

4Q & FY 2024 Earnings Results

February 14th, 2025

Disclaimer

This document contains information and financial data that have not been audited by an independent auditor.

The reason for our earnings release announcement prior to an independent auditor's audit is to communicate our financial results to the market and investors in a timely manner.

Also, the information and projections contained in this document are based on our internal analysis of the market and industry environment. Please note that these estimates are subject to change according to the changes in the management environment and industry conditions.

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1. Earnings Summary

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24	Change		FY2024	Change
						YoY	QoQ		YoY
Operating Revenues	598,312	604,395	599,404	608,367	643,942	7.6%	5.8%	2,456,108	8.2%
Games	111,752	121,869	106,432	112,543	118,984	6.5%	5.7%	459,829	3.0%
Payment & Ad	292,961	288,357	295,752	292,579	306,970	4.8%	4.9%	1,183,658	11.1%
Commerce	73,353	63,736	57,405	60,973	61,212	-16.6%	0.4%	243,326	2.9%
Technology	78,897	95,124	98,013	102,667	118,493	50.2%	15.4%	414,297	12.6%
Contents	49,768	44,994	53,396	50,545	51,770	4.0%	2.4%	200,705	4.5%
Others	13,246	11,989	9,044	10,013	6,920	-47.8%	-30.9%	37,966	-17.1%
Internal Transactions	-21,666	-21,674	-20,639	-20,953	-20,407	-	-	-83,673	-
Operating Expenses	606,070	577,108	570,927	721,756	618,936	2.1%	-14.2%	2,488,728	12.4%
Operating Income	-7,758	27,287	28,477	-113,389	25,005	Turned surplus	Turned surplus	-32,620	Turned deficit
<i>OPM</i>	<i>-1.3%</i>	<i>4.5%</i>	<i>4.8%</i>	<i>-18.6%</i>	<i>3.9%</i>	<i>5.2%p</i>	<i>22.5%p</i>	<i>-1.3%</i>	<i>-3.8%p</i>
Net Income before income tax expenses	-62,134	18,113	21,429	-97,356	-71,757	Deficit widened	Deficit narrowed	-129,571	Turned deficit
Income tax expenses	9,931	22,956	16,798	12,915	2,997	-69.8%	-76.8%	55,666	54.4%
Net Income	-72,065	-4,843	4,630	-110,270	-74,754	Deficit widened	Deficit narrowed	-185,237	Deficit widened
<i>NPM</i>	<i>-12.0%</i>	<i>-0.8%</i>	<i>0.8%</i>	<i>-18.1%</i>	<i>-11.6%</i>	<i>0.4%p</i>	<i>6.5%p</i>	<i>-7.5%</i>	<i>-6.5%p</i>

4Q Revenue KRW 119.0b

YoY +6.3%, QoQ +5.7%

FY2024 Revenue KRW459.8b

YoY +3.0%

• PC Online Games KRW 44.4b

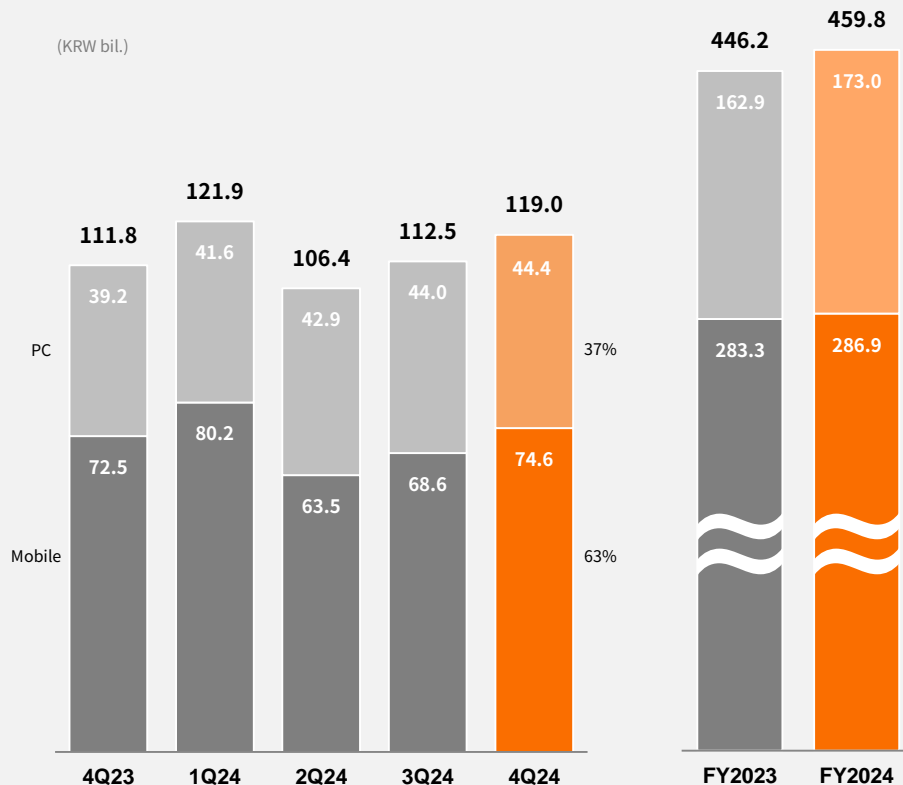
YoY +13.2%, QoQ +1.1%

- Mobile app synced with PC server 'Hangame Poker Classic' Q4 revenue +45% YoY effect of '5th anniversary event' and newly opened 'guild war' content
- Hangame PC Poker's 25th anniversary event to be held in 2025

• Mobile Games KRW 74.6b

YoY +2.8%, QoQ +8.7%

- #Compass, Recorded the largest quarterly revenue in history thanks to the 8th anniversary offline event and collaboration with 'HUNTERxHUNTER'
- '2024 Bithumb x Double A Poker Championship' held in November



4Q Revenue KRW 307.0b

YoY +4.8%, QoQ +4.9%

FY2024 Revenue KRW 1,183.7b

YoY +11.1%

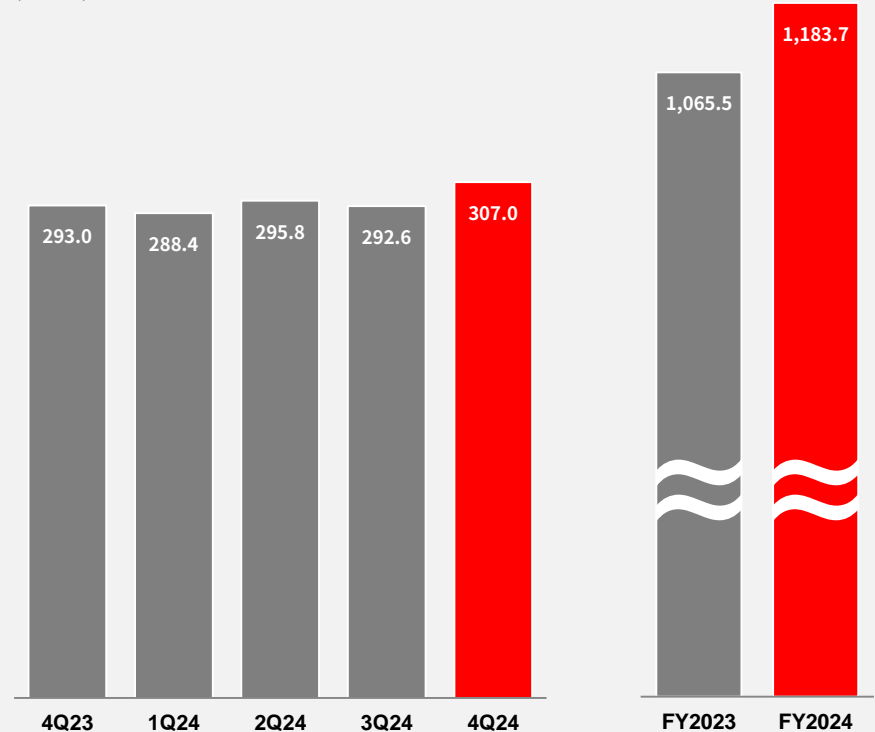
• NHN PAYCO

- Continued business streamlining, Improved FY2024 operating loss by KRW 6 billion YoY, excluding one-off operating expenses
- B2B corporate welfare solution, FY2024 yearly transaction volume +31% YoY, 4Q transaction volume +44% YoY

• NHN KCP

- Global transaction volume QoQ +9%
- Consolidation of 'Korea Credit-card Electronic-settlement Service(KOCES)' in November (Stake percentage of 85.5%)

(KRW bil.)



4Q Revenue KRW 61.2b

YoY -16.5%, QoQ +0.4%

FY2024 Revenue KRW 243.3b

YoY +2.9%

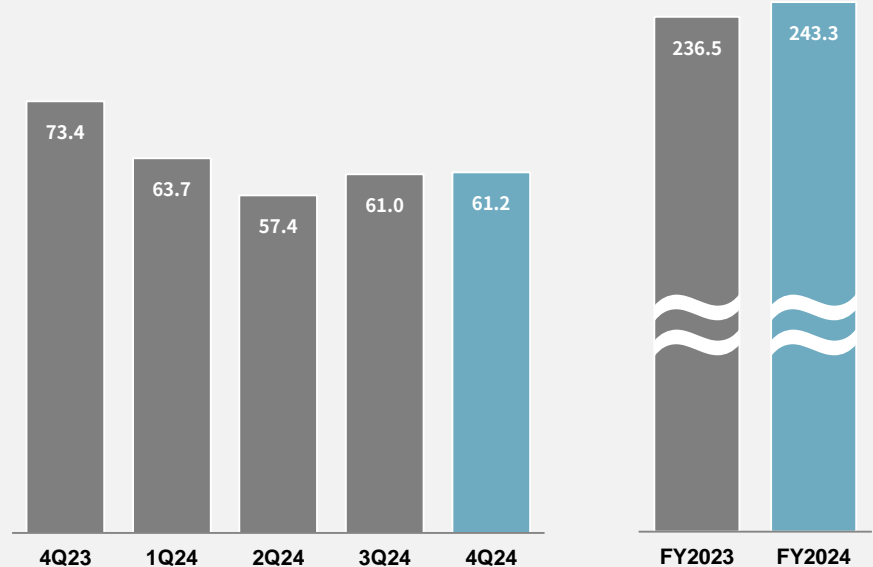
• NHN Commerce / IBT

- IBT, +30% QoQ thanks to the high performance of cosmetic brands 'BBIA' & 'W. Lab'
- Liquidation of poor business such as KOR-CN purchasing agent service platform, B2B services

• NHN Global

- While the consumer confidence remains low, NHN Global added new features such as free shipping to resist revenue from falling

(KRW bil.)



4Q Revenue KRW **118.5b**

YoY +50.2% , QoQ +15.4%

FY2024 Revenue KRW **414.3b**

YoY +12.6%

• **NHN Cloud**

- No. 1 in native-cloud conversion business in public sector as of 2024 (Selected as a CSP for 10 organizations including the 'Ministry of the Interior and Safety' and 'Korea National Geospatial-Intelligence Agency')
- Strengthened government-oriented AI business as the operator of 'Gwangju National AI Data Center'

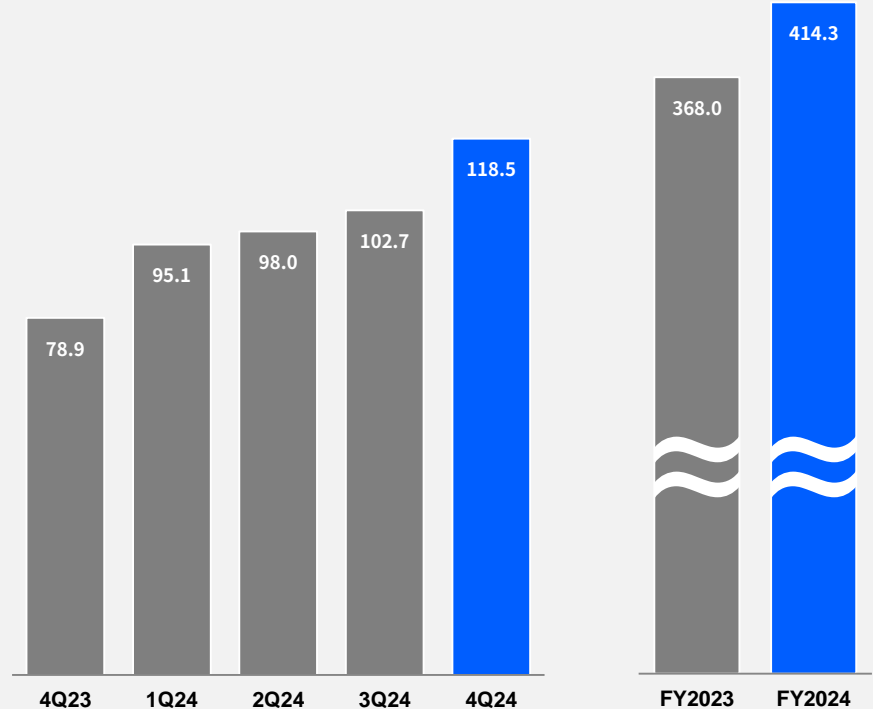
• **NHN Dooray**

- Designated as an 'innovative financial service' by the Financial Services Commission in December, and plans to introduce internal networks for four financial institutions including 'Woori Financial Holdings'
- Launched service for the 'Ministry of Defense' in November

• **NHN Techorus**

- Continuous robust growth thanks to solid inflow of new AWS resale customers

(KRW bil.)



4Q Revenue KRW 51.8b

YoY +4.3%, QoQ +2.4%

FY2024 Revenue KRW 200.7b

YoY +4.5%

- NHN Comico, expanded distribution of original works to external platforms
- NHN Link, revenue grew +35% YoY thanks to growth in performance ticket sales

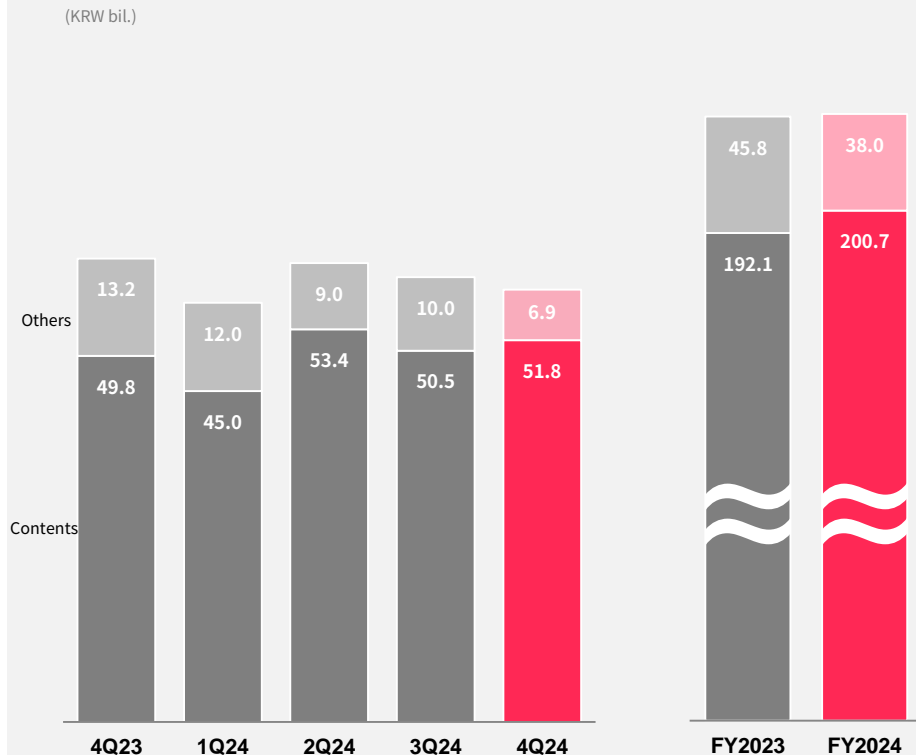
Q4 Revenue KRW 6.9b

YoY -47.8%, QoQ -30.9%

FY2024 Revenue KRW 38.0b

YoY -17.1%

- NHN Dr. Tour, deconsolidation of 'Tournet Hawaii' as of Sept. 1st



3. Operating Expenses

4Q Operating Expense KRW 618.9b : YoY +2.1%, QoQ -14.2%

- Commission QoQ +8.4% : Increase in sales-related commissions due to increase in sales in NHN KCP and NHN Link

Increase in commission due to consolidation of 'Korea Credit-card Electronic-settlement Service(KOCES)'

Increased cost of goods sold due to inventory valuation of IKONIC

- Labor QoQ -0.6% : decreased despite the increased headcount from 'Korea Credit-card Electronic-settlement Service(KOCES)' due to KCP's Q3 bonus and partial restructuring

- Marketing QoQ -0.5% : NHN Comico, efficient management in marketing expenses

- Others QoQ -87.1% : reversal base effect of Q3 KRW 140.7 billion of bad debt expenses related to TMON/ WeMakePrice

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24	Change		FY2024	Change
						YoY	QoQ		YoY
Operating Expenses	606,070	577,108	570,927	721,756	618,936	2.1%	-14.2%	2,488,728	12.4%
Commission	414,660	394,111	400,422	409,012	443,510	7.0%	8.4%	1,647,056	10.5%
Labor	112,764	113,577	111,257	107,278	106,612	-5.5%	-0.6%	438,723	-4.4%
Marketing	19,071	17,024	14,653	17,735	17,652	-7.4%	-0.5%	67,064	-14.4%
Depreciation	31,742	24,597	25,408	27,194	27,266	-14.1%	0.3%	104,466	11.3%
Communication	-3,314	3,769	3,672	3,718	3,590	-	-3.4%	14,750	-5.8%
Others	31,146	24,031	15,515	156,818	20,305	-34.8%	-87.1%	216,669	182.8%

4. Incomes

4Q Operating Profit KRW 25.0b : YoY, QoQ Turned surplus

4Q Net Loss KRW 74.8b : YoY Deficit widened, QoQ deficit narrowed

- Goodwill impairment loss of approximately KRW 62 billion

- Impairment loss on 'IKONIC' intangible assets, loss on disposal of 'NHN Global' intangible assets related to the business restructuring

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24	Change		FY2024	Change
						YoY	QoQ		YoY
Operating Income	-7,758	27,287	28,477	-113,389	25,005	Turned surplus	Turned surplus	-32,620	Turned deficit
<i>Operating Profit Margin</i>	<i>-1.3%</i>	4.5%	4.8%	<i>-18.6%</i>	3.9%	5.2%p	22.5%p	<i>-1.3%</i>	<i>-3.8%p</i>
Non-Operating Profit	-54,376	-9,174	-7,048	16,033	-96,763	Deficit widened	Turned deficit	-96,952	Deficit widened
Financial Income	42,068	12,784	10,737	17,628	50,445	19.9%	186.2%	91,593	12.9%
Non-Operating Income	5,236	4,946	5,640	1,521	7,670	46.5%	404.2%	19,777	16.7%
Equity Method Income	391	639	1,092	497	447	14.2%	-10.2%	2,674	-83.2%
Financial Expense	45,660	8,742	9,850	9,114	40,507	-11.3%	344.5%	68,212	-12.3%
Non-Operating Expense	58,741	9,971	12,583	-8,104	114,305	94.6%	-	128,756	90.3%
Equity Method Loss	-2,330	8,829	2,083	2,604	512	-	-80.3%	14,029	25.7%
Net Income before income tax expense	-62,134	18,113	21,429	-97,356	-71,757	Deficit widened	Deficit narrowed	-129,571	Turned deficit
Income tax	9,931	22,956	16,798	12,915	2,997	-69.8%	-76.8%	55,666	54.4%
Net Income	-72,065	-4,843	4,630	-110,270	-74,754	Deficit widened	Deficit narrowed	-185,237	Deficit widened
<i>Net Profit Margin</i>	<i>-12.0%</i>	<i>-0.8%</i>	0.8%	<i>-18.1%</i>	<i>-11.6%</i>	0.4%p	6.5%p	<i>-7.5%</i>	<i>-6.5%p</i>

APPENDIX

1. Employees

As of the end of 2024 on a consolidated basis : 4,686, QoQ +29, YoY -261

parent basis : 850, QoQ +27, YoY +4

	3Q24	4Q24	QoQ	YoY		3Q24	4Q24	QoQ	YoY				
Korea	NHN	823	850	27	4	Japan	NHN Playart	249	255	6	17		
	NHN KCP	386	389	3	12		USA	NHN Comico & etc.	176	174	-2	-12	
	NHN Cloud	371	370	-1	-112			NHN Techorus	156	156	-	3	
	NHN Commerce	224	229	5	29			NHN JAPAN	63	64	1	7	
	NHN AD	200	207	7	17			Others	27	28	1	4	
	NHN PAYCO	208	192	-16	-31			NHN Global & etc.	172	162	-10	-31	
	NHN Doctor Tour ¹⁾	126	153	27	37			China, Europe, and others	IBT & etc.	170	158	-12	-118
	NHN Enterprise	131	127	-4	-8				NHN ST	68	63	-5	-23
	NHN Edu	121	119	-2	-5				New Deep LIMITED	0	0	-	-7
	NHN Bugs	109	108	-1	-13				Total	4,657	4,686	29	-261
	NHN Injae INC	107	107	-	8								
	NHN Dooray	104	105	1	5								
	NHN Link	62	63	1	4								
	KOCES ²⁾	-	55	55	55								
	NHN Doctor Tour Plus	23	-	-23	-19								
Others ³⁾	581	552	-29	-84									

1) Increase in headcount due to the M&A of subsidiary 'Doctor Tour Plus,' 2) Consolidation in Q4

3) Includes 75 reduced headcounts in 2024 from 11:11, NHNCrossent, Platform & Co. and TOURNET Hawaii.Inc.

2. Game Pipelines

2025 (6 Titles)



Darkest Days

Zombie Apocalypse

Publisher & Developer, NHN



ABYSSDIA (Former, Stellar Fantasy)

Collectible RPG

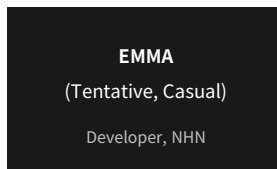
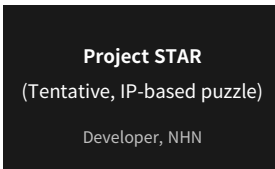
Publisher, NHN



Pebble City

Social Casino

Developer, NHN



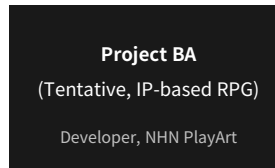
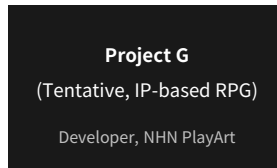
2026 (3+ Titles)



Touken Puzzle (Tentative, 'Touken Ranbu' IP)

Action Puzzle

Developer, NHN PlayArt



3-1. Financial Statement (Consolidated)

Income Statement

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24
Sales	93,754	93,811	94,330	91,621	94,631
Game	81,546	81,090	80,734	80,795	84,183
Others	12,209	12,721	13,596	10,826	10,448
Operating Expenses	71,612	68,965	68,683	67,772	68,550
Commission	33,388	31,726	31,239	30,357	31,320
Labor	24,545	24,366	25,864	23,032	22,622
Marketing	8,186	7,911	5,816	8,860	9,432
Depreciation	2,489	2,601	2,525	2,634	2,718
Others	3,004	2,361	3,240	2,889	2,457
Operating Income	22,143	24,846	25,647	23,849	26,081
<i>OPM</i>	<i>23.6%</i>	<i>26.5%</i>	<i>27.2%</i>	<i>26.0%</i>	<i>27.6%</i>
Financial Income	17,629	34,151	23,863	2,804	6,319
Other Income	57	373	353	877	513
Financial Expense	55,224	1,052	4,018	-4,039	114,485
Other Expense	13,572	595	355	171	269
Pre-tax Income	-28,968	57,723	45,490	31,398	-81,840
Income Tax	17,269	12,896	7,559	6,194	4,273
Net Income	-46,237	44,827	37,931	25,204	-86,113
<i>NPM</i>	<i>-49.3%</i>	<i>47.8%</i>	<i>40.2%</i>	<i>27.5%</i>	<i>-91.0%</i>

Balance Sheet

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24
Current Assets	225,950	203,560	204,994	212,220	141,599
Cash and Cash Equivalent	170,551	141,452	149,368	127,265	85,335
Accounts Receivables	50,967	55,411	52,101	83,151	53,170
Others	4,432	6,698	3,524	1,804	3,093
Non-current Assets	1,732,731	1,743,231	1,753,292	1,745,115	1,721,459
Tangible Assets	134,119	135,061	134,621	132,085	131,924
Intangible Assets	14,693	14,578	15,665	16,938	16,744
Investment Assets	1,467,770	1,468,634	1,477,838	1,471,979	1,388,183
Others	116,149	124,958	125,168	124,113	184,609
Total Assets	1,958,680	1,946,791	1,958,286	1,957,335	1,863,058
Current Liabilities	108,954	101,766	66,582	64,194	90,228
Accounts Payables	32,765	28,203	29,690	31,135	35,293
Accrued Income Taxes	29,803	34,919	16,628	11,701	14,396
Others	46,386	38,644	20,264	21,357	40,540
Non-current Liabilities	138,958	139,308	145,024	140,334	124,441
Long-term Accounts Payables	2,733	2,733	2,733	2,733	8,465
Allowance for Severance Pay	35,380	36,327	37,472	37,731	39,292
Others	100,845	100,249	104,819	99,871	76,685
Total Liabilities	247,911	241,074	211,606	204,528	214,670
Shareholders' Equity	1,710,769	1,705,717	1,746,680	1,752,807	1,648,388
Paid-in Capital	18,759	18,759	18,759	18,759	18,759
Capital Surplus	1,264,694	1,264,694	1,264,694	1,264,694	1,264,694
Capital Adjustment	-134,385	-105,874	-105,837	-115,840	-126,843
Other Comprehensive Income	12,054	403	3,397	-5,677	-12,080
Retained Earnings	549,647	527,735	565,667	590,871	503,858
Total Equity	1,710,769	1,705,717	1,746,680	1,752,807	1,648,388

3-2. Financial Statement (Consolidated)

Income Statement

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24
Sales	598,312	604,395	599,404	608,367	643,942
Game	111,752	121,869	106,432	112,543	118,984
Payment & Ads	292,961	288,357	295,752	292,579	306,970
Commerce	73,353	63,736	57,405	60,973	61,212
Technology	78,897	95,124	98,013	102,667	118,493
Contents	49,768	44,994	53,396	50,545	51,770
Others	13,246	11,989	9,044	10,013	6,920
Internal transactions	-21,666	-21,674	-20,639	-20,953	-20,407
Operating Expenses	606,070	577,108	570,927	721,756	618,936
Commission	414,660	394,111	400,422	409,012	443,510
Labor	112,764	113,577	111,257	107,278	106,612
Marketing	19,071	17,024	14,653	17,735	17,652
Depreciation	31,742	24,597	25,408	27,194	27,266
Communications	-3,314	3,769	3,672	3,718	3,590
Others	31,146	24,031	15,515	156,818	20,305
Operating Income	-7,758	27,287	28,477	-113,389	25,005
<i>OPM</i>	<i>-1.3%</i>	<i>4.5%</i>	<i>4.8%</i>	<i>-18.6%</i>	<i>3.9%</i>
Financial Income	42,068	12,784	10,737	17,628	50,445
Equity Method Income	391	639	1,092	497	447
Other Income	5,236	4,946	5,640	1,521	7,670
Financial Expense	45,660	8,742	9,850	9,114	40,507
Equity Method Loss	-2,330	8,829	2,083	2,604	512
Other Expense	58,741	9,971	12,583	-8,104	114,305
Net Income before income tax expense	-62,134	18,113	21,429	-97,356	-71,757
Income Tax	9,931	22,956	16,798	12,915	2,997
Net Income	-72,065	-4,843	4,630	-110,270	-74,754
<i>NPM</i>	<i>-12.0%</i>	<i>-0.8%</i>	<i>0.8%</i>	<i>-18.1%</i>	<i>-11.6%</i>

Balance Sheet

(KRW mil.)	4Q23	1Q24	2Q24	3Q24	4Q24
Current Assets	1,537,395	1,429,420	1,421,508	1,295,524	1,417,993
Cash and Cash Equivalent	771,672	643,975	672,006	646,072	621,779
Accounts Receivables	514,375	511,371	509,001	439,212	524,170
Others	251,348	274,073	240,501	210,240	272,043
Non-current Assets	1,912,282	1,923,337	1,940,952	1,914,029	1,786,996
Tangible Assets	706,341	710,444	698,078	698,672	701,190
Intangible Assets	426,769	432,005	436,042	420,727	343,823
Investment Assets	512,826	499,908	502,410	496,225	449,405
Accounts Receivable	56,670	72,344	73,964	78,333	67,648
Others	209,676	208,636	230,457	220,072	224,930
Total Assets	3,449,677	3,352,756	3,362,460	3,209,553	3,204,989
Current Liabilities	888,431	822,668	828,219	783,239	877,361
Accounts Payables	627,843	519,776	501,693	489,828	599,968
Short-term Borrowings	94,833	90,980	130,127	125,522	114,920
Accrued Income Taxes	44,783	47,993	35,681	26,455	33,892
Others	120,972	163,919	160,719	141,434	128,581
Non-current Liabilities	571,454	590,264	583,318	594,971	551,984
Long-term Accounts Payables	212,589	215,452	219,058	221,755	170,227
Long-term Borrowings	222,268	226,312	229,504	228,498	232,576
Allowance for Severance Pay	82,423	83,583	86,227	90,545	90,216
Deferred Income Tax Credits	15,207	15,111	15,041	13,384	9,304
Others	38,967	49,806	33,488	40,789	49,661
Total Liabilities	1,459,885	1,412,933	1,411,536	1,378,209	1,429,344
Shareholders' Equity	1,631,442	1,594,867	1,605,927	1,520,735	1,461,548
Paid-in Capital	18,759	18,759	18,759	18,759	18,759
Capital Surplus	1,228,666	1,228,666	1,228,666	1,228,666	1,228,666
Capital Adjustment	-141,172	-104,748	-104,211	-106,574	-132,929
Other Comprehensive Income	1,418	-2,320	2,218	-8,455	15,116
Retained Earnings	523,771	454,511	460,496	388,339	331,937
Non-controlling Interests	358,350	344,956	344,997	310,609	314,097
Total Equity	1,989,792	1,939,824	1,950,923	1,831,344	1,775,644

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Thank you.