



FY2024 & 4Q24 Earnings Results

KRAFTON

February 11, 2025

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THE NEXT 5 YEARS OF KRAFTON:

FRANCHISE IP

KRAFTON

A blurred silhouette of a person walking from left to right across the foreground. In the background, a large curved screen displays the word 'KRAFTON' in large, bold, black letters. To the right of the person, a soccer ball is visible on the floor.

KRAFTON

CEO CH Kim

PART 1. THE GROWTH AND FUTURE OF PUBG IP FRANCHISE

Looking Back on 2024

Value of PUBG IP Franchise Proven through Stable Growth and Sustainability

2024 Message Recap: PUBG IP

- **Strengthening Sustainable Service for Stepwise Growth**
 - Continuous service enhancement and content updates
 - Long-term service of BGMI as India's national game
- **Evolving to \$10B IP¹⁾ through investments in Franchise IP**
 - Realigning the organization around the PUBG IP Franchise
 - Transition of PUBG PC as a gameplay platform
 - Multi-Product strategy expanding into Console & Mobile

Key Achievements of 2024

- **Annual Growth Across All Core Services**
 - Record-high PUBG PC revenue since 2018, Steam Platinum for 8 consecutive years²⁾
 - Annual growth for Mobile, BGMI achieving record-high traffic and revenue
- **Establishing the foundation for PUBG IP Franchise growth**
 - Close collaboration across the Franchise Teams and external partners
 - Experiments and productions for PUBG PC gameplay platforms
 - Three new games under development after Project Black Budget

¹⁾ Gross Revenue across all PUBG IP Franchise titles (USD 10 Billion)

²⁾ Games to achieve Steam Platinum for 8 consecutive years (2017-2024) in revenue and traffic: PUBG, CS:GO, DOTA2

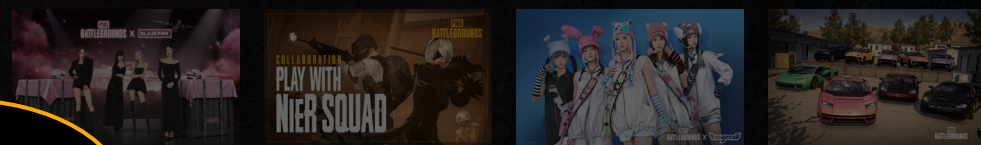
Growth Drivers of PUBG PC

Growth through **Continuous Updates and Enhanced Premium Content** after F2P¹⁾

Localized Content and Marketing Campaigns

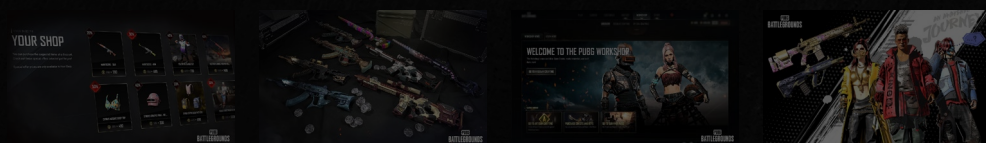


Collaboration-driven Cultural Experiences



**PUBG
BATTLEGROUNDS**

Value-centered Premium Content



Proactive Community Care



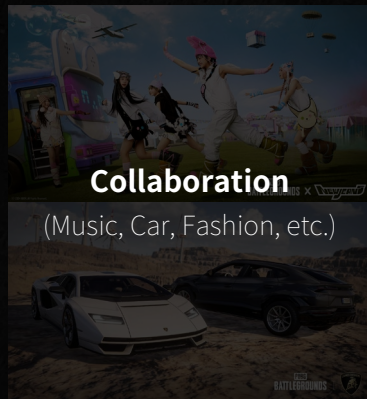
Expanding beyond In-game Content to Deliver Comprehensive Service
Driving Traffic and Revenue Growth Through Structural Changes and Rigorous Execution

1) Free-to-Play transition on January 12th, 2022

Direction of PUBG IP Franchise

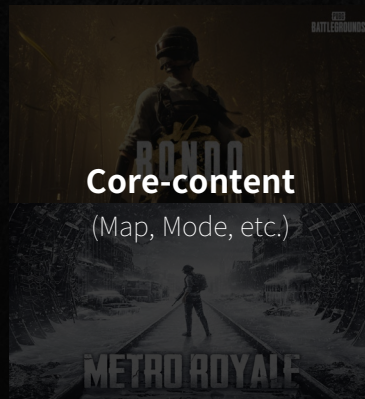
Investing in Content and Services for a Broader Fan Experience

Investing and Sharing Content for Core Services¹⁾



Collaboration
(Music, Car, Fashion, etc.)

&



Core-content
(Map, Mode, etc.)

Making strategic investments to share across the Franchise,
Delivering cultural experiences beyond gaming and high-quality core content

Evolving PUBG PC as a gameplay platform

Targeting Updates Sequentially from Late 2025





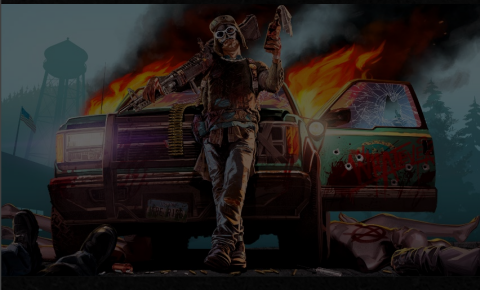
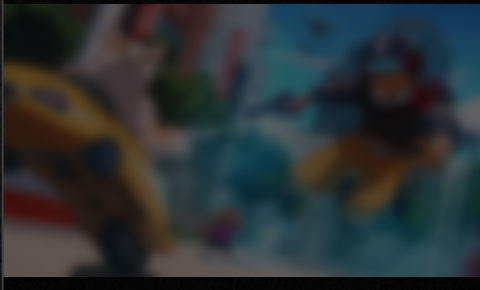
Creating a sustainable service ecosystem to engage fans for over a decade,
Delivering fresh gameplay experiences aligned with PUBG IP's core value

Committing to Bold Investments as an IP Holder to Build a Beloved Evergreen Franchise
Providing Enjoyable Experiences for Fans Across PUBG PC, Console, and Mobile

1) PUBG PC/Console, PUBGM, BGMI

Direction of PUBG IP Franchise

Developing New Titles to Attract **Potential Fans** Across Multiple Platforms and Generations

Black Budget	Blindspot (ARC)	Valor	Unannounced Project
			
PC	PC	Console	Mobile
18+ ¹⁾	15+	18+	12+
Extraction Shooter	Top-down Tactical Shooter	Battle Royale	Hybrid Casual
Inheriting PUBG's iconic gunplay Immersive experience of Extraction	Fresh tactical shooter experience Expanding the PUBG Universe	Action experience for console fans with PUBG's core competence	Experimenting reduced violence and explicitness aimed for the next generation

Focusing on Core Gameplay Validation and Team Building with a Long-term Perspective

1) Target age group

PART 2. NEW GROWTH DRIVERS

Progress and Developments

Implementing 'Scale-up the Creative' Strategy and Redefining Long-term Growth

2024 Message Recap: Scale-up the Creative

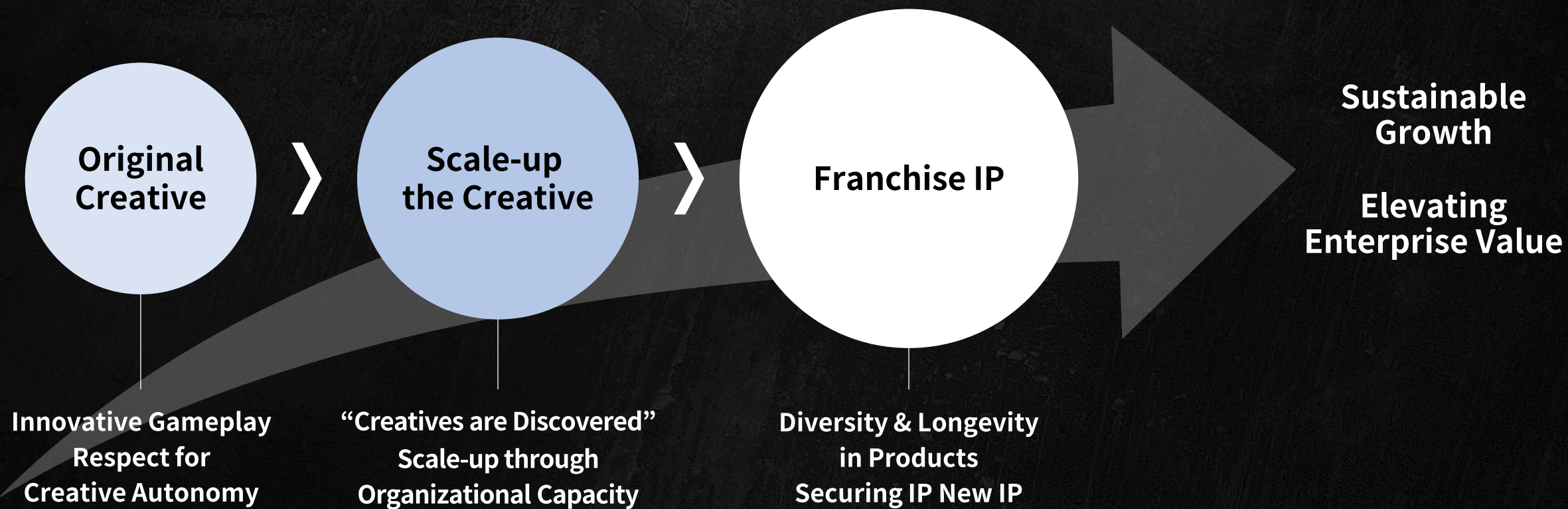
- **Evolving from 'Original Creative' to 'Scale-up the Creative'**
- **Seeking Various Expansion Opportunities and Restructuring Internal Execution Processes**
- **Sustainability of Existing IP + Stepwise Growth of New IP**

Key Achievements of 2024

- **Ongoing Development of New Titles**
 - inZOI, Dark & Darker Mobile, Subnautica 2, etc.
- **Discovery New Creatives to Scale-up**
 - Tango Gameworks, Palworld Mobile
- **Redefining Strategy for Long-term Growth**

Growth Drivers of KRAFTON

Securing Big Franchise IP: Large-Scale Investments for More Attempts



Potential IP for Investment

Resource Allocation Focused on Four Areas for Securing Franchise IP

MARKETABILITY-DRIVEN

ORIGINAL CREATIVE-DRIVEN



EMERGING

Long-term growth in an area without an 'Ultimate Game'
Infant market with high potentials



GENRE CHAMPIONS

Becoming an 'Ultimate Game' in markets various in size
Delivering deep gameplay to a loyal fanbase



CHALLENGERS

Aiming next-gen leadership with unique gameplay
Mature market dominated by successful titles



PIONEERS

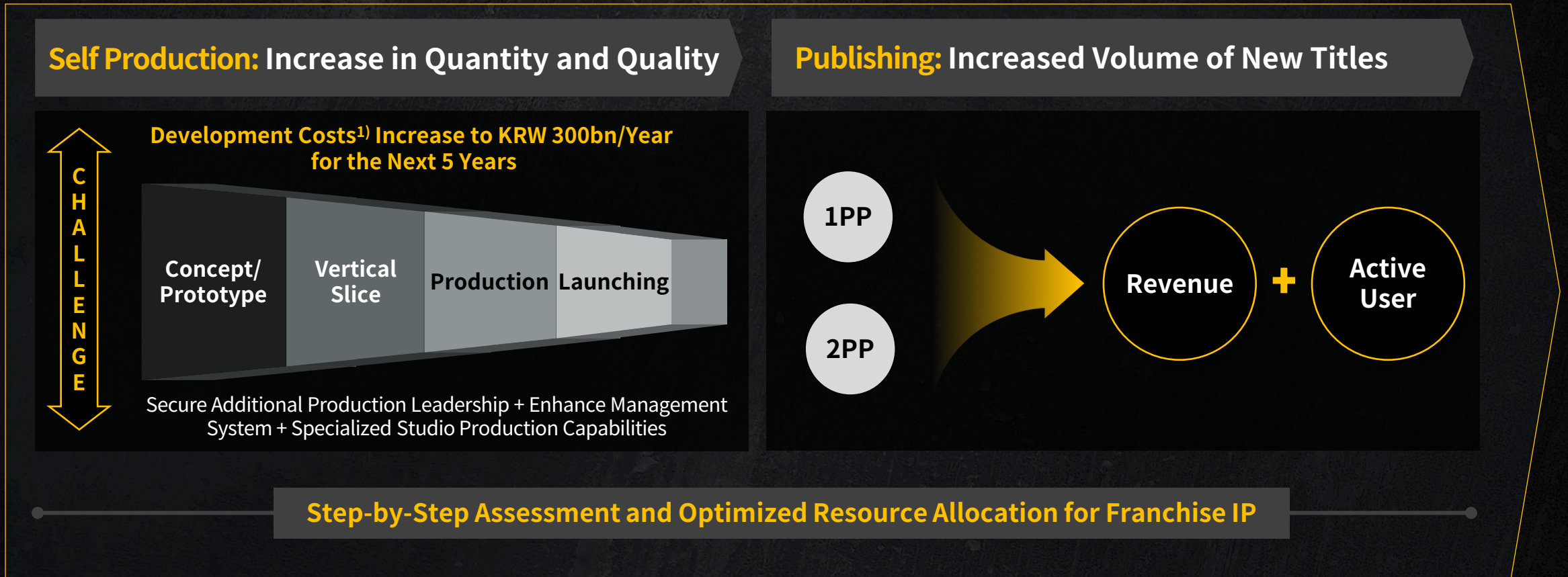
Creating unprecedented original gameplay
Pioneering new genres and gameplay experiences

*“Penetrating New Markets and Outperforming Successful Conventional Titles to Secure **Market Dominance**”*

*“Expanding Beyond Genres and Discovering **New Opportunities** in Games Through Originality”*

Strategic Direction

Increase in Production & Publishing, while Enhancing Quality and Management System



1) Development costs will include personnel, outsourcing, rent, and other related costs

Strategic Titles for 2025

The All-out Challenges to Secure **Big Franchise IP**



inZOI
STUDIO

Genre Life Simulation
Platform PC/Console

- PC Early Access in March 2025
- Differentiating from traditional games with realistic graphics and advanced simulation
- SLM¹⁾-based 'Smart Zoï' beta in partnership with NVIDIA to be revealed during Early Access



BLUEHOLE

Genre Extraction RPG
Platform Mobile

- Soft Launch for US/Canada in February 2025
- Extraction RPG combining the elements of battle royale, dungeon crawler, and RPG
- Aim to popularize Extraction RPG genre through gameplay, graphics, optimization targeted for the global market



UNKNOWN WORLDS

Genre Underwater Survival Adventure
Platform PC/Console

- Early Access on PC and Xbox Game Pass in 2025
- Expanding the series with co-op gameplay and enhanced deep-sea exploration
- 5.5M+ trailer views on official YT channel, and ranked #8 most Wishlisted on Steam (Feb 5th)



5MINOLAB

Genre Frontier Life Simulation
Platform Multi-platform

- Publishing rights of the original game (Dinkum) transferred to KRAFTON in Feb 2025, official launch on PC/Nintendo Switch within 2025
- Spin-off title Dinkum Together to be launched in 2026
- Frontier life simulation inspired by the Australian Outback
- The solo-developed original game sold 1M+ copies in Early Access with English support only

1) SLM: Small Language Model

Deep Learning

Discovering New Gameplay through CPC, Investment to Drive Game Innovations



1) CPC (Co-Playable Character): An AI companion that interacts with users, equipped with the ability to interact and cooperate with users, and respond to game situations in a human-like manner

Sustaining **Long-term Growth and Business Expansion of BGMI**

Broadening BGMI Userbase through Content Updates and Localized Strategies

Expanding Publishing Titles for Games with High Potential in India

Continued Investment and Exploring New Opportunities

| Conclusion

Aggressive Investment in Production to Secure Key Big Franchise
IPs

Targeting **KRW 7tn Revenue & 2X Corporate Value** within 5 Years
through Long-term Stepwise Growth

FY2024 & 4Q24

Financial Performance

KRAFTON

A silhouette of a person walking on a curved surface, with a soccer ball on the floor.

KRAFTON

CFO Dongkeun Bae

REVENUE

KRW 2.7^{tn}

Record-high Revenue and 41.8% YoY Growth driven by Strong PUBG IP Performance

OPERATING PROFIT

KRW 1.2^{tn}

Exceeding Annual OP of KRW 1 trillion and 54.0% YoY Growth due to Strong Revenue Growth

5-YEAR CAGR

Revenue **20%**

5 Year Compound Annual Growth Rate (2019–2024)

5 Year Revenue CAGR of 20% through Various Initiatives for Sustainable Growth of PUBG IP

2024 Results at a Glance

Revenue Breakdown

Revenue

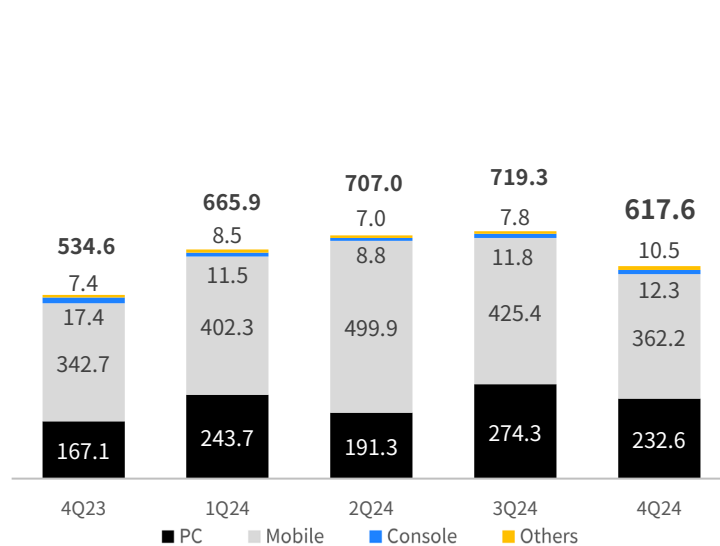
2024 KRW 2,709.8bn (YoY 41.8% ↑)

4Q24 KRW 617.6bn (QoQ 14.1% ↓, YoY 15.5% ↑)

(KRW bn)	4Q 2023	3Q 2024	4Q 2024	QoQ	YoY	FY2023	FY2024	YoY
Revenue	534.6	719.3	617.6	-14.1%	15.5%	1,910.6	2,709.8	41.8%
PC	167.1	274.3	232.6	-15.2%	39.2%	583.9	941.9	61.3%
Mobile	342.7	425.4	362.2	-14.8%	5.7%	1,244.8	1,689.8	35.7%
Console	17.4	11.8	12.3	3.8%	-29.4%	55.7	44.3	-20.4%
Others	7.4	7.8	10.5	34.2%	41.8%	26.2	33.8	28.8%

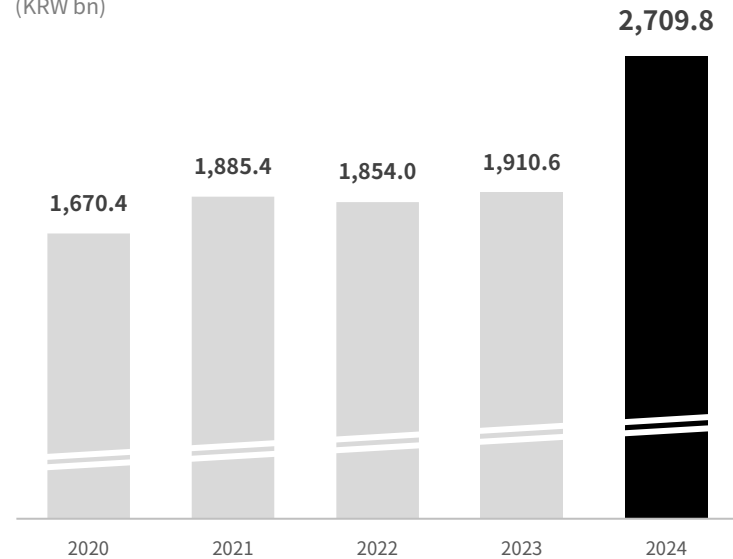
Quarterly Revenue Breakdown (Platform)

(KRW bn)



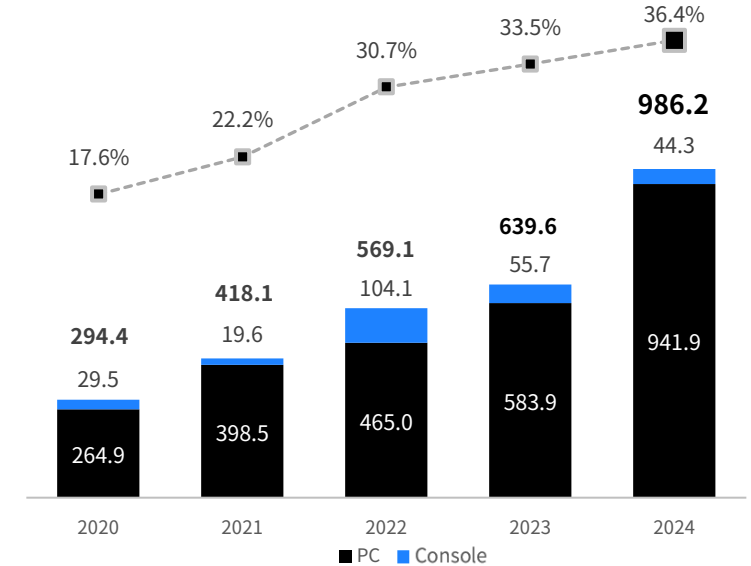
Revenue (Annual)

(KRW bn)



PC/Console Combined Revenue Proportion (Annual)

(KRW bn)



Operating Expenses & Profit

Operating Expenses

2024 KRW 1,527.3bn (YoY 33.7% ↑)

4Q24 KRW 402.1bn (QoQ 1.8% ↑, YoY 8.6% ↑)

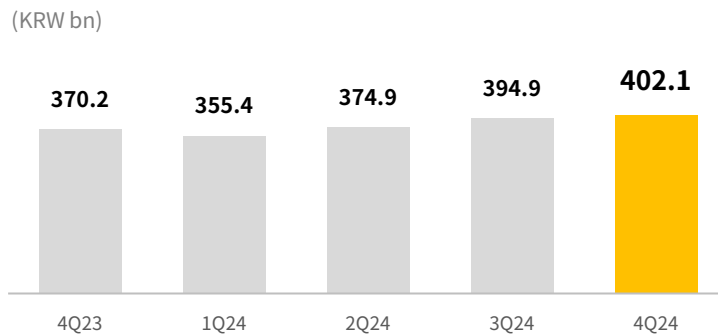
Operating Profit

2024 KRW 1,182.5bn (YoY 54.0% ↑)

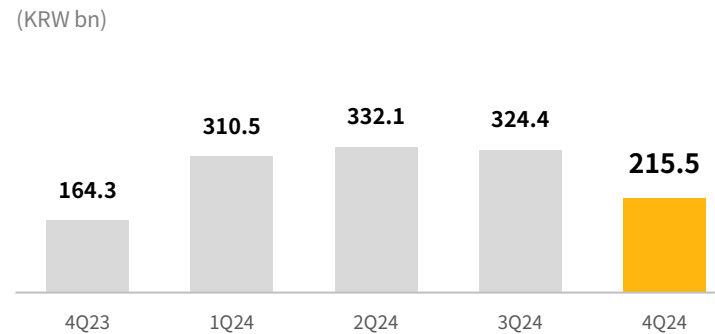
4Q24 KRW 215.5bn (QoQ 33.6% ↓, YoY 31.1% ↑)

(KRW bn)	4Q 2023	3Q 2024	4Q 2024	QoQ	YoY	2023	2024	YoY
Operating Costs	370.2	394.9	402.1	1.8%	8.6%	1,142.6	1,527.3	33.7%
Personnel	120.9	133.1	132.7	-0.3%	9.7%	427.3	516.8	20.9%
Platform fees/Cost of Revenue ¹⁾	87.9	101.1	84.8	-16.0%	-3.5%	226.8	349.3	54.0%
Paid Commissions	61.9	80.4	97.9	21.7%	58.1%	258.9	316.1	22.1%
Marketing	34.2	29.9	37.9	26.7%	10.6%	66.1	101.4	53.6%
Share-based Payment Expenses	28.3	14.5	10.5	-27.2%	-62.7%	27.6	102.4	270.5%
Others	37.0	35.9	38.3	6.7%	3.5%	135.9	141.3	4.0%
Operating Profit	164.3	324.4	215.5	-33.6%	31.1%	768.0	1,182.5	54.0%
<i>% Margin</i>	<i>30.7%</i>	<i>45.1%</i>	<i>34.9%</i>	<i>-10.2%p</i>	<i>4.2%p</i>	<i>40.2%</i>	<i>43.6%</i>	<i>3.4%p</i>
Adj. EBITDA²⁾	219.7	365.4	253.4	-30.6%	15.4%	903.7	1,391.3	54.0%
<i>% Margin</i>	<i>41.1%</i>	<i>50.8%</i>	<i>41.0%</i>	<i>-9.8%p</i>	<i>-0.1%p</i>	<i>47.3%</i>	<i>51.3%</i>	<i>4.0%p</i>

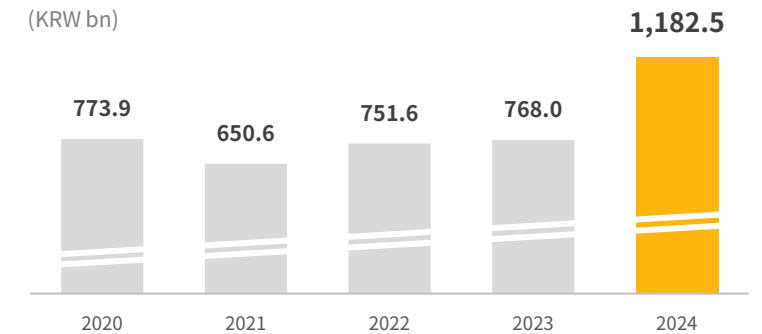
Operating Expenses (Quarterly)



Operating Profit (Quarterly)



Operating Profit (Annual)



1) Platform fees / Cost of Revenue consist of Steam, market commissions, etc

2) Adj. EBITDA = EBITDA + Share-based payment expenses

Net Profit

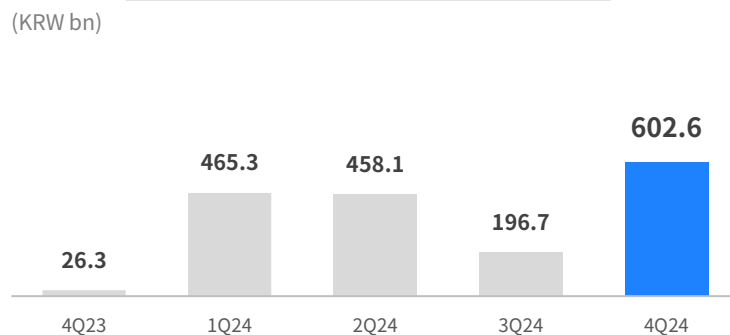
Net Profit

2024 **KRW 1,302.6bn** (YoY 119.3% ↑)

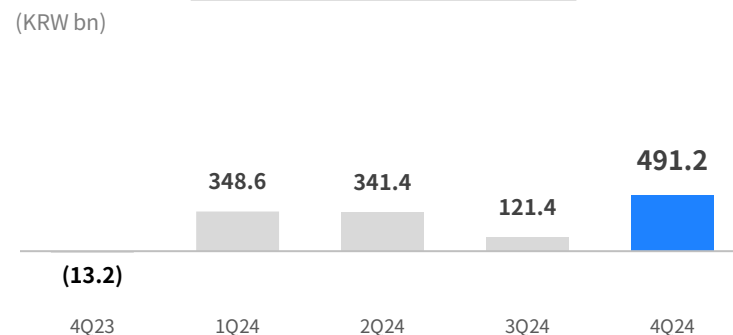
4Q24 **KRW 491.2bn** (QoQ 304.7% ↑, YoY T/P¹⁾)

(KRW bn)	4Q 2023	3Q 2024	4Q 2024	QoQ	YoY	2023	2024	YoY
Non-Operating Profit	(138.0)	(127.7)	387.1	T/P ¹⁾	T/P ¹⁾	60.6	540.2	791.8%
Non-Operating Income	190.6	(21.5)	417.3	T/P ¹⁾	119.0%	521.0	729.6	40.0%
Other Income	182.8	(28.3)	409.9	T/P ¹⁾	124.2%	483.5	697.1	44.2%
Finance Income	7.8	6.8	7.4	9.2%	-4.1%	37.5	32.5	-13.3%
Non-Operating Expense	328.6	106.2	30.2	-71.5%	-90.8%	460.4	189.4	-58.9%
Other Expenses	326.3	103.9	27.8	-73.2%	-91.5%	451.5	180.0	-60.1%
Finance Expenses	2.3	2.3	2.4	0.7%	1.3%	8.9	9.4	5.9%
Profit Before Income Tax	26.3	196.7	602.6	206.3%	2,193.1%	828.6	1,722.7	107.9%
Income Tax	39.5	75.3	111.4	47.8%	181.9%	234.5	420.1	79.1%
Net Profit	(13.2)	121.4	491.2	304.7%	T/P ¹⁾	594.1	1,302.6	119.3%
<i>% Margin</i>	-2.5%	16.9%	79.5%	62.6%p	n/m	31.1%	48.1%	17.0%p

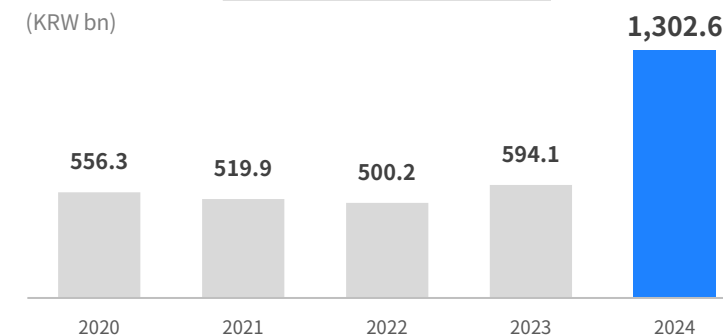
Profit Before Tax (Quarterly)



Net Profit (Quarterly)



Net Profit (Annual)



1) T/P: Turned to Profit

Q&A

CEO

김창한
CH Kim

CFO

배동근
Dongkeun Bae