



# DISCLAIMER

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

The “financial results for 3Q 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.

- 3Q EARNINGS ..... 3
- REVENUE BREAKDOWN BY REGION ..... 5
- REVENUE BREAKDOWN BY GENRE ..... 6
- GAME PORTFOLIO ..... 7
- MAJOR COST STRUCTURES ..... 8
- NEW LINEUPS ..... 9

APPENDIX. CONSOLIDATED FINANCIAL STATEMENTS

# 3Q Earnings

[Revenue] KRW 607.0bn (YoY -5.5%, QoQ +5.2%)

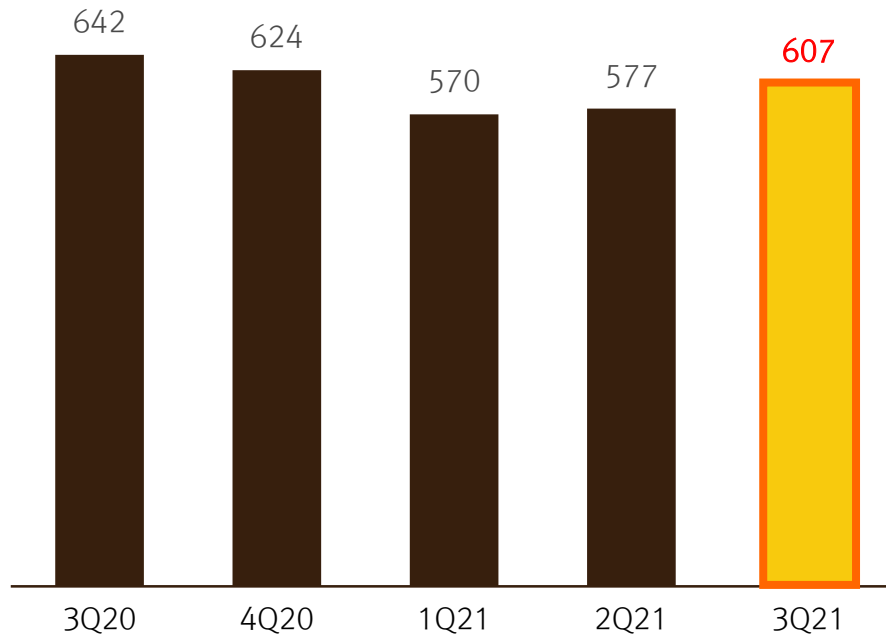
- Fully recognizing quarterly revenue from Ni no Kuni: Cross Worlds and launching a new title MARVEL Future Revolution contributed to the top line growth

[EBITDA] KRW 58.5bn (YoY -48.9%, QoQ +40.0%)

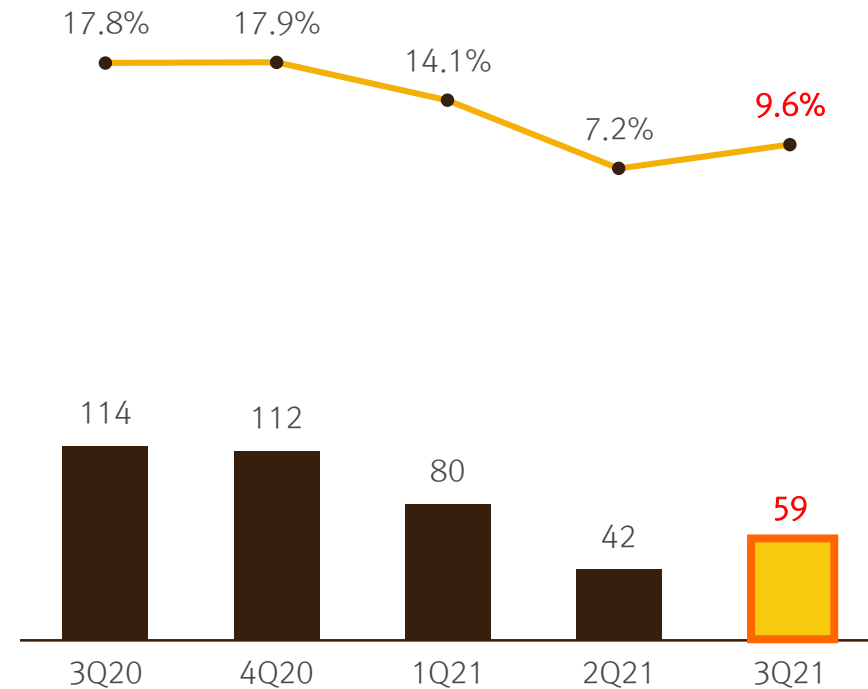
- EBITDA Margin 9.6% (D&A KRW 31.9bn)

(Unit: KRW bn)

Revenue



EBITDA



# 3Q Earnings

[Operating Profit] KRW 26.6bn (YoY -69.6%, QoQ +64.2%)

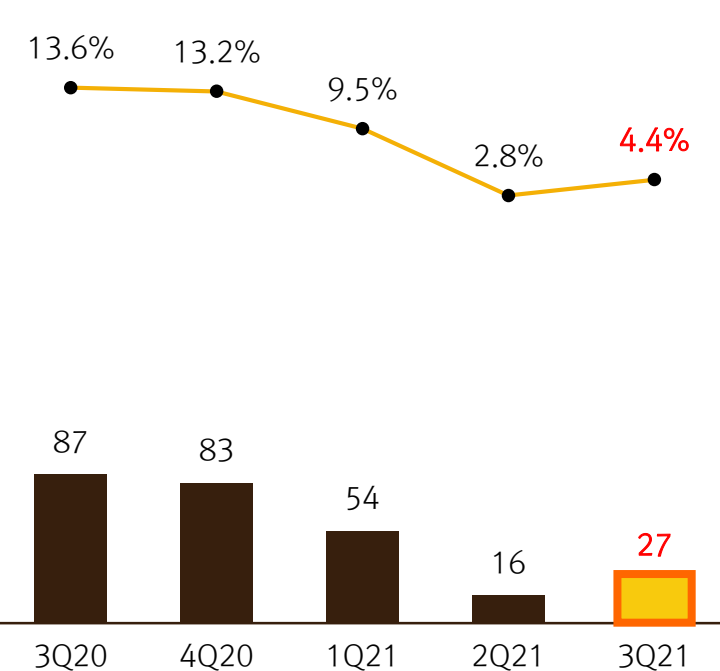
[Net Profit] KRW 35.7bn (YoY -61.4%, QoQ -25.9%)

[Net Profit (Controlling)] KRW 30.2bn (YoY -63.9%, QoQ -33.9%)

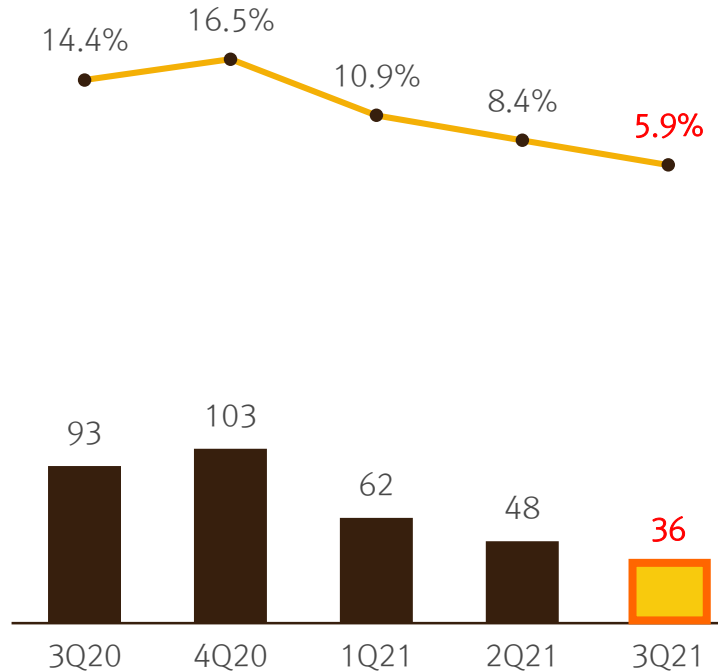
- Non-operating income & cost decreased by KRW 17.0bn QoQ due to the absence of HYBE's capital increase which was occurred in 2Q21

(Unit: KRWbn)

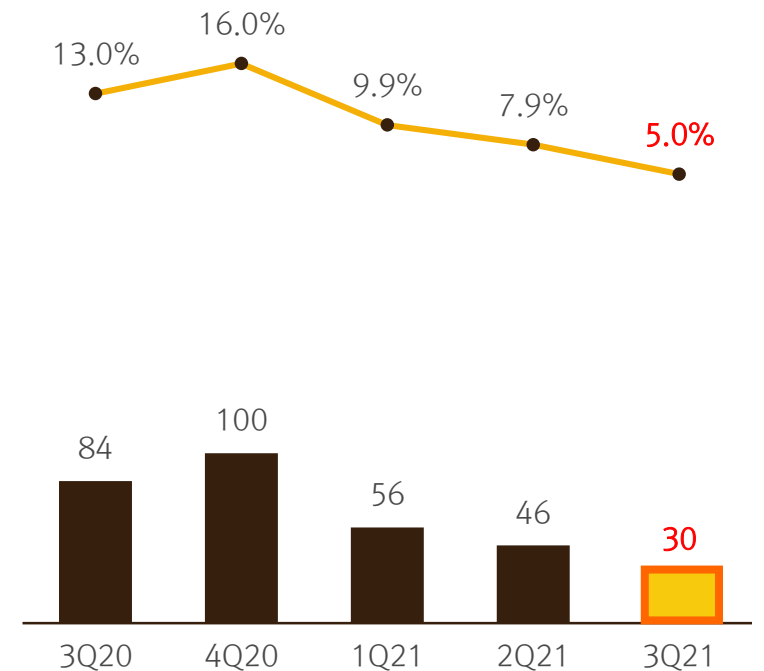
Operating Profit



Net Profit



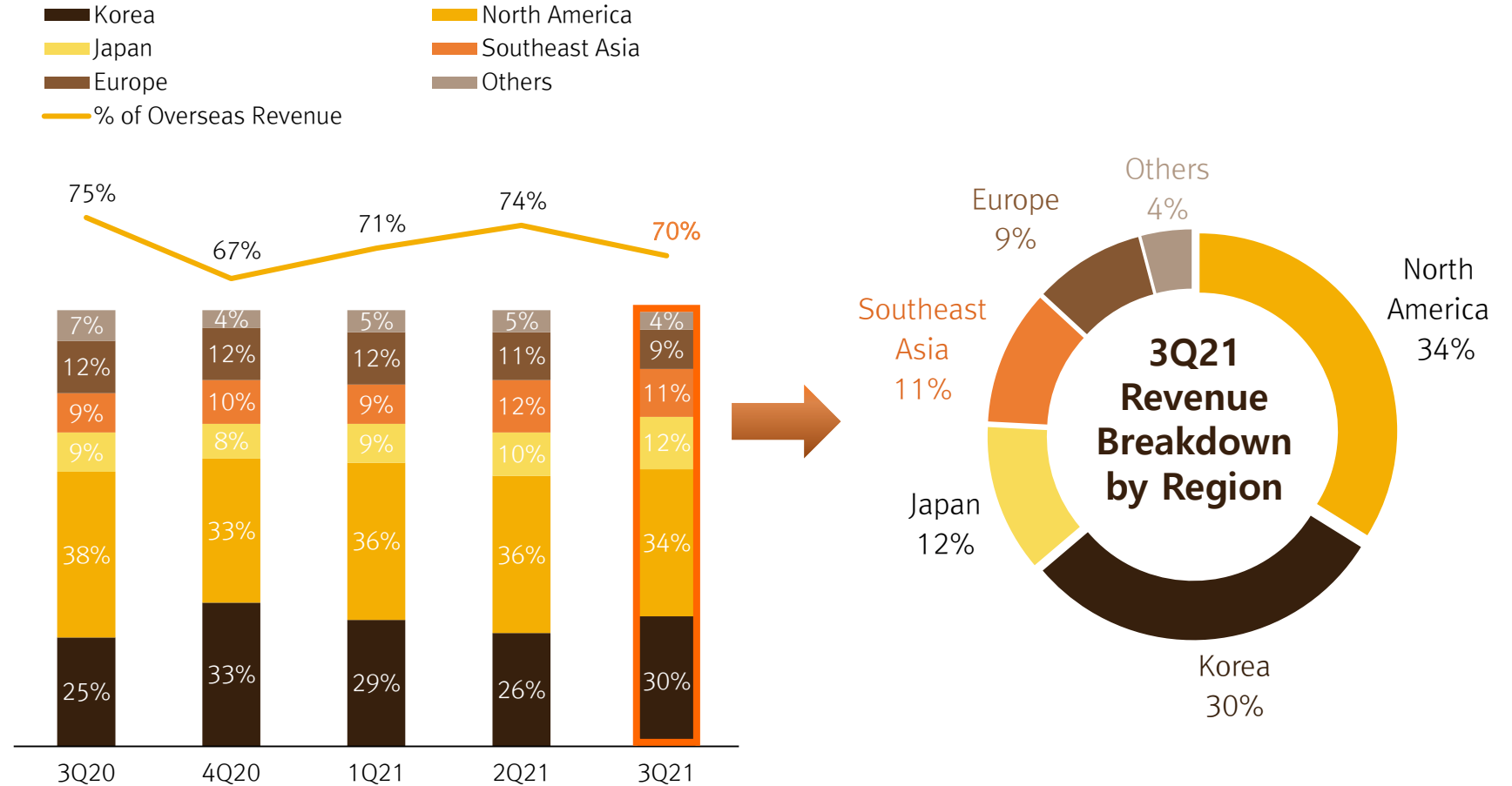
Net Profit (Controlling)



# Revenue Breakdown by Region

- Overseas revenue in 3Q21 was KRW 426.0bn. Actual number is similar to 2Q. However, due to the increase in domestic revenue, the proportion of overseas revenue went down to 70% (QoQ -4%p)
- Revenues were diversified across N.A 34%, Korea 30%, Japan 12%, SEA 11%, Europe 9% and others 4%
- The revenue proportion of Korea and Japan increased +4%p and +2%p respectively; fully recognizing the revenue of Ni no Kuni: Cross Worlds

Revenue Breakdown by Region

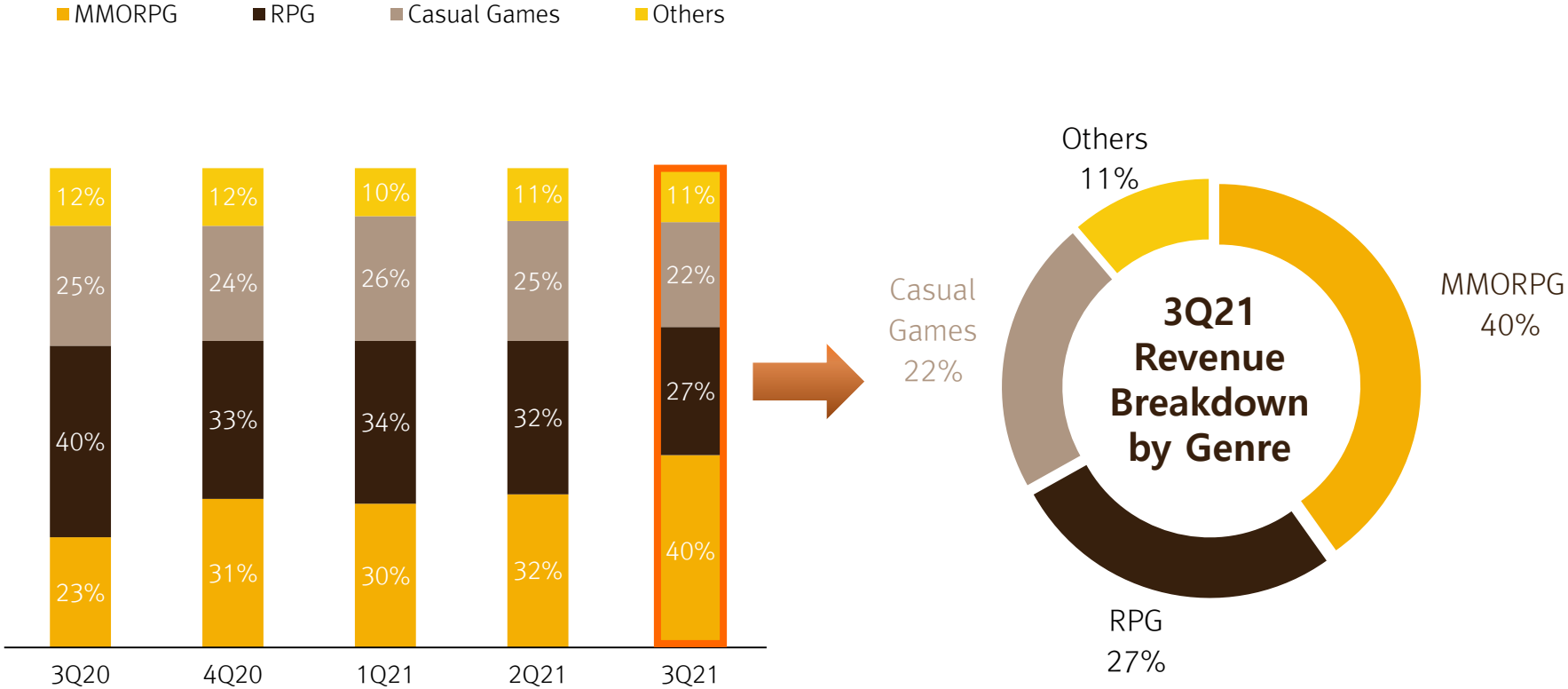


FINANCIAL HIGHLIGHTS

# Revenue Breakdown by Genre

- Genre portfolio showed diversification across MMORPG 40%, RPG 27%, Casual games 22%, and Others 11%
- The revenue proportion of MMORPG increased +8%p QoQ due to the full recognition of revenue from Ni no Kuni: Cross Worlds and the release of MARVEL Future Revolution

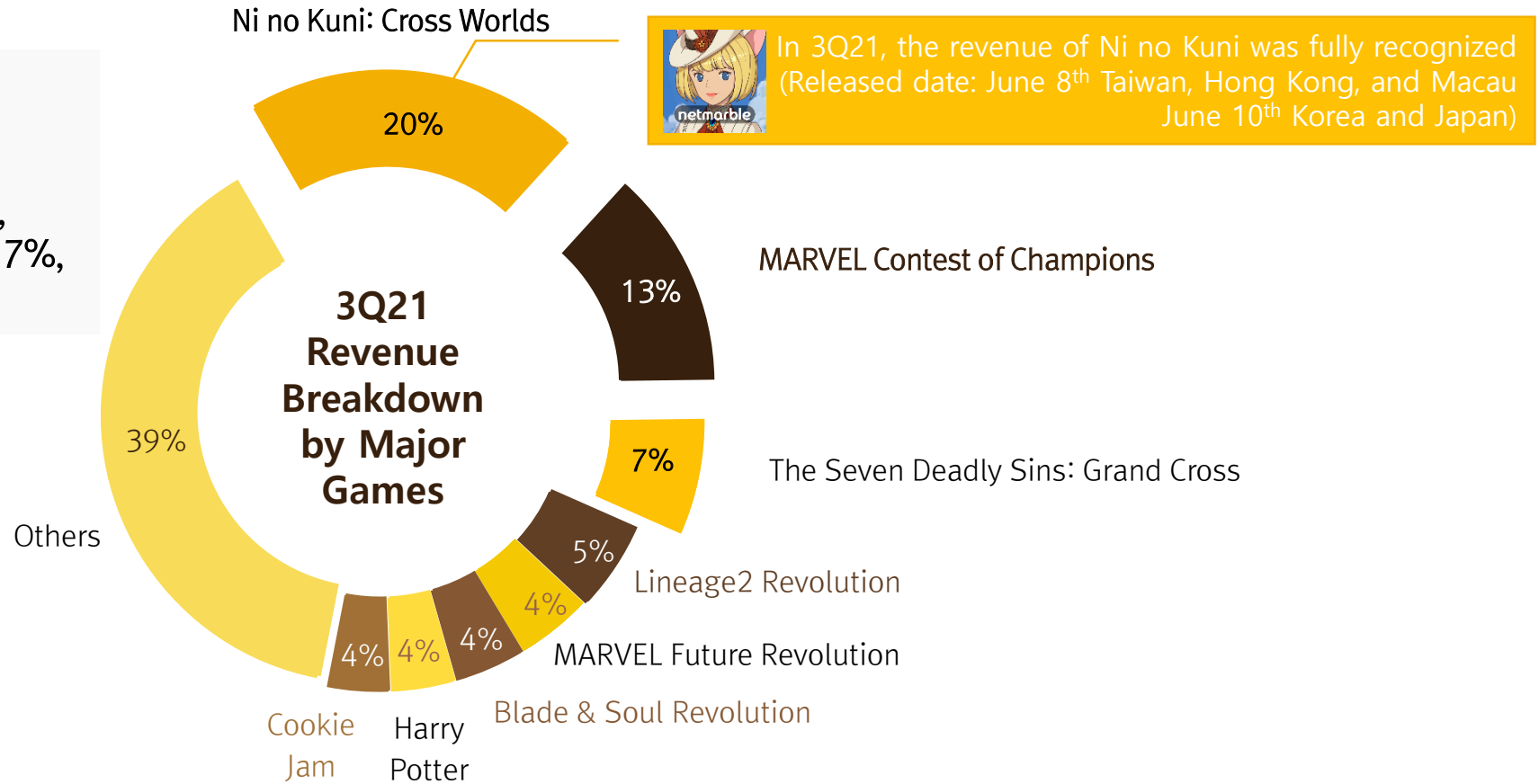
Revenue Breakdown by Genre



# Game Portfolio

## Revenue Breakdown by Major Games

• Top revenue generators were evenly distributed; Ni no Kuni: Cross Worlds 20%, MARVEL Contest of Champions 13%, The Seven Deadly Sins: Grand Cross 7%, and Lineage2 Revolution 5%, etc.





FINANCIAL HIGHLIGHTS

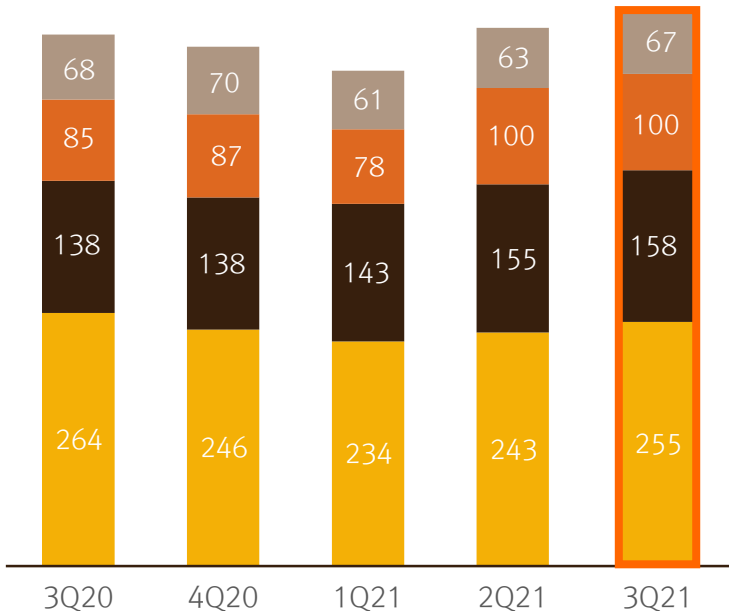
# Major Cost Structures

- Commission Cost KRW 254.6bn**  
 (YoY -3.5%, QoQ +4.6%)  
 The full revenue recognition of Ni no Kuni: Cross Worlds and the release of MARVEL Future Revolution led QoQ increase
- Labor Cost KRW 157.9bn**  
 (YoY +14.6%, QoQ +2.1%)  
 The number of developers increased by Ludia acquisition led QoQ increase
- Marketing Cost KRW 100.4bn**  
 (YoY +17.2%, QoQ flat)  
 Marketing cost was the same as last quarter, subjected to the pre-release events and the launch of MARVEL Future Revolution
- Others KRW 67.5bn**  
 (YoY -0.1%, QoQ +7.8%)  
 D&A KRW 31.9bn,  
 other commissions KRW 35.6bn, etc.

## Operating Costs Breakdown

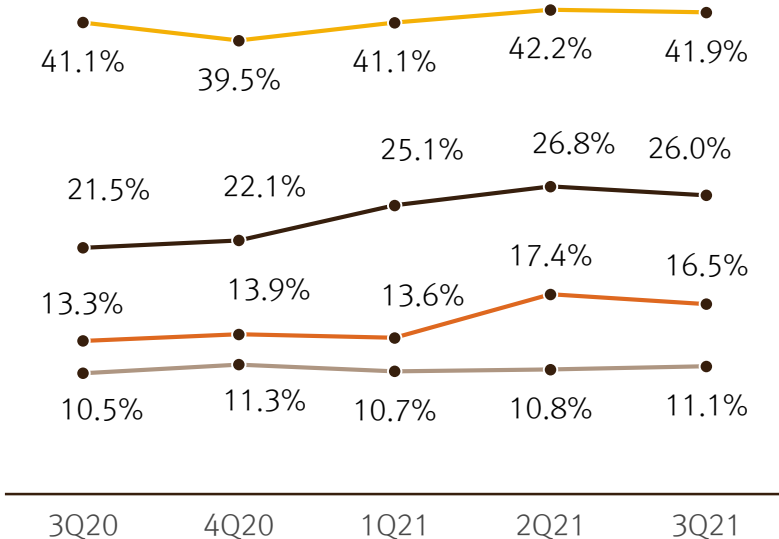
(Unit: KRW bn)

■ Commission ■ Labor ■ Marketing ■ Others (Inc.D&A)



## Operating Costs to the Revenue

● Commission ● Labor ● Marketing ● Others (Inc.D&A)



NEW LINEUPS

# New Lineups

- Seven Knights2 (Global, excluding Korea, China, and Vietnam) was released on November 10<sup>th</sup>
- In 1H 2022, Seven Knights Revolution (Korea), Ni no Kuni: Cross Worlds (Global, excluding China and previously-released countries), and Merge KUYA Island (Global, excluding China) will be launched
- In 1H 2022, BTS Dream: TinyTAN House (Global, excluding China) will have a soft-launch



Seven Knights2

- November 10<sup>th</sup> 2021
- Global (excluding Korea, China, and Vietnam)
- CCG MORPG
- Developed by Netmarble Nexus



Seven Knights Revolution

- 1H 2022
- Korea
- MMORPG
- Developed by Netmarble Nexus



Ni no Kuni: Cross Worlds

- 1H 2022
- Global (excluding previously released countries & China)
- MMORPG
- Developed by Netmarble Neo



Merge KUYA Island

- 1H 2022
- Global (excluding China)
- Merge
- Developed by Netmarble N2



BTS Dream: TinyTAN House

- 1H 2022 (Soft Launch)
- Global (excluding China)
- Rhythm & Customization
- Developed by Netmarble Neo

## Consolidated Income Statement

(KRW bn)	3Q20	4Q20	1Q21	2Q21	3Q21
<b>Revenue</b>	<b>642</b>	<b>624</b>	<b>570</b>	<b>577</b>	<b>607</b>
Commission	264	246	234	243	255
Labor Cost	138	138	143	155	158
Marketing Cost	85	87	78	100	100
Other Costs (exc. D&A)	41	41	35	37	35
<b>EBITDA</b>	<b>114</b>	<b>112</b>	<b>80</b>	<b>42</b>	<b>59</b>
<i>Margin (%)</i>	<i>17.8%</i>	<i>17.9%</i>	<i>14.1%</i>	<i>7.2%</i>	<i>9.6%</i>
D&A	27	29	26	26	32
<b>Operating Income</b>	<b>87</b>	<b>83</b>	<b>54</b>	<b>16</b>	<b>27</b>
<i>Margin (%)</i>	<i>13.6%</i>	<i>13.2%</i>	<i>9.5%</i>	<i>2.8%</i>	<i>4.4%</i>
<i>Non-Operating Income&amp;Cost</i>	29	137	41	46	29
<b>Pre-tax Profit</b>	<b>116</b>	<b>220</b>	<b>95</b>	<b>62</b>	<b>56</b>
Tax	23	117	33	14	20
<b>Net Profit</b>	<b>93</b>	<b>103</b>	<b>62</b>	<b>48</b>	<b>36</b>
<b>Net Profit (controlling)</b>	<b>84</b>	<b>100</b>	<b>56</b>	<b>46</b>	<b>30</b>
<i>Margin (%)</i>	<i>13.0%</i>	<i>16.0%</i>	<i>9.9%</i>	<i>7.9%</i>	<i>5.0%</i>

## Consolidated Statement of Financial Position

(KRW bn)	3Q20	4Q20	1Q21	2Q21	3Q21
<b>Current Assets</b>	<b>1,593</b>	<b>1,820</b>	<b>1,849</b>	<b>1,313</b>	<b>1,682</b>
Cash and Cash Equivalents	830	1,257	1,280	793	1,140
Accounts Receivable	208	182	194	212	209
Other Current Financial Assets	442	287	267	219	237
Other Current Assets	113	94	108	89	96
<b>Non-Current Assets</b>	<b>5,809</b>	<b>6,403</b>	<b>6,405</b>	<b>6,702</b>	<b>6,542</b>
Investment Assets	3,913	4,526	4,442	4,734	4,098
Intangible Assets	1,363	1,292	1,333	1,324	1,570
Tangible Assets	409	461	311	324	364
Other Non-Current Assets	124	124	319	320	510
<b>Total Assets</b>	<b>7,402</b>	<b>8,223</b>	<b>8,254</b>	<b>8,015</b>	<b>8,224</b>
<b>Current Liabilities</b>	<b>1,541</b>	<b>1,634</b>	<b>1,557</b>	<b>1,118</b>	<b>1,023</b>
Accounts Payable	91	71	65	73	83
Short-term Debt	714	808	520	290	40
Other Current Financial Liabilities	500	513	676	509	424
Other Current Liabilities	236	242	296	246	476
<b>Non-Current Liabilities</b>	<b>532</b>	<b>939</b>	<b>1,178</b>	<b>1,190</b>	<b>1,236</b>
Other Non-Current Financial Liabilities	154	371	663	635	780
Other Non-Current Liabilities	378	568	515	555	456
<b>Total Liabilities</b>	<b>2,073</b>	<b>2,573</b>	<b>2,735</b>	<b>2,308</b>	<b>2,259</b>
<b>Total Equity</b>	<b>5,329</b>	<b>5,650</b>	<b>5,519</b>	<b>5,707</b>	<b>5,965</b>

**netmarble**

