 1Q was KRW 402.3bn. Proportion of overseas revenue is 71% (QoQ +4%P)
- Revenues were diversified across N.A (36%), Korea (29%), Europe (12%), Japan (9%), SEA (9%), and others (5%)
- The Seven Deadly Sins: Grand Cross content updates led an increase in N.A contribution (QoQ +3%P)

Korea & Overseas Revenue Share

(Unit : KRW bn)



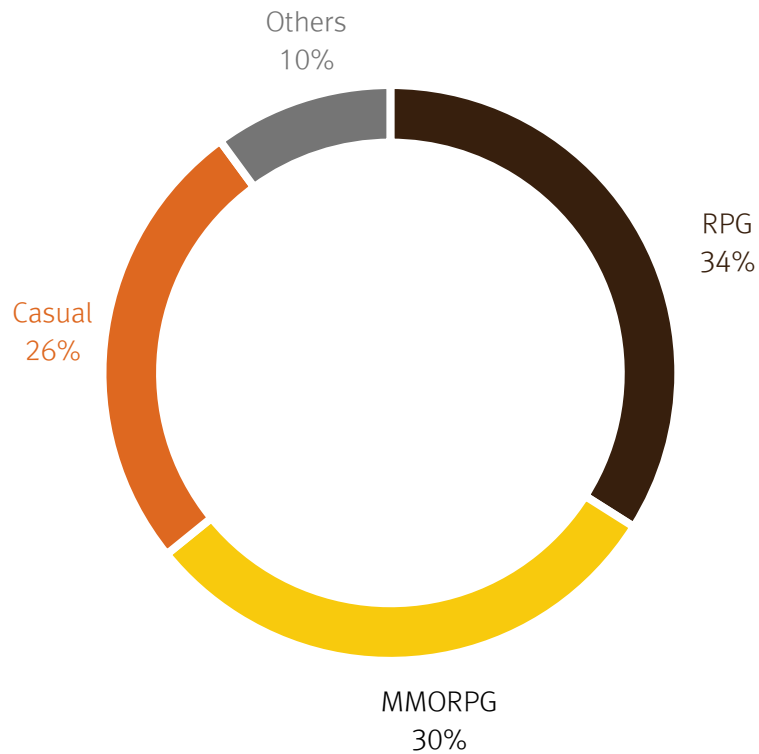
Revenue Breakdown by Region



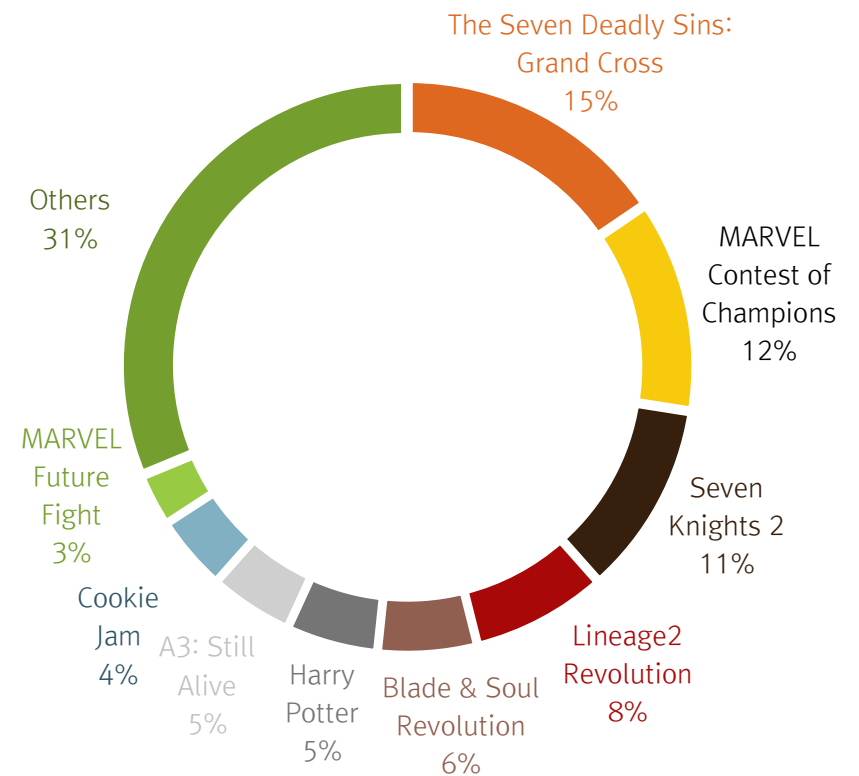
3. GAME PORTFOLIO

- Genre portfolio showed diversification across RPG (34%), MMORPG (30%), Casual (26%), and others (10%)
- Top revenue generators were evenly distributed; The Seven Deadly Sins: Grand Cross 15%, MARVEL Contest of Champions 12%, Seven Knights2 11%, Lineage2 Revolution 8%, Blade & Soul Revolution 6%, Harry Potter 5%, A3: Still Alive 5%, etc

Revenue Breakdown by Genre



Revenue Breakdown by Major Games

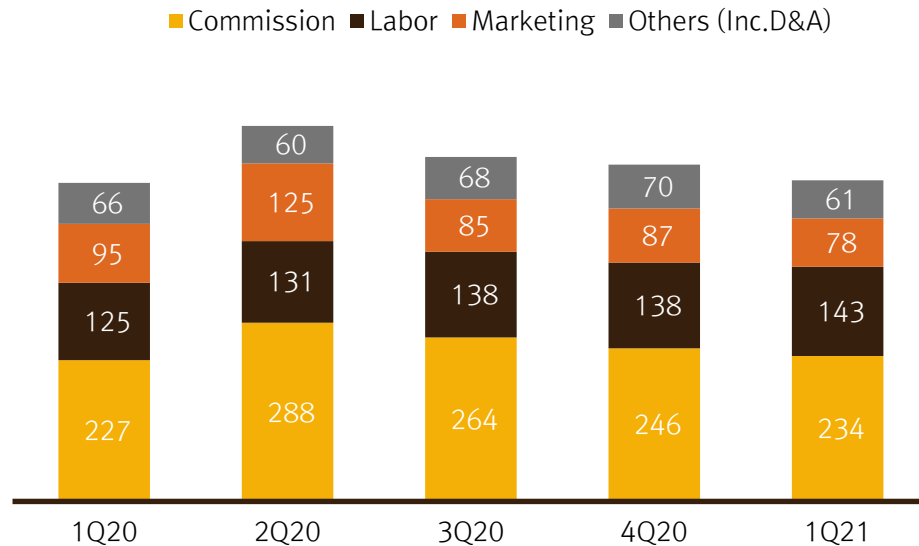


4. MAJOR COST STRUCTURES

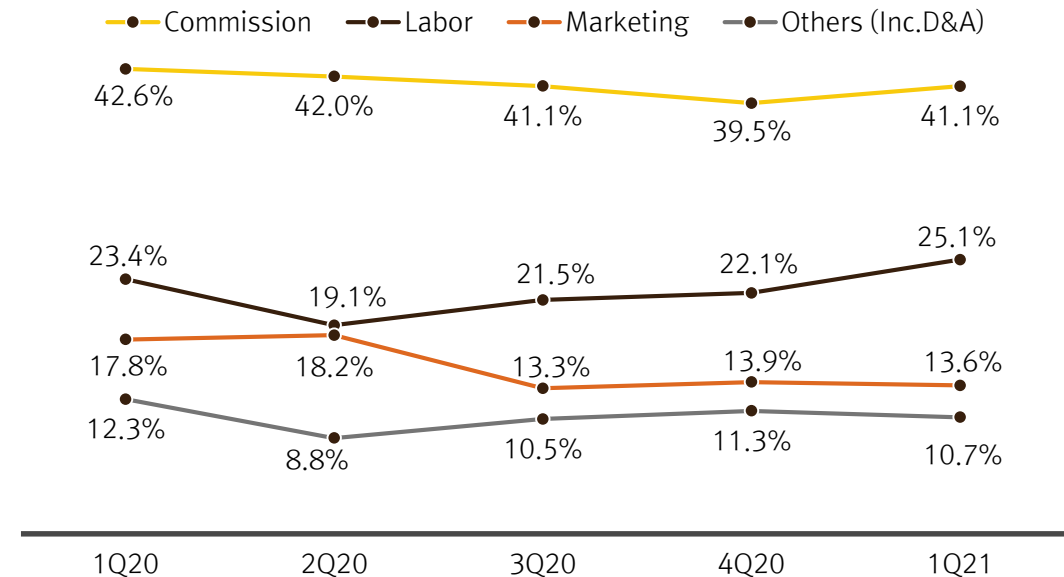
- 1Q operating cost was KRW 516.2bn (YoY +0.7%, QoQ -4.7%), decreased QoQ
- The commission cost was KRW 234.2bn (YoY +3.1%. QoQ -5.0%). The commission rate increased QoQ as the Seven Deadly Sins: Grand Cross content updates contributed to the revenue increase
- The labor cost was KRW 143.4bn (YoY +15.2%, QoQ +4.1%), increased QoQ due to a recruitment of developers for new titles and a salary raise for employees (partly reflected in 1Q)
- The marketing cost was KRW 77.6bn (YoY -18.3%, QoQ -10.6%), decreased QoQ due to an absence of major game launches in 1Q

Operating Costs Breakdown

(Unit : KRW bn)



Operating Costs to the Revenue



5. NEW LINE UP

- Ni no Kuni (Simultaneous release in Korea, Japan and Taiwan) will be launched in June (Pre-registration has started since Apr. 14th)
- Seven Knights Revolution (Simultaneous release in Korea and Japan), MARVEL Future Revolution (Global, excluding China), BTS Dream (TBD, Global, excluding China), and Merge Kuya Island (Global, excluding China) will be launched in 2H21



Ni no Kuni

Simultaneous Release in Korea, Japan and Taiwan
June, 2021



MARVEL Future Revolution

Global, excluding China
2H, 2021



Seven Knights Revolution

Simultaneous Release in Korea and Japan
2H, 2021



BTS Dream (TBD)

Global, excluding China
2H, 2021



Merge Kuya Island

Global, excluding China
2H, 2021

APPENDIX. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

Consolidated Statement of Financial Position

(KRW bn)	1Q20	2Q20	3Q20	4Q20	1Q21
Revenue	533	686	642	624	570
Commission	227	288	264	246	234
Labor Cost	125	131	138	138	143
Marketing Cost	95	125	85	87	78
Other Costs (exc. D&A)	38	32	41	41	35
EBITDA	48	110	114	112	80
<i>Margin (%)</i>	<i>9.1%</i>	<i>16.0%</i>	<i>17.8%</i>	<i>17.9%</i>	<i>14.1%</i>
D&A	28	28	27	29	26
Operating Income	20	82	87	83	54
<i>Margin (%)</i>	<i>3.8%</i>	<i>11.9%</i>	<i>13.6%</i>	<i>13.2%</i>	<i>9.5%</i>
<i>Non-Operating Income&Cost</i>	34	3	29	137	41
Pre-tax Profit	54	85	116	220	95
Tax	- 4	- 1	23	117	33
Net Profit	58	85	93	103	62
Net Profit (controlling)	54	75	84	100	56
<i>Margin (%)</i>	<i>10.1%</i>	<i>11.0%</i>	<i>13.0%</i>	<i>16.0%</i>	<i>9.9%</i>

(KRW bn)	1Q20	2Q20	3Q20	4Q20	1Q21
Current Assets	1,451	1,522	1,593	1,820	1,849
Cash and Cash Equivalents	535	740	830	1,257	1,280
Accounts Receivable	216	232	208	182	194
Other Current Financial Assets	611	442	442	287	267
Other Current Assets	89	108	113	94	108
Non-Current Assets	5,308	5,776	5,809	6,403	6,405
Investment Assets	3,423	3,901	3,913	4,526	4,442
Intangible Assets	1,427	1,395	1,363	1,292	1,333
Tangible Assets	325	342	409	461	311
Other Non-Current Assets	133	138	124	124	319
Total Assets	6,759	7,298	7,402	8,223	8,254
Current Liabilities	1,389	1,613	1,541	1,634	1,557
Accounts Payable	77	88	91	71	65
Short-term Debt	717	829	714	808	520
Other Current Financial Liabilities	406	483	500	513	676
Other Current Liabilities	189	213	236	242	296
Non-Current Liabilities	441	434	532	939	1,178
Other Non-Current Financial Liabilities	174	55	154	371	663
Other Non-Current Liabilities	267	379	378	568	515
Total Liabilities	1,830	2,047	2,073	2,573	2,735
Total Equity	4,929	5,251	5,329	5,650	5,519

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