

1Q25 Results

2025.05.12



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01. 1Q '25 Highlight

1

Consistent performance of key IPs

<Goddess of Victory: NIKKE>

Confirmed strong user preference for original content, more positive user response in 2nd <Evangelion> collaboration compared to the first

<Stellar Blade>

Sustained IP momentum and popularity prior to PC platform expansion

<IP Business>

IP business achievements begin to expand full-scale

2

Growing excitement with visibility

<Goddess of Victory: NEW HOPE*>

Pre-registration began in China in January, CBT in March, pre-registration process on-track

<Stellar Blade>

PC launch confirmed for June, full-scale marketing to follow

<Project Witches>

External communication on the project planned to gradually begin from Q2

02. Financial Results

1Q25 Results

❖ 1Q '25 revenue 42 bn KRW, operating profit 26 bn KRW, net profit 27 bn KRW

(Unit: M KRW,%)

Category	1Q24	2Q24	3Q24	4Q24	1Q25	Diff.	
						YoY	QoQ
Revenue	37,376	65,202	58,018	63,490	42,235	13.0%	-33.5%
GoV: NIKKE	36,471	38,467	34,231	42,356	32,311	-11.4%	-23.7%
Stellar Blade	-	25,863	22,584	19,615	7,012	N/A	-64.3%
Others	905	871	1,202	1,519	2,913	221.9%	91.8%
Operating Expense	11,440	20,195	22,441	17,332	15,983	39.7%	-7.8%
Operating Profit	25,935	45,007	35,577	46,157	26,251	1.2%	-43.1%
OPM	69.4%	69.0%	61.3%	72.7%	62.2%	-7.2%	-10.5%
Non-operating P&L	3,287	2,113	(3,754)	24,466	5,395	64.1%	-77.9%
Net Profit be. Corp. tax	29,222	47,120	31,824	70,623	31,646	8.3%	-55.2%
Net profit	24,700	40,260	23,484	59,530	26,846	8.7%	-54.9%
NPM	66.1%	61.7%	40.5%	93.8%	63.6%	-2.5%	-30.2%

03. Operating Revenue

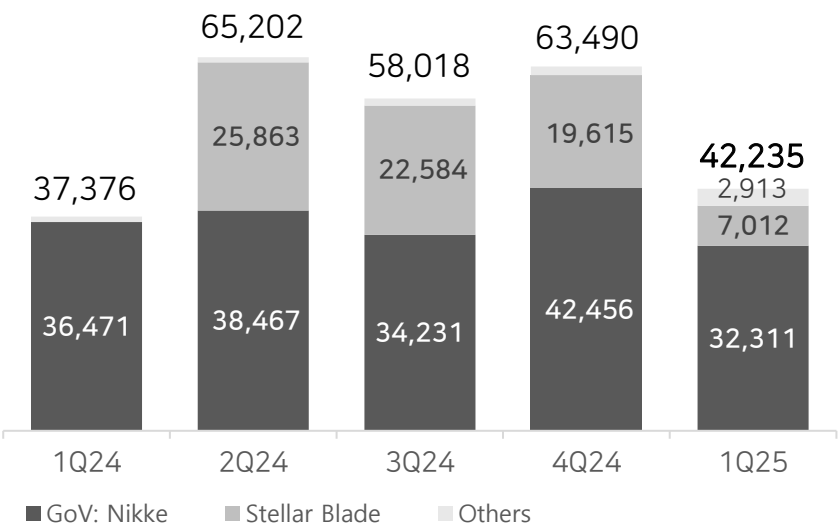
1Q25 Results

❖ 1Q '25 revenue 42 bn KRW (QoQ -33.5%, YoY 13.0%)

- <GoV: NIKKE>: With original New Year's content and external IP collaborations, maintained stable MAU ahead of major Q2 events; the results align with internal annual plan and expectation
- <Stellar Blade>: Continued IP momentum through Q1 promotions and the release of the <GoV: NIKKE> DLC trailer
- Expansion of IP businesses (e.g., merchandise sales) began to gain momentum

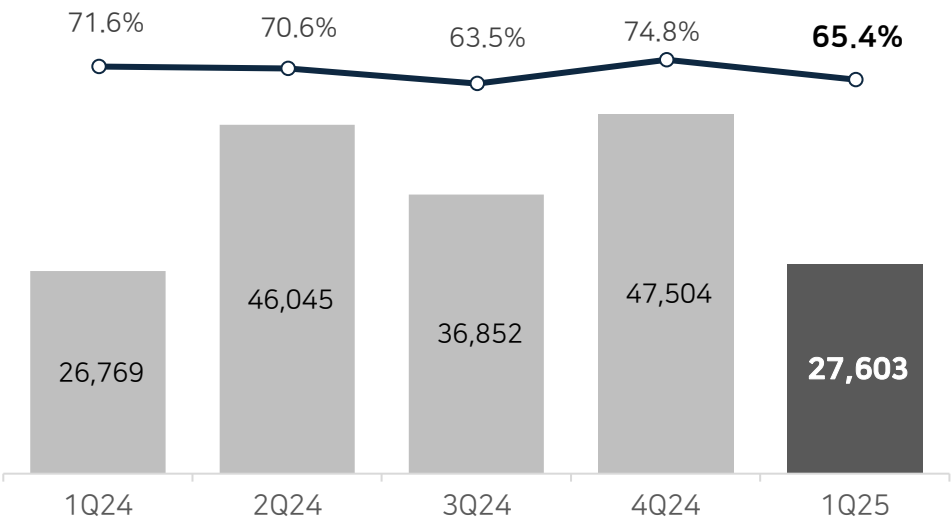
► Revenue by IP

(Unit: M KRW)



► EBITDA & EBITDA margin (%)

(Unit: M KRW, %)



04. Operating Expense

1Q25 Results

❖ 1Q '25 operating expense 16 bn KRW (QoQ -7.8%, YoY 39.7%)

- Labor cost remained steady at KRW 9.9 billion, similar to the previous quarter
- Variable costs decreased by 53.8% QoQ to KRW 2.3 billion, due to removal of one-off fees from previous quarter such as engine royalties and IP business commissions
- Fixed costs increased by 50.3% QoQ to KRW 3.8 billion, driven by increased content development volume for each IP

(Unit: M KRW,%)

Category	1Q24	2Q24	3Q24	4Q24	1Q25	Diff. (YoY)	Diff. (QoQ)
Operating Expense	11,440	20,195	22,441	17,332	15,983	39.7%	-7.8%
Labor Cost ¹	9,123	17,199	19,083	9,790	9,845	7.9%	0.6%
Variable Cost ²	686	890	833	4,993	2,308	236.4%	-53.8%
Fixed Cost ³	1,631	2,107	2,525	2,549	3,831	134.9%	50.3%

※ # of Employees (quarterly)

(Unit: headcount, %)

Category	1Q24	2Q24	3Q24	4Q24	1Q25	Diff. (YoY)	Diff. (QoQ)
Total # of employees	296	309	314	322	326	10.1%	1.2%
Development	265	276	278	286	290	9.4%	1.4%
Directors / Non-dev.	31	33	36	36	36	16.1%	-

05. Operating Profit / Net Profit

1Q25 Results

❑ 1Q '25 operating profit 26 bn KRW (QoQ -43.1%, YoY 1.2%) / net profit 27 bn KRW (QoQ -54.9%, YoY 8.7%)

- Non-operating P&L decreased by 77.9% QoQ to KRW 5.4 billion, due to the reduced impact of FX fluctuations

(Unit: M KRW,%)

Category	1Q24	2Q24	3Q24	4Q24	1Q25	Diff.	
						YoY	QoQ
Operating Profit	25,935	45,007	35,577	46,157	26,251	1.2%	-43.1%
OPM	69.4%	69.0%	61.3%	72.7%	62.2%	-7.2%	-10.5%
Non-operating P&L	3,287	2,113	(3,754)	24,466	5,395	64.1%	-77.9%
Net Profit before corporate tax	29,222	47,120	31,824	70,623	31,646	8.3%	-55.2%
Corporate tax	4,523	6,859	8,340	11,094	4,800	6.1%	-56.7%
Net Profit	24,700	40,260	23,484	59,530	26,846	8.7%	-54.9%
NPM	66.1%	61.7%	40.5%	93.8%	63.6%	-2.5%	-30.2%

06. Q&A

<Goddess of Victory: NIKKE>

Q.1 : Review of <Goddess of Victory: NIKKE> Q1 2025 performance?

A.1 : <GoV: NIKKE> global service in Q1 2025 recorded 32.3 billion KRW, a 11% YoY decrease. Despite this, user traffic remained stable thanks to events such as the January New Year event, <Evangelion> second collaboration event in February that received more positive user response compared to the first, and the March release of the original character "Brady," which gained strong support from Western users. This helped maintain stable traffic ahead of the 2.5th anniversary and <Stellar Blade> collaboration events. Notably, user traffic growth was particularly significant in South Korea and North America.

Q.2 : Expected global performance of <Goddess of Victory: NIKKE> in Q2 2025? (Excluding China)

A.2 : In Q2 2025, the 2.5th anniversary event and a collaboration with our IP Stellar Blade are planned. The ongoing 2.5th anniversary event, featuring interesting and engaging main stories and characters, has already received strong positive responses from users (with the event's first week achieving top iOS rankings: 3rd in South Korea, 3rd in Japan, and 4th in Taiwan). <Stellar Blade> collaboration, uniting our two IPs, will feature compelling contents and marketing, and we expect strong user support as well as good results.

Compared to the 1.5th anniversary event, we expect a more impactful 2.5th anniversary event and an exciting collaboration between our IPs to lead to better performance than last year in Q2. We also aim to achieve annual performance similar to or better than last year's results.

Q.3 : Expected performance of <Goddess of Victory: NEW HOPE> in China?

A.3 : We are set for the official launch in China on May 22, in close collaboration with Tencent, a company with extensive experience in both global and local services. Positive user feedback was confirmed during the CBT, and we are preparing differentiated operational strategies and localized content to ensure <GoV: NEW HOPE> receives lots of love from Chinese users over the long term. We plan to continue expanding large-scale marketing efforts locally through both online and offline events, such as Guangzhou's FireFly ACG and Shanghai's Utopia Festi, ahead of the official launch.

06. Q&A

<Stellar Blade>

Q.1 : Review of <Stellar Blade> Q1 performance?

A.1 : Since its release as a PS5 exclusive in April of 2024, <Stellar Blade> continued to perform steadily in Q1 2025; cumulative sales exceeded pre-launch expectations.

In February, the <GoV: NIKKE> DLC trailer was revealed during Sony's State of Play, alongside various promotions. The hyper-realistic figurines of <Stellar Blade>'s key characters, 'Eve' and 'Taki', sold out immediately upon pre-order launch. The IP momentum remained strong in Q1, and we plan to sustain this excitement until the platform expansion in June.

Q.2: <Stellar Blade> PC platform expansion expected performance?

A.2 : The release is scheduled for June 2025. Having successfully established itself as a AAA IP loved by global console gamers, we plan to continue the momentum in PC market through game optimization, enhanced convenience, additional content, and tailored marketing strategies unique to Shift Up.

With the official launch of <GoV: NEW HOPE> in China approaching, a cross-collaboration between the two IPs is also planned, which we anticipate will drive strong marketing effects in the Greater China region. The well-prepared <GoV: NIKKE> DLC is expected to attract attention and expand user base.

06. Q&A

<Others>

Q.1 : What is the current status of <Project Witches> and the communication schedule with the market?

A.1 : The game is being developed with a launch target set for 2027, and the development progress is smooth. Starting in Q2 this year, we will gradually begin external communication regarding <Project Witches> with the capital market and the users.

Q.2 : Any notable remarks in other revenue?

A.2 : We plan to consistently expand our IP business, including merchandise/MD sales, based on our globally recognized high-quality IPs. Both <GoV: NIKKE> and <Stellar Blade> are expected to see growth in revenue, driven by strong support from global users (reached 2.9 billion KRW in Q1 2025, a 222% YoY increase).

Q.3 : What is the background of the share buyback, and what is the future direction of your shareholder return policy?

A.3 : This share buyback is not a one-time event. In addition to the buyback, we are carefully evaluating various methods, including dividends, and plan to communicate a mid~long-term shareholder return policy with the capital markets and shareholders in the second half of this year. We are committed to enhancing shareholder value and will do our best to repay the trust from our shareholders through sustainable growth.

Appendix: Financial Statements (Condensed)

1Q25 Results

❖ Balance Sheet

(Unit: M KRW)

Category	2024	1Q25
Assets	803,832	839,127
Current Assets	768,172	803,763
Non-current Assets	35,660	35,364
Liabilities	39,428	48,184
Current Liabilities	28,586	38,008
Non-current Liabilities	10,842	10,177
Stockholders' Equity	764,404	790,943
Capital Stock	11,667	11,697
Capital Surplus	527,437	529,611
Retained Earnings	219,071	245,917
Other Comprehensive Income	(51)	(51)
Capital Adjustment	6,281	3,770
Total Equity & Liabilities	803,832	839,127

❖ Income Statement

(Unit: M KRW)

Category	1Q24	2Q24	3Q24	4Q24	1Q25
Revenue	37,376	65,202	58,018	63,490	42,235
Operating Exp.	11,440	20,195	22,441	17,332	15,983
Operating Profit	25,935	45,007	35,577	46,157	26,251
Non-operating Revenue	3,643	2,843	3,640	23,927	9,458
Non-operating Expense	356	730	7,394	(539)	4,063
Net Profit bef. Corporate Tax	29,222	47,120	31,824	70,623	31,646
Corporate Tax	4,523	6,859	8,340	11,094	4,800
Net Profit	24,700	40,260	23,484	59,530	26,846