February 9, 2021
NEXON Co., Ltd.
http://company.nexon.co.jp/en/
(Stock Code: 3659, TSE First Section)

Nexon Releases Earnings for Fourth Quarter and Full Year 2020

Record-Setting Fourth Quarter and Full-Year Revenues
Mobile Games Generate One-Third of Full-Year Revenue – Up 60% YoY
17 Years After Launch, MapleStory Revenue in Korea Up 98% YoY

TOKYO – February 9, 2021 – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in online games, today announced the financial results for its fourth quarter and fiscal year ended on December 31, 2020.

"Nexon's fourth quarter marked a strong finish to a great year," said Owen Mahoney, President and CEO of Nexon. "The continued outstanding performance of our blockbuster Virtual Worlds serves to validate our belief that this genre of games has a unique ability to grow revenue over the course of decades after the initial launch. In 2020, *MapleStory*, which originally launched in 2003, grew an incredible 98% year-over-year in our biggest market, Korea."

"Nexon looks forward to multiple catalysts in 2021, including new games, on new platforms, coming to new markets," continued Mahoney. "While we expect variation in near-term revenue growth, the drivers for long-term growth are stronger than ever."

Fourth Quarter 2020 Highlights:

- Revenues ¥66.4 billion, up 35% year-over-year on an as-reported basis, and up 34% on a constant currency[1] basis – exceeding outlook. This performance was driven by solid execution on *FIFA ONLINE 4*[2] and *MapleStory* in Korea
- Revenues from PC online games[3] were up 16% year-over-year driven by multiple franchises including *MapleStory* across multiple geographies, as well as *FIFA ONLINE 4*[2], *Dungeon&Fighter* and *Sudden Attack* in Korea
- Mobile game revenues in Q4 accounted for 41% of Nexon's group revenues - up 76% year-over-year benefiting from *The Kingdom of the Winds:Yeon*, *KartRider Rush+* and *FIFA MOBILE*[4]
- Operating income of ¥15.6 billion was within the outlook. While revenue exceeded the outlook, HR costs were higher than planned due to higher performance-based bonus related to the outstanding performances of major titles and new mobile games
- Net loss[5] of ¥29.8 billion was below outlook, primarily due to a ¥29.5 billion deferred tax liability additionally recorded on the undistributed profits of an overseas subsidiary as well as a ¥21.0 billion FX loss on U.S. dollar-denominated cash deposits related to the appreciation of the Korean Won against the U.S. dollar during the quarter and its corresponding impact on U.S dollar-denominated cash deposits
- In December, Nexon announced development on *DNF Duel*[6], an all-new game based on characters of the blockbuster *Dungeon&Fighter* franchise. Further details on the game will be announced at a future date

Full Year 2020 Highlights:

- As a result of strong execution on the company's focus strategy and the performance of global Virtual World franchises, Nexon achieved record-high revenues and operating income for the full year.
- Revenues were ¥293.0 billion, up 18% year-over-year on an as-reported basis, up 21% on a constant currency[1] basis
- Outstanding execution by Nexon's operations in Korea resulted in year-over-year revenue growth of 84%, and accounting for 56% of Nexon group's full-year revenues
- Operating income ¥111.5 billion, up 18% year-over-year on an as-reported basis, up 23% on a constant currency[1] basis
- Net income[5] was ¥56.2 billion, down 51% year-over-year on an as-reported basis and down 47% on a constant currency[1] basis due to a ¥29.5 billion deferred tax liabilities additionally recorded on the undistributed profits of an overseas subsidiary as well as a ¥17.7 billion FX loss on cash deposits
- ¥92.4 billion ($874 million) of the $1.5 billion investments authorized by Nexon's board has been committed in shares of publicly traded global entertainment companies that share Nexon's commitment to create and sustain global entertainment properties. As of December 31, 2020, Nexon recognized, as other comprehensive income, an unrealized gain of ¥29.5 billion[7] ($279 million[7])
- Revenues from mobile games such as *MapleStoryM*, *The Kingdom of the Winds: Yeon*, *KartRider Rush+*, *FIFA MOBILE*[4] and *V4* now accounts for roughly one-third of Nexon's total annual group revenue – up 60% year-over-year

First Quarter 2021 Outlook :

- Expect revenues in the range of ¥82.8 to ¥89.1 billion, up 0% to 8% year-over-year on an as-reported basis, down 3 % to up 5% year-over-year on a constant currency[1] basis
- Expect operating income of ¥35.3 to ¥41.9 billion
- Expect net income[5] of ¥26.0 to ¥30.9 billion
- Forex sensitivity[8]: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q1 2021
  - Revenues: ¥0.82 billion
  - Operating Income: ¥0.39 billion

Conference Call (Japanese&English)
Nexon management will host a conference call for investors, analysts and the media to discuss the company's financial results and outlook. The conference call will be held at 5:00 p.m. JST / 3:00 a.m. EST, and will be simultaneously conducted in Japanese and English. It will consist of brief remarks made by the management team followed by a Q&A session. Q&A session will be conducted with consecutive interpretation.

Time: February 9, 2021 at 5:00 p.m. JST / 3:00 a.m. EST (planned)

For English Speakers
Telephone Number: +81-3-6629-2500 (Japan), +1-240-254-3153 (US), +44-33-0587-8106 (UK), +852-3027-7004 (Hong Kong), +65-6653-5798 (Singapore), +82-70-7950-2158 (South Korea)
Pass Code: 98571029#

For Japanese Speakers
Telephone Number: +81-3-6629-2500 (Japan)
Pass Code: 75671084#

Audio Archive and Transcript
Audio archive and a transcript will be available on Nexon's Investor Relations website in English at http://ir.nexon.co.jp/en/ after the earnings conference call.

This press release is prepared to offer reference information about Nexon to investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon.

About NEXON Co., Ltd. http://company.nexon.co.jp/en/
Founded in 1994, NEXON Co., Ltd. (Nexon) (3659.TO) is a company engaged in the production, development and operation of online games and Virtual Worlds. First listed on the Tokyo Stock Exchange in December 2011, Nexon was placed on JPX400 in 2015 and added to the Nikkei Stock Index 300 in 2017. In 2020, Nexon was added to the Nikkei 225. Nexon currently has more than 50 live games on multiple platforms including mobile and available in more than 190 countries. Major game franchises include *MapleStory*, *KartRider* and *Dungeon&Fighter*.

Contact Information
NEXON Co., Ltd. Corporate PR
CorporatePR.Team@nexon.co.jp

[1] Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period.

[2] Official title is *EA SPORTS™ FIFA ONLINE 4*.

[3] PC revenues include other revenues besides PC online games and mobile games.

[4] Official title is *EA SPORTS™ FIFA MOBILE*.

[5] Net income / loss refers to net income / loss attributable to owners of the parent.

[6] Tentative title

[7] Represents the difference between the acquisition costs and the market value of our equity investments; does not reflect the impact of deferred tax liabilities on unrealized gains.

[8] In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese yen when there is an exchange rate movement in US. dollar and Japanese yen.