FY2026 1Q Earnings Results

KRAFTON

2026. 04. 30

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1Q26 CEO Highlights

KRAFTON

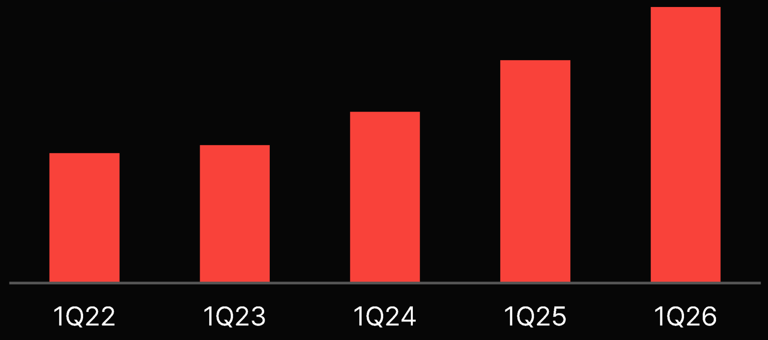
CEO CH Kim

PUBG IP Franchise

Sustaining Growth Momentum through Platformization and Global Expansion

[1Q26 Recap] Solid Growth Across Core Services[1)]

5-Year 1Q Revenue Trend

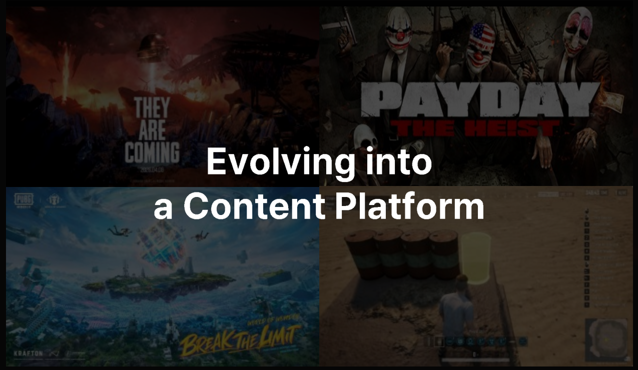


Achieved a record-high 1Q revenue (+24% YoY)

Expanded monetization base through enhanced BM

Stronger user engagement driven by seasonal content and major events

[2026 Plan] Structural Initiatives to Drive Traffic Growth



Diverse cultural experiences through expanded entertainment content investment

Preparing for PUBG 2.0 through well-made modes and expanded UGC[2)]

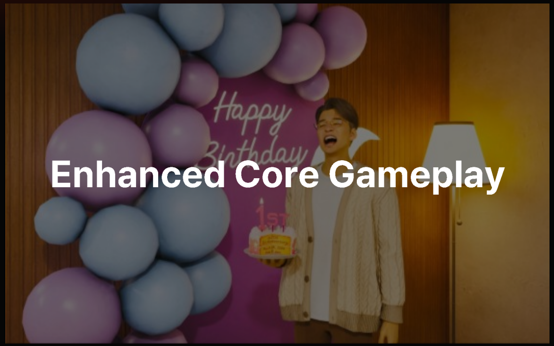
Traffic growth underpinned by global fandom marketing

1) Including PUBG PC/Console, PUBG Mobile, BGMI, and Peacekeeper Elite Technology Service Fee
2) User Generated Content

inZOI

Evolving into a UGC-Driven Live Service IP for Long-Term Growth

Strengthening Core Experience

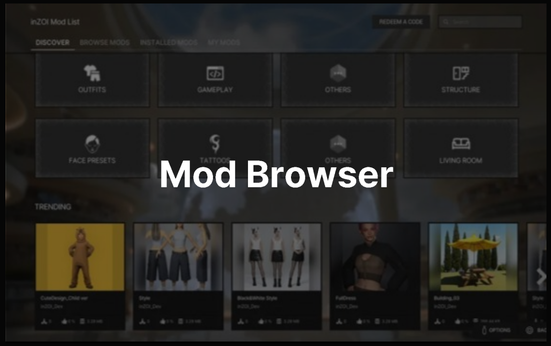


Polishing based on user feedback

Year-round optimization to improve stability

Console porting to broaden access

Building a Platform IP through a Modding Ecosystem



Expanding beyond traditional genre boundaries through diversified play experiences

Lowering content creation barriers through AI scripting mod tools and multiplayer support[1)]

Driving user lock-in and fostering a sustainable revenue model through a creation – sharing – play cycle

1) Update planned for 2Q-3Q 2026

Subnautica 2

Subnautica 2 Early Access Preparations Well Underway

Subnautica 2 Overview

Studio Unknown Worlds

Genre Underwater Survival Adventure

Platform PC / Console

Expected to Extend the Franchise Lifecycle and Broaden the Fan Base Across Regions

2014.12
Subnautica 1
Early Access

2019.01
Subnautica: Below Zero
Early Access

2026
Subnautica 2
Early Access

The series has sold 18.5M+ cumulative units[1)], and has maintained Steam Wishlist #1 since September 5, 2025[2)]

Positive reception confirmed through Early Access build tests across key regions

New content including Co-op mode, with continued content updates post-launch via open development

1) Cumulative sales of the Subnautica series (Subnautica, Subnautica: Below Zero) over the past 10 years
2) As of April 2026

AI for Game

Expanding KRAFTON's Distinctive Player Experiences with In-House AI

Raon: In-house Multimodal[1] AI Adaptable to Games

Raon

- **Raon-Speech** – Voice Input / Output
- **Raon-SpeechChat** – Real-time conversation
- **Raon-OpenTTS** – Text-to-Speech
- **Raon-VisionEncoder** – Image-Data Conversion

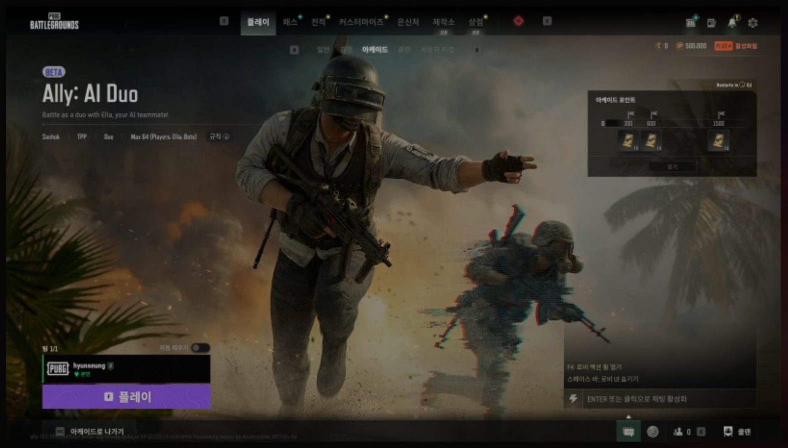
→ **Fine-tuning** → Game A / Game B / Game C

4 In-house AI models spanning voice, conversation, and image

Top-ranked in benchmarks against global peer models[2]

Game-specific fine-tuning to secure both cost efficiency and performance

PUBG Ally: In-Game AI that Plays and Interacts Like a Real Player



Offers a more immersive gameplay through AI-driven interaction

Performance continuously improved through large-scale[3] game data training

Phased rollout beginning with the Arcade Mode (Beta launch) in 2026

1) Processing multiple data types – such as voice, text, and images – together
2) Raon-Speech ranked #1 on average across Korean and English benchmarks among publicly available speech-language models with 10B parameters or fewer
3) Based on 38,512 gameplay sessions from 1,091 users over one month at PC cafes used for PUBG Ally testing

FY2026 1Q Financial Performance

KRAFTON

CFO Dongkeun Bae

1Q26 Highlights

Revenue

KRW 1.4tn

PUBG IP Franchise[1] revenue exceeded KRW 1tn for the first time in a quarter
Total revenue grew 57% YoY to a record quarterly high

Operating Profit

KRW 561.6bn

Achieving 53% of FY2025 full-year operating profit, increased 23% YoY

PUBG

PUBG IP Franchise Revenue
YoY growth rate: 1Q25 vs. 1Q26

+24%

Higher engagement and more paying user across services supported both qualitative and quantitative growth

1) Including PUBG PC/Console, PUBG Mobile, BGMI, and Peacekeeper Elite Technology Service Fee

Revenue Breakdown

Revenue

PC **1Q26** **KRW 363.9bn** (YoY 12.5% ↑, QoQ 26.6% ↑)

Mobile **1Q26** **KRW 702.7bn** (YoY 32.0% ↑, QoQ 140.5% ↑)

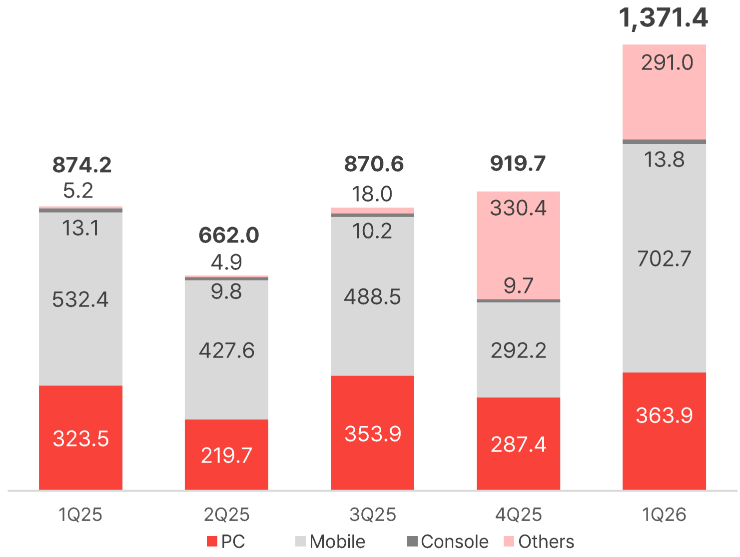
Console **1Q26** **KRW 13.8bn** (YoY 5.7% ↑, QoQ 42.5% ↑)

Others **1Q26** **KRW 291.0bn** (YoY 5,553.4% ↑, QoQ 11.9% ↓)

(Unit: KRW bn)	1Q 2025	4Q 2025	1Q 2026	YoY	QoQ
Revenue	**874.2**	**919.7**	**1,371.4**	**+56.9%**	**+49.1%**
PC	323.5	287.4	363.9	+12.5%	+26.6%
Mobile	532.4	292.2	702.7	+32.0%	+140.5%
Console	13.1	9.7	13.8	+5.7%	+42.5%
Others	5.2	330.4	291.0	+5,553.4%	-11.9%

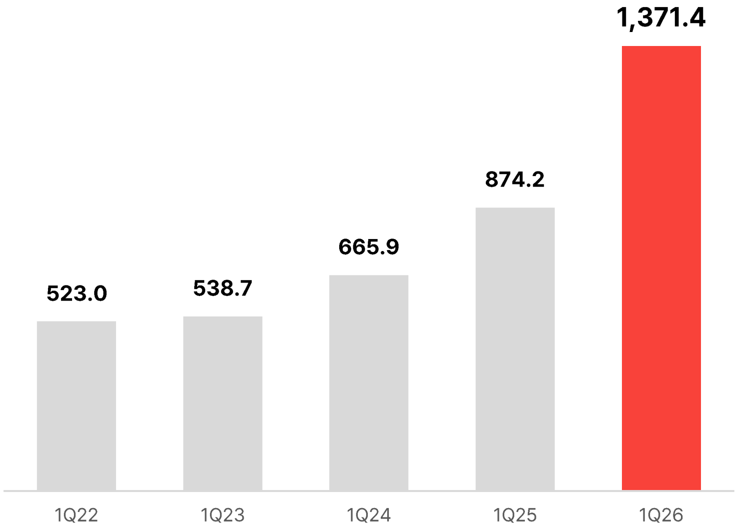
Revenue Breakdown (by platform)

(Unit: KRW bn)

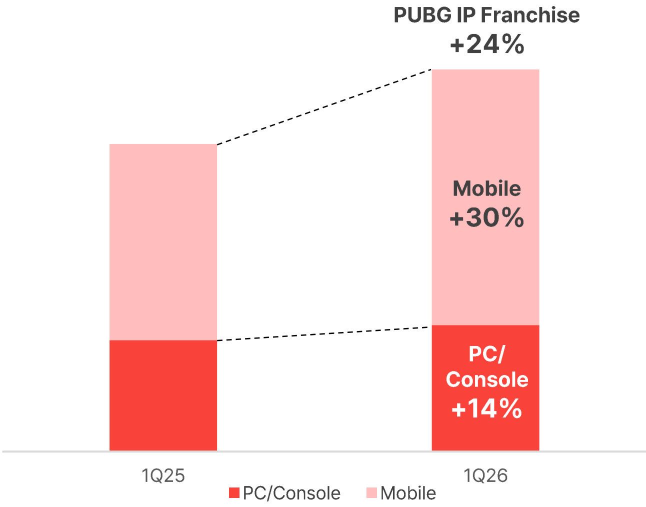


1Q Revenue Trend

(Unit: KRW bn)



PUBG IP Franchise[1] Revenue Trend

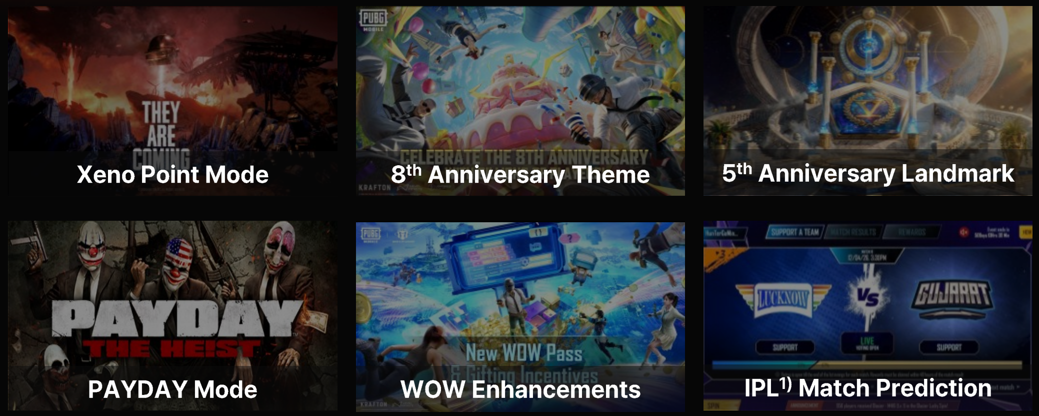


1) PC/Console revenue represents the combined figures for PUBG PC and PUBG Console; Mobile revenue represents the combined figures Including PUBG PC/Console, PUBG Mobile, BGMI, Peacekeeper Elite Technology Service Fee

2026 2Q PUBG IP Franchise Key Content

Strengthening the Fan Base and Accelerating PUBG's Evolution into a Content Platform

Diversifying Play Experiences to Expand as a Content Platform

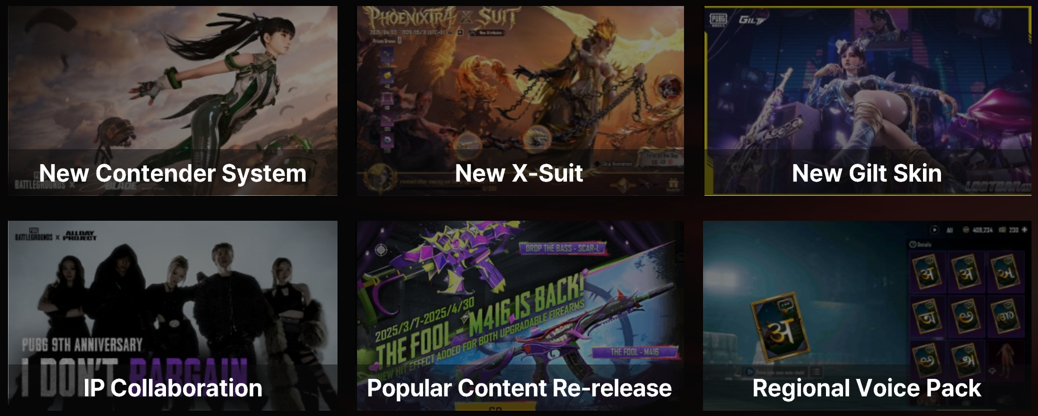


Structural Initiatives to Drive Traffic Growth

Expanding modes and gameplay across PC/Mobile to drive structural traffic growth

BGMI to strengthen retention through localized content

Expanding Premium Contents for All Fans



Enhancing User Experience via Expanded Premium Content

Strengthening the core fandom through expanded premium content offerings

Improving revenue efficiency via proven BM coupled with strong publishing strategy

1) Indian Premier League (Cricket)

Operating Expenses & Profit

Operating Expenses

1Q26 KRW 809.9bn (YoY 94.3% ↑, QoQ 11.7% ↓)

Increased 94.3% YoY due to rise in one-off personnel expenses and ADK
Decreased 11.7% QoQ due to decline in paid commissions

Operating Profit

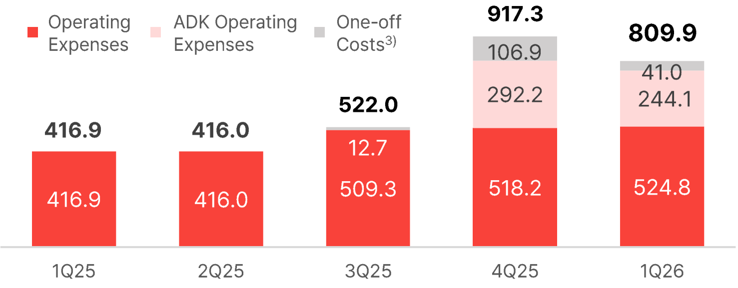
1Q26 KRW 561.6bn (YoY 22.8% ↑, QoQ 22,980.1% ↑)

Increased 22.8% YoY and 22,980.1% QoQ driven by strong revenue growth

(Unit: KRW bn)	1Q 2025	4Q 2025	1Q 2026	YoY	QoQ
Operating Expenses	**416.9**	**917.3**	**809.9**	**+94.3%**	**-11.7%**
Personnel	148.4	284.0	276.1	+86.0%	-2.8%
Platform Fees / Cost of Revenue[1]	105.0	103.7	114.7	+9.3%	+10.6%
Paid Commissions	84.2	390.3	288.7	+243.1%	-26.0%
Marketing	22.9	51.8	42.0	+83.1%	-19.1%
Share-based Compensation	17.9	6.4	13.4	-25.3%	+110.6%
Others	38.5	81.1	75.0	+94.6%	-7.4%
Operating Profit	**457.3**	**2.4**	**561.6**	**+22.8%**	**+22,980.1%**
% Margin	*52.3%*	*0.3%*	*40.9%*	*-11.4%p*	*+40.7%p*
Adj. EBITDA[2]	**505.1**	**58.8**	**622.9**	**+23.3%**	**+958.7%**
% Margin	*57.8%*	*6.4%*	*45.4%*	*-12.4%p*	*+39.0%p*

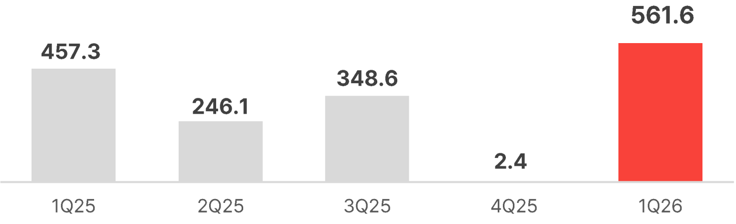
Operating Expenses

(Unit: KRW bn)



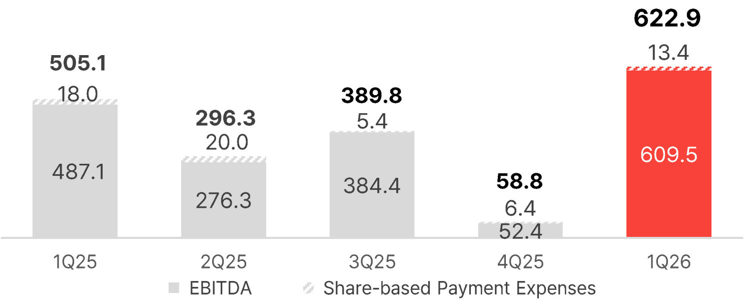
Operating Income

(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
3) One-off costs occurred in each quarter (Common Labor Welfare Fund, lawsuit-related expenses)

Net Profit

Net Profit

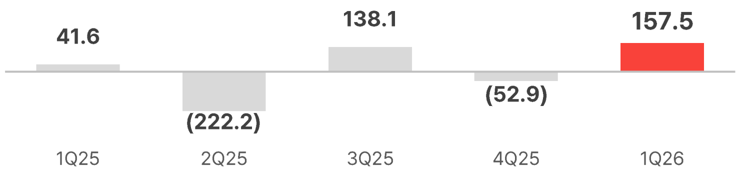
1Q26 KRW 514.1bn (YoY 38.4% ↑, QoQ T/S[1])

Increased 38.4% YoY and returned to profit QoQ, driven by Non-Operating Profit from FX effects

(Unit: KRW bn)	1Q 2025	4Q 2025	1Q 2026	YoY	QoQ
Operating Profit	**457.3**	**2.4**	**561.6**	**+22.8%**	**+22,980.1%**
Non-Operating Profit	**41.6**	**(52.9)**	**157.5**	**+278.7%**	**T/S[1]**
Non-Operating Income	**128.2**	**153.2**	**202.0**	**+57.5%**	**+31.9%**
Other Income	122.0	147.4	194.3	+59.3%	+31.8%
Finance Income	6.2	5.8	7.7	+23.2%	+33.6%
Non-Operating Expense	**86.6**	**206.1**	**44.5**	**-48.7%**	**-78.4%**
Other Expenses	84.0	202.3	40.0	-52.4%	-80.2%
Finance Expenses	2.6	3.8	4.5	+71.1%	+18.1%
Profit Before Income Tax	**498.9**	**(50.5)**	**719.1**	**+44.1%**	**T/S[1]**
Income Tax	127.4	(27.8)	205.0	+60.9%	n.a.
Net Profit	**371.5**	**(22.7)**	**514.1**	**+38.4%**	**T/S[1]**
% Margin	*42.5%*	*-2.5%*	*37.5%*	*-5.0%p*	*+40.0%p*

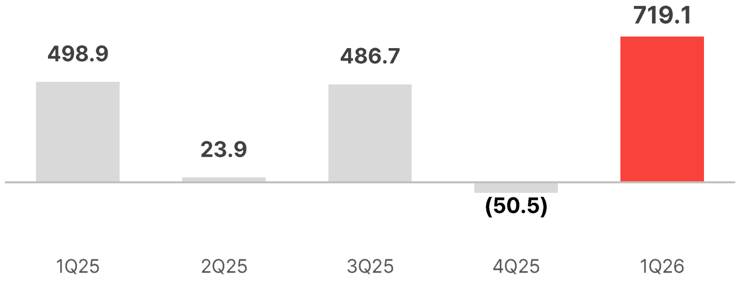
Non-Operating Profit

(Unit: KRW bn)



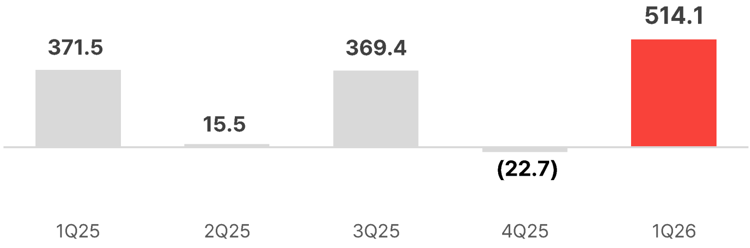
Profit Before Income Tax

(Unit: KRW bn)



Net Profit

(Unit: KRW bn)



1) T/S: Turn to Surplus

Shareholder Return

KRW100bn Share Buyback and Cancellation in 2Q, with Flexibility in Timing and Scale Going Forward

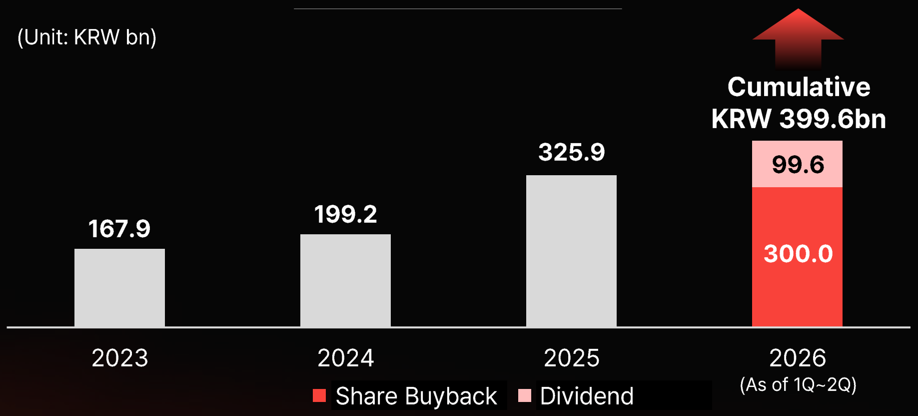
2026 1Q Recap

- **KRW 200bn** share buyback and **KRW 99.6bn**[1] capital reduction dividend completed in 1Q26
- **KRW 336.2bn**[2] in shares cancelled, including newly acquired and existing treasury shares (2.7% of total shares outstanding)

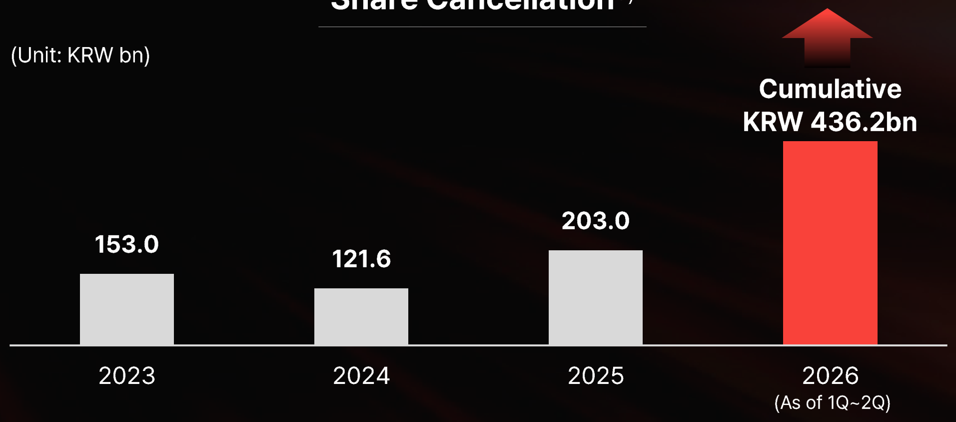
2026 2Q Plan

- Additional **KRW 100bn** share buyback and full cancellation planned in 2Q26
- 1H26 shareholder returns **increase 23%** and share cancellations **increase 115%** vs. FY2025

Shareholder Return



Share Cancellation[3]



1) KRW 2,240 per share paid on April 22, 2026
2) Based on the closing price of KRW 263,500 on April 17, 2026, the trading day prior to the BOD resolution; cancellation completed on April 27
3) Treasury share cancellation amounts for FY2023-2025 were calculated using the closing price on the trading day prior to each BOD resolution multiplied by the number of shares cancelled, and may therefore differ from the book-value-based amounts disclosed previously

Appendix

Summary of Financial Statements

Consolidated Income Statement

(KRW bn)	FY2025				FY 2026
	1Q	2Q	3Q	4Q	1Q
Revenue	**874.2**	**662.0**	**870.6**	**919.7**	**1,371.4**
Operating Costs	416.9	416.0	522.0	917.3	809.9
Operating Profits	**457.3**	**246.1**	**348.6**	**2.4**	**561.6**
Adj. EBITDA	487.1	276.3	384.4	52.4	609.5
Adj. EBITDA[1)]	**505.1**	**296.3**	**389.8**	**58.8**	**622.9**
Non-Operating Profit	**41.6**	**(222.2)**	**138.1**	**(52.9)**	**157.5**
Other Income	122.0	(4.5)	115.7	147.4	194.3
Other Expenses	84.0	220.8	(17.7)	202.3	40.0
Finance Income	6.2	5.5	7.5	5.8	7.7
Finance Expenses	2.6	2.4	2.9	3.8	4.5
Profit Before Income Tax	**498.9**	**23.9**	**486.7**	**(50.5)**	**719.1**
Income Tax	127.4	8.4	117.3	(27.8)	205.0
Net Profit	**371.5**	**15.5**	**369.4**	**(22.7)**	**514.1**

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

Consolidated Statement of Financial Position

(KRW bn)	4Q 2025	1Q 2026
Assets		
Current Assets	**4,866.3**	**5,167.7**
Cash and Cash Equivalents[1)]	3,180.7	3,097.3
Others	1,685.6	2,070.4
Non-current Assets	**4,567.3**	**4,663.6**
Property and equipment	578.9	609.1
Intangibles	1,804.2	1,844.0
Investment in Associates	806.0	866.3
Others	1,378.2	1,344.2
Total Assets	**9,433.6**	**9,831.3**
Liabilities		
Current Liabilities	**1,583.3**	**1,705.3**
Non-current Liabilities	**666.2**	**666.6**
Total Liabilities	**2,249.5**	**2,371.9**
Equity		
Shareholders' equity	**7,041.4**	**7,318.1**
Paid-in Capital	4.9	4.9
Capital Surplus	1,476.5	1,474.0
Other Components of Equity	(77.5)	(214.2)
Retained Earnings	5,637.5	6,053.4
Non-controlling Interests	**142.7**	**141.3**
Total Equity	**7,184.1**	**7,459.4**

Our Vision

KRAFTON

Slogan

PIONEER THE UNDISCOVERED

Statement

We pioneer the path to players' dreams
With bold imagination and breakthrough technology,
We create unforgettable worlds for fans across the globe

Core Values

Aim for Bold Objectives

We set objectives that inspire us and move us toward meaningful results

Depth Builds the Edge

Deep thinking and meticulous groundwork fuel our success

Imagination + Technology

Fuse imagination with technology to create immersive experiences fans have never seen

Fan-First Thinking

Fans are at the center of every decision, guilding us to bring players' dreams to life from start to finish

Embrace Global Perspectives

Expand global capabilities by understanding and learning diverse cultural difference