



July 1, 2019

Name of Company: NEXON Co., Ltd.
Representative: Owen Mahoney, Representative Director, Chief Executive Officer and President
(Stock Code: 3659, TSE First Section)
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Notice on Acquisition of Additional Shares (Conversion into Subsidiary) of Embark Studios AB

TOKYO – July 1, 2019 – NEXON Co., Ltd. (“Nexon”) (3659.TO) today announced that its Board of Directors has approved the additional acquisition of 32.8% of the outstanding shares of Embark Studios AB (“Embark Studios”) and to turn it into a consolidated subsidiary of Nexon Group.

1. Reason for the share acquisition

Embark Studios is a Stockholm-based game development studio founded by industry leader Patrick Söderlund to create new types of interactive entertainment and simulated virtual online worlds enabled by massive leaps in technology.

In November 2018, Nexon Group made a strategic investment in Embark Studios and made Embark Studios an equity method affiliate in order to strengthen Nexon’s portfolio of games in the Western online market. Nexon will now increase its shares and turn Embark Studios into a consolidated subsidiary of Nexon Group to further strengthen the relationship in order to maximize synergy and accelerate the ability to share expertise across studios.

Nexon Group’s voting rights ratio after the additional acquisition of Embark Studios shares will be 66.1%.

2. Outline of the subsidiary transferred

(1) Company name	Embark Studios AB
(2) Business description	Game development business
(3) Establishment date	2018
(4) Location	Stockholm, Sweden
(5) Representative’s name and title	CEO, Patrick Söderlund
(6) Capital	USD 7 thousand (JPY 780 thousand)
(7) Major shareholders and shareholding ratio	Patrick Söderlund : 54.4% Nexon US Holding Inc.: 33.3%
(8) Relationship between the listed company and the company	Capital relationship: The company is an equity method affiliate which Nexon Group has 33.3% of the outstanding shares.
	Personal relationship: Two directors of the Nexon concurrently serve as directors (representative directors and directors) of the Embark Studios.
	Transactional relationship: None

(9) Operating results and financial conditions of the company for the past three years			
Fiscal Year	FY2016	FY2017	FY2018
Net assets	—	—	USD 36,251 thousand [JPY 3,908 million]
Total assets	—	—	USD 39,138 thousand [JPY 4,219 million]
Revenue	—	—	—
Operating income (loss)	—	—	(USD 4,563 thousand) [(JPY 492 million)]
Net income (loss)	—	—	(USD 4,563 thousand) [(JPY 492 million)]
Net income (loss) per share	—	—	(USD 0.01) [(JPY 1.08)]
Net assets per share	—	—	USD 0.06 [JPY 6.47]
Dividend per share	—	—	—

3. Outline of the counterparties of share acquisition

(1) Name	Patrick Söderlund
(2) Location	Stockholm, Sweden
(3) Relationship between the listed company and the individual	Nexon's board member

(1) Name	Johan Andersson
(2) Location	Stockholm, Sweden
(3) Relationship between the listed company and the individual	None

(1) Name	Robert Runesson
(2) Location	Stockholm, Sweden
(3) Relationship between the listed company and the individual	None

(1) Name	Jenny Huldshiner
(2) Location	Stockholm, Sweden
(3) Relationship between the listed company and the individual	None

(1) Name	Stefan Strandberg
(2) Location	Stockholm, Sweden
(3) Relationship between the listed company and the individual	None

(1) Name	Magnus Nordin
(2) Location	Stockholm, Sweden
(3) Relationship between the listed company and the individual	None

4. Number of acquired shares, acquisition price and state of shares owned before and after the acquisition

(1) Number of shares owned before the transfer	217,803,030 shares (ratio of voting rights owned: 33.3%)
(2) Number of shares acquired	214,132,771 shares
(3) Acquisition price	Share acquisition price: USD 96,360 thousand (JPY 10,387 million) Advisory fee, etc. (estimate): USD 157 thousand (JPY 17 million) Total (estimate): USD 96,517 thousand (JPY 10,404 million)
(4) Number of shares owned after the transfer	431,935,801 shares (ratio of voting rights owned: 66.1%)

5. Timeline

(1) Date of resolution by the Board of Directors	July 1, 2019
(2) Contract date	July 1, 2019
(3) Execution date of share transfer	July 1, 2019

6. Future outlook

The impact of this share acquisition on Nexon's consolidated business results for the fiscal year ending December 31, 2019 is currently under examination. We will promptly disclose if any matter arises going forward, which requires any revision of our business performance outlook or which should be announced.

* This document presumes a foreign exchange rate of USD 1 = JPY 107.79 (as of June 28, 2019).