



netmarble

1Q 2023 Earnings Results

May 11th, 2023

DISCLAIMER

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

The “financial results for 1Q 2023 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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1Q23 Earnings

[Revenue] KRW 602.6bn (YoY 4.6%▼ / QoQ 12.3%▼)

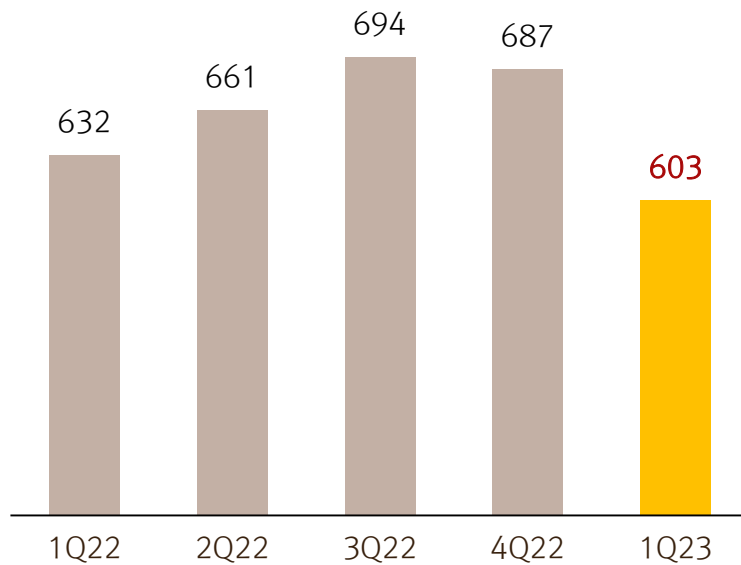
[EBITDA] KRW 20.1bn (YoY 56.0%▼ / QoQ 43.7%▼)

- The decreases in revenue and EBITDA were subject to an absence of new game launch in 1Q and due to the seasonality in overseas business
- EBITDA Margin 3.3% (D&A KRW 48.3bn)

Revenue

(Unit: KRW bn)

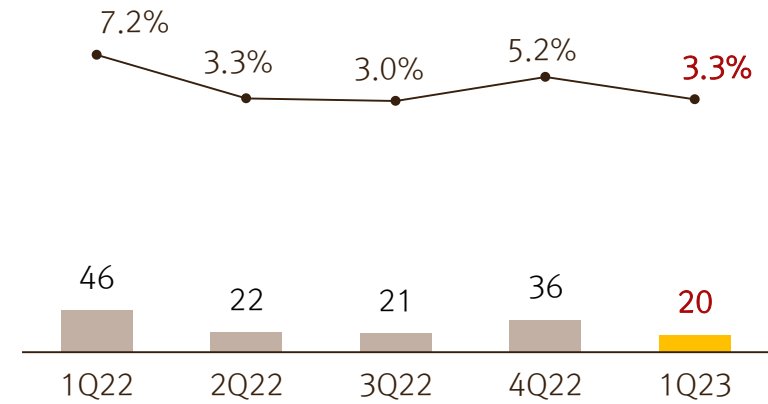
YoY 4.6%▼
QoQ 12.3%▼



EBITDA

(Unit: KRW bn)

YoY 56.0%▼
QoQ 43.7%▼



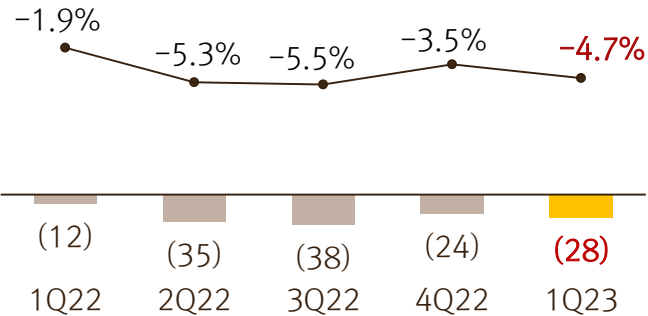
1Q23 Earnings

[Profit] Operating Loss KRW -28.2bn, Net Loss KRW -45.8bn,
Net Loss (Controlling) KRW -37.7bn

- Non-operating income and cost has increased by KRW 377.9bn QoQ due to the non-occurrence of impairment loss on intangible assets reflected in the previous quarter, etc.

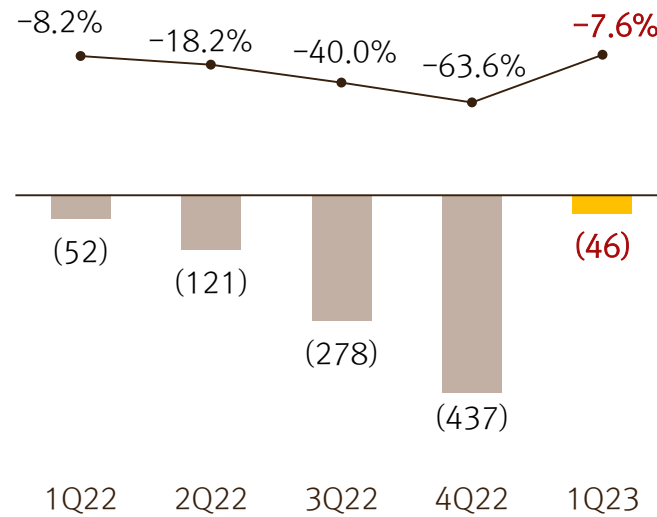
Operating Profit

(Unit: KRW bn)



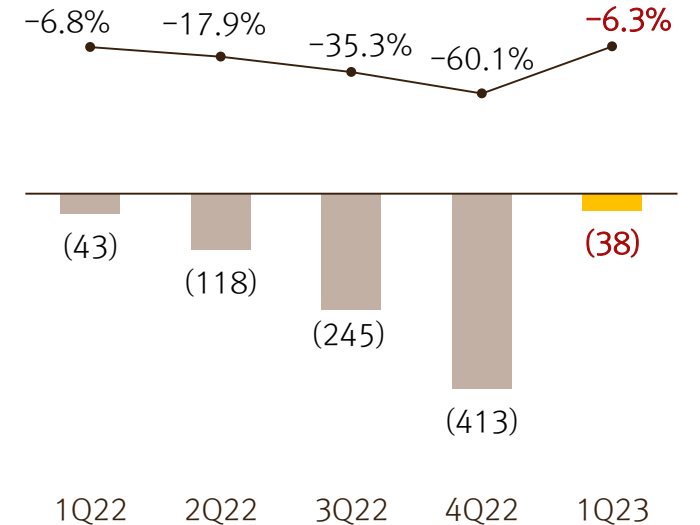
Net Profit

(Unit: KRW bn)



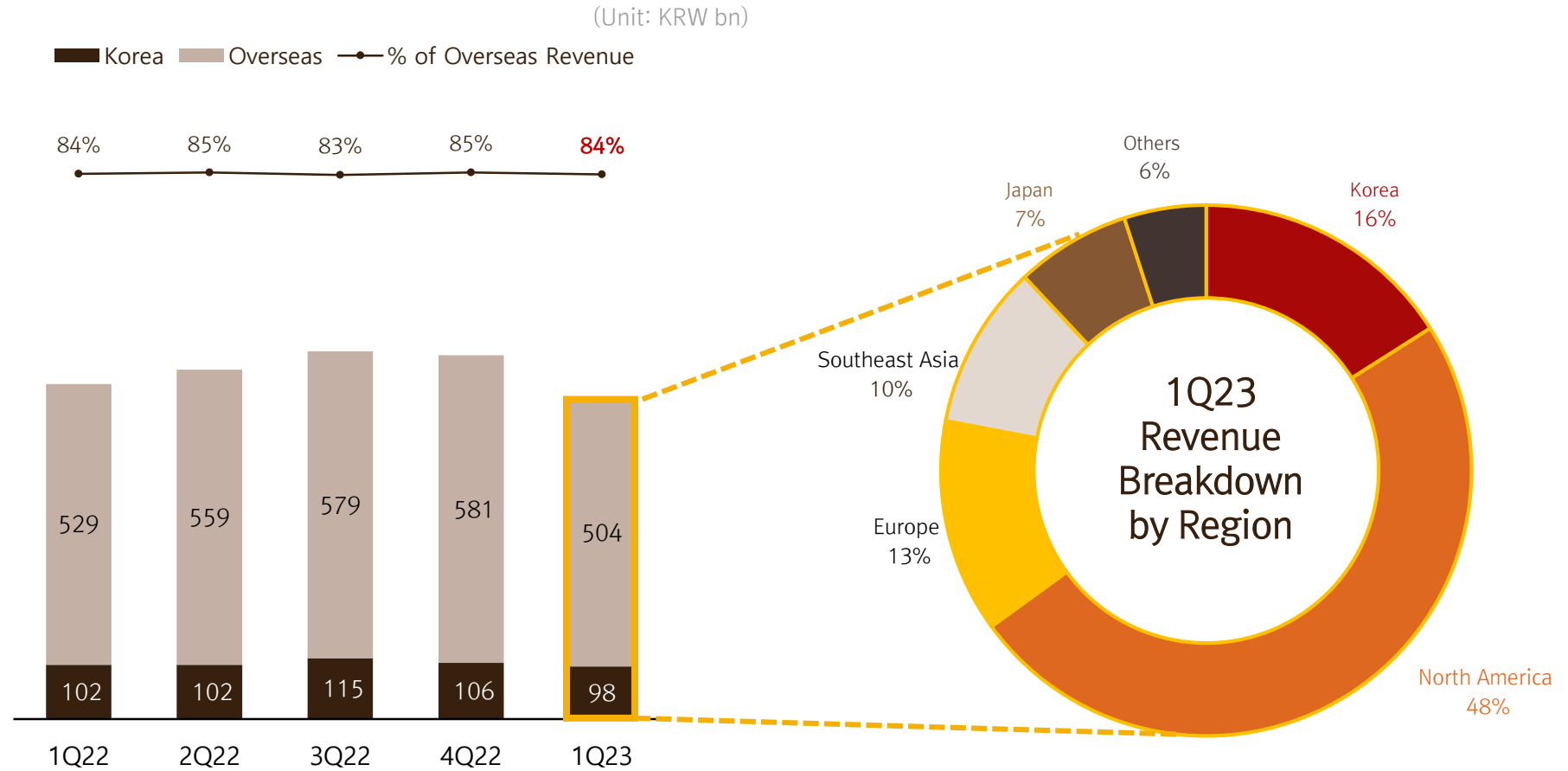
Net Profit (Controlling)

(Unit: KRW bn)



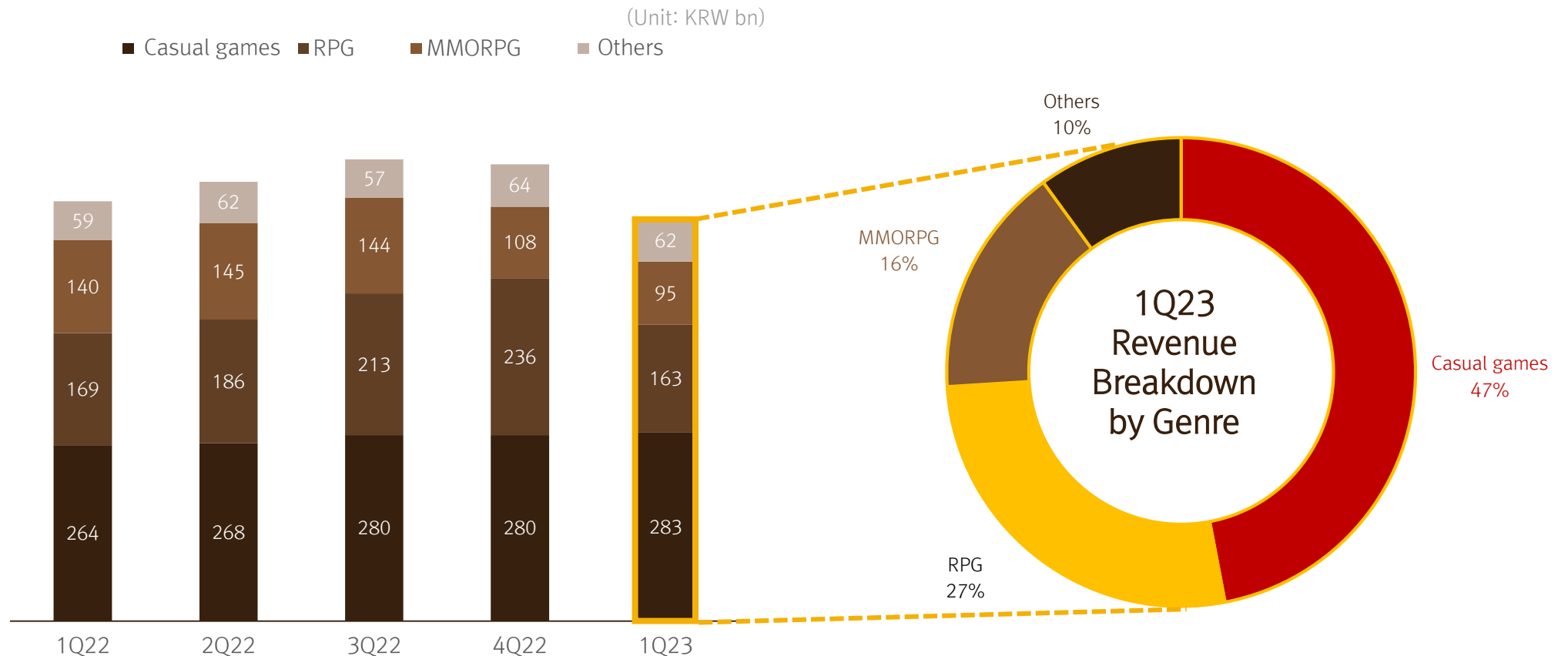
Revenue Breakdown by Region

- Overseas revenue for 1Q was KRW 504.3bn consisting 84% (QoQ -1%p) of the total revenue
- Regional diversification in revenue continued across N.A. 48%, Korea 16%, Europe 13%, SEA 10%, Japan 7% and others 6%



Revenue Breakdown by Genre

- Genre portfolio showed diversification across Casual games 47%, RPG 27%, MMORPG 16% and others 10%
- Revenue proportion of RPG decreased by -7%p QoQ due to MARVEL Contest of Champions' seasonality in overseas business



Game Portfolio

- Top revenue generators were evenly distributed: Jackpot World 10%, MARVEL Contest of Champions 9%, Cash Frenzy 9%, Lotsa Slots 9%, The Seven Deadly Sins: Grand Cross 7%, Ni no Kuni: Cross Worlds 5%, Lineage 2 Revolution 5%, etc.

✓ 1Q23 Main Updates & Events



[The Seven Deadly Sins: Grand Cross]
New Year Festival 2023 Update (Jan. 3rd)



[Lineage 2 Revolution]
New <Oren> Territory Chaos Field Update (Jan. 5th)



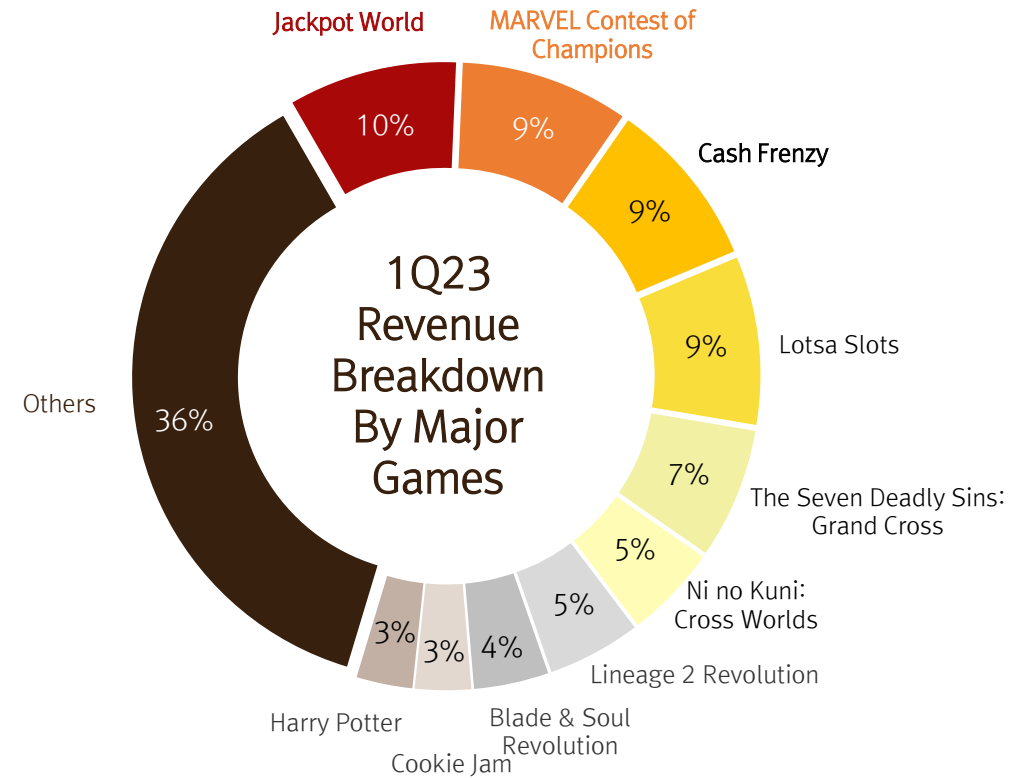
[MARVEL Contest of Champions]
VALENTINE'S ROMANCE EVENT (Feb. 13th)



[Blade & Soul Revolution]
Legendary Seasonal Dungeon, Forgotten Temple Update (Feb. 23rd)



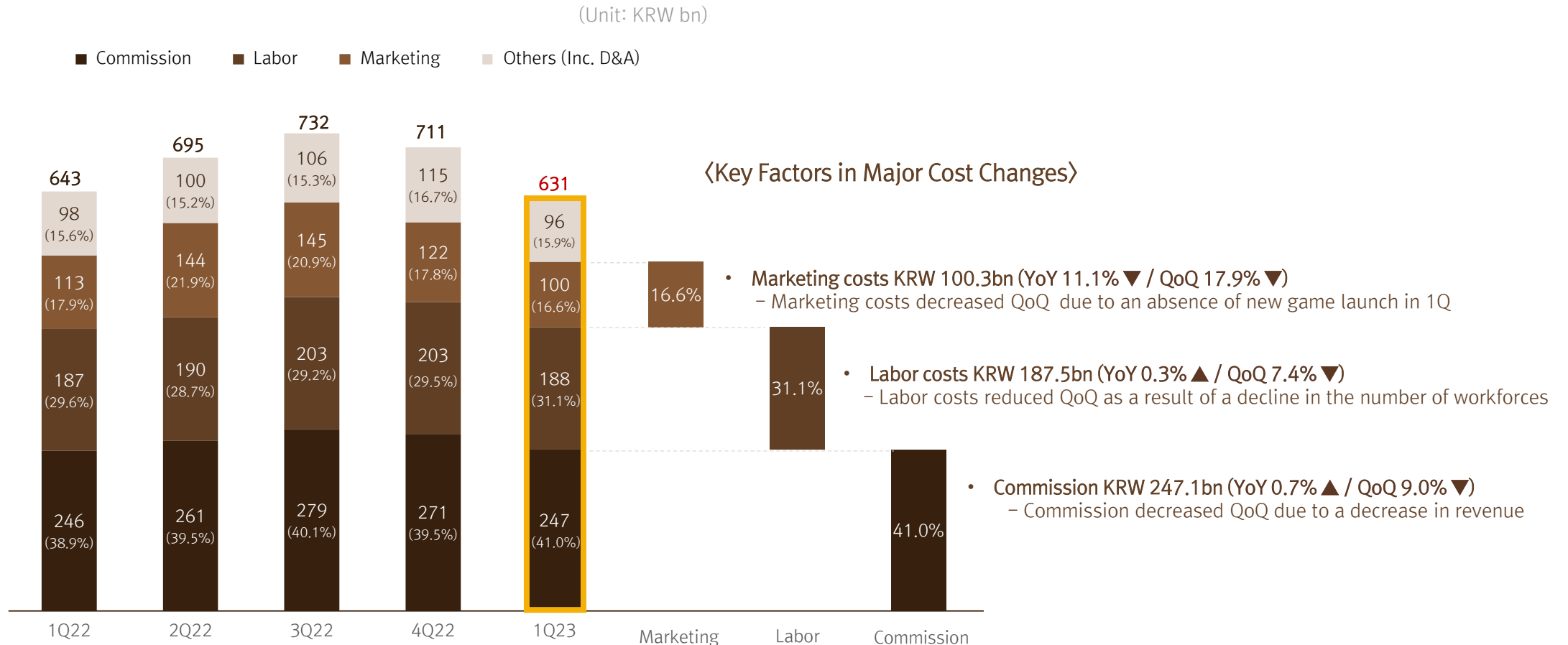
[Ni no Kuni: Cross Worlds]
Ni no Kuni: Raid Update (Mar. 3rd)



Major Cost Structure

[Operating Cost] KRW 630.8bn (YoY 1.9% ▼ / QoQ 11.3% ▼)

Cost Breakdown by Quarter



※ 1Q23 Other costs: D&A KRW 48.3bn, other fees KRW 47.6bn

* Proportion to the revenue (%)

2023

- In 2023, 14 (9 Global / 5 China) multiplatform-based games will be released, featuring competitive IPs such as Solo Leveling: ARISE, Arthdal Chronicles, etc.

New Lineups

Global

2023 1H



GRAND CROSS: AGE OF TITANS
Strategy



Tower of God: New World
Collection RPG

Mobile PC Console



Solo Leveling: ARISE
Action RPG



Arthdal Chronicles
MMORPG



King Arthur: Legends Rise
Strategy RPG

2023 2H



Seven Knights Idle Adventure
Incremental RPG



Paragon: The Overprime
TPS MOBA



Hype Squad
Action Battle



Meta World: My City
Casual
(Korea & Japan)

China

2023



The Seven Deadly Sins



A3: Still Alive



Shop Titans



StoneAge



Ni no Kuni: Cross Worlds

Appendix

Consolidated Income Statement

(KRW bn)	1Q22	2Q22	3Q22	4Q22	1Q23
Revenue	632	661	694	687	603
Commission	246	261	279	271	247
Labor Cost	187	190	203	203	188
Marketing Cost	113	144	145	122	100
Other Costs (exc. D&A)	41	44	47	55	48
EBITDA	46	22	21	36	20
<i>Margin (%)</i>	<i>7.2%</i>	<i>3.3%</i>	<i>3.0%</i>	<i>5.2%</i>	<i>3.3%</i>
D&A	58	56	59	60	48
Operating Income	(12)	(35)	(38)	(24)	(28)
<i>Margin (%)</i>	<i>-1.9%</i>	<i>-5.3%</i>	<i>-5.5%</i>	<i>-3.5%</i>	<i>-4.7%</i>
Non-Operating Income&Cost	(46)	(132)	(251)	(403)	(25)
Pre-tax Profit	(58)	(167)	(289)	(427)	(54)
Tax	(7)	(47)	(11)	9	(8)
Net Profit	(52)	(121)	(278)	(437)	(46)
Net Profit (controlling)	(43)	(118)	(245)	(413)	(38)
<i>Margin (%)</i>	<i>-6.8%</i>	<i>-17.9%</i>	<i>-35.3%</i>	<i>-60.1%</i>	<i>-6.3%</i>

Consolidated Statement of Financial Position

(KRW bn)	1Q22	2Q22	3Q22	4Q22	1Q23
Current Assets	1,755	1,492	1,254	997	1,064
Cash and Cash Equivalents	1,134	706	729	503	529
Accounts Receivable	195	229	183	190	205
Other Current Financial Assets	314	400	198	164	190
Other Current Assets	113	157	144	140	141
Non-Current Assets	8,502	8,609	9,095	7,938	7,862
Investment Assets	3,562	3,383	3,436	3,541	3,403
Intangible Assets	4,182	4,444	4,853	3,596	3,650
Tangible Assets	381	388	394	423	421
Other Non-Current Assets	376	394	412	378	388
Total Assets	10,257	10,101	10,349	8,936	8,927
Current Liabilities	2,899	2,824	3,048	2,294	2,397
Accounts Payable	49	67	79	49	44
Short-term Debt	1,754	1,859	2,029	1,553	1,679
Other Current Financial Liabilities	654	627	642	376	374
Other Current Liabilities	443	271	298	316	302
Non-Current Liabilities	1,559	1,515	1,331	1,020	971
Other Non-Current Financial Liabilities	1,217	1,247	1,067	808	815
Other Non-Current Liabilities	342	267	264	212	156
Total Liabilities	4,458	4,339	4,379	3,314	3,368
Total Equity	5,799	5,762	5,970	5,622	5,558



Thank You