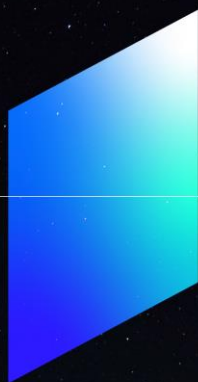NEXON — CAPITAL MARKETS BRIEFING

Key Takeaways

1   **Nexon's Industry-leading Live Operations Capability**

2   **IP Growth Initiatives – Vertical and Horizontal Growth**

3   **2027 Financial Targets**

4   **A New Shareholder Return Policy**

2

MC
In the course of today's program, we will offer four key takeaways.

- First, Nexon's highly refined Live Operations Capability advantages the company in capturing the opportunities ahead.
- Next, our IP Growth Initiative offers a detailed roadmap for building vertical growth on the momentum of our established IP, and horizontal growth by investing in games with the potential to become new blockbusters.
- Today we will offer mid-term financial targets for 2027
- And finally, you will get the details on Nexon's new shareholder return policy

With that, I will turn the program over to Nexon CEO, Junghun Lee.

JUNGHUN LEE

President and CEO

Junghun Lee

Good afternoon.

This photo was taken back in 1994, when Nexon was founded, and includes our late founder Jung-ju Kim, to whom I'd like to pay tribute before starting my presentation.

I will start with a story from early 2000 when I first set foot on Nexon.

My first position was on the development team of *The Kingdom of the Winds*, the game that holds the Guinness World Record as the first graphic online game.

It began service in 1996 and had a very simple business model, with a subscription of about $10 per month.

Weekends had the most concurrent players in Korea, and the common pattern was to see many users joining a little after lunchtime on Saturdays when people start to enjoy their weekends.

As my first task at Nexon, my mentor gave me the CCU chart from the previous month and asked me to figure out why there were certain spikes during the weekdays.

I studied it closely and did my research, but there were some points where I simply had no clue.

Then he made a point I hadn't thought of:

On certain days, it rained for several hours, which resulted in people staying home. Data we extrapolated for the entire year, showed a clear spike in concurrent players on days with rainy or bad weather.

We then developed an event functionality that could be switched on and off when the weather is bad and deployed it to our live service.

Think about it: This happened in the early 2000s – a period when today's Internet and mobile capabilities were unimaginable. And yet, it was when Nexon began developing the inquisitive DNA that incorporated player lifestyles and social phenomena into our development and operations. I remember feeling the rapture of discovering something very new and important.

Portfolio of Proven Global IP

1996 · 2003 · 2004 · 2004 · 2005 · 2012

Fast forward 30 years and you can see how that DNA has evolved to create and sustain numerous powerful entertainment franchises.

The Kingdom of the Winds is now in its 28th year in service and holds a Guinness World Record as the world's oldest-running MMORPG.
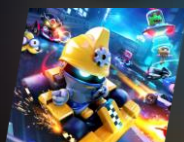
Portfolio of Proven Global IP

Dungeon&Fighter
850Mn Registrations
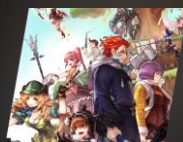$22Bn LTD Revenue
Launched 2005

MapleStory
250Mn Registrations
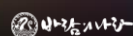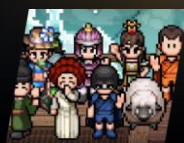$5Bn LTD Revenue
Launched 2003

KARTRIDER
380Mn Registrations
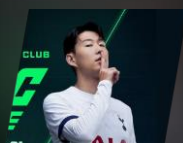$1Bn LTD Revenue
Launched 2004

mabinogi
33Mn Registrations
$700Mn LTD Revenue
Launched 2004

26Mn Registrations
$600Mn LTD Revenue
Launched 1996

FC ONLINE
12-year Strong
Partnership with EA
Launched 2012

Dungeon&Fighter, live for 19 years, is one the world's largest digital IP with more than 850M registered users and 22B dollars in accumulated revenue. And yet it's still growing;

MapleStory has been in service for 21 years and still growing with 250M registered users and more than 5B dollars in accumulated revenue.
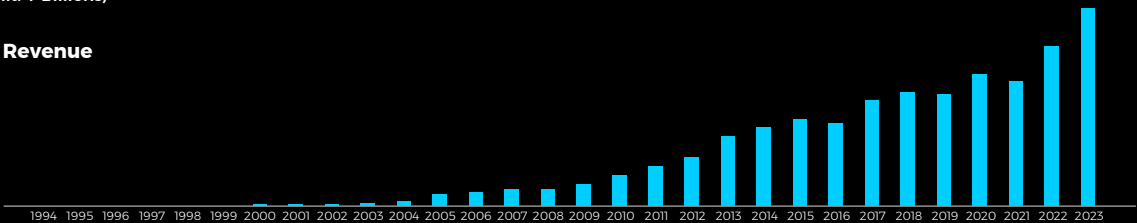
Another Nexon IP, *Mabinogi* is currently recording its highest-ever revenue as it celebrates its 20th year anniversary.

Without a doubt, Nexon is one of the few companies globally with a proven ability to cultivate, grow, and sustain strong IP that have thrived for decades.
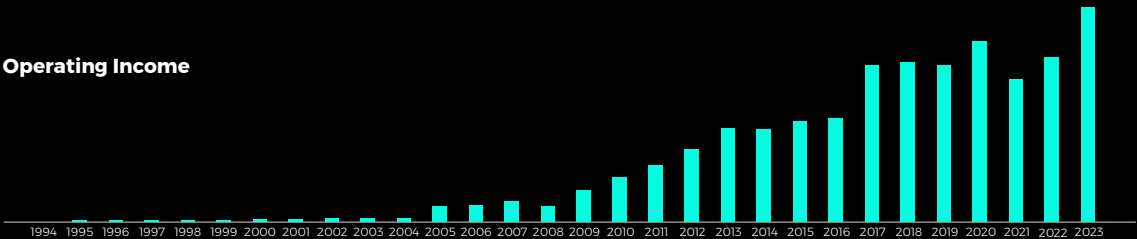
Historical Financials

(Unit: ¥ Billions)

Revenue

Operating Income

It is important to recognize our three decades of success when considering our path to future growth.

Our DNA and culture of curiosity have delivered the dynamic and disruptive changes that make games more accessible and fun.

Throughout our 30 years, we have shown sustained, non-linear growth both in revenue and operating income.

Our market cap has grown by 4X since our IPO in 2011 and we are tracking to another year of record-high revenue and operating income.

Across three decades a clear pattern has emerged, showing that slow or declining periods are followed by explosive growth.

I can't stress enough that this pattern of steady but non-linear growth is a testament to our capability to successfully run live operation with IP franchises.

Nexon's live operation capability is what sets our company apart from industry peers.
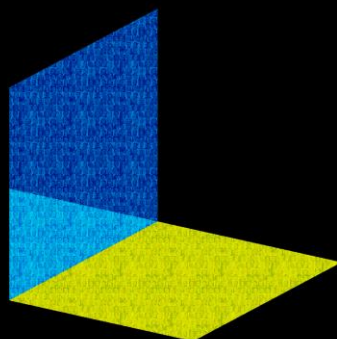
**Industry-Leading
Live Operations**

The essence of our live operations prowess and the underlying philosophy is that we converted the live operation heavily reliant on a handful of talented individuals, in other words on manpower, to turn them into a "system."

No other company has built such an extensive database, across diverse genres, and over as many years.

We live in a time when data and tech stack are a must.

What determines who wins the competitive edge is the ability to refine the voices and preferences of consumers, and to reflect this back into the experiences they truly want.

I would like to emphasize that this is in the DNA of NEXON and key to our sustained growth.

Since last year, we have been rapidly expanding our live operations capabilities, which underwent an overhaul, to other regions, including the West and Japan with Embark's titles and *MapleStory* in the lead.

We believe that Nexon's advanced live operations will provide a big advantage not only to our existing games but to multiple upcoming projects, bringing compounding benefits to us in the long term.

I kindly ask you to keep this in mind as a foundational element of the IP Growth Initiative that we will share shortly.
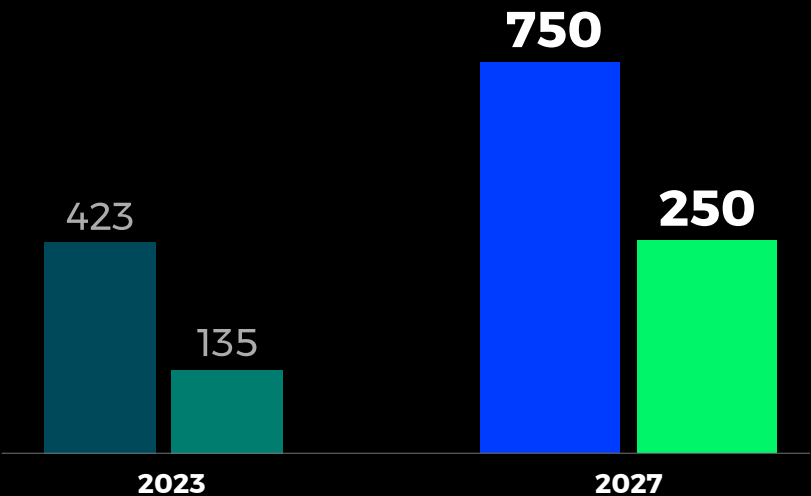
So, let me directly address the key question: What are Nexon's future growth targets?

We've set the targets of 750B yen in revenue and 250B yen in OI in 2027.

Let me explain our confidence in these ambitious targets.

Igniting
The Next Great Era of
Nexon Growth

NEXON's IP growth initiative is a simple, common-sense approach to engaging our players and achieving our financial targets.
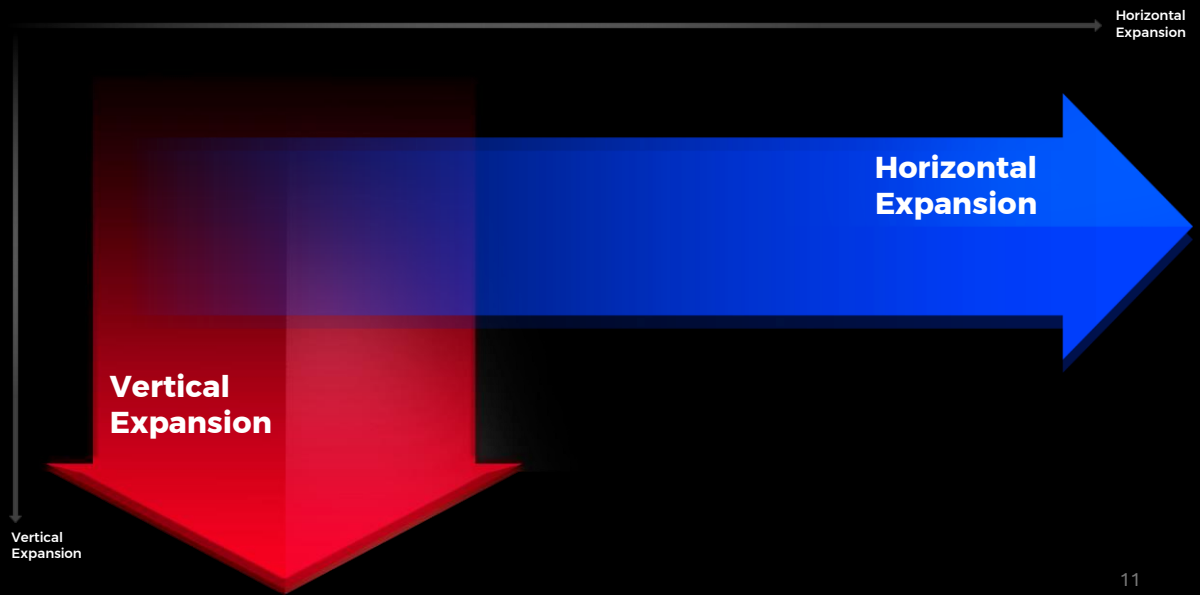
First, it begins with extending growth in our blockbuster IPs over the long term, which we define as vertical expansion.

Second, we develop and nurture new and existing games with the potential to become long-term pillars in our IP portfolio, which we define as horizontal expansion.

The idea is to parallel-track both of these strategies to strengthen Nexon's base as a company with multiple blockbuster IP ecosystems.
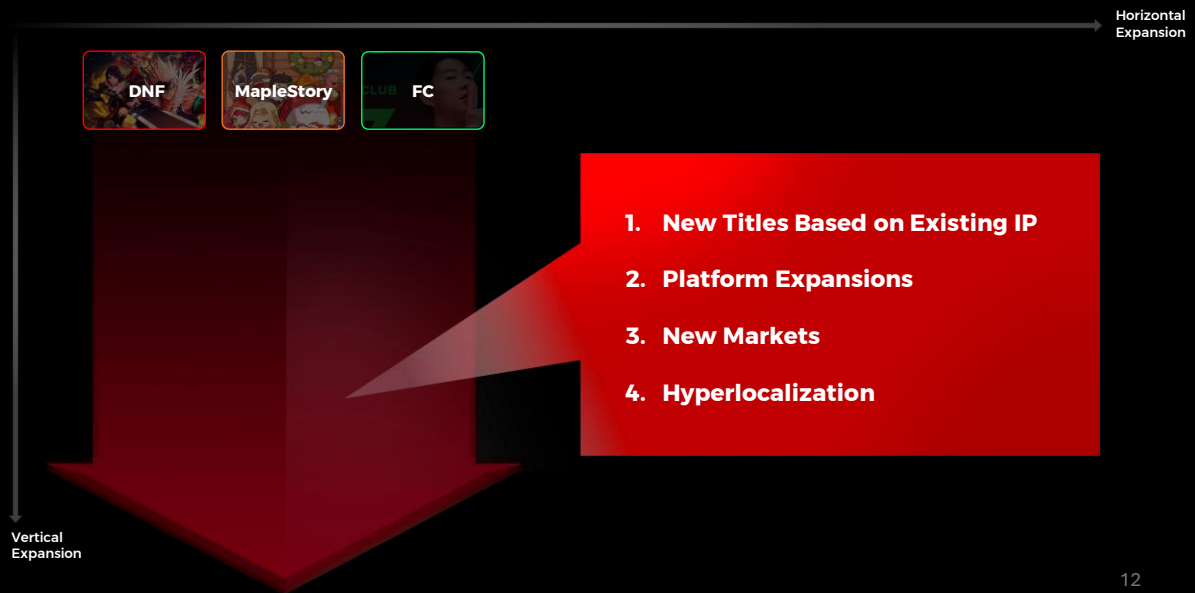
Let me first discuss the vertical expansion element.

Nexon will further concentrate on the live service of our blockbuster IPs, which takes up the most share from our performance; in addition, we will focus the most on expanding franchises based on these blockbuster IPs.

The projects that will stand out in the coming three years will be the new titles based on the existing blockbuster IPs.

A highly successful example of this strategy was the recent launch of *Dungeon&Fighter Mobile* in China. But this is only the beginning.

This vertical expansion strategy is not confined to a few titles. We see significant low-hanging fruit in our ability to further grow our blockbuster IP with extensions.

The strategy includes four key parts: 1) new titles based on existing IPs, 2) platform expansions, 3) new markets, and 4) hyper localization.

With the rest of my presentation, you will see how each of these four plays out in our strategy.

We are confident that our focus on such IP expansion will allow us to centralize our organizational structure around IPs. In addition, it will create a snowball effect across existing live titles and new titles, and development and live operations within the respective IP's boundary, maximizing the performance in the end.

Next I will illustrate this concept with a deep dive into our *Dungeon&Fighter* IP which has been played by 850M users worldwide with an undisputedly powerful brand in East Asia in particular.

Dungeon&Fighter Mobile

- The Most Successful Mobile Launch Ever in China
- Energized *Dungeon&Fighter* Franchise
- Attracted New Players; Stimulated Dormant Users

14
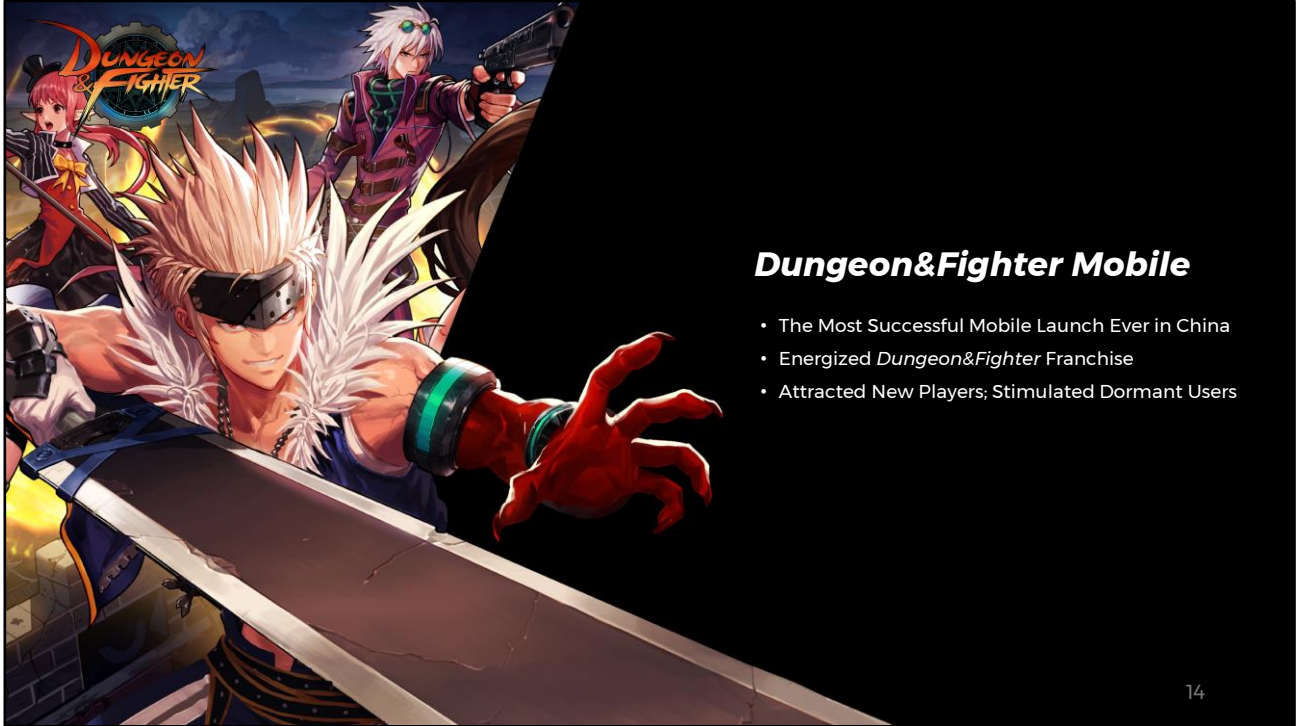
Let's first look at *DNF Mobile*, which until just a couple of months ago, would have been categorized as an upcoming title.

Launched in May in China, *DNF Mobile* is the most successful mobile launch in the history of Chinese mobile games and represents the best example of the platform expansion that we envision.

Of key significance is that the mobile version has brought in new users, who never experienced the IP before, and revitalized dormant fans of the IP.

We are already working to ensure that *DNF Mobile* can remain an evergreen title for the next decade and making investments with a firm belief in the long-term success of the title.

Dungeon&Fighter Franchise Pipeline

THE FIRST BERSERKER
KHAZAN

PROJECT
OVERKILL

PROJECT DW

15

There are three new projects based on _Dungeon&Fighter_ IP that will be introduced by 2027:

First is _The First Berserker Khazan_, which Neople's CEO Myeongjin Yun who oversees the IP will explain in detail soon.

Next, _OVERKILL,_ the spiritual successor to the original _DNF_ which delivers an evolved interpretation of the original action-based combat of the IP.

We also have an open-world game called _Project DW_, which is currently in development by Nexon Games, the masterminds behind _Blue Archive_ and _The First Descendant_.

The First Berserker: Khazan

- Powerful extension of *Dungeon&Fighter* IP
- Introduces *Dungeon&Fighter* IP to Global Players

16
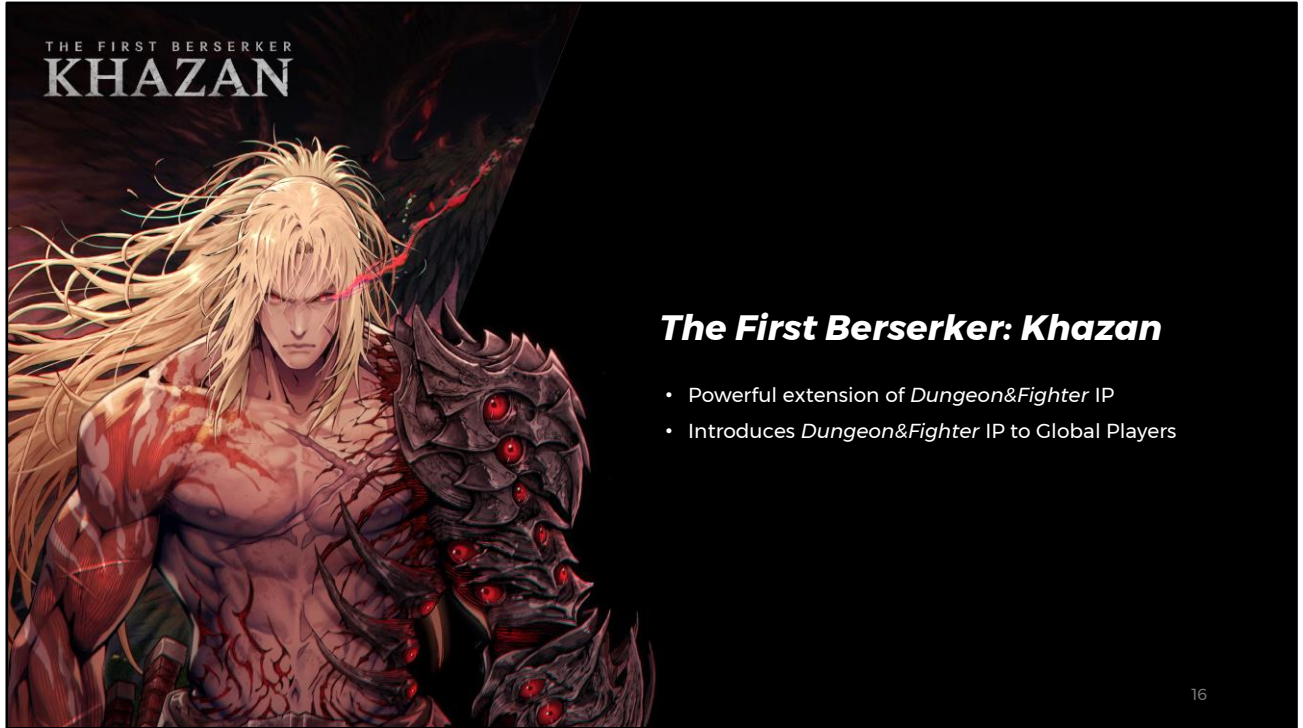
With its release coming in the first half of next year, *The First Berserker: Khazan* is specifically designed to broaden *DNF* IP's reach beyond its core fanbase in East Asia and let existing fans explore a new aspect of the IP's lore.

Here to tell you more about *The First Berserker: Khazan*, is the CEO of Neople: Myeongjin Yun.

Myeongjin Yun
Good afternoon and thank you for the introduction. I'm the CEO of Neople and the executive producer of the *DNF* IP. My name is Yun Myeong-jin.

Today, I'd like to talk about the *DNF* Universe, especially, a project called *Khazan*.

Dungeon&Fighter Universe

DNF Universe is **expanding in endless and diverse ways**
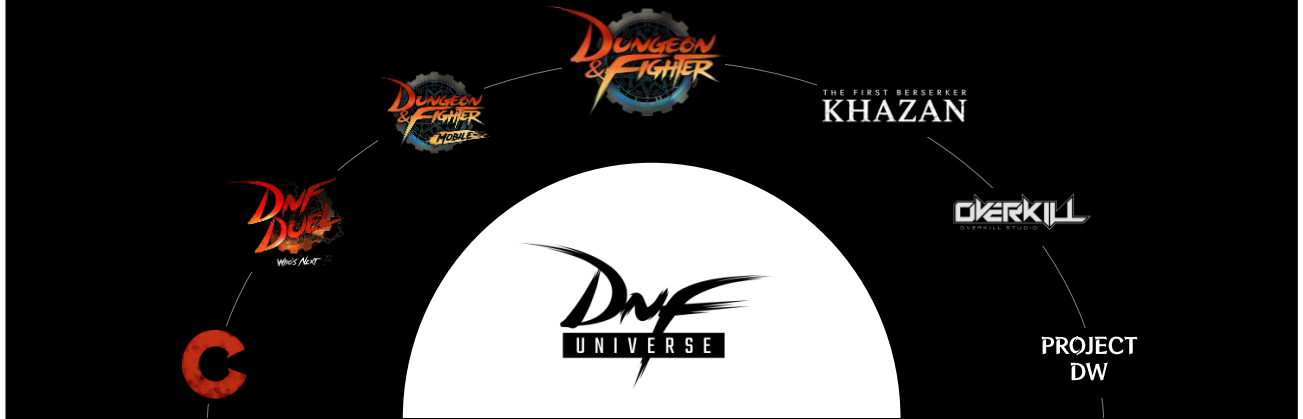
DNF stands for *Dungeon&Fighter*, and the *DNF* Universe is a unified brand of the IP.

Based on *DNF*'s unique action and the dark fantasy world, Neople is developing various game services, and we aim to expand into diverse media content beyond games and create a global and powerful fan base for the entire franchise.

The First Berserker: Khazan

First AAA console game in the *DNF* franchise

Inheriting the *DNF* world and its DNA, *The First Berserker: Khazan* is a hardcore action RPG.

In the Korean and Chinese PC online market, *DNF* online achieved a feat, but rather than limiting ourselves to those large markets, Neople is targeting Japanese and global markets. To capture the large share of console players in those markets we are developing *Khazan* as a console game, and attempting to create a foundation to enter the global market.

ABOUT *KHAZAN*

GENRE
Intense
hardcore
action RPG

ART
Captivating
3D cel animation
graphics

STORY
A different
worldline story in
Dungeon&Fighter

Khazan has three core features.

It provides overwhelmingly satisfying hits in battles as a hardcore action RPG.

Instead of photorealism, it's presented in a unique 3D cel animation.

Also, it features a story that unfolds in a parallel world, which I'll describe shortly.

As many know, *DNF Online* is side-scrolling ARPG, presenting 2D pixel art.

Neople prides in itself for being the world's best in pixel art, and for action games with the beautiful artwork that goes beyond the limits of 2D graphic, we have plethora of know-hows and achievements.

DNF franchise's impactful debut in the Western market
driven by its unique, mind-blowing 3D action genre

Instead of taking the 2D approach which is inherent to the original art direction, Neople has adopted a 3D cartoon cel shading style which makes the game more accessible to console players worldwide.

Exhilarating, fast-paced action gameplay powered by innovative combat mechanics

As mentioned earlier, based on intricate and deep action mechanics as well as stylish and creative battle styles, *Khazan* brings an exhilarating and dynamic action.

Khazan's unique and captivating 3D cel-animation art style

With the unique charm and know-hows on the 2D pixel art expertise Neople gained through the original *DNF*, *Khazan* boasts a distinctive and appealing visual style of its 3D cell animation.

Typically, games in this genre don't use cartoon shading, but Khazan has managed to capture the game's dark atmosphere with impressive quality, even with this style. This unique artistic direction has become a standout feature for Khazan, and the market response has been overwhelmingly positive.

Khazan's story unfolds in a new worldline of *Dungeon&Fighter*, never-before seen in the original game

And at the same time, it revolves around *Khazan*, one of the most well-known figures in the universe, unfolding its story in a slightly different parallel world.

And I'll talk a little about this story.

Khazan, the Great General of the Pell Los Empire

Becomes a hero to his people
after he and his best friend Ozma, the greatest wizard of his time
slew Hismar the fearsome Berserk Dragon, who had terrorized the world

Khazan, a former great general of Pell Los Empire, and his friend Ozma defeat the berserk dragon Hismar that made the world shudder in fear.

But as the whole empire praises them and hails them as heroes, a mysterious figure drives a wedge between them and the emperor.
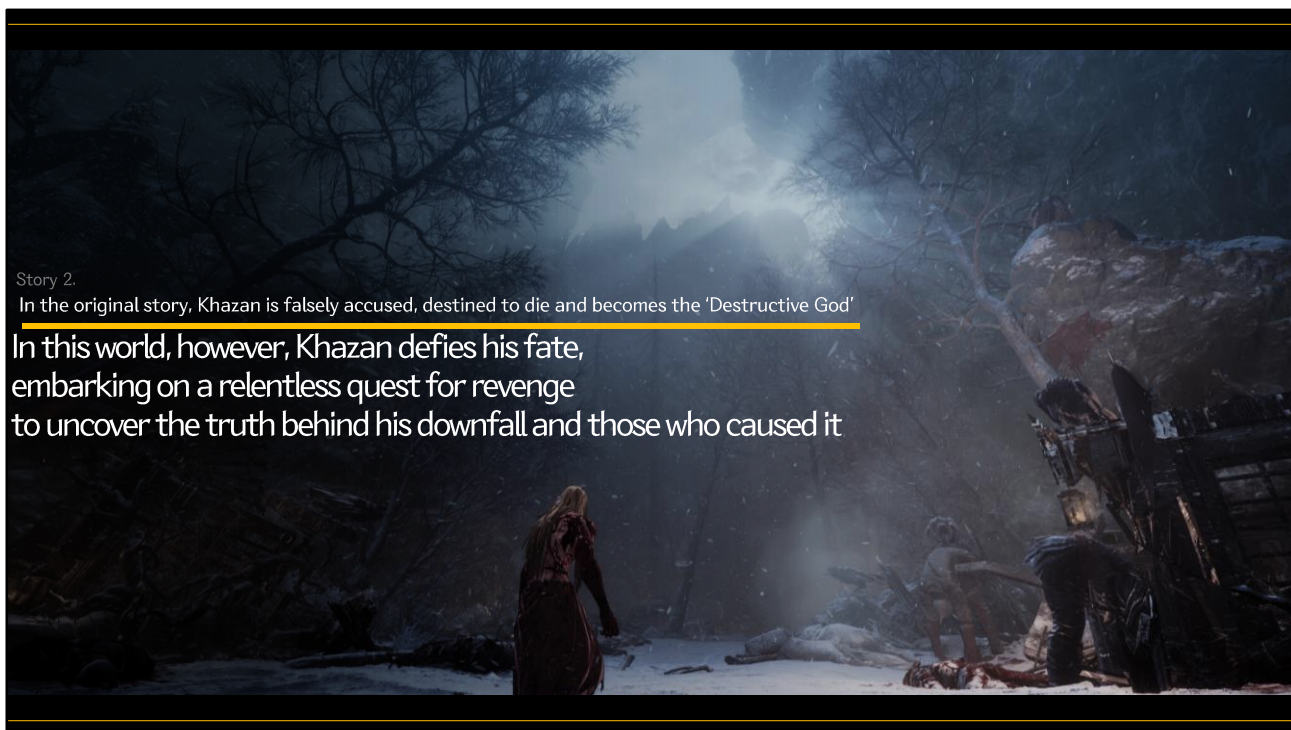
Story 2.
In the original story, Khazan is falsely accused, destined to die and becomes the 'Destructive God'

In this world, however, Khazan defies his fate,
embarking on a relentless quest for revenge
to uncover the truth behind his downfall and those who caused it

In the original story, *Khazan* gets betrayed by the emperor who gets jealous, and with his tendons severed, he gets sent into an exile in a snowy mountain where he gets killed.

And in the process, one of the most important classes, Slayer, is created by a disease called *Khazan* Syndrome which spreads into the world by *Khazan* himself.
And players find out that all of this is a repercussion of a plot.

But the game *The First Berserker: Khazan* starts with a curious question: What would have happened if *Khazan* survived the exile and how would it have changed history?

The game follows *Khazan,* who survives the snowy mountain takes revenge against the emperor, and embarks on a journey to find truth – a journey which can be refreshing to fans of the original game and profound for new players.

"Challenging action, beautiful unique art style, and dark fantasy world"

Left a strong first impression of *Khazan* on Western gamers at Gamescom 2024, garnering praise and high expectations

At Gamescom in the third week of last month, *Khazan* proved its quality to western users at the demo booth, engraving a positive first impression.

All throughout the event, users queued minimum of 3 hours in average, and our long queue would block the neighboring booth with so much users flocking in to play.

From beginning to the end, not a single seat was empty, the queue never left us as the game was incredibly popular.

With this game, we intend to reach a global audience -- especially the Japanese and Western markets -- by showing our dev capabilities that aren't limited to platforms and spreading the action and rich stories of DNF.
And we consider this just the beginning of many future opportunities for the DNF IP

Next, I'll play the promo video that we revealed at Gamescom and finish my presentation.
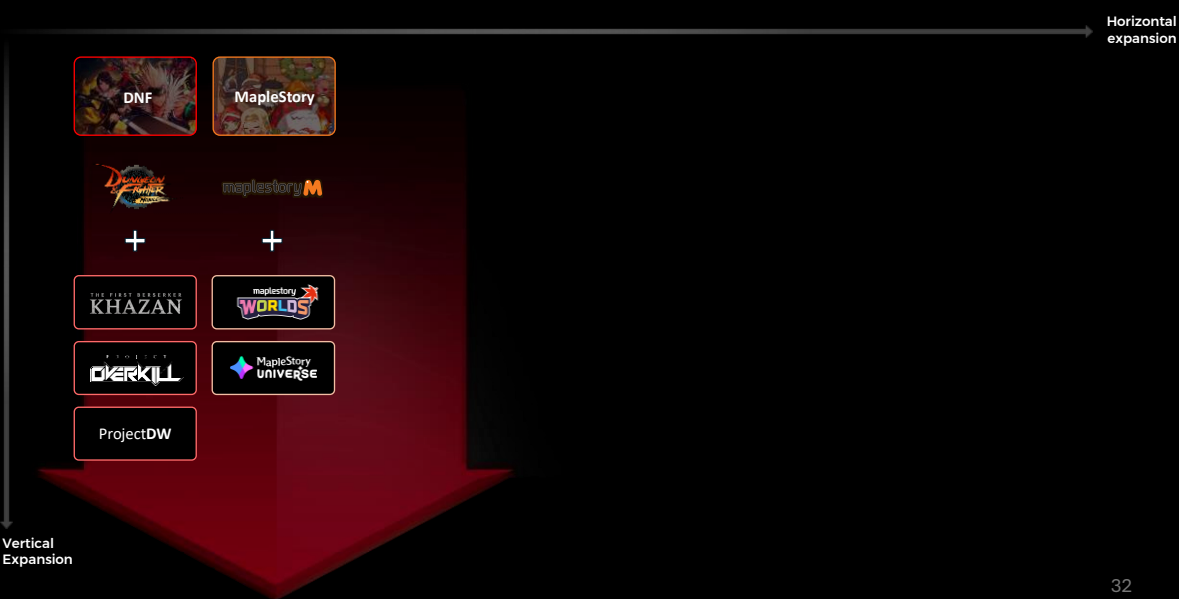
The dev team is at the last stage of the development, aiming to release *Khazan* early next year.

As this is Neople's opportunity to engrave the *DNF* universe in the minds of global gamers, we'd love for you to look forward to and support the release of *Khazan*.

Thank you for listening.
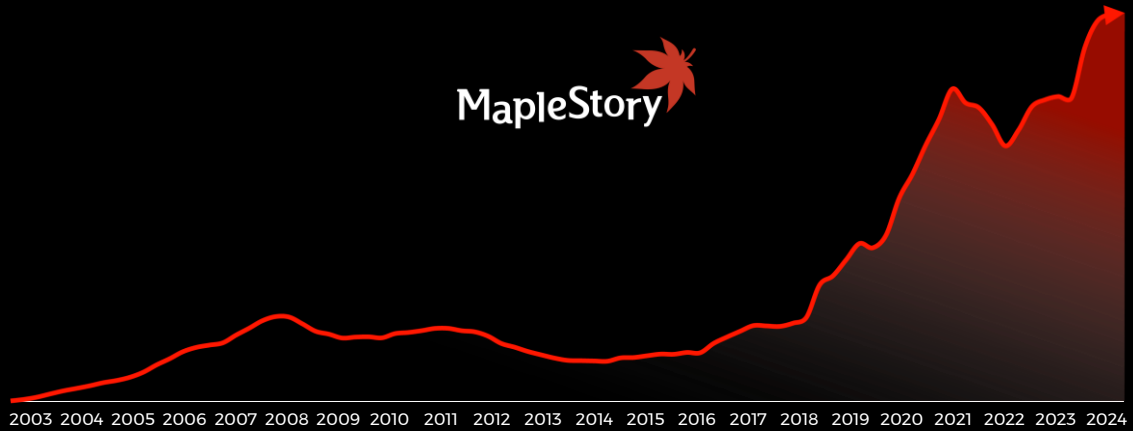
IP Growth Initiative – Vertical Growth

Junghun Lee

Next: A portfolio of extensions on *MapleStory,* another IP that best exemplifies our ambition for vertical growth.

Earlier this year we strategically grouped all project teams working on the *MapleStory* IP into one organization to quickly execute on our vertical growth initiative.

With *MapleStory*, all four elements of the vertical expansion — new title based on the IP; platform expansion; market expansion; and hyperlocalization — are already being executed and showing tangible results.

MapleStory Franchise TTM Revenue

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

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Since the PC launch in 2003, *MapleStory* has seen a dramatic surge in overall revenue, thanks to the success of our vertical expansion strategy.

Many of you may know this, but *MapleStory PC* in Korea has had some headwinds in recent quarters.

Nevertheless, you can see that the overall IP is actually continuing to grow. In other words, *MapleStory* IP revenue is growing rapidly outside Korea and on non-PC.
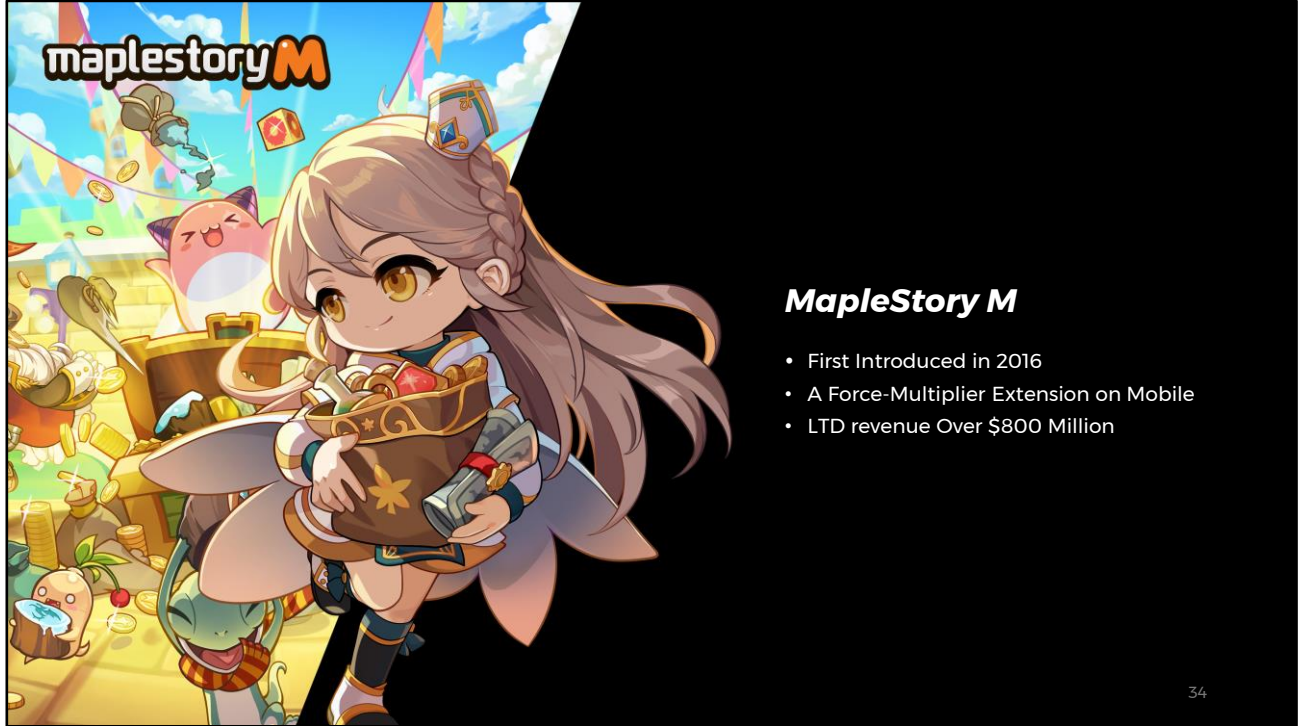
MapleStory M

- First Introduced in 2016
- A Force-Multiplier Extension on Mobile
- LTD revenue Over $800 Million

One of the key contributors to the overall growth is the mobile version, *MapleStory M,* which serves as an excellent example of platform expansion. Since its official launch in 2016, it has consistently grown over the past eight years.

MapleStory M TTM Revenue

This expansion has been released in multiple markets, accumulating over 800 million USD in revenue to date. Recently, it has experienced rapid growth due to regional expansion and ongoing live operations.

Hyperlocalization
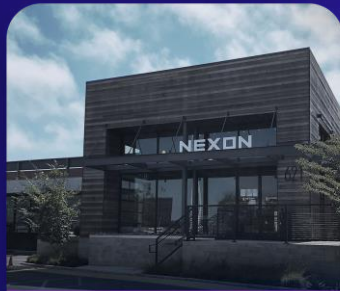
The image you're looking at is from the newly established *MapleStory* Western development team. It's an image of the update they provided for the *MapleStory* Western build.
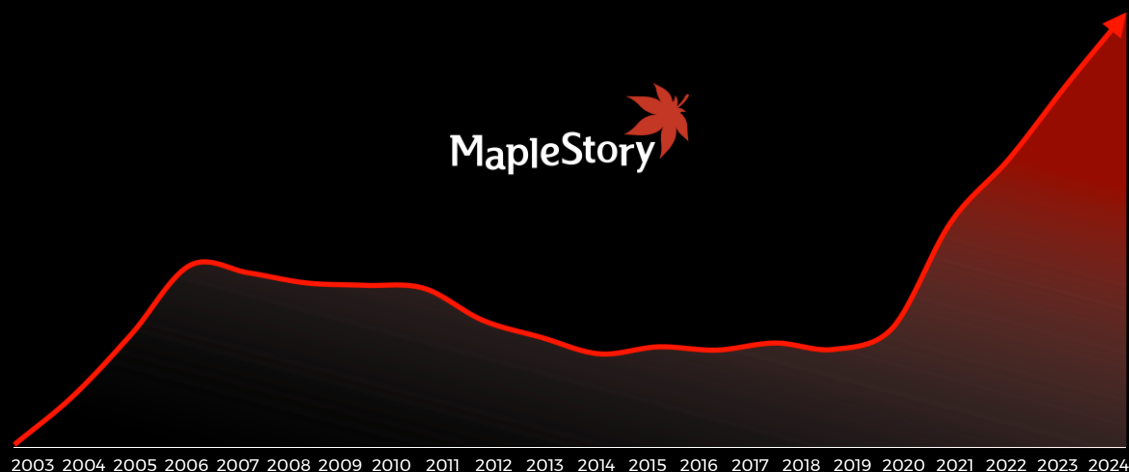
The update is called 'Go West.'

What do you think? Do you get the feel of it?

MapleStory IP was the first within our group to proactively adopt the concept of hyperlocalization.

Hyperlocalization is a perfect term to describe our experience of successfully attracting more users and fostering deeper engagement when dedicated local development teams that have deep insight into the user tastes in their respective regions tailor content to address the hundreds of subtle differences in each market, far beyond just translating text.

MapleStory PC Ex. Korea TTM Revenue

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
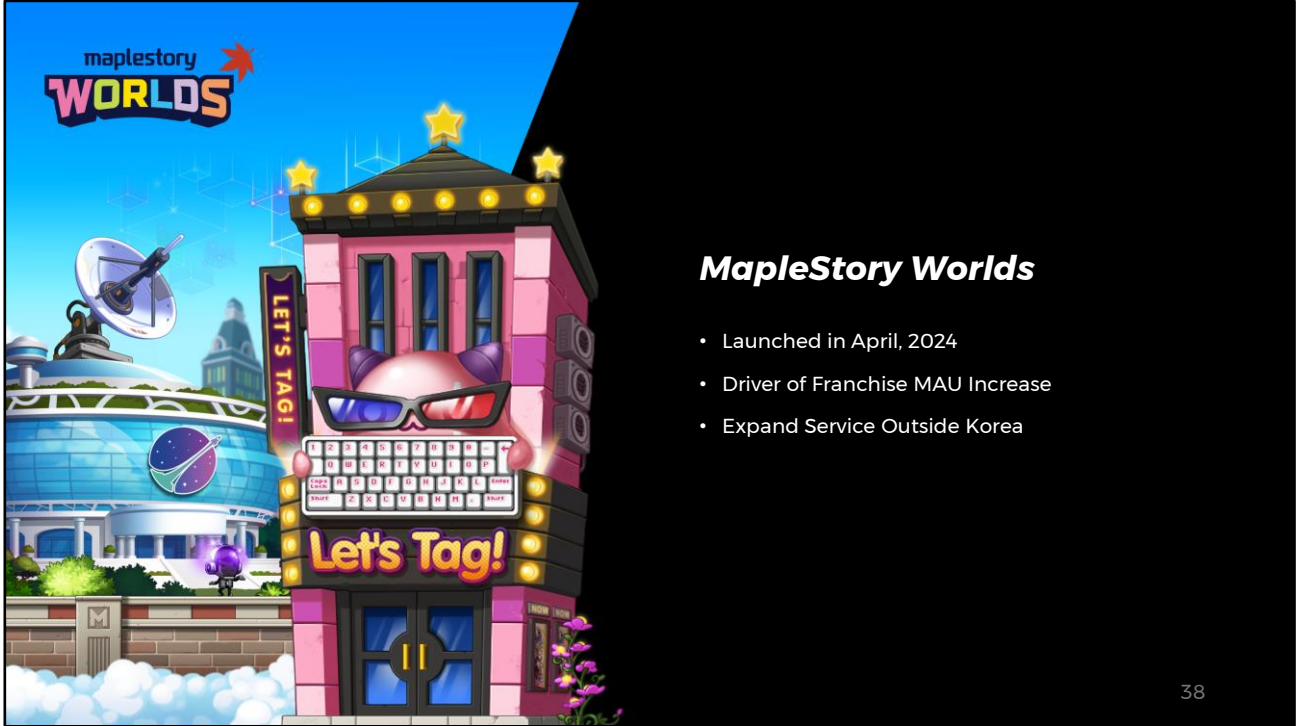
37

And as we discussed in our latest earnings call, *MapleStory* is currently growing by double digits year-on-year in regions outside Korea, including the West and Japan. This is just the early fruits of hyperlocalization.

We hope you take note that hyperlocalization can be applied to other Nexon IPs in the long term, not just contributing to the growth of the *MapleStory* IP.

The *MapleStory* team is aggressively expanding its dedicated local development teams in key live service regions including the West, Japan, and Taiwan, and as you can see, the results are proportional to the resources we are investing.

MapleStory Worlds

- Launched in April, 2024
- Driver of Franchise MAU Increase
- Expand Service Outside Korea

Now I'd like to introduce *MapleStory Worlds* - a new product based on the existing IP.

In April 2024, we launched *MapleStory Worlds,* a sandbox platform, designed to allow users to create custom content using *MapleStory* assets and even generate revenue from their creations.

This sandbox platform will broaden the reach of the IP and extend its longevity by providing *MapleStory* IP-based games created by numerous creators to more users.

With the launch of *MapleStory Worlds*, the total user base of the *MapleStory* IP is growing.

MapleStory Universe

- Use of Blockchain for Tracking and Rewarding Player Engagement
- Recognizes Player Contributions Both in and Outside Games

Now let's look at *MapleStory Universe*, an expansion of the target market for the IP.

This radically innovative concept uses blockchain technology for tracking and rewarding player engagement.

ANGELA SON

Head of BD & Partnerships,
MapleStory Universe

Joining me today is Angela Son, head of business development and partnership for *MapleStory Universe*.

Angela Son
Thank you Junghun.

MAPLESTORY AND THE
NEXT 20 YEARS

As Junghun has kindly mentioned *MapleStory* has had a great run for the past 20 years, and from that foundation, we started thinking about the next 20 years of *MapleStory*, and what that needed to look like.

We have been the ones to invent the F2P Live service model. We know for a fact that online games need to be built to last and grow for a very long time. We also know from first hand experience that the culture and value of a game is ultimately created by the community.

And with this, we felt the need to reinvent the wheel and present an F2P live service model that encompasses the importance of aligning the community with the developers, and with this in mind, building for sustainability.

MapleStory Universe was created with just those issues and points in mind.
Using blockchain technology, we aim to create a universe based on the *MapleStory* IP,
built to expand organically with the community.

Overview of MapleStory Universe
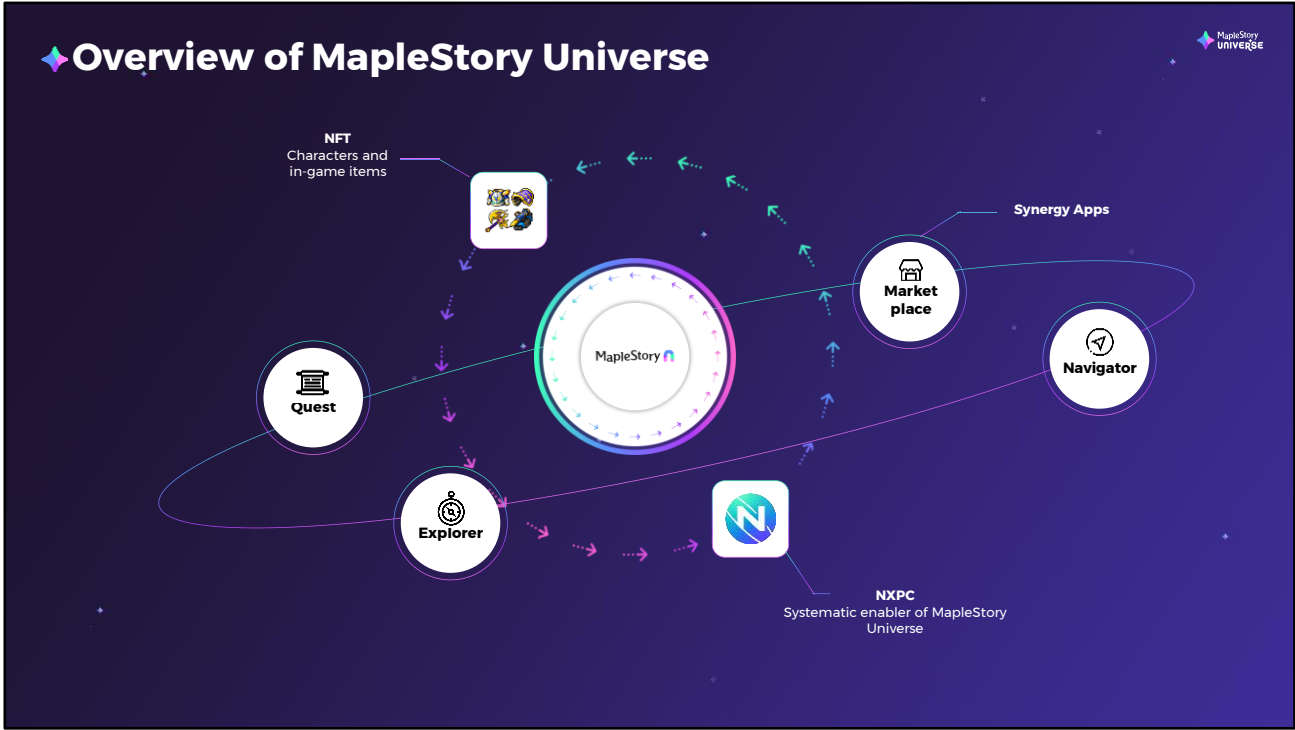
In short, *MSU* is an ecosystem project based on the *MapleStory* IP.

It is centered around the core game, *MapleStory N*.
We use NFTs and the NXPC token at its core to create experiences that ultimately align the incentives of all participants. Both developers and users.
And by doing that we create an ecosystem of various Synergy Apps, which are out-game experiences connected to the IP that are developed both by us and the community.

Let me go into detail about what NFT and blockchain changes for our *MapleStory* experience, and how we have structured the Universe with this technology.

First, NFTs. For us, all the characters you create, and the gear that you get, including cosmetics, are NFTs.

What this enables for the ecosystem, is that
- now NFTs are interoperable and can travel outside of *MapleStory N*, or the client, or any single app. It now has additional utility that it would enjoy in many other apps.
- That would mean that this NFT would be tradable outside of the game, and this is now approachable by people who may not also be on the game client.
- But what's more, is that these NFTs are DYNAMIC. Using the enhancement system, NFTs can gain new attributes, abilities, and additional bonuses. This adds a strategic element of how you would want to use your NFTs inside, and also outside the core game.
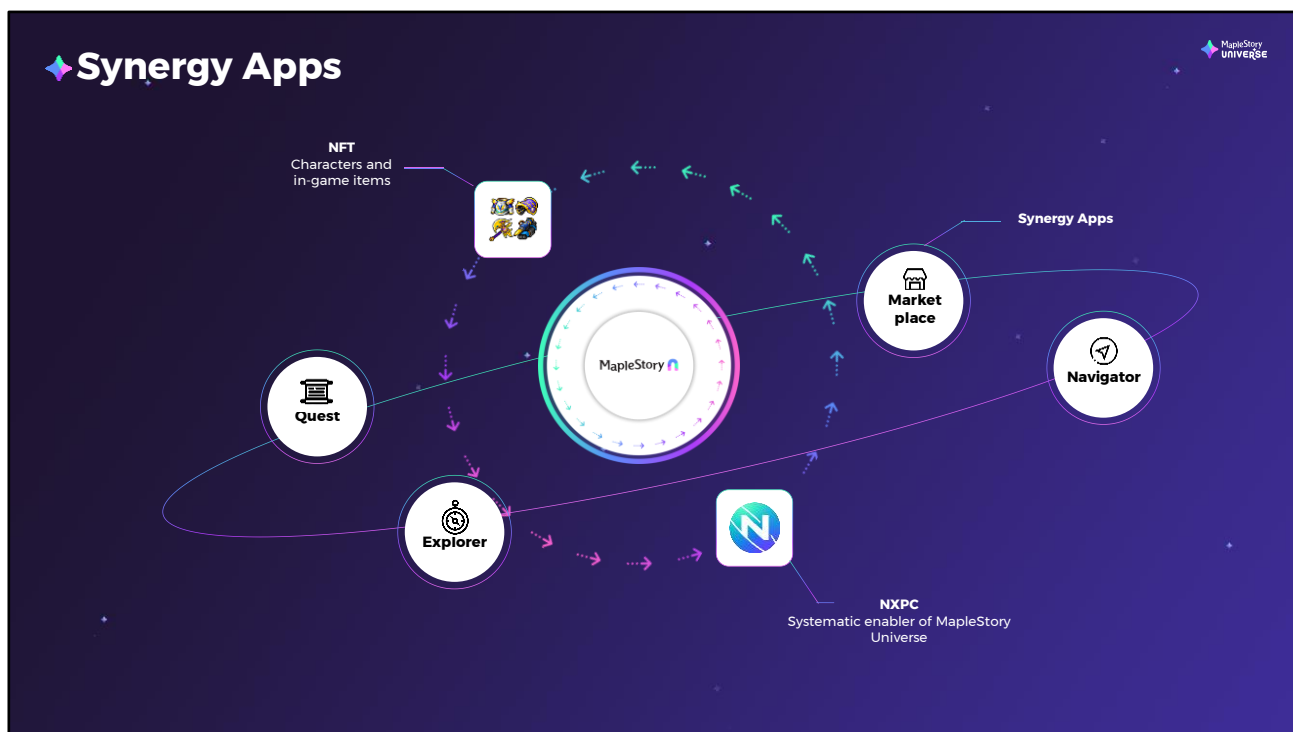
And because NFTs, are now interoperable, tradable, and dynamic, this enables the *MapleStory* experience to expand to the out-game, beyond a single client.

This is where the concept of Synergy apps comes in, the out-game experiences built by both us and the community builders.

The first round of Synergy Apps that *MapleStory Universe* presents includes, *MapleStory N*, the blockchain version of the classic game.
It also includes the marketplace, which is now a separate web experience available on both PC and mobile. We have the Navigator, Explorer, and Quests that add to the out-game experience beyond the client.

These are great examples of how we view the concept of Synergy Apps, and how they contribute to making the expanded *MapleStory* experience outside of the client. As an example. I'll go further into *MapleStory N*, a core Synergy App to further illustrate this. Firstly, here is a video showing what *MapleStory N* looks like.

✦ MapleStory N

"MapleStory uses blockchain technology and RWE elements to add a strategic layer to the classic game."

※ In development footage

✦ **No Premium Shops**

✦ **Acquire NFT with Gameplay**

✦ **Controlled Item Supply**

✦ **Dynamic Enhancements**

✦ **Built for Sustainability**

As a core synergy app of *MSU*, *MSN* is the blockchain engine upgrade of classic *MapleStory* that adds real-world economy elements to create a new meta experience. There are some core changes and differences in that.

Firstly, there are no in-game cash shops.
Here, you can Acquire NFT through gameplay as there are (no NFT presales) – we stay true to our F2P core.
Also, it is notable that we apply real world economy in the form of Controlled NFT(item) supply in the world, the number of items released at a time is capped and closely controlled by the protocol.
Dynamic enhancement pricing introduces enhancement prices based on supply and demand.

With this, we are proud to say that this game was Built to drive sustainability while introducing new technology to the IP's classic core.
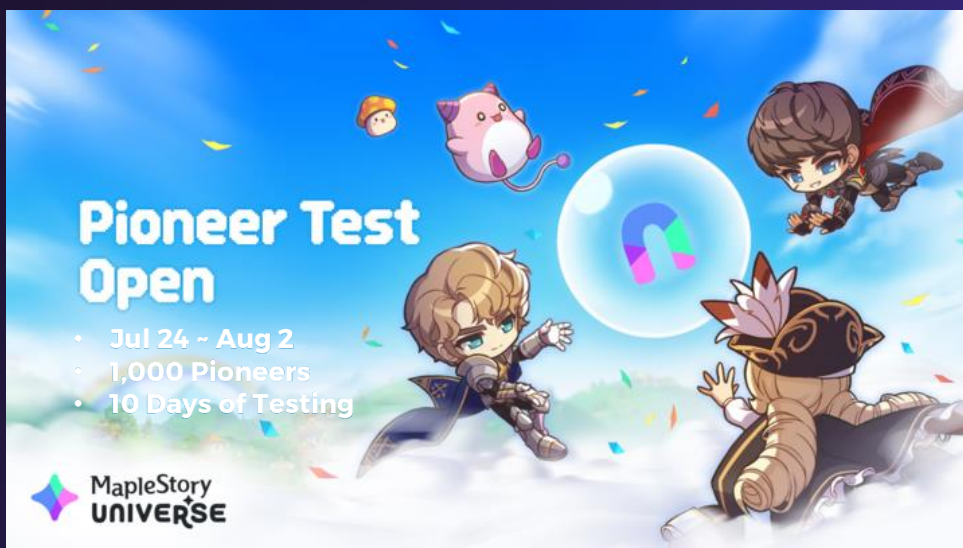
And we have had the pleasure of conducting a first reveal of *MapleStory N* with 1,000 users on July 24.
This was a test that lasted 10 days, with users from both traditional gaming spaces and also blockchain spaces joining the test to experience the game firsthand.

We have provided a video highlighting the results of the test.

We had sturdy results from the pioneer test with more than 82% average retention during the 10 days we did testing. This is an unprecedented number that we have never seen from any Nexon game or any games out in the industry.

We had more than 195,000 transactions meaning that we have healthy blockchain activity on the platform.

Also, more than 67% of token usage rates means that economy is also sustainable and strong as well.

A healthy NPS of more than 4.6 means that more than 90% of users want to come back and experience the game when it's launched, and we feel that this is a very healthy score that we're building off and we're excited about what *MapleStory* can bring for the future.
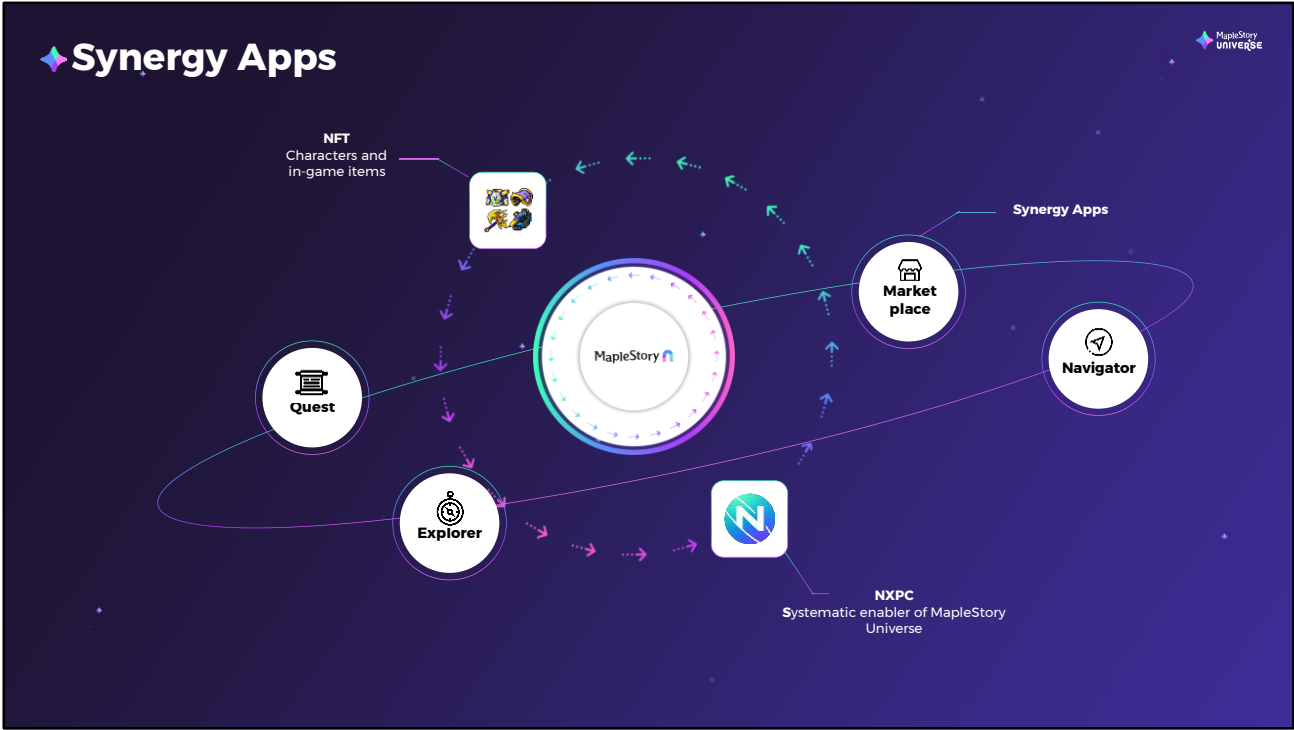
Let's return to the overview of *MapleStory Universe*.

What is all the more exciting about *MapleStory Universe*, is that even with the incredible results of *MapleStory N*, it doesn't stop there.
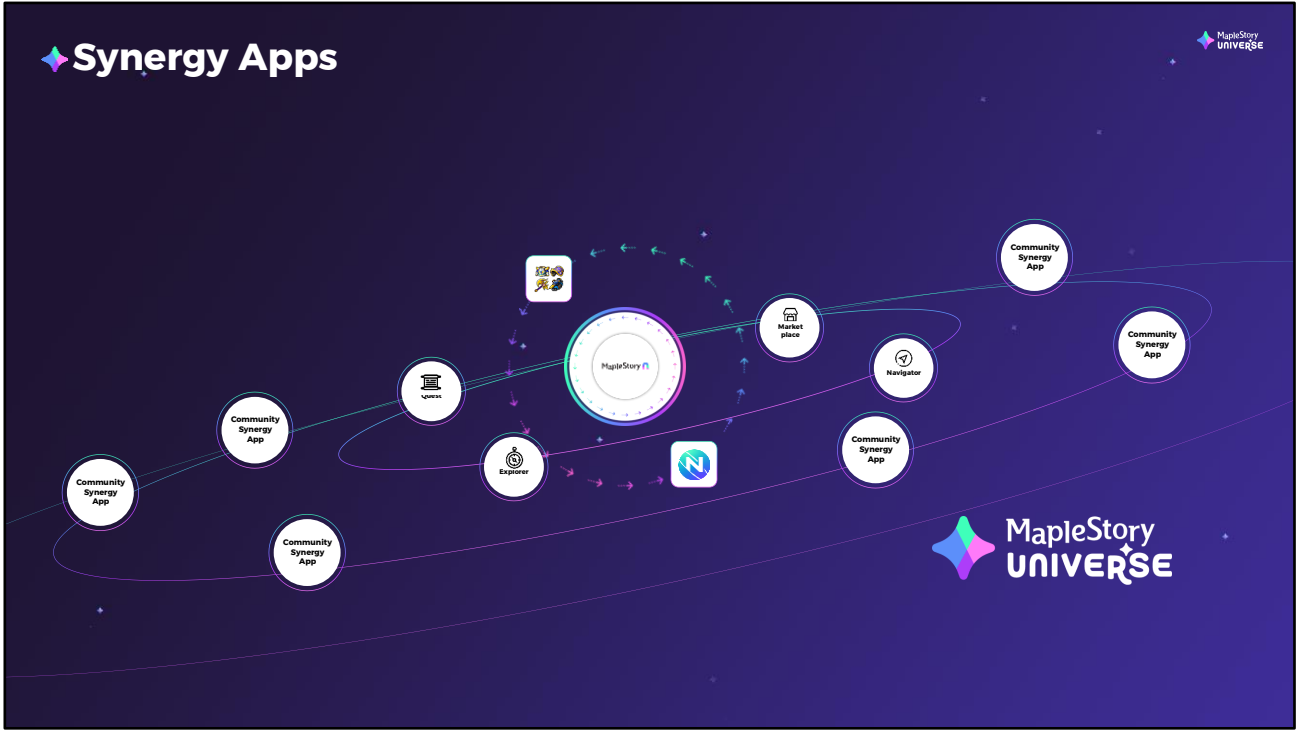
Under the core concept of aligning all participants through contribution and reward, we hope to expand the universe even further with community building on top of the *MSU* system.
We hope for builders of all kinds to join in and build with us using the *MapleStory* IP, and to create an IP experience that exceeds previous boundaries.

This way, we hope to expand our IP franchise organically through alignment with the community, and empowering the community through contribution and reward.
We hope *MSU* stands as a testament to a new generation of IP franchise operations, and a new ideal for how we can empower our existing IP franchises through F2P live service.
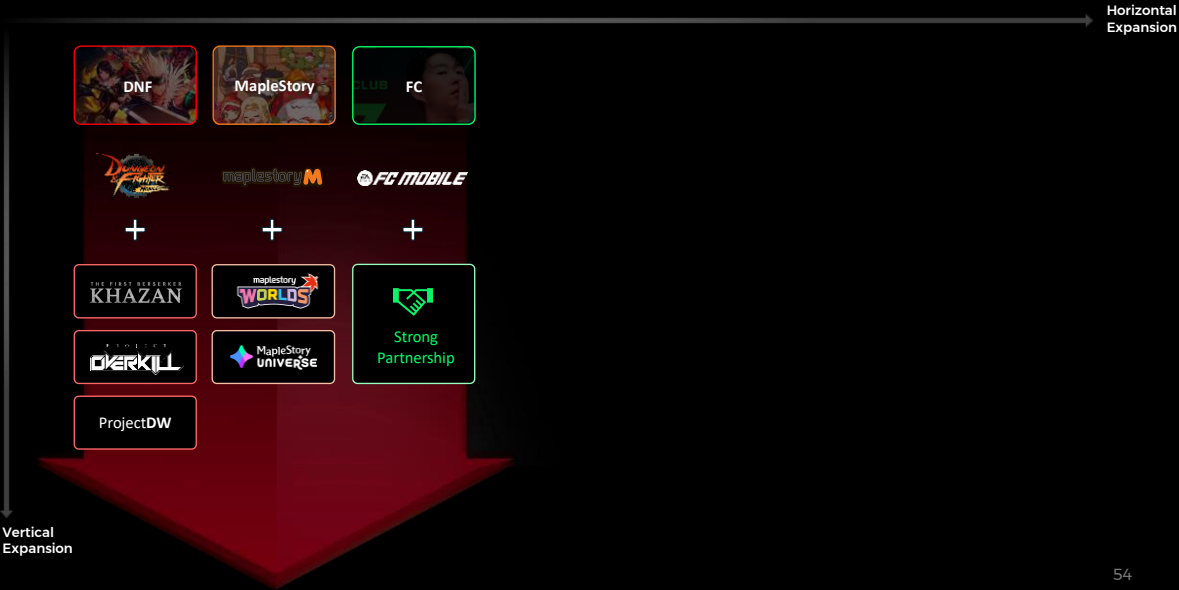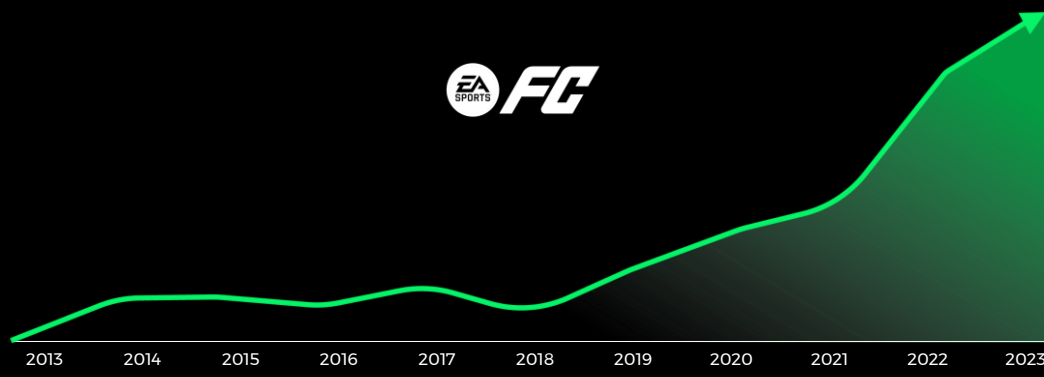We hope to be able to show more on the project as we go along.

Thank you!

IP Growth Initiative – Vertical Growth

Junghun Lee

As the last piece of our vertical growth strategy, let me speak about the *FC* franchise, an IP built on our strong 12-year partnership with EA which has shown amazing results.
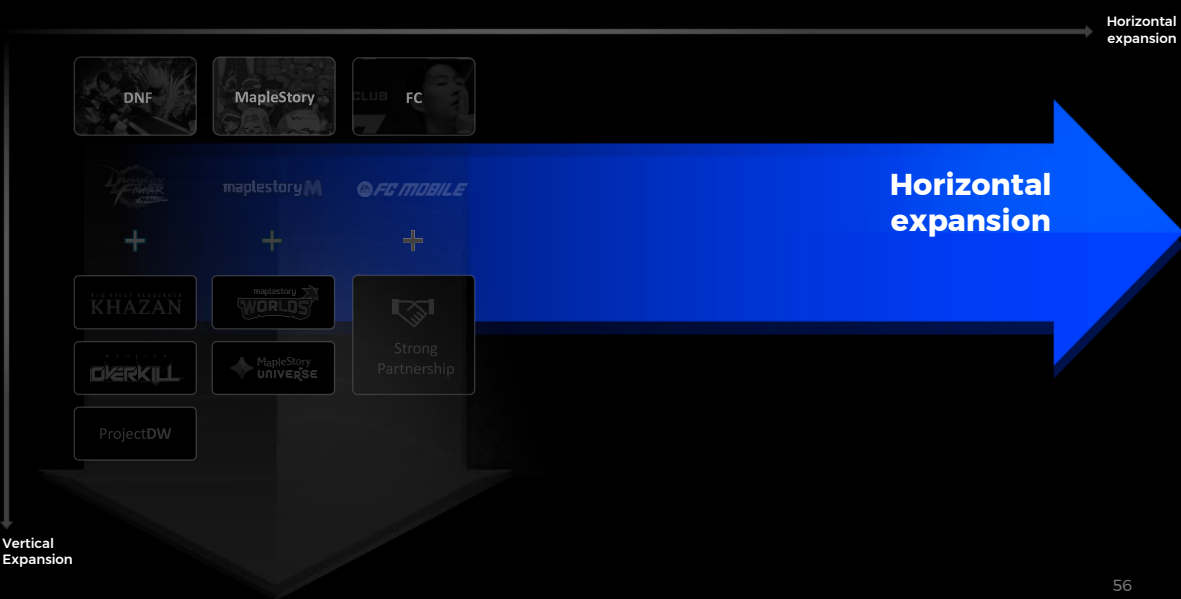
Nexon & EA – A Powerful Partnership

This partnership launched in 2012 based on *FIFA Online 3,* combined with the mobile version, has shown spectacular performance over the past 12 years.

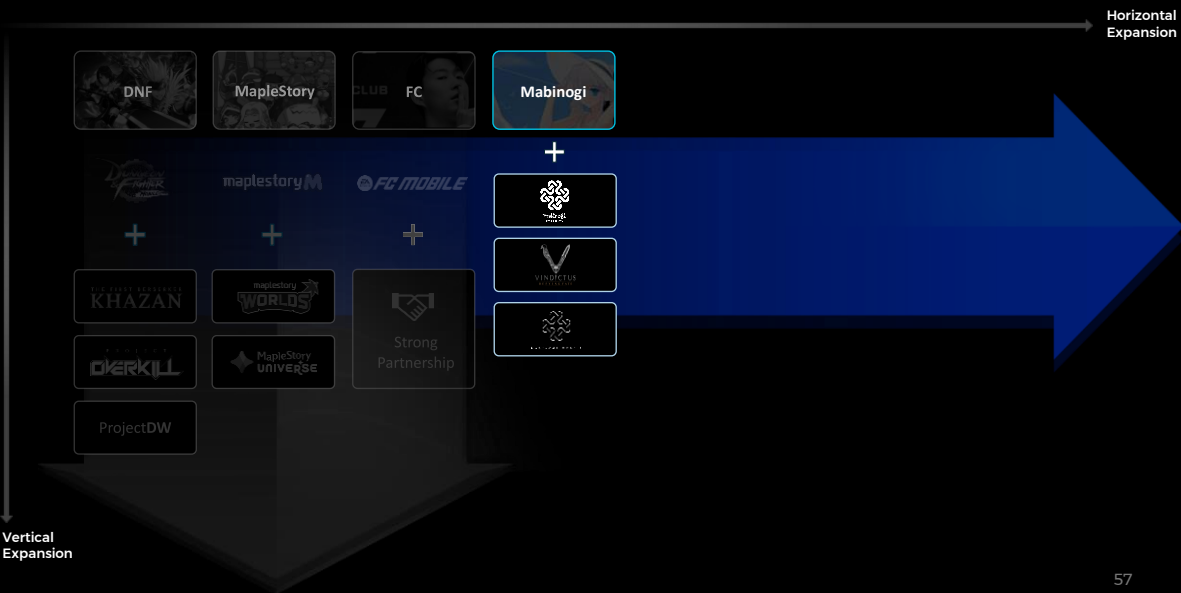Nexon and EA will continue to show stellar results based on our solid partnership.

Now, let me move from the vertical growth strategy and dive into the horizontal growth strategy.

The three IP franchises that I spoke about are important pillars for Nexon as they take up the largest share of our performance.

From now on, I would like to talk about our strategies for IP franchises that can grow into our fourth and fifth major pillars that follow our three key IPs in scale.
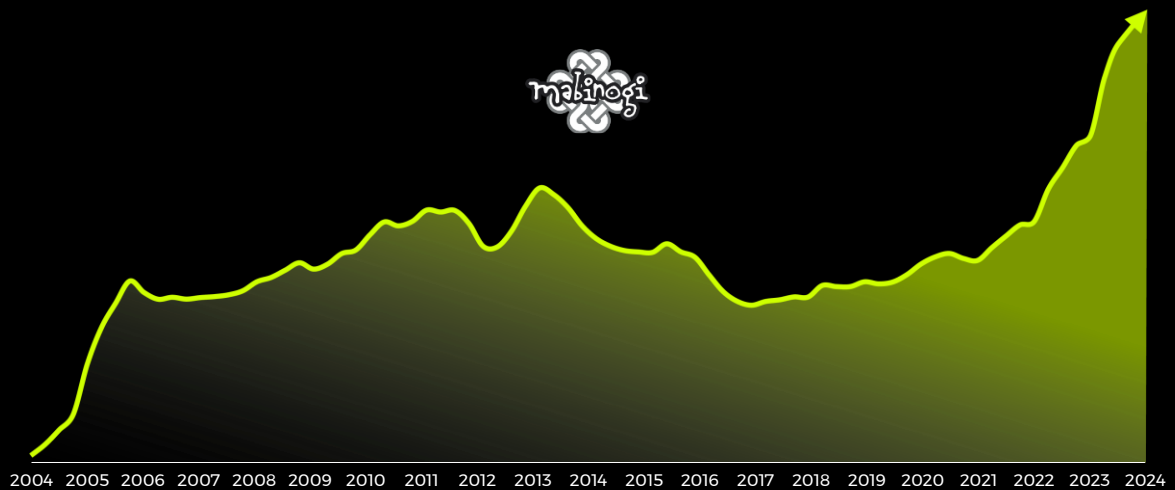
IP Growth Initiative – Horizontal Growth

I want to start off by introducing our *Mabinogi* franchise.

Mabinogi

- 20th Anniversary and Best Performance in 2024
- 33 Million Players Worldwide
- Adding Unreal Engine and New Platforms to Unlock Blockbuster Potential

This year, *Mabinogi* marks its 20th anniversary. When it first launched, the game attracted much interest by breaking away from the traditional RPG conventions. Just like its slogan "Fantasy Life," it offered non-combat, lifestyle-focused experiences where players could enjoy their virtual life.

Mabinogi TTM Revenue

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

Now celebrating its 20th anniversary, the game is showing the best performance in its history since 2004.

The recently revealed plans for the *Mabinogi* franchise were appraised with great enthusiasm by its 33 million fans around the world.

Nexon is executing a franchise expansion strategy to grow *Mabinogi* into our next blockbuster IP after *Dungeon&Fighter* and *MapleStory* with its reputation that has accumulated for two decades globally.
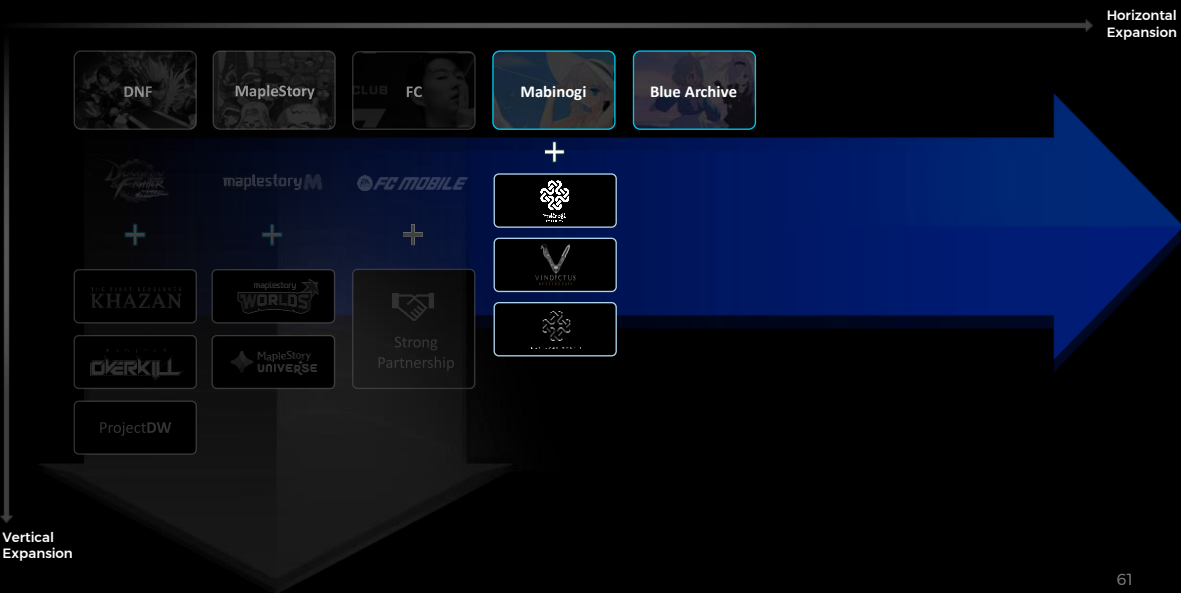
Mabinogi Franchise Pipeline
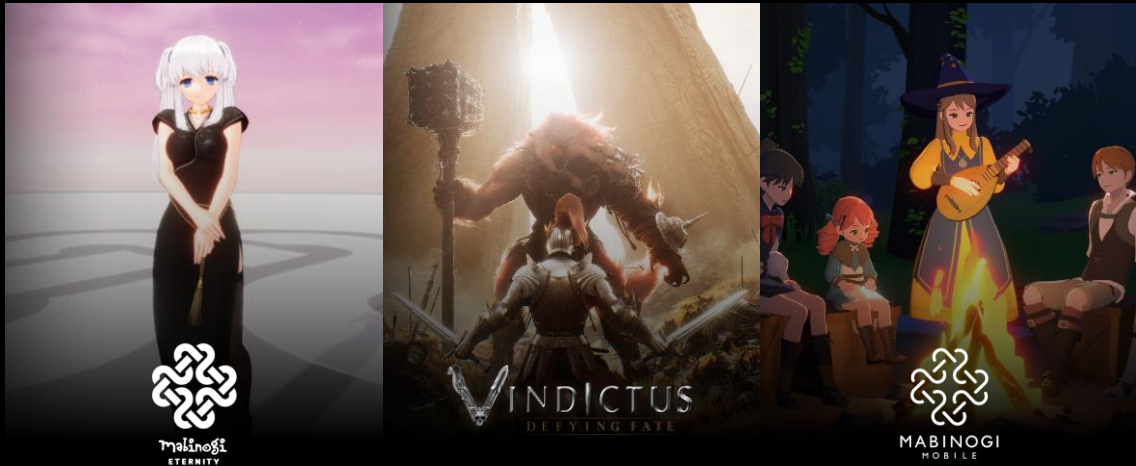
First is *Mabinogi Eternity*, a project focused on converting the PC iteration onto the latest Unreal 5 Engine from its current engine. It aims to enable a greater scale of content and more freedom of play while maintaining the stream of its live service. The project was met with enthusiastically positive reception after its first reveal in Korea.

Second is *Vindictus: Defying Fate, a* sequel to *Mabinogi Heroes* that has a strong following in Asia and Western markets. Applying the latest tech of Unreal Engine 5 to *Mabinogi Heroes'* live experience, we will offer the best-in-class online ARPG experience.

These two projects are not entirely new games: *Mabinogi Eternity* will sustain the live service while *Vindictus* will inherit *Mabinogi Heroes'* worldview and live expertise on the latest engine technology. These are our strategic approaches to satisfy existing users, bring back dormant users, and acquire new users.

We also have *Mabinogi Mobile* in development, aimed at helping expand *Mabinogi*'s reach to a whole new platform.

IP Growth Initiative – Horizontal Growth

Next, we have *Blue Archive*.

Blue Archive

- Breakthrough Subculture Game Launched in 2021
- Growing Fan Bases in Japan and the West
- Supported by Animated Streaming Series
- Investing to Unlock Blockbuster Potential

62

Ever since its launch, the game's strong performance has proven its potential to become our next-gen IP as a subculture genre.

Blue Archive TTM Revenue
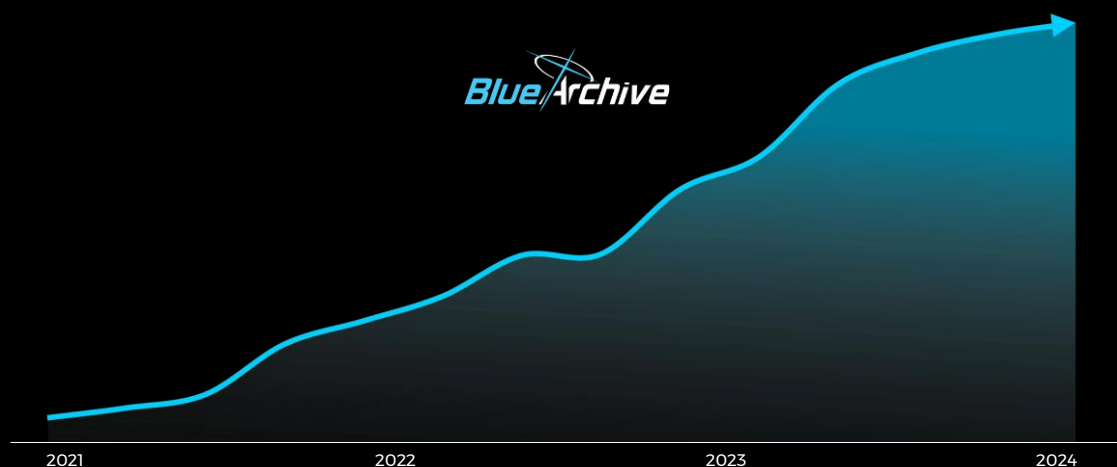
As you may know, subculture games are becoming a mainstream genre lately, so much so that I now wonder if calling them 'sub'-culture still makes sense.

Since its launch in 2021, *Blue Archive* has been adored by fans in Asia, especially in Japan, and from Western regions. Continuing its growth with stable live service and engaging in diverse initiatives that truly excite its fans like its own animated series, the game is spearheading Nexon's expansion efforts to subculture franchises.

Subculture is a genre where engaging with the community is more important than in any other genre.

Producing quality content is important, but connecting with users who love it and engaging with them over the long term to grow the service is essential to succeed in this genre.

Countless companies attempted to expand to subculture, but we all would admit that it's a tough nut to crack.

It's worth noting that Nexon successfully has made inroads into the genre, laid the groundwork, and settled well in Japan in particular, where a solid fan community for the genre is present.

With this in mind, Nexon is sparing no effort in making investments to acquire expertise in certain genres.

IP Growth Initiative – Horizontal Growth

The idea of expansion to diverse genres applies to *DAVE THE DIVER*, a global phenomenon that launched last year.

DAVE THE DIVER

- #1 in Global Sales on Steam Following Release
- Ranked #1 in Popularity and Sales in Korea
- Surpassed 4 Million Cumulative Global Sales
- Of ~101,000 Player Reviews on Steam, 95% Rated The Game "Overwhelmingly Positive"
- Scored 90 on Review Sites OpenCritic and Metacritic

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Winning six prestigious awards, the game still boasts an average score of 90 from OpenCritic and MetaCritic, maintaining its Must Play rating for more than 1 year.

Having won the hearts of users and critics, *Dave the Diver* will continue its journey, pioneering new gameplays and vertically expanding the *Dave* IP under Nexon's sub-brand, MintRocket.

When a game company is perceived to only pursue the growth of blockbuster IPs, this might lead to the risk of leaving a negative impression to users that it doesn't make creative attempts.

In Nexon group, the brand MintRocket will continue to surf like an elite speedboat squad through the huge aircraft carriers of blockbuster IPs. Their adventure to capture the fun that the world hadn't experienced before will never end.

IP Growth Initiative – Horizontal Growth
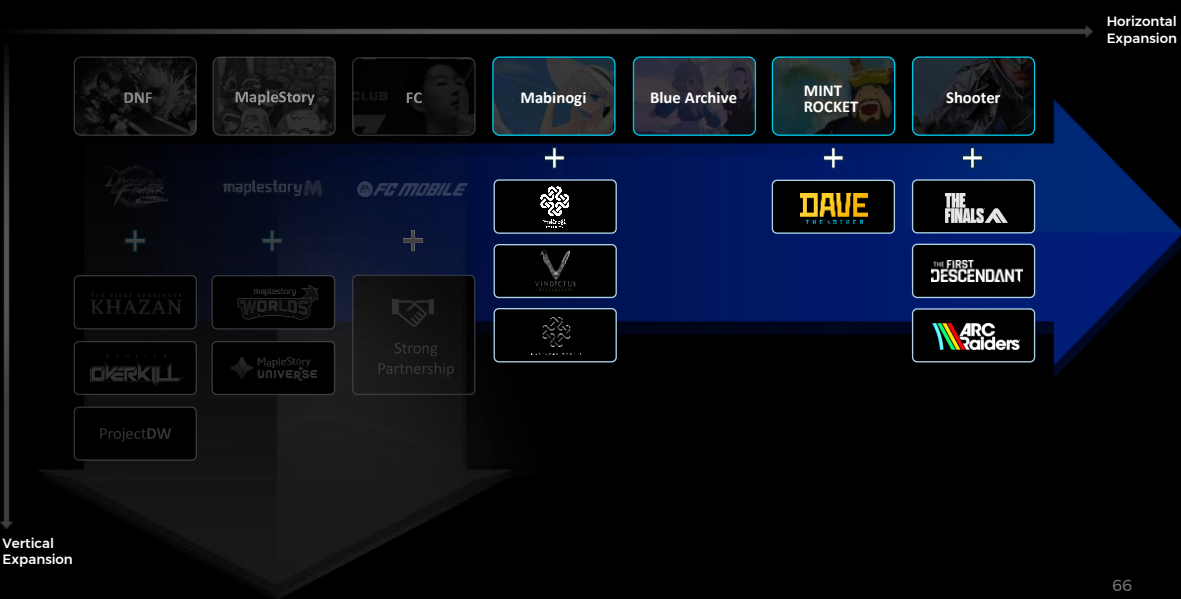
In addition to adding blockbuster IP to Nexon's portfolio, the horizontal expansion strategy is also a mission to be more daring and bolder.

Among the horizontal expansion strategy pieces, success in North America and Europe is a mission that we're most focused on.

We have brought together *THE FINALS, The First Descendant*, and *ARC Raiders* as our shooter games category, and gathered all shooter expert teams throughout Nexon group in one organization to give the right amount of strategic support.

Nexon's journey to tap into the Western market has continued for decades, and it will now be carried out with a more sophisticated strategy and a long-term perspective.

With the shooter franchise strategy, we will accomplish our mission to succeed in the West.

I'll start with a new game that is generating a lot of early attention: *ARC Raiders*, the second title from our Embark Studios, the core leading force of Nexon group's western strategy.

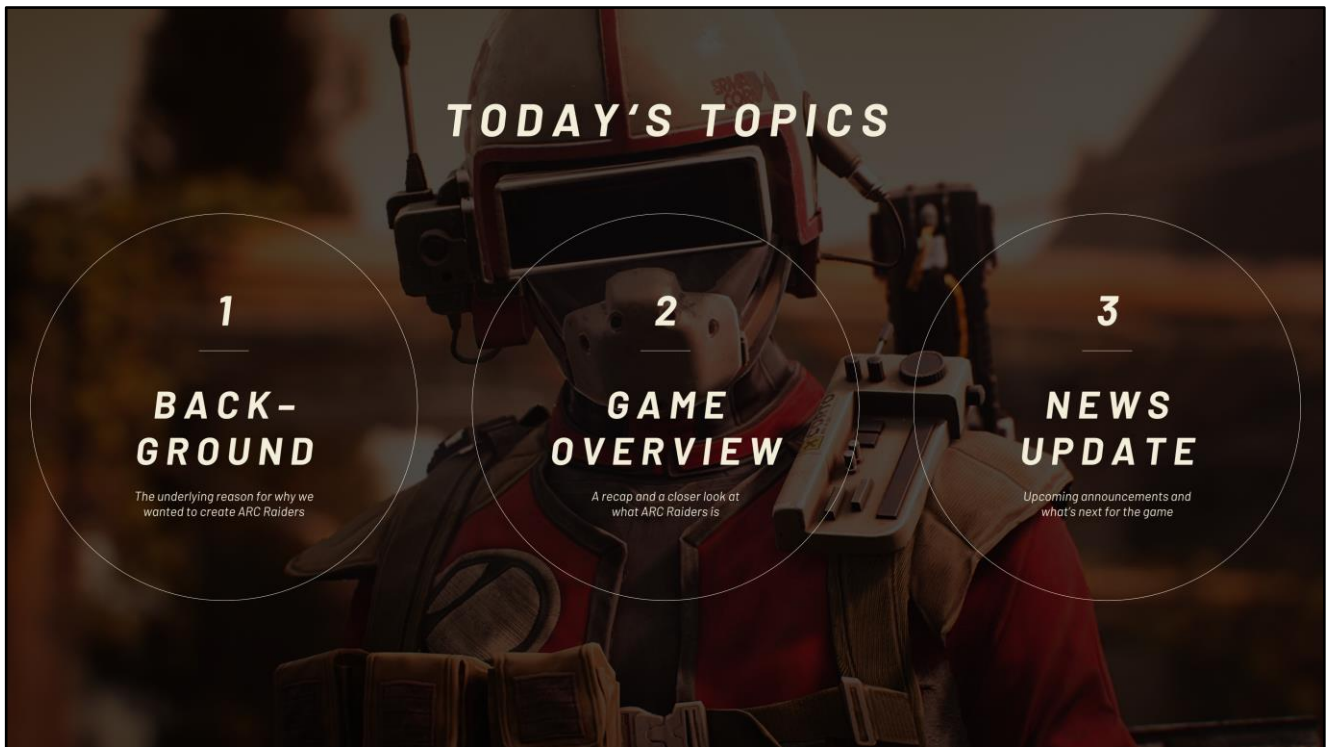The deeply immersive PvPvE survival shooter, was showcased last month at Gamescom.

Here to provide you with a look at *ARC Raiders* is the Director of Communications and Brand at Embark, Sven Grundberg.

Sven Grundberg
Thank you Junghun. Hello everybody.

So today, I first want to quickly touch on the reason we at Embark wanted to make this game and go into a bit more detail about the underlying trend that we are tapping into with *ARC Raiders*.

Then, I'll share an overview of *ARC Raiders*.

The premise, the world and universe we've built, the role you as a player take in this universe.

Your objectives and motivations as Raider, fighting for your own survival and that of your home and colony.

Lastly, there will be a brief news upate and an update on our steps ahead.

ARC Raiders is a game that taps deep into something we at Embark like to call consequential play — one of the clearest and most profound trends in the games industry over the past decade.

A trend that we think has spurred the creation of some of the last decades most popular games and game modes.

A trend that's been with us for some time, but that continues to accelerate and grow.

CONSEQUENTIAL PLAY

GAMES WHERE CHOICES MATTER, WHERE RISK IS REWARDED, AND WHERE FAILURE HAS CONSEQUENCES

1
SIGNIFICANT AND PERSISTENT CONSEQUENCES

2
A SENSE OF IMPACT AND CONTROL

3
REWARDS RISK ACCORDING TO CHALLENGE

4
LETS PLAYERS CHOOSE THEIR STAKES

CONSEQUENTIAL PLAY is seen in games where choices matter, and where failure has consequences.

It's best defined by a few important game mechanics and philosophies, that lead to more impactful and persistent consequences for players.

Mechanics that give players a sense of impact and control of gameplay decisions.

Mechanics that reward risk, according to the challenge presented.

Mechanics that let players be in control of the stakes.

CONSEQUENTIAL PLAY

IT'S REPRESENTED ACROSS A NUMBER OF DIFFERENT SINGLE & MULTIPLAYER ACTION GAME GENRES

BATTLE ROYALES	EXTRACTION GAMES	SURVIVAL GAMES	ROGUE-LIKES	SOULS-BORNES
Fortnite, Apex Legends, PUBG, COD Warzone	Escape from Tarkov, Hunt Showdown, Marathon	Rust, DayZ, ARK, Valheim, Palworld, LEGO Fortnite	Hades, Returnal, Spelunky, Dead Cells, Vampire Survivors	Elden Ring, Dark Souls, Bloodborne, Nioh, Lies of P

CONSEQUENTIAL PLAY isn't limited to any single genre of games.
In fact, you see consequential play across a number of different game genres, like Battle Royales, Extraction Games, Survival Games, Rougelikes, and Soulsbornes.
Many of the most popular and acclaimed games released over the past 10 years.
All of these genres contain mechanics, such as single-life sessions where you can't respawn perma death where you only have a single try, or where failure means the potential loss of progression.
All of this ensures high-stakes, consequential play.

And that takes me to *ARC Raiders*.

We have been quiet about *ARC Raiders* for a while, but now it is finally time to start showing you the world and game of *ARC Raiders*.

Let's take it away:

ARC Raiders is a third-person PvPvE action survival shooter emphasizing immersion, tense action, consequential play, deep progression, and high usability.

AN EXPANSIVE UNIVERSE

It is set on Earth several hundred years into the future following a mass exodus of humans into space due to the ecological collapse.
This is an expansive and large universe.

…and we are inviting all of you to explore this vast and beautiful world.

HIGH STAKES

It is a high-stakes game with high tension where you play in various hostile and dangerous locations
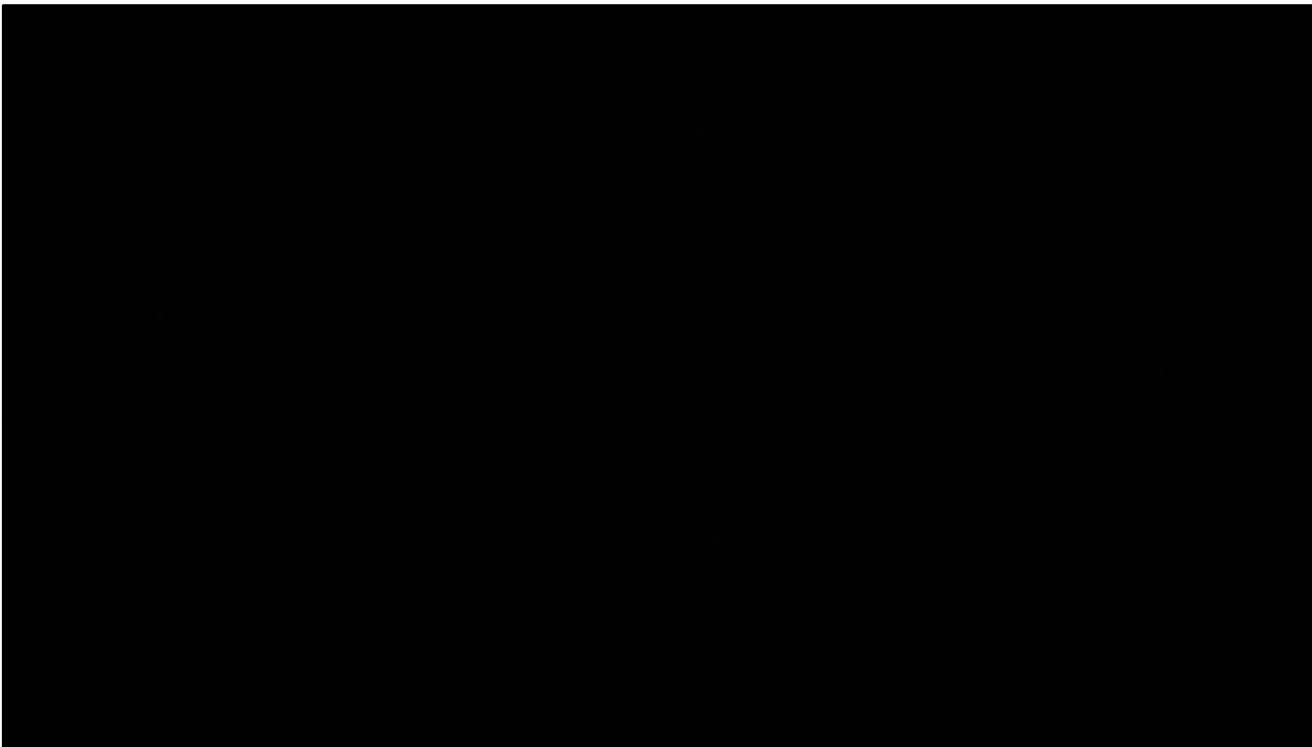
SCAVENGE

Out there, as a raider, you'll need to scavenge and hunt for resources.

But in your way, stands ARC machines, a mysterious deadly mechanical foe with a hidden agenda ranging from small drones -

...to lethal mechanical giants.

And of course other players - Raiders - who are also out there in the world competing for loot.

TENSION

That means gameplay themes and mechanics are centered around human vs human,
human vs machine, and having to grapple with the conflicting nature of your humanity.
This game lives on the tension from the combination of these mechanics create.
You have to be on your toes, and carefully consider your way to your goal.
Prepare for the unknown.. and be ready for any danger coming your way.

VISCERAL COMBAT

and then when the action does happen, it is a peak that contrasts the moments that came before it.
The action feels visceral, tactile & grounded.
And invites you to a rich sandbox of gadgets and tools, some familiar and some more exotic utilitarian raider tech.

Besides just scavenging, looting, and visceral combat, the traders in Speranza will send you out on quests, such as Disrupting probes deployed by ARC from orbit,
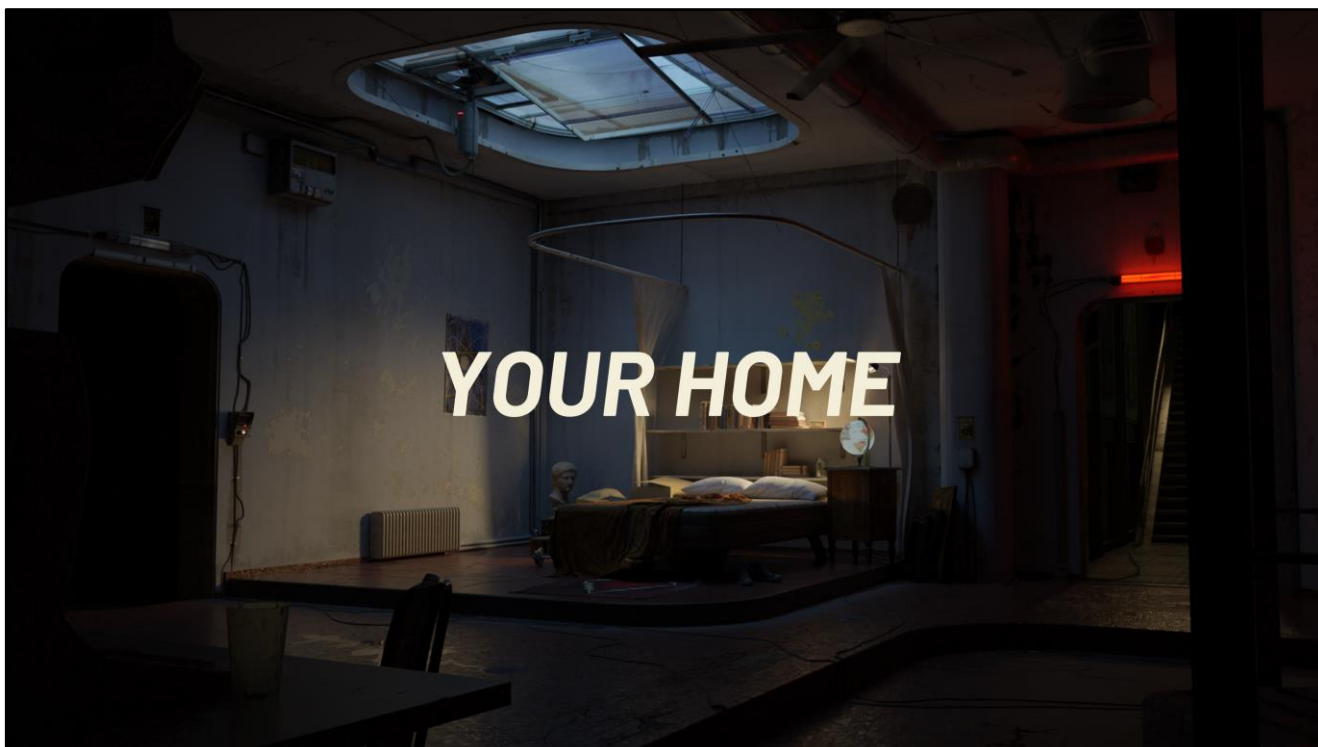
or uncovering mysteries,

CHALLENGES

or challenges, to bring back special ARC materials, and sometimes having to fight the machines for it.

SURVIVE & EXTRACT
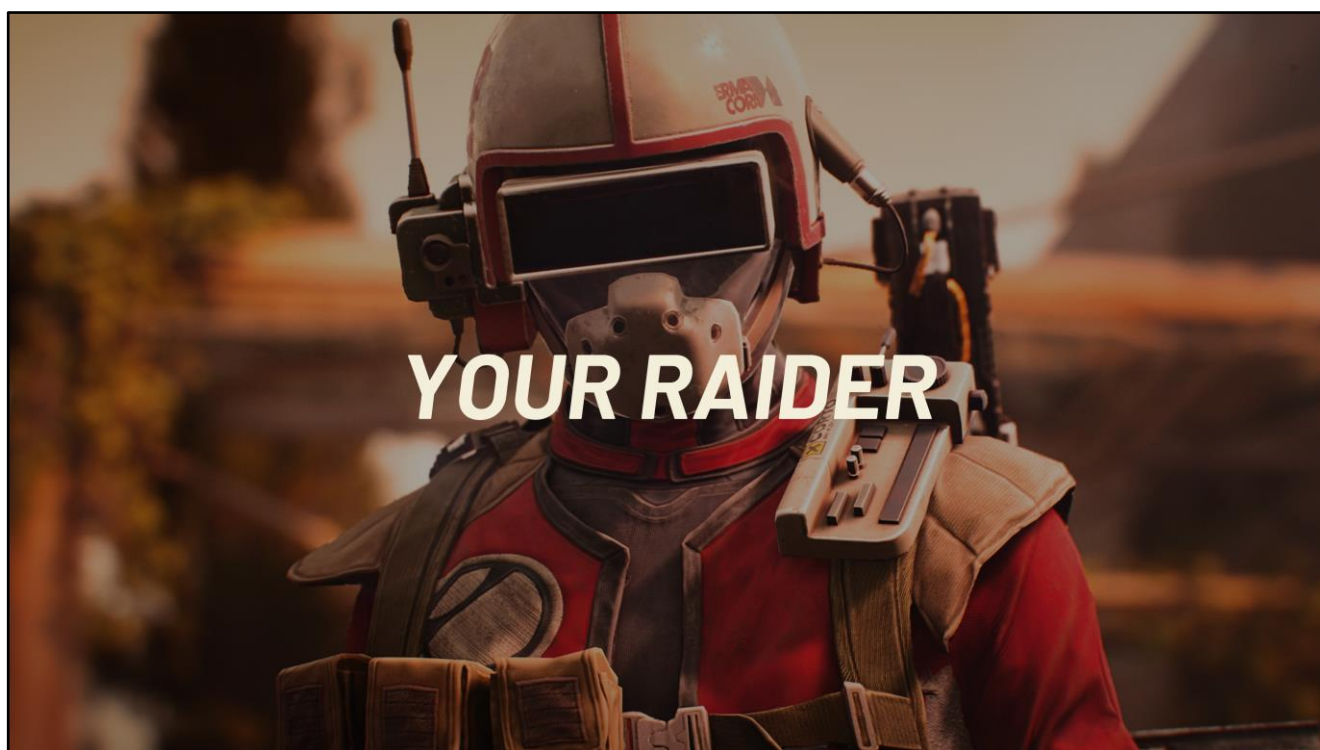
But to reap the rewards and to grow as a Raider, you'll have to make it out alive, return back down to the colony — return home.
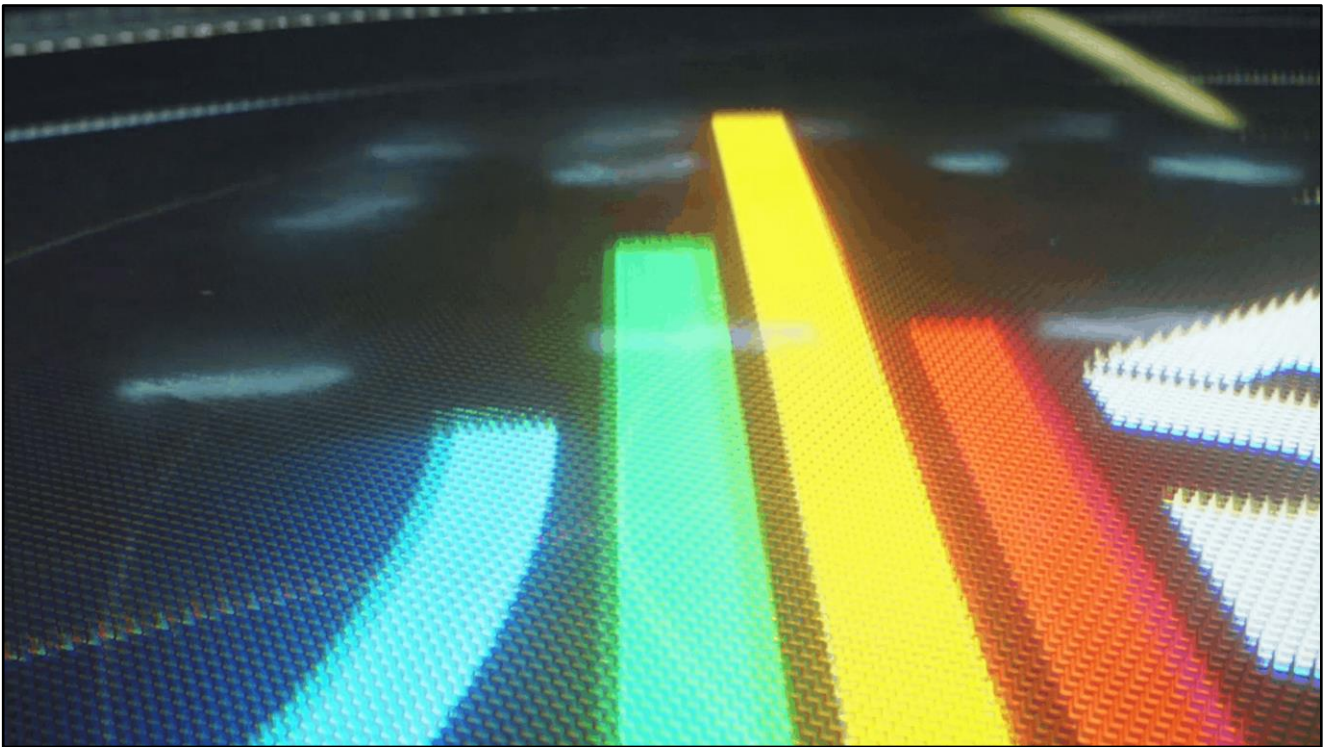
YOUR HOME

And this is where you trade your loot and valuables.

To build, upgrade, improve, and expand your chambers, your HOME.

YOUR RAIDER

And ultimately grow your own character, your RAIDER, and your loadout, to suit YOUR playstyle.
To become the raider YOU want to be.

ARC Raiders presents itself as an immersive adventure.

Our ambition is to create a vibrant & inviting world that you want to explore, and even though the world as we know it is long gone and the premise is dark, our presentation is deliberately colorful, charming, and grounded.

A REAL WORLD

We want this world to feel real and alive.

A REAL COLONY

The massive colony we live in is fractured, BUT the neighborhood of Speranza that we call home is cozy, immersive, and feels like a real place.

WITH REAL PEOPLE

The traders and the quest givers you will interact with here are real people.

A BEGINNING

As you start playing this game, your journey has just begun and the stories in our universe will take players into new areas and adventures across the world.

Our world will always grow bigger, taking players further away beyond the first valley, evolving the game world, the gameplay & the player experience itself.

We recently made a few announcements about the development of *ARC Raiders*.
So let's not beat around the bush and let you in on what's next for the game.

NEWS UPDATE

1

PUBLIC PLAYTESTING
BEGINS THIS FALL

STARTING WITH A PUBLIC BETA
ON STEAM, OCTOBER 24-27

Sign up for playtesting on Steam for an opportunity
to play. Console testing follows at a later stage.

2

ARC RAIDERS WILL
RELEASE IN 2025

ON STEAM, EGS, PS5, XBOX SERIES X|S,
AND NVIDIA GEFORCE NOW

The exact timing depends on us reaching
certain development milestones.

Firstly, the public playtesting of *ARC Raiders* is starting already this fall.
- We're starting with a first playtest on Steam, between October 24-27.
- Players will have to sign up for playtesting in our Steam app for an opportunity to play
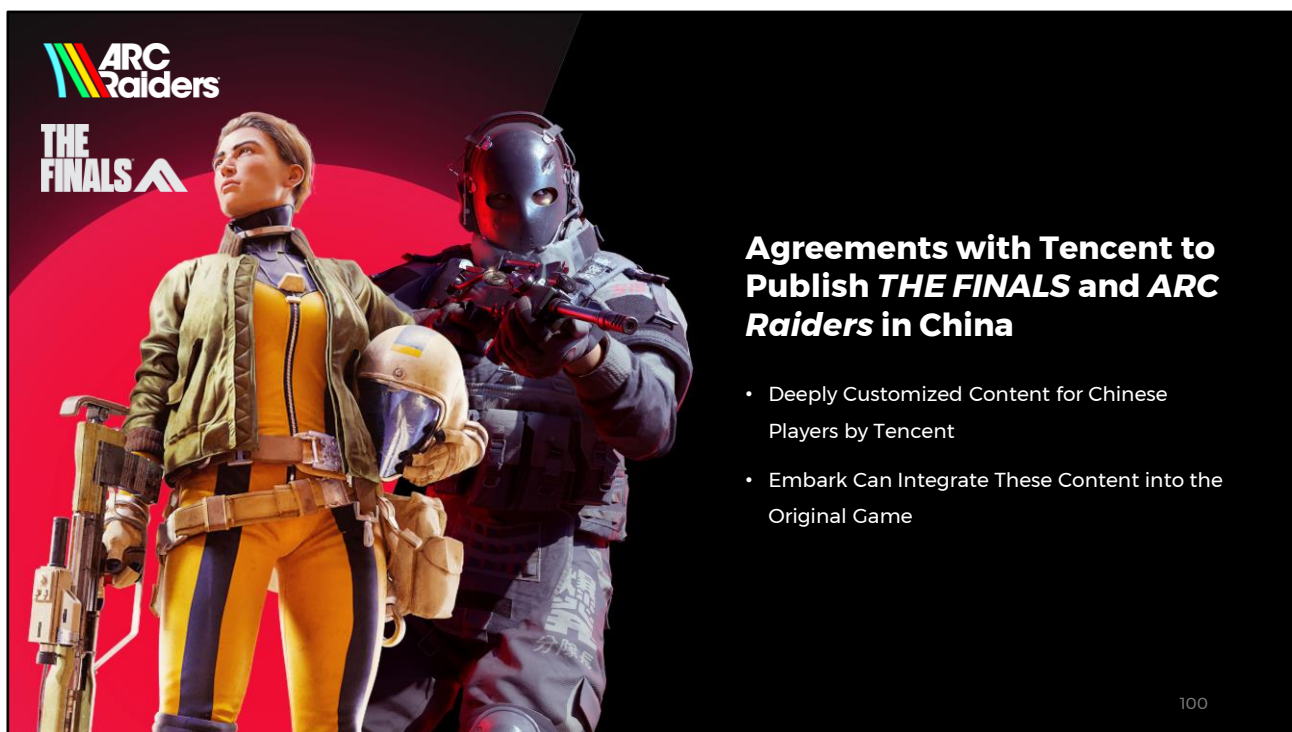- Console testing will happen at a later stage.
Secondly, we have an update on the release of the game
- *ARC Raiders* will be released in 2025 on PC (steam and Epic Game Store), consoles (PS5 and Xbox Series X|S), and cloud streaming through Nvidia GeForce Now.

Thank you!

Agreements with Tencent to Publish *THE FINALS* and *ARC Raiders* in China

- Deeply Customized Content for Chinese Players by Tencent
- Embark Can Integrate These Content into the Original Game

100

Junghun Lee

I'd also like to draw attention to an announcement made in August, which cements the publishing partnership between Nexon, Embark, and Tencent to bring two Embark titles (*ARC Raiders* and *THE FINALS*) to China.

These games will include deeply customized content by Tencent that suits the unique tastes and preferences of Chinese players. In return, Embark can integrate these ideas into the original global builds.

For many years, Nexon has developed a valuable partnership with Tencent, and we will build our relationship stronger.
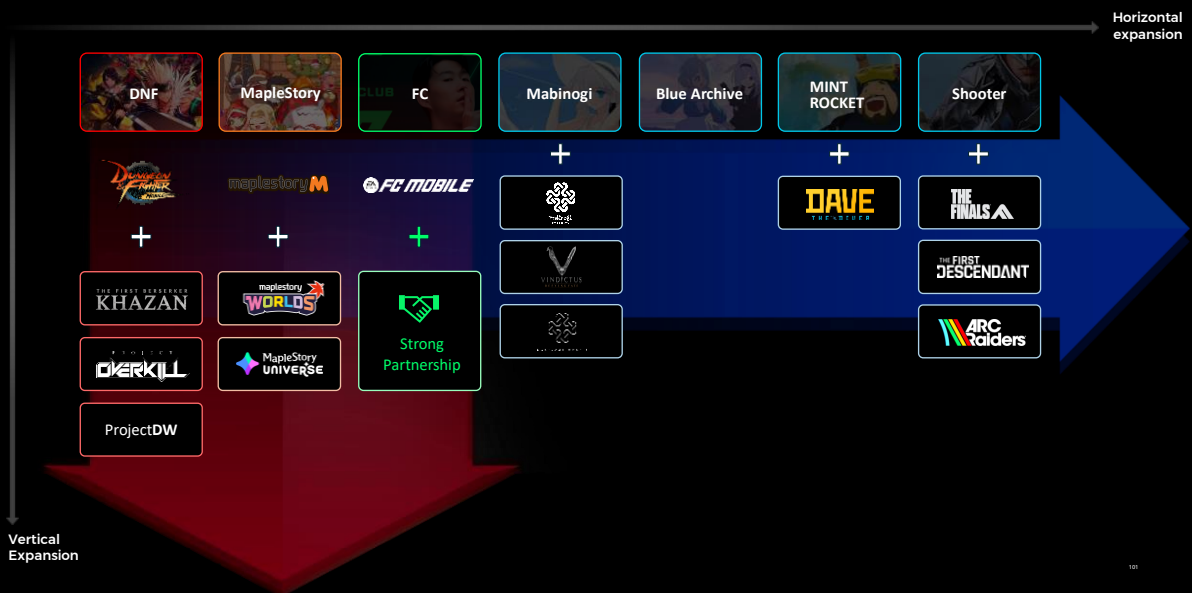
Nexon already has a strategy in place to scale our revenue and diversify profit streams, which is backed by our tightly woven portfolio strategy.

And the market is experiencing what we have to offer.

The beginning has been extremely successful; in the future, we will continue to execute on the meticulously detailed plans that we introduced today.

2027 Revenue / Operating Income Target

(Unit: ¥ Billions)

750

423

135

250

2023
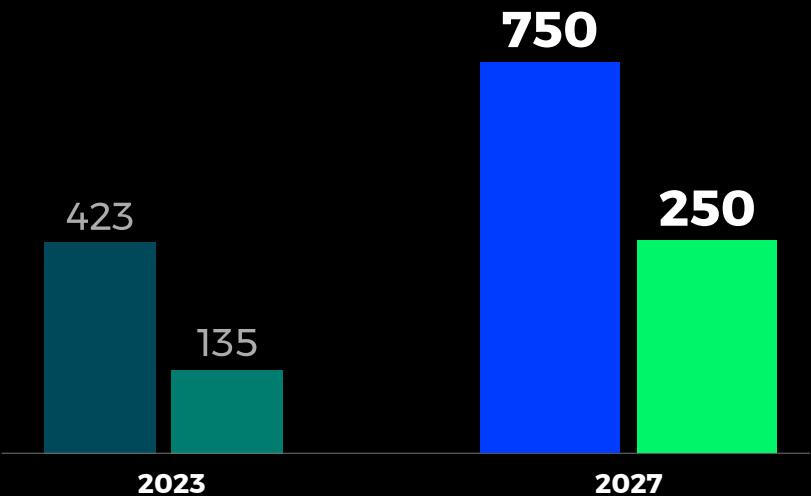
2027

89

We will successfully carry out this massive-scale execution plan to reach our ambitious 2027 targets of 750B yen in revenue.

And 250B yen in OI with great confidence.

**Key Takeaways from Newzoo
PC & Console Gaming Report 2024**

- **61%** of all PC and Console playtime is on games in the market for >6 yrs;

  new games w/o franchise affiliation = only 8% of the total playtime

- **60%** of playtime is on yearly updates to established franchises

- **23%** (*only!*) of playtime is on games in the market less than three years

- **80%** of the top 50 titles measured by MAU are on an established franchise

I would like to conclude with an excerpt from a Newzoo Report this year.

The report highlights video game industry trends in 2023, which can be summarized into two main terms: IP franchise and live service.

When users are presented with too many options, they tend to prefer what they are familiar with, or 'franchises' proven with long sustained live service. New titles also benefit from a higher chance of success when they are based on established franchises.

Some might perceive this as a new trend and that the market's changing.

For Nexon, these findings are not new – it's something we are quite familiar with.

They are exactly what we have understood the best and excelled in for the past 30 years.

With our IP growth strategy today, Nexon will extend our strength in broader regions and with more IPs.

With that, I'd like to conclude my presentation. Thank you for listening.

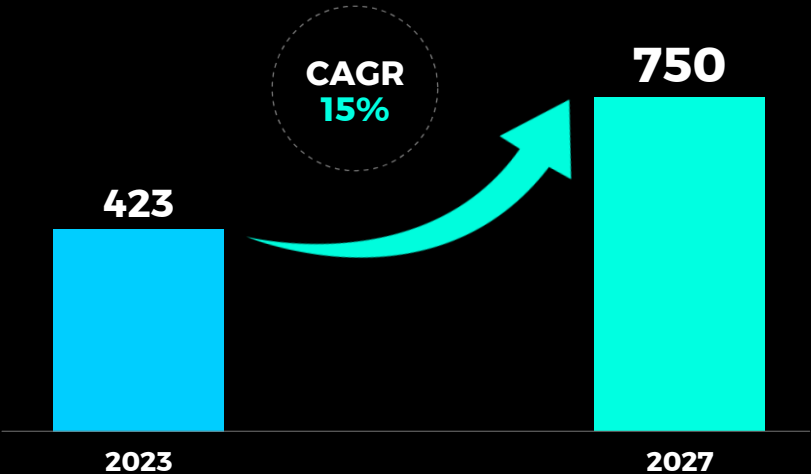Again, Key word is usually one word. These are terms

Shiro Uemura
Welcome back.

Before the break, Junghun outlined our long-term growth strategy. Next, I will tie that growth strategy to our financial objectives and provide an update on our shareholder return policy.

2027 Revenue Target

(Unit: ¥ Billions)

CAGR
15%

750

423

2023   2027

Let's go straight to the numbers. This slide shows our target revenue and the CAGR we want to achieve by 2027. It's a CAGR of approximately 15%, leading to ¥750 billion by 2027. Throughout this period, we expect to achieve a minimum of double-digit annual revenue growth.

2027 Operating Income Target
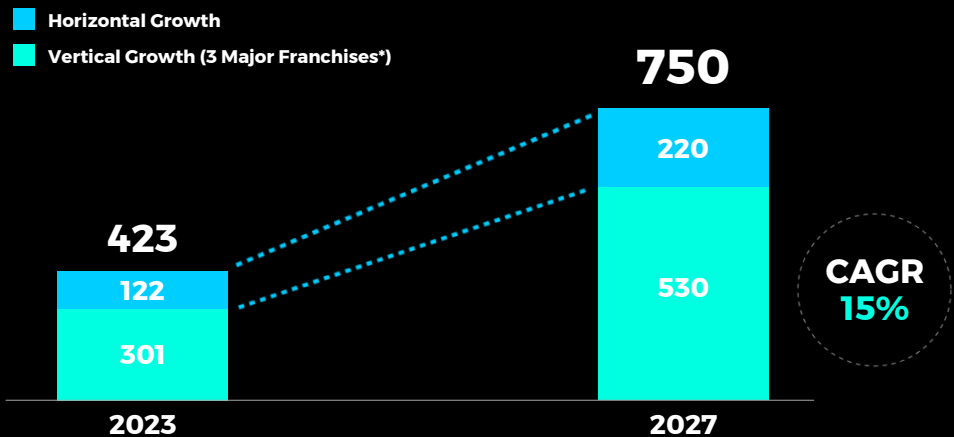
(Unit: ¥ Billions)

250

CAGR
17%

135

2023   2027
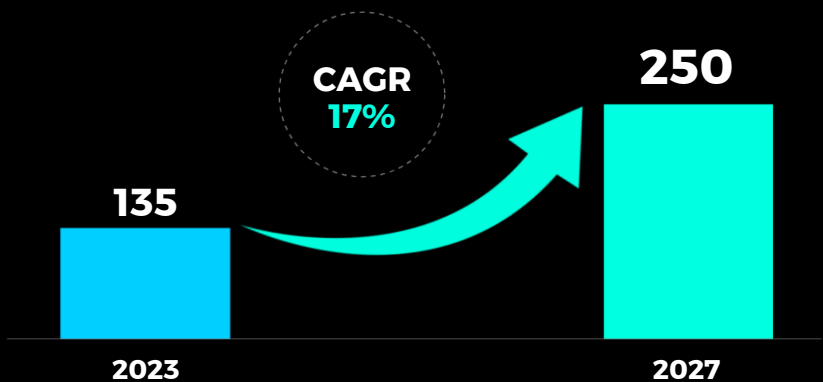
We plan to grow our operating income from ¥135 billion in 2023 to ¥250 billion by 2027 representing a CAGR of approximately 17%.

To support the high-quality new content, we will continue our investments in talent. We also expect higher platform fees tied to global penetration. However, we strongly believe this will be followed by significant improvements in operating income in the later part of this period, particularly in 2027.

To help you understand our growth model, I will break it into two parts: vertical growth by the major franchises and horizontal growth from other existing IP and new IP.

Starting with vertical growth from our three major franchises - *Dungeon&Fighter*, *MapleStory*, and *FC* - our objective is to grow their collective CAGR by approximately 15%. This means, together the three will grow from approximately ¥300 billion in 2023 to ¥530 billion by 2027.

On the other hand, horizontal growth – which represents, revenue from other existing games including *Mabinogi,* and new IP such as *The First Descendant*, *ARC Raiders*, *Nakwon, Supervive* -- will grow from approximately ¥120 billion to ¥220 billion.
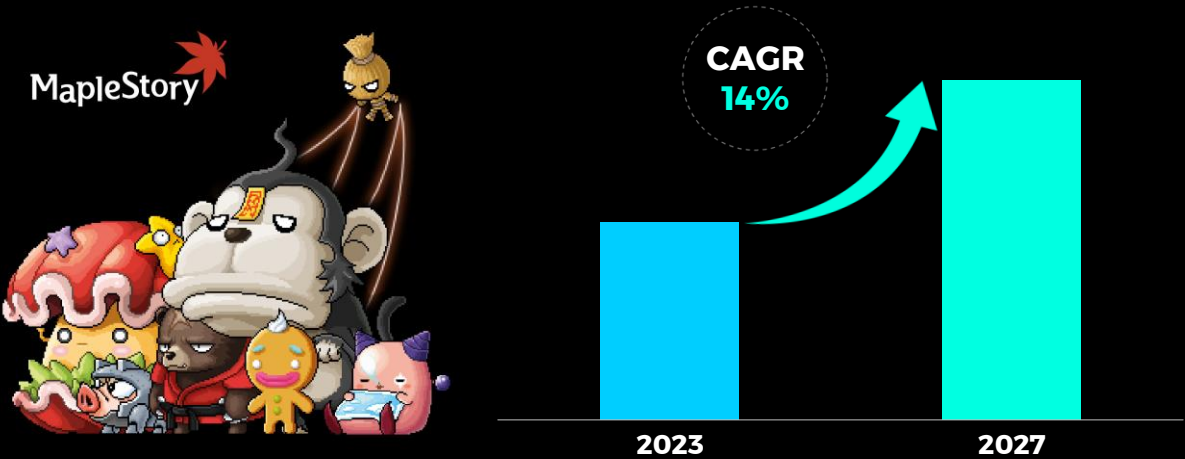
Dungeon&Fighter Franchise Revenue CAGR

CAGR
25%

2023

2027
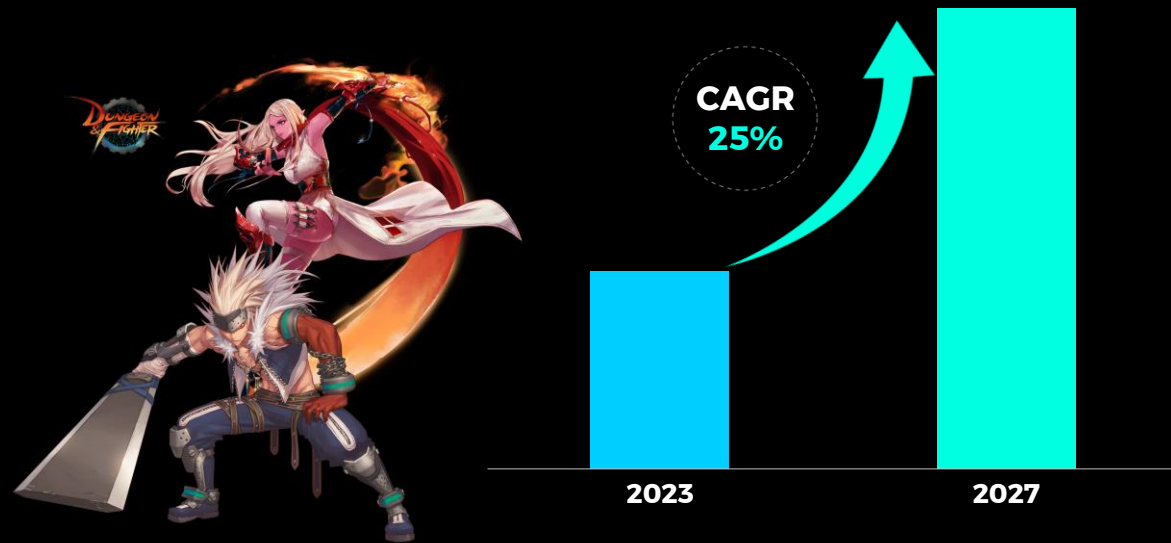
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Growth in our _Dungeon&Fighter_ franchise will be primarily driven by the 2024 launch of a mobile version in China, as well as new extensions including _The First Berserker: Khazan_, _OVERKILL_, and _Project DW_ – and deliver a CAGR of approximately 25% between 2023 and 2027.

MapleStory franchise growth will be driven by the existing service, hyperlocalization, and expansions to new regions and formats. We expect a CAGR of approximately 14% between 2023 and 2027.
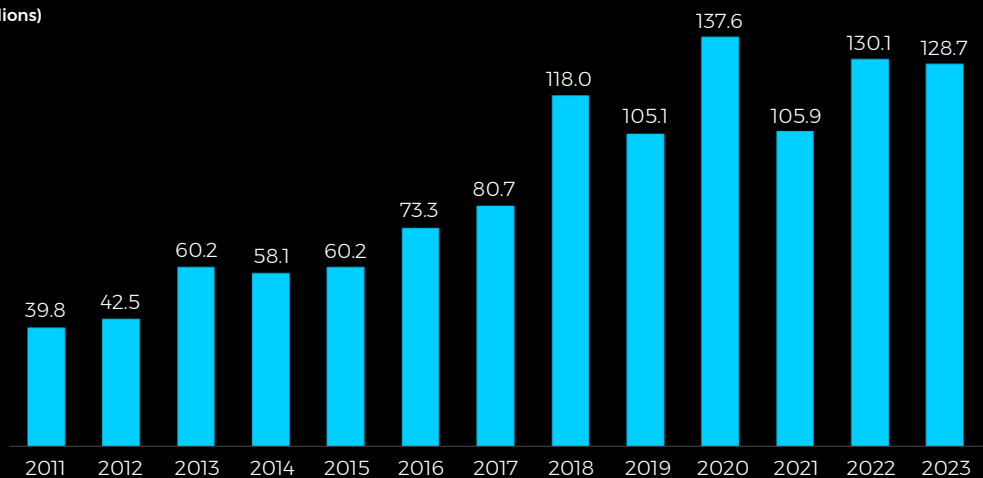
Shareholder Return Policy

Next, I will explain our new capital allocation policy.
To date, we have focused our use of cash on M&A, partnerships, development of new games, technology, and tools, while maintaining strong reserves that provide flexibility to capture new opportunities.

Operating Cash Flow

(Unit: ¥ Billions)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Value	39.8	42.5	60.2	58.1	60.2	73.3	80.7	118.0	105.1	137.6	105.9	130.1	128.7

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However, Nexon has demonstrated a reliable ability to generate cash flow from our business, including more than 1.1 trillion yen since going public in 2011. Our cash balance at the end of June was over 600 billion yen. This large and stable cash flow gives us a powerful balance sheet with the flexibility to make growth investments AND improve shareholder returns.

With this in mind, we have established a new policy on shareholder returns.

New Shareholder Return Policy

1   **Minimum ROE 10%+**
Aiming to Grow to 15% in the Mid- to Long-term

2   **Return 33%+ of Operating Income* from Prior Year**
Flexibly Deploy Between Dividends and Share Buyback

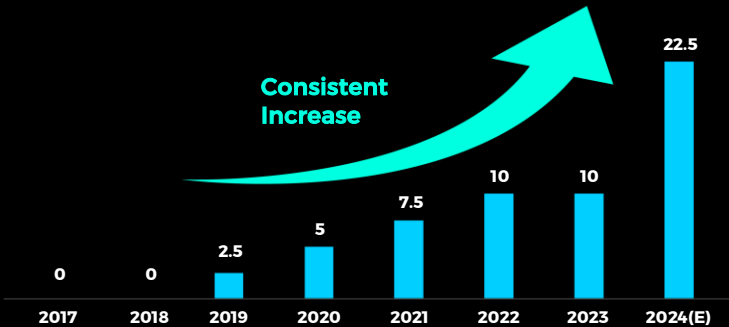* Operating Income Excluding One-off Expenses Such as Impairment Loss

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First, as a capital efficiency metric, we have set a minimum ROE target of 10% with the potential to grow as high as 15%.

Next, we have set a new policy of returning over 33% of operating income from the prior year to our shareholders, excluding one-off expenses such as impairment loss. We plan to flexibly deploy this between dividends and share buybacks, including the ¥70 billion balance of the three-year ¥100 billion share repurchase policy we announced in February of this year.

As a part of this policy, the Board of Directors authorized a doubling of the semi-annual dividend of ¥7.5, which represents a per-share dividend of ¥15 semi-annually in 2H 2024.

Summary

Financial Target in 2027

- Revenue : ¥750 Bn with 15% CAGR from 2023
- Operating Income : ¥250 Bn with 17% CAGR from 2023

Shareholder Return

- Minimum ROE 10%+ with potential to grow as high as 15%
- Return 33%+ of Operating Income* from the prior year
- Double the semi-annual dividend from ¥7.5 to ¥15 in 2H 2024

* Operating Income Excluding One-off Expenses Such as Impairment Loss

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Finally, allow me to summarize this information.
First, our objective is to grow revenue at approximately 15% CAGR and operating income at approximately 17% CAGR toward 2027, and set a target of ¥750 billion in revenue and over ¥250 billion in operating income by 2027.
Second, we have set a new shareholder return policy to enhance capital efficiency. We're targeting a minimum ROE of 10% with the potential to grow as high as 15% in the mid to long-term. Also, we will return over 33% of operating income excluding one-off expenses such as an impairment loss to our shareholders. In addition, we will increase the per-share semi-annual dividend from ¥7.5 to ¥15 at the end of this year.
This concludes my presentation. I will now turn it back to Junghun.

Junghun Lee

I'm hoping that after today you will understand Nexon's growth strategy from the framework of IP revitalization, growth, and cultivation.

While preparing for today, my heart was filled with excitement as I reflected on the IP we have fostered and imagined the IP we will make in the future.

Then I immediately thought of our Nexon employees who, at this very moment, are working hard in their respective roles. You need people who understand, love, and adore your IP in order to really cultivate and sustain a blockbuster IP.
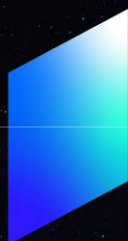
If the creator doesn't understand the value and elements of IP as much as its beloved fans, you can never really create or service the IP.

For the past three decades, Nexon has navigated a road paved by Nexon employees who are passionate about Nexon's IPs. They are the core of the IP growth initiative presented today.

I wish to take this opportunity to thank all the members of Nexon group. I also thank our shareholders who have trusted and supported us, and the investors for their interest and time.

I extend my sincere appreciation for everyone for bearing with me for so long today.

Thank You for Joining Us Today!