



2020 1Q IR PRESENTATION

Investor Relation

May 2020

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2020 1Q Updates

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Ragnarok Online (PC)

Korea

- ✓ The fourth job change(12 jobs) will be revealed through YouTube channel on May 27

Thailand

- ✓ Direct Service with opening on May 28

Taiwan

- ✓ EP 17.1 update on March 17

North America

- ✓ After launching RO: Transcendence server on January 15 and RO: Renewal server on February 3
→ Increase PCU / ACU

Vietnam

- ✓ Co-publishing between Gravity & VTC Technology and Digital Content Company
Preparing the service for the second half of 2020 target

Increased global users acquisition by Ragnarok Online's continued update and direct publishing business

Ragnarok Origin (MMORPG)

Ragnarok Origin in Korea
Plan to be launched in July

Status

- ❖ Opened pre-registration on April 24
- ❖ Completed the first CBT from May 7 to 13
 - ❖ Plan to run the second CBT



Reactions towards the first CBT

- ❖ Explosive responses from 1st CBT users
→ extended CBT 3 hours due to players' inquiries
- ❖ Retention and the number of concurrent user higher than when running CBT of the Ragnarok M: Eternal love

Ragnarok X: Next Generation (MMORPG)

[Ragnarok X: Next Generation **Taiwan, Hong Kong and Macau**]
The Second Half of 2020 Target!



Continue to **improve and supplement** the game with the players' feedbacks from CBT between March 12 and May 31

Ragnarok M: Eternal Love (MMORPG)

Taiwan

- ✓ Episode 7.0 Update on June 2
 - New map
 - Base level increased to 160
 - New Mini, MVP, Monsters
 - New furniture and pet etc. items
 - New dungeon: unlimited corridor
 - New job change: add 15 jobs

Korea

- ✓ Episode 7.0 Update on June 2
- ✓ The final competition to name the best Ragnarok M was held on May 8

Southeast Asia

- ✓ April: "NPC's Revenge" event
- ✓ May: "Travel or Ragnarok M" event
- ✓ June: Episode 7.0 Update

Japan

- ✓ Episode 6.0 Update in July

Boost sales by updating major updates and events such as new job change

Ragnarok Tactics (SRPG)

“ Smooth launching in Southeast Asia, Taiwan, Hong Kong, Macau and Korea ”



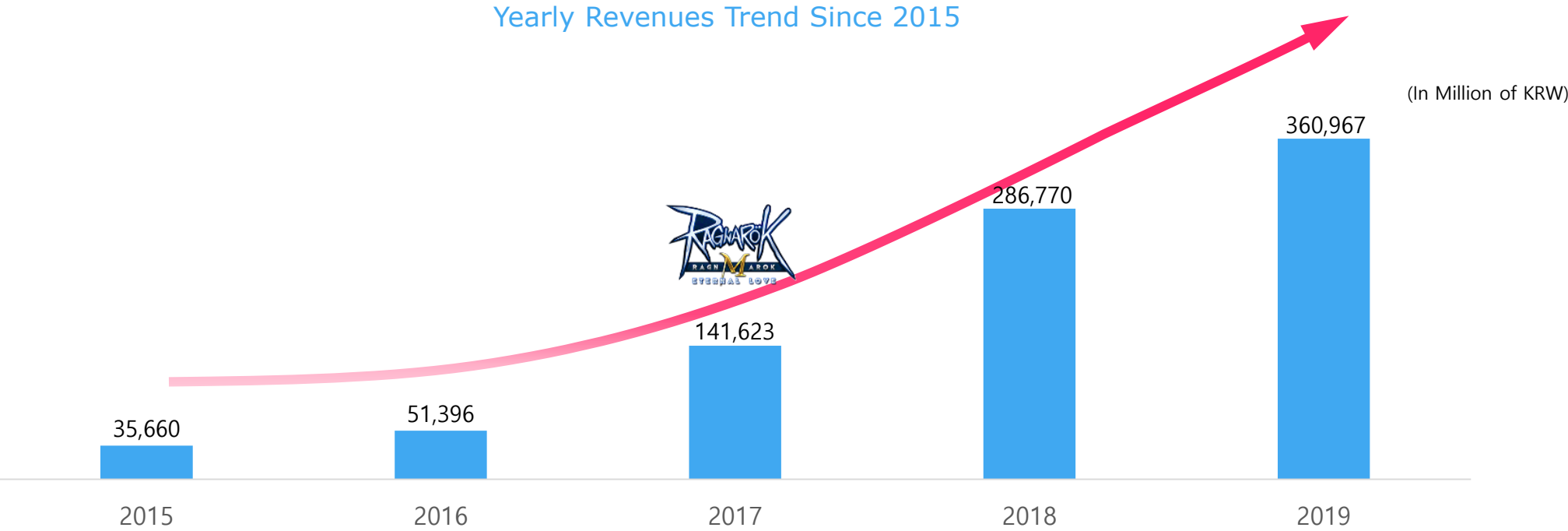
- ✓ Thailand/Southeast Asia: Episode 6.0 update on May 7
- ✓ Taiwan: New dungeon, monsters, skin updates in May
- ✓ Korea: Launching on March 31 and major update (including new characters) on May 19
- ✓ Global: plan to be launched in June 2020

[With the awareness and the power of **Ragnarok IP**, sequentially launching in Thailand, Southeast Asia, Taiwan, and Korea]

2020 Business Strategy

- 06 Driving Growth of Corporate Value with the Expansion of Ragnarok IP
- 07 Various Genre of Game Line-ups
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- ▶ Ragnarok M: Eternal Love Taiwan in October 2017
 - Korea in March 2018, Southeast Asia in October 2018
 - North/South America/Oceania in January 2019, Japan in June 2019, Europe in October 2019
- The highest revenue in 2019 since listing
- ▶ In the long term, sustainable growth of company value with expanding various genre of line-ups and publishing Business and entering into overseas markets



Various Genre of Game Line-ups



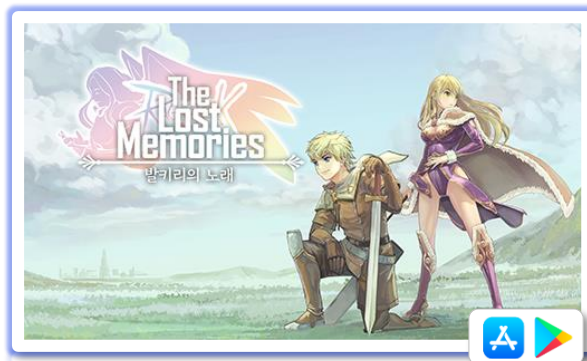
Ragnarok Origin
(MMORPG)



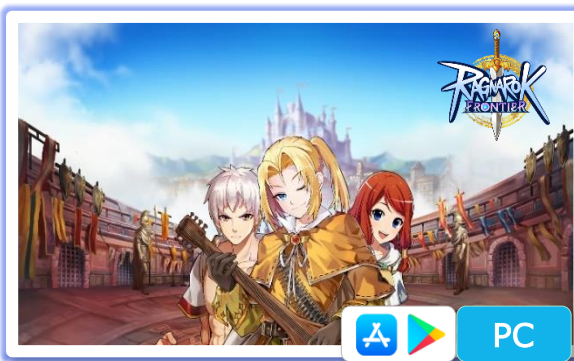
Ragnarok X: Next Generation
(MMORPG)



Ragnarok Tactics
(SRPG)



The Lost Memories: a song of Valkyrie
(Story RPG)



Ragnarok H5 (Ragnarok Frontier)
(MMORPG)



Action RO2: Spear of Odin
(MORPG)



Ragnarok Crusade: Midgard Chronicles
(MMORPG)



Gravity Communications (Taiwan)

Ragnarok M: Eternal Love Successfully operating consignment service
Ragnarok Tactics was launched on February 25, 2020
Ragnarok X: Next Generation Plan to be launched in the second half of 2020

Gravity Game Tech (Thailand)

Ragnarok Tactics was launched in **Thailand** on November 8, 2019 and in **Southeast Asia** on January 2, 2020
Ragnarok Online was opened in **Thailand** on May 28, 2020

Gravity Game Link (Indonesia)

Ragnarok H5 (Ragnarok Frontier) was launched in March 2020 and recorded the **third** grossing ranking in google play

Gravity Interactive (The United States)

Tactical Warfare Plan to be launched in **North, central and South America** in June 2020
Ragnarok Tactics Plan to be launched in **global** markets in June 2020

Gravity Game Arise (Japan)

Sacred Blade was launched on May 19, 2020
Save the Planet 5040 (Hyper-casual game) will be launched in June 2020

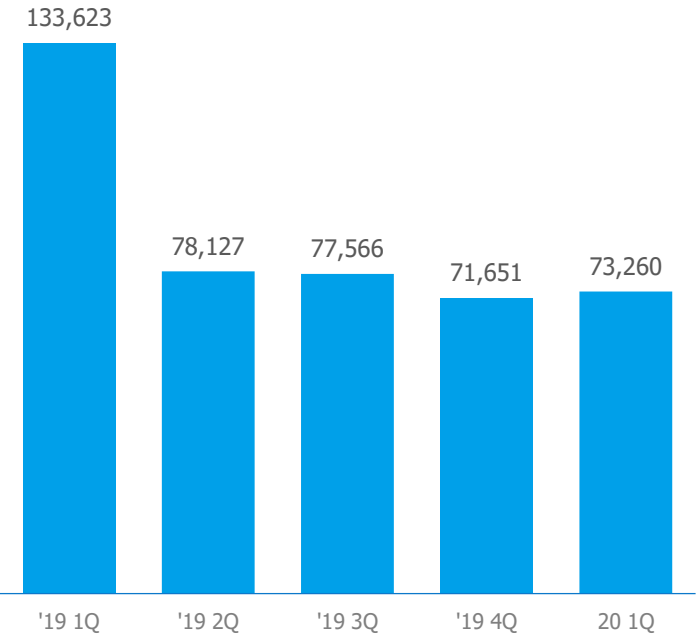
2020 1Q Analysis

09 Operation Results Trend

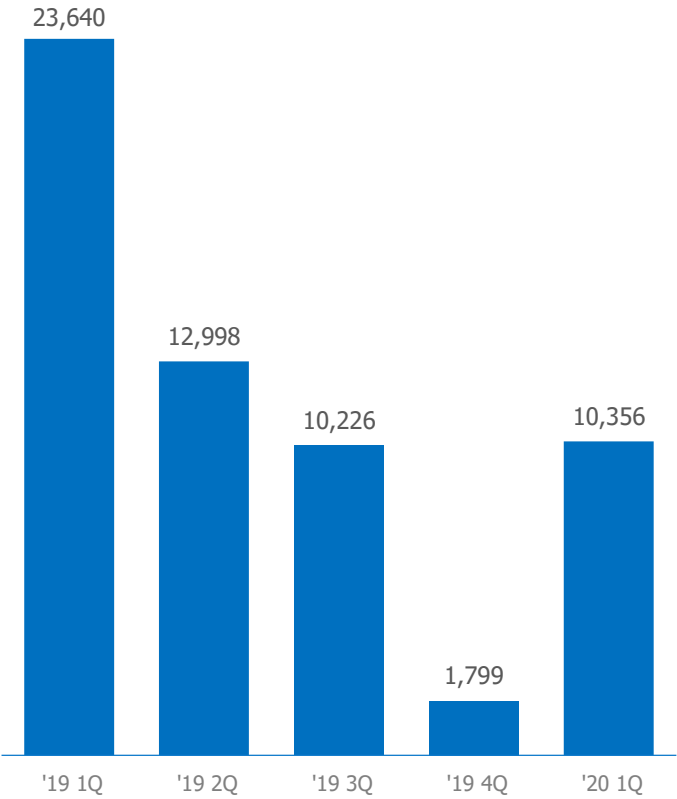
10 Revenues Breakdown

(In Million of KRW)

Revenues



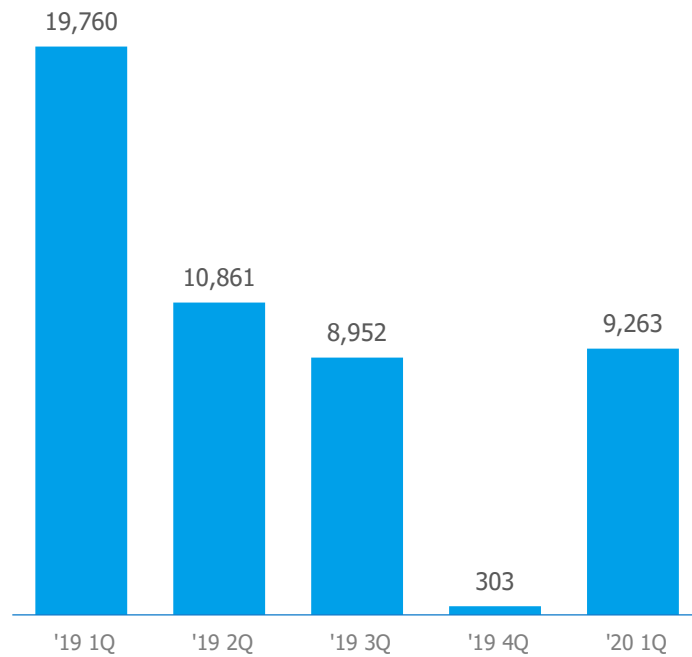
Operating Profit



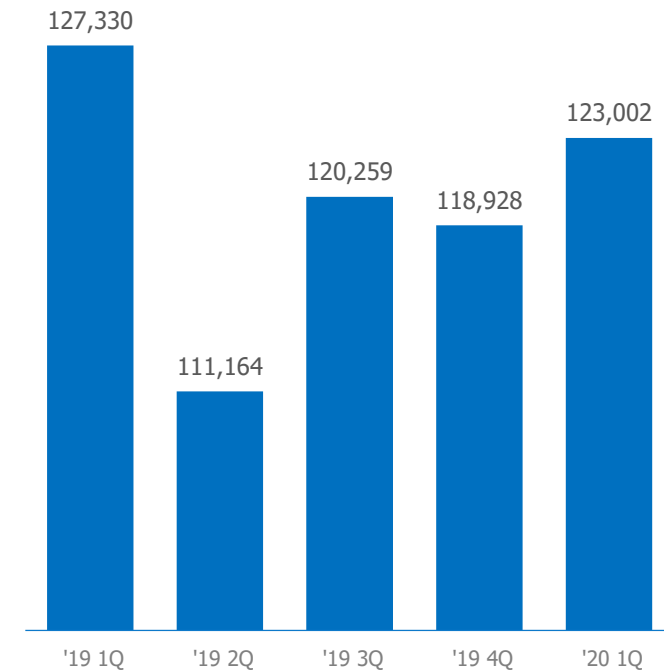
Operation Results Trend

(In Million of KRW)

Net Profit

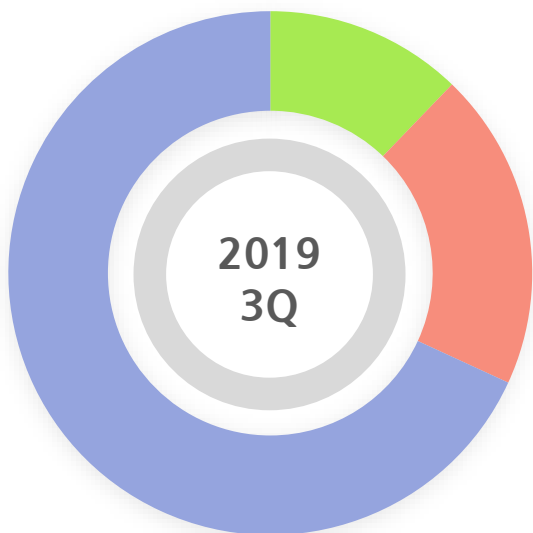
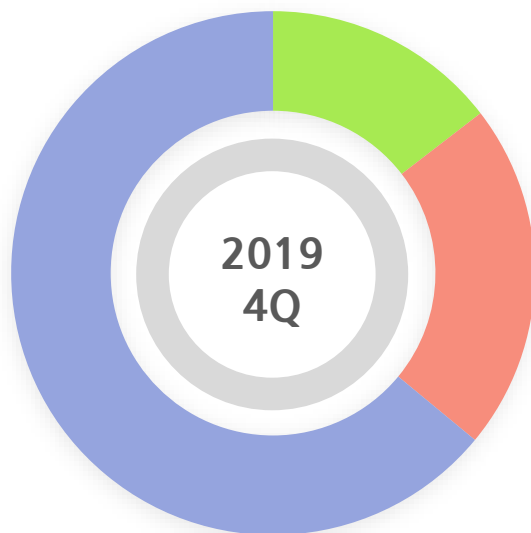
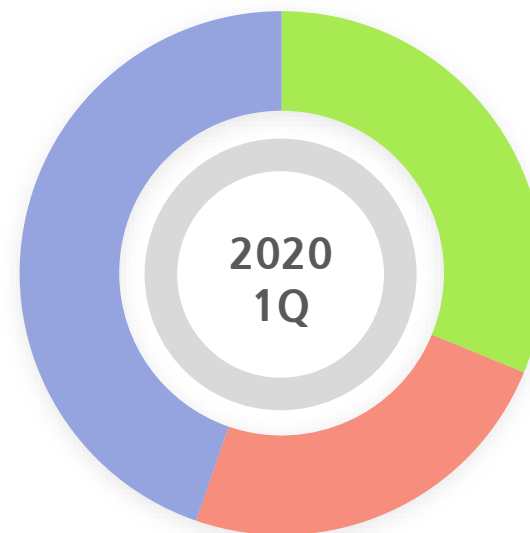


Cash and Short-term Financial Instruments



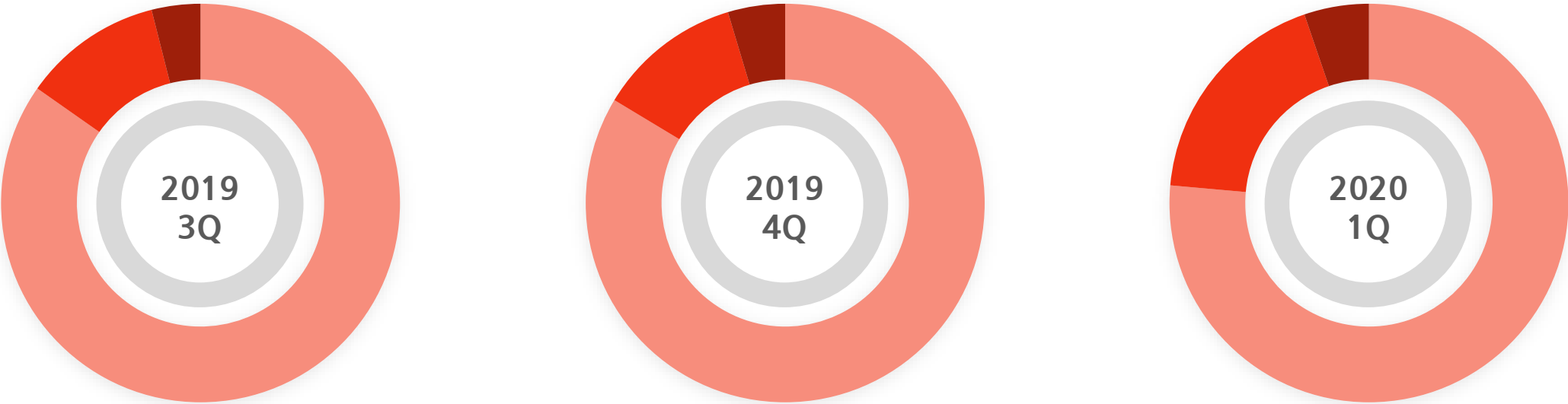
Revenues Breakdown

Cumulative Breakdown (by Region)



■ Taiwan/HK/Macau ■ Korea/Japan/China ■ Southeast Asia&others

Cumulative Breakdown (By Game Platforms)



■ Mobile ■ PC ■ Others

2020 Gravity Outlook

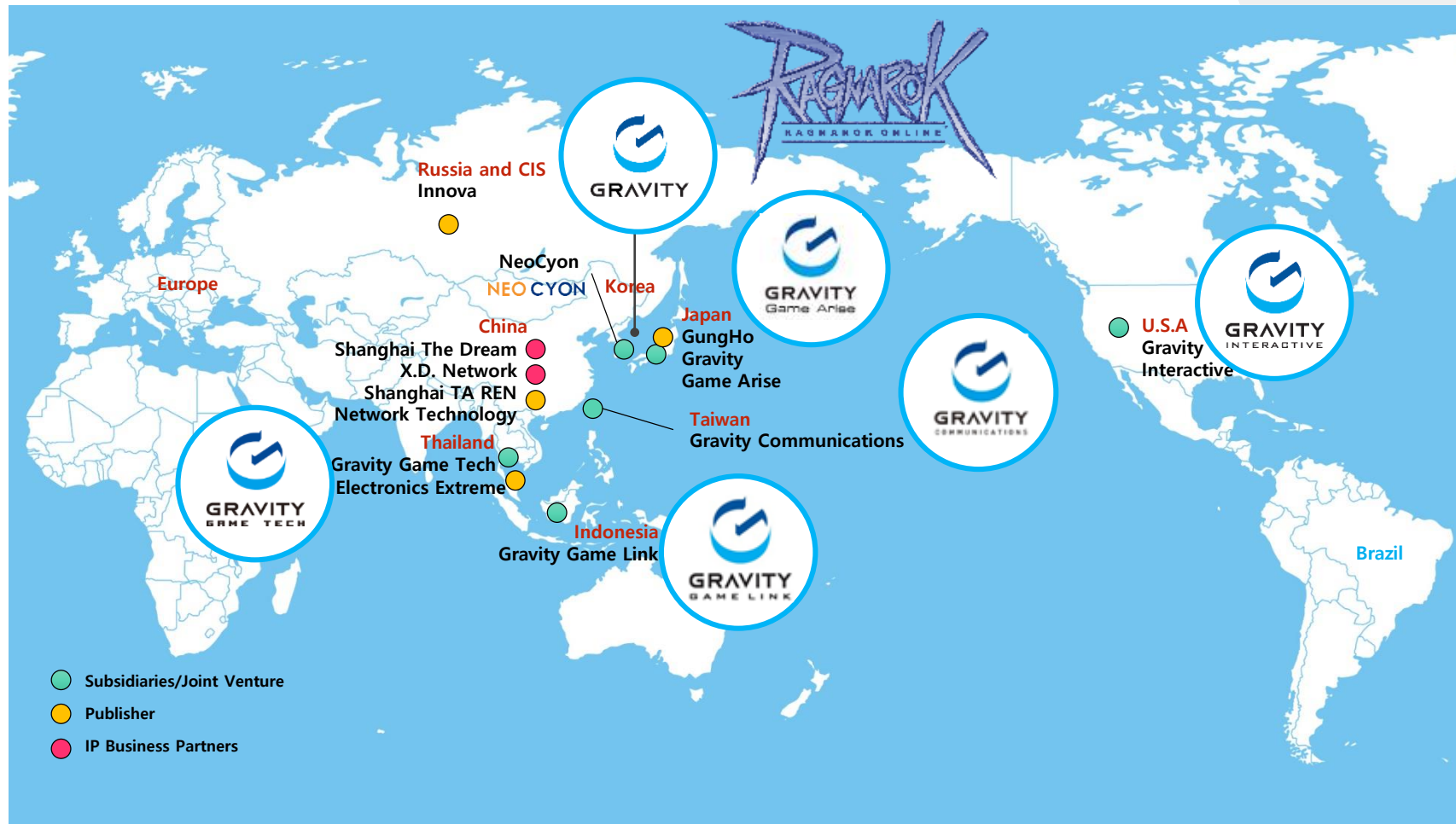
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2020 Major Upcoming Launchings

Platform	Game	Plan	Schedule	Market
PC	Ragnarok Zero	Additional launching	2020	TBD
PC	Ragnarok Crusade: Midgard Chronicles (MMORPG)	New launch	2020	Korea
Mobile	Ragnarok Origin (MMORPG)	New launch	July 2020	Korea
Mobile	Ragnarok X: Next Generation (MMORPG)	New launch	2H 2020	Taiwan/Hong Kong/Macau
Mobile	Ragnarok Tactics (SRPG)	Additional launching	Jun 2020	Global
Mobile	The Lost Memories: a song of Valkyrie (Story RPG)	New launch	2020	TBD
Mobile	Action R02: Spear of Odin (MORPG)	New launch	2020	TBD

Global Market Strategy



Strategic Plans for Global Market

- Targeting Southeast Asia markets with various games based on RO IP through subsidiaries in Thailand and Indonesia
- Expand the game service to Myanmar, Cambodia, and Laos
- Global business targeting more than 90 countries along with Ragnarok IP
→ Expansion and build-up
- Obtain growth engine through opportunity to find a new business

Exhibits

- 01 Company Overview
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Date of Establishment

April 4, 2000



Location

Seoul, Korea(HQ), Taipei, Taiwan (Subsidiary), California, USA (Subsidiary) Bangkok, Thailand(Subsidiary), Jakarta, Indonesia (Subsidiary) Japan Tokyo (Subsidiary)



Employees

733 (Including Subsidiaries, as of March 31, 2020)



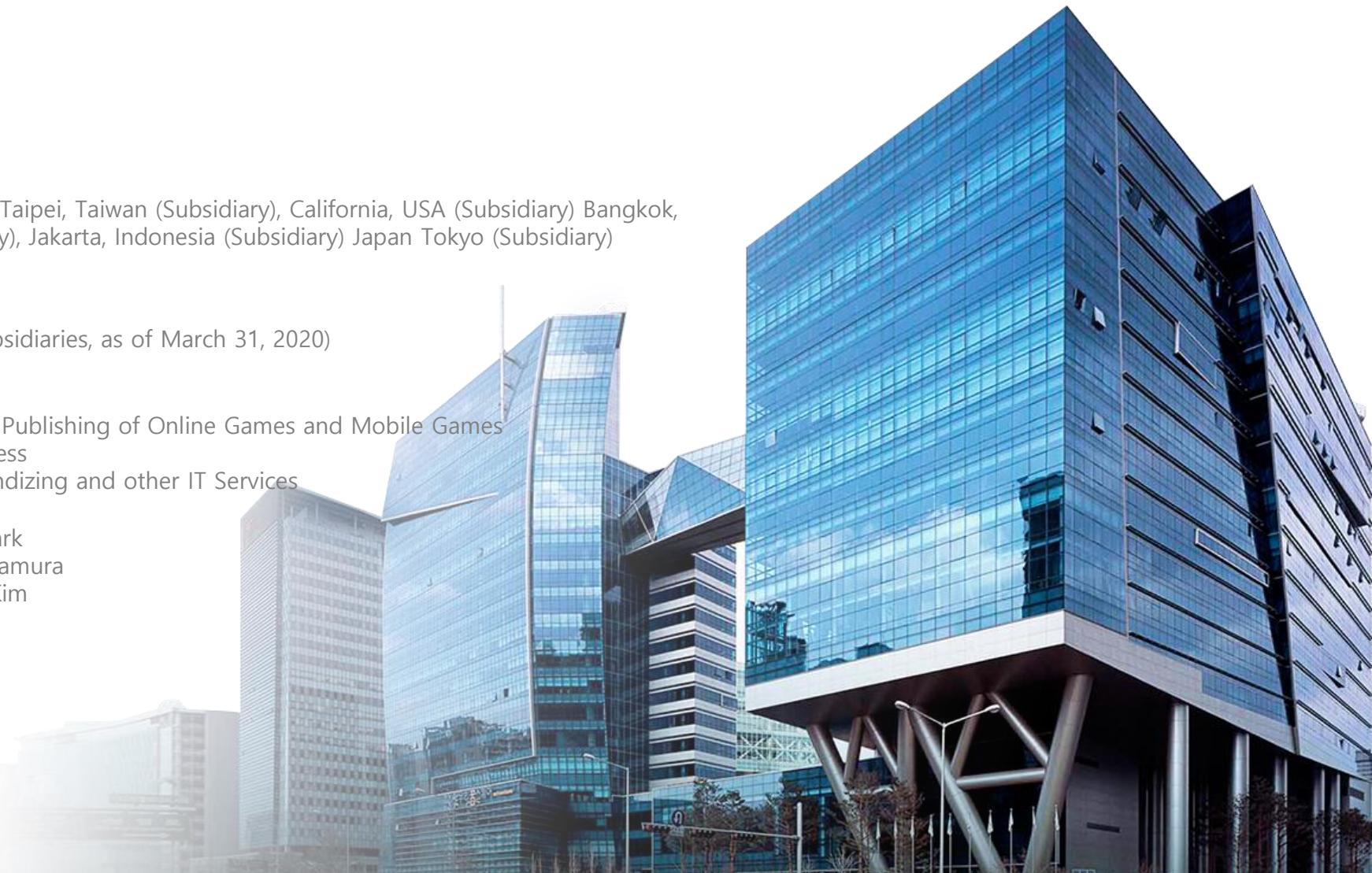
Business Area

Development and Publishing of Online Games and Mobile Games
IP Licensing Business
Character merchandizing and other IT Services



Management

CEO Hyun Chul Park
COO Yoshinori Kitamura
CFO Heung Gon Kim



Consolidated Statements of Comprehensive Income (IFRS)

Account	2019 1Q	2019 2Q	2019 3Q	2019 4Q	2020 1Q
	(unaudited)				
Revenues	133,623	78,127	77,566	71,651	73,260
Online games—subscription revenue	6,256	6,746	10,564	7,185	9,893
Online games—royalties and license fees	3,720	2,832	2,583	2,436	3,543
Mobile games	120,090	65,013	60,086	56,714	55,982
Other revenues	3,557	3,536	4,333	5,316	3,842
Cost of revenues	101,237	56,858	56,058	51,635	48,874
Gross Profit	32,386	21,269	21,508	20,016	24,386
Total operating expenses	8,746	8,271	11,282	18,217	14,030
SG&A	6,665	5,733	8,984	15,491	11,007
R&D expenses	1,877	2,432	2,349	2,845	2,872
Other expenses (income)	204	106	(51)	(119)	151
Operating Profit	23,640	12,998	10,226	1,799	10,356
Finance income	1,062	1,141	1,353	631	1,551
Financial costs	(313)	(102)	(366)	(813)	(657)
Profit before income tax expense	24,389	14,037	11,213	1,617	11,250
Income Tax Expense	4,627	3,208	2,357	1,334	2,004
Profit for the period	19,762	10,829	8,856	283	9,246
Profit (loss) attributable to:					
Non controlling interest	2	(32)	(96)	(20)	(17)
Owners of the Parent Company	19,760	10,861	8,952	303	9,263
Earnings (loss) per share—basic and diluted:	2,844	1,563	1,288	44	1,333
Earnings (loss) per ADS—basic and diluted:	2,844	1,563	1,288	44	1,333

Consolidated Statement
of Financial Position
(IFRS)

(In millions of KRW except share and per share data)

Account	2019 1Q	2019 2Q	2019 3Q	2019 4Q	2020 1Q
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)
Assets	198,031	168,236	186,201	175,425	192,930
Current Assets	181,789	150,706	165,545	155,863	170,182
Cash and cash equivalents	127,330	111,164	120,259	118,928	123,002
Account receivables, net	50,691	34,817	39,409	32,253	40,748
Others	3,768	4,725	5,877	4,682	6,432
Non Current Assets	16,242	17,530	20,656	19,562	22,748
Property and equipment, net	5,148	5,843	6,833	6,663	8,576
Intangible asset	1,022	1,687	1,568	1,717	1,571
Deferred tax assets	6,978	7,035	8,866	7,667	9,042
Other non-current financial assets	1,497	1,554	1,662	1,770	1,771
Others	1,597	1,411	1,727	1,745	1,788
Liabilities	102,440	61,778	70,172	59,659	66,328
Current Liabilities	97,303	57,417	65,314	55,787	61,800
Account Payables	75,127	38,350	44,258	37,496	42,029
Deferred Revenue	14,395	12,421	12,795	10,748	10,389
Others	7,781	6,646	8,261	7,543	9,382
Non Current Liabilities	5,137	4,361	4,858	3,872	4,528
Equity	95,591	106,458	116,029	115,766	126,602
Share capital	3,474	3,474	3,474	3,474	3,474
Capital surplus	27,140	27,140	27,128	27,128	27,128
Other components of equity	244	277	814	274	1,577
Retained earnings	65,165	76,026	84,978	84,668	93,931
Non-controlling interest	(432)	(459)	(365)	222	492
Total Liabilities and Equity	198,031	168,236	186,201	175,425	192,930

Subsidiaries



Gravity Game Arise Co., Ltd

- Game Service in Japan



Gravity Communications Co., Ltd.

- Strategical Planning for Asian Markets



Gravity Game Tech Co., Ltd

- IP Licensing Business
- Online/Mobile Game Service in Thailand

Gravity Co., Ltd.



Gravity Interactive, Inc.

- Steam Service
- Operation of warportal.com
- Global Mobile Game Service
- Global Online Game Service



Gravity Game Link Co., Ltd

- IP Licensing Business
- Online/Mobile Game Service in Indonesia

NEO CYON

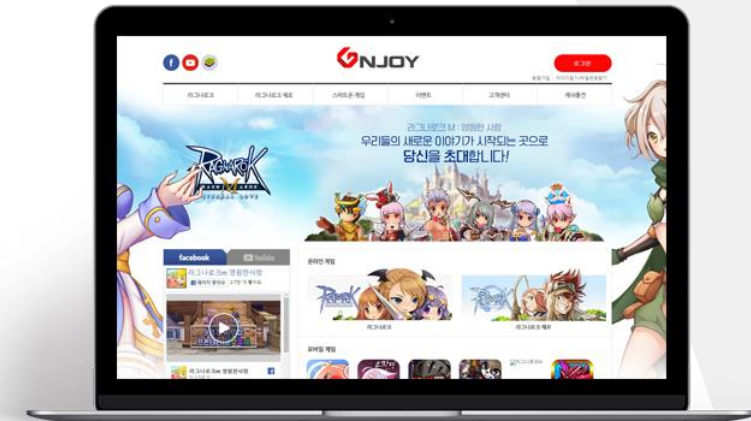
NeoCyon, Inc.

- Mobile Games Development
- Mobile Game Service in Korea
- B2B IT Service



Gravity Co., Ltd.

- Online and Mobile Game Development
- Ragnarok Online Service in Korea
- Online and Mobile Game Service in Korea
- IP Licensing Business
- Global Business Planning and Marketing

Game Portal Site: **GnJoy.com**

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IR Unit



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THANK YOU

Gravity along with Ragnarok,
We are dedicated to grow as a Global Leading Game Company

