

# 4Q24 & FY2024 Results



2025.02.10

# Disclaimer

---

This material is not intended to be a solicitation of investment by investors, but rather to enhance investors' understanding and provide information that may be useful in making investment decisions.

Although this material has been prepared on an objective basis, certain plans, estimates, projections, forecasts and other matters may contain expressions of subjective judgment and may differ from actual results in the future, and we cannot guarantee the accuracy and completeness of the financial and operating results described.

Please also note that we do not undertake any obligation to update the facts as of the date hereof.

Accordingly, this material should not be used for any legal purpose and should not be relied upon by investors as to the outcome of their investment, and we do not accept any responsibility or liability for any investment results arising from reliance on the information provided in this material.

# Contents

---

01. FY2024 Review

02. '24 4Q Highlight

03. '24 4Q Results Overview

- A. Revenue
- B. Operating Costs
- C. Operating Profit & Net Profit

04. Q&A

## **Appendix**

- Financial Statements



The subculture market in '24, where competition has become fiercer, **Built solid market position with unique charm of <GoV: NIKKE>, confirmed the potential for long-term success**

### ❖ Successful major updates

- 1.5 year LAST KINGDOM & 2 year anniversary OLD TALES
- Summer event BEAUTY FULL SHOT, Winter ICE DRAGON SAGA
- 1H24 <Re: Zero> collab., 2H24 <Dave: The Diver> collab. & <Evangelion> collab., active IP collaborations throughout FY24

### ❖ Continued love for the IP in offline

- Enhanced user engagement and verified users' love for the IP with anniversary event in Japan, Tokyo Game Show, Anime Expo in US, pop-up store at THE HYUNDAI, and AGF in Korea
- Expanded IP business such as <GoV: NIKKE> merchandise sales



With receiving immense love from players worldwide, **Established itself as global AAA IP, and formed strong fandom**

### ❖ Since release in April, maintained 9.2 Metacritic user score

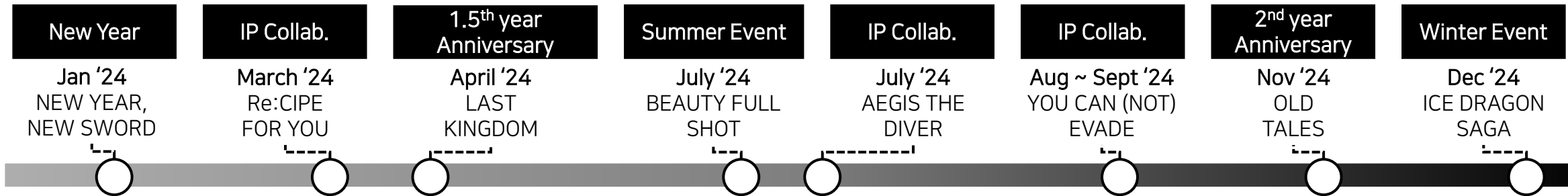
- Ranked #1 pre-order in 62 countries
- After launch, ranked #1 sales in major console markets such as US, UK, and Japan
- Maintained PlayStation store score of 4.8/5.0

### ❖ Continued content updates like a live-service game

- Boss challenge, new skins & costumes, photo mode, multilingual dubbing, etc.
- <NieR: Automata> collaboration DLC released in 2H '24

Countless stories and memories with the 「Commander」 in '24

[2024 Major Updates]



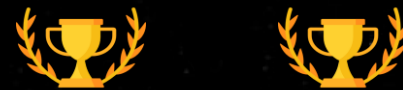
# Outstanding accomplishments as a global AAA IP



- Grand Award
- Best Planning / Scenario
- Best Sound
- Best Graphics
- Best Character Design
- Popular Game Award
- Excellent Developer Award (Hyung-Tae Kim)



- Best New Character (Eve)
- Best Use of DualSense
- Studio of the Year
- Best Story
- Best Soundtrack
- Best Audio Design
- Best PS5 Game
- Best Graphical Showcase



- Users' Choice Award
- Special Award



- Best Action Game
- Best Score and Music



- Best Korean Game
- Game of the Year (GOTY)
- Person of the Year (Hyung-Tae Kim)



- Game of the Year (GOTY)
- Best Soundtrack



- Action Game of the Year



- New Intellectual Property

# 4Q '24 Highlight

**01.**

## Continued Love for the IPs

<Goddess of Victory: NIKKE>  
Thriving 2<sup>nd</sup> year anniversary,  
stable user metrics

<Stellar Blade>  
Global fandom established,  
continued fan's heart and  
sales in 4Q

**02.**

## Outstanding Financial Results

Revenue 59 bn KRW  
Operating Profit 42 bn KRW  
OP Margin 71%

Industry-leading  
profitability even while  
developing new titles

**03.**

## Rising Anticipations for Growth

<Goddess of Victory: NIKKE>  
Upcoming market entry in  
China (Ongoing preregistration)

<Stellar Blade>  
Upcoming platform  
expansion

# Financial Results

## 4Q '24 Results

❖ 4Q '24 revenue 59 bn KRW, operating profit 42 bn KRW, net profit 54 bn KRW

- Recorded the highest annual revenue and operating profit in '24, with 30% / 34% YoY increase respectively

(Unit: M KRW,%)

Category	4Q23	3Q24	4Q24	Diff.		FY2023	FY2024	Diff.
				YoY	QoQ			YoY
Revenue	45,818	58,018	59,258	29.3%	2.1%	168,594	219,853	30.4%
GoV: NIKKE	45,410	34,231	43,899	-3.3%	28.2%	164,836	153,069	-7.1%
Stellar Blade	-	22,584	14,348	N/A	-36.5%	-	62,795	N/A
Others	408	1,202	1,011	147.7%	-15.9%	3,758	3,989	6.1%
Operating Expense	13,431	22,440	17,196	28.0%	-23.4%	57,532	71,272	23.9%
Operating Profit	32,387	35,577	42,062	29.9%	18.2%	111,063	148,582	33.8%
<i>OPM</i>	70.7%	61.3%	71.0%	0.3%	9.7%	65.9%	67.6%	1.7%
Non-operating P&L	(1,335)	(3,754)	22,290	1,769.7%	693.8%	3,287	23,937	628.3%
Net Profit be. Corp. tax	31,052	31,824	64,353	107.2%	102.2%	114,349	172,518	50.9%
Net profit	32,618	23,484	54,168	66.1%	130.7%	106,691	142,611	33.7%
<i>NPM</i>	71.2%	40.5%	91.4%	20.2%	50.9%	63.3%	64.9%	1.6%



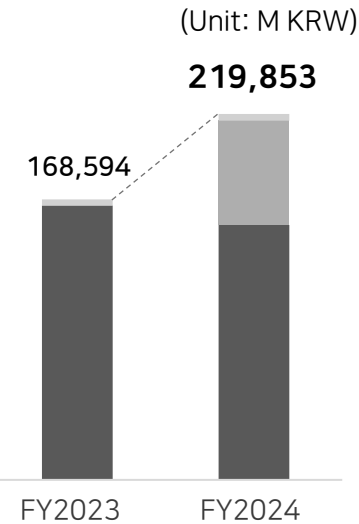
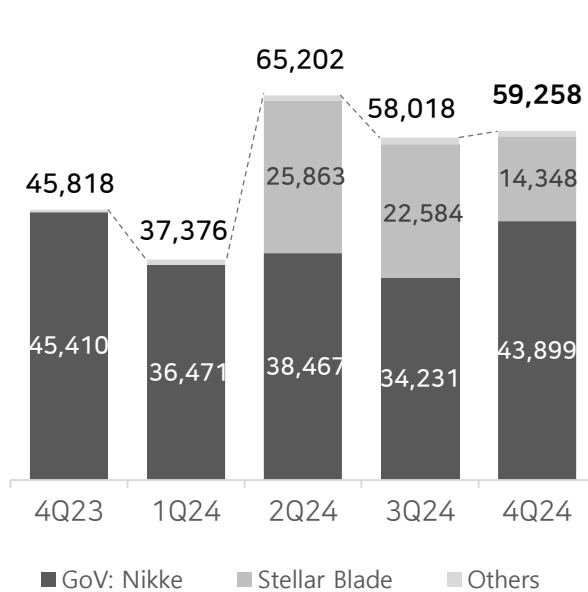
# Operating Revenue

## 4Q '24 Results

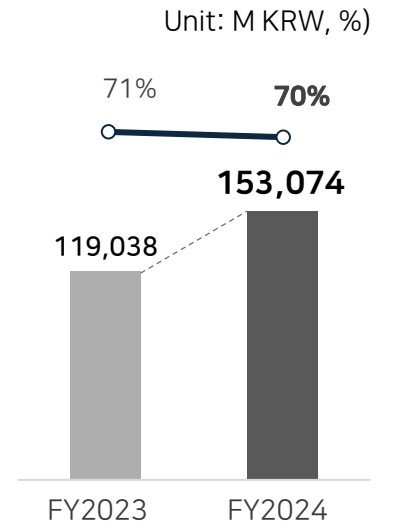
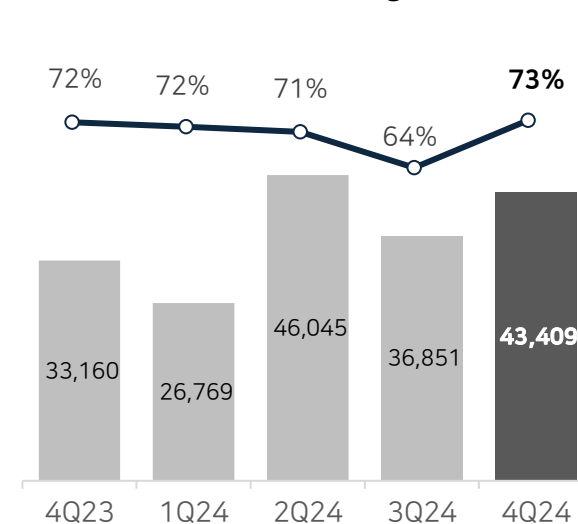
❖ 4Q '24 revenue 59 bn KRW (QoQ 2.1%, YoY 29.3%) / EBITDA 43 bn KRW (QoQ 17.8%, YoY 30.9%)

- <GoV: NIKKE> maintained stable user traffic (MAU) with successful 2<sup>nd</sup> anniversary event
- <Stellar Blade> experienced continued love for the IP with <NieR: Automata> DLC release and promotions in 4Q

### ► Revenue



### ► EBITDA & EBITDA margin (%)



# Operating Expense

## 4Q '24 Results

### ❖ 4Q '24 operating expense 17 bn KRW (QoQ -23.4%, YoY 28.0%)

- Labor costs decreased by 49% QoQ, totaling 9.8 billion KRW, due to the absence of incentive payment
- Variable costs amounted to 4.4 billion KRW, including expenses such as game engine royalty fees and IP business fees

(Unit: M KRW,%)

Category	4Q23	3Q24	4Q24	Diff.		FY2023	FY2024	Diff. YoY
				YoY	QoQ			
Operating Expense	13,431	22,441	17,196	28.0%	-23.4%	57,532	71,272	23.9%
Labor Cost <sup>1</sup>	10,933	19,083	9,790	-10.5%	-48.7%	48,645	55,195	13.5%
Variable Cost <sup>2</sup>	877	833	4,406	402.4%	428.9%	5,058	6,814	34.7%
Fixed Cost <sup>3</sup>	1,621	2,525	3,000	85.1%	18.8%	3,829	9,263	141.9%

### ※ # of Employees (quarterly)

(Unit: headcount, %)

Category	4Q23	1Q24	2Q24	3Q24	4Q24	Diff.	
						YoY	QoQ
Total # of employees	289	296	309	314	322	11.4%	2.5%
Development	255	265	276	278	286	11.3%	2.9%
Directors / Non-dev.	34	31	33	36	36	12.5%	0.0%

# Operating Profit / Net Profit

## 4Q '24 Results

❖ 4Q '24 operating profit 42 bn KRW (QoQ 18.2%, YoY 29.9%) / net profit 54 bn KRW (QoQ 130.7%, YoY 66.1%)

- Non-operating income (P&L) amounted to 22 billion KRW due to an increase in financial income, including foreign exchange translation gains for the quarter

Category	4Q23	3Q24	4Q24	Diff.		FY2023	FY2024	Diff. YoY
				YoY	QoQ			
Operating Profit	32,387	35,577	42,062	29.9%	18.2%	111,063	148,582	33.8%
<i>OPM</i>	70.7%	61.3%	71.0%	0.3%	9.7%	65.9%	67.6%	1.7%
Non-operating P&L	(1,335)	(3,754)	22,290	1,769.7%	693.8%	3,287	23,937	628.3%
Net Profit before corporate tax	31,052	31,823	64,353	107.2%	102.2%	114,349	172,518	50.9%
Corporate tax	(1,567)	8,340	10,185	-750.2%	22.1%	7,659	29,907	290.5%
Net Profit	32,618	23,484	54,168	66.1%	130.7%	106,691	142,611	33.7%
<i>NPM</i>	71.2%	40.5%	91.4%	20.2%	50.9%	63.3%	64.9%	1.6%

# 06. Q&A

## <Goddess of Victory: NIKKE>

**Q.1 : What are the reviews of 4Q '24 and FY24 for <GoV: NIKKE>?**

A.1 : Throughout 2024, <GoV: NIKKE> was operated steadily, thanks to the passionate support of our commanders (users). In 2024, many major subculture games were released, making the competition extremely fierce. As a result, some major games experienced a decline in user interest. However, <GoV: NIKKE> continued to receive consistent love, based on its unique charm. Additionally, we were able to confirm the potential for long-term success through user reactions and interest. All of us at Shift Up are deeply grateful and will continue to fulfill the needs of our users with responsibility. However, there were some updates in 2024 that did not meet expectations, and we plan to address these shortcomings and improve upon them in 2025.

The global performance of <GoV: NIKKE> 4Q 2024 recorded 43.9 billion KRW, a 28% increase QoQ (34.2 billion KRW), thanks to the successful execution of key events such as the 2nd anniversary event.

**Q.2 : What are the expected results of <Gov: NIKKE> in 2025?**

A.2 : In 2025, for the global <GoV: NIKKE>, we plan to continue maintaining strong user metrics by offering more meticulously prepared content and actively engaging with users, building on the love and attention received, and keeping a stable user base. Accordingly, we aim for performance results that are either on par with or better than those of 2024. Additionally, we are preparing to expand into new regions such as China, working closely with an outstanding publisher with extensive experience, and we are expecting strong results.

# 06. Q&A

## <Stellar Blade>

**Q.1 : What are the reviews of 4Q '24 and FY24 for <Stellar Blade>?**

A.1 : Released as a PS5 exclusive title in April 2024, Stella Blade has received great love from global gamers and successfully established itself as a AAA IP in the market. Despite being a narrative-based single-player game with a defined ending, it has been continuously updated like a live-service game, and has steadily built a strong global fandom for the Stella Blade IP.

In 4Q of 2024, performance improvement updates targeting the PS5 Pro, a collaboration with <NieR: Automata>, and Black Friday promotions were carried out, resulting in steady sales and the continued maintaining of the IP's momentum.

**Q.2: What are the expected results of <Stellar Blade> PC version, and why?**

A.2 : In the AAA game market, PC devices have a higher market share than consoles, so we expect the performance of the PC version to exceed that of the console version. We are particularly observing trends such as the significant expansion of the single-player action game market in the Asian gaming industry.

We have identified and analyzed both successful and underperforming cases of console exclusives released on PC, and we are preparing to release the game in a way that ensures continued success in the PC market. This will include optimization, enhancing user convenience, adding supplementary content, and tailored marketing strategies unique to Shift Up. In particular, we plan to optimize the game to ensure smooth gameplay even in UMPC (Steam Deck) environments.

# 06. Q&A

## <Others>

**Q.1 : What are the progress of <Project Witches>? What are the plans for communication with the market?**

A.1 : We are developing the game with the goal of launching after 2027. We plan to reveal new information about <Project Witches> in the first half of this year, creating an opportunity for the market and users to explore exciting details, including the general concept of the game.

**Q.2 : Are there any notable items in variable costs?**

A.2 : We are utilizing external development engines and other resources to efficiently and reliably develop high-quality games. We also plan to gradually expand our IP business, including merchandise and MD sales. In the fourth quarter of 2024, the variable costs included the engine royalty settlement for <Stella Blade>'s '24 annual sales revenue, and the IP business-related fees increased compared to the previous quarter.

**Q.3 : What is the status of number of employees and the recruitment plan for the future?**

A.3 : As of the end of December 2024, our total workforce is 322, with approximately 90% of them being developers. We are expected to expand up to approximately 400-420 people (number of total workforce), primarily recruiting for the development of our new project (Project Witches) by the end of 2025, and we will continue to recruit and nurture talented developers.

# Appendix: Financial Statements (Condensed)

4Q '24 Results

## Balance Sheet

(Unit: M KRW)

Category	2023	2024
<b>Assets</b>	<b>203,918</b>	<b>801,667</b>
Current Assets	177,201	766,057
Non-current Assets	26,717	35,610
<b>Liabilities</b>	<b>22,860</b>	<b>40,410</b>
Current Liabilities	11,199	29,568
Non-current Liabilities	11,661	10,842
<b>Stockholders' Equity</b>	<b>181,058</b>	<b>761,257</b>
Capital Stock	9,916	11,667
Capital Surplus	95,896	529,652
Retained Earnings	71,097	213,709
Other Comprehensive Income	(53)	(51)
Capital Adjustment	4,202	6,281
<b>Total Equity &amp; Liabilities</b>	<b>203,918</b>	<b>801,667</b>

## Income Statement

(Unit: M KRW)

Category	2023	1Q24	2Q24	3Q24	4Q24	2024
Revenue	168,594	37,376	65,202	58,018	59,258	219,853
Operating Exp.	57,532	11,440	20,195	22,441	17,196	71,272
<b>Operating Profit</b>	<b>111,063</b>	<b>25,935</b>	<b>45,007</b>	<b>35,577</b>	<b>42,062</b>	<b>148,582</b>
Non-operating Revenue	7,624	3,643	2,843	3,640	23,938	34,064
Non-operating Expense	4,337	356	730	7,394	1,648	10,127
Net Profit bef. Corporate Tax	114,349	29,222	47,120	31,823	64,353	172,518
Corporate Tax	7,659	4,523	6,859	8,340	10,185	29,907
<b>Net Profit</b>	<b>106,691</b>	<b>24,700</b>	<b>40,260</b>	<b>23,484</b>	<b>54,168</b>	<b>142,611</b>