FY2026 2Q & 1H Earnings Results

KRAFTON

2026. 07. 29

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CEO Highlights

KRAFTON

CEO CH Kim

2Q26 Performance and Strategy

Solid growth of core IPs and validation of a repeatable franchise IP growth model

PUBG Franchise

User and revenue growth through content platformization, Scaling mobile UGC ecosystem

- Well-made modes drove core fanbase and revenue growth
- IP collaboration in UGC to structurally expand traffic

New Franchise IP

Subnautica 2 validates scale-up execution, Building a repeatable franchise IP growth model

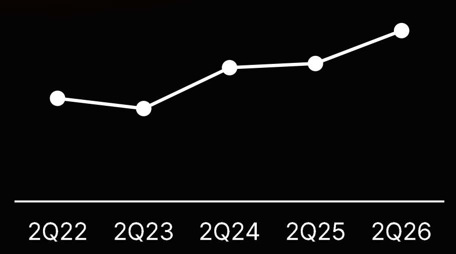
- Early Access confirmed potential as the second franchise IP
- Prioritize quality and community trust ahead of full launch

PUBG Franchise

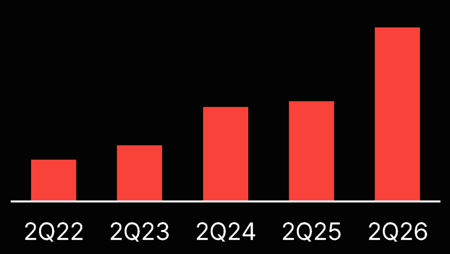
Content platformization drove user and revenue growth, mobile ecosystem to be further scaled

[2Q26 Recap] Platformization as a structural growth driver

Five-Year 2Q PC/Console MAU[1]



Five-Year PC/Console Revenue



Well-made modes reactivated core fandom engagement

Content and strategic monetization improved revenue efficiency

New modes[2] and UGC enhancement to further strengthen traffic

[3Q26 Plan] Driving further growth via mobile expansion

Boosting core fandom engagement through WOW[3] content

Expanding user base through global IP collaboration maps

Building a growth ecosystem where user creation fuels content supply and gameplay

1) Monthly Active Users
2) New well-made modes scheduled for release in the winter season
3) UGC modes in PUBG Mobile and BGMI

New Franchise IP

Scaling validated IPs into franchises through a repeatable system

Turned strong expectations into a global hit, building into a lasting franchise

EARLY ACCESS PERFORMANCE

Cumulative units sold[1]	Steam reviews[2]
5M+	**Very Positive**

KEY SCALE-UP LEVERS

Discovering and scaling a genre-defining IP

IP with Franchise Potential + Scale-up the Creative + KRAFTON as a Publisher

- IP with Franchise Potential: Underwater survival adventure with strong fandom
- Scale-up the Creative: Co-op expanded scalability while preserving core gameplay
- KRAFTON as a Publisher: Publisher-led validation with strong community engagement

NEXT STEP

Focus on quality and community trust until full launch, while pursuing long-term franchise expansion

Systematizing IP discovery, selection, and scale-up know-how from Subnautica 2 to create the next franchise IP

Validating potential of 5 new titles at gamescom

gamescom First Release	1PP	PUBG STUDIOS A new setting and gameplay built on PUBG Franchise
NOLAW	1PP	First-person open-world shooter RPG · Neon Giant Immersive simulation set targeting Western core users
PROJECT ZETA	2PP	Multi-team tactical arena · Nirvanana Hero-PvP tactical team combat, validating live scalability through open dev
AGE TWISTERS	2PP	Two-player co-op puzzle adventure · Piccolo Studio Family-friendly co-op puzzle gameplay, validating demand for accessible co-op
TARAE	2PP	Asian fantasy action RPG · Boundary Studio Action RPG with a distinctive Asian fantasy

1) Surpassed 5M units sold within 22 days of Early Access launch
2) As of July 29, 2026

FY2026 2Q & 1H Financial Performance

KRAFTON

CFO Dongkeun Bae

1H26 Highlights

Revenue

KRW 2.7 tn

Record high half-year revenue, up 73% YoY, driven by PUBG Franchise[1] growth and Subnautica 2 Early Access

Operating Profit

KRW 972.5 bn

Record high half-year operating profit, reaching 92% of FY2025 full year operating profit

SUBNAUTICA 2 EARLY ACCESS

Early Access launched on May 15, 2026

5M+ Units

Subnautica 2 ranked among top-selling global titles in 2026
Subnautica IP[2] revenue reached KRW232.5bn in 1H26

1) Including PUBG PC/Console, PUBG Mobile, BGMI, and Peacekeeper Elite Technology Service Fee
2) Including Subnautica 1, Subnautica: Below Zero, Subnautica 2, etc.

Revenue Breakdown

Revenue

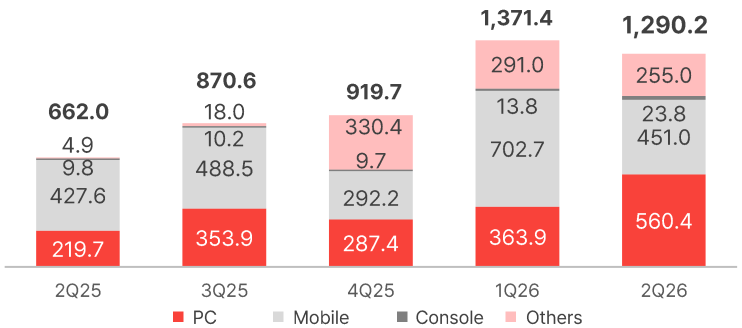
1H26 **KRW 2.7tn** (YoY 73.3% ↑)

2Q26 **KRW 1.3tn** (YoY 94.9% ↑, QoQ 5.9% ↓)

(Unit: KRW bn)	2Q 2025	1Q 2026	2Q 2026	YoY	QoQ	1H 2025	1H 2026	YoY
Revenue	**662.0**	**1,371.4**	**1,290.2**	**+94.9%**	**-5.9%**	**1,536.2**	**2,661.6**	**+73.3%**
PC	219.7	363.9	560.4	+155.1%	+54.0%	543.2	924.2	+70.1%
Mobile	427.6	702.7	451.0	+5.5%	-35.8%	960.0	1,153.7	+20.2%
Console	9.8	13.8	23.8	+143.3%	+72.1%	22.9	37.7	+64.6%
Others	4.9	291.0	255.0	+5,010.6%	-12.4%	10.1	546.0	+5,286.2%

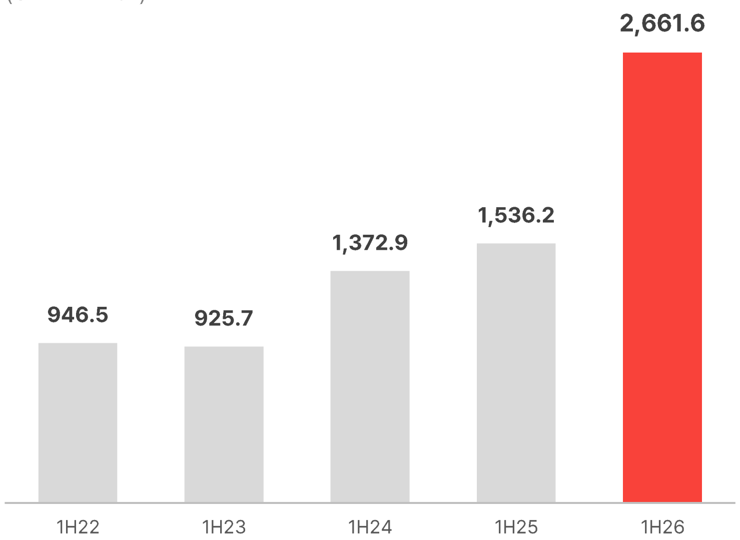
Revenue Breakdown (by Platform)

(Unit: KRW bn)

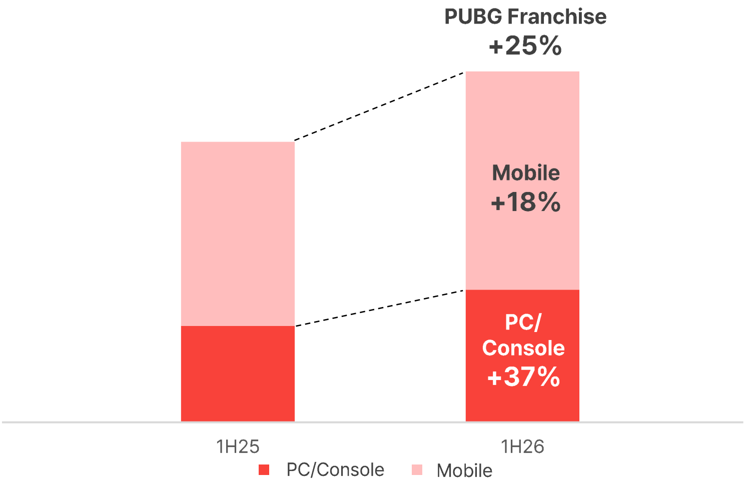


1H Revenue Trend

(Unit: KRW bn)



PUBG 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 Mobile, BGMI, Peacekeeper Elite Technology Service Fee

3Q26 PUBG Franchise Content

IP collaborations and UGC expansion to accelerate evolution into a content platform

IP Collaborations

PUBG BATTLEGROUNDS
PUBG MOBILE
BATTLEGROUNDS MOBILE INDIA

Global Anime Collaborations[1]

Expanding anime IP collaborations
across PUBG Franchise

PUBG MOBILE
BATTLEGROUNDS MOBILE INDIA

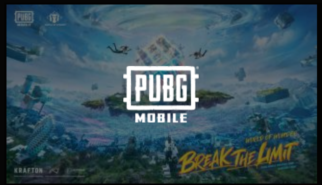
Ferrari Collaboration

Introducing four flagship Ferrari models,
with exclusive customization options

Expanding UGC Eco-System

2026~
Strengthening UGC gameplay content (2026.3Q)
Expanding UGC content through IP collaborations,
including Naruto and Spider-Man

2024~2025
Enhanced creation tools, UGC ecosystem began scaling
5.4M+[2] cumulative created maps achieved
through the expansion of WOW creation tools



2023
Official launch of World of Wonder (2023.03)
UGC and gameplay platform built on PUBG Franchise

1) Naruto IP collaboration applies to PUBG Mobile and BGMI; not applicable to PUBG PC/Console
2) Based on the announcement at 2025 PMGC (PUBG Mobile Global Championship, December 2025)

Operating Expenses & Profit

Operating Expenses

1H26 **KRW 1.7tn** (YoY 102.8% ↑)

2Q26 **KRW 879.3bn** (YoY 111.4% ↑, QoQ 8.6% ↑)

Increased 111% YoY due to inclusion of ADK, and rose 9% QoQ on higher platform fees/cost of revenue and paid commissions

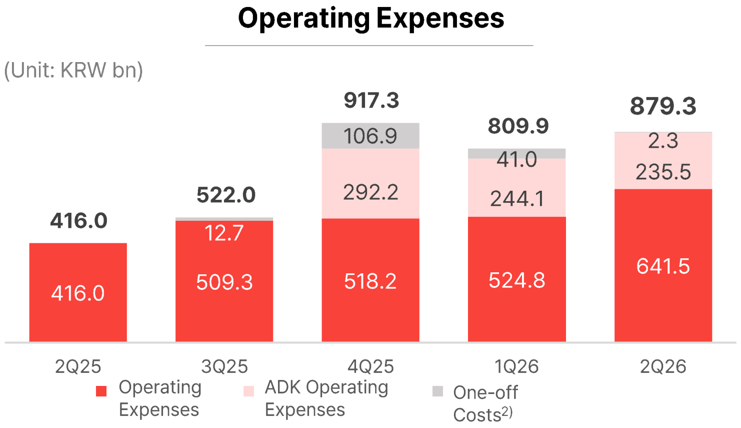
Operating Profit

1H26 **KRW 972.5bn** (YoY 38.3% ↑)

2Q26 **KRW 410.9bn** (YoY 67.0% ↑, QoQ 26.8% ↓)

Increased 67% YoY driven by PUBG Franchise growth and Subnautica 2 Early Access

(Unit: KRW bn)	2Q 2025	1Q 2026	2Q 2026	YoY	QoQ	1H 2025	1H 2026	YoY
Operating Expenses	**416.0**	**809.9**	**879.3**	**+111.4%**	**+8.6%**	**832.9**	**1,689.2**	**+102.8%**
Personnel	146.8	276.1	237.4	+61.7%	-14.0%	295.2	513.5	+73.9%
Platform Fees/Cost of Revenue[1]	83.9	114.7	166.5	+98.3%	+45.1%	188.9	281.2	+48.8%
Paid Commissions	96.2	297.2	342.5	+255.9%	+15.2%	180.3	639.7	+254.6%
Marketing	26.1	42.0	44.9	+72.3%	+7.0%	49.0	86.9	+77.3%
Share-based Compensation	20.0	13.4	14.0	-29.8%	+4.8%	37.9	27.4	-27.7%
Others	43.0	66.5	74.0	+72.3%	+11.3%	81.5	140.5	+72.5%
Operating Profit	**246.0**	**561.6**	**410.9**	**+67.0%**	**-26.8%**	**703.3**	**972.5**	**+38.3%**
% Margin	*37.2%*	*40.9%*	*31.8%*	*-5.3%p*	*-9.1%p*	*45.8%*	*36.5%*	*-9.2%p*



1) Platform fees / Cost of Revenue consist of Steam, market commissions, etc.
2) One-off costs occurred in each quarter (Common Labor Welfare Fund, lawsuit-related expenses, severance support payments)

Net Profit

Net Profit

1H26 **KRW 484.2bn** (YoY 25.1% ↑)

First-half net profit increased 25% YoY

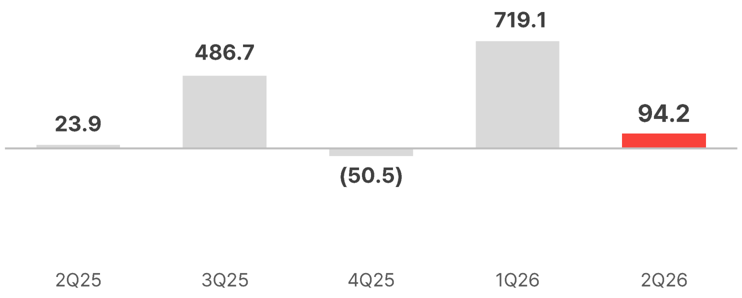
(Unit: KRW bn)	2Q 2025	1Q 2026	2Q 2026	YoY	QoQ	1H 2025	1H 2026	YoY
Operating Profit	**246.0**	**561.6**	**410.9**	**+67.0%**	**-26.8%**	**703.3**	**972.5**	**+38.3%**
Non-Operating Profit	**(222.2)**	**157.5**	**(316.7)**	**n.a.**	**n.a.**	**(180.5)**	**(159.2)**	**n.a.**
Non-Operating Income	**1.0**	**202.0**	**102.0**	**+9,861.8%**	**-49.5%**	**129.3**	**304.0**	**+135.1%**
Other Income	(4.5)	194.3	95.6	n.a.	-50.8%	117.6	289.9	+146.6%
Finance Income	5.5	7.7	6.4	+17.0%	-17.1%	11.7	14.1	+20.3%
Non-Operating Expense	**223.2**	**44.5**	**418.7**	**+87.6%**	**+841.4%**	**309.8**	**463.1**	**+49.5%**
Other Expenses	220.8	40.0	413.0	+87.0%	+933.0%	304.8	453.0	+48.6%
Finance Expenses	2.4	4.5	5.6	+139.1%	+25.8%	5.0	10.1	+103.3%
Profit Before Income Tax	**23.9**	**719.1**	**94.2**	**+294.2%**	**-86.9%**	**522.8**	**813.3**	**+55.6%**
Income Tax	8.4	205.0	124.1	*+1,383.8%*	*-39.5%*	135.8	329.1	*+142.4%*
Net Profit	**15.5**	**514.1**	**(29.9)**	**T/D[1]**	**T/D[1]**	**387.0**	**484.2**	**+25.1%**
% Margin	*2.3%*	*37.5%*	*-2.3%*	*n.a.*	*n.a.*	*25.2%*	18.2%	*-7.0%p*

Non-Operating Profit

(Unit: KRW bn)

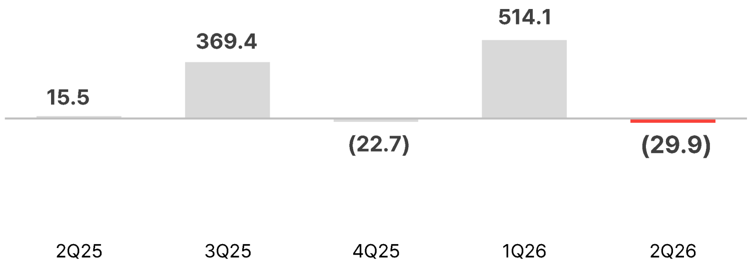
Profit Before Income Tax

(Unit: KRW bn)



Net Profit

(Unit: KRW bn)



1) T/D: Turned to Deficit

Shareholder Returns

Additional KRW100bn share buyback and cancellation in 3Q

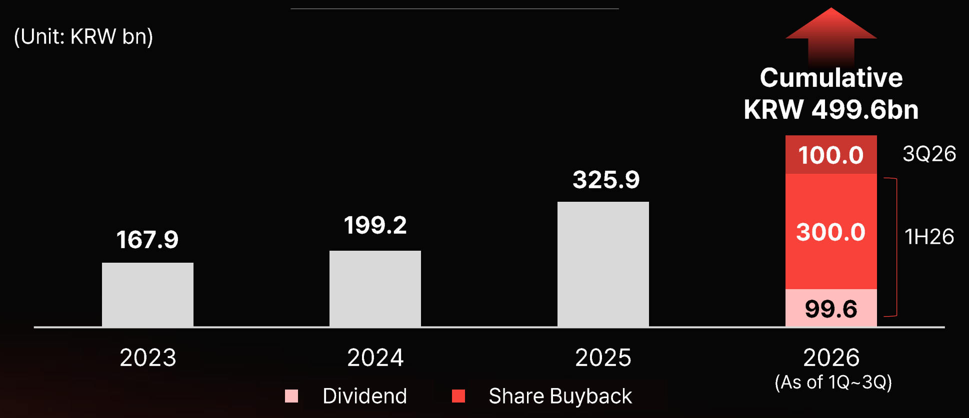
2026 1H Recap

- **KRW 300bn** share buyback and **KRW 99.6bn**[1] capital reduction dividend completed in 1H26 (122.6% of full-year 2025)
- **KRW 431.5bn**[2] in shares cancelled, including newly acquired and existing treasury shares (3.5% of total shares outstanding)

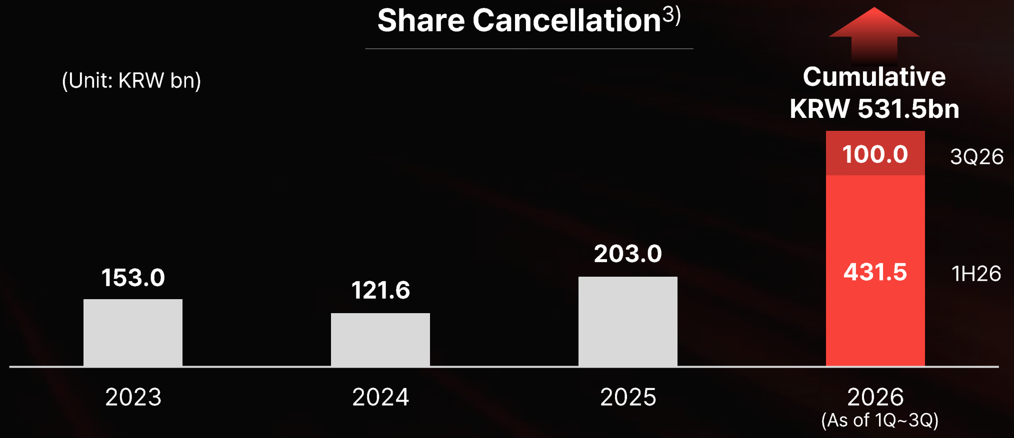
2026 3Q Plan

- Additional **KRW 100bn** share buyback and full cancellation planned in 3Q26
- Timing and scale to be managed flexibly based on market conditions and share price

Shareholder Return



Share Cancellation[3]



1) KRW 2,240 per share paid on April 22, 2026
2) KRW336.2bn: 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 / KRW95.3bn: treasury shares acquired during 2Q, with cancellation scheduled for August 5
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

Q&A

CEO

CH Kim

CFO

Dongkeun Bae

Appendix

Summary of Financial Statements

Consolidated Income Statement

(KRW bn)	2025			2026		
	1Q	2Q	1H	1Q	2Q	1H
Revenue	**874.2**	**662.0**	**1,536.2**	**1,371.4**	**1,290.2**	**2,661.6**
Operating Costs	416.9	416.0	832.9	809.9	879.3	1,689.2
Operating Profits	**457.3**	**246.0**	**703.3**	**561.6**	**410.9**	**972.5**
EBITDA	487.1	276.3	763.4	609.6	464.5	1,074.1
Adj. EBITDA[1)]	**505.1**	**296.3**	**801.4**	**622.9**	**478.5**	**1,101.5**
Non-Operating Profit	**41.6**	**(222.2)**	**(180.5)**	**157.5**	**(316.7)**	**(159.2)**
Other Income	122.0	(4.5)	117.6	194.3	95.6	289.9
Other Expenses	84.0	220.8	304.8	40.0	413.0	453.0
Finance Income	6.2	5.5	11.8	7.7	6.4	14.1
Finance Expense	2.6	2.4	5.0	4.5	5.6	10.1
Profit Before Income Tax	**498.9**	**23.9**	**522.8**	**719.1**	**94.2**	**813.3**
Income Tax	127.4	8.4	135.8	205.0	124.1	329.1
Net Profit	**371.5**	**15.5**	**387.0**	**514.1**	**(29.9)**	**484.2**

Consolidated Statement of Financial Position

(KRW bn)	2025	2Q 2026
Assets		
Current Assets	**4,866.3**	**4,811.9**
Cash and Cash Equivalents[2)]	3,180.7	2,662.1
Others	1,685.6	2,149.8
Non-current Assets	**4,567.3**	**4,902.3**
Property and equipment	578.9	576.4
Intangibles	1,804.2	1,862.8
Investment in Associates	806.0	920.4
Others	1,378.2	1,542.7
Total Assets	**9,433.6**	**9,714.2**
Liabilities		
Current Liabilities	**1,583.3**	**1,476.8**
Non-current Liabilities	**666.2**	**887.4**
Total Liabilities	**2,249.5**	**2,364.2**
Equity		
Shareholders' equity	**7,041.4**	**7,212.3**
Paid-in Capital	4.9	4.9
Capital Surplus	1,476.5	1,480.4
Other Components of Equity	(77.5)	(51.4)
Retained Earnings	5,637.5	5,778.4
Non-controlling Interests	**142.7**	**137.8**
Total Equity	**7,184.1**	**7,350.1**

1) Adj. EBITDA = EBITDA + Share-based payment expenses
2) Including FVPL (Fair Value through Profit or Loss)

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	Depth Builds the Edge	Imagination + Technology	Fan-First Thinking	Embrace Global Perspectives
We set objectives that inspire us and move us toward meaningful results	Deep thinking and meticulous groundwork fuel our success	Fuse imagination with technology to create immersive experiences fans have never seen	Fans are at the center of every decision, guilding us to bring players' dreams to life from start to finish	Expand global capabilities by understanding and learning diverse cultural difference