NEOWIZ

Q3 2024 Earnings Results

November 12, 2024

Disclaimer

All financial information contained in this document is based on consolidated K-IFRS.

The matters discussed in this presentation contain forward-looking statements that involved risks and uncertainties concerning NEOWIZ expected financial information performance as well as strategic and operational plans.

Actual results may differ from the results predicted, and reported results should not be considered as an indication of future performance. Therefore NEOWIZ will not be responsible for individual investment decisions based only on this material.

All information in this presentation is as of November 2024 and NEOWIZ undertakes no duty to update this information.

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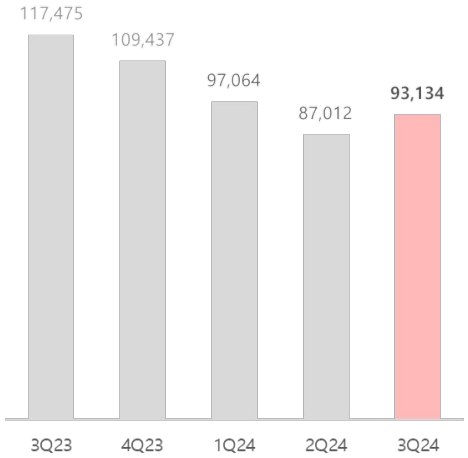
Quarterly Financial Highlights

Q3 2024 Revenue KRW 93.1bn, Operating Profit KRW 6.5bn, Net Loss KRW 1.4bn

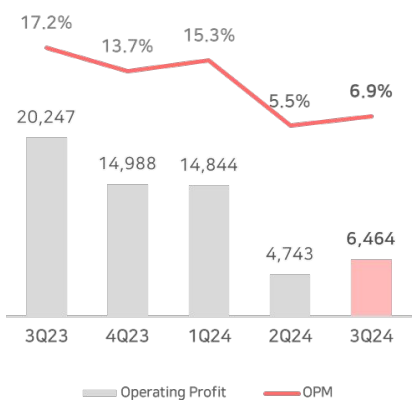
Revenue

[KRW mn]



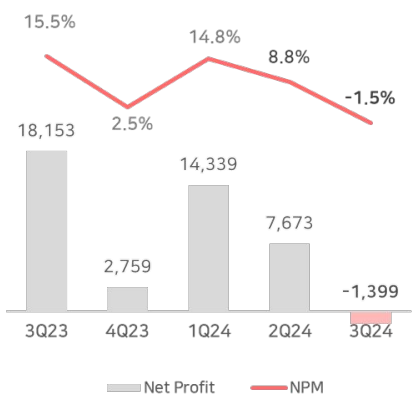
Operating Profit

[KRW mn, %]



Net Profit

[KRW mn, %]



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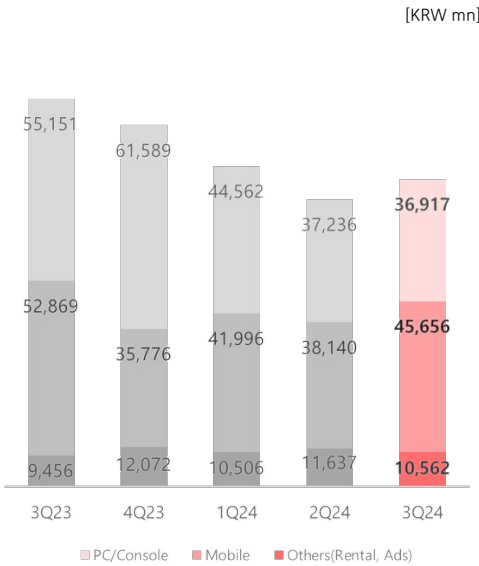
Quarterly Revenue Breakdown

Q3 2024 Revenue 93.1bn, YoY 20.7%▼, QoQ 7.0%▲

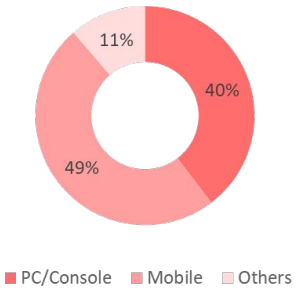
- PC/Console game revenue KRW 36.9bn(-33.1% YoY, -0.9% QoQ) : Decreased QoQ due to revenue decrease of publishing titles on Steam despite 'Lies of P' sales increase
- Mobile game revenue KRW 45.7bn(-13.6% YoY, 19.7% QoQ) : Increased QoQ due to summer event of 'Browndust 2' and official launch of 'The Legend of Heroes: Gagharv Trilogy'
- Others revenue KRW 10.6bn(11.7% YoY, -9.2% QoQ): Decreased QoQ due to ad revenue decrease of subsidiary TNK FACTORY

Revenue

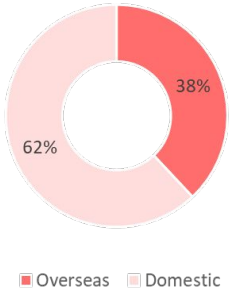


Revenue Breakdown

[Q3 2024 Revenue by Platform]



[Q3 2024 Revenue by Region]



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Quarterly Expenses Breakdown

Q3 2024 Operating Expenses KRW 86.7bn, YoY 10.9%▼, QoQ 5.4%▲

- Labor Cost: Decreased QoQ due to head office personnel decrease
- Variable Cost: Increased QoQ due to platform commission fee of 'BROWNDUST 2' and 'The Legend of Heroes: Gagharv Trilogy'
- Marketing : Increased QoQ due to official launch marketing of 'The Legend of Heroes: Gagharv Trilogy'

[Million KRW]	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YoY	QoQ
Operating expenses	**97,228**	**94,449**	**82,220**	**82,269**	**86,670**	**-10.9%**	**5.4%**
Labor cost	39,685	47,127	39,978	39,714	38,182	-3.8%	-3.9%
Variable cost	29,329	25,612	22,495	22,512	25,730	-12.3%	14.3%
Marketing	14,214	11,527	8,341	8,283	10,438	-26.6%	26.0%
D&A	4,975	5,171	4,208	4,153	4,954	-0.4%	19.3%
Others	9,026	5,012	7,198	7,606	7,366	-18.4%	-3.1%

Global Sourcing News

Signed global publishing agreement with Zakazane Studio, Polish game developer

- Single-play PC/Console RPG based in Noir West
- Establish mid-long term partnership with Zakazane on developing storyline-based games
- Strategic partnership succeeding 'Blank' studio investment for strengthening PC/Console game competitiveness

ZAKA ZANE
MAKING GAMES THAT RESONATE

- Warsaw-based game developer founded in 2022
- Developers having strength in storytelling, including CEO Jan Bartkowicz
  - Former developers of 'The Witcher' series, 'Frostpunk', 'This War of Mine', etc.

- Secured copyright of studio's first PC/Console titles
  - Mysterious story centering around a sheriff who arrives at a remote mining town
- Strategic investment for IP franchising and securing global IP focused with rich narratives

Summary of Financial Highlights

Consolidated Financial Statement

[KRW mn]	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Current assets	**300,209**	**297,611**	**324,984**	**306,422**	**302,822**
Cash & cash equivalents	102,194	129,872	132,167	125,367	112,373
Trade & other receivables	81,489	48,286	41,386	42,774	42,444
Financial assets	110,421	111,757	143,906	131,378	141,244
Other current assets	6,105	7,696	7,525	6,903	6,761
Non-current assets	**360,856**	**373,818**	**368,306**	**349,662**	**348,897**
Trade & other receivables	3,069	2,847	1,434	1,230	1,213
Investments in JV and associates	14,728	35,568	34,821	22,577	22,386
Investment property	32,208	29,464	29,316	29,169	29,022
Tangible assets	84,724	86,922	86,265	86,270	85,753
Intangible assets	158,724	149,437	150,183	146,157	136,973
Financial assets	37,142	34,525	31,858	28,804	37,561
Other non-current assets	30,261	35,054	34,429	35,455	35,989
Total assets	**661,066**	**671,429**	**693,291**	**656,084**	**651,719**
Current liabilities	**108,659**	**113,217**	**120,759**	**74,858**	**77,491**
Non-current liabilities	**30,315**	**30,591**	**31,675**	**34,948**	**34,317**
Total liabilities	**138,974**	**143,808**	**152,433**	**109,805**	**111,808**
Controlling interests	**481,285**	**489,432**	**505,617**	**510,917**	**505,160**
Capital stock	11,017	11,017	11,017	11,017	11,017
Capital surplus	129,989	129,989	129,989	129,989	129,989
Retained earnings	424,462	428,204	441,277	448,438	449,877
Other components of equity	(84,183)	(79,779)	(76,666)	(78,527)	(85,722)
Non-controlling interests	**40,807**	**38,189**	**35,240**	**35,362**	**34,750**
Total equity	**522,092**	**527,620**	**540,858**	**546,279**	**539,911**
Total liabilities and equity	**661,066**	**671,429**	**693,291**	**656,084**	**651,719**

Consolidated Income Statement

[KRW mn]	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Revenue	**117,475**	**109,437**	**97,064**	**87,012**	**93,134**
Operating expenses	97,228	94,449	82,220	82,269	86,670
Operating profit (loss)	**20,247**	**14,988**	**14,844**	**4,743**	**6,464**
Financial income	3,222	3,681	5,324	4,415	611
Financial expenses	1,307	7,835	2,385	(137)	6,692
Other income	210	954	1,912	658	2,922
Other expenses	144	7,329	441	3,035	1,820
Equity method income (loss)	45	(1,081)	(407)	(271)	(192)
Profit (loss) before income tax	**22,272**	**3,377**	**18,846**	**6,646**	**1,293**
Income tax	4,119	617	4,508	(1,027)	2,692
Net profit (loss)	**18,153**	**2,759**	**14,339**	**7,673**	**(1,399)**
Controlling interests	**18,673**	**3,868**	**17,869**	**7,791**	**1,416**
Non-controlling interests	**(520)**	**(1,109)**	**(3,530)**	**(118)**	**(2,815)**