



NHN



Investor Relations
March, 2023



Contents

4Q22 Earnings Summary

Major Services

- GAME
- Payment & Ad
- Commerce
- Technology
- Contents & Others

Appendix

4Q22 Earnings Summary

(KRW mil.)	4Q21	3Q22	4Q22	Change	
				YoY	QoQ
Revenue	545,824	522,428	561,352	2.8%	7.5%
Games	102,983	115,938	108,478	5.3%	-6.4%
PC	39,616	44,646	39,696	0.2%	-11.1%
Mobile	63,367	71,292	68,783	8.5%	-3.5%
Payment & Ad	225,076	226,968	238,215	5.8%	5.0%
Commerce	111,826	66,273	73,579	-34.2%	11.0%
Technology	66,129	71,272	104,698	58.3%	46.9%
Contents	52,292	51,009	49,545	-5.3%	-2.9%
Others	1,567	2,901	3,858	146.2%	33.0%
Internal transaction	-14,049	-11,934	-17,021	-	-
Operating Expenses	520,853	514,130	549,629	5.5%	6.9%
Commission	359,270	335,460	363,850	1.3%	8.5%
Labor	96,709	102,773	114,076	18.0%	11.0%
Marketing	26,715	33,892	29,251	9.5%	-13.7%
Depreciation	19,014	20,090	21,523	13.2%	7.1%
Communications	6,352	6,283	6,614	4.1%	5.3%
Others	12,791	15,631	14,315	11.9%	-8.4%
Operating Income	24,971	8,298	11,723	-53.1%	41.3%
<i>OPM</i>	4.6%	1.6%	2.1%	-2.5%p	0.5%p
Non-Op Income	80,714	31,329	30,048	-62.8%	-4.1%
Non-Op Expenses	60,803	11,140	62,385	2.6%	460.0%
Net Income before Income tax expense	44,882	28,487	-20,614	-	-
Income Tax	12,603	7,074	-4,439	-	-
Net income from Continuing operations	32,279	21,413	-16,175	-	-
Net income from Discontinued operations	13,882	-	-	-	-
Net Income	46,161	21,413	-16,175	-	-
<i>NPM</i>	8.5%	4.1%	-2.9%	-11.3%p	-7.0%p

[Revenue] KRW 561.4 bil. ↑ 2.8% YoY, ↑ 7.5% QoQ

[GAME] Web-board game revenue ↑ 30% YoY (PC+Mobile)

[PC] Despite the continuous positive results thanks to deregulations, QoQ ↓ due to reverse base effect of Chuseok in 3Q (Korean Thanksgiving Day)

[Mobile] Recorded the highest quarterly sales of all time & the highest mobile game gross-ranking
Despite the success of #Compass collaboration, the 3Q events of major Japanese games had reverse base effect

[Payment/Ad] Payco's 4Q GMV 2.7 tril., ↑ 33% YoY, Coupon revenue ↑ 76% YoY
Campus Zone, Corporate welfare solution GMV ↑ 233%, ↑ 131% YoY
NHN KCP, OTA(Online Travel Agency) volume increased steadily

[Commerce] Accommate, low consumer sentiment persisted due to lockdowns
NHN Global, commission sales ↑, despite slowing economy

[Tech] NHN Cloud, ↑ 60% YoY, ↑ 71% QoQ, expanding public-sector contributions
NHN Techorus ↑ 24% YoY, ↑ 18% QoQ, attracting large-sized customers
NHN Diquest, advanced AI 'Call-bot', expansion of financial & public sectors

[Contents] NHN Comico, efficiently managing the marketing expenses in 4Q, stable traffic in romance fantasy-themed products
NHN Link, despite the KBO season's end, revenue hiked, concert & exhibition ticket sales increased 2x YoY

[Operating Expenses] KRW 549.6 bil. ↑ 5.5% YoY, ↑ 6.9% QoQ

[Commissions] Sales-related costs of NHN KCP increased,
Loss from valuation of inventories of Commerce business

[Labor] Reflected year-end bonus payments

[Marketing] Stabilized web-board games and webtoon business marketing

[Depreciation] D&A costs grew led by increase in technology subsidiaries

[Others] Reverse base effect of one-off expenses of NHN Techorus

[Operating Income] KRW 11.7 bil. ↓ 53.1% YoY, ↑ 41.3% QoQ

[Non-op] Reflected good-will, affiliates & etc. related impairment loss and gains on foreign currency transactions decreased

[Net Income] KRW -16.2 bil., turned to deficit YoY, QoQ

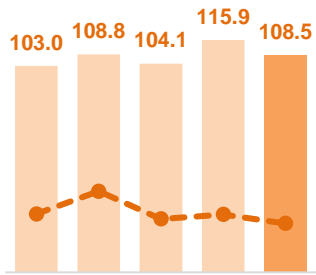
Operating Revenue

(KRW bn)

Game



↑ 5.3% YoY
↓ 6.4% QoQ

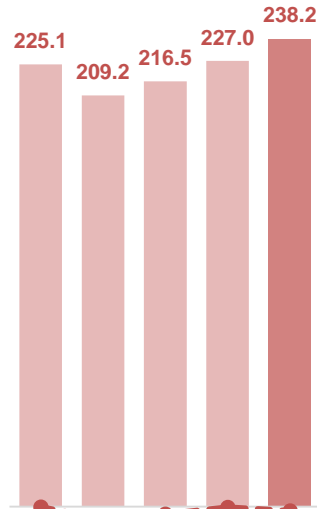


4Q21 1Q22 2Q22 3Q22 4Q22
 Revenue OP

Payment & Ad



↑ 5.8% YoY
↑ 5.0% QoQ

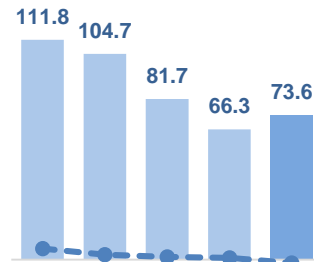


4Q21 1Q22 2Q22 3Q22 4Q22
 Revenue OP

Commerce



↓ 34.2% YoY
↑ 11.0% QoQ



4Q21 1Q22 2Q22 3Q22 4Q22
 Revenue OP

Technology



↑ 58.3% YoY
↑ 46.9% QoQ

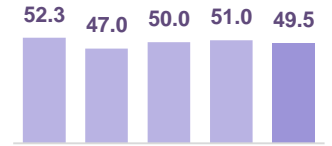


4Q21 1Q22 2Q22 3Q22 4Q22
 Revenue OP

Contents



↓ 5.3% YoY
↓ 2.9% QoQ

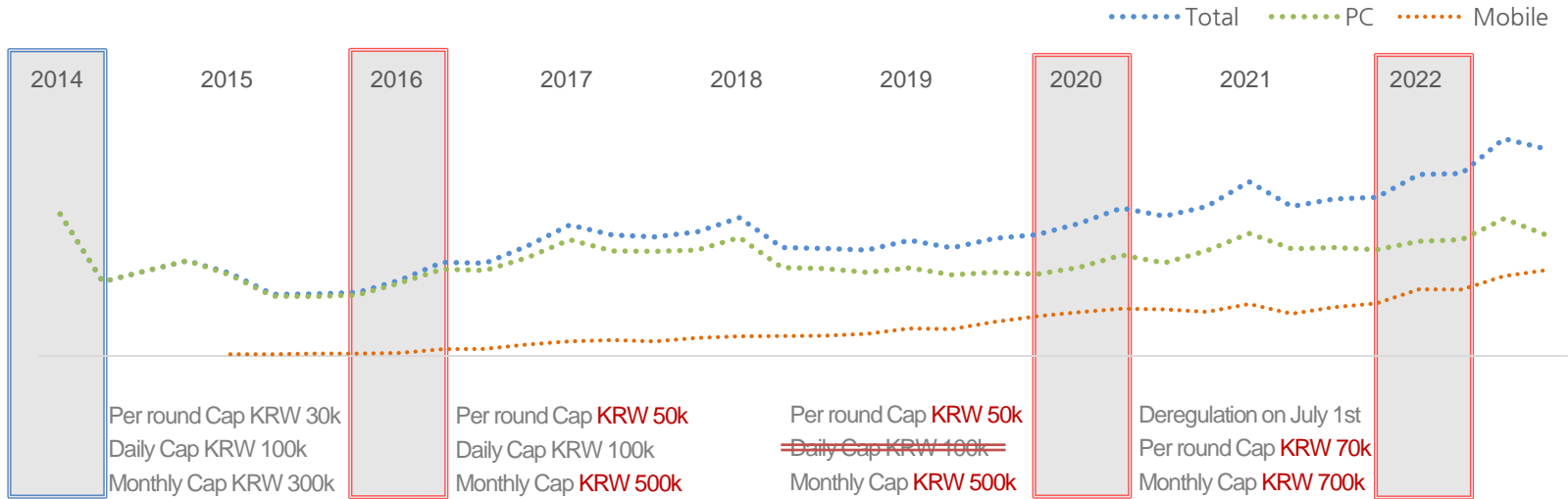


4Q21 1Q22 2Q22 3Q22 4Q22
 Revenue OP



Web-board Games

FY2022 web-board game revenue(PC+Mobile) ↑ 23% YoY thanks to deregulation effect
 4Q 2022, ↓ 5% QoQ, ↑ 30% YoY due to the reverse base effect of Korean Thanksgiving Holidays in 3Q



PC



- Hangame, No.1 domestic platform
- Hangame Poker Classic, Mobile app linked with PC Poker
 - Google Play Launch (2020.9)
 - Apple App Store Launch (2021.12)

Mobile



- Hangame, No.1 domestic player
- Google Play Launch (2014 ~ 2017)
- Apple App Store Launch (2019. 8)

Web-board Games

Adding differentiated contents, strengthening No.1 web-board game company position in Korea
 Launched 'AA Poker', a brand-new Hold'em game, in Jan 2023

- **Adding new contents**

- PC Poker, 'Poker League' launched in July 2022 (56% user engagement)
- Mobile Poker, positive traffic trend of 'Club' & 'Club Tournament'
- Mobile Sutda & Matgo¹⁾, launched 'Community' contents in Nov 2022

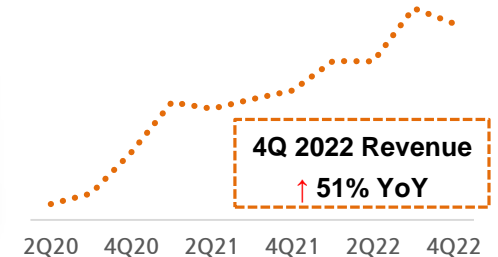


1)Sutda & Matgo : korean version of Poker

- **New games**

- **Hangame Poker Classic**

- User engagement increased via a unique mobile app connected to the PC Poker game



- **AA Poker (Double A Poker)**

- Launched in Jan 2023, targeting a user base in 20s and 30s



- Web-board Hold'em
 - Applying TDA Poker Rules (Poker Tournament Director's Association)
 - Jan 2023 / Korea

Mobile Games



Casual
Puzzle

LINE Disney Tsum Tsum

- Publisher: LINE / IP Holder: Disney
Developer: NHN PA
- Jan 2014 / Japan, Southeast Asia
- **Ranked #1 in mobile casual puzzle game for 8 consecutive years**
- **Ranked #6 in grossing ranking in 4Q22 (iOS mobile games)**



Casual
Puzzle

Yokai Watch Puni Puni

- Publisher & IP holder: LEVEL5
Developer: NHN PA
- Aug 2015 / Japan, Southeast Asia
- Collaboration with famous IPs
- **Ranked #9 in grossing ranking in 4Q22 (iOS mobile games)**



Midcore Action
(PvPvE)

Compass

- Publisher & Developer & IP holder:
NHN PA
- Dec 2016 / Japan
Dec 2021 / Taiwan
- **Ranked #2 in grossing ranking in 4Q22 (iOS mobile games)**



Strategy
(PvP, PvE)

Guns Up! Mobile

- Developer: Valkyrie Ent. / IP holder: SONY
Publisher: NHN
- Apr 2022 / Korea, Global
- **Ranked #1 in download ranking in Korea (iOS mobile games)**

* NHN PA: NHN PlayArt (100%-owned subsidiary in Japan)

Game Business Strategy

Building up successful game line-ups including puzzle, mid-core and blockchain genres
 FY2023, the beginning year of expansion into global markets

- Match 3 Puzzle Engine ‘M-Brick’



- Match 3 Puzzle Game Engine with NHN’s know-hows

Line Pop(2012), Pokopang(2013),
 Line Pop 2(2014), Pop Friends(2015)

- Providing Puzzle Contents, Templates, and Operational/Support Systems
- Synergies with NHN’s Gamebase Service



House Cat Match
 To be released in 1Q 2023

Improving efficiency of development resources
 Multiple match 3 line-ups

+α

- Strengthen mid-core games



Darkest Days
 Open World Shooter Looter

- Social casino-themed blockchain games
 - ‘In-game goods’ management know-how of web-board games



Project WEMIX Sports
 Match Prediction



Marble Slots
 Social Casino

New Game Pipeline

AA Poker

Web board
Hold'em



- Developer, NHN
- Publisher, NHN
- January 2023
- Korea
- Mobile (AOS / iOS)

House Cat Match

Casual
Match 3



- Developer, NHN
- Publisher, NHN
- 1Q 2023
- US/Global
- Mobile (AOS / iOS)
- Casino-themed

Wooparoo Odyssey

P&E
Social Network



- Developer, Highbrow
- Publisher, NHN
- IP Holder, NHN
- FY2023
- Korea, Mobile (AOS / iOS)
- Global (WEMIX Platform)

Project WEMIX Sports

P&E
Match Prediction



- Developer, NHN
- Publisher, Wemade
- FY2023
- Global
- WEMIX Platform

Marble Slots

P&E
Social Casino



- Developer, NHN
- Publisher, NHN
- FY2023
- US/Europe, Global
- Platform to be determined

Darkest Days

Open World
Shooter Looter



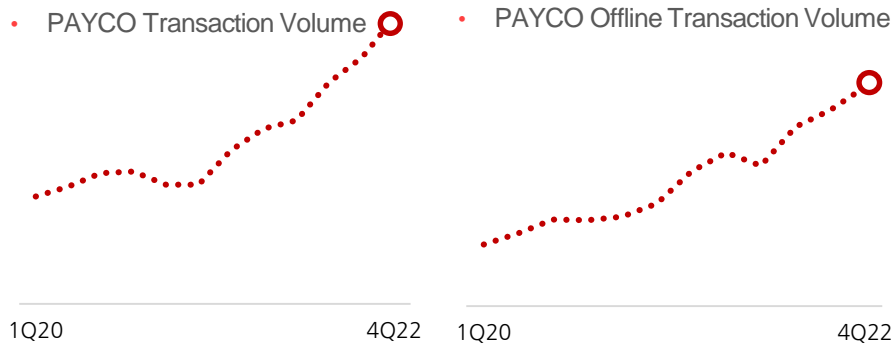
- Developer, NHN
- Publisher, NHN
- IP Holder, NHN
- FY2023
- Korea, Global
- Mobile(AOS / iOS)



Payment & Ad

PAYCO

- FY2022 GMV KRW 9.7 tril. (YoY +30.0%)
 - 4Q22 GMV KRW 2.7tril. (YoY +32.6%), Offline portion 24%
- Re-organize into revenue-oriented services and raise profitability by controlling marketing expenses



- #1 PG company in Korea
- Overseas merchants expansion (Apple, Tesla, etc.)
- New large-scaled merchants to be launched

• Payment & Ad Revenue

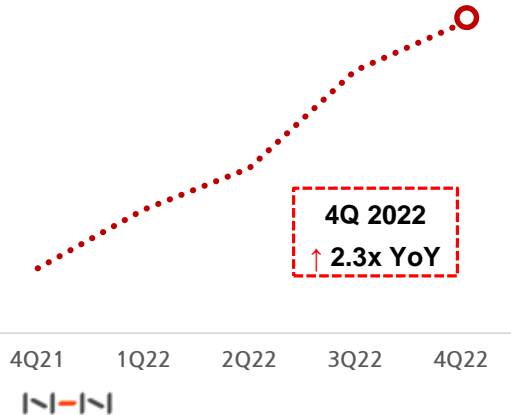


Profitability Improvement

- **Corporate Welfare Solution**
(meal coupons, points & gift certificates)
- FY2022 GMV reached KRW 100 bil.
- 1,800 companies / 150k users



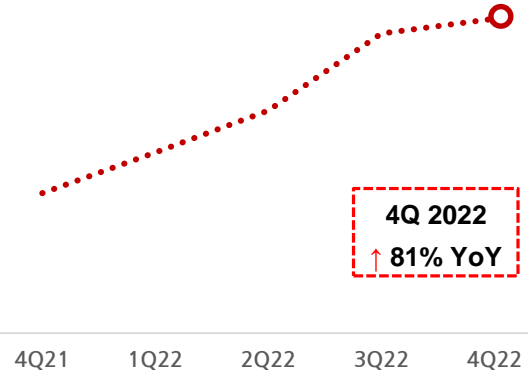
- PAYCO Corporate Welfare Solution GMV



- **PAYCO Point Payment**
- FY2022 GMV +120% YoY
- Restructuring the Point rewards system to more effectively manage marketing expenses



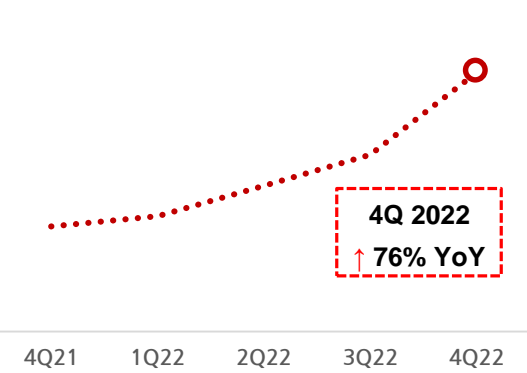
- PAYCO Point Payment GMV



- **Coupon Business**
- FY2022 Coupon revenue +70% YoY
- Anticipating CLO(Card-Linked Offer) business to drive sales growth



- Coupon Revenue





Commerce

COMMERCE ACCOMMATE [IPO in progress]

- Total solutions including hosting services for domestic online shopping malls
- No.1 cross-border e-commerce business between KOR-CN
- Diversifying product line-up & sales channels

shop by godomall 5

- Online shopping mall solutions
- Cloud SaaS Platform
- Connecting external services

JAMY ASK RELAX BUY 天猫国际 TRAILLHK

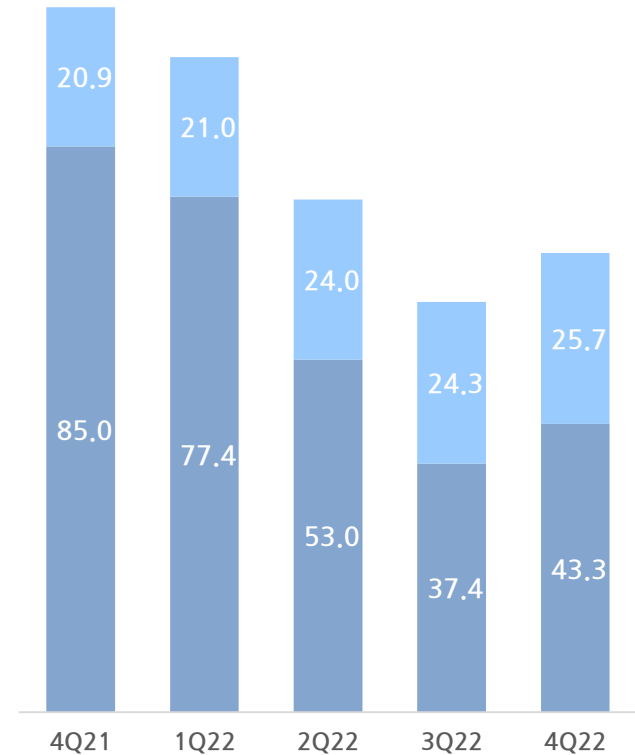
- Korea-China B2C Direct Purchase (Korean brands' entry into Chinese market)
- B2B2C Platform
- Operating support for a brand store

AMOREPACIFIC 정관장

- Online B2B Product Supply
- Official licensee for online brand sales

NHN Commerce Revenue

■ NHN COMMERCE ■ NHN Global (KRW bn)



- US No.1 Fashion B2B Marketplace, 'FashionGo'
- Developing New BM , Expanding the non-fashion categories

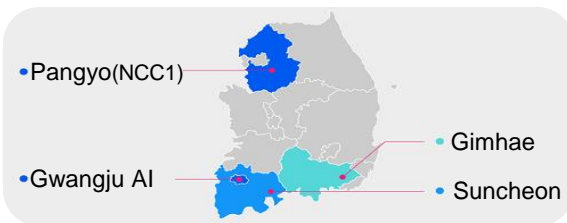
- Retailers ↑ 13%, Vendors ↑ 25% YoY (as of Dec 2022)
- Drop-shipping launched in Apr 2022
- Launched 'Home Deals' in Nov 2022





Technology

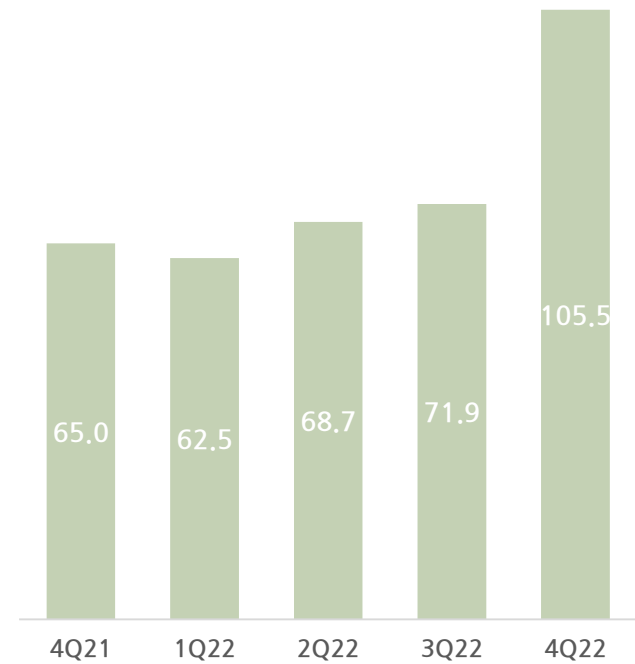
- **CSP** (Cloud Service Provider)
 - **NHN Cloud secured 4,525 customers thanks to high compatibility based on 'Openstack'**
 - Added new contracts with domestic public institutions
 - Participated in 'Korean AI Processor Test Bed Project' in Oct 2022
 - Building new IDCs, 'Gwangju National AI Data Center' to be run in 2023



- **NHN Dquest, advanced AI 'Call-bot Service'**
- **NHN Dooray!, All-in-one service for project / mail / messenger**
- **MSP** (Managed Service Provider)
 - **Selected as a 'Premier Consulting Partner' in Japan & US**
 - NHN Techorus, AWS Top 5 MSP Partner in Japan
 - Plans to expand 'sales agents' in Japan nationwide

Cloud Business Revenue

(KRW bn)





Contents / Others

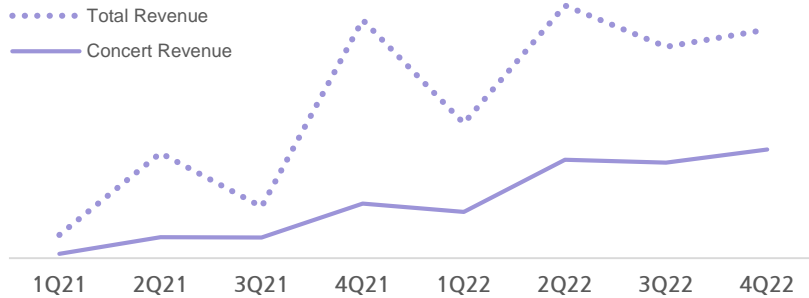
COMICO

- KOR-JPN-Western(Pocket Comics in USA , EUR)
- Aiming for global women-oriented webtoon platform
- Strengthening production and sourcing



LINK

- Sports ticket sales in 2022 recovered to pre-COVID level
- 4Q, concert & exhibition ticket sales increased 2x YoY

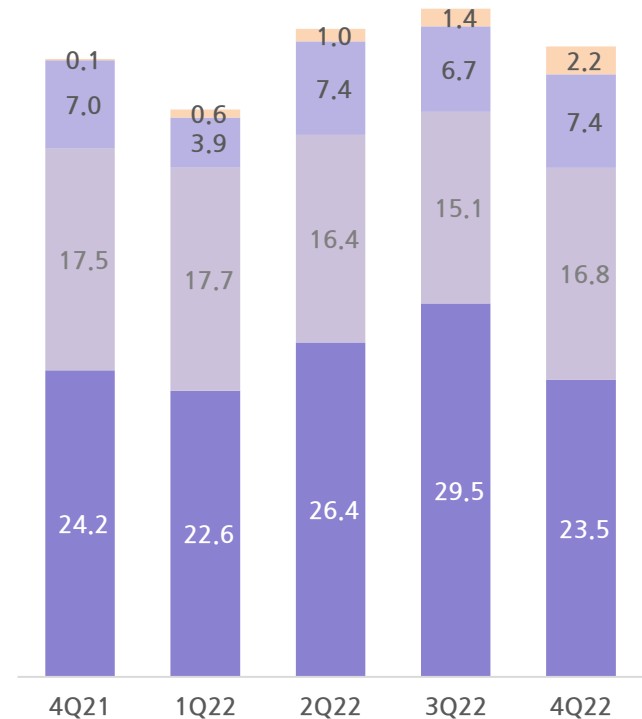


여행박사 (NHN Dr. Tour)

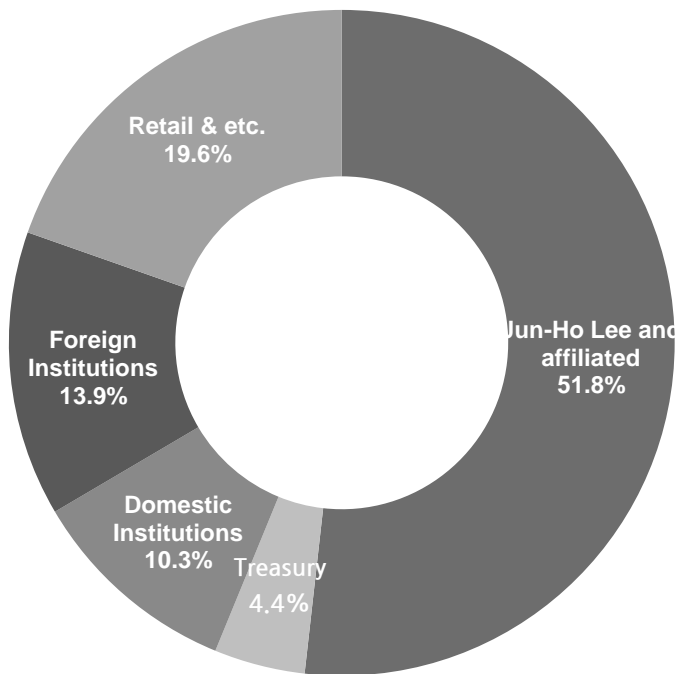
- Overseas travel sales recovered due to easing travel restrictions
- Stimulate growth via premium product

Revenue of major contents affiliates

■ NHN Comico ■ NHN Bugs
■ NHN Link ■ NHN Dr.Tour (KRW bn)



Shareholding Structure



* As of December 2022

Description

- **Listed market**

KOSPI
Ticker 181710 KS
- **Listed shares**

36,017,198 Shares (Treasury 1,591,418 shrs, 4.42%)

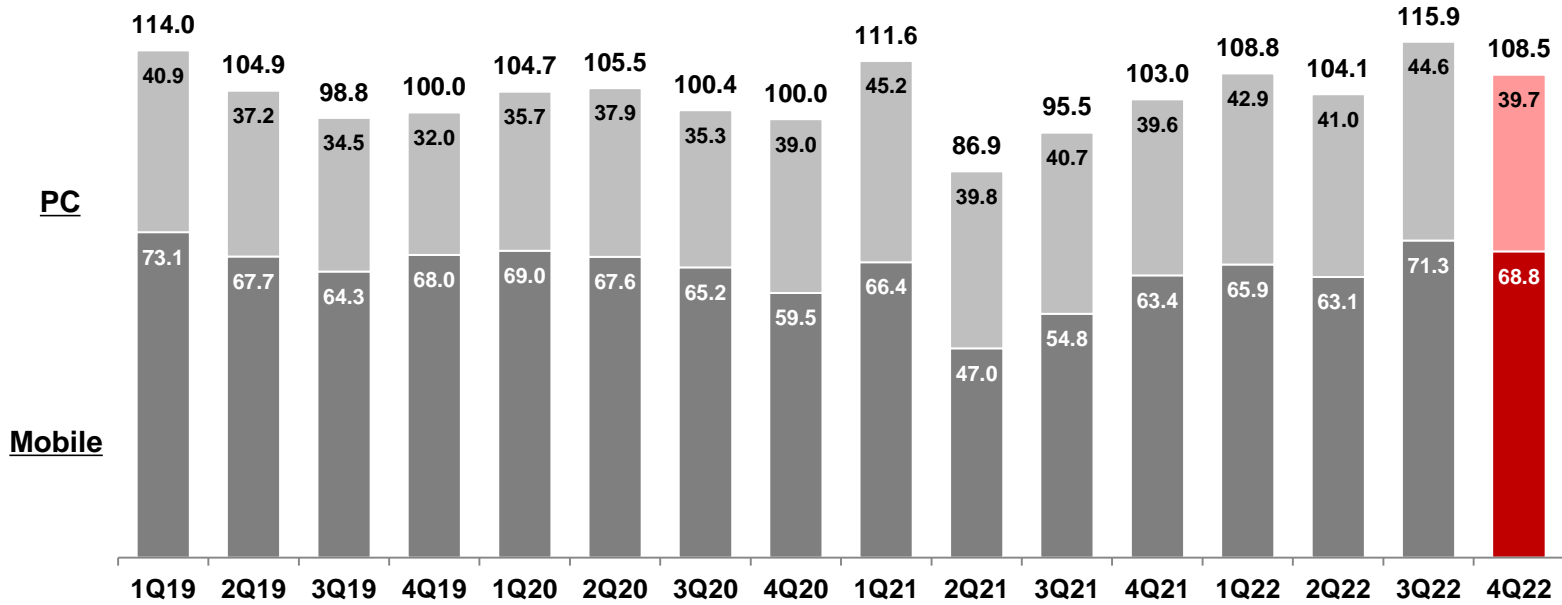
* Acquired 1.1 million treasury shares from June 21st to July 18th 2022
* Cancelled 1,500,717 shares on August 17th 2022
- **Employees** (as of December 2022)

5,267 people (consolidated)
823 people (NHN)
- **Headquarters**

Play Museum, Seong-nam, Gyeong-gi, Korea

Game Revenue

(KRW bn)



Revenues Based	Domestic	41%	41%	47%	48%	49%	51%	51%	56%	55%	60%	58%	54%	57%	58%	61%	63%
	Overseas	59%	59%	53%	52%	51%	49%	49%	44%	45%	40%	42%	46%	43%	42%	39%	37%
Development Based	Domestic	53%	55%	58%	60%	59%	63%	62%	67%	63%	70%	67%	62%	64%	67%	69%	70%
	Overseas	47%	45%	42%	40%	41%	37%	38%	33%	37%	30%	33%	38%	36%	33%	31%	30%

GAME

**Consolidated



NHN PlayArt (100%)**

Technology



NHN Cloud (100%)**



NHN Enterprise (100%)**



NHN Dooray! (81%)**



NHN Techorus (100%)**



CLOUDNEXA INC (100%)**



NHN Diquest (100%)**



NHN DATA (100%)**

Contents



NHN COMICO (100%)**



NHN BUGS (45%) – 104200 KS**



NHN LINK (100%)**

* Formerly, NHN Ticketlink

PAYMENT



NHN PAYCO (68%)**



NHN Korea Cyber Payment (42%) – 060250 KS**



UBIVELOX (9%) – 089850 KS

Advertisement



NHN ACE (100%)**



NHN AD (79%)**

Commerce



NHN Global (100%)**



NHN Commerce (68%)**



Accommate Holdings (100%)**

Others



NHN Investment (100%)**



NHN Dr. Tour (99%)**

Income Statement

(mil. KRW)	4Q21	1Q22	2Q22	3Q22	4Q22
Sales	85,918	86,391	66,428	65,673	93,136
Game	40,194	41,518	39,214	45,848	76,041
Others	45,724	44,873	27,214	19,824	17,095
Operating Expenses	75,941	78,531	52,834	47,474	74,964
Commission	38,324	38,966	28,917	25,124	34,199
Labor	22,438	24,658	12,837	12,387	23,482
Marketing	3,348	4,038	6,100	4,723	11,815
Depreciation	6,524	6,427	1,848	2,215	2,361
Others	5,307	4,441	3,132	3,024	3,107
Operating Income	9,977	7,860	13,594	18,199	18,172
<i>OPM</i>	<i>11.6%</i>	<i>9.1%</i>	<i>20.5%</i>	<i>27.7%</i>	<i>19.5%</i>
Financial Income	135,750	39,049	5,080	1,538	4,366
Other Income	450	3,102	17,320	4,078	-1,587
Financial Expense	52,855	709	13,729	-1,538	22,740
Other Expense	2,461	459	910	249	461
Pre-tax Income	90,861	48,842	21,355	25,104	-2,249
Income Tax	13,759	1,525	8,340	4,738	-882
Net Income	77,102	47,317	13,015	20,365	-1,367
<i>NPM</i>	<i>89.7%</i>	<i>54.8%</i>	<i>19.6%</i>	<i>31.0%</i>	<i>-1.5%</i>

Balance Sheet

(mil. KRW)	4Q21	1Q22	2Q22	3Q22	4Q22
Current Assets	260,204	346,957	198,446	178,314	239,530
Cash and Cash Equivalent	33,218	83,719	72,702	48,716	87,518
Accounts Receivables	95,693	92,800	87,552	123,140	145,993
Others	131,293	170,438	38,192	6,458	6,019
Non-current Assets	1,646,694	1,622,032	1,666,520	1,670,333	1,575,465
Tangible Assets	197,842	190,937	130,613	132,379	142,427
Intangible Assets	14,295	14,961	13,213	13,561	14,364
Investment Assets	1,393,429	1,371,140	1,477,259	1,483,721	1,366,563
Others	41,129	44,994	45,435	40,671	52,112
Total Assets	1,906,899	1,968,989	1,864,966	1,848,647	1,814,996
Current Liabilities	119,710	124,492	59,623	38,716	64,517
Accounts Payables	29,736	25,971	23,034	18,401	33,597
Short-term Borrowings	0	0	0	0	0
Accrued Income Taxes	64,298	68,571	19,688	7,369	15,559
Others	25,675	29,951	16,900	12,946	15,361
Non-current Liabilities	59,853	76,520	52,372	52,678	68,594
Long-term Accounts Payables	674	400	2,733	2,733	2,733
Allowance for Severance Pay	27,990	26,339	14,413	15,983	27,638
Others	31,189	49,780	35,227	33,962	38,223
Total Liabilities	179,562	201,012	111,995	91,394	133,111
Shareholders' Equity	1,727,336	1,767,976	1,752,971	1,757,253	1,681,884
Paid-in Capital	9,783	18,759	18,759	18,759	18,759
Capital Surplus	1,273,778	1,264,694	1,264,694	1,264,694	1,264,694
Capital Adjustment	-136,283	-135,266	-157,516	-102,837	-161,631
Other Comprehensive Income	20,979	5,659	-112	3,955	-11,415
Retained Earnings	559,080	614,131	627,146	572,682	571,477
Total Equity	1,727,336	1,767,976	1,752,971	1,757,253	1,681,884

Income Statement

(mil. KRW)	4Q21	1Q22	2Q22	3Q22	4Q22
Sales	545,824	520,489	511,300	522,428	561,352
Game	102,983	108,779	104,136	115,938	108,478
Payment & Ads	225,076	209,238	216,528	226,968	238,215
Commerce	111,826	104,667	81,661	66,273	73,579
Technology	66,129	63,669	69,018	71,272	104,698
Content	52,292	46,952	49,996	51,009	49,545
Others	1,567	2,040	2,365	2,901	3,858
Internal transactions	-14,049	-14,857	-12,405	-11,934	-17,021
Operating Expenses	520,853	504,963	506,104	514,130	549,629
Commission	359,270	338,242	327,425	335,460	363,850
Labor	96,709	101,809	100,476	102,773	114,076
Marketing	26,715	27,410	37,386	33,892	29,251
Depreciation	19,014	18,763	18,335	20,090	21,523
Communications	6,352	6,331	6,621	6,283	6,614
Others	12,791	12,407	15,861	15,631	14,315
Operating Income	24,971	15,526	5,196	8,298	11,723
<i>OPM</i>	4.6%	3.0%	1.0%	1.6%	2.1%
Financial Income	74,892	11,045	15,423	24,635	21,941
Equity Method Income	1,644	698	3,978	334	1,320
Other Income	4,178	3,047	3,066	6,360	6,787
Financial Expense	44,896	16,605	14,823	5,080	33,939
Equity Method Loss	671	4,424	2,391	4,763	1,988
Other Expense	15,236	5,708	2,851	1,296	26,459
Net Income before income tax expense	44,882	3,580	7,599	28,487	-20,614
Income Tax	12,603	8,088	12,903	7,074	-4,439
Net Income from continuing operations	32,279	-4,508	-5,305	21,413	-16,175
Net Income from discontinued operations	13,882	0	0	0	0
Net Income	46,161	-4,508	-5,305	21,413	-16,175
<i>NPM</i>	8.5%	-0.9%	-1.0%	4.1%	-2.9%

Balance Sheet

(mil. KRW)	4Q21	1Q22	2Q22	3Q22	4Q22
Current Assets	1,359,936	1,403,968	1,395,017	1,285,418	1,389,356
Cash and Cash Equivalent	596,403	613,972	684,040	597,762	628,175
Accounts Receivables	302,642	359,152	375,414	437,101	491,428
Others	460,892	430,844	335,562	250,555	269,753
Non-current Assets	1,667,235	1,609,320	1,665,100	1,773,240	1,639,052
Tangible Assets	388,212	389,034	406,593	488,320	483,040
Intangible Assets	378,975	374,250	387,768	427,229	412,530
Investment Assets	736,224	695,267	714,436	700,925	596,596
Accounts Receivable	30,161	29,902	30,547	31,605	34,623
Others	133,664	120,866	125,756	125,161	112,263
Total Assets	3,027,172	3,013,288	3,060,117	3,058,658	3,028,408
Current Liabilities	719,698	692,903	719,660	654,507	744,283
Accounts Payables	439,451	413,484	458,346	423,493	492,450
Short-term Borrowings	71,412	77,357	73,723	77,049	62,540
Accrued Income Taxes	80,563	76,330	31,037	12,231	38,978
Others	128,274	125,732	156,555	141,735	150,315
Non-current Liabilities	208,865	227,750	275,076	282,660	282,977
Long-term Accounts Payables	64,107	63,764	113,616	114,225	115,343
Long-term Borrowings	40,999	38,997	41,291	43,631	65,472
Allowance for Severance Pay	61,493	63,993	66,549	72,269	63,092
Deferred Income Tax Credits	25,941	25,552	22,285	23,811	16,457
Others	16,325	35,444	31,335	28,723	22,613
Total Liabilities	928,564	920,653	994,736	937,167	1,027,259
Shareholders' Equity	1,834,304	1,826,625	1,773,998	1,807,336	1,699,540
Paid-in Capital	9,783	18,759	18,759	18,759	18,759
Capital Surplus	1,237,749	1,228,666	1,228,666	1,228,666	1,228,666
Capital Adjustment	-150,451	-149,610	-192,612	-137,973	-134,886
Other Comprehensive Income	83,385	62,934	57,779	90,285	-6,699
Retained Earnings	653,837	665,876	661,406	607,600	593,700
Non-controlling Interests	264,304	266,010	291,383	314,155	301,609
Total Equity	2,098,608	2,092,635	2,065,381	2,121,491	2,001,148