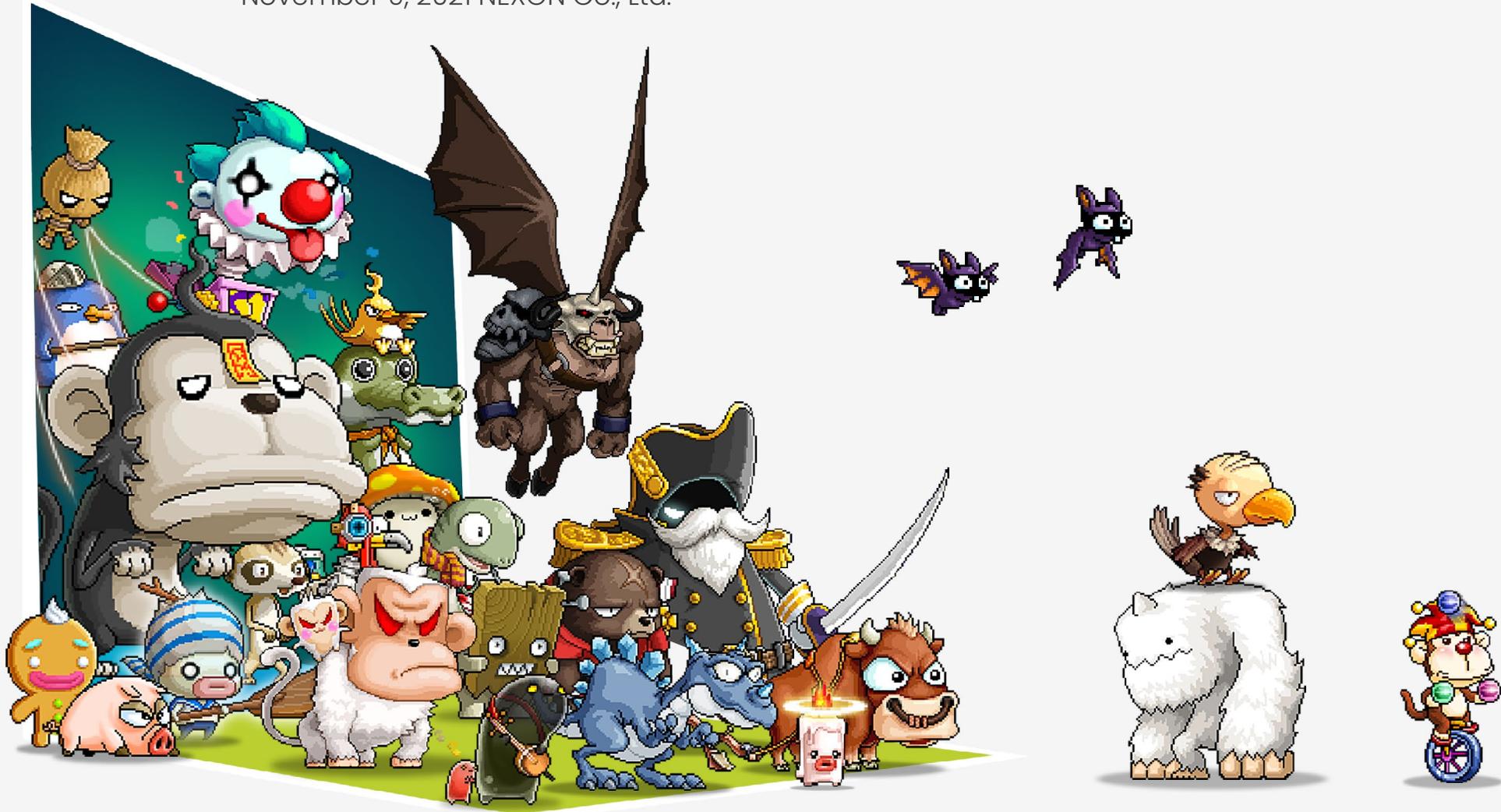




INVESTOR PRESENTATION Q3 2021

Owen Mahoney President and CEO | Shiro Uemura CFO

November 9, 2021 NEXON Co., Ltd.



CEO Highlights



CEO Message Summary

Delivered on Our Promises; Well-Positioned to Enter 2022 with Momentum

1	China <i>Dungeon&Fighter</i>	<ul style="list-style-type: none">• Improvements in user engagement under new leadership• Significant Y/Y increase in Q3 revenue	
2	Korea <i>MapleStory</i>	<ul style="list-style-type: none">• NPS¹ improved steadily toward the high scores seen earlier this year• Stronger-than-expected results in Q3	
3	KartRider: Drift	<ul style="list-style-type: none">• Scheduled for Closed-Beta Test in December• Available on PC, Mobile, PlayStation®, Xbox®	Watch New Trailer 
4	Mobile <i>Dungeon&Fighter</i>	<ul style="list-style-type: none">• Plan to launch in Korea in Q1 2022• Remain excited about the launch in China	
5	Embark Studios	<ul style="list-style-type: none">• Plan to talk more about 1st title at the end of this year• Plan to reveal much more about 2nd title in 2022• 3rd project is a creative platform	

¹ NPS stands for Net Promoter Score, which assesses player satisfaction

Embark's New Games In Development

④ **Codename: Pioneer**

④ **Codename: Discovery**

④ **Creative Platform**

Embark's New Games In Development



④ Codename: Frontier

④ **Codename: Discovery**

④ Creative Platform



CFO Highlights



Q3 2021 Results

Q3 2021 Result Highlights

Stronger-than-expected Results Primarily Driven By China *Dungeon&Fighter* And Korea *MapleStory*

Revenues

Exceeded outlook driven by outperformances of China *Dungeon&Fighter*, Korea *MapleStory*, *FIFA ONLINE 4*¹, and *The Kingdom of the Winds: Yeon*

Operating Income

Exceeded outlook driven by revenue outperformance

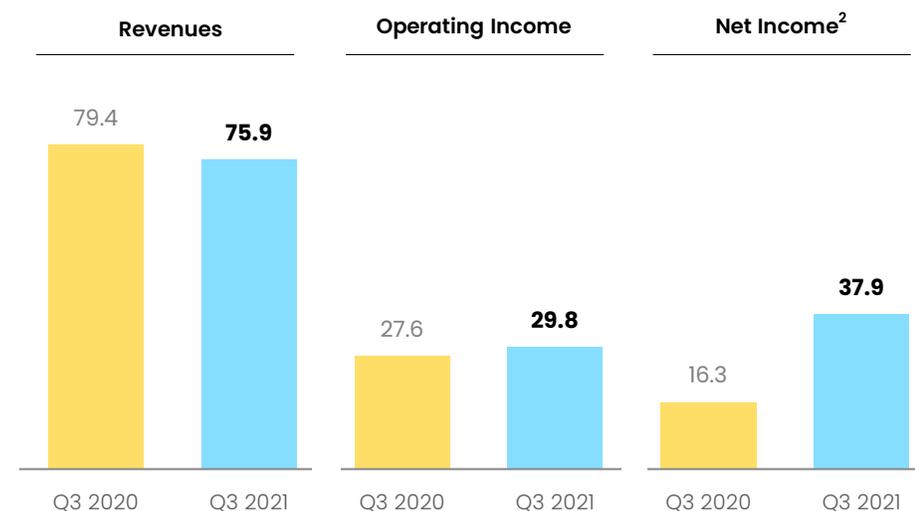
Net Income²

Exceeded outlook driven by operating income outperformance, an ¥16.1 billion FX gain primarily on U.S. dollar-denominated cash deposits and a revaluation gain of ¥1.7 billion due to movements in the market price of bitcoin

(Unit: ¥ millions, except per share data)

	Q3 2020	Q3 2021 Outlook	Q3 2021	YoY %
Revenues	¥79,412	¥65,373 ~ ¥71,512	¥75,890	(4%)
PC ³	46,343	47,095 ~ 51,269	57,278	24%
Mobile	33,069	18,278 ~ 20,243	18,612	(44%)
Operating income	27,607	20,077 ~ 25,303	29,835	8%
Net income²	16,330	14,955 ~ 18,876	37,902	132%
Earnings per share	18.45	16.81 ~ 21.22	42.44	
Exchange rates				
100 KRW/JPY	8.95	9.65	9.65	6%
CNY/JPY	15.35	17.04	17.04	11%
USD/JPY	106.22	109.89	109.89	4%

(Unit: ¥ billions)



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

² Net income refers to net income / loss attributable to owners of the parent.

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

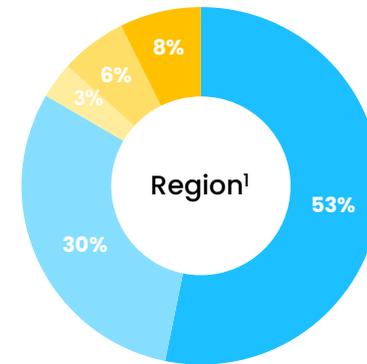
Q3 2021 Revenue Breakdown

Q3 2021 Financial Results

(Unit: ¥ millions)

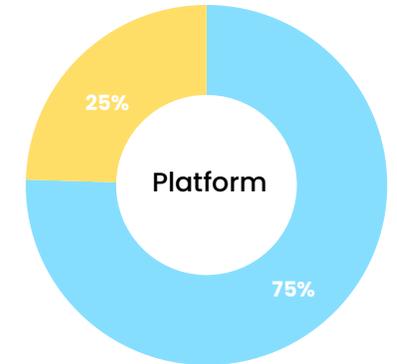
	Q3 2020	Q3 2021		YoY % Change	
		As-Reported	Constant Currency ⁴	As-Reported	Constant Currency ⁴
Revenue by Region¹					
Korea	¥50,526	¥40,364	¥37,988	(20%)	(25%)
China	15,769	22,933	20,920	45%	33%
Japan	2,623	2,481	2,414	(5%)	(8%)
North America and Europe	5,519	4,550	4,351	(18%)	(21%)
Rest of World ²	4,975	5,562	5,235	12%	5%
Nexon Total	79,412	75,890	70,908	(4%)	(11%)
Revenue by Platform					
PC ³	46,343	57,278	53,324	24%	15%
Mobile	33,069	18,612	17,584	(44%)	(47%)
Nexon Total	79,412	75,890	70,908	(4%)	(11%)
FX Rate					
100 KRW/JPY	8.95	9.51	8.95	6%	
CNY/JPY	15.35	17.02	15.35	11%	
USD/JPY	106.22	110.11	106.22	4%	

Q3 2021 Revenue Breakdown



Region¹

- Korea 53%
- China 30%
- Japan 3%
- North America & Europe 6%
- Rest of World² 8%



Platform

- 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.

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.

⁵ For the KPIs (MAU, Pay Rate and ARPPU) of PC online games, please refer to appendix of this presentation.

Q3 2021 Accumulated Results

(Unit: ¥ millions, except per share data)

	Q1-Q3 2021			YoY % Change	
	Q1-Q3 2020	As-Reported	Constant Currency ⁵	As-Reported	Constant Currency ⁵
Revenue by Region¹					
Korea	¥123,067	¥123,221	¥115,754	0%	(6%)
China	68,487	62,215	57,926	(9%)	(15%)
Japan	6,971	8,028	7,774	15%	12%
North America and Europe	14,741	13,778	13,485	(7%)	(9%)
Rest of World ²	13,374	12,970	12,236	(3%)	(9%)
Nexon Total	226,640	220,212	207,175	(3%)	(9%)
Revenue by Platform					
PC ³	156,992	161,025	151,206	3%	(4%)
Mobile	69,648	59,187	55,969	(15%)	(20%)
Nexon Total	226,640	220,212	207,175	(3%)	(9%)
Operating income	95,861	88,565	82,724	(8%)	(14%)
Net income⁴	86,004	92,893	88,324	8%	3%
Earnings per share	97.32	104.36			

¹ Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

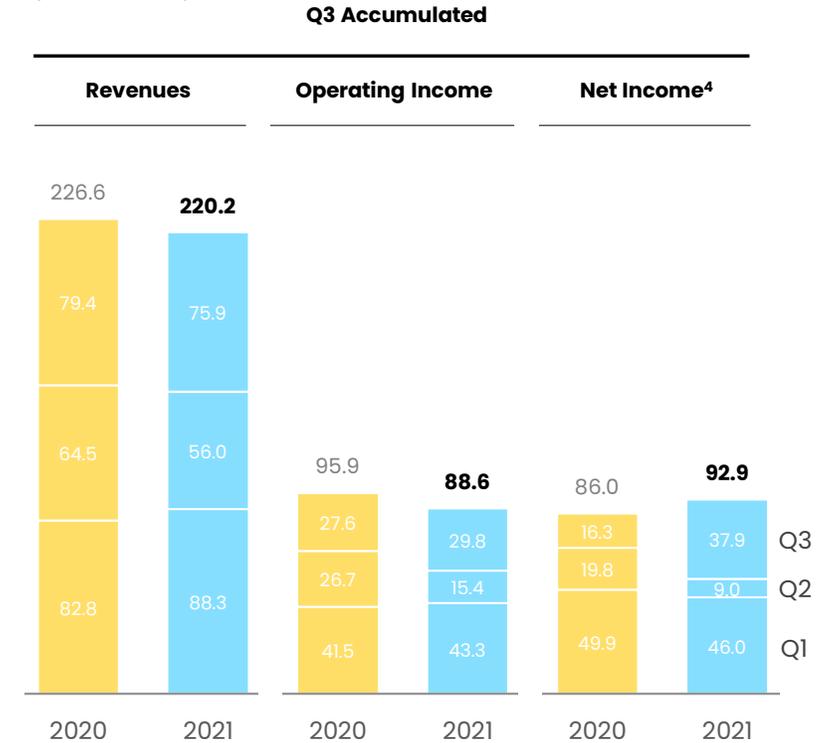
² "Rest of World" includes Europe as well as other Asian countries and South American countries.

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

⁴ Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

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.

(Unit: ¥ billions)

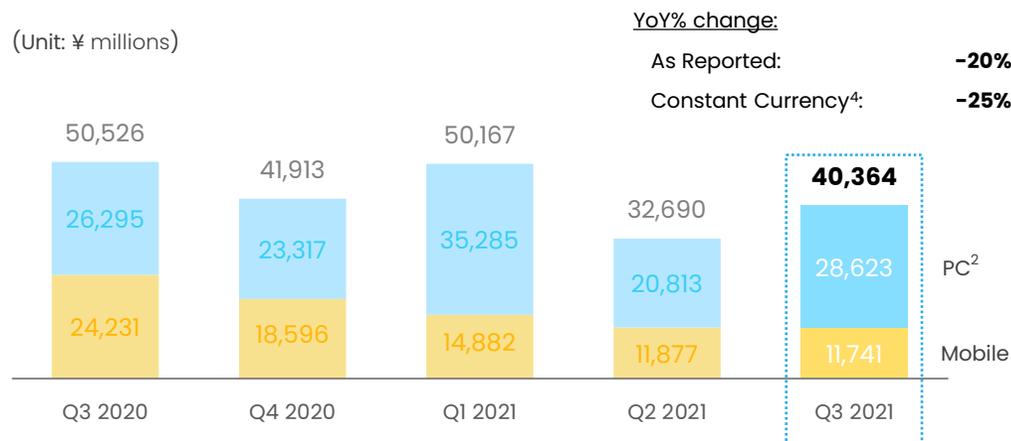


Q3 2021 Korea / China – Highlights

Korea

Exceeded outlook driven by outperformances of *MapleStory*, *FIFA ONLINE 4*¹, and *The Kingdom of the Winds: Yeon*

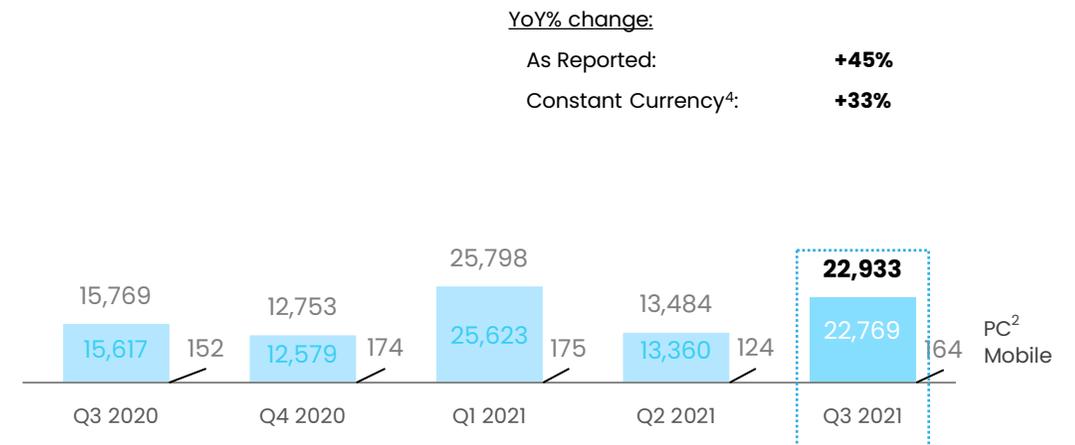
- PC² revenues up 9% Y/Y
 - *MapleStory*: Decreased Y/Y, but beat the expectations driven by a well-received event in August and successful Chuseok³ sales promotions
 - *FIFA ONLINE 4*¹: Grew Y/Y, exceeding the outlook driven by well-received events and sales promotions
 - *Dungeon&Fighter / Sudden Attack*: Grew 22% and 21% Y/Y, respectively
- Mobile revenue down 52% Y/Y; roughly flat Q/Q
 - *The Kingdom of the Winds: Yeon*: Decreased Y/Y, but beat the outlook driven by successful anniversary update and sales promotions
 - Y/Y growth in *MapleStory M* were more than offset by decreases in *The Kingdom of the Winds: Yeon*, *KartRider Rush+*, and *V4*



China

Exceeded outlook driven by stronger-than-expected National Day package sales

- Introduced Summer update (7/8-9/2); National Day update (9/14)
- New initiatives under the new leadership were well-received by users; led to higher-than-expected package sales in National Day update
- Q/Q MAU and paying users increased driven by positive impacts from successful 13th Anniversary update in June and Summer update in July
- Q/Q ARPPU and revenue increased due to typical seasonality and improved user engagement under the new leadership
- Y/Y MAU decreased while paying users, ARPPU and revenue increased



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

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

³ Also known as Korean Thanksgiving.

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.

Q3 2021 Japan / North America and Europe / Rest of World¹ – Highlights

Japan

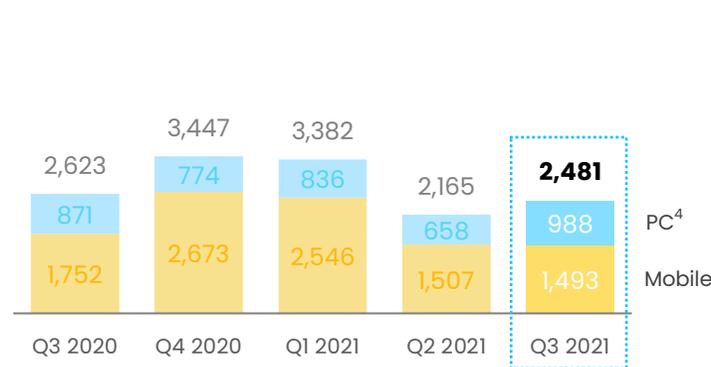
Results met guidance

- *MapleStory* grew 41% Y/Y
- Benefited from *Blue Archive* and *FIFA MOBILE*²
- *TRAHA* and *MapleStory M* decreased Y/Y

(Unit: ¥ millions)

YoY% change:

As Reported:	-5%
Constant Currency ³ :	-8%



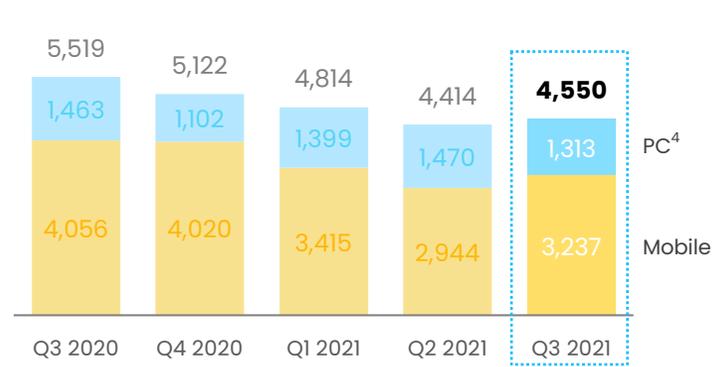
North America and Europe

Exceeded outlook driven by *MapleStory M*

- *MapleStory M* grew Y/Y
- *Choices*⁵ and *V4* decreased Y/Y

YoY% change:

As Reported:	-18%
Constant Currency ³ :	-21%



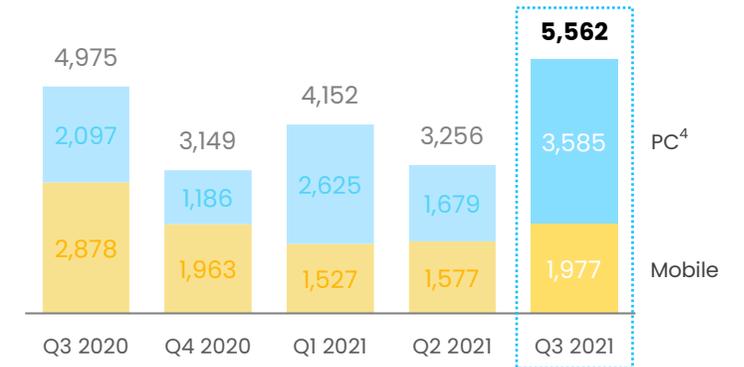
Rest of World¹

Exceeded outlook driven by *MapleStory* and *MapleStory M*

- Both *MapleStory* and *MapleStory M* revenue grew 100% and 78% Y/Y, respectively
- *KartRider Rush+* and *V4* decreased Y/Y

YoY% change:

As Reported:	+12%
Constant Currency ³ :	+5%



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

² Official title is *EA SPORTS™ FIFA MOBILE*.

³ 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.

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

⁵ Official title is *Choices: Stories You Play*.

Q4 2021 Outlook

Q4 2021 Financial Outlook

Expect Revenues to Decrease Y/Y; *Dungeon&Fighter* and *MapleStory* Focusing on Building Player Engagement for Growth in 2022

Revenues

- Constant currency¹ down 26% to 18%
- Expect Y/Y decrease due to a challenging comparison given the strong performance in Q4 2020 when our topline grew 35% Y/Y and achieved record-breaking Q4 revenues

Operating Income

- Expect a Y/Y decrease primarily due to the revenue decrease
- Expect increased HR costs³
- Expect lower variable costs

Net Income⁴

Expect a Y/Y increase. In 2020 Q4, we recorded ¥29.5 billion in deferred tax liabilities on undistributed profits of an overseas subsidiary as well as a ¥21.0 billion FX loss

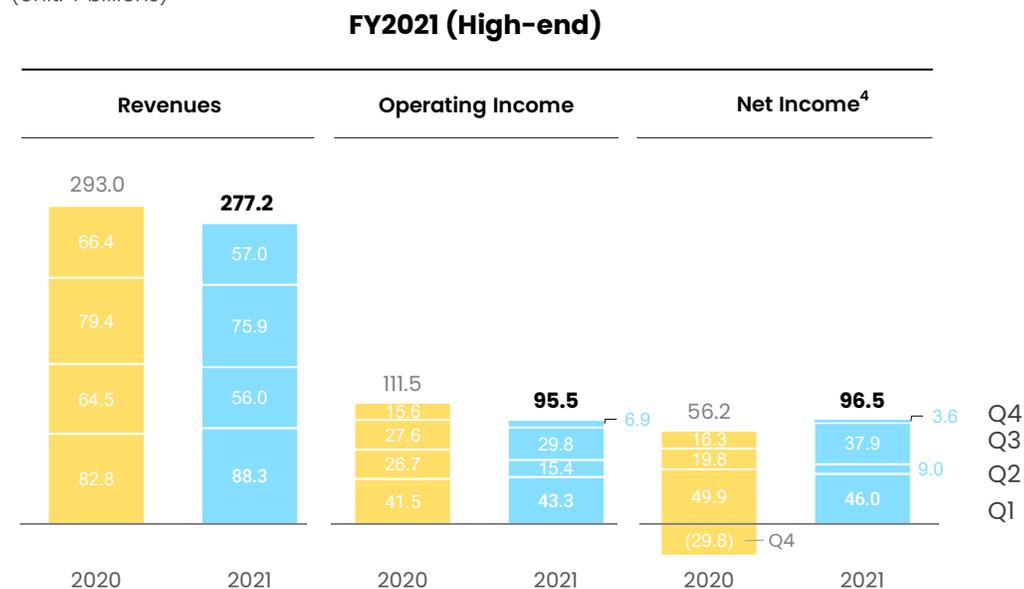
(Unit: ¥ millions, except per share data)

	Q4 2020	Q4 2021 Outlook		YoY %	
Revenues	¥66,384	¥51,219	~ ¥56,971	(23%)	~ (14%)
PC ²	38,958	34,861	~ 38,455	(11%)	~ (1%)
Mobile	27,426	16,358	~ 18,516	(40%)	~ (32%)
Operating income	15,589	2,465	~ 6,902	(84%)	~ (56%)
Net income (loss)⁴	(29,784)	285	~ 3,579	na	~ na
Earnings per share	(33.60)	0.32	~ 3.99		
FX Rate Assumptions					
100 KRW/JPY	9.36	9.57	9.57	2%	
CNY/JPY	15.78	17.70	17.70	12%	
USD/JPY	104.51	113.64	113.64	9%	

Forex sensitivity⁵: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q4 2021

Revenues 0.46 billion yen
Operating Income 0.07 billion yen

(Unit: ¥ billions)



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

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

⁵ 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.

Q4 2021 Korea / China Outlook

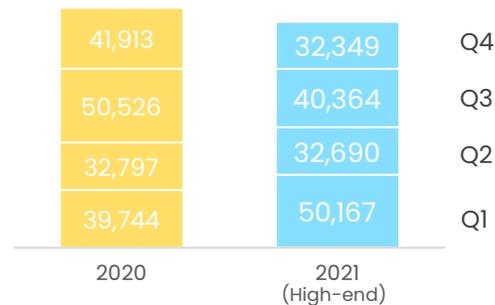
Korea

Expect revenues to decrease Y/Y primarily due to *MapleStory*, *The Kingdom of the Winds: Yeon*, *KartRider Rush+*, and *V4*

- PC¹: Expect to decrease Y/Y
 - *MapleStory*: Expect to decrease Y/Y due to tough comparison with Q4 2020 when the game grew 88% Y/Y; strengthen mid- to long-term relationship with players to return to revenue growth in 2022 and beyond
 - *Sudden Attack*: Expect sales to grow approximately 2.5 times Y/Y
 - Expect *FIFA ONLINE 4*² to grow while *Dungeon&Fighter* to decrease Y/Y
- Mobile: Expect to decrease Y/Y and Q/Q
 - Expect to benefit from *Blue Archive*, which launched on November 9, and *FIFA MOBILE*³ to increase Y/Y
 - These are expected to be more than offset by Y/Y decreases in *The Kingdom of the Winds: Yeon*, *KartRider Rush+*, and *V4*

(Unit: ¥ millions)

Q4 2020	Q4 2021 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ⁴
41,913	29,629 ~	32,349	(29%) ~ (23%)	(31%) ~ (25%)



China

Expect *Dungeon&Fighter*'s constant currency revenue⁴ to decrease Y/Y

- Expect no notable change in paying users and ARPPU Y/Y as we are not planning to take major monetization measures unlike in Q3
- A smaller positive effect from National Day update in Q4 as it started 8 days earlier in Q3 compared to last year
- Accordingly, revenue is expected to decrease Y/Y on a constant currency⁴ basis
- Focus on building a solid foundation for the long-term growth rather than aiming to make profits in the short term

Q4 2020	Q4 2021 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ⁴
12,753	11,413 ~	13,222	(11%) ~ 4%	(20%) ~ (8%)



¹ PC revenues include other revenues besides PC online games and mobile games

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

³ Official title is EA SPORTS™ FIFA MOBILE.

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.

Q4 2021 Japan / North America and Europe / Rest of World¹ Outlook

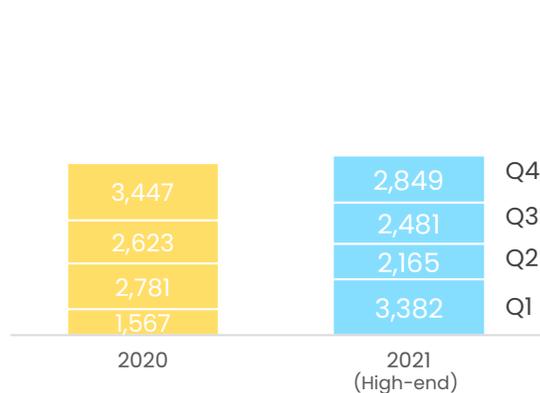
Japan

Expect revenues to decrease Y/Y

- Expect to benefit from *Blue Archive*
- Expect this to be more than offset by decreases in *V4* and *TRAHA*

(Unit: ¥ millions)

Q4 2020	Q4 2021 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
3,447	2,469 ~	2,849	(28%) ~ (17%)	(29%) ~ (18%)



North America and Europe

Expect revenues to decrease Y/Y

- Expect a Y/Y decrease in *Choices*³

Q4 2020	Q4 2021 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
5,122	3,791 ~	4,297	(26%) ~ (16%)	(31%) ~ (21%)



Rest of World¹

Expect revenues to increase Y/Y

- Expect Y/Y increases in *MapleStory* and *MapleStory M*
- Expect to benefit from *Blue Archive*, which launched on November 9
- Expect a Y/Y decrease in *KartRider Rush+*

Q4 2020	Q4 2021 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
3,149	3,917 ~	4,254	24% ~ 35%	20% ~ 31%



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

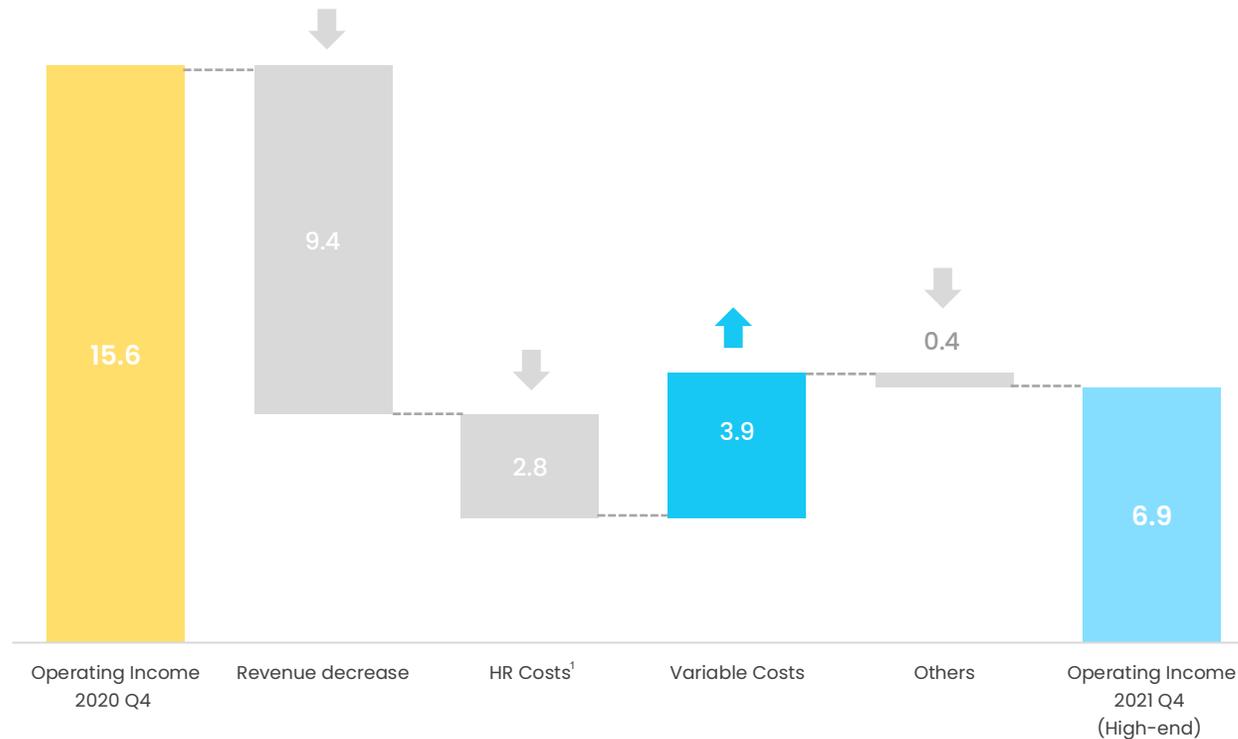
² Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. 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 Official title is *Choices: Stories You Play*.

Q4 2021 Operating Income & Cost Outlook

(Unit: ¥ billions)

Y/Y Operating Income Comparison (High-end)



- ↓ Decreased revenues
- ↓ Increased HR costs¹ related to:
 - Increased stock option costs
 - Introduction of the new compensation policy in Korea
- ↑ Decreased variable costs associated with revenue decline
- ↓ Others include:
 - Increased outsourcing costs
 - Decreased marketing costs

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

2021 China *Dungeon&Fighter* Update Schedule

Period	Tier 1 Content Update	2020	2021
Q1	 Lunar New Year Update	January 14th	January 21st
	Level Cap Release	March 19 th	N/A
Q2	Labor Day Update	April 23 rd	April 22 nd
	Anniversary Update	June 18 th	June 17 th
Q3	Summer Update	July 16 th	July 8 th
	 National Day Update	September 22nd	September 14th
Q4	Winter Update	N/A	N/A



Indicates financially important updates

* 2021 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



Mobile Dungeon&Fighter²



KartRider: Drift²



Embark Studios



Blue Archive



KurtzPel



Dynasty Warriors 9 Mobile²



Project ER³



PROJECT MAGNUM³



Project BBQ^{2,3,4}



OVERKILL^{2,3,5}



CounterSide



TALESWEAVER^{M2}



MABINOVI MOBILE²



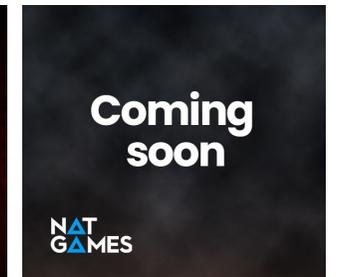
Project HP³



Project SF2³



DNF Duel^{2,3}



HIT²



¹ Chart is illustrative excerpt of pipeline.
² Games based on original IP.

³ Tentative title
⁴ PC 3D action RPG based on *Dungeon&Fighter* universe.

⁵ PC 3D side-scrolling action RPG based on *Dungeon&Fighter* universe.

⁶ The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders

Appendix



Financials

Summary of Results and Key Operational Metrics

(Unit: ¥ millions, except per share data)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	YoY%
(By Region)								
Korea	¥39,744	¥32,797	¥50,526	¥41,913	¥50,167	¥32,690	¥40,364	(20%)
China	33,499	19,219	15,769	12,753	25,798	13,484	22,933	45%
Japan	1,567	2,781	2,623	3,447	3,382	2,165	2,481	(5%)
North America and Europe	4,168	5,054	5,519	5,122	4,814	4,414	4,550	(18%)
Rest of World ¹	3,784	4,615	4,975	3,149	4,152	3,256	5,562	12%
(By Platform)								
PC ²	65,725	44,923	46,343	38,958	65,768	37,980	57,278	24%
Mobile	17,037	19,543	33,069	27,426	22,545	18,029	18,612	(44%)
Revenue	82,762	64,466	79,412	66,384	88,313	56,009	75,890	(4%)
Operating income	41,543	26,711	27,607	15,589	43,321	15,409	29,835	8%
Net income (loss)³	49,911	19,763	16,330	(29,784)	46,034	8,957	37,902	132%
Earnings per share	56.57	22.37	18.45	(33.60)	51.86	10.07	42.44	
FX rate								
100 KRW/JPY	9.15	8.83	8.95	9.36	9.52	9.77	9.51	6%
CNY/JPY	15.62	15.18	15.35	15.78	16.33	16.94	17.02	11%
USD/JPY	108.92	107.62	106.22	104.51	105.90	109.49	110.11	4%
KPI (Excluding Mobile)								
MAU (millions)	27.1	23.9	20.4	17.3	16.4	14.0	15.2	(25%)
Pay Rate	15.4%	15.3%	15.7%	17.7%	19.7%	19.3%	22.1%	
ARPPU (as-reported)	9,031	5,897	7,133	5,965	10,516	7,103	9,241	30%

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)

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Cost of Revenue¹	¥15,343	¥14,574	¥19,266	¥19,826	¥18,699	¥16,702	¥18,739
Royalty ²	5,738	5,074	9,618	7,406	7,977	5,967	7,712
HR cost (COGS) ³	6,443	6,429	6,241	8,929	7,281	7,489	7,553
Other (COGS) ⁴	3,162	3,071	3,407	3,491	3,441	3,246	3,474
Total SG&A¹	20,614	22,922	29,659	30,516	26,317	23,948	27,467
HR cost	3,907	4,260	3,968	6,912	6,582	6,586	6,818
PG fee ⁵	6,696	7,486	12,311	8,881	8,299	6,350	6,894
R&D	3,907	4,093	4,490	4,054	4,976	4,935	5,203
Marketing/advertising expenses	2,836	4,326	5,852	7,401	3,132	2,968	5,078
Depreciation and amortization	1,299	1,236	1,319	1,398	1,453	1,463	1,439
Other	1,969	1,521	1,719	1,870	1,875	1,646	2,035
Other Income ⁶	1,197	101	294	204	124	163	197
Other Expense ⁷	6,459	360	3,174	657	100	113	46
Includes: impairment loss	6,063	251	3,015	326	19	97	5

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)

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Income	¥41,543	¥26,711	¥27,607	¥15,589	¥43,321	¥15,409	¥29,835
Finance Income ¹	21,918	4,598	3,748	4,646	20,995	3,949	18,404
Finance Costs ²	1,585	6,891	8,882	21,596	650	1,264	1,160
(Loss) / reversal of loss on revaluation ³	-	-	-	-	-	(4,499)	1,714
Equity profit / (loss) of affiliates, equity method companies	113	260	428	(36)	(91)	300	(435)
Income / (Loss) before Income Tax	61,989	24,678	22,901	(1,397)	63,575	13,895	48,358
Tax expense	12,235	5,139	6,729	28,579	17,842	5,361	10,677
Non-controlling interests	(157)	(224)	(158)	(192)	(301)	(423)	(221)
Net income (loss)⁴	49,911	19,763	16,330	(29,784)	46,034	8,957	37,902

¹ Finance Income includes interest income primarily on cash deposits. 2020 Q1 and 2021 Q1, Q3 Finance Income includes FX conversion gains related to foreign currency deposits and accounts receivable.

² 2020 Q2, Q3, Q4, 2021 Q2 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)

	9 months ended September 30, 2020	9 months ended September 30, 2021
Cash flows from operating activities	¥107,865	¥61,204
Cash flows from investing activities	(79,455)	142,589
Cash flows from financing activities	(3,581)	(4,916)
Net increase / (decrease) in cash and cash equivalents	24,829	198,877
Cash and cash equivalents at beginning of fiscal year	253,636	252,570
Effect of exchange rate change on cash and cash equivalents	(2,162)	20,574
Cash and cash equivalents at end of fiscal year	276,303	472,021

Balance Sheet

(Unit: ¥ millions)

	December 31, 2020	September 30, 2021
Asset		
Current Assets		
Cash and cash equivalents	¥252,570	¥472,021
Other deposits	273,132	98,247
Other current assets	52,830	70,426
Total current assets	578,532	640,694
Noncurrent assets		
Tangible assets	24,191	23,741
Goodwill	38,425	38,514
Intangible assets	14,935	20,170
Other non-current financial assets ¹	167,620	195,169
Others	38,458	39,710
Total noncurrent assets	283,629	317,304
Total assets	862,161	957,998

	December 31, 2020	September 30, 2021
Liability		
Current liabilities		
Current tax liabilities	15,774	17,155
Current borrowings	2,094	-
Others	40,099	38,855
Total current liabilities	57,967	56,010
Noncurrent liabilities		
Non-current borrowings	-	-
Others	83,749	84,164
Total noncurrent liabilities	83,749	84,164
Total liabilities	141,716	140,174
Shareholders' equity		
Capital stock	22,679	33,216
Capital surplus	17,421	13,930
Treasury shares	(0)	(1,831)
Other equity interest	69,975	73,019
Retained earnings	599,807	689,651
Non-controlling interests	10,563	9,839
Total equity	720,445	817,824
Total liabilities and total equity	862,161	957,998

¹ Nexon has changed the disclosure to show *Other non-current financial assets*, which were previously included in a section marked *Others*. Data for 2020 has also been adjusted accordingly

P&L by Reporting Segment¹

(Unit: ¥ millions)

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Japan							
Revenue from external customers	¥895	¥1,069	¥985	¥1,367	¥1,340	¥1,025	¥1,339
Segment profit/(loss)	(655)	(624)	(634)	(2,425)	(2,285)	(2,449)	(2,814)
Korea							
Revenue from external customers	76,336	57,889	73,107	59,443	81,502	50,105	69,827
Segment profit/(loss)	47,724	27,962	31,872	19,281	45,606	18,266	33,272
China							
Revenue from external customers	903	584	709	862	1,049	674	901
Segment profit/(loss)	653	295	411	532	736	298	525
North America							
Revenue from external customers	3,714	4,544	4,220	4,429	4,075	3,975	3,436
Segment profit/(loss)	(461)	(102)	(446)	(254)	262	519	(162)
Others							
Revenue from external customers	914	380	391	283	347	230	387
Segment profit/(loss)	(461)	(567)	(709)	(1,084)	(1,023)	(1,258)	(1,149)
Adjustments							
Revenue from external customers	-	-	-	-	-	-	-
Segment profit/(loss)	5	6	(7)	(8)	1	(17)	12
Total							
Revenue from external customers	82,762	64,466	79,412	66,384	88,313	56,009	75,890
Segment profit/(loss)	46,805	26,970	30,487	16,042	43,297	15,359	29,684

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	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue	¥7,987	¥5,815	¥5,208	¥5,927	¥7,024	¥6,016	¥5,411
Cost of revenue	3,679	3,117	3,134	3,438	3,510	3,249	2,681
Gross profit	4,308	2,698	2,074	2,489	3,514	2,767	2,730
SG&A	7,585	6,470	6,736	6,941	9,447	7,910	7,893
Operating profit / (loss)	(3,277)	(3,772)	(4,662)	(4,452)	(5,933)	(5,143)	(5,163)
Non-operating income	28,335	19,163	636	5,049	15,646	32,565	47,902
Includes: dividend income	24,613	18,869	22	4,612	15,025	30,313	46,460
Non-operating expenses	526	1,246	1,826	1,969	9,352	4,063	2,802
Ordinary income / (loss)	24,532	14,145	(5,852)	(1,372)	361	23,359	39,937
Extraordinary income	244	6,443	852	58	109	635	189
Extraordinary losses	18,717	6,897	39,573	9,643	138	77	647
Income / (loss) before income taxes	6,059	13,691	(44,573)	(10,957)	332	23,917	39,479
Tax expense	4,656	5,519	(201)	234	755	1,520	2,327
Net income / (loss)	1,403	8,172	(44,372)	(11,191)	(423)	22,397	37,152

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). 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, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Current assets	¥46,760	¥70,444	¥52,632	¥42,946	¥55,209	¥45,374	¥85,462
Includes: cash and cash equivalents	30,711	68,997	49,531	41,868	53,096	43,100	83,523
Non-current assets	101,337	38,190	6,438	5,494	4,836	17,630	17,851
Property, plant and equipment	222	200	74	7	3	1	6
Intangible assets	60	66	-	-	-	-	-
Investments and other assets	101,055	37,924	6,364	5,487	4,833	17,629	17,845
Total assets	148,097	108,634	59,070	48,440	60,045	63,004	103,313
Current liabilities	16,345	3,506	2,341	1,796	2,303	2,037	2,085
Non-current liabilities	23,154	498	448	457	415	363	469
Total liabilities	39,499	4,004	2,789	2,253	2,718	2,400	2,554
Shareholder's equity	98,122	99,779	50,669	41,230	50,838	53,133	92,510
Capital stock	52,332	56,227	3,307	9,183	14,199	17,757	22,470
Capital surplus	42,192	36,087	88,621	43,021	36,846	39,981	21,720
Includes: other capital surplus	40,000	30,000	86,064	34,588	23,397	22,974	-
Retained earnings	3,598	7,465	(41,259)	(10,974)	(206)	22,614	48,320
Includes: other retained earnings	2,724	6,160	(41,476)	(11,191)	(423)	22,397	48,103
Treasury shares	-	-	(0)	-	(0)	(27,219)	(0)
Valuation and translation adjustments	6,536	246	77	(10)	(21)	(28)	(21)
Subscription rights to shares	3,940	4,605	5,535	4,967	6,510	7,499	8,270
Total net assets	108,598	104,630	56,281	46,187	57,327	60,604	100,759
Statement of changes in equity (excerpt)	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Payment of dividends	(4,372)	(4,305)	(4,352)	-	-	-	(4,418)
Acquisition of treasury shares	(10,000)	(10,000)	(5,000)	(10,000)	(1)	(27,218)	(2,783)
Cancellation of treasury shares	10,000	10,000	5,000	10,000	-	-	30,002

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). 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

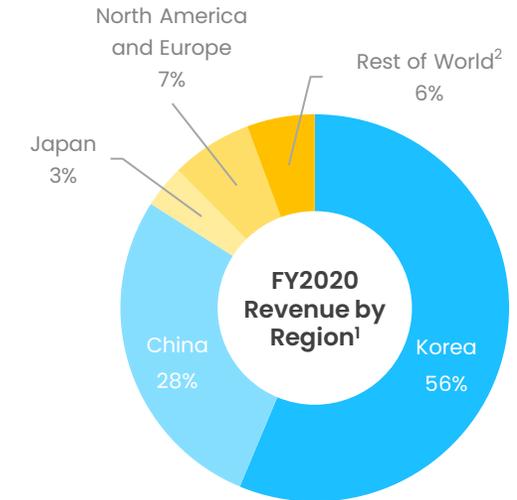
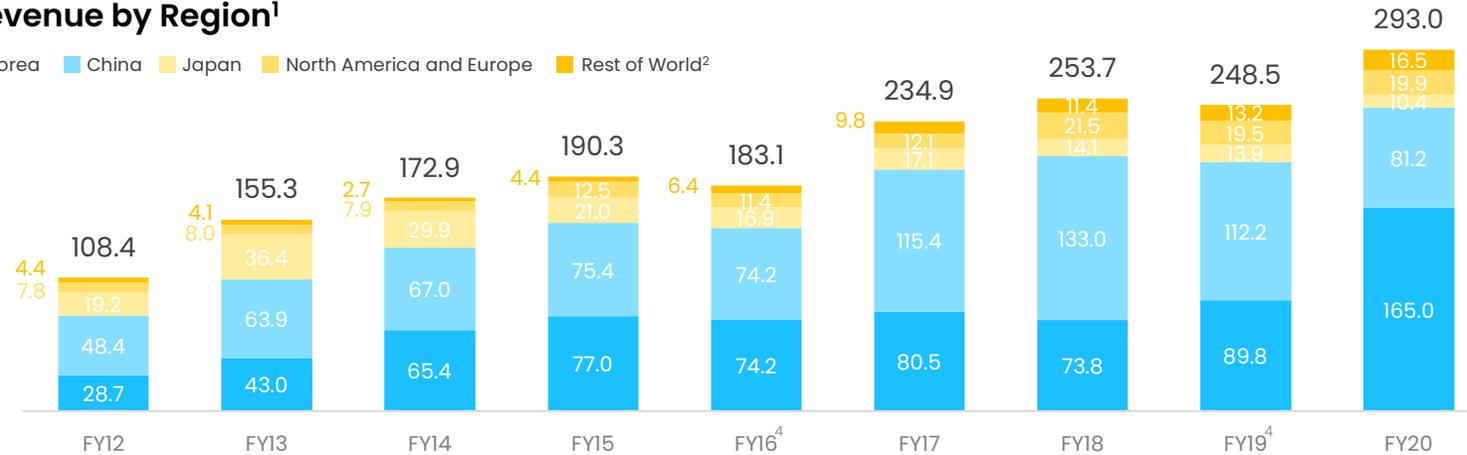
Full-time employees	March 31	June 30	September 30	December 31	March 31	June 30	September 30
	2020	2020	2020	2020	2021	2021	2021
Japan	294	278	266	268	265	265	265
Korea	5,210	5,224	5,331	5,107	5,143	5,246	5,404
China	209	208	210	210	213	207	202
North America	408	429	383	385	342	342	357
Others	240	276	314	318	334	347	372
Total	6,361	6,415	6,504	6,288	6,297	6,407	6,600

Historical Financials

(Unit: ¥ billions)

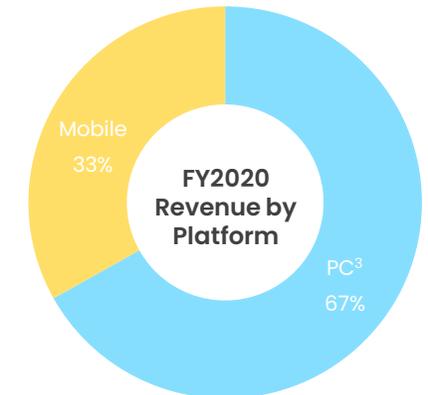
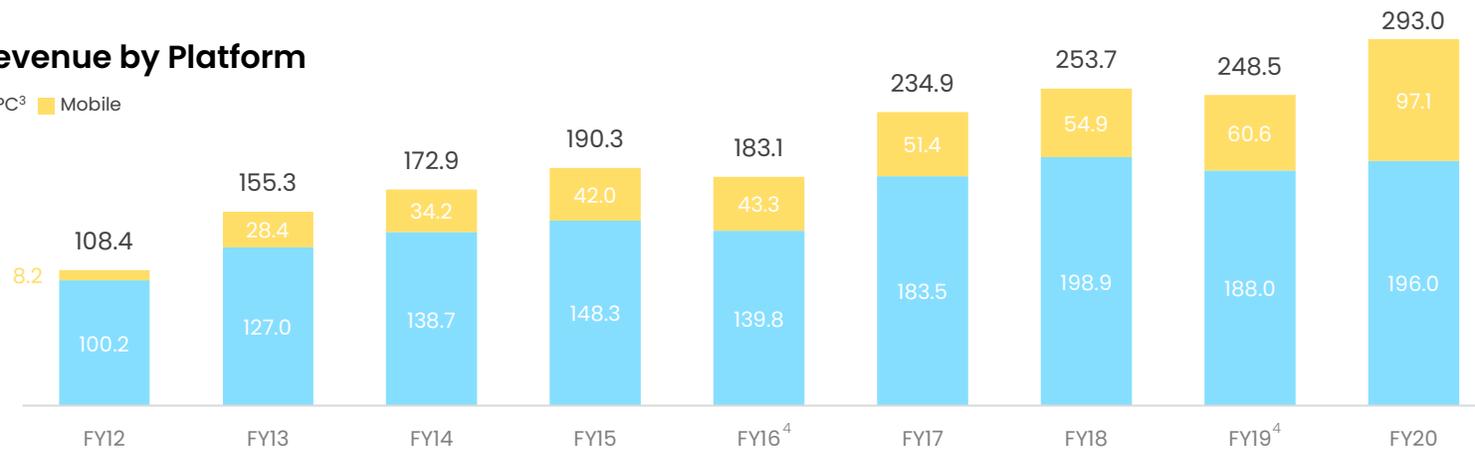
Revenue by Region¹

■ 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.

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.

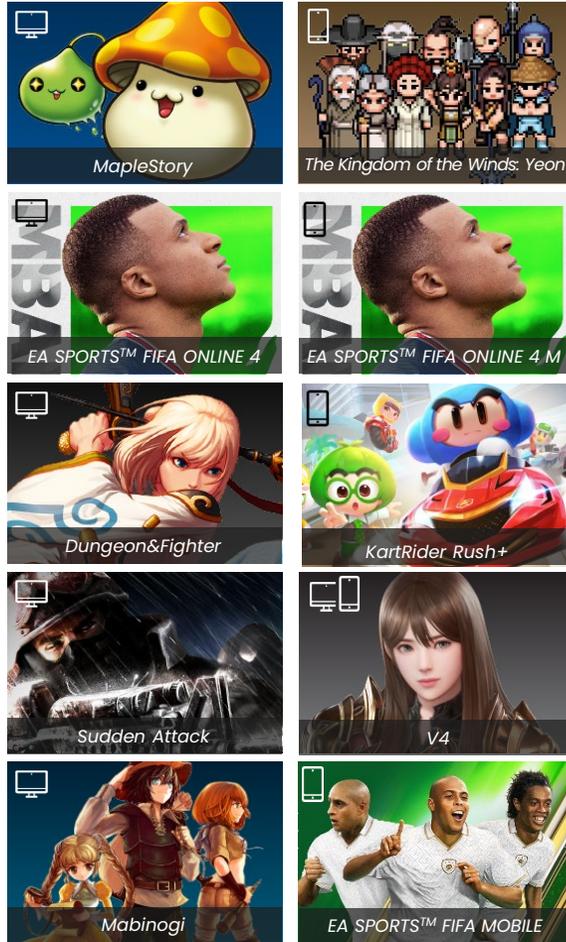
⁴ FY16 and FY19 grew Y/Y on a constant currency basis.

⁵ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from Q1 2020. The numbers for the past years have also been adjusted accordingly.

Key Titles by Region¹

PC³ MOBILE

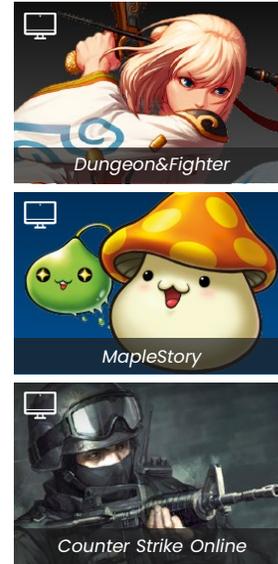
Korea



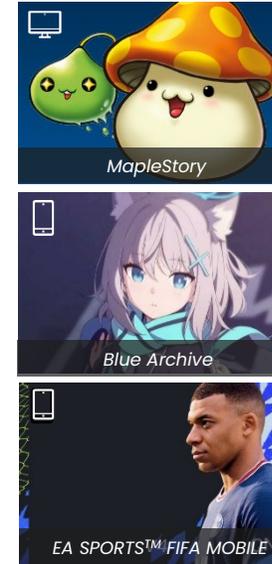
PC³

MOBILE

China



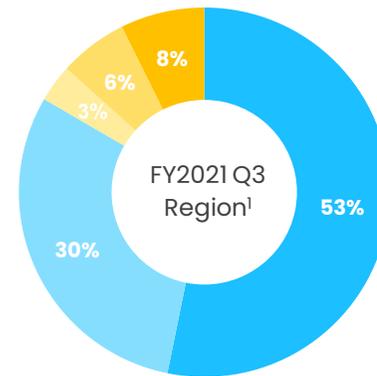
Japan



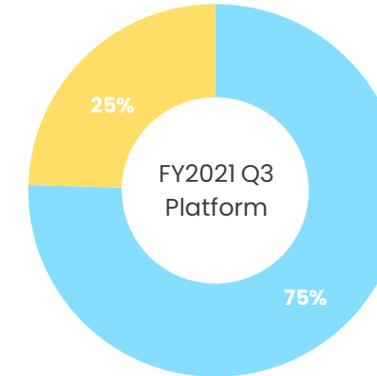
N. America and Europe



Rest of World²



- Korea 53%
- China 30%
- Japan 3%
- North America & Europe 6%
- Rest of World² 8%



- 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

LTD Overview



Launched 2005



Over 700 million registered users worldwide



Life-to-date gross revenue well over \$15 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 16 years with new characters, skills and communities



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 November 8th, 2021 sourced from BoxOfficeMojo.com

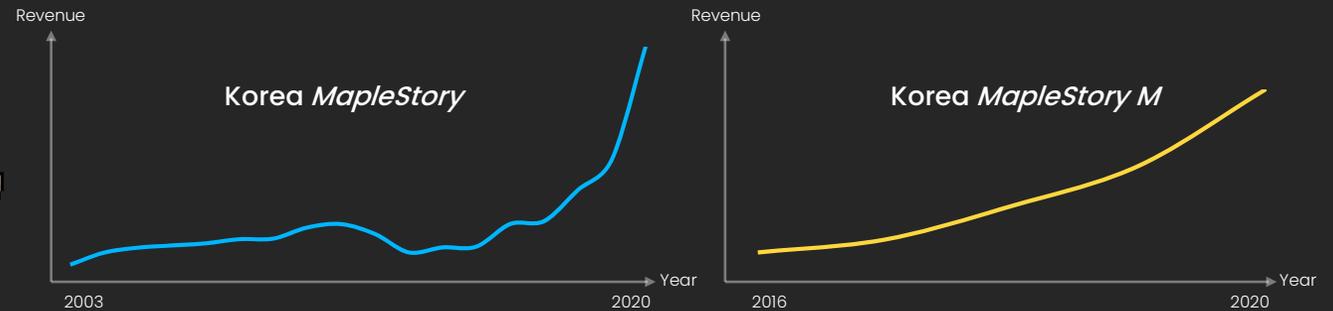
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MapleStory Franchise

LTD Overview

-  Launched 2003
-  Over 180 million registered users worldwide. Player registrations equal to 45% of Korean population
-  Life-to-date franchise revenue over \$3 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 18 years. Players love personalizing their characters



¹ Life-to-date global box office revenues as of November 8th, 2021 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

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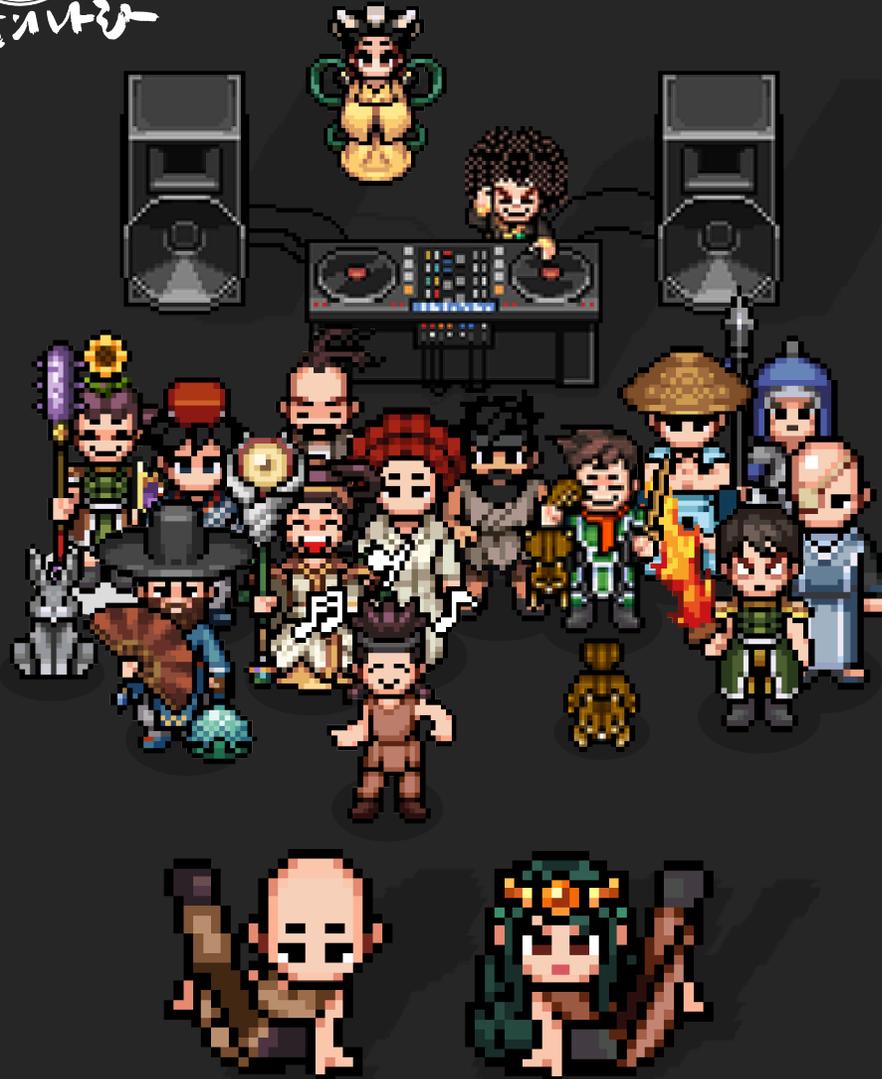


Sudden Attack

LTD Overview

-  Launched 2005
-  Registered users over 23 million
-  Life-to-date revenue over \$0.5 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 25 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 \$0.6 billion



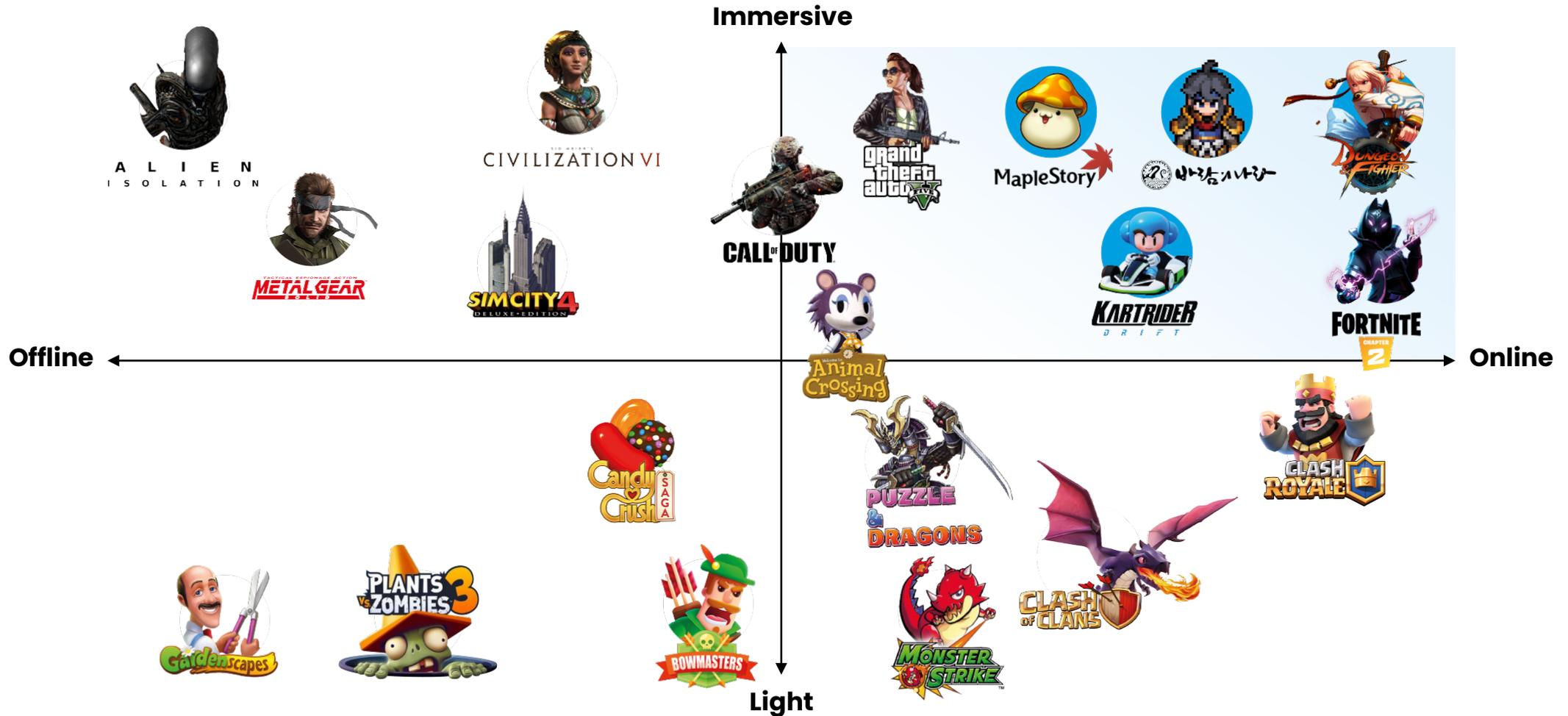
MMORPG with life-oriented content and contemporary music, fashion, and cooking. Highly differentiated from existing battle-focused games that saturate the market

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NEXON's Business

Global Leader in Virtual Worlds

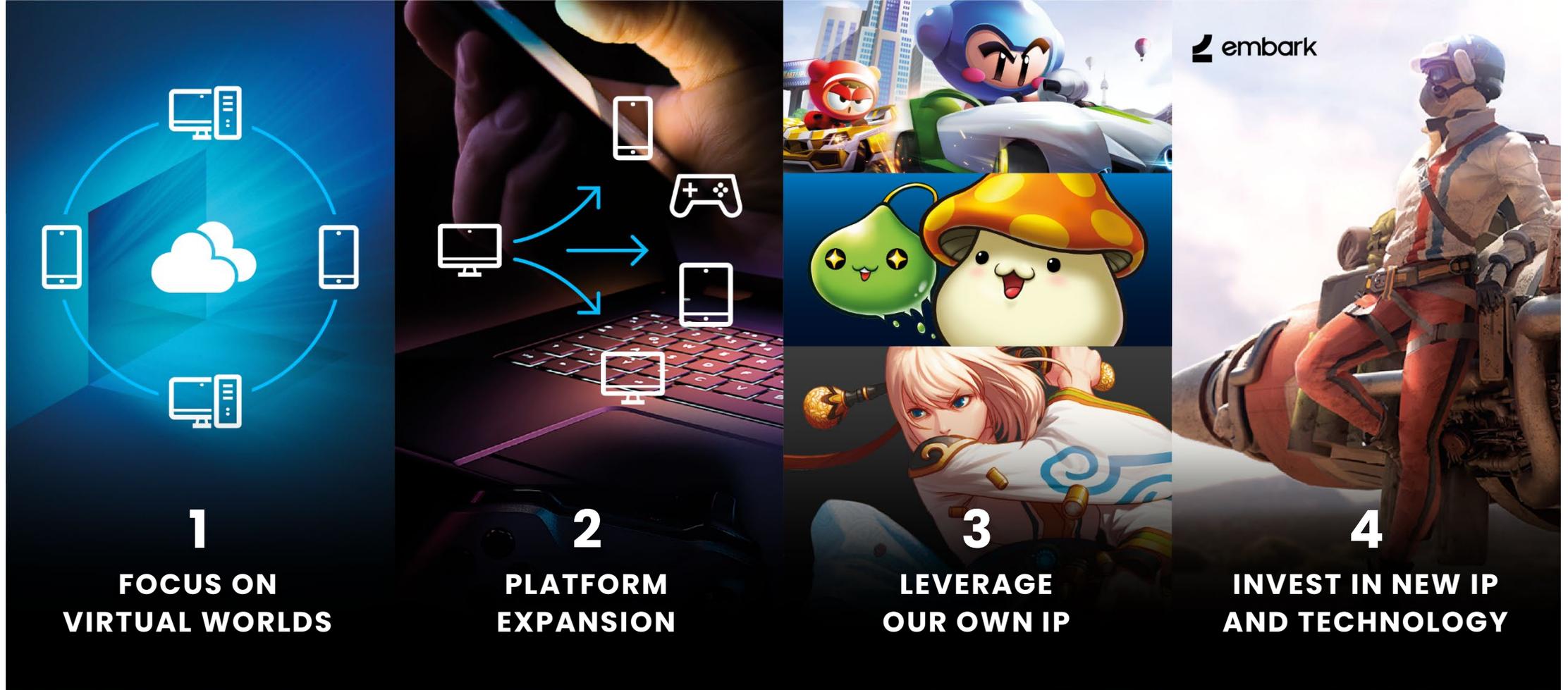
Nexon is Well-positioned to Benefit from the Paradigm Shift in the Entertainment Industry



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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



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Solid Foundation. Significant Opportunities for Growth

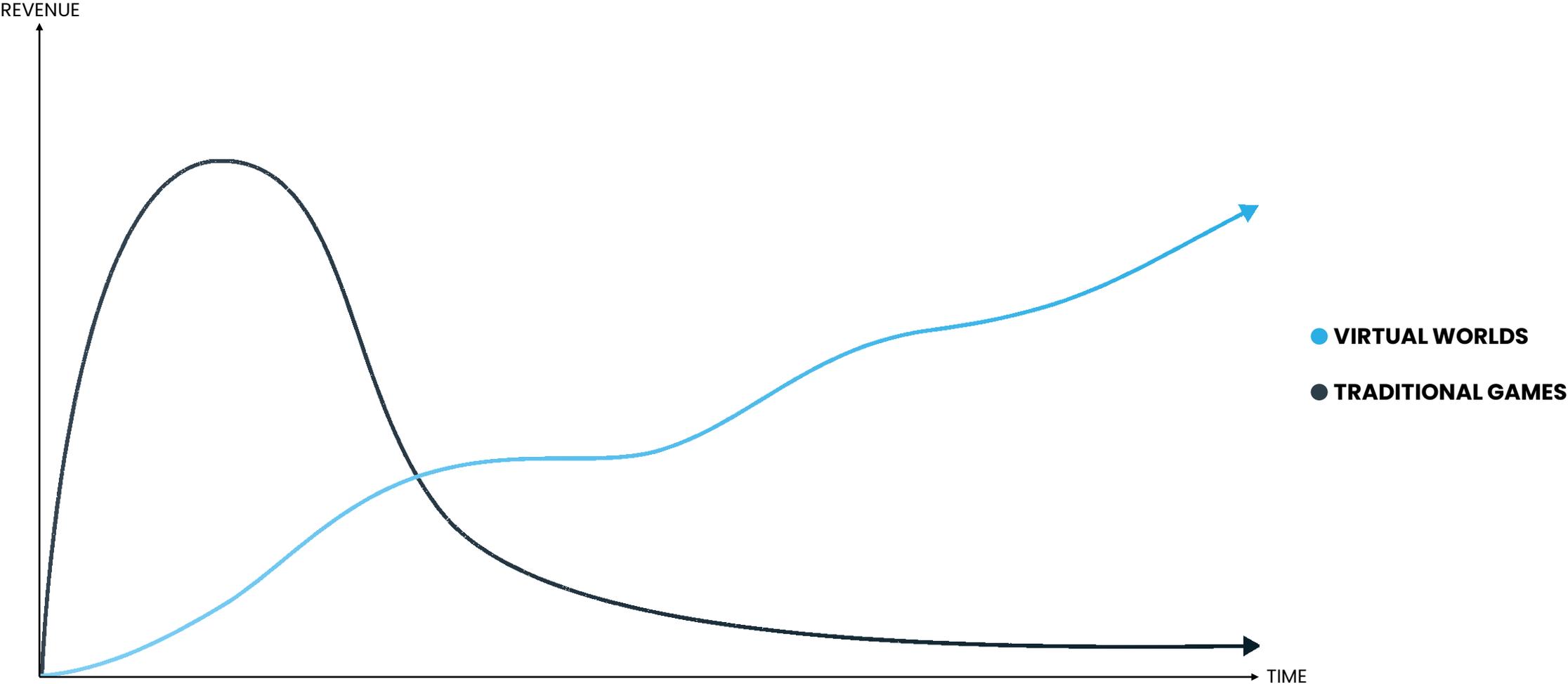
Big Growth Opportunities Layered on Top of Core Business



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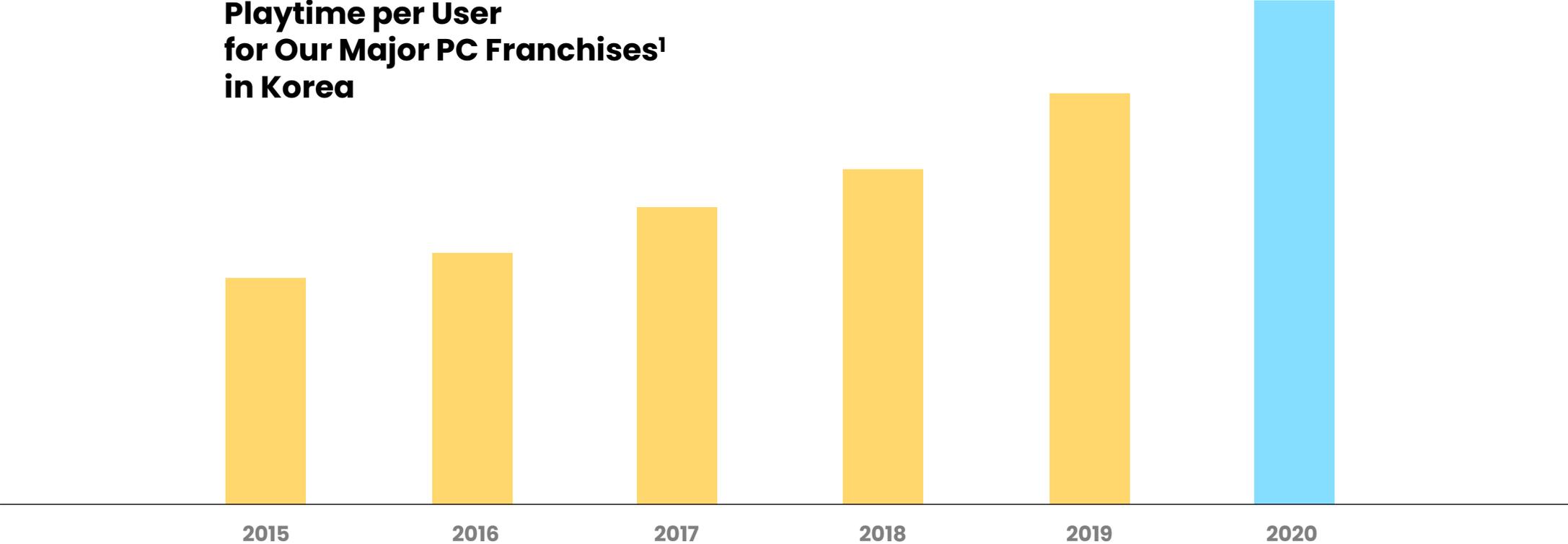
Mental Model of Virtual Worlds

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



Increasing Engagement In our Virtual Worlds

**Playtime per User
for Our Major PC Franchises¹
in Korea**



¹ Aggregation of MapleStory, Dungeon&Fighter, EA SPORTS™ FIFA ONLINE 4 (previously EA SPORTS™ FIFA ONLINE 3), Sudden Attack, The Kingdom of the Winds, KartRider and Mabinogi in Korea

Glossary of Terms

Term / Abbreviation	Meaning
AOS	AOS is a sub-genre of the real-time strategy genre, in which two teams of players compete with each other in discrete games, with each player controlling a single character through an RTS-style interface.
FPS (first person shooter)	A game in which the player plays from the point of view of the game character in three-dimensional graphics
RTS (real-time strategy)	A game that is usually played from a third-person on perspective, in which the player controls vast numbers of in-game characters in a tactical scenario
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
Immersive Games	Games that are designed to be played continuously for hours and enable thousands of concurrent users to interact with each other in real time. Our games are architected to evolve over years, in contrast to packaged goods games, which often have finite story lines and comparatively less open-ended player engagement.

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:

Disclaimer

- 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.

Q4 2021 Earnings Release Schedule

Q4 2021 financial results are scheduled for release on

Tuesday, February 8th, 2022.

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.

