

A dark, atmospheric scene of a soccer player in silhouette kicking a ball on a field. The word 'KRAFTON' is written in large, bold letters on the background wall. The overall tone is professional and dynamic.

FY2025 1Q Earning Results

KRAFTON

2025. 4. 29.

Disclaimer

Financial statements included in this document are consolidated results of KRAFTON, Inc. (the “Company”) and its subsidiaries and have been prepared in accordance with K-IFRS.

Financial results and operational performance included herein have been prepared for investors’ convenience only and have not been audited by an independent auditor; as such, certain part (s) of this presentation are subject to change, upon completion of the audit review.

Company makes no representations as to the accuracy or completeness of the information herein, nor does the Company assume any duty to update any information, given that this presentation has been prepared based on currently available data.

Company shall not have any liability for any loss arising from any use of this presentation or its contents or otherwise arising in connection with this presentation, as this should not be construed to be related to any investment decision making and shall not be used for any legal proceedings.

PUBG IP FRANCHISE, SHAPING THE FUTURE WITH FANS

KRAFTON

Head of PUBG IP Franchise & PUBG STUDIOS, TS Jang

PUBG
BATTLEGROUNDS



**A Franchise Cherished by Fans
Across Generations and Regions for Years to Come**

Core Services

Investing in **Content** and **Evolution of Services** for All Fans

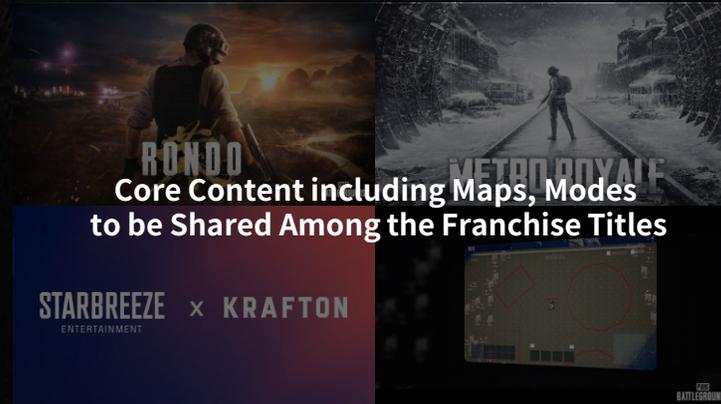
IP Collaboration for Cultural Experiences



IP beloved by Western Players and New Generations

Invest in relevant content that connects the IP with fans

Synergies by Sharing Core Content



PC and Mobile Titles Sharing Content and Production Expertise

PUBG 2.0, Evolving to a Gameplay Platform



Core Enhancement (UE5 Update)

Gameplay Diversification (Well-made Modes)

Community Engagement (UGC Beta Service)



New Titles

Driving Franchise Growth with New Titles Across Diverse Genres, Platforms, and Regions





EVERGREEN IP

Commitment to Deliver the Unique Fun of PUBG to Fans

Belief of Contributing to KRAFTON's Growth

FY2025 1Q Highlights



KRAFTON

KRAFTON

CFO, Dongkeun Bae

REVENUE

KRW 874.2^{bn}

All core PUBG IP¹⁾ services grew YoY, driving record high quarterly revenue with a 31.3% YoY increase

OPERATING PROFIT

KRW 457.3^{bn}

Record high quarterly operating profit driven by strong revenue growth, increasing 47.3% YoY

inZOI
Early Access on March 28th

1M+ Copies Sold

1 million copies sold within 7 days of Early Access, Publishing strategy for a long-term sustainable IP

1Q25 Highlights

1Q Earnings Summary

Revenue

KRW 874.2bn

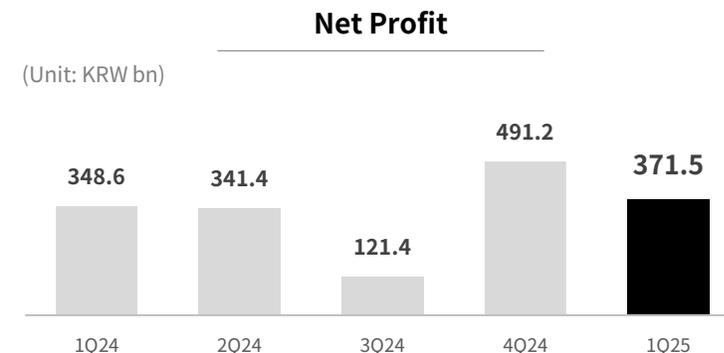
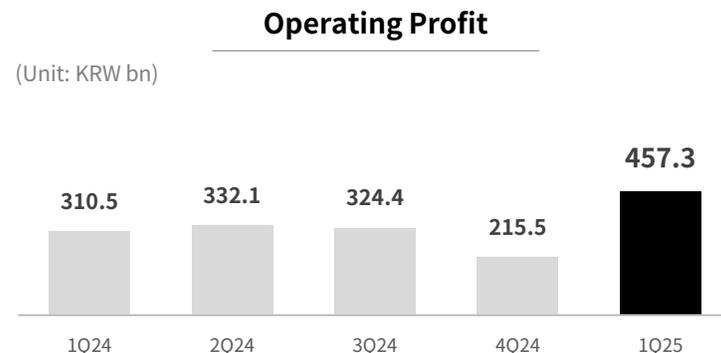
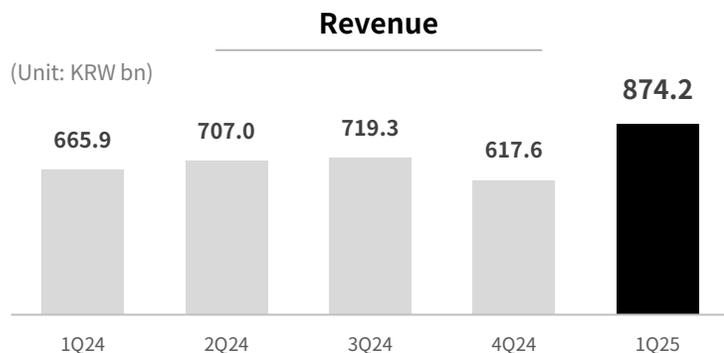
Record high quarterly revenues driven by growth across PC, Mobile, and Console platforms, increasing 31.3% YoY and 41.6% QoQ

Operating Profit

KRW 457.3bn

Record high operating profit driven by strong revenue growth, increasing 47.3% YoY and 112.2% QoQ

(Unit: KRW bn)	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Revenue	665.9	617.6	874.2	31.3%	41.6%
PC	243.7	232.6	323.5	32.8%	39.1%
Mobile	402.3	362.2	532.4	32.3%	47.0%
Console	11.5	12.3	13.1	14.2%	6.7%
Others	8.4	10.5	5.2	-39.2%	-50.8%
Operating Expenses	355.4	402.1	416.9	17.3%	3.7%
Operating Profit	310.5	215.5	457.3	47.3%	112.2%
<i>% Margin</i>	<i>46.6%</i>	<i>34.9%</i>	<i>52.3%</i>	<i>5.7%p</i>	<i>17.4%p</i>
Adj. EBITDA¹⁾	378.5	253.4	505.1	33.4%	99.3%
<i>% Margin</i>	<i>56.8%</i>	<i>41.0%</i>	<i>57.8%</i>	<i>0.9%p</i>	<i>16.7%p</i>
Net Profit	348.6	491.2	371.5	6.6%	-24.4%
<i>% Margin</i>	<i>52.4%</i>	<i>79.5%</i>	<i>42.5%</i>	<i>-9.9%p</i>	<i>-37.0%p</i>



1) Adj. EBITDA = EBITDA + Share-based Payment Expenses

inZOI Early Access

Successful Early Access Launch Demonstrating Potential as a New Global Long-term IP

Targeting a New Global Long-term IP



Short-Term Goal

- #1 on Steam Wishlists and positive user feedback
- Early Access in just 2 years of development and delivering continuous updates
- Visibility as a globally influential new IP



Mid-Term Goal

- Increasing share within the genre through growing the fanbase
- Delivering new experiences with AI and Mods
- Discovering new sustainable business models



Long-Term Goal

- Accomplishing the Community Snowball Publishing Strategy
- Scale-up efforts with the global community
- Growing as KRAFTON's Big Franchise IP

Community Snowball Publishing Strategy



Early Access Phase

- Community building with discord and influencers
- Building trust and strengthening fandom through timely communication and reflecting user feedbacks

Official Launch Phase

- Community care and continuous game updates
- Messages on official launch and console platform launch planned in 2026

Strategic Titles for 2025

Establishing **Optimized Strategies** for Development and Publishing



KRAFTON

Genre Frontier Life Simulation
Platform PC (Steam) / Console

- The solo-developed Dinkum original sold 1M+ copies during Early Access
- Publishing rights transferred to KRAFTON on February 12th, followed by Official Launch on April 23rd
- Console platform launch within 2025



5MINOLAB

Genre Frontier Life Simulation
Platform Multi-platform

- A spin-off title 'Dinkum Together'
- Multi-platform strategy with enhanced art style and gameplay from the original
- Franchise strategy by strengthening IP and community expansion



BLUEHOLE

Genre Extraction RPG
Platform Mobile

- Extraction RPG combining battle royale survival, dungeon crawling, and RPG
- Aim to Popularize Extraction RPG through optimized gameplay, visuals, specs, and technology for the global market
- Global launch as an original IP



UNKNOWN WORLDS

Genre Underwater Survival Adventure
Platform PC / Console

- Early Access on PC and Console in 2025
- Xbox Game Pass partnership during Early Access
- Expanding the series with co-op gameplay and enhanced deep-sea exploration
- #4 on Steam Wishlists (as of April 29th)

Revolutionizing Gameplay Experience by Applying Advanced AI Technology

Smart Zoi & Zoi Pen

INZOI

SLM¹⁾ powered on-device CPC²⁾, expanding language support and improving performance

Smart Zoi

블레이크 블레빈스 is...

You have a very tidy personality and can't stand seeing your house get dirty.

Cancel

OK



블레이크's Inner Thoughts

I, Blake, can't stand the thought of my clean home getting dirty, so I mopped it to maintain order and tidiness in my space.

Prompt-based Zoi Customization

Smart Zoi

Katie Hwang is...

You love your daughter, Katie, so much.

Cancel

OK

Grace's Inner Thoughts

I'm curious to know what Katie's dreams are, as I believe understanding her aspirations can help me be a better mom and support her growth.

David's Inner Thoughts

Today was a quiet day, but I still managed to have some fun. I played soccer at the park and had a great time. Later, I got to talk with Katie about her favorite game, which was really sweet. I felt a bit disappointed that I couldn't play more games or talk to more people, but it was nice to spend some quality time with my family.

Autonomous reasoning and actions based on rationale

AI Features in Development

INZOI



1) SLM (Small Language Model): Compact language model optimized for game clients

2) CPC (Co-Playable Character): An AI companion that interacts with users, equipped with the ability to interact and cooperate with users, and respond to game situations in a human-like manner

Strengthening Position as a Publisher in India through Growth of BGMI and Investments

Localized Indian Contents for BGMI



Mahindra Collaboration

- Co-marketing a new EV model with a local Indian brand
- Launching in-game vehicle skins and out-game events
- Record high revenue among all local Indian collaborations

Strengthened Publishing Strategy in India



Nautilus Mobile & Real Cricket IP Acquisition

- Securing the leading mobile game IP of Cricket in India
- Real Cricket has achieved 250M+ downloads and 10M+ MAU
- Aiming to grow Cricket games with the expertise of Nautilus Mobile

Operating Expenses & Profit

Operating Expenses

1Q25 KRW 416.9bn (YoY 17.3% ↑, QoQ 3.7% ↑)

Increased 17.3% YoY and 3.7% QoQ due to rise in personnel expenses and platform fees / cost of revenue

Operating Profit

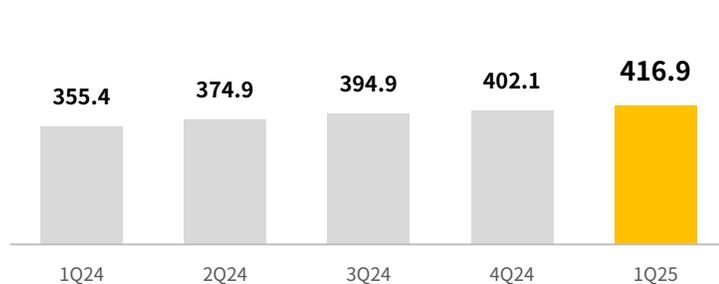
1Q25 KRW 457.3bn (YoY 47.3% ↑, QoQ 112.2% ↑)

Increased 47.3% YoY and 112.2% QoQ based on strong revenue growth

(Unit: KRW bn)	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Operating Expenses	355.4	402.1	416.9	17.3%	3.7%
Personnel	121.4	132.7	148.4	22.2%	11.9%
Platform Fees / Cost of Revenue ¹⁾	85.9	84.8	105.0	22.3%	23.8%
Paid Commissions	61.3	97.9	84.1	37.3%	-14.0%
Marketing	12.4	37.9	22.9	84.6%	-39.5%
Share-based Payment Expenses	42.1	10.5	17.9	-57.4%	70.0%
Others	32.3	38.3	38.6	19.5%	0.8%
Operating Profit	310.5	215.5	457.3	47.3%	112.2%
<i>% Margin</i>	<i>46.6%</i>	<i>34.9%</i>	<i>52.3%</i>	<i>5.7%p</i>	<i>17.4%p</i>
Adj. EBITDA²⁾	378.5	253.4	505.1	33.4%	99.3%
<i>% Margin</i>	<i>56.8%</i>	<i>41.0%</i>	<i>57.8%</i>	<i>0.9%p</i>	<i>16.7%p</i>

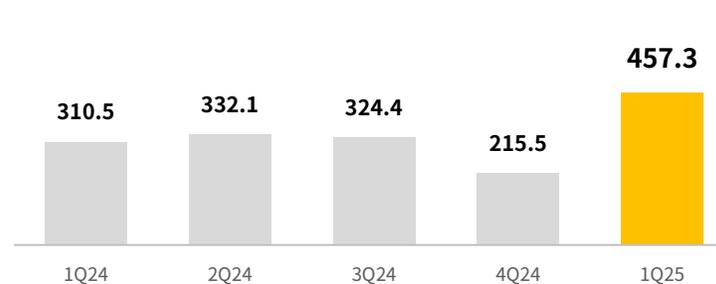
Operating Expenses

(Unit: KRW bn)



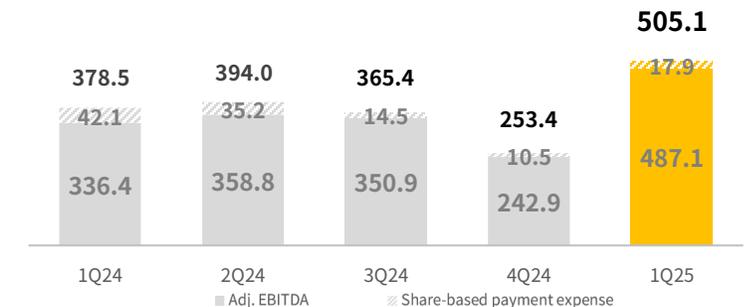
Operating Profit

(Unit: KRW bn)



Adj. EBITDA

(Unit: KRW bn)



1) Platform fees / Cost of Revenue consist of Steam, market commissions, etc.

2) Adj. EBITDA = EBITDA + Share-based Payment Expenses

Net Profit

Net Profit

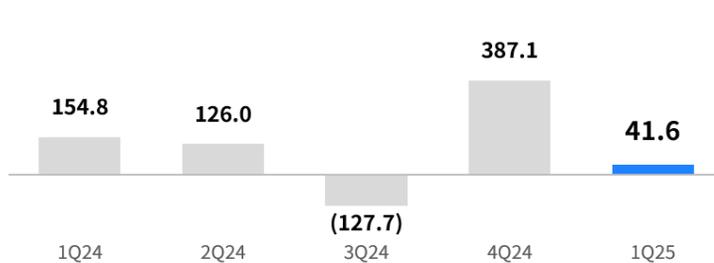
1Q25 KRW 371.5bn (YoY 6.6% ↑, QoQ 24.4% ↓)

Increased 6.6% YoY driven by strong operating profit growth, decreased 24.4% QoQ due to FX effects

(Unit: KRW bn)	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Non-Operating Profit	154.8	387.1	41.6	-73.1%	-89.3%
Non-Operating Income	189.6	417.3	128.2	-32.4%	-69.3%
Other Income	180.7	409.9	122.0	-32.5%	-70.2%
Finance Income	8.9	7.4	6.2	-30.0%	-16.0%
Non-Operating Expense	34.8	30.2	86.6	148.9%	186.5%
Other Expenses	32.5	27.8	84.0	158.3%	201.6%
Finance Expenses	2.3	2.4	2.6	15.1%	10.2%
Profit Before Income Tax	465.3	602.6	498.9	7.2%	-17.2%
Income Tax	116.7	111.4	127.4	9.2%	14.4%
Net Profit	348.6	491.2	371.5	6.6%	-24.4%
<i>% Margin</i>	52.4%	79.5%	42.5%	-9.9%p	-37.0%p

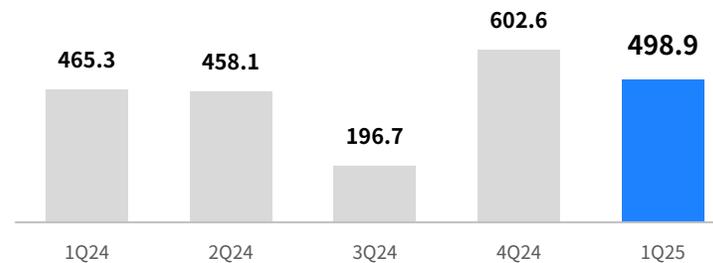
Non-Operating Profit

(Unit: KRW bn)



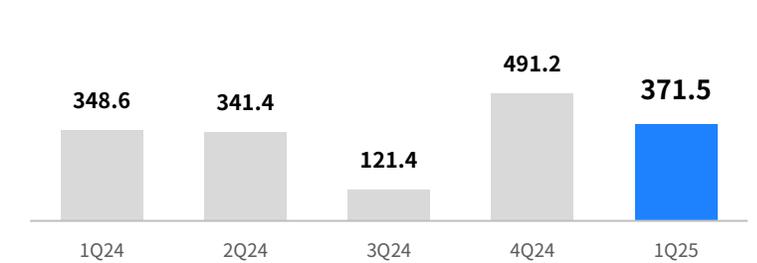
Profit before Income Tax

(Unit: KRW bn)



Net Profit

(Unit: KRW bn)



Q&A

Head of PUBG IP Franchise
& PUBG STUDIOS

TS Jang

CFO

Dongkeun Bae

Appendix

Revenue Breakdown

Revenue

PC 1Q25 KRW 323.5bn (YoY 32.8% ↑, QoQ 39.1% ↑)

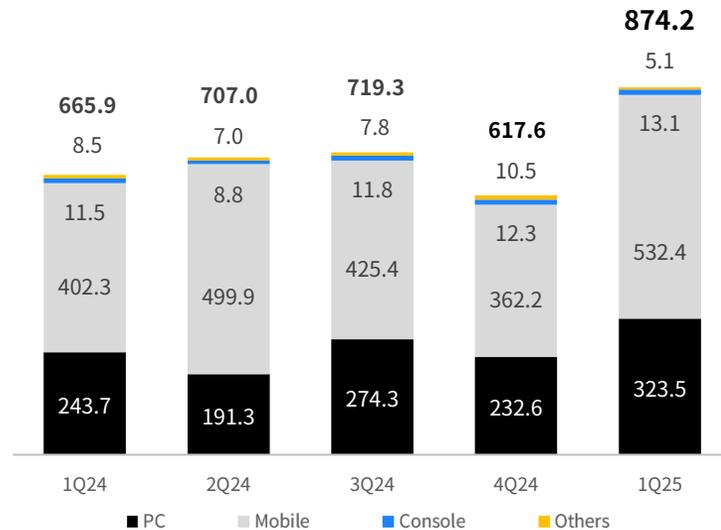
Mobile 1Q25 KRW 532.4bn (YoY 32.3% ↑, QoQ 47.0% ↑)

Console 1Q25 KRW 13.1bn (YoY 14.2% ↑, QoQ 6.7% ↑)

(Unit: KRW bn)	1Q 2024	4Q 2024	1Q 2025	YoY	QoQ
Revenue	665.9	617.6	874.2	31.3%	41.6%
PC	243.7	232.6	323.5	32.8%	39.1%
Mobile	402.3	362.2	532.4	32.3%	47.0%
Console	11.5	12.3	13.1	14.2%	6.7%
Others	8.4	10.5	5.2	-39.2%	-50.8%

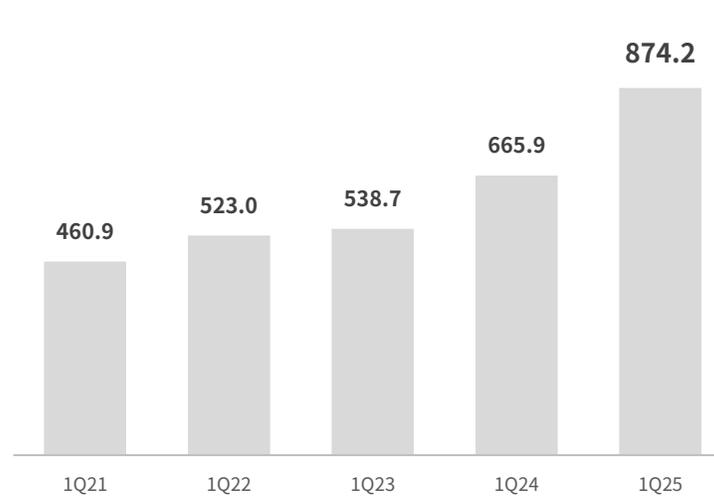
Revenue Breakdown (by Platform)

(Unit: KRW bn)



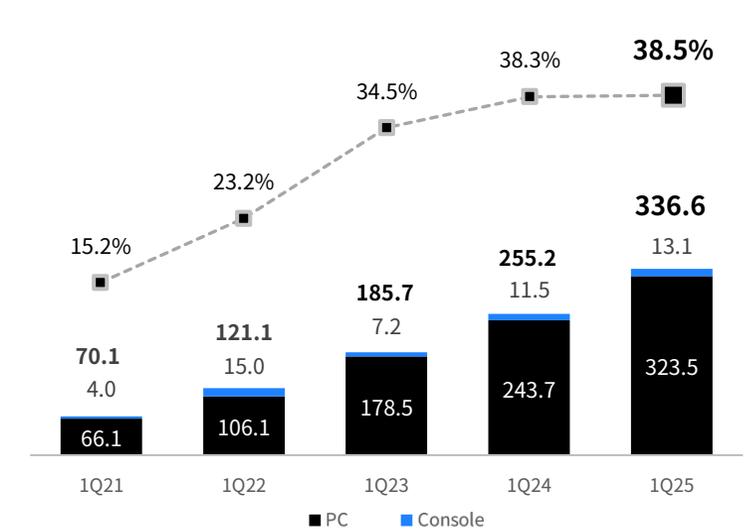
1Q Revenue Trend

(Unit: KRW bn)



1Q PC/Console Revenue Proportion

(Unit: KRW bn)



Summary of Financial Statements

Consolidated Income Statement

(KRW bn)	FY2024				FY2025
	1Q	2Q	3Q	4Q	1Q
Revenue	665.9	707.0	719.3	617.6	874.2
Operating Costs	355.4	374.9	394.9	402.1	416.9
Operating Profits	310.5	332.1	324.4	215.5	457.3
Adj. EBITDA	336.4	358.8	350.9	242.9	487.1
Adj. EBITDA¹⁾	378.5	394.0	365.4	253.4	505.1
Non-Operating Profit	154.8	126.0	(127.7)	387.1	41.6
Other Income	180.7	134.8	(28.3)	409.9	122.0
Other Expenses	32.5	15.7	103.9	27.8	84.0
Finance Income	8.9	9.3	6.8	7.4	6.2
Finance Expenses	2.3	2.4	2.3	2.4	2.6
Profit Before Income Tax	465.3	458.1	196.7	602.6	498.9
Income Tax	116.7	116.7	75.3	111.4	127.4
Net Profit	348.6	341.4	121.4	491.2	371.5

1) Including FVPL (Fair Value through Profit or Loss)

Consolidated Statement of Financial Position

(KRW bn)	FY2024	1Q 2025
Assets		
Current Assets	5,004.4	5,304.9
Cash and Cash Equivalents ¹⁾	3,772.0	4,210.6
Others	1,232.4	1,094.3
Non-current Assets	2,915.0	3,042.2
Property and equipment	239.7	330.8
Intangibles	656.2	678.2
Investment in Associates	722.0	742.1
Others	1,297.1	1,291.1
Total Assets	7,919.4	8,347.1
Liabilities		
Current Liabilities	784.8	825.1
Non-current Liabilities	305.5	328.0
Total Liabilities	1,090.3	1,153.1
Equity		
Shareholders' equity	6,827.8	7,191.4
Paid-in Capital	4.9	4.9
Capital Surplus	1,477.8	1,478.9
Other Components of Equity	263.7	254.1
Retained Earnings	5,081.4	5,453.5
Non-controlling Interests	1.3	2.6
Total Equity	6,829.1	7,194.0