



INVESTOR PRESENTATION Q1 2023

Owen Mahoney President and CEO | Shiro Uemura CFO

May 11th, 2023 NEXON Co., Ltd.



MapleStory 20 Year Anniversary

Since 2003



Highlights

Summary

Robust Base of Existing Franchises Coupled with Rich Pipeline of New Virtual Worlds Provides Unique Asymmetric Upside Opportunity

| DRIVERS | ITEM | NOTES |
|--|---|---|
| Existing Franchises (SOLID FOUNDATION) | <ul style="list-style-type: none"> China <i>Dungeon&Fighter</i> | <ul style="list-style-type: none"> ✔ Off to a strong start in 2023; MAUs, paying users and ARPPU all up Y/Y driven by our thorough live operations |
| | <ul style="list-style-type: none"> Korea <i>MapleStory</i> | <ul style="list-style-type: none"> ✔ Below outlook in Q1. Large-scale 20th Anniversary and other updates to drive growth |
| | <ul style="list-style-type: none"> <i>FIFA ONLINE 4</i>¹ | <ul style="list-style-type: none"> ✔ Strong momentum continued from the World Cup; achieved significant Y/Y growth and record-breaking quarterly revenue |
| | <ul style="list-style-type: none"> <i>Blue Archive</i> | <ul style="list-style-type: none"> ✔ Built strong momentum in Japan driven by 2nd Anniversary update; positive momentum spread to global service |
| New Virtual Worlds (UPSIDE OPPORTUNITY) | <ul style="list-style-type: none"> <i>THE FINALS</i> | <ul style="list-style-type: none"> ✔ Completed beta test in March with over two million signups; received positive feedback and areas of improvement |
| | <ul style="list-style-type: none"> <i>Wars of Prasia</i> | <ul style="list-style-type: none"> ✔ Launched in Korea on 3/30; top 5 grossing ranking on average on iOS and AOS in the 1st week |
| | <ul style="list-style-type: none"> <i>VEILED EXPERTS</i> | <ul style="list-style-type: none"> ✔ Completed final beta test in April with good user retention; early access will start on May 19 |
| | <ul style="list-style-type: none"> <i>MapleStory M², Blue Archive</i> | <ul style="list-style-type: none"> ✔ Currently preparing for their launches in China |
| | <ul style="list-style-type: none"> Others | <ul style="list-style-type: none"> ✔ Development progressing well for <i>ARC Raiders</i>, <i>Warhaven</i>, <i>The First Descendant</i>, and <i>MABINOGI MOBILE</i> |

¹ Official titles are EA SPORTS™ FIFA ONLINE 4 (PC) and EA SPORTS™ FIFA ONLINE 4 M (mobile).

² Official title in China is *MapleStory: The Legends of Maple*.

Solid Foundation. Significant Upside Opportunities

Big Growth Opportunities Layered on Top of Core Business



2023

Time

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Highlights

Q1 2023 Results

Q1 2023 Result Highlights

Record Quarterly Revenue Driven by Solid Performances of *FIFA ONLINE 4*¹, *FIFA MOBILE*², *Dungeon&Fighter*, and *Blue Archive*

Revenues

- In-line with expectations. *FIFA ONLINE 4*¹ and *FIFA MOBILE*² in Korea, *Blue Archive*, and China *Dungeon&Fighter* exceeded outlook while Korea *MapleStory*, *Dungeon&Fighter Mobile*, *HIT2*, and *KartRider: Drift* were lower than planned
- Y/Y increase primarily driven by *FIFA ONLINE 4*¹ and *FIFA MOBILE*² in Korea, China *Dungeon&Fighter*, and *Blue Archive*

Operating Income

- Exceeded outlook due to lower-than-expected HR costs⁴ and lower-than-expected marketing expenses
- Y/Y increase driven by revenue increases, partially offset by increases in variable costs, HR costs⁴, and marketing expenses

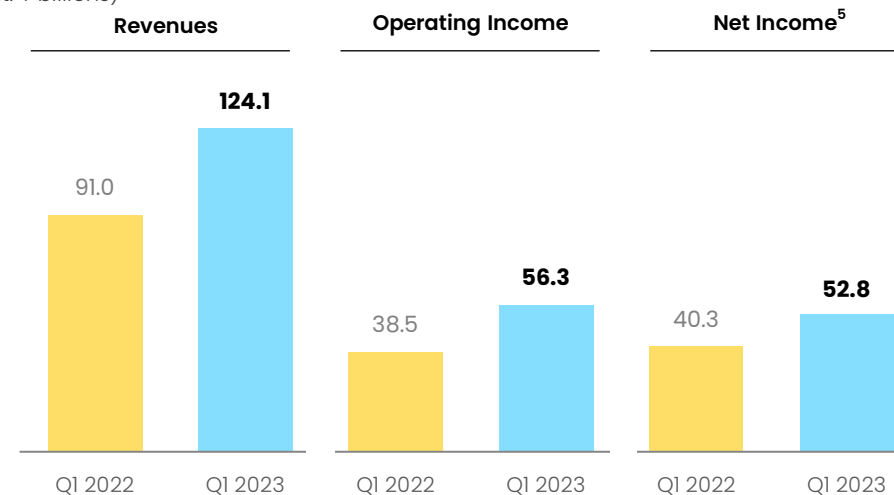
Net Income⁵

- Exceeded outlook primarily driven by
- operating income outperformance
 - ¥5.6 billion FX gain primarily on U.S. dollar-denominated cash deposits
 - ¥2.9 billion gain on valuation of securities

(Unit: ¥ millions, except per share data)

| | Q1 2022 | Q1 2023 Outlook | Q1 2023 | YoY % |
|-------------------------------|----------------|----------------------------|-----------------|------------|
| Revenues | ¥91,034 | ¥116,708 ~ ¥125,635 | ¥124,087 | 36% |
| PC ³ | 67,730 | 89,250 ~ 95,075 | 93,070 | 37% |
| Mobile | 23,304 | 27,458 ~ 30,560 | 31,017 | 33% |
| Operating income | 38,520 | 45,321 ~ 52,502 | 56,275 | 46% |
| Net income⁵ | 40,261 | 34,354 ~ 39,787 | 52,791 | 31% |
| Earnings per share | 45.35 | 40.02 ~ 46.35 | 61.63 | |
| Exchange rates | | | | |
| 100 KRW/JPY | 9.65 | 10.52 | 10.52 | 8% |
| CNY/JPY | 18.30 | 19.18 | 19.18 | 6% |
| USD/JPY | 116.20 | 130.35 | 132.34 | 14% |

(Unit: ¥ billions)



1 Official titles are EA SPORTS™ FIFA ONLINE 4 (PC) and EA SPORTS™ FIFA ONLINE 4 M (mobile).

2 Official title is EA SPORTS™ FIFA MOBILE.

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

4 HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

5 Net income refers to net income attributable to owners of the parent.

Q1 2023 Revenue Breakdown

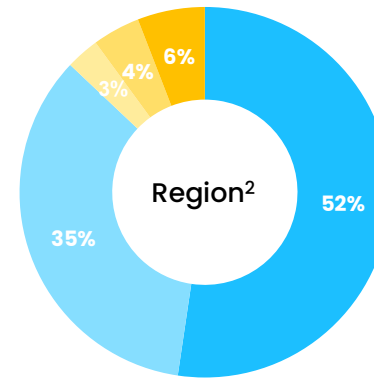
All Regions Grew Y/Y¹

Q1 2023 Financial Results

(Unit: ¥ millions)

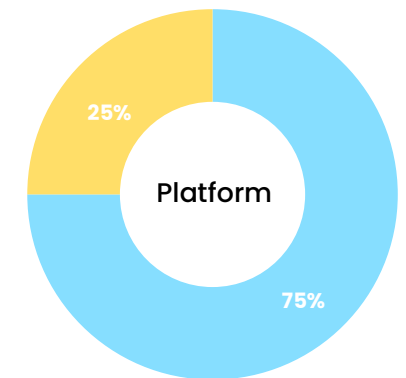
| | Q1 2022 | Q1 2023 | | YoY % Change | |
|--------------------------------------|---------------|----------------|--------------------------------|--------------|--------------------------------|
| | | As-Reported | Constant Currency ⁵ | As-Reported | Constant Currency ⁵ |
| Revenue by Region² | | | | | |
| Korea | ¥47,880 | ¥64,942 | ¥60,199 | 36% | 26% |
| China | 29,761 | 43,080 | 41,318 | 45% | 39% |
| Japan | 2,794 | 3,609 | 3,437 | 29% | 23% |
| North America and Europe | 4,699 | 5,156 | 4,633 | 10% | (1%) |
| Rest of World ³ | 5,900 | 7,300 | 6,760 | 24% | 15% |
| Nexon Total | 91,034 | 124,087 | 116,347 | 36% | 28% |
| Revenue by Platform | | | | | |
| PC ⁴ | 67,730 | 93,070 | 87,643 | 37% | 29% |
| Mobile | 23,304 | 31,017 | 28,704 | 33% | 23% |
| Nexon Total | 91,034 | 124,087 | 116,347 | 36% | 28% |
| FX Rate | | | | | |
| 100 KRW/JPY | 9.65 | 10.41 | 9.65 | 8% | |
| CNY/JPY | 18.30 | 19.34 | 18.30 | 6% | |
| USD/JPY | 116.20 | 132.34 | 116.20 | 14% | |

Q1 2023 Revenue Breakdown



Region²

- Korea 52%
- China 35%
- Japan 3%
- North America & Europe 4%
- Rest of World³ 6%



Platform

- PC⁴ 75%
- Mobile 25%

1 While North America and Europe grew Y/Y on an as-reported basis due to FX, it decreased Y/Y on a constant currency basis.

2 Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

3 "Rest of World" includes other Asian countries as well as Central and South American countries.

4 PC revenues include other revenues besides PC online games and mobile games.

5 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. As an example, we calculate royalty revenues from *China Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

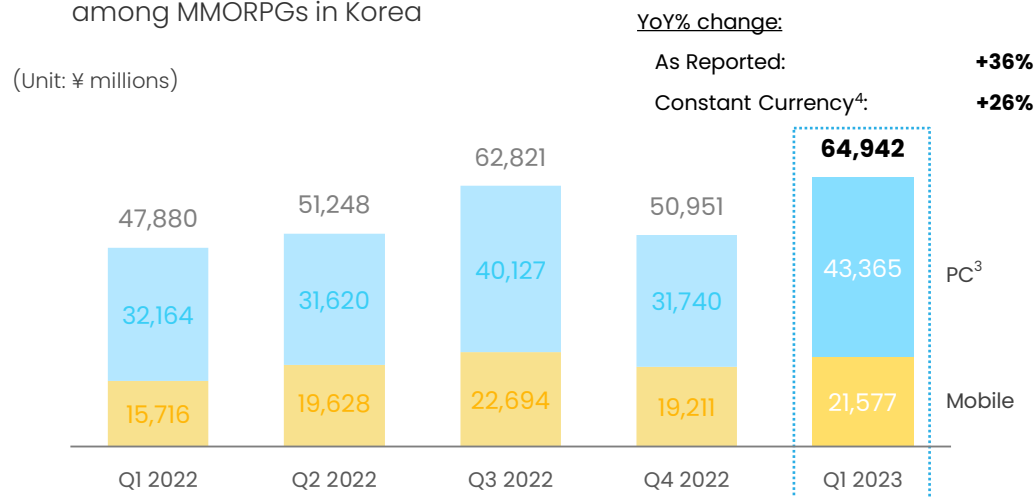
6 For the KPIs (MAU, Pay Rate and ARPPU) of PC online games, please refer to appendix of this presentation.

Q1 2023 Korea / China – Highlights

Korea

Results as planned. Y/Y growth driven by *FIFA ONLINE 4*¹, *FIFA MOBILE*² and *HIT2*

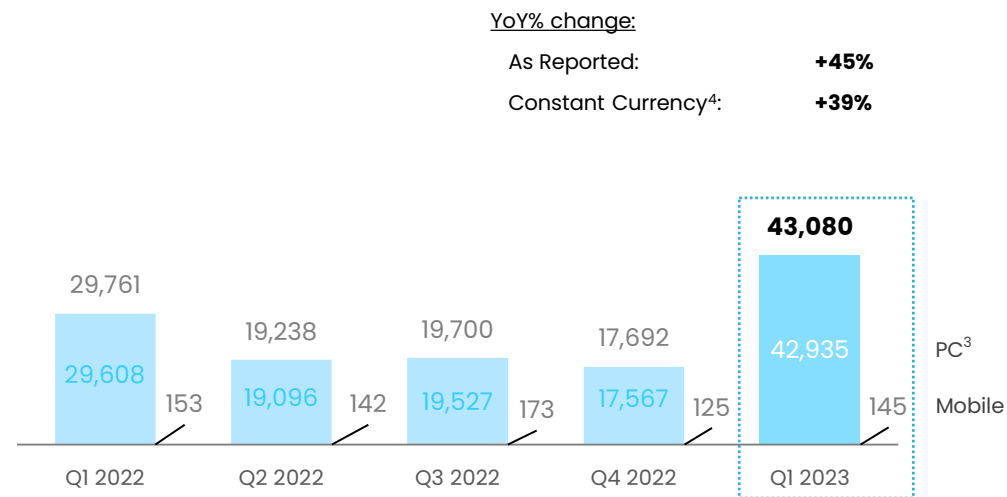
- PC³ revenues up 35% Y/Y
 - *FIFA ONLINE 4*¹: Exceeded outlook and achieved record quarterly revenues; maintained high base of active users from last quarter
 - *MapleStory*: Below outlook; in February, active users decreased as they were dissatisfied with the imbalance in the difficulty of character development across servers. However, user sentiment and active users have improved following our immediate measures and the 20th Anniversary update (4/20)
- Mobile revenues up 37% Y/Y; up 12% Q/Q
 - *FIFA MOBILE*²: Maintained strong momentum and exceeded outlook
 - *Blue Archive*: Outperformance driven by successful content update
 - *Dungeon&Fighter Mobile*: Below outlook due to a decrease in active users; however, improvements in active users and revenue were seen after the 1st Anniversary update (3/24)
 - *HIT2*: Below outlook due to a decrease in active users under intense competition among MMORPGs in Korea



China

Exceeded outlook driven by *Dungeon&Fighter's* outperformance

- Since Q4, we have continued to implement initiatives to enhance user engagement by optimizing the in-game balance and promoting communication with players
- Amidst this positive trend, revenue exceeded our expectations driven by the successful package sales during the Lunar New Year update (1/12)
- Q/Q MAUs, paying users, and ARPPU increased due to seasonality
- Y/Y MAUs, paying users, and ARPPU all increased due to continued initiatives to enhance user engagement and the well-received Lunar New Year update



¹ Official title is EA SPORTS™ FIFA ONLINE 4 (PC).

² Official title is EA SPORTS™ FIFA MOBILE.

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

⁴ 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. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

Q1 2023 Japan / North America and Europe Rest of World¹ – Highlights

Japan

Exceeded outlook primarily driven by *Blue Archive*

- *Blue Archive* grew Y/Y driven by the successful 2nd Anniversary update

North America and Europe

Results as planned

- *MapleStory* and *Blue Archive* grew Y/Y
- *Choices*⁴ and *MapleStory M* decreased Y/Y

Rest of World¹

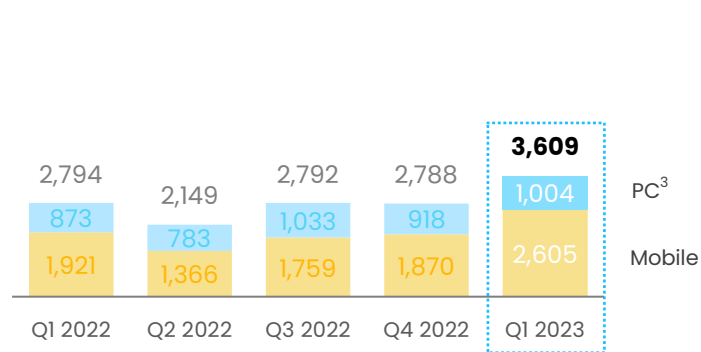
Results as planned

- *Blue Archive* grew Y/Y
- Benefited from other mobile games

(Unit: ¥ millions)

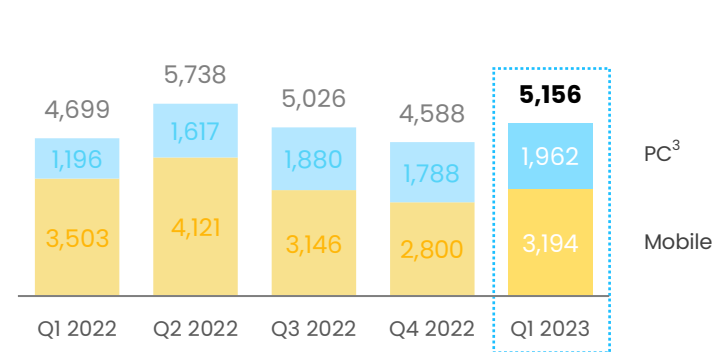
YoY% change:

As Reported: **+29%**
Constant Currency²: **+23%**



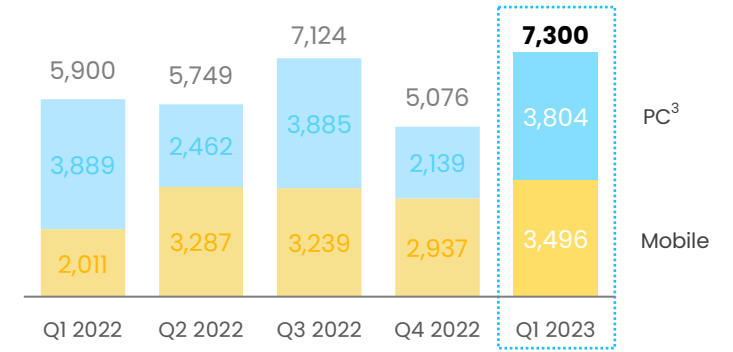
YoY% change:

As Reported: **+10%**
Constant Currency²: **-1%**



YoY% change:

As Reported: **+24%**
Constant Currency²: **+15%**



¹ "Rest of World" includes other Asian countries as well as Central and South American countries.

² 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. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

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

⁴ Official title is *Choices: Stories You Play*.

Q2 2023 Outlook

Q2 2023 Financial Outlook

Expect Record Q2 Revenues Driven by Stable Growth of Major Franchises and Contribution from *Wars of Prasia*

Revenues

- Constant currency¹ up 7% to 17%
- PC²: Growth driven by *FIFA ONLINE 4*³, *Wars of Prasia*, and *Korea MapleStory*
- Mobile: Growth driven by contributions from *Wars of Prasia* and *HIT2*, as well as Y/Y growth in *FIFA MOBILE*⁴

Operating Income

- Expect a Y/Y increase driven by revenue growth partially offset by cost increases
- Expect increased variable costs, HR costs⁵, marketing expenses, outsourcing costs and cloud service costs

Net Income⁶

- Expect a Y/Y decrease
- In Q2 2022 we recorded ¥27.7 billion FX gain primarily on U.S. dollar-denominated cash deposits

(Unit: ¥ millions, except per share data)

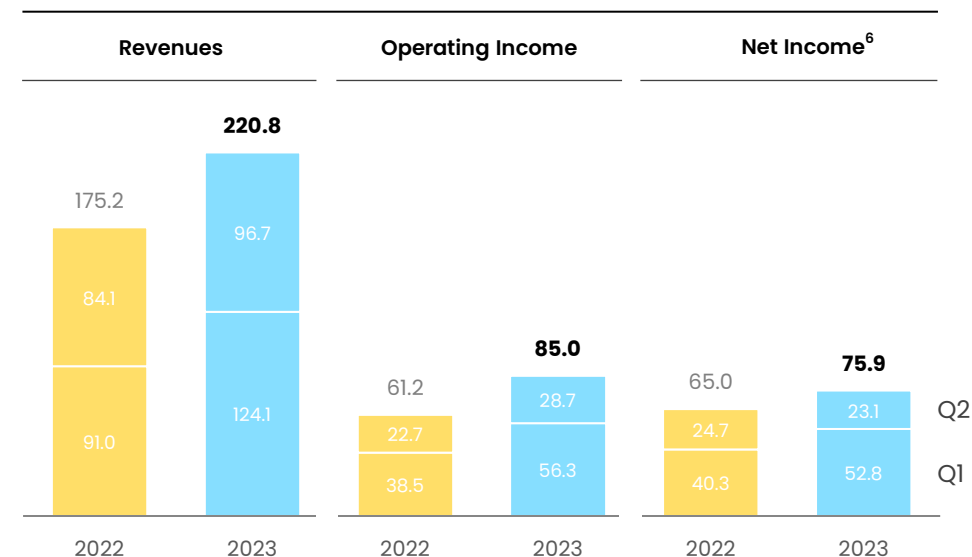
| | Q2 2022 | Q2 2023 Outlook | | YoY % | |
|-------------------------------|----------------|-----------------|------------------|--------------|---------------|
| Revenues | ¥84,122 | ¥88,391 | ~ ¥96,665 | 5% | ~ 15% |
| PC ² | 55,578 | 61,898 | ~ 66,910 | 11% | ~ 20% |
| Mobile | 28,544 | 26,493 | ~ 29,755 | (7%) | ~ 4% |
| Operating income | 22,684 | 22,088 | ~ 28,691 | (3%) | ~ 26% |
| Net income⁶ | 24,707 | 18,059 | ~ 23,145 | (27%) | ~ (6%) |
| Earnings per share | 28.10 | 21.22 | ~ 27.20 | | |
| FX Rate Assumptions | | | | | |
| 100 KRW/JPY | 10.29 | 10.10 | 10.10 | (2%) | |
| CNY/JPY | 19.61 | 19.38 | 19.38 | (1%) | |
| USD/JPY | 129.57 | 133.33 | 133.33 | 3% | |

Forex sensitivity⁷: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q2 2023

Revenues 0.69 billion yen
Operating Income 0.20 billion yen

(Unit: ¥ billions)

Q2 2023 (High-end)



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. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

² PC revenues include other revenues besides PC online games and mobile games

³ Official title is *EA SPORTS™ FIFA ONLINE 4 (PC)*.

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

⁵ HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

⁶ Net income refers to net income attributable to owners of the parent.

⁷ 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 U.S. Dollar and Japanese Yen.

Q2 2023 Korea / China Outlook

Korea

Expect revenues to increase Y/Y driven by *FIFA ONLINE 4*¹, *FIFA MOBILE*², and *MapleStory* as well as contributions from *Wars of Prasia* and *HIT2*

- PC³: Expect to increase Y/Y
 - Expect *FIFA ONLINE 4*¹ to maintain its strong momentum and increase Y/Y
 - Expect *MapleStory*, which had its 20th Anniversary update (4/20), to increase Y/Y
 - Expect to benefit from *Wars of Prasia*, which launched on 3/30
- Mobile: Expect to be roughly flat Y/Y
 - Expect to benefit from *Wars of Prasia* and *HIT2*
 - Expect *FIFA MOBILE*² to increase Y/Y while *Dungeon&Fighter Mobile* to decrease Y/Y

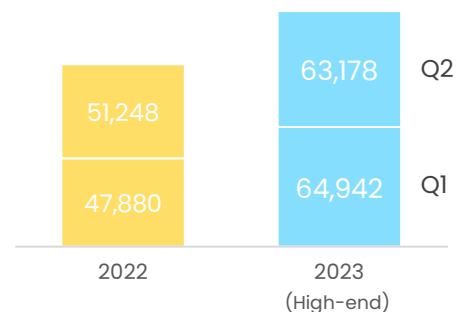
China

Expect *Dungeon&Fighter*'s revenue to be roughly flat Y/Y

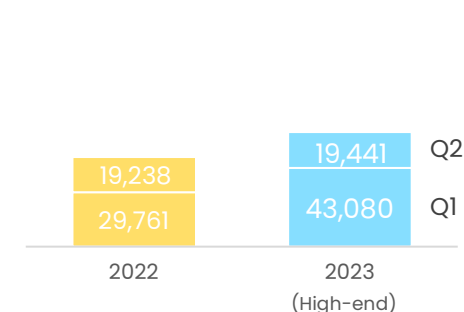
- Introduced Labor Day Update (4/20); scheduled to introduce the 15th Anniversary update (6/15)
- In April, the number of active users increased Y/Y while paying users and ARPPU decreased slightly Y/Y
- In Q2, we will continue to focus on stably operating the game

(Unit: ¥ millions)

| Q2 2022 | | Q2 2023 Outlook | | YoY % Change | | |
|---------|--|-----------------|----------|--------------|--------------------------------|--|
| Actual | | Low-end | High-end | As-Reported | Constant Currency ⁴ | |
| 51,248 | | 58,438 ~ | 63,178 | 14% ~ 23% | 16% ~ 26% | |



| Q2 2022 | | Q2 2023 Outlook | | YoY % Change | | |
|---------|--|-----------------|----------|--------------|--------------------------------|--|
| Actual | | Low-end | High-end | As-Reported | Constant Currency ⁴ | |
| 19,238 | | 17,247 ~ | 19,441 | (10%) ~ 1% | (8%) ~ 4% | |



¹ Official title is EA SPORTS™ FIFA ONLINE 4 (PC).

² Official title is EA SPORTS™ FIFA MOBILE.

³ PC revenues include other revenues besides PC online games and mobile games

⁴ 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. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

Q2 2023 Japan / North America and Europe / Rest of World¹ Outlook

Japan

Expect revenues to be roughly flat Y/Y

- Expect a Y/Y increase in *Blue Archive*
- Expect Y/Y decreases in terminated mobile titles

North America and Europe

Expect revenues to decrease Y/Y

- Expect Y/Y decreases in mobile titles

Rest of World¹

Expect revenues to increase Y/Y

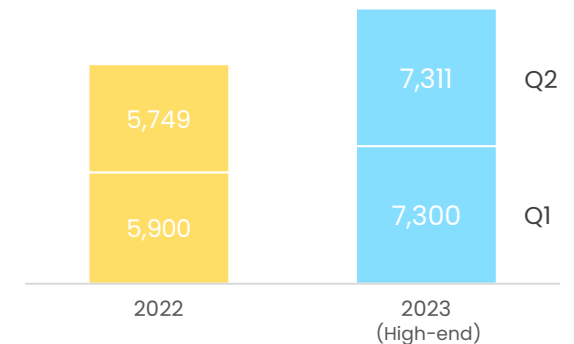
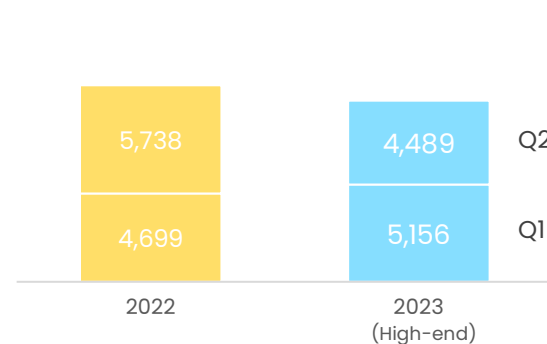
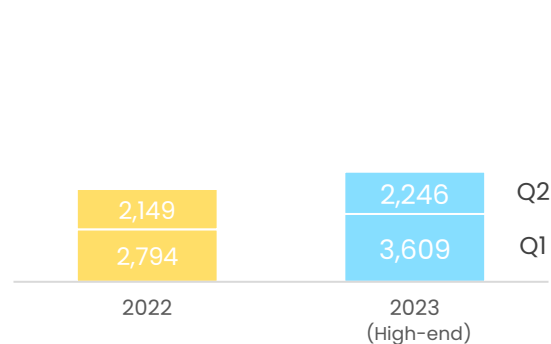
- Expect to benefit from *HIT2*, which is scheduled to launch in Taiwan, Hong Kong, and Macau on May 23, and *VEILED EXPERTS*, which will start early access globally on May 19

(Unit: ¥ millions)

| Q2 2022 | Q2 2023 Outlook | | YoY % Change | | |
|---------|-----------------|---------|--------------|-------------|--------------------------------|
| | Actual | Low-end | High-end | As-Reported | Constant Currency ² |
| 2,149 | 2,009 ~ | 2,246 | (7%) ~ | 5% | (6%) ~ 6% |

| Q2 2022 | Q2 2023 Outlook | | YoY % Change | | |
|---------|-----------------|---------|---------------|---------------|--------------------------------|
| | Actual | Low-end | High-end | As-Reported | Constant Currency ² |
| 5,738 | 4,112 ~ | 4,489 | (28%) ~ (22%) | (29%) ~ (22%) | |

| Q2 2022 | Q2 2023 Outlook | | YoY % Change | | |
|---------|-----------------|---------|--------------|-------------|--------------------------------|
| | Actual | Low-end | High-end | As-Reported | Constant Currency ² |
| 5,749 | 6,585 ~ | 7,311 | 15% ~ 27% | 16% ~ 29% | |



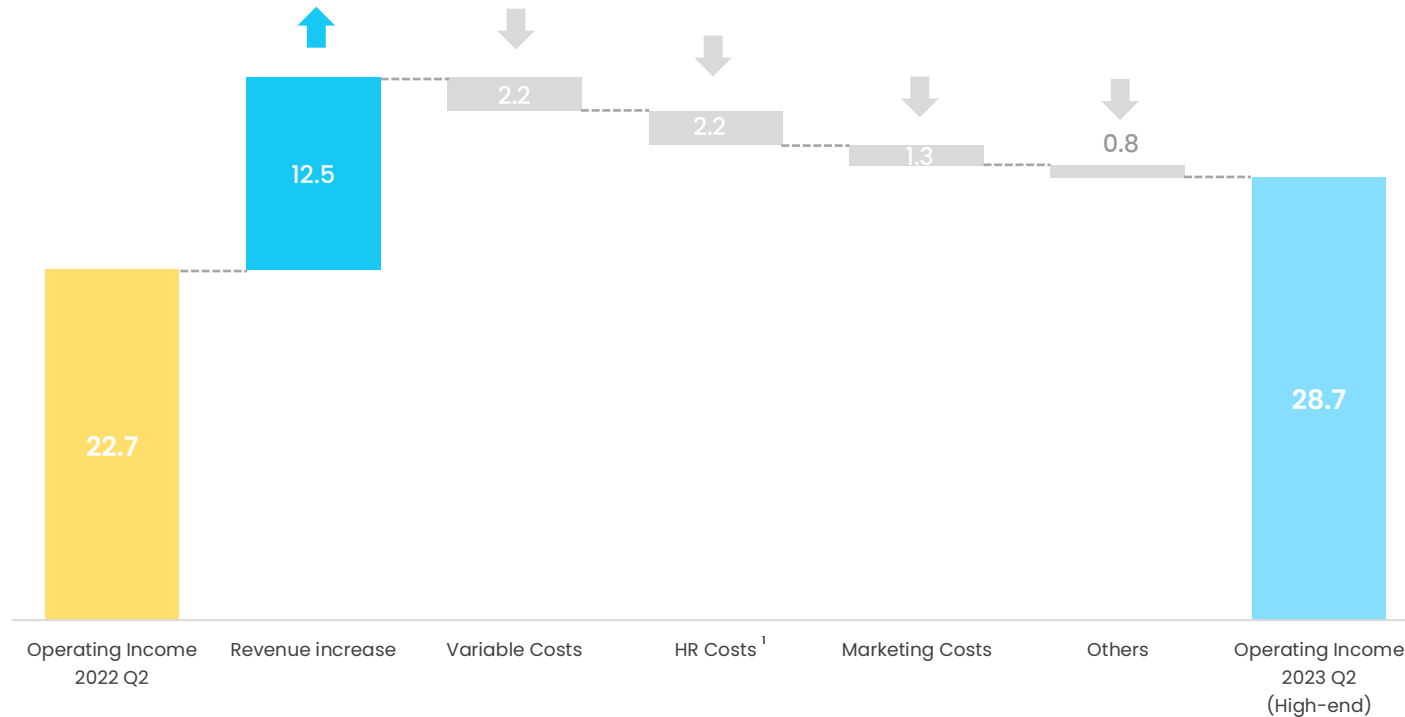
¹ "Rest of World" includes other Asian countries as well as Central and South American countries.

² 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. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

Q2 2023 Operating Income & Cost Outlook

(Unit: ¥ billions)

Y/Y Operating Income Comparison (High-end)



↑ Increased revenues

↓ Increased royalty costs primarily due to increased revenues in *FIFA ONLINE 4*² and *FIFA MOBILE*³

↓ Increased HR costs¹ related to:

- Additional headcount for development and operation of our major games
- Annual salary increase

↓ Increased marketing costs associated with:

- Promotions for existing titles such as *FIFA ONLINE 4*², which has been delivering strong performance, and *MapleStory*, which celebrated its 20th Anniversary
- Promotions for new games including *Wars of Prasia* and *HIT2* in Taiwan, Hong Kong and Macau

↓ Others include:


- Increased outsourcing fees and cloud service costs
- Decreased impairment loss of ¥2.2 billion recorded in Q2 2022

¹ HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

² Official title is *EA SPORTS™ FIFA ONLINE 4* (PC).

³ Official title is *EA SPORTS™ FIFA MOBILE*.

2023 China *Dungeon&Fighter* Update Schedule

| Period | Tier 1 Content Update | 2022 | 2023 |
|--------|--|----------------------------------|--------------------------------|
| Q1 |  Lunar New Year Update | January 20th | January 12th |
| | Labor Day Update | April 21 st | April 20 th |
| Q2 | Anniversary Update | June 16 th | June 15 th |
| | Level Cap Release | June 16 th | N/A |
| Q3 | Summer Update | July 14 th | TBD |
| |  National Day Update | September 22nd | TBD |
| Q4 | Winter Update | N/A | TBD |



Indicates financially important updates

* 2023 update schedule is subject to change depending on various operational factors

Pipeline¹

PC ONLINE MOBILE CONSOLE

KOREA CHINA JAPAN NORTH AMERICA & REST OF THE WORLD



Dungeon&Fighter Mobile²



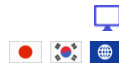
THE FINALS



ARC Raiders



VEILED EXPERTS



MapleStory N^{2,3}



Warhaven



TalesWeaver: SecondRun²



Blue Archive



Project AK (Arad Chronicle: Kazan^{2,5,6})



DAVE THE DIVER



MapleStory Worlds^{2,4}



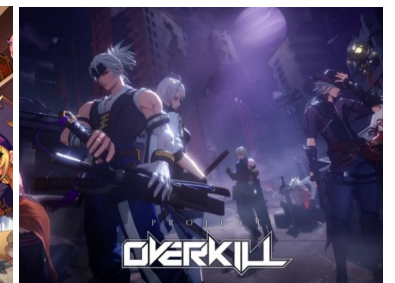
The First Descendant



MABINOGI MOBILE²



MapleStory: The Legends of Maple²



OVERKILL^{2,5,7}



1 Chart is illustrative excerpt of pipeline.

2 Games based on original IP.

3 MapleStory N is a PC based MMORPG that combines blockchain technology with MapleStory IP.

4 MapleStory Worlds is a content making platform in which users can use MapleStory assets to create their own game and share it with other players.

5 Tentative title.

6 PC 3D action RPG based on Dungeon&Fighter universe.

7 PC 3D side-scrolling action RPG based on Dungeon&Fighter universe.

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Appendix

Financials

Summary of Results and Key Operational Metrics

(Unit: ¥ millions, except per share data)

| | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | YoY% |
|--------------------------------------|---------------|---------------|---------------|----------------|----------------|------------|
| (By Region) | | | | | | |
| Korea | ¥47,880 | ¥51,248 | ¥62,821 | ¥50,951 | ¥64,942 | 36% |
| China | 29,761 | 19,238 | 19,700 | 17,692 | 43,080 | 45% |
| Japan | 2,794 | 2,149 | 2,792 | 2,788 | 3,609 | 29% |
| North America and Europe | 4,699 | 5,738 | 5,026 | 4,588 | 5,156 | 10% |
| Rest of World ¹ | 5,900 | 5,749 | 7,124 | 5,076 | 7,300 | 24% |
| (By Platform) | | | | | | |
| PC ² | 67,730 | 55,578 | 66,452 | 54,152 | 93,070 | 37% |
| Mobile | 23,304 | 28,544 | 31,011 | 26,943 | 31,017 | 33% |
| Revenue | 91,034 | 84,122 | 97,463 | 81,095 | 124,087 | 36% |
| Operating income | 38,520 | 22,684 | 31,524 | 10,968 | 56,275 | 46% |
| Net income (loss)³ | 40,261 | 24,707 | 43,303 | (7,932) | 52,791 | 31% |
| Earnings per share | 45.35 | 28.10 | 50.07 | (9.18) | 61.63 | |
| FX rate | | | | | | |
| 100 KRW/JPY | 9.65 | 10.29 | 10.34 | 10.42 | 10.41 | 8% |
| CNY/JPY | 18.30 | 19.61 | 20.21 | 19.95 | 19.34 | 6% |
| USD/JPY | 116.20 | 129.57 | 138.37 | 141.59 | 132.34 | 14% |
| KPI (Excluding Mobile) | | | | | | |
| MAU (millions) | 13.3 | 13.6 | 13.7 | 13.4 | 14.9 | 12% |
| Pay Rate | 22.5% | 22.5% | 21.4% | 21.6% | 23.2% | |
| ARPPU (as-reported) | 12,586 | 8,920 | 10,945 | 8,882 | 15,090 | 20% |

¹ "Rest of World" includes other Asian countries as well as Central and South American countries.

² PC revenues include other revenues besides PC online games and mobile games.

³ Net income (loss) refers to net income (loss) attributable to owners of the parent.

COGS and SG&A¹

(Unit: ¥ millions)

| | FY2022 | | | | FY2023 |
|--|----------------|----------------|----------------|----------------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Total Cost of Revenue¹ | ¥21,924 | ¥24,966 | ¥28,131 | ¥30,757 | ¥34,233 |
| Royalty ² | 9,013 | 9,142 | 11,186 | 10,679 | 14,529 |
| HR cost (COGS) ³ | 8,671 | 10,960 | 11,451 | 13,958 | 13,861 |
| Other (COGS) ⁴ | 4,240 | 4,864 | 5,494 | 6,120 | 5,843 |
| Total SG&A¹ | 30,475 | 34,322 | 36,528 | 37,972 | 32,883 |
| HR cost | 7,423 | 7,835 | 8,297 | 9,501 | 5,690 |
| PG fee ⁵ | 8,480 | 10,909 | 11,201 | 9,507 | 10,448 |
| R&D | 5,790 | 6,637 | 6,449 | 7,054 | 5,944 |
| Marketing/advertising expenses | 4,856 | 5,564 | 6,734 | 8,563 | 6,709 |
| Depreciation and amortization | 1,065 | 934 | 996 | 752 | 795 |
| Other | 2,861 | 2,443 | 2,851 | 2,595 | 3,297 |
| Other Income ⁶ | 160 | 136 | 122 | 157 | 344 |
| Other Expense ⁷ | 275 | 2,286 | 1,402 | 1,555 | 1,040 |
| Includes: impairment loss | 241 | 2,219 | 1,389 | 1,489 | 1,026 |

¹ Breakdown of COGS and SG&A are unaudited.

² Royalty includes royalties paid to third-party developers in order for us to obtain the right to publish their games.

³ HR cost includes salaries, bonuses and benefits for our live game developers, who support post launch servicing, updating and support for our games.

⁴ Other (COGS) primarily consists of depreciation and amortization of assets related to existing games, connection fees (mainly comprised of co-location and datacenter fees, internet bandwidth and access fees), and the costs of purchasing and maintaining our servers and computer equipment.

⁵ PG fee in SG&A includes commissions made to external payment gateway companies when users purchase in-game items in PC Online games that we service. It also includes mobile carrier-related commissions we pay regarding our Japanese mobile browser games, commissions we pay to Apple/Google regarding our mobile native games globally, and platform commission fees related to mobile browser games.

⁶ Other Income includes other non-operating income, reversal of deferred revenue, gain on sale of properties, gain on change in equity and gain on step acquisition.

⁷ Other Expense includes other non-operating expenses, loss on sale/disposal of properties, loss on impairment of tangible fixed assets, loss on impairment of intangible assets, loss on impairment of other fixed assets and loss on change in equity. It also includes impairment loss of game IPs and goodwill.

P&L Below Operating Income

(Unit: ¥ millions)

| | FY2022 | | | | FY2023 |
|--|----------------|----------------|----------------|-----------------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Operating Income | ¥38,520 | ¥22,684 | ¥31,524 | ¥10,968 | ¥56,275 |
| Finance Income ¹ | 23,308 | 31,844 | 30,312 | 5,590 | 14,075 |
| Finance Costs ² | 3,695 | 4,176 | 641 | 30,111 | 422 |
| (Loss) / reversal of loss on revaluation ³ | 339 | (5,334) | 487 | (848) | 2,719 |
| Equity profit / (loss) of affiliates, equity method companies | (1,271) | (3,320) | (3,716) | (1,939) | (744) |
| Income / (loss) before Income Tax | 57,201 | 41,698 | 57,966 | (16,340) | 71,903 |
| Tax expense | 17,082 | 17,280 | 14,743 | (8,570) | 18,637 |
| Non-controlling interests | (142) | (289) | (80) | 162 | 475 |
| Net income / (loss) ⁴ | 40,261 | 24,707 | 43,303 | (7,932) | 52,791 |

¹ Finance Income includes interest income primarily on cash deposits. 2022 Q1, Q2, Q3 and 2023 Q1 Finance Income includes FX conversion gains related to foreign currency deposits and accounts receivable.

² 2022 Q4 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits and accounts receivable.

³ Loss / reversal of loss on revaluation refers to loss / reversal of loss on revaluation of cryptocurrency.

⁴ Net income / (loss) refers to net income / (loss) attributable to owners of the parent.

Cash Flow Statement

(Unit: ¥ millions)

| | 3 months ended March 31, 2022 | 3 months ended March 31, 2023 |
|---|----------------------------------|----------------------------------|
| Cash flows from operating activities | ¥18,048 | ¥28,533 |
| Cash flows from investing activities | (1,477) | (112,126) |
| Cash flows from financing activities | (22,611) | (32,314) |
| Net increase / (decrease) in cash and cash equivalents | (6,040) | (115,907) |
| Cash and cash equivalents at beginning of fiscal year | 365,239 | 409,368 |
| Effect of exchange rate change on cash and cash equivalents | 16,899 | (1,796) |
| Cash and cash equivalents at end of fiscal year | 376,098 | 291,665 |

Balance Sheet

(Unit: ¥ millions)

| | December 31, 2022 | March 31, 2023 | | December 31, 2022 | March 31, 2023 |
|---|----------------------|-------------------|---|----------------------|-------------------|
| Asset | | | Liability | | |
| Current Assets | | | Current liabilities | | |
| Cash and cash equivalents | ¥409,368 | ¥291,665 | Current tax liabilities | 23,697 | 35,118 |
| Other deposits | 162,490 | 242,325 | Current borrowings | - | - |
| Other current assets | 70,171 | 101,943 | Others | 59,437 | 61,630 |
| Total current assets | 642,029 | 635,933 | Total current liabilities | 83,134 | 96,748 |
| Noncurrent assets | | | Noncurrent liabilities | | |
| Tangible assets | 26,885 | 26,134 | Non-current borrowings | - | - |
| Goodwill | 40,136 | 40,235 | Others | 92,169 | 93,043 |
| Intangible assets | 9,655 | 13,785 | Total noncurrent liabilities | 92,169 | 93,043 |
| Investments accounted for using equity method | 83,595 | 94,506 | Total liabilities | 175,303 | 189,791 |
| Other non-current financial assets | 162,514 | 176,212 | | | |
| Others | 78,035 | 78,043 | Shareholders' equity | | |
| Total noncurrent assets | 400,820 | 428,915 | Capital stock | 38,972 | 40,570 |
| Total assets | 1,042,849 | 1,064,848 | Capital surplus | 18,331 | 19,954 |
| | | | Treasury shares | (16,464) | (46,032) |
| | | | Other equity interest | 114,012 | 99,714 |
| | | | Retained earnings | 703,342 | 751,196 |
| | | | Non-controlling interests | 9,353 | 9,655 |
| | | | Total equity | 867,546 | 875,057 |
| | | | Total liabilities and total equity | 1,042,849 | 1,064,848 |

P&L by Reporting Segment¹

(Unit: ¥ millions)

| | FY2022 | | | | FY2023 |
|---------------------------------|---------|---------|---------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| Japan | | | | | |
| Revenue from external customers | ¥1,270 | ¥1,017 | ¥1,205 | ¥1,210 | ¥1,258 |
| Segment profit/(loss) | (3,075) | (2,757) | (2,405) | (2,406) | (542) |
| Korea | | | | | |
| Revenue from external customers | 85,375 | 79,085 | 91,501 | 75,257 | 117,877 |
| Segment profit/(loss) | 43,044 | 30,270 | 37,473 | 18,468 | 59,945 |
| China | | | | | |
| Revenue from external customers | 899 | 719 | 836 | 887 | 1,081 |
| Segment profit/(loss) | 506 | 288 | 364 | 398 | 633 |
| North America | | | | | |
| Revenue from external customers | 3,077 | 3,023 | 3,535 | 3,450 | 3,432 |
| Segment profit/(loss) | (615) | (1,561) | (1,515) | (2,526) | (1,554) |
| Others | | | | | |
| Revenue from external customers | 413 | 278 | 386 | 291 | 439 |
| Segment profit/(loss) | (1,224) | (1,401) | (1,125) | (1,561) | (1,509) |
| Adjustments | | | | | |
| Revenue from external customers | - | - | - | - | - |
| Segment profit/(loss) | (1) | (5) | 12 | (7) | (2) |
| Total | | | | | |
| Revenue from external customers | 91,034 | 84,122 | 97,463 | 81,095 | 124,087 |
| Segment profit/(loss) | 38,635 | 24,834 | 32,804 | 12,366 | 56,971 |

¹ Representation based on location of Nexon's entities; not based on regions where the revenue originates.

NJ Corporate Entity Financial Statement¹ (1)

(Unit: ¥ millions)

| Income Statement | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|--|-----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|
| Revenue | ¥5,208 | ¥5,927 | ¥7,024 | ¥6,016 | ¥5,411 | ¥5,898 | ¥5,872 |
| Cost of revenue | 3,134 | 3,438 | 3,510 | 3,249 | 2,681 | 3,040 | 3,092 |
| Gross profit | 2,074 | 2,489 | 3,514 | 2,767 | 2,730 | 2,858 | 2,780 |
| SG&A | 6,736 | 6,941 | 9,447 | 7,910 | 7,893 | 11,269 | 13,158 |
| Operating profit / (loss) | (4,662) | (4,452) | (5,933) | (5,143) | (5,163) | (8,411) | (10,378) |
| Non-operating income | 636 | 5,049 | 15,646 | 32,565 | 47,902 | 94,274 | 87,912 |
| Includes: dividend income | 22 | 4,612 | 15,025 | 30,313 | 46,460 | 87,397 | 76,891 |
| Non-operating expenses | 1,826 | 1,969 | 9,352 | 4,063 | 2,802 | 1,700 | 4,747 |
| Ordinary income / (loss) | (5,852) | (1,372) | 361 | 23,359 | 39,937 | 84,163 | 72,787 |
| Extraordinary income | 852 | 58 | 109 | 635 | 189 | 1,007 | 8,417 |
| Extraordinary losses | 39,573 | 9,643 | 138 | 77 | 647 | 78 | 1,123 |
| Income / (loss) before income taxes | (44,573) | (10,957) | 332 | 23,917 | 39,479 | 85,092 | 80,081 |
| Tax expense | (201) | 234 | 755 | 1,520 | 2,327 | 6,425 | 6,600 |
| Net income / (loss) | (44,372) | (11,191) | (423) | 22,397 | 37,152 | 78,667 | 73,481 |

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Annual Securities Report for FY2022 will be released in late March 2023. Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

NJ Corporate Entity Financial Statement¹ (2)

(Unit: ¥ millions)

| Balance Sheet | December 31, 2016 | December 31, 2017 | December 31, 2018 | December 31, 2019 | December 31, 2020 | December 31, 2021 | December 31, 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current assets | ¥52,632 | ¥42,946 | ¥55,209 | ¥45,374 | ¥85,462 | ¥144,774 | ¥135,225 |
| Includes: cash and cash equivalents | 49,531 | 41,868 | 53,096 | 43,100 | 83,523 | 143,334 | 131,959 |
| Non-current assets | 6,438 | 5,494 | 4,836 | 17,630 | 17,851 | 44,903 | 35,848 |
| Property, plant and equipment | 74 | 7 | 3 | 1 | 6 | 5 | 1 |
| Intangible assets | - | - | - | - | - | - | - |
| Investments and other assets | 6,364 | 5,487 | 4,833 | 17,629 | 17,845 | 44,898 | 35,847 |
| Total assets | 59,070 | 48,440 | 60,045 | 63,004 | 103,313 | 189,677 | 171,073 |
| Current liabilities | 2,341 | 1,796 | 2,303 | 2,037 | 2,085 | 4,376 | 4,523 |
| Non-current liabilities | 448 | 457 | 415 | 363 | 469 | 468 | 640 |
| Total liabilities | 2,789 | 2,253 | 2,718 | 2,400 | 2,554 | 4,844 | 5,163 |
| Shareholder's equity | 50,669 | 41,230 | 50,838 | 53,133 | 92,510 | 174,099 | 149,456 |
| Capital stock | 3,307 | 9,183 | 14,199 | 17,757 | 22,470 | 34,167 | 38,881 |
| Capital surplus | 88,621 | 43,021 | 36,846 | 39,981 | 21,720 | 33,417 | 38,131 |
| Includes: other capital surplus | 86,064 | 34,588 | 23,397 | 22,974 | - | - | - |
| Retained earnings | (41,259) | (10,974) | (206) | 22,614 | 48,320 | 122,547 | 87,243 |
| Includes: other retained earnings | (41,476) | (11,191) | (423) | 22,397 | 48,103 | 122,330 | 87,026 |
| Treasury shares | (0) | - | (0) | (27,219) | (0) | (16,032) | (14,799) |
| Valuation and translation adjustments | 77 | (10) | (21) | (28) | (21) | (15) | 460 |
| Subscription rights to shares | 5,535 | 4,967 | 6,510 | 7,499 | 8,270 | 10,749 | 15,994 |
| Total net assets | 56,281 | 46,187 | 57,327 | 60,604 | 100,759 | 184,833 | 165,910 |
| Statement of changes in equity (excerpt) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
| Payment of dividends | (4,352) | - | - | - | (4,418) | (4,440) | (8,785) |
| Acquisition of treasury shares | (5,000) | (10,000) | (1) | (27,218) | (2,783) | (16,032) | (98,767) |
| Cancellation of treasury shares | 5,000 | 10,000 | - | - | 30,002 | - | 100,000 |

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Annual Securities Report for FY2022 will be released in late March 2023. Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

Number of Employees by Reporting Segment

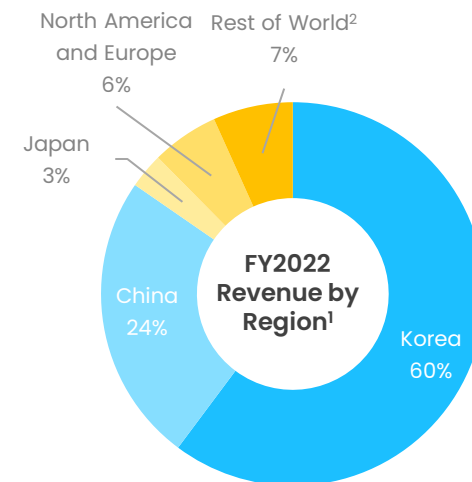
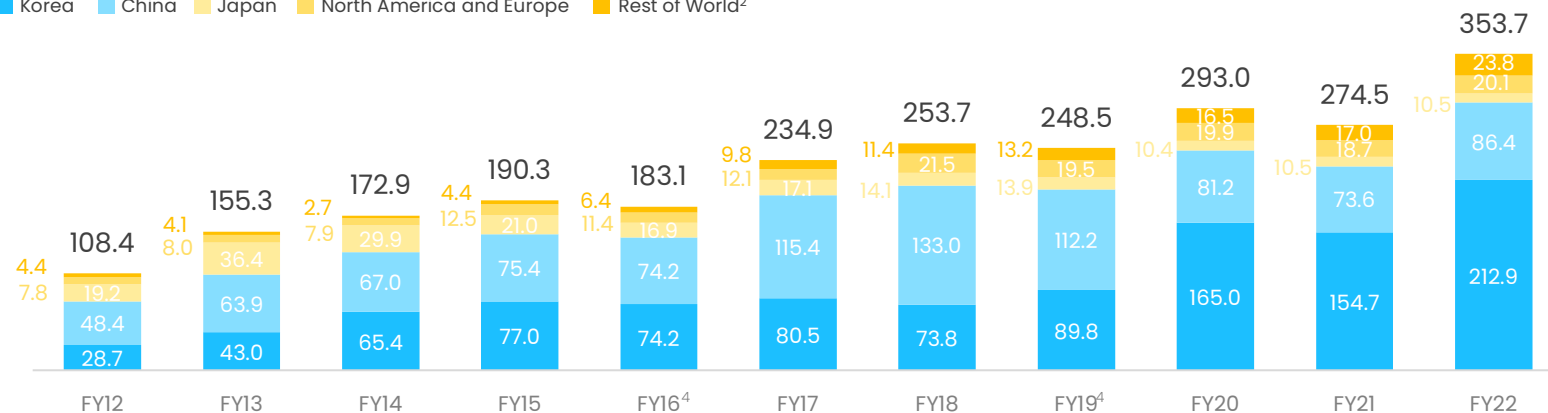
| Full-time employees | March 31 2022 | June 30 2022 | September 30 2022 | December 31 2022 | March 31 2023 |
|---------------------|------------------|-----------------|----------------------|---------------------|------------------|
| Japan | 269 | 274 | 271 | 266 | 270 |
| Korea | 5,555 | 5,750 | 5,991 | 6,044 | 6,216 |
| China | 202 | 203 | 195 | 194 | 191 |
| North America | 357 | 383 | 411 | 423 | 435 |
| Others | 425 | 457 | 497 | 540 | 576 |
| Total | 6,808 | 7,067 | 7,365 | 7,467 | 7,688 |

Historical Financials

(Unit: ¥ billions)

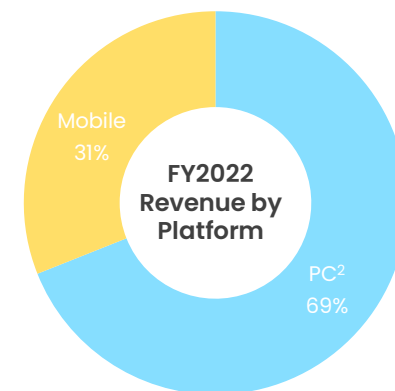
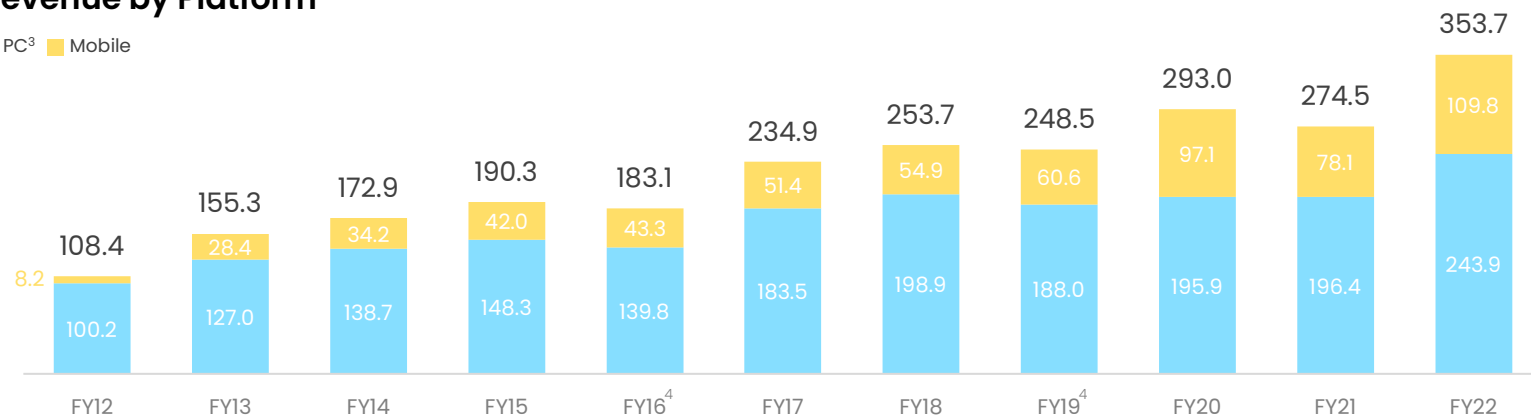
Revenue by Region¹

■ Korea ■ China ■ Japan ■ North America and Europe ■ Rest of World²



Revenue by Platform

■ PC³ ■ Mobile



¹ Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

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

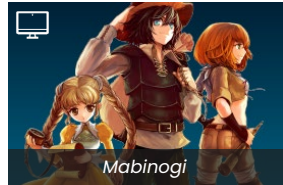
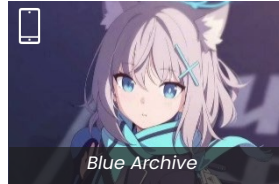
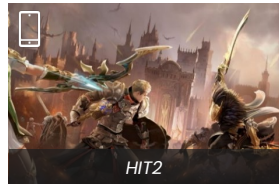
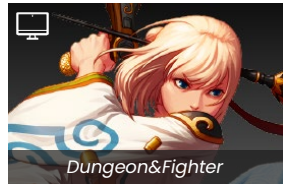
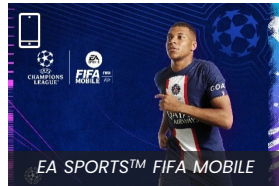
² "Rest of World" includes other Asian countries as well as Central and South American countries.

⁴ FY16 and FY19 grew Y/Y on a constant currency basis.

Key Titles by Region¹

PC³ MOBILE

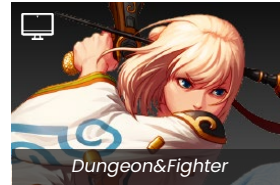
Korea



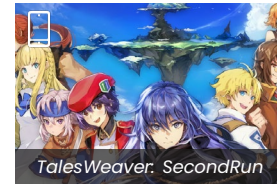
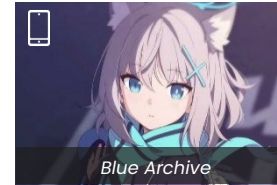
PC³

MOBILE

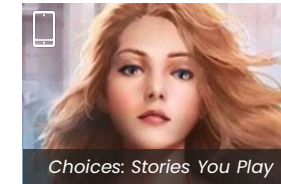
China



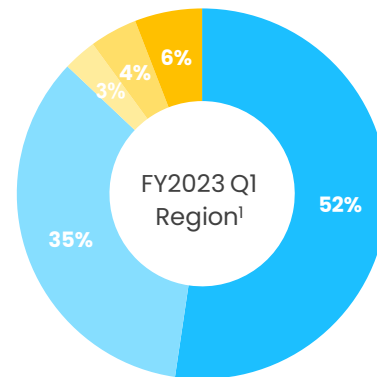
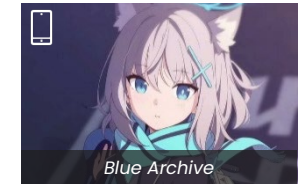
Japan



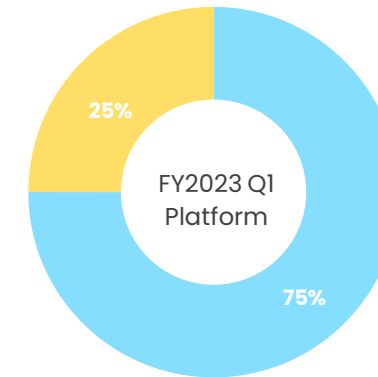
N. America and Europe



Rest of World²



- Korea 52%
- China 35%
- Japan 3%
- North America & Europe 4%
- Rest of World² 6%



- PC³ 75%
- Mobile 25%

¹ Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

² "Rest of World" includes other Asian countries as well as Central and South American countries.

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

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NEXON IP



Dungeon & Fighter Franchise

LTD Overview



Launched 2005



Over 850 million registered users worldwide



Life-to-date gross revenue well over \$20 billion USD



Gross revenue several billion dollars more than life-to-date box office of *Star Wars* and *Harry Potter* series; more than double the revenue of the entire *Avengers* series¹



Constantly evolving for 17 years with new characters, skills and communities



Mobile version launched in Korea on March 24, 2022.
Awarded Game of the Year from the Korean Association of Game Industry in 2022








Easy-to-learn, hard-to-master accessibility, action-packed gameplay and iconic, pixelated art make *Dungeon & Fighter* one of the world's most popular and enduring game franchises

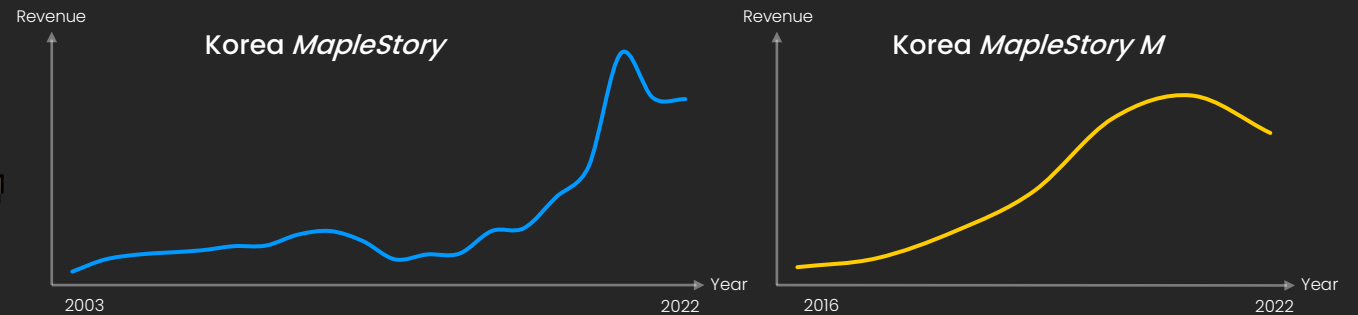
¹ Life-to-date global box office revenues as of May 10th, 2023 sourced from BoxOfficeMojo.com

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MapleStory Franchise LTD Overview

-  Launched 2003
-  Over 180 million registered users worldwide. In Korea, player registration equals to 45% of the population
-  Life-to-date franchise revenue over \$4 billion USD
-  Combined PC and mobile revenue exceeds global box office of the movie franchise *Frozen* – one of Disney's biggest¹
-  An easy-to-learn, hard-to-master MMORPG with cross-cultural appeal that has been growing players and revenue over 20 years. Players love personalizing their characters









¹ Life-to-date global box office revenues as of May 10th, 2023 sourced from BoxOfficeMojo.com

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KartRider Franchise

LTD Overview

-  Launched 2004
-  Registered users over 380 million PC platform alone
-  Over half of all Korean population; over 45% of Taiwanese population has played the game
-  Combined PC and mobile Life-to-date gross revenue over \$1.0 billion
-  A fast-paced online casual racing game with easy-to-learn, hard-to-master UI, and a universe of compelling characters which can be stylized to the player's taste
-  *KartRider: Drift* started its service in Q1 2023







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Sudden Attack






LTD Overview

-  Launched 2005
-  Registered users over 23 million
-  Life-to-date revenue over \$0.7 billion
-  Highly accessible online First-Person Shooter with fast, visceral action

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The Kingdom of the Winds Franchise LTD Overview

-  Launched 1996
-  Registered users over 26 million
-  World's longest-running graphic MMORPG. Over 27 year service period
-  Mobile version launched on July 15, 2020. Highest ranking #1 on iOS and #2 on AOS
-  A popular and enduring MMORPG based on historical comic about the Goguryeo Dynasty

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Mabinogi

LTD Overview



Launched 2004



Registered users over 20 million



Life-to-date revenue over \$0.7 billion



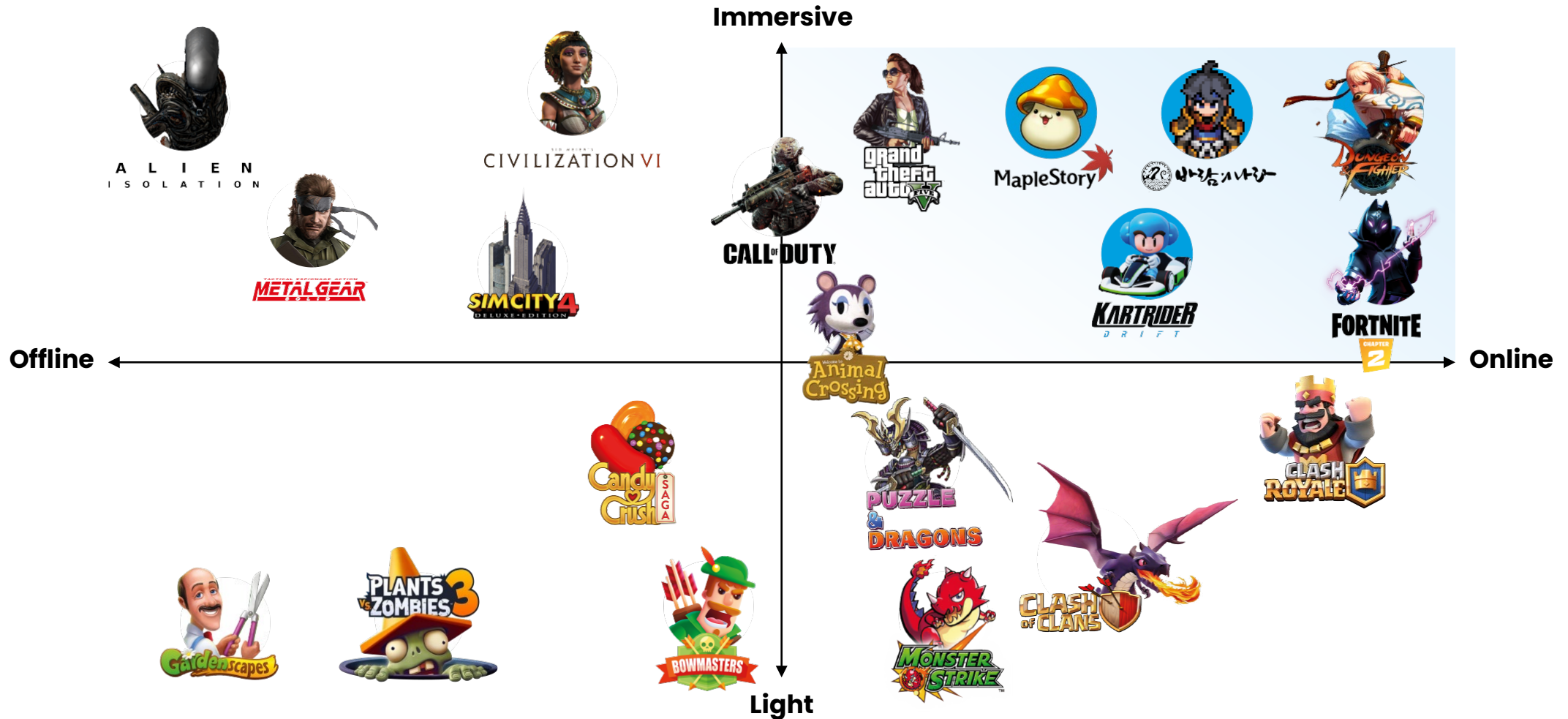
MMORPG with life-oriented content and contemporary music, fashion, and cooking. Highly differentiated from existing battle-focused games that saturate the market

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NEXON's Business

Global Leader in Virtual Worlds

Nexon is Well-positioned to Benefit from the Paradigm Shift in the Entertainment Industry



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² The categorization of the games shown in this material is based on our own view. It may not necessarily reflect the common views in the market.

Nexon Focus

1
FOCUS ON VIRTUAL WORLDS

2
PLATFORM EXPANSION

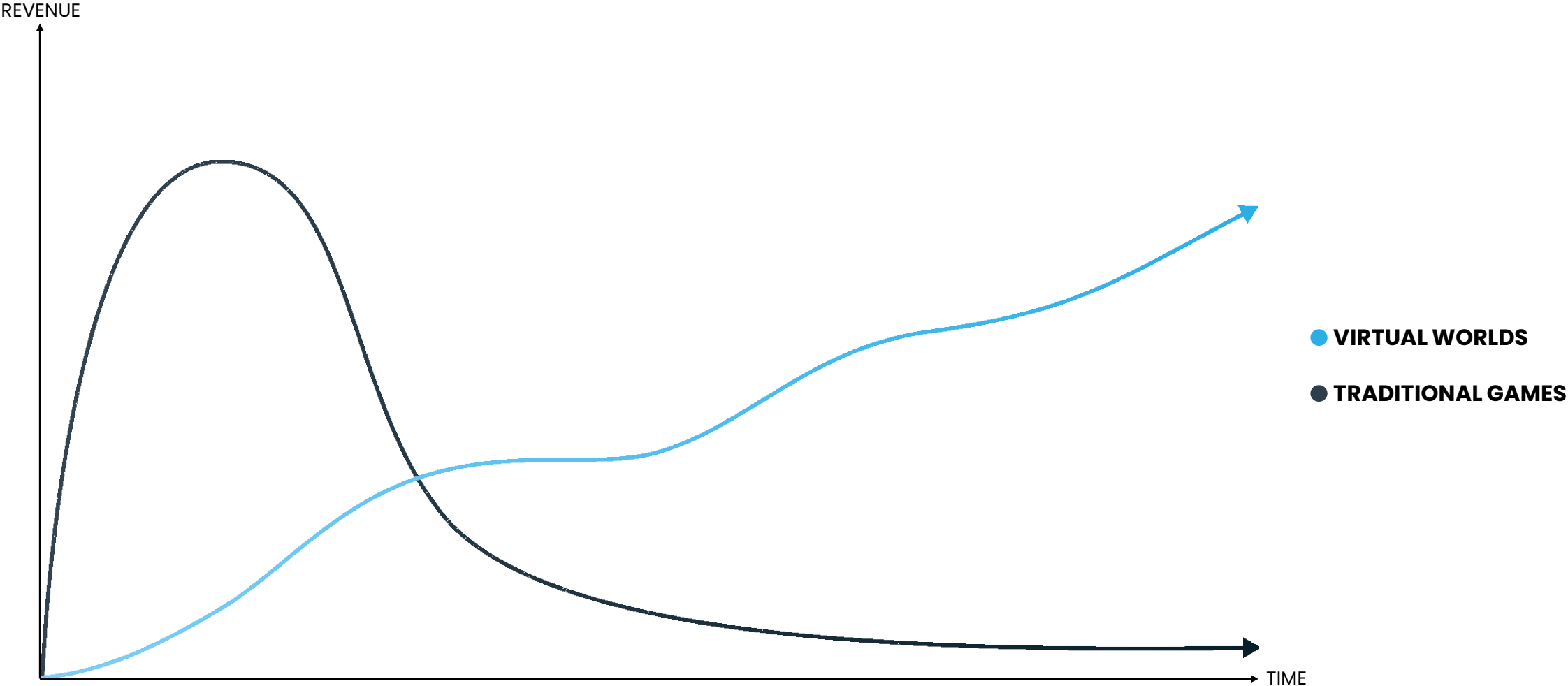
3
LEVERAGE OUR OWN IP

4
INVEST IN NEW IP AND TECHNOLOGY

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Mental Model of Virtual Worlds

Virtual Worlds Can Grow Over a Period of Years Despite the Near-term Ups and Downs



Glossary of Terms

| Term / Abbreviation | Meaning |
|--|---|
| FPS (first person shooter) | A game in which the player plays from the point of view of the game character in three-dimensional graphics |
| MMORPG (massively multiplayer online role playing game) | An online role-playing game that has a “massive” number (usually several hundred or more) of players who play concurrently |
| MAU (monthly active user) | Monthly total number of users who logged in and played Nexon’s PC online games. MAU in this presentation is the quarterly average of such numbers. Nexon’s PC online games include game developed and serviced by Nexon group, games developed by Nexon group and serviced by non-Nexon group publishers, and game developed by non Nexon group acquired publishing rights. |
| ARPPU (average revenue per paying user) | The amount obtained by dividing monthly PC online game gross revenues by the number of monthly paying users. ARPPU in this presentation is the quarterly average of such numbers. Gross revenues used in the calculation are in-game sales, and exclude other revenues included in PC revenues such as sales from PC café time charge. |
| Pay Rate | The percentage rate obtained by dividing the number of monthly paying users by the number of monthly active users. Pay rate in this presentation is calculated using the quarterly average of such numbers. |
| MCCU (maximum concurrent users) | The maximum number of users concurrently accessing a game at a particular moment. MCCU is generally used to measure the popularity of a game |
| Closed Beta Test (CBT) | A trial version (beta version) of a game offered for a certain period of time to a limited number of users or groups. A Limited Beta Test in an even smaller-scale trial mode of a game with fewer numbers of users or group |
| Open Beta Test (OBT) | A trial version (beta version) of a game a certain period of time without restrictions on participation. OBT is usually conducted after CBT. |
| Tier One Update | Large scale update to existing PC games typically launched in Q1 or Q3 around peak season |
| Tier Two Update | Smaller update to existing PC games released throughout the year |

Disclaimer

This presentation is prepared to offer reference information about NEXON group to the 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. NEXON Co., Ltd. (“Nexon”) has not verified and would assume no responsibility for the accuracy, appropriation, or completeness thereof. This presentation does not contain all relevant information relating to Nexon or the sale of its shares, including, without limitation, the information that would be stated under the captions “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” in an annual report. Any investment decision with respect to any shares of Nexon should be made solely upon the basis of the information contained in the disclosure documents and is qualified in its entirety by reference to the detailed information appearing in the disclosure documents.

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This presentation includes forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate”, “assume”, “believe”, “estimate”, “expect”, “forecast”, “may”, “plan”, “potential”, “predict”, “seek”, “should”, or “will”, or by other similar terminology. These statements discuss expectations, identify strategies, contain projections of Nexon’s financial condition or results of operations or state other forward-looking information. The forward-looking statements in this presentation are subject to various risks, uncertainties and assumptions about Nexon’s business and results of operations. The expectations expressed in these forward-looking statements may not be achieved, and actual results could differ materially from and be worse than expectations. Potential risks and uncertainties that could cause actual results to differ materially from expectations include, without limitation:

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- Continued growth and popularity of Nexon's key titles;
- Nexon's ability to maintain favorable relationships with key licensing partners;
- Nexon's continued ability to offer games in China, through local partners or otherwise;
- Nexon's ability to compete effectively in the online games industry;
- Nexon's ability to address hacking, viruses, security breaches and other technical challenges;
- Fluctuations in currency exchange rates;
- Nexon's ability to maintain and further develop its brand name;
- Effective acquisition of new companies, businesses, technologies and games from third parties and the possibility of recognizing impairment losses;
- Continued growth of the online games market, including the underlying infrastructure, and free-to-play/item-based revenue generation model;
- Nexon's ability to adapt to new technologies;
- Nexon's ability to enter into licensing arrangements for third-party titles on terms favorable to it;
- Effective defense of Nexon's intellectual property; and
- Legislative, regulatory, accounting and taxation changes in the countries in which Nexon operates.

Nexon does not intend, and disclaims any duty, to update or revise any forward-looking statements contained in this presentation to reflect new information, future events or otherwise.

We caution you not to place undue reliance on the forward-looking statements contained in this presentation.

Q2 2023 Earnings Release Schedule

Q2 2023 financial results are scheduled for release on

Wednesday, August 9th, 2023.

Nexon management is scheduled to host an earnings conference call for investors, analysts and the media on the same day.

Details of the earnings conference call will be available on our IR website about a month prior to the release.

