



NCSoft IR PRESENTATION

February 2025



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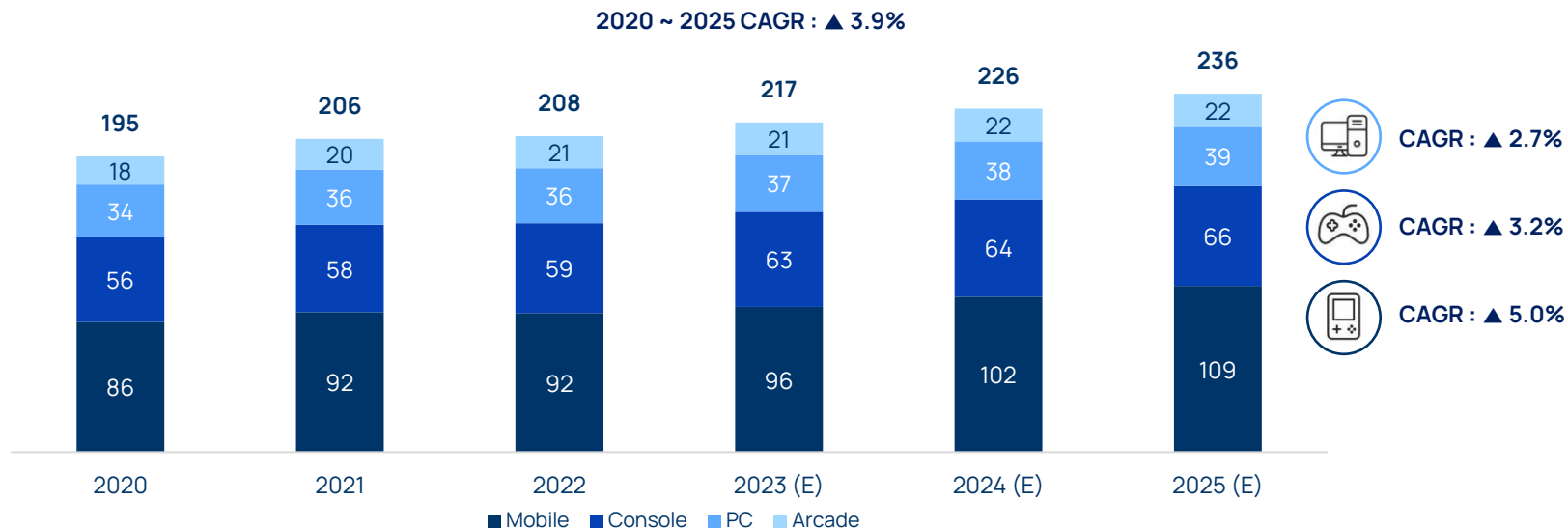
8. Game Pipeline
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1. Industry Overview : Global Games Market Growth

- The global games market is expected to continue growing steadily, reaching a size of USD 236 billion by 2025
- Mobile platform is expected to account for 46% of the global games market by 2025

Global Games Market Size (2020 ~ 2025)

(Unit : USD BN)



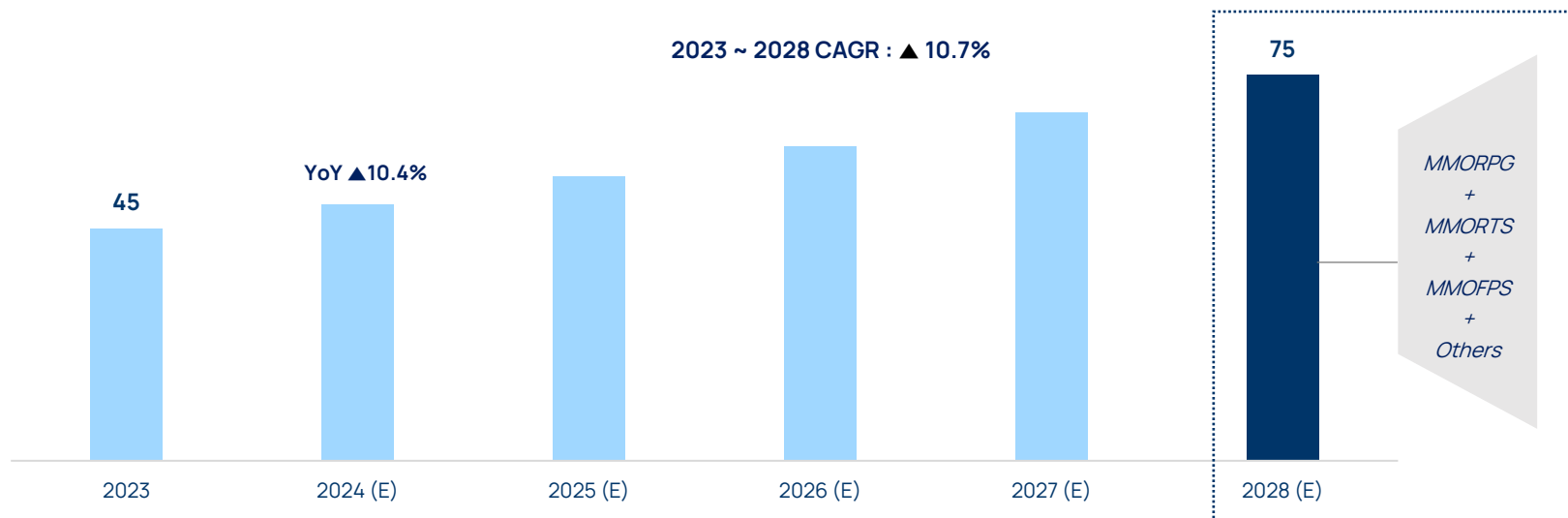
(Source : 2023 White paper on Korean Games)

1. Industry Overview : Global Games Market (MMO Market)

- The global MMO games market is anticipated to be worth USD 75 billion in 2028 with increased demand across all regions
- It is anticipated to grow through various sub-genres, such as MMORPG, MMORTS, and MMOFPS

Global MMO Games Market Outlook

(Unit : USD BN)



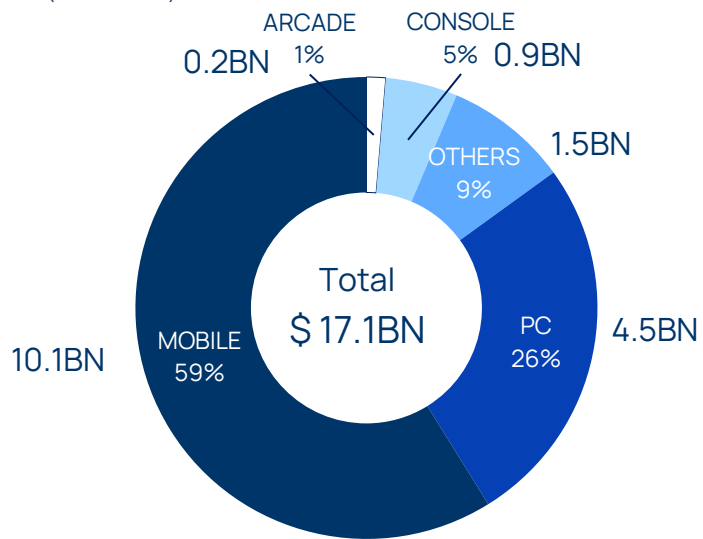
(Source : technavio MMO Games Market Research Report)

1. Industry Overview : South Korea Games Market

- Mobile games remained the largest segment in 2022, accounting for 59% of South Korea's games market
- South Korean mobile games market has experienced over 19% of growth throughout the past 3 years

South Korean Games Market Per Platform (2022)

(Unit : USD BN)

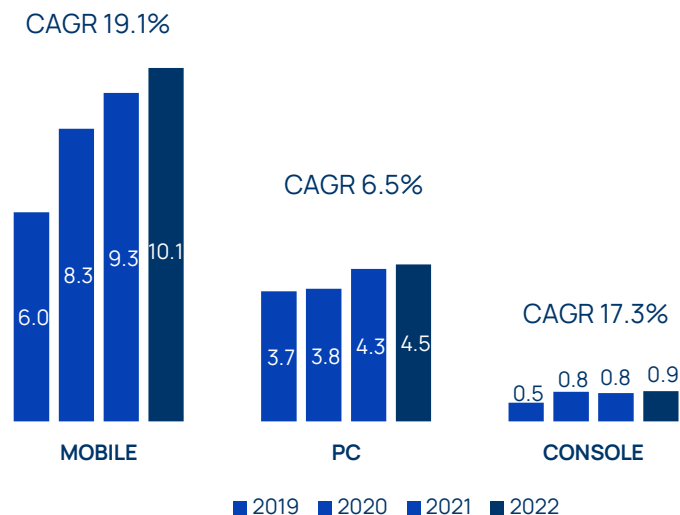


*USD/KRW=1,300

(Source : 2023 White paper on Korean Games)

South Korean Games Market Per Platform (2019 ~ 2022)

(Unit : USD BN)



(Source : 2023 White paper on Korean Games)

1. Industry Overview : Next Growth Opportunity in the Western Market

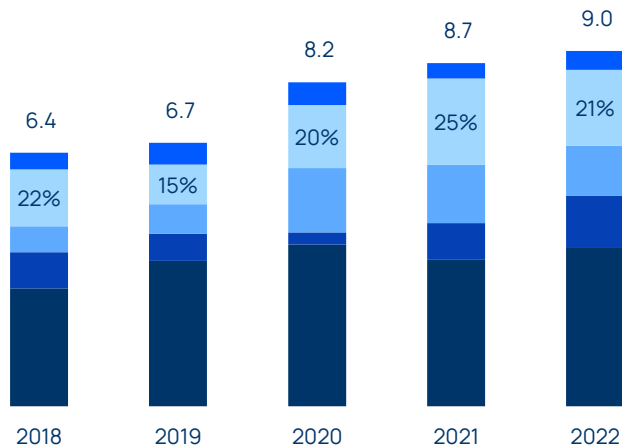
- The value of South Korea's games exports has grown 9% per annum over the past 4 years
- Given the size of the gaming markets in NA and EU, expansion into the western region presents a growth opportunity for South Korean games

South Korean Games Export Value (2018 ~ 2022)

(Unit : USD BN)

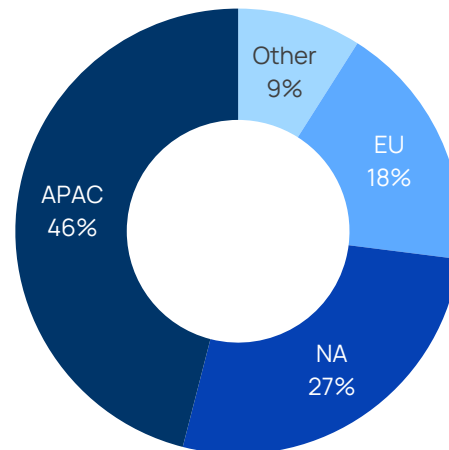
■ Greater China ■ Japan ■ SEA ■ NA/EU ■ Other

2018-2022 CAGR : 8.8%



(Source : 2023 White paper on Korean Games)

Global Gaming Market Share Per Region (2023E)

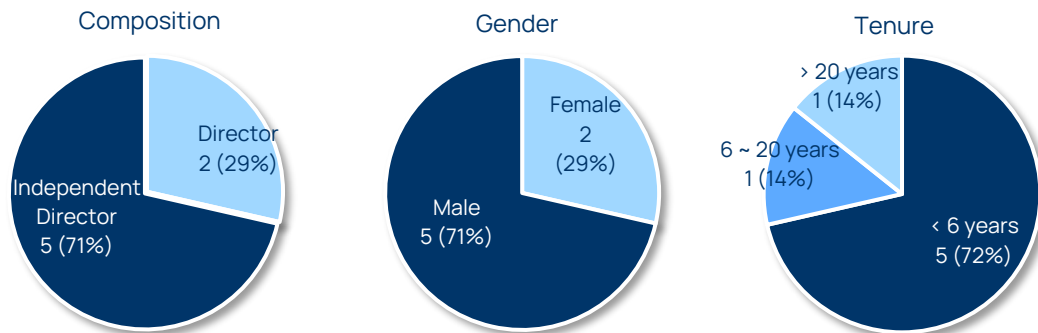


(Source : Newzoo's Global Games Market Report 2023)

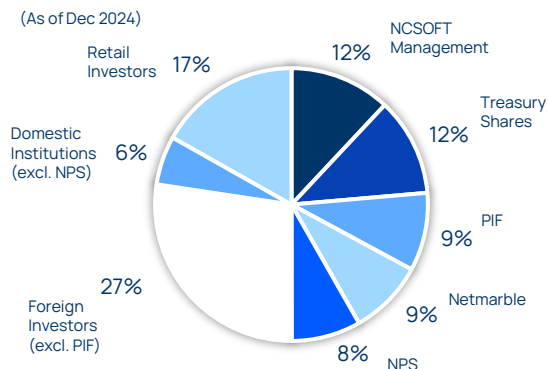
2. Company Overview : Corporate Governance

- NCSOFT's board of directors comprises 7 members, each contributing to the board's independence, diversity, and expertise

Board Composition & Skills Matrix



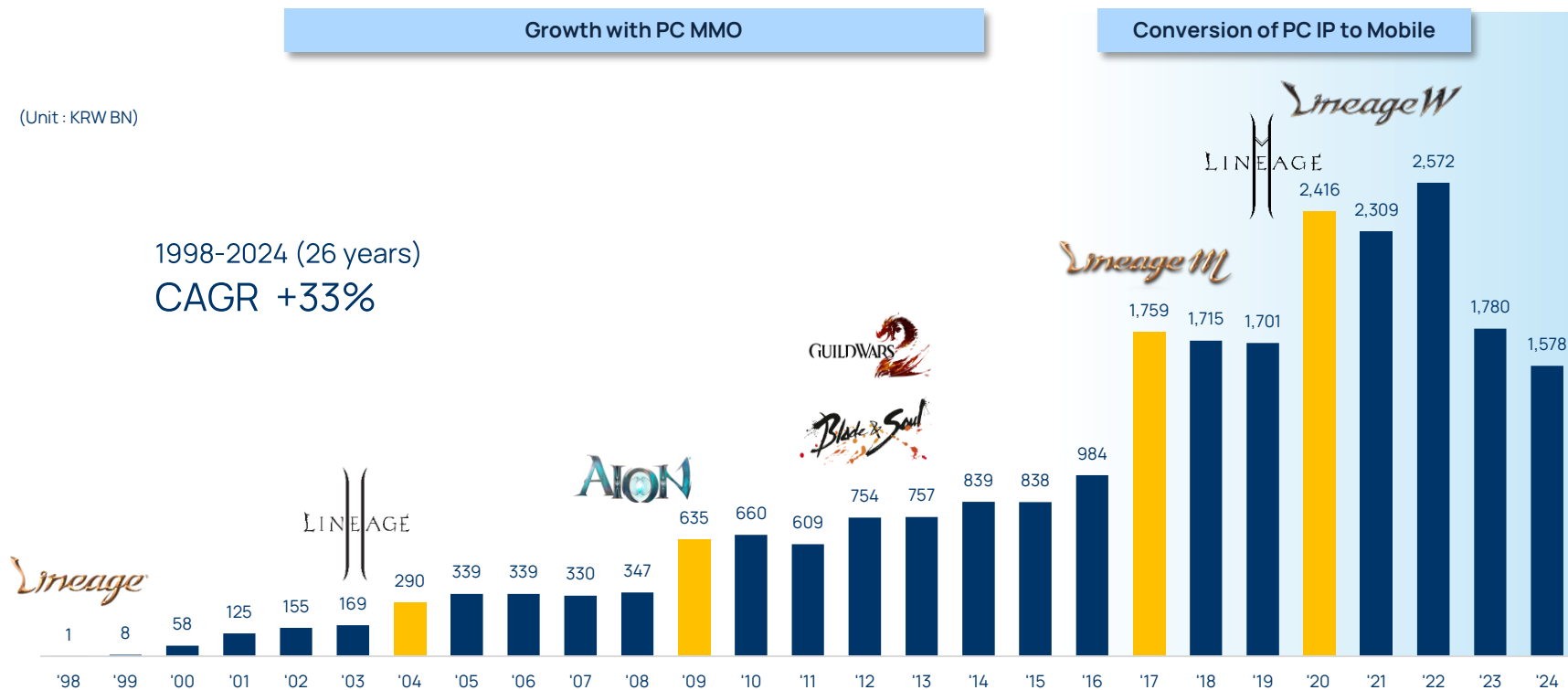
Ownership Structure



Director	Management	Investment	Accounting / Tax	Law / Risk Management	Industrial Technology	HR	ESG
Taek-Jin Kim (Co-CEO, Chair of the Board)	●				●		
Byung-Moo Park (Co-CEO)	●	●		●			
Sang-Hoon Baek	●		●				
Young-Ju Choie (Chair of the Outside Director Nomination Committee)					●		
Kyo-Hwa Chung (Chair of the Audit Committee)				●			
Jae-Chun Choe						●	●
Jae-Ho Lee (Chair of the Compensation Committee)	●		●				

2. Company Overview : Yearly Revenues Trend (1998 ~ 2024)

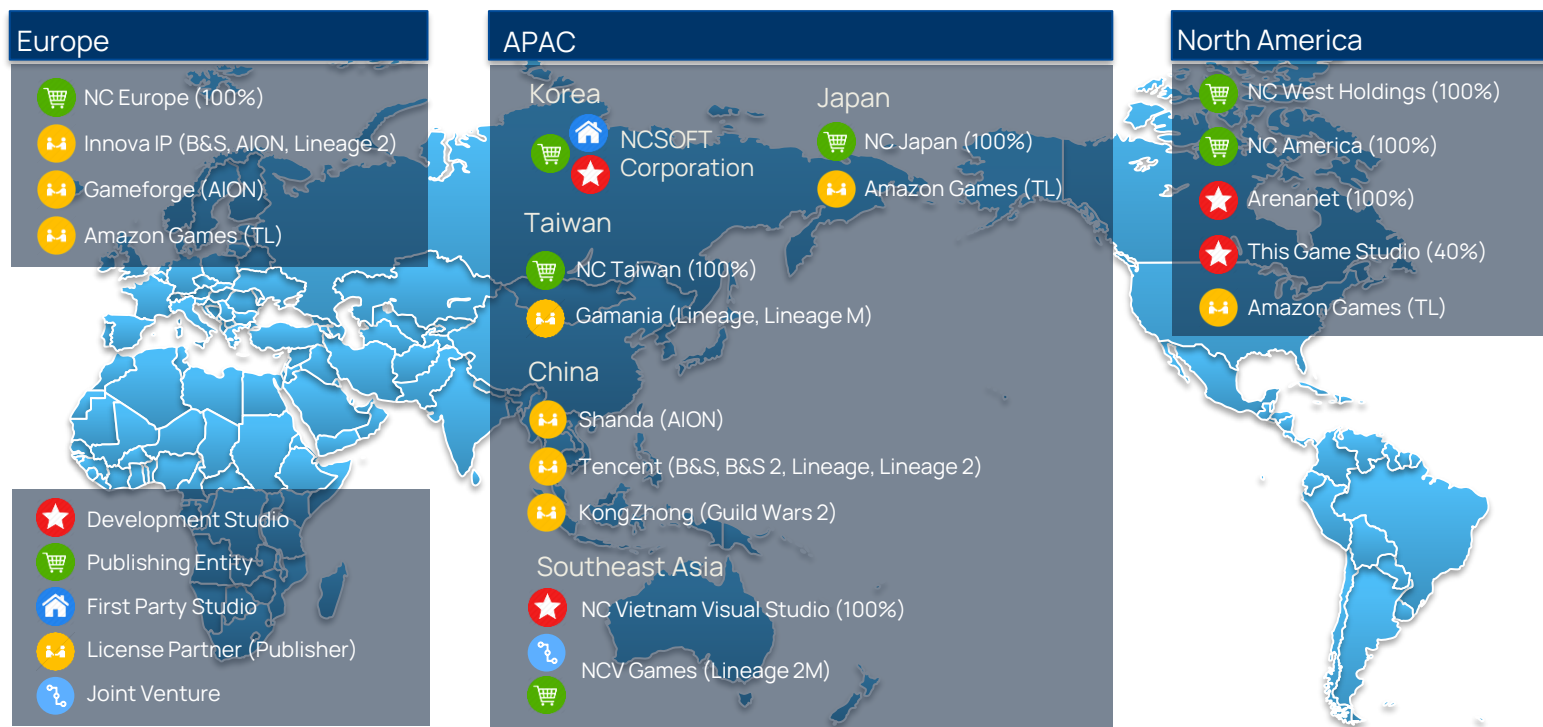
- Since 1998, NCSOFT has built a strong asset base through the launch of high-quality MMORPGs that provide long-lifecycle live services
- Expecting the next phase of growth with the successful launch of new titles and overseas expansion



2. Company Overview : Development & Publishing Network

- Development studios in Korea and North America
- Well-organized publishing arms in major markets such as US, Taiwan, Japan and Europe

Globalized Development & Publishing Network



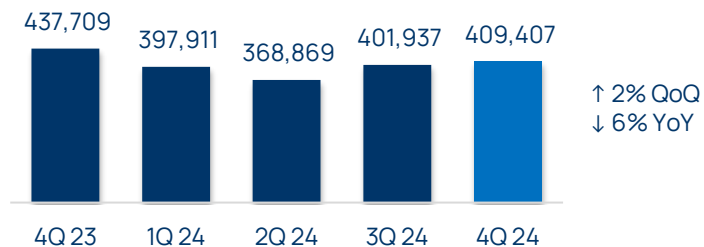
3. Financial Highlights (Quarterly)

- Q4 sales posted KRW 409.4 billion, up 2% QoQ and down 6% YoY
- Q4 operating loss totaled KRW 129.5 billion due to increased key operating expenses

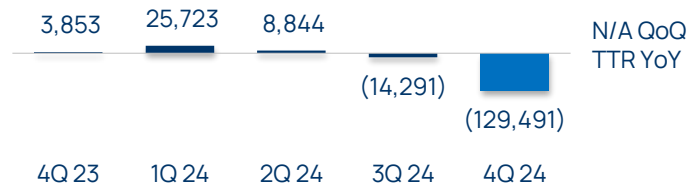
Quarterly Performance

(Unit: KRW MN)

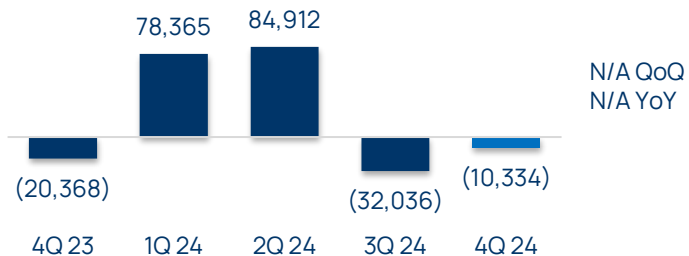
Sales



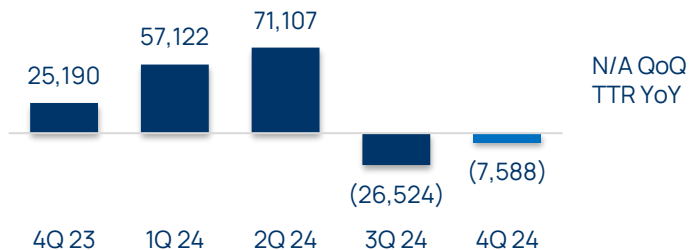
Operating Profit



Pre-tax Income

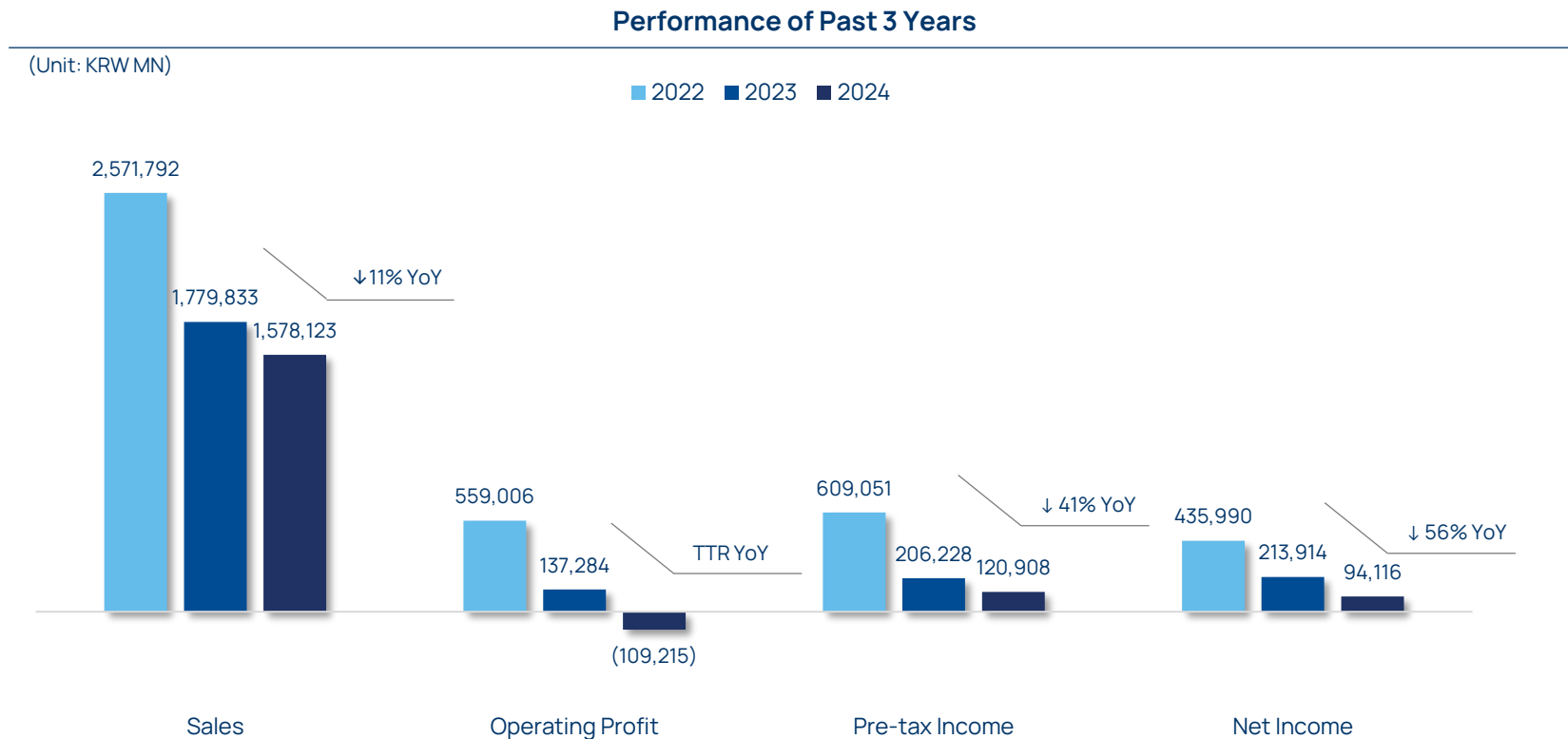


Net Income



3. Financial Highlights (Yearly)

- Full-year 2024 sales recorded KRW 1,578.1 billion (YoY -11%) and operating loss was KRW 109.2 billion (TTR YoY)



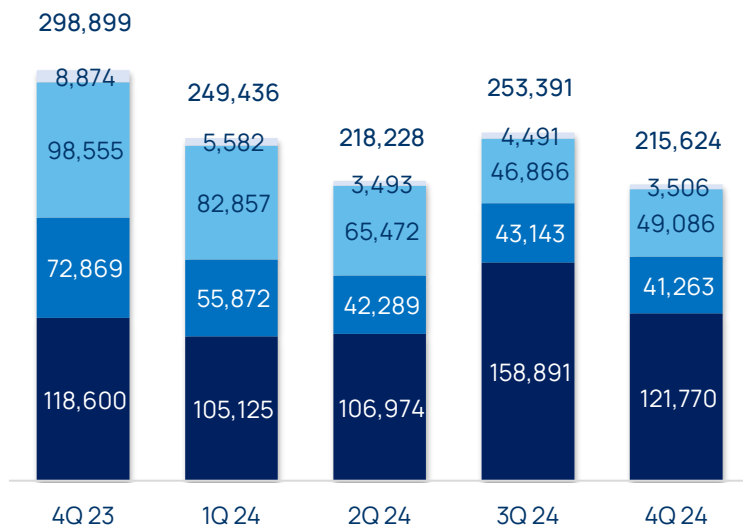
4. Sales Breakdown (Quarterly by Game)

- Q4 mobile game sales declined by 15% QoQ to KRW 215.6 billion, representing 53% of total sales
- Q4 online PC game sales increased 16% QoQ and 6% YoY to KRW 93.4 billion, accounting for 23% of total sales

Mobile Games

(Unit: KRW MN)

■ Lineage M ■ Lineage 2M ■ Lineage W ■ Blade & Soul 2

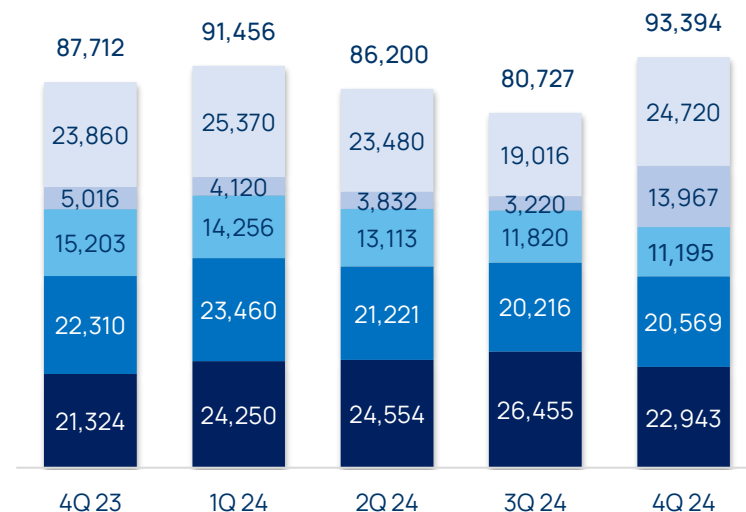


* Not including other mobile games

PC Online Games

(Unit: KRW MN)

■ Lineage ■ Lineage 2 ■ AION ■ Blade & Soul ■ Guild Wars 2



* Not including other PC online games

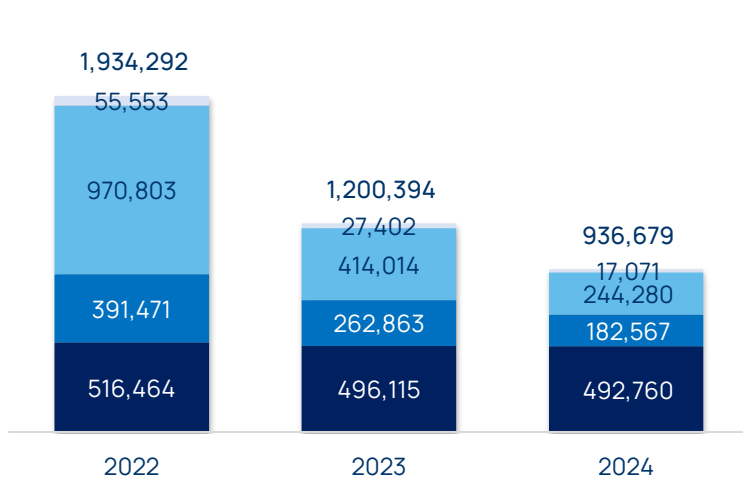
4. Sales Breakdown (Yearly by Game)

- Full-year 2024 mobile game sales declined 22% YoY to KRW 936.7 billion, accounting for 59% of total sales
- Online PC game sales declined 2% YoY to KRW 351.8 billion, representing 22% of total sales

Mobile Games

(Unit: KRW MN)

■ Lineage M ■ Lineage 2M ■ Lineage W ■ Blade & Soul 2

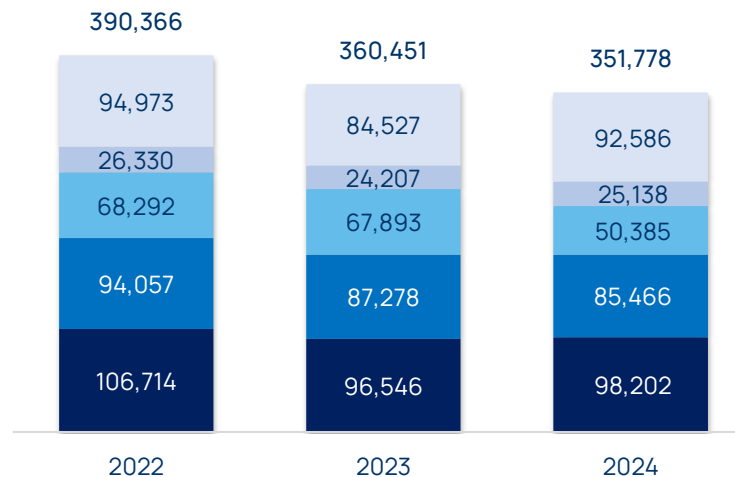


* Not including other mobile games

PC Online Games

(Unit: KRW MN)

■ Lineage ■ Lineage 2 ■ Aion ■ Blade & Soul ■ Guild Wars 2



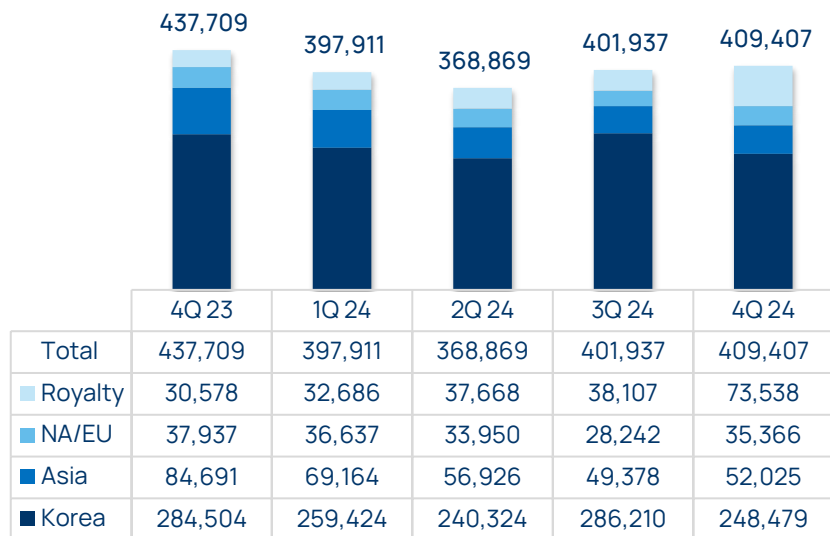
* Not including other PC online games

4. Sales Breakdown (by Region)

- Q4 Korea sales declined by 13% QoQ to KRW 248.5 billion
- Q4 NA/EU sales grew 25% QoQ to KRW 35.4 billion, driven by the successful launch of the GW2 expansion pack
- Q4 royalty sales rose by 93% QoQ and 140% YoY to KRW 73.5 billion as TL's global success was fully captured in 4Q

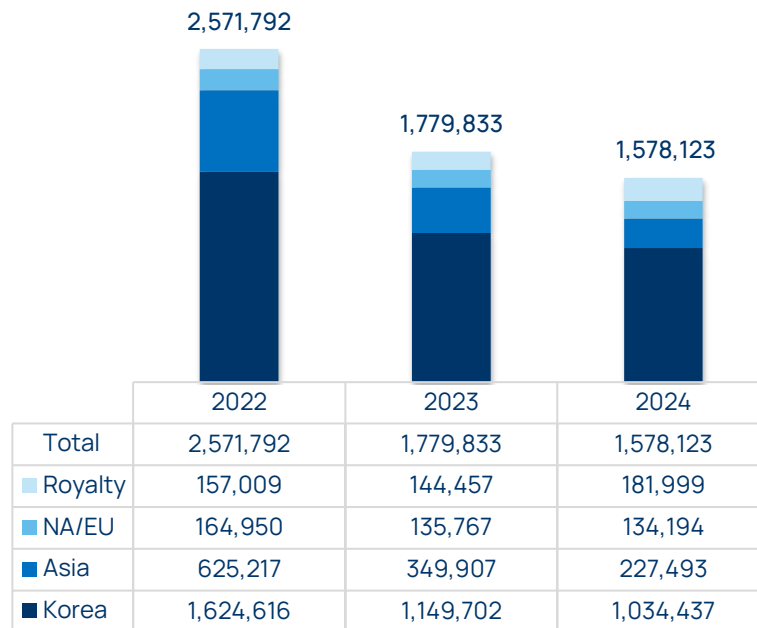
Quarterly

(Unit: KRW MN)



Yearly

(Unit: KRW MN)

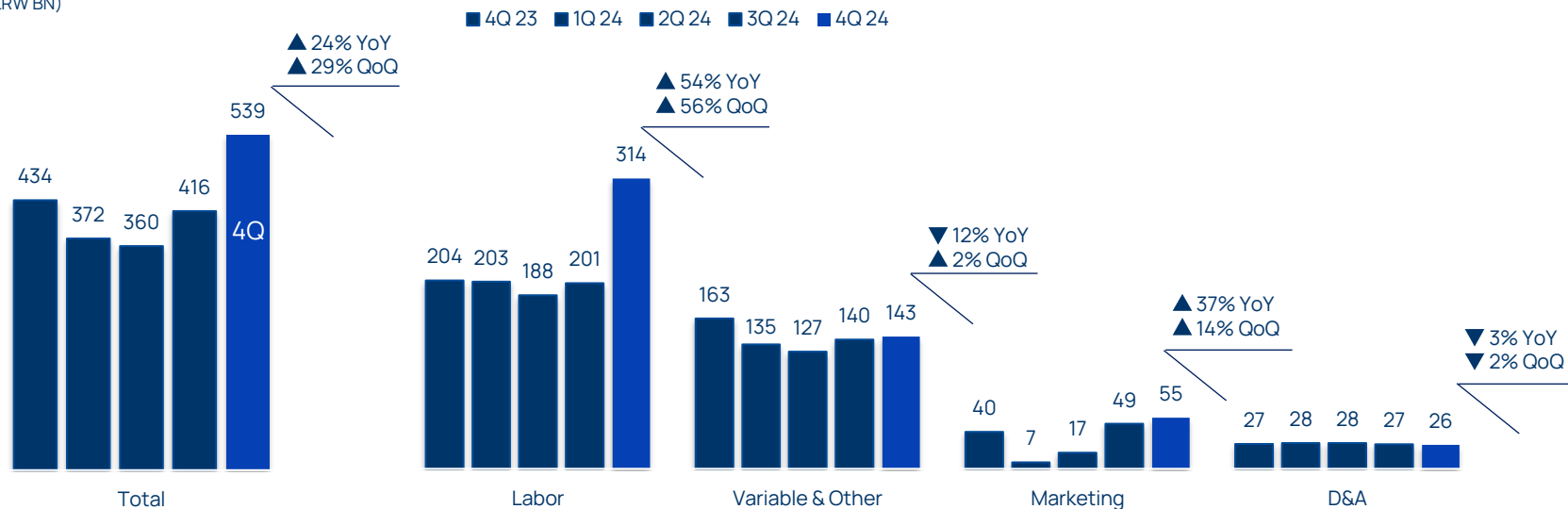


5. Cost Breakdown (Quarterly)

- Q4 total operating expenses recorded KRW 538.9billion, up 29% qoq and 24% yoy
- Q4 labor cost was KRW 314.5 billion, up 56% qoq and 54% yoy, attributable to severance package payments following organizational efficiency
- Q4 marketing expenses increased 14% qoq to KRW 55.2billion, due to new title release

Quarterly Operating Cost Breakdown

(Unit : KRW BN)

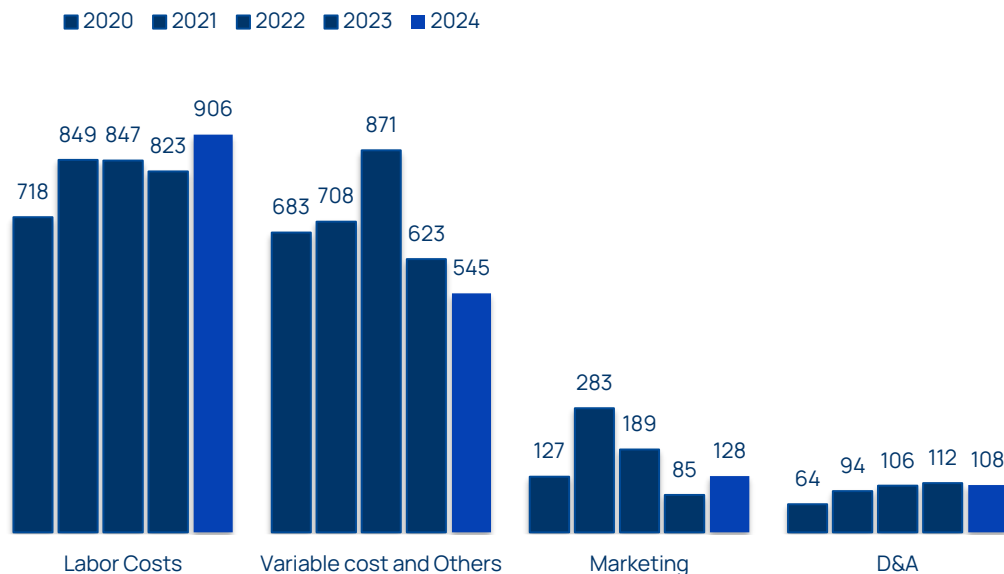


5. Cost Breakdown (Yearly)

- Full-year 2024 operating expenses totaled KRW 1,687.3 billion, up 3% YoY
- Labor costs increased 10% YoY to KRW 906.4 billion primarily on severance package payments following organizational efficiency initiatives.
- Marketing expenses rose by 51% YoY to KRW 128.2 billion, attributed to new title releases

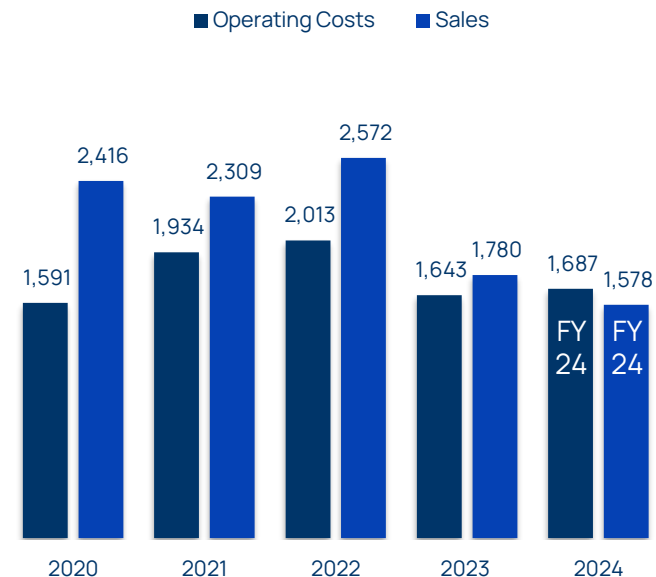
Yearly Operating Cost Breakdown

(Unit : KRW BN)



Yearly Operating Cost Vs Revenues

(Unit : KRW BN)



6. Strength : Multiple Successful IPs

Lineage



- ✓ Launched in 1998 (remastered in 2019)
- ✓ Set the standard for Korean MMORPGs by pioneering RvR content, specifically castle siege wars
- ✓ Expanded into the mobile platform with Lineage M and Lineage W
- ✓ **IP cumulative revenue: KRW 12.5 trillion**

Lineage 2



- ✓ Launched in 2003
- ✓ Full 3D graphics MMORPG with 'seamless open world'
- ✓ Ranked first in PC cafés in Japan
- ✓ Expanded into the mobile platform with Lineage 2M
- ✓ **IP cumulative revenue: KRW 5.0 trillion**

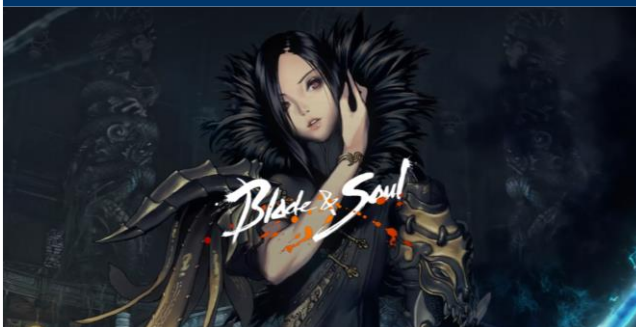
6. Strength : Multiple Successful IPs

AION



- ✓ Launched in 2008
- ✓ The first Korean game to introduce aerial PvP
- ✓ Maintained no.1 ranking in Korean PC cafés for 160 consecutive weeks
- ✓ Won the Best Online Game Award at Gamescom, and the Best MMO Game Award at Pax (2009)
- ✓ **IP cumulative revenue: KRW 1.9 trillion**

Blade & Soul



- ✓ Launched in 2012
- ✓ An action MMORPG featuring oriental martial arts (e.g. wind-walking and water dash) and a distinctive storyline and characters
- ✓ Expanded into the mobile platform with B&S 2
- ✓ **IP cumulative revenue: KRW 1.8 trillion**

Guild Wars 2

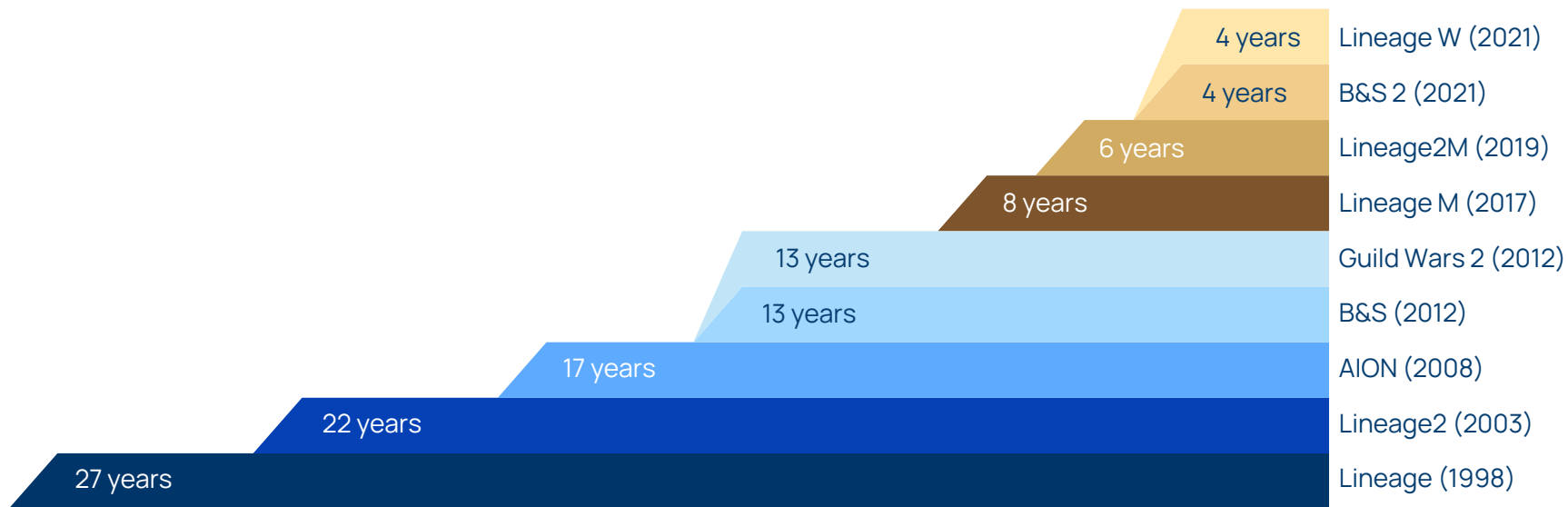


- ✓ Launched in 2012
- ✓ Released 5 expansion packs
- ✓ Offered distinct story-driven content called Living World, with a strategic combat system
- ✓ Has acquired more than 20 million users globally since its launch
- ✓ **IP cumulative revenue: KRW 1.5 trillion**

6. Strength : Expertise in Live Services

- Deliver timely and continuous content updates to extend the lifecycle of live-serviced games
- Diversify the product portfolio by unlocking the value of legacy IP to drive sustainable growth

Extending Lifecycle of Legacy IPs (# of years after its launch, by title)



6. Strength : Our Technology

Massive scale live service



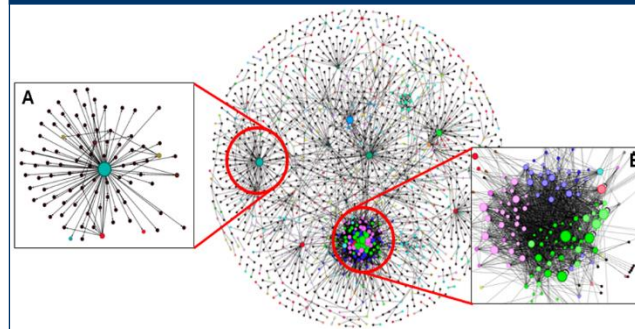
- ✓ NCSOFT strives to ensure top-notch stability and connectivity as a leading developer of MMORPG technology
- ✓ For example, our efforts, including the application of the RIO (registered I/O) API to reduce CPU usage and stabilize connectivity, as well as the Level Segment Graph to significantly decrease load times, contributed to the successful release of Lineage W, achieving 1.9 million concurrent users on the first day

AI-powered development



- ✓ NCSOFT established an AI research department in 2011 and has developed technologies and services tailored for the gaming industry
- ✓ Currently, AI is applied in various areas, including TTS, animation generation, translation, in-game data analysis, chatbots, among others.
- ✓ NC will continue expanding AI adoption to further enhance development efficiency, improve content quality, and strengthen customer service

Data-driven approach



- ✓ A data-driven approach, encompassing data analysis, project management, ROI, and cost management, has been central to NCSOFT's efforts to improve organizational efficiency and optimize costs management
- ✓ With this approach, NCSOFT aim to solidify the user base of our established games, comply with release schedules and meet external expectations with our development pipelines

7. Strategy to Achieve Growth

- NCSOFT aims for continuous sales growth driven by four key pillars: 1) Legacy IP, 2) In-house development of new IP, 3) Strategic investments in external IP, and 4) Inorganic growth through M&A

4 strategic pillars to achieve sales growth



* Note : This graph is for illustrative purposes only

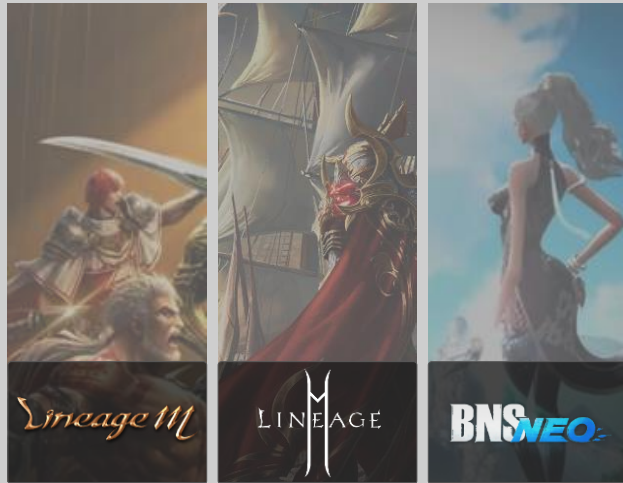
7. Strategy : Unlocking Legacy IP Value

- Strengthening legacy IPs is key to building a solid foundation
- Dedicated to extending the lifecycle of our legacy IPs, expanding their global reach, and diversifying their genres

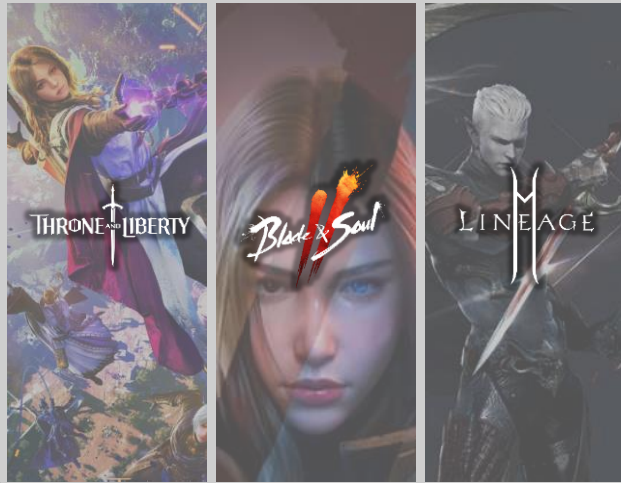
How to unlock and expand legacy IP value



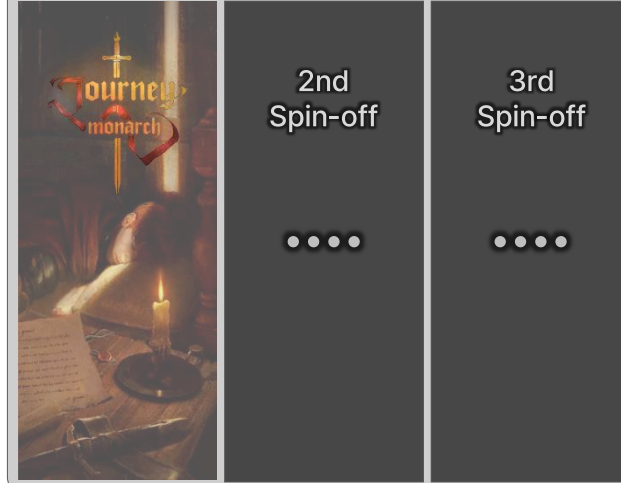
Extending Product Lifecycle



Geographical Expansion



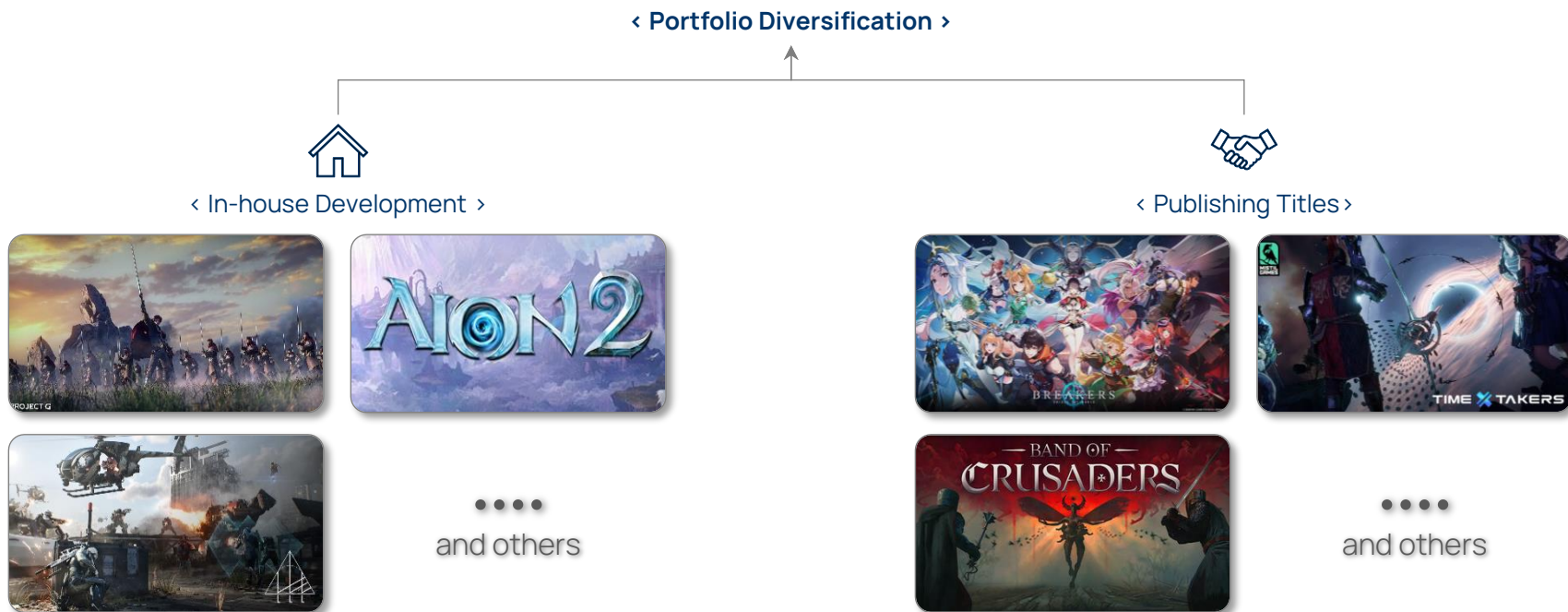
Spin-off Game Development



7. Strategy : Building a Global IP Portfolio

- Striving to continuously diversify our portfolio across IPs, genres, platforms, and regions through:
1) Innovative in-house development, and 2) Promising publishing titles

Inhouse R&D and Securing Publishing titles for Portfolio Diversification



7. Strategy : Collaboration with Partners

- Building strong relationships with global partners is one of the most effective strategies for bringing our products to audiences worldwide
- Investing in external developers through equity stakes and publishing rights will create new business opportunities and accelerate global expansion

Driving Global Expansion with Diverse Partners

Strategic Partnerships



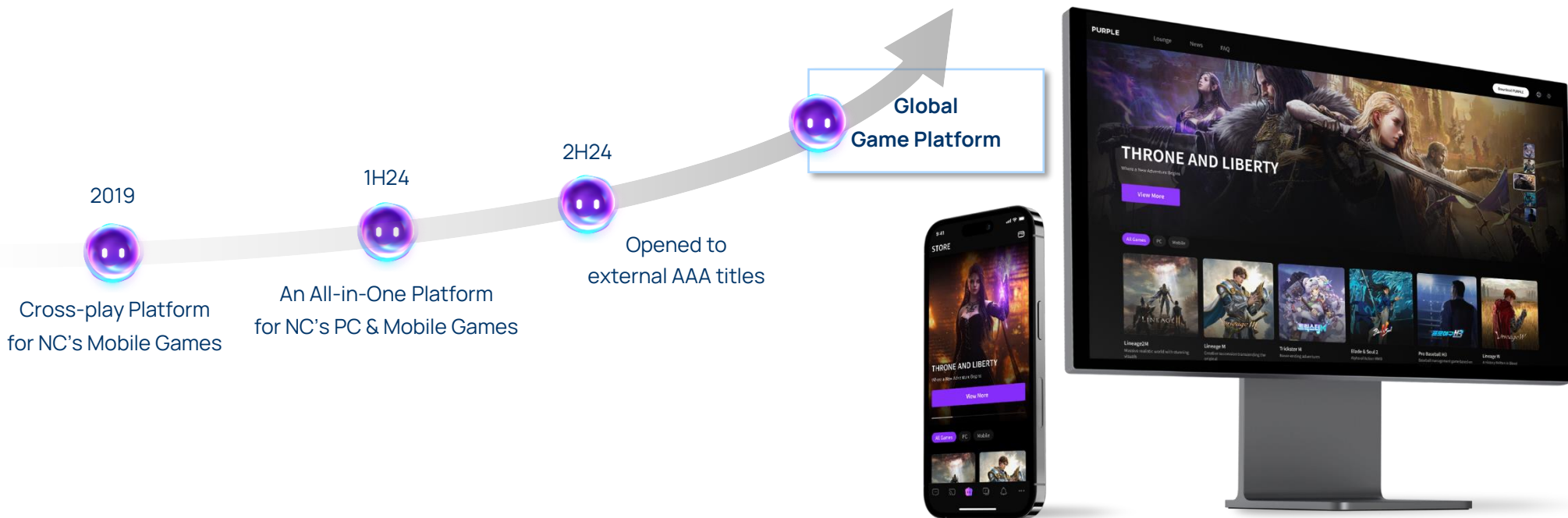
Investment in External Partners



7. Strategy : Pursuing Business Opportunities with PURPLE

- PURPLE aims to become a global cross-play platform supporting both internal and external games

PURPLE, NC's integrated game platform



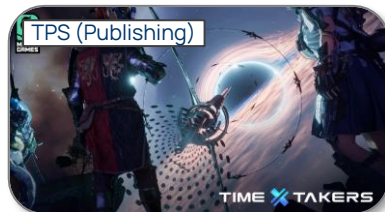
8. Game Pipeline

'24



'25

2nd
legacy-IP based title



'26+

3rd
legacy-IP based title

A global-IP based
MMORPG

A shooter game with
innovative concept

9. Consolidated Financial Statements

Statement of Financial Position

(UNIT : KRW MN)

	FY 2023	FY 2024
Assets		
I. Current Assets	2,336,839	1,788,537
Cash and cash equivalents	365,200	1,260,473
Short-term financial instruments	1,167,467	178,293
Account receivables	132,703	130,279
Other receivables	39,637	36,941
Short-term investment assets	585,401	39,816
Non-current assets held for sale	-	87,425
Others	46,431	55,309
II. Non-current Assets	2,056,962	2,165,404
Long-term Loans	7,347	8,050
Other receivables	21,281	22,131
Long-term investment assets	640,388	813,452
Investment stock in associated companies	24,887	50,198
Investment property	88,900	-
Tangible assets	1,000,513	997,620
Intangible assets	96,109	103,873
Others	177,537	170,079
Total Assets	4,393,800	3,953,941

	FY 2023	FY 2024
Liabilities		
I. Current Liabilities	614,287	322,188
Borrowings	239,954	-
Account payables	78,084	70,549
Lease liabilities	39,958	45,845
Current tax liabilities	1,537	721
Other current liabilities	254,754	193,718
Liabilities held for sale	-	11,354
II. Non-current Liabilities	526,484	568,165
Debentures and borrowings	169,691	169,805
Defined benefit obligations	5,819	1,263
Long-term employee benefits	23,075	21,033
Lease liabilities	192,673	163,806
Others	135,227	212,256
Total Liabilities	1,140,772	890,353
Shareholders Equity		
Capital stock	10,977	10,977
Other paid-in capital	(189,424)	(365,222)
Other components of equity	(44,503)	(61,168)
Retained Earnings	3,472,647	3,473,871
Non-controlling interest	3,332	5,130
Total Stockholders Equity	3,253,029	3,063,589
Total Liabilities and Stockholders Equity	4,393,800	3,953,941

9. Consolidated Financial Statements

Income Statement

(UNIT : KRW MN)

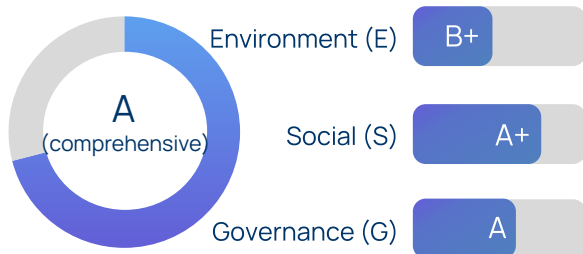
	4Q 23	1Q 24	2Q 24	3Q 24	4Q 24
Sales	437,709	397,911	368,869	401,937	409,407
Operating Expenses	433,856	372,188	360,025	416,228	538,897
Operating Income	3,853	25,723	8,844	(14,291)	(129,491)
Non-operating Income	(24,221)	52,642	76,069	(17,744)	119,156
Pre-tax Income	(20,368)	78,365	84,912	(32,036)	(10,334)
Income Tax	(45,558)	21,244	13,806	(5,512)	(2,746)
Net Income	25,190	57,122	71,107	(26,524)	(7,588)
Equity Attribution to the Owners of the Parent Company	24,953	57,176	70,994	(26,500)	(7,455)
Non-controlling Interest	237	(55)	112	(23)	(134)

FY 2023	FY 2024
1,779,833	1,578,123
1,642,549	1,687,339
137,284	(109,215)
68,945	230,123
206,228	120,908
(7,686)	26,792
213,914	94,116
212,139	94,215
1,775	(100)

10. NCSoft ESG Performances

KCGS ESG Ratings

■ Comprehensive Rating 2020 [B+] → 2024 [A]



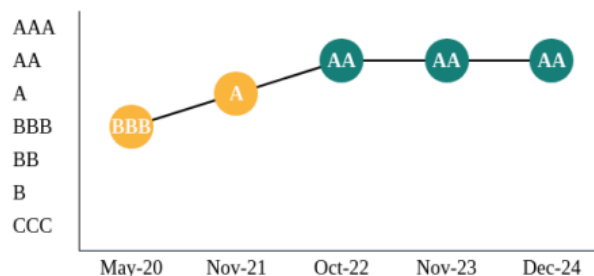
[Ref] ESG Ratings: S, A+, A, B+, B, C, D

■ Improvement Factors

- Environment (D → B+)
 - Very first disclosure of environmental data (GHGs, energy, etc.) among gaming companies
- Social (B+ → A+)
 - Disclosure of HR Data (diversity, education, etc.), Declaration of human rights policy, etc.

MSCI ESG Ratings

■ Comprehensive Rating 2020 [BBB] → 2024 [AA]



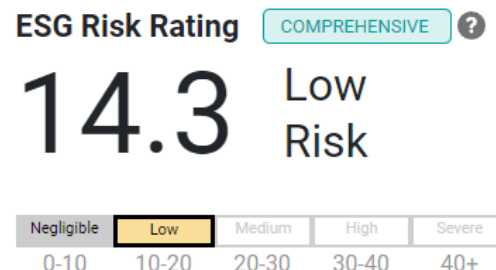
[Ref] ESG Ratings : 7 Ratings range from AAA to CCC

■ Improvement Factors

- Data privacy & Information Security
 - Information security policy of global standard
- Human Resource Development
 - Talent recruitment, gender diverse workforce

Sustainalytics ESG Risk Rating

■ Risk Rating 2021 [16.8] → 2023 [14.3]



[Ref] ESG Ratings : Indicated by risk score between 0 and 50. The lower the score, the lower the company's ESG risk

■ Improvement Factors

- Data privacy & Information security
 - Data privacy governance (education, regular audit, etc.)
- Human Resource Development
 - Disclosure of HR data (diversity, turnover rate, etc.)