



## Investor Relations

February 2022

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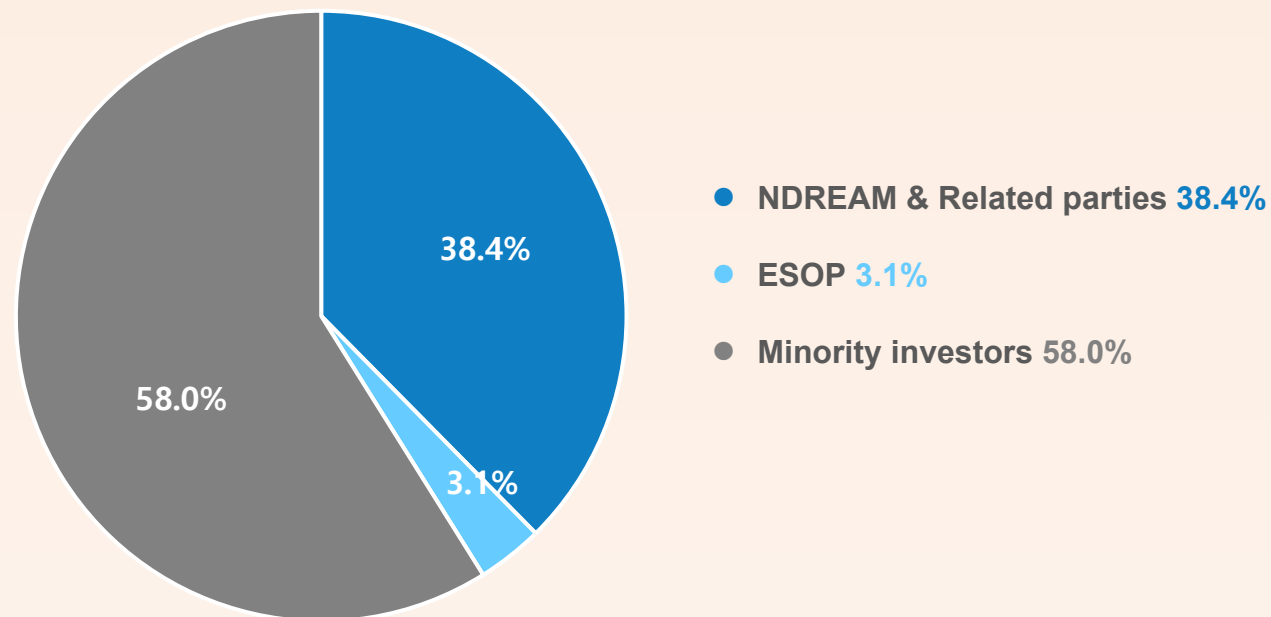
## Chapter 1

# OVERVIEW

# Company Overview

Company	JOYCITY Corporation
Business	Game software development & publishing
Address	Bundang First Tower 10F, Bundang-ro 55, Seongnam-si, Korea
CEO	CHO Seong-won
Capital	₩23.2bn
Workforce	300 employees

• Shareholding Structure



# Company Leaderships



**CEO CHO Seong- won**

- Awarded Disney's Best Partner designation
- Asia's Top 100 fastest growing companies by Deloitte
- Prime Minister's Award at Korea Internet Award ceremony
- Awarded Grand Prize at Korea Game Awards

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2013 ~ Present JOYCITY/NDREAM CEO

2011 ~ 2013 Nexon Korea Head of Business  
Development

2003 ~ 2013 NDOORS CEO



**CTO KIM Tae- gon**

- Led development of Pirates of the Caribbean, Legion of Heroes, Atlantica, GoonZu Online, Seven Years War and other game titles, etc.
- Best Developer Prize at Korea Game Awards

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2015~ Present JOYCITY/NDREAM CTO

2003~ 2015 NDOORS Head of Game Research and  
Development

2000~ 2003 JOYON Senior Development Executive



**COO CHO Han- seo**

- Headed product service development of FIFA Online3, Atlantica, GoonZu Online and other game titles, etc.
- Head of NDREAM service development

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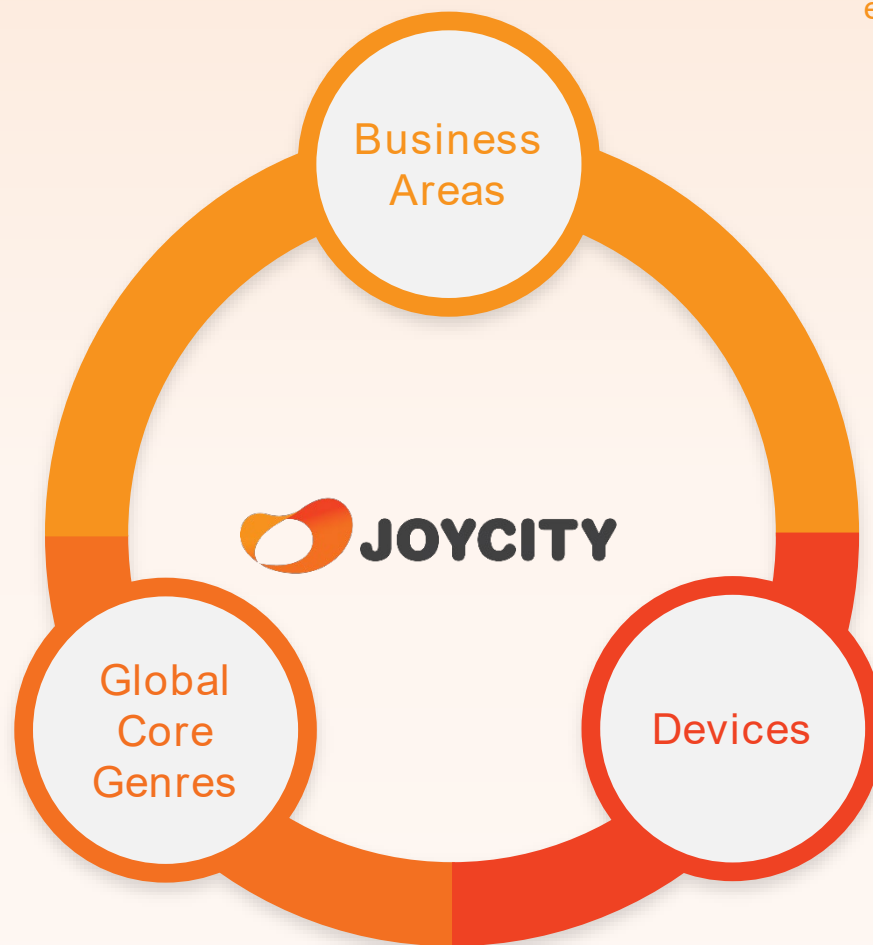
2013 ~ Present JOYCITY/NDREAM COO

2012 ~ 2013 Nexon Korea Director of Publishing  
2006 ~ 2012 NDOORS CSO

# Value Chain

Strengthening Global Contents Platform as overseas represents 70% of total revenue

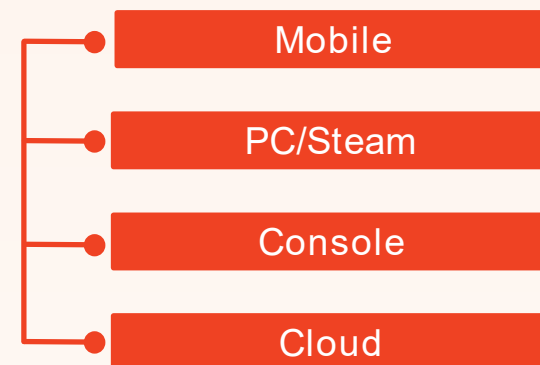
Focus on games appealing to global users & to extend life cycle of games



Game development and publishing & extend into AI big data-based platform



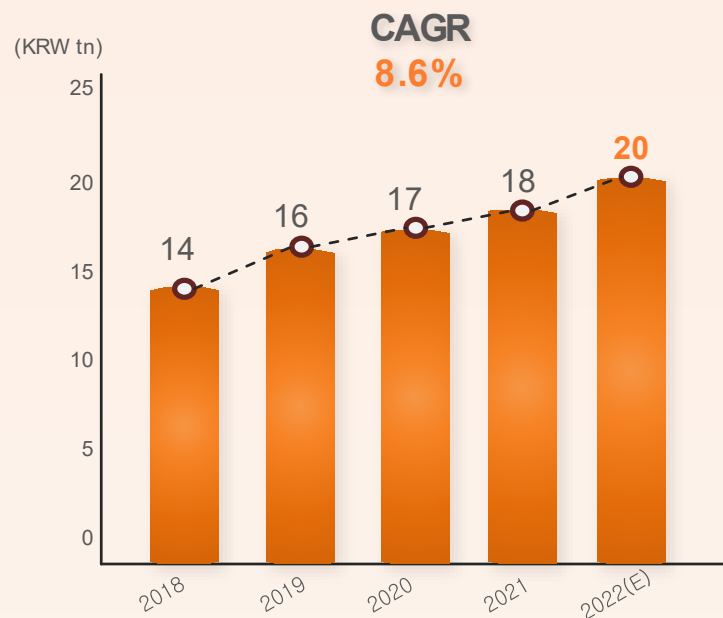
Mobile to PC/Steam and console & expand into cloud games



# 2022 Market Forecast

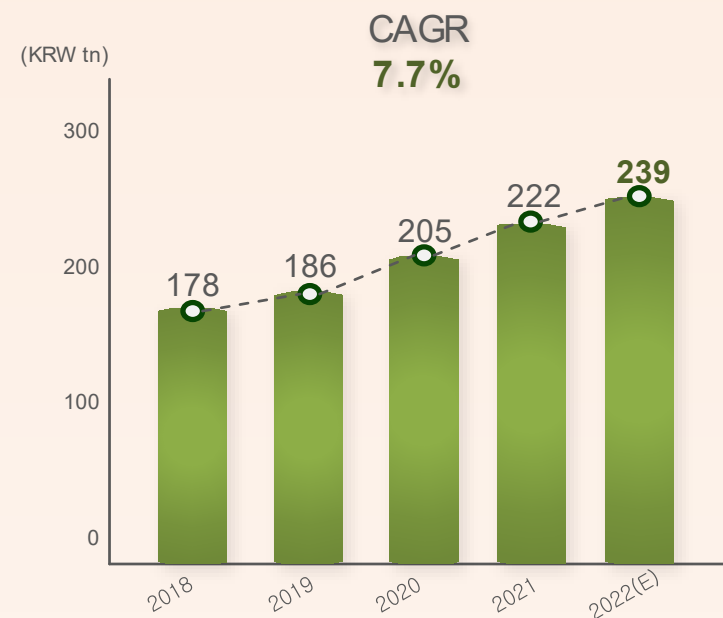
“Expect continued growth in both the local and global game markets”

Korea Game Market (₩20tn)



Source: Korea Creative Content Agency

Global Game Market (₩239tn)



Source: Korea Creative Content Agency

## Chapter 2

# Core Competitiveness



# Global Market

Even with current 70% of sales from overseas, continued focus beyond Korea to expand further abroad



	User base	Market size	CAGR
Korea	35mn	W20tn	8.6%
Global	2.5bn	W239tn	7.7%

Source: Korea Creative Content Agency

# Global Target Products

Highlighting the global game market's growth exhibited by games that have longer life cycle potential

## Strategy Games (SLG)

## Esports

## Subculture

Market

Annual **20%+**  
sales growth  
in genre

**1/3** of N. America  
mobile game market

Global  
**No. 1** genre

Blockbuster potential  
of Esports genre

Japanimation craze  
by 10- 30s age group  
**driving growth**

Animation, merchandise,  
IP partnership leading growth  
drivers

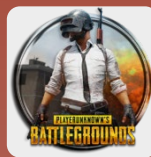
Market  
leaders



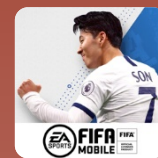
**Lords Mobile**  
Total sales \$2bn+



**S. O. S**  
Total sales \$1bn+



**PUBG**  
Annual sales W1tn+



**FIFA series**  
Annual sales \$1.5bn+



**Fate: Grand Order**  
Annual sales  
W1.5tn+



**Dragon Ball Z Dokkan Battle**  
Annual sales W850bn+

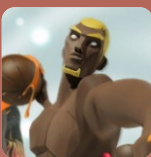
JOYCITY



**Pirates of the Caribbean**  
Total sales W200bn+



**Gunship Battle: Total Warfare**  
Total sales W120bn+



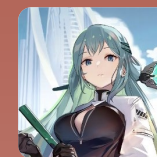
**Freestyle**  
Total sales W700bn+



**3on3**  
PS4 Top 3 downloads



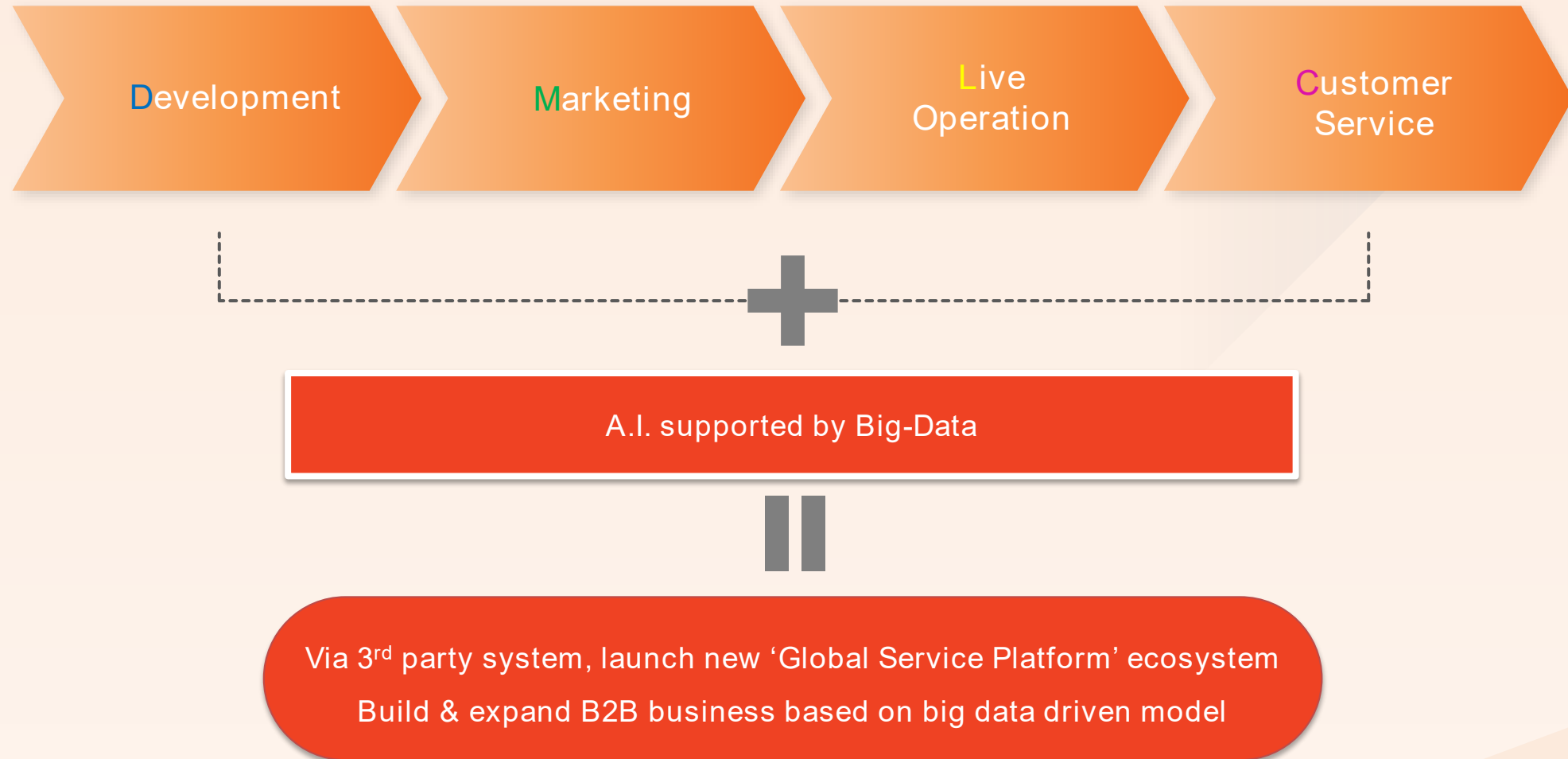
**Game of Dice**  
HK #1 sales ranking  
for 6 months



**Project M**  
To be launched in 2022

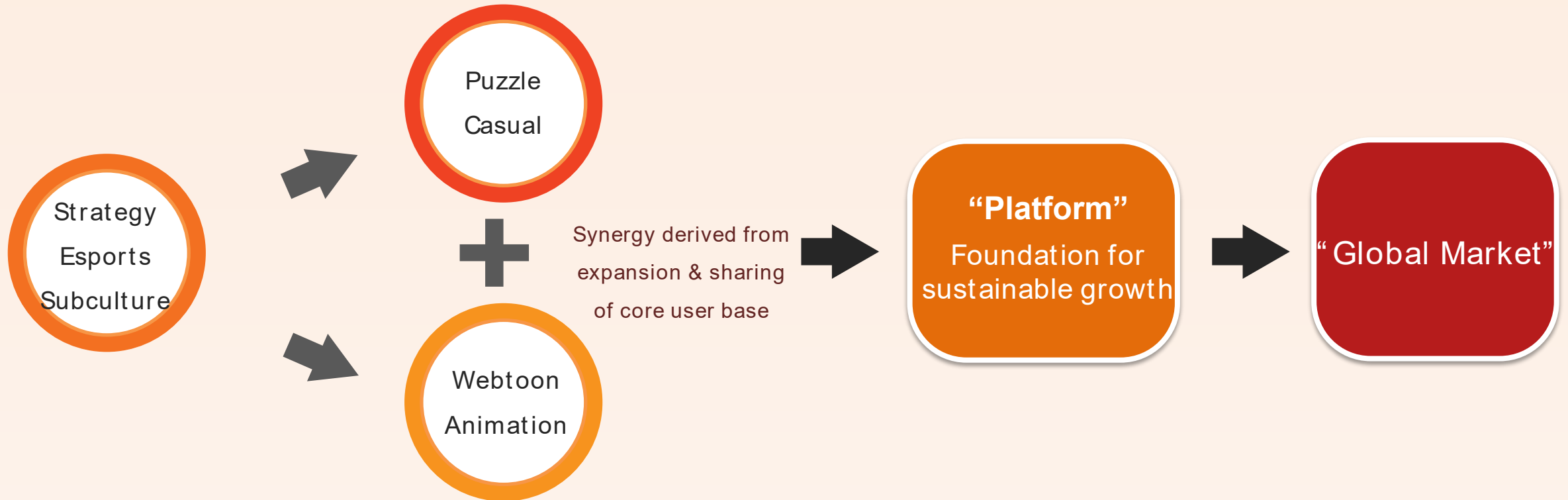
# Vertical Integration

Ensuring success of global service through “Global Development & Service Platform”



# Horizontal Integration

Expansion based on stable “Global Development & Service Platform”



# Virtuous Cycle

From development to global service to discovering new business opportunities through re-investment, establishing a sustainable cycle of growth

 NDREAM

 MOJITO  
GAMES

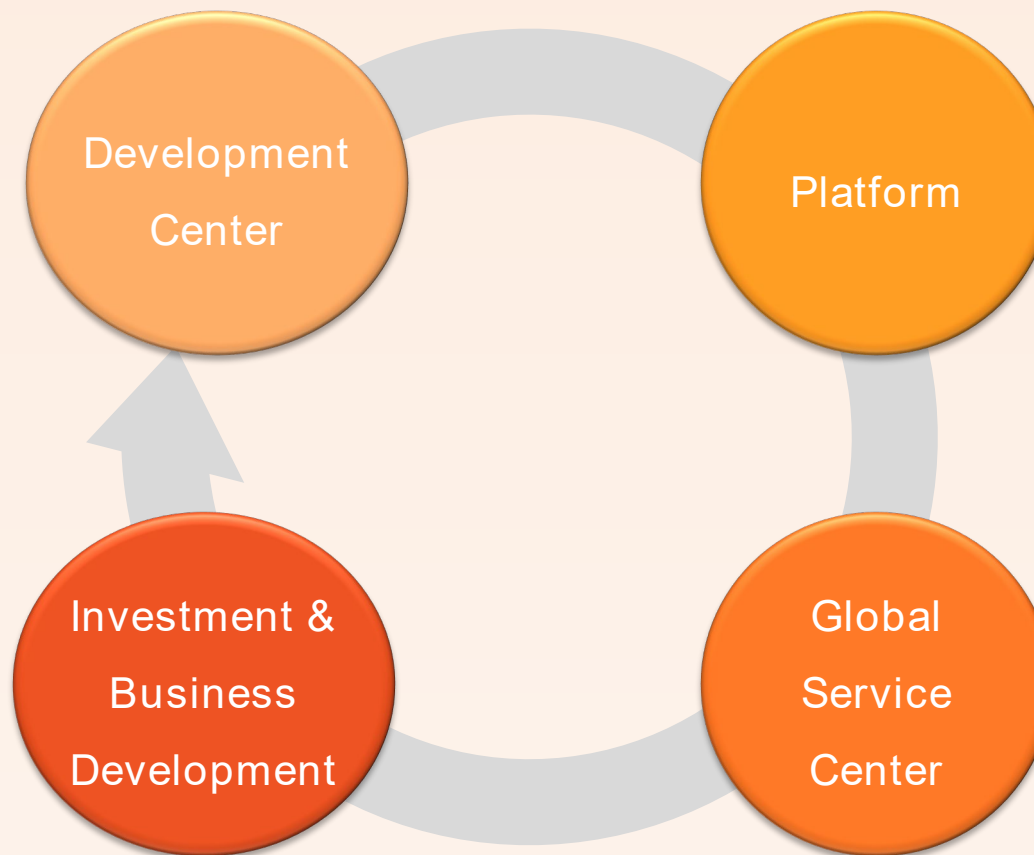
 takes  
STUDIOS

 INTRO

 FREE  
STYLE  
STREET BASKETBALL

 ROSETTA

 LAGUNA  
INVESTMENT



 JOYCITY

 JOYCITY  
ANNEX

 JCC

## Chapter 3

# Investment Points





## Investment Points

01

Growth



02

Popularity of existing  
IPs & new games

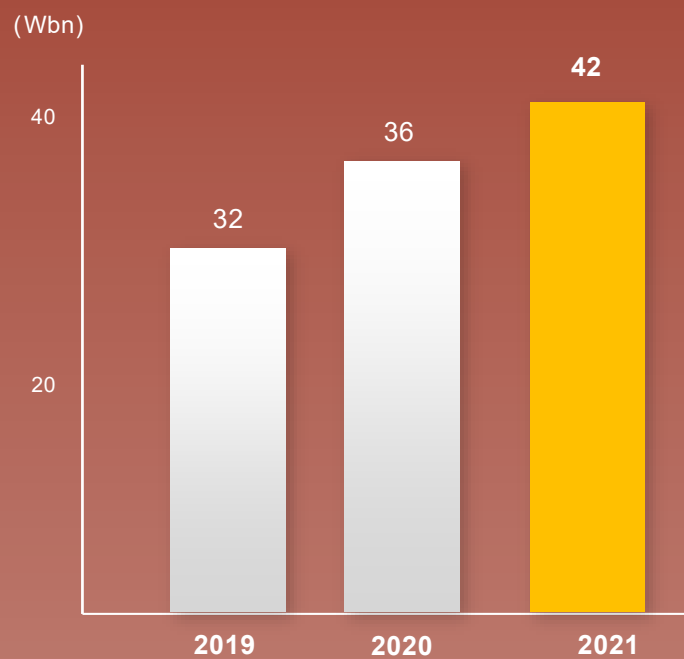


03

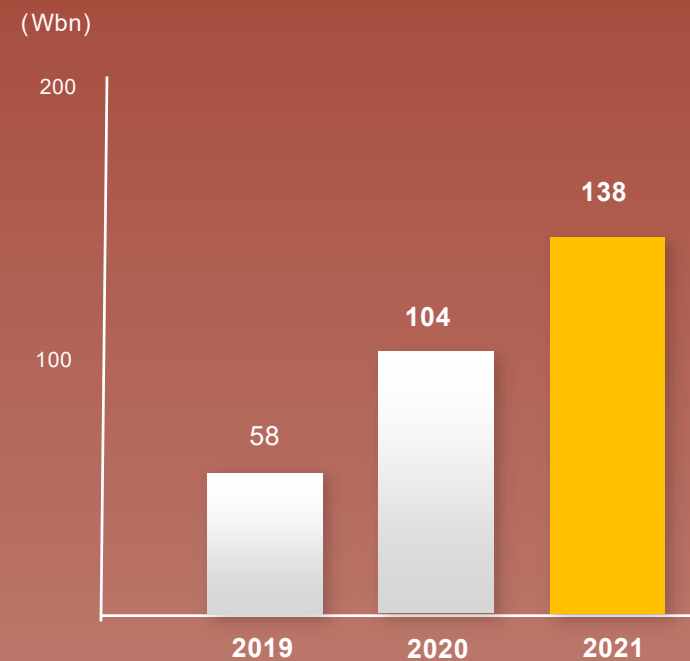
Growth of global  
marketing platform

# Strong growth of current game titles

Freestyle series revenue



Strategy games revenue





# Internally Owned IPs



Freestyle series

Global sales of W700bn+  
Multi-platform: PC, Steam, Console



Game of Dice

HK Google Playstore, Apple Appstore #1 sales ranking  
over 6 months  
FB, Apple Appstore 2016 Game of the Year  
7.3mn global downloads



Rule the Sky

One of the 1<sup>st</sup> blockbuster mobile games in Korea  
#1 sales for 193 consecutive days in both Playstore/Appstore upon launch



Gunship Battle

Over 100mn+ global downloads

# Licensed IPs



Pirates of the Caribbean



Disney · PIXAR



Smilegate  
Entertainment



SNK®

- Acquired the Disney blockbuster movie series Pirates of the Caribbean IP in 2017 and continued cooperation over the past 5 years
- Awarded Disney's Best Partner designation for 2 consecutive years in 2018, 2019 through successful launch and growth of Pirates of the Caribbean game
- Growing partnership led to acquisition of additional Disney & Pixar IPs, access to more than 60 characters including Toy Story, Aladdin, Frozen, etc. for next new game to be launched in 2022
- Acquired the IP for hit game CrossFire, originally developed by Smilegate and published by Tencent
- CrossFire franchise 650mn global subscribers, annual sales of over W1tn+, over 8mn concurrent users
- Sold over 5mn games globally, SNK's flagship battle fighting game
- Successful multi-platform expansion from arcade to consoles to mobile
- Strong popularity of IP especially in Asia and North America

# Upcoming New Game Launches

March 2022  
Global launch

P2E

Expansion into Play to Earn  
games



Gunship Battle: Crypto Conflict

Over 5mn global games  
sold, IP especially popular  
in Asia & North America



The King of Fighters

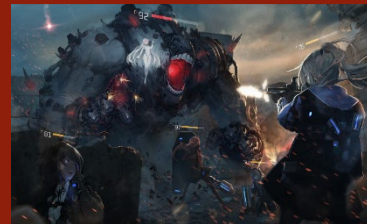
2H 2022

2022

2022 (Bili Bili to  
finalize launch  
schedule)

Subculture

Genre's loyal fan base, cross-  
selling opportunity to expand to  
animation & merchandise



Project M  
(Publisher Bili Bili)

Disney & Pixar IPs

Access to over 60+ Disney &  
Pixar characters such as Toy  
Story, Frozen, Aladdin, etc.



Disney Knights Saga

2H 2022

# Global Marketing Platform

## Technology

Analyzing user data  
to most efficiently  
direct products

Marketing fraud  
detection system  
Optimize automated  
marketing system

Based on user  
patterns, customize  
1:1 user churn  
prevention

AI &  
big data  
based  
system

### Data oriented Decision Making

- Analyze every behavioral pattern of users in data analysis
- Use the accumulated data from services to facilitate the most accurate forecast

### Global Marketing System

- Utilizing the advanced marketing knowhow to spend on avg W5bn/month in marketing
- Superior marketing performance based on accumulated big data

## Sensitivity

### VIP Management

VIP user management  
through direct,  
customized, consistent  
communications

### Global Branding

Unite every product  
behind one central  
brand for the most  
efficient delivery of  
branding message

## Chapter 4

# Appendix



## Game Introduction

- Genre: Sports
- Developer: JOYCITY
- Publisher: JOYCITY
- Market: Global
- Launched: Dec 2004



- PC online, multi-play team bball game
- China, Korea, other Asia markets in service
- Growth continues into 18<sup>th</sup> year of service

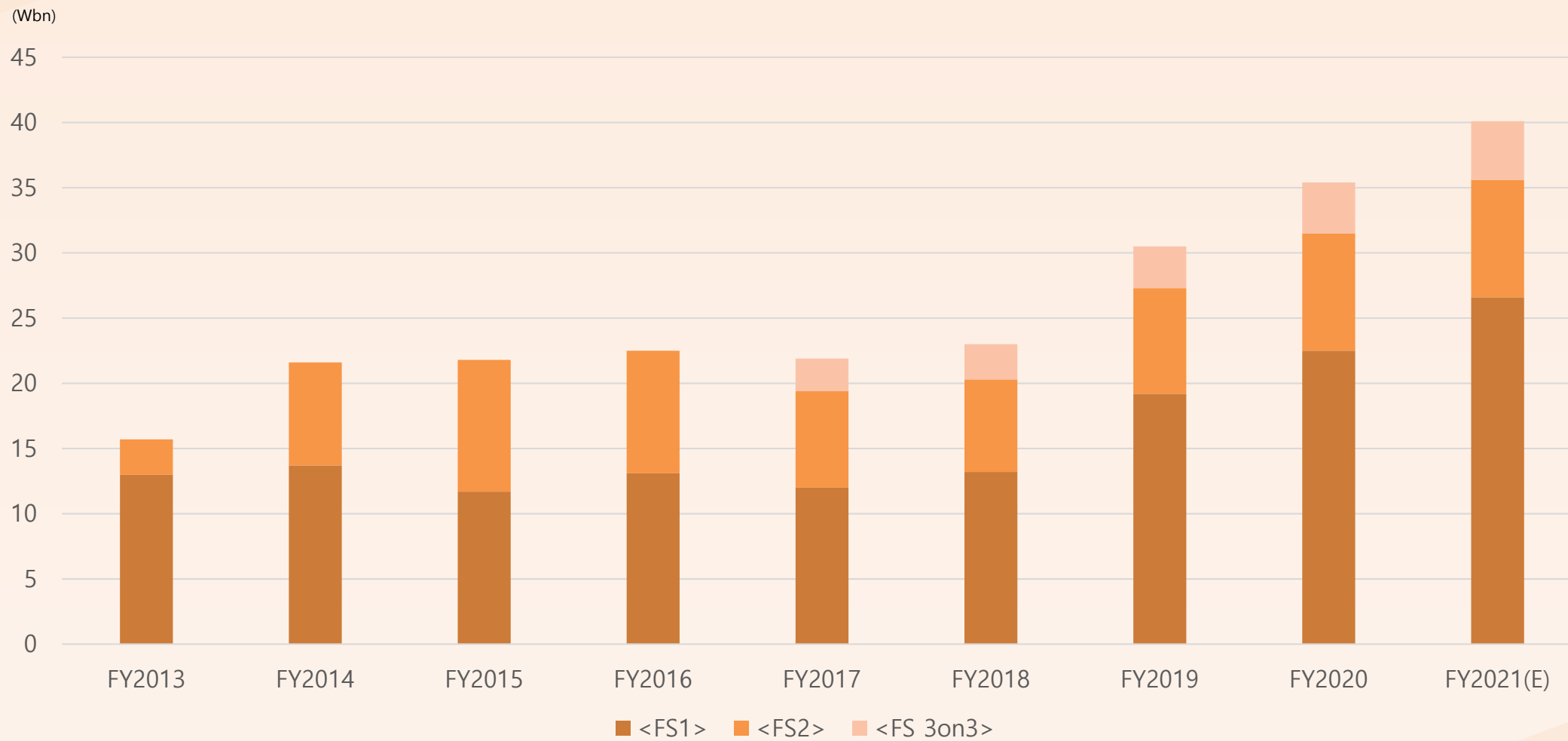


- PC online, multi-play team bball game
- Global service
- 2014 launched in China through Century Tiancheng
- Launched on Steam in 2015



- Console, multi-play team F2P (Free to Play) bball game
- Global service
- 9mn+ total downloads
- PC online version launched on Steam

## Freestyle series sales



# Gunship Battle: Total Warfare

- Genre: Military strategy
- Developer: JOYCITY
- Publisher: JOYCITY
- Market: Global service
- Launched: Dec 2018



- Realistic military strategy game set in the future, top grossing game within JOYCITY
- Play as an admiral in wartime taking control of land, air, sea battles to protect and strengthen territory along with building alliance with other players to battle other alliances
- Wide popularity among military enthusiasts and action, strategy game fans backed by high quality graphics, realistic battle sequences, and dynamic playability through alliances



## Gunship Battle: Total Warfare sales

(Wbn)

80  
70  
60  
50  
40  
30  
20  
10  
0

2018

2019

2020

2021

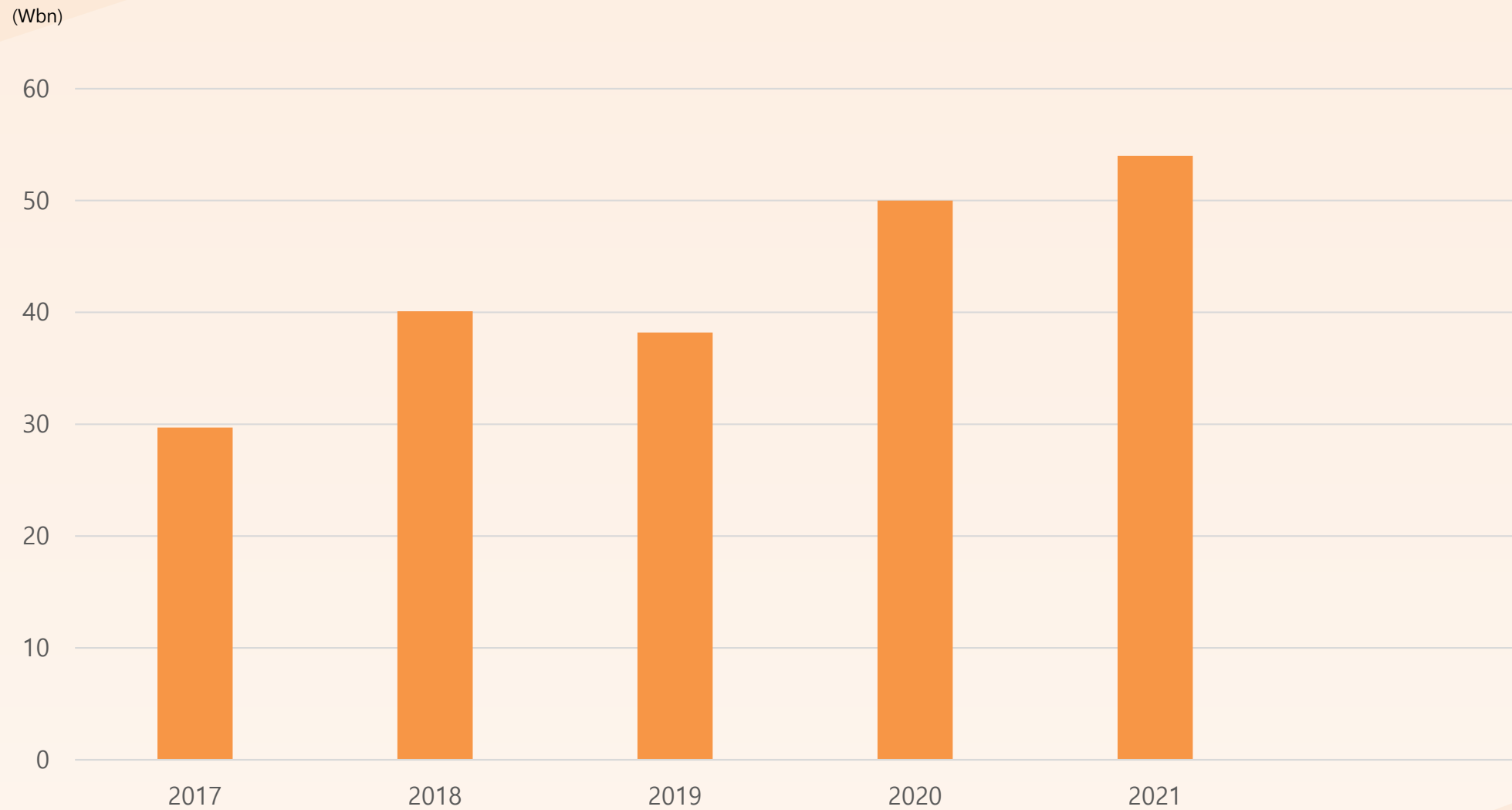
# Pirates of the Caribbean: Tides of War

- Genre: Military strategy
- Developer: NDREAM
- Publisher: JOYCITY
- Market: Global service
- Launched: May 2017



- Pirates of the Caribbean: Tides of War game is a combination of Disney's blockbuster movie series & JOYCITY's previous hit game Uncharted Wars: Oceans & Empires
- Play alongside characters from the movie such as Jack Sparrow to go on adventures and battles through building up alliances with other players globally
- Growing success of Pirates of the Caribbean: Tides of War reinforced and strengthened partnership with Disney for future projects in new game pipeline

## Pirates of the Caribbean: Tides of War sales



# Gunship Battle: Crypto Conflict

- Genre: P2E, Military strategy
- Developer: JOYCITY
- Publisher: JOYCITY
- Market: Global service  
(excl. Korea & China)
- Launch: March 2022



- Kicking off JOYCITY's expansion into P2E, blockchain game market through launch of Gunship Battle: Crypto Conflict, based on JOYCITY's hit Gunship Battle franchise with 100mn+ global downloads, adding another exciting layer to the Gunship Battle franchise as users can play, battle, and now EARN
- JOYCITY's expansion into blockchain games presents vast growth opportunities including eventual expansion into NFTs and smart contracts
- Maintains the fast action, wartime strategy game characteristics including high quality graphics, realistic battle sequences, and dynamic playability through making alliances

# Project M

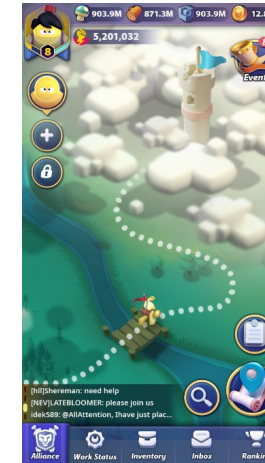
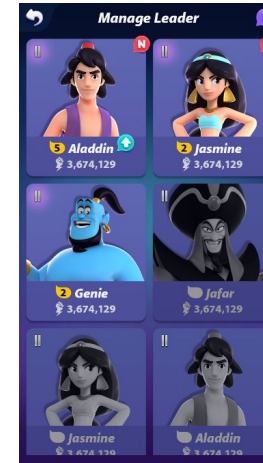
- Genre: Subculture RPG
- Developer: Mojito Games/  
JOYCITY
- Publisher: Bili Bili
- Market: Global service
- Launch: 2022



- Project M is part of the subculture RPG genre with anime's popularity expanding globally beyond Japan
- Project M includes 3D motion capture, high quality graphics along with game play with collection of anime inspired characters in this subculture RPG set in a post apocalyptic world
- Project M's upcoming launch will combine Bili Bili's strengths in anime themed game publishing, cartoons, and video streaming with Mojito Games/JOYCITY's strong development experience in subculture inspired games (Hero Ball Z, Game of Dice, etc.)

# Disney Knights Saga

- Genre: Casual/military strategy
- Developer: Take 5 Studios
- Publisher: JOYCITY
- Market: Global service
- Launch: 2H 2022



- Disney Knights Saga to include characters from both Disney & Pixar after acquiring IPs providing access to over 60+ Disney/Pixar characters including Aladdin, Toy Story, Frozen, etc.
- Disney Knights Saga to widen user base, expanding beyond JOYCITY's current hit military strategy games to lure more casual gamers given Disney/Pixar's softer character traits especially in North America and Asia markets.
- Potential synergies abound particularly if the game updates and other game marketing/promotions coincide with a new Disney/Pixar movie launch

# Financials

## • Balance Sheet (consolidated)

(Wbn)	2021	2020	2019
<b>Current assets</b>	<b>74.4</b>	<b>69.8</b>	<b>39.2</b>
Cash & equivalents	21.9	18.8	10.3
Accounts receivable	25.1	24.0	11.0
Others	27.4	27.0	17.9
<b>Fixed assets</b>	<b>161.8</b>	<b>41.5</b>	<b>25.8</b>
Tangible assets	1.4	1.2	1.0
Intangible assets	2.7	13.8	7.5
Other long-term assets	157.7	26.4	17.3
<b>Total assets</b>	<b>236.2</b>	<b>111.3</b>	<b>64.9</b>
<b>Current liabilities</b>	<b>65.9</b>	<b>26.4</b>	<b>35.0</b>
Accts payable & other liab.	17.5	11.8	9.7
Short-term debt	35.7	5.0	16.0
Contract liability	5.8	3.8	3.5
Other current liabilities	6.9	5.9	5.9
<b>Long-term liabilities</b>	<b>74.5</b>	<b>7.0</b>	<b>4.9</b>
<b>Total liabilities</b>	<b>140.4</b>	<b>33.4</b>	<b>39.9</b>
Capital stock	23.2	7.7	5.9
Capital surplus	58.3	63.7	24.6
Other	15.7	(8.3)	(8.6)
Retained earnings	(1.4)	15.0	3.9
Non-controlling interest eq	0	(0.3)	(0.7)
<b>Total Equity</b>	<b>95.8</b>	<b>77.8</b>	<b>25.0</b>

## • P&L (consolidated)

(Wbn)	4Q21	2021	2020	2019
<b>Sales</b>	<b>47.2</b>	<b>201.0</b>	<b>165.4</b>	<b>103.1</b>
<b>Operating expenses</b>	<b>42.7</b>	<b>179.5</b>	<b>144.9</b>	<b>94.6</b>
<b>Operating profit</b>	<b>4.5</b>	<b>22.0</b>	<b>20.5</b>	<b>8.5</b>
OP margin	9%	11%	12.4%	8.3%
<b>Pre-tax profit</b>	<b>(0.3)</b>	<b>14.2</b>	<b>11.7</b>	<b>0.3</b>
Net Profit	<b>(5.4)</b>	<b>9.1</b>	<b>11.7</b>	<b>(1.9)</b>
NP margin	-11%	5	7.1%	-2%
Controlling interest NP	<b>(5.4)</b>	<b>9.0</b>	<b>11.3</b>	<b>(1.3)</b>
NP margin	-11%	4%	6.8%	-1%

## • Overseas/Korea sales breakdown

