



2020 2Q IR PRESENTATION

Investor Relations

August 2020

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2020 2Q Updates

- 01 Ragnarok Online (PC)
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- 04 Ragnarok M: Eternal Love (MMORPG)

Ragnarok Online (PC)

Ragnarok Online has been a globally popular online game for **18 years**
Publishing Service in **93 regions** across worldwide



◆ Direct Service Regions ◆

Korea / Thailand / Taiwan, Hong Kong, Macau
Indonesia / Brazil / North America / South America
/ Middle East

◆ Licensing Regions ◆

Japan / The Philippines / Malaysia / Singapore
China / Europe / Russia and CIS

Ragnarok Online (PC)

Thailand

- ✓ After opening on May 28 reached over **100,000 CCU and 250,000 DAU**
- ✓ Open new Heimdall server on July 2

Taiwan

- ✓ In-game events for 18th anniversary
- ✓ Collaboration event with Ragnarok Tactics

Vietnam

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

After direct service on Ragnarok Online in Thailand
concurrent users and daily active users increased

Ragnarok Origin (MMORPG)

Ragnarok Origin **Successful Launching** in Korea on July 7!

- After its launching, sudden popular game of Google Play **Rank No.1**
free download of Apple's App Store **Rank No.1**
- Ranked **the fourth** in top grossing of Google Play games and **the fourth** in top grossing of Apple's App Store games in just five days after its launch



- Maxim Main Cover Page with Characters of Ragnarok Origin for the July issue → **early out of stock**
- Two limited-edition snacks for Ragnarok Origin on Lotte Mart Toys"R"Us Online mall → **Record No.1 in sales**
- After its launching, **heavy traffic on the server**

Ragnarok Origin (MMORPG)

Ragnarok Origin in Japan



Status

- ✓ Signed a publishing contract with [GungHo Online Entertainment, Inc.](#)
→ being prepared for the launch in Japan

Ragnarok X: Next Generation (MMORPG)

A Joint Publishing Contract with Global Content Company, ByteDance Ltd.
in Taiwan, Hong Kong, Macau and Southeast Asia



Taiwan, Hong Kong, Macau: plan to be launched in the second half of 2020



Ragnarok IP Power & Know-how + ByteDance Business Power & Infrastructure
→ Extending user base and accessibility

Ragnarok M: Eternal Love (MMORPG)

Taiwan

- ✓ July: Summer Rhapsody Puzzle Event
- ✓ RO Summer Vacation Event

Korea

- ✓ July: Summer Rhapsody Puzzle Event
- ✓ Summer Festival Promotion

Southeast Asia

- ✓ Episode 7.0 Update on June 29

North America

- ✓ July: Summer Rhapsody Puzzle Event
- ✓ Episode 7.0 Update on June 22

Japan

- ✓ Open a special campaign for 1st anniversary in June
- ✓ Episode 6.0 Update on July 20

Europe

- ✓ Episode 5.0 Update on June 30

2020 Business Strategy

05 Diversified Pipeline

06 Publishing Service Highlights

Diversified Pipeline



Ragnarok Origin
(MMORPG)



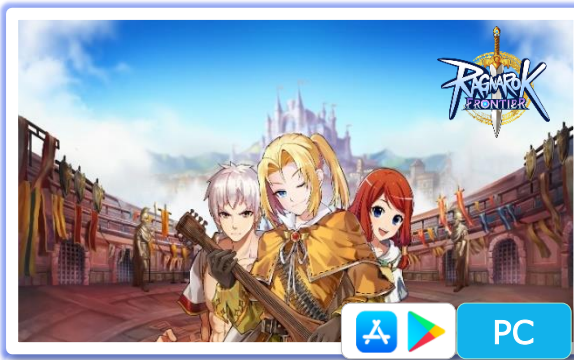
Ragnarok X: Next Generation
(MMORPG)



Ragnarok Tactics
(SRPG)



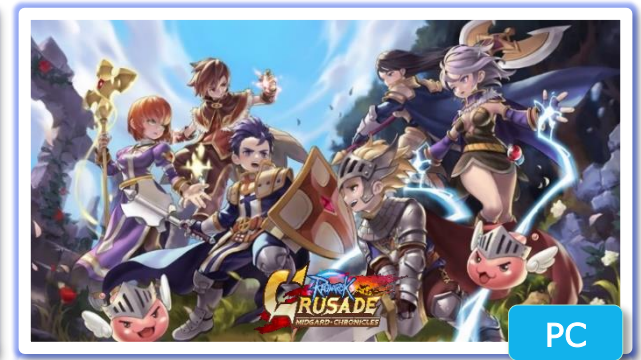
The Lost Memories: a Song of Valkyrie
(Story RPG)



Ragnarok H5 (Ragnarok Frontier)
(MMORPG)



Action RO2: Spear of Odin
(MORPG)



Ragnarok Crusade: Midgard Chronicles
(MMORPG)

Gravity Communications (Taiwan)

Ragnarok M: Eternal Love & Ragnarok Online

Strengthen communication with users and operate stably

Ragnarok Tactics was launched in Taiwan, Hong Kong and Macau on February 25, 2020

Ragnarok X: Next Generation to be launched in Taiwan, Hong Kong and Macau in the second half of 2020

Gravity Game Link (Indonesia)

Ragnarok H5 (Ragnarok Frontier)

Successfully operating after its launch in Indonesia on March 31, 2020

Lost Saga Remastered plan to be launched in Indonesia in 2020



Gravity Interactive (The United States)

Tactical Warfare plan to be launched in North, central and South America in the third quarter of 2020

Ragnarok Tactics was launched in global markets on June 18, 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 Arise (Japan)

Dark Eden M will be launched in Japan in the middle of August 2020

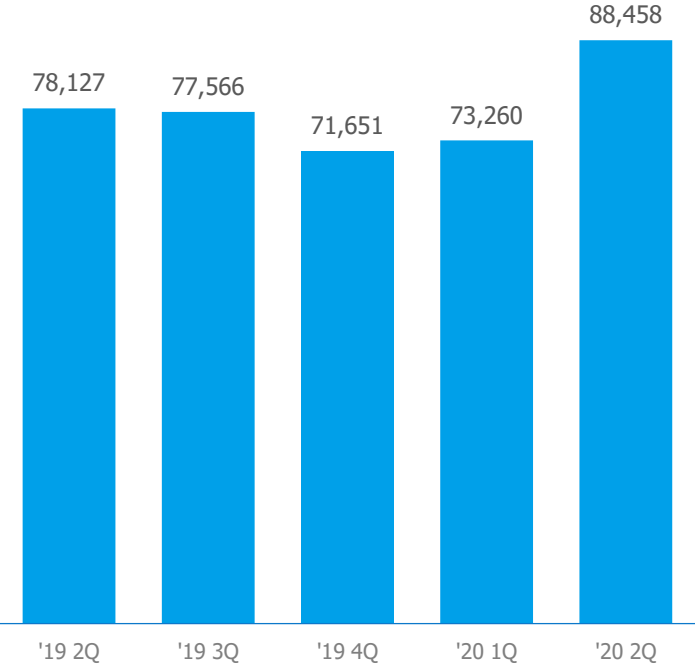
2020 2Q Analysis

07 Operation Results Trend

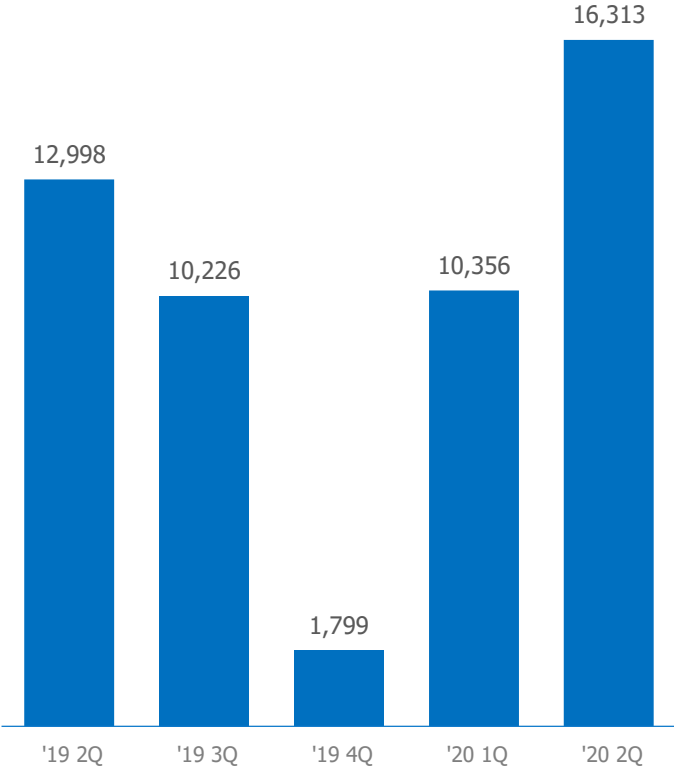
08 Revenues Breakdown

(In Million of KRW)

Revenues

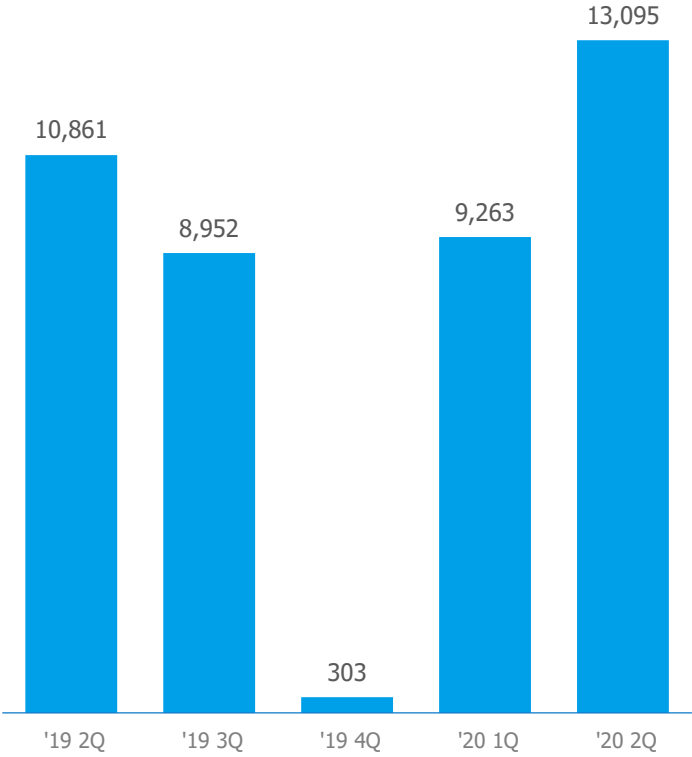


Operating Profit

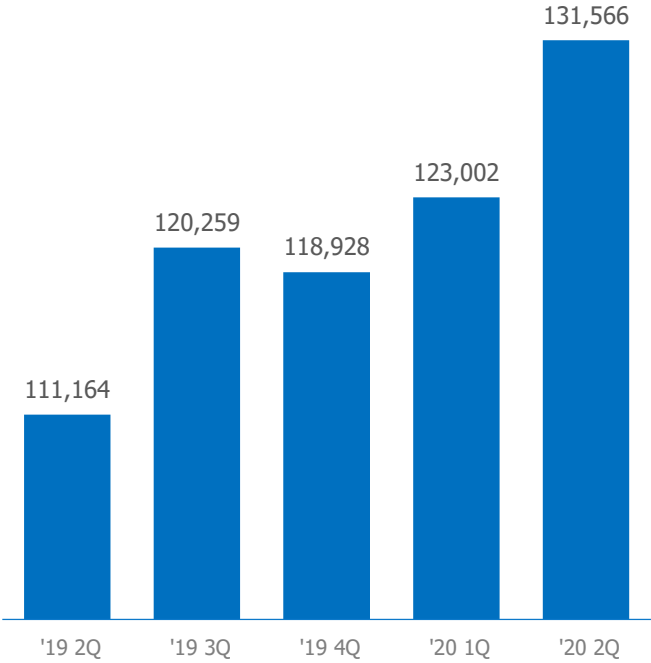


(In Million of KRW)

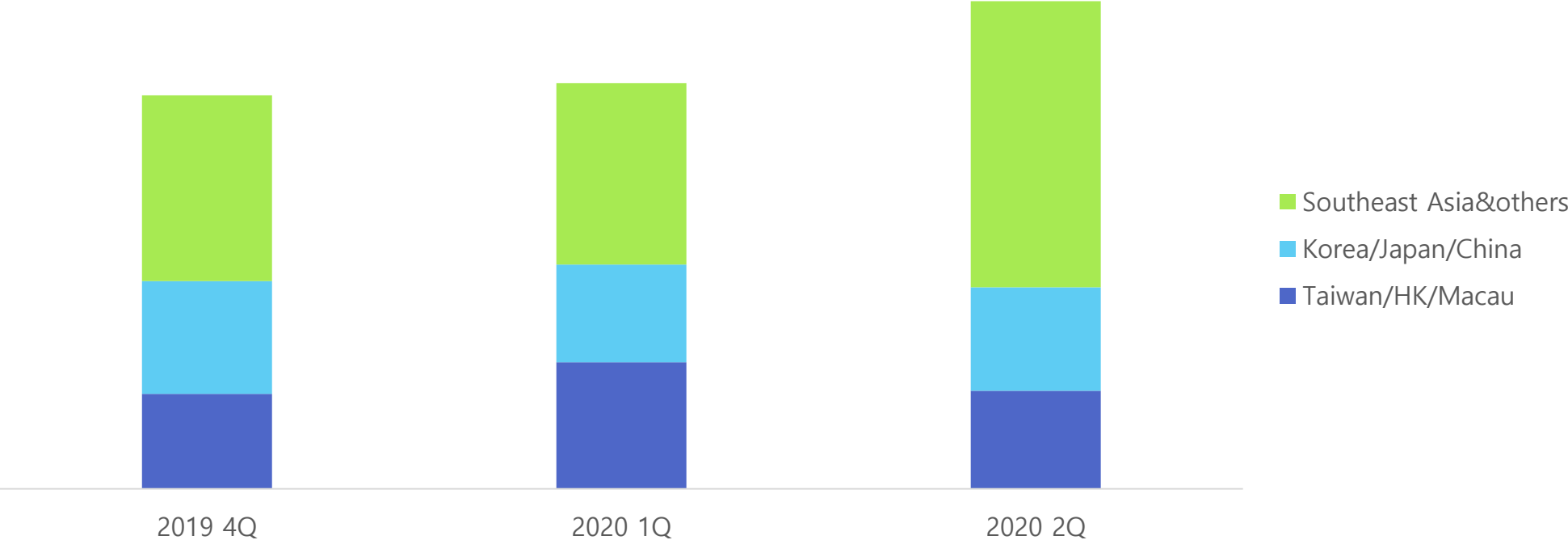
Net Profit



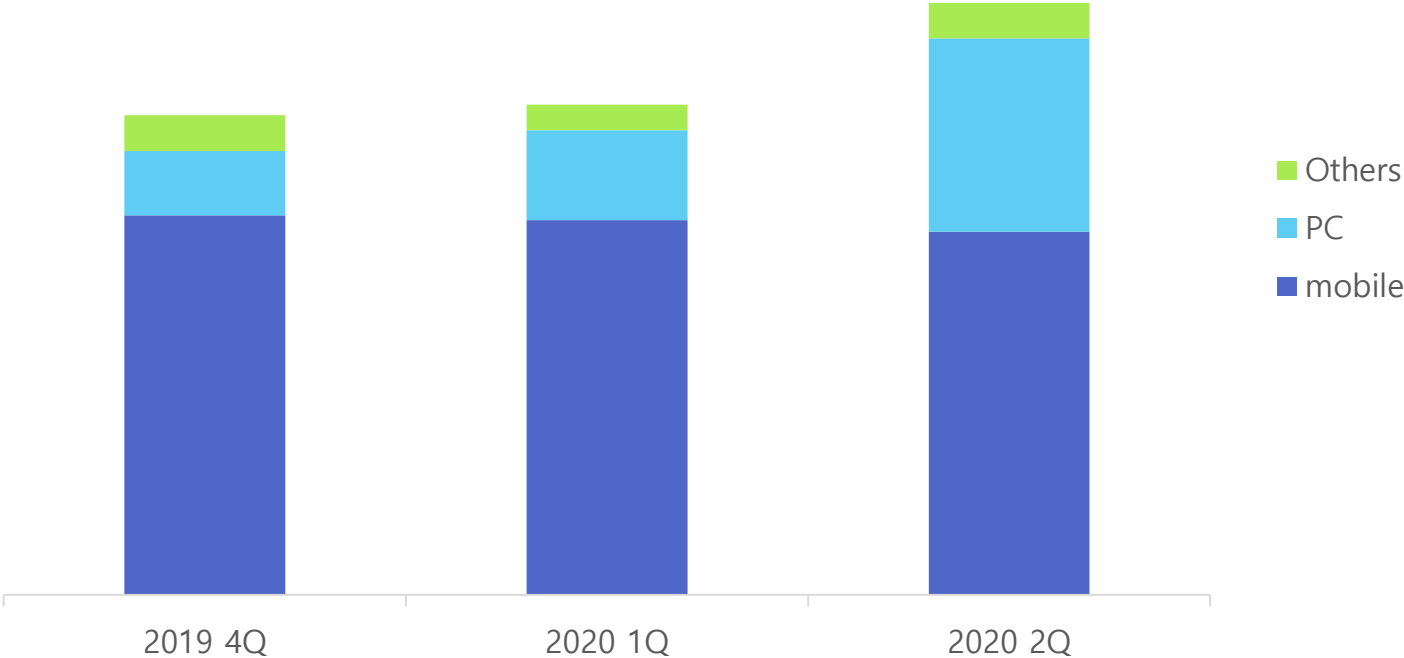
Cash and Short-term Financial Instruments



Revenues Breakdown (by Region)



Revenues Breakdown (by Game Platforms)



2020 Gravity Outlook

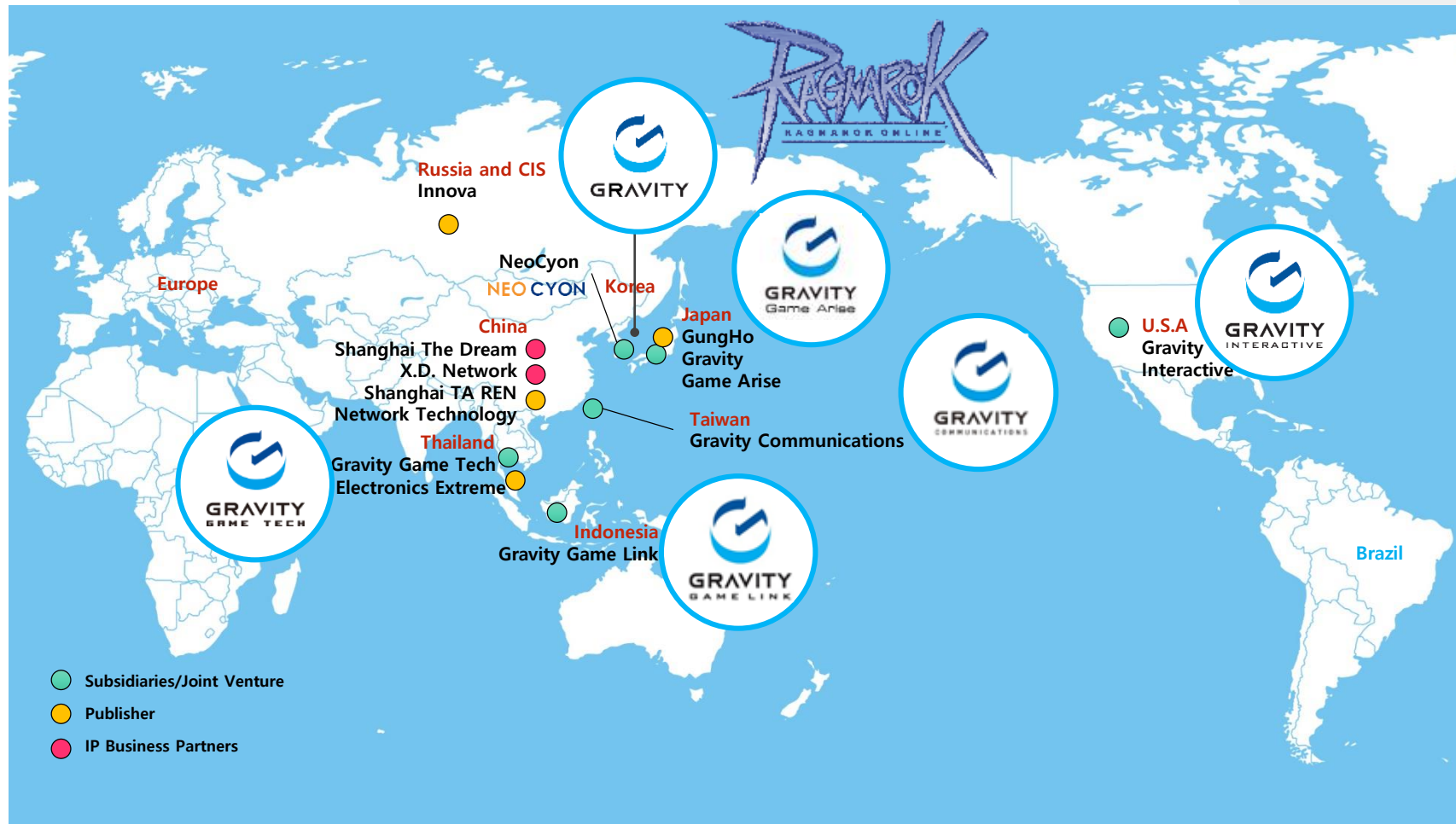
09 2020 Major Upcoming Launchings

10 Global Market Strategy

2020 Major Upcoming Launching

Platform	Game	Plan	Schedule	Market
PC	Ragnarok Zero	Additional launch	2020	TBD
PC	Ragnarok Crusade: Midgard Chronicles (MMORPG)	New launch	2020	Korea
Mobile	Ragnarok Origin (MMORPG)	New launch	JUL 2020	Korea
		Additional launch	TBD	Japan
Mobile	Ragnarok X: Next Generation (MMORPG)	New launch	2H 2020	Taiwan/Hong Kong/Macau
Mobile	The Lost Memories: a Song of Valkyrie (Story RPG)	New launch	2020	TBD
Mobile	Action RO2: Spear of Odin (MORPG)	New launch	2020	Indonesia/Malaysia/Philippines Singapore/Oceania

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 regions along with Ragnarok IP
→ Expansion and build-up
- Obtain growth engine through opportunity to find a new business

Exhibits

- 01 Company Overview
- 02 Financial Statements
- 03 Subsidiaries



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

724 (Including Subsidiaries, as of June 30, 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 2Q	2019 3Q	2019 4Q	2020 1Q	2020 2Q
	(unaudited)				
Revenues	78,127	77,566	71,651	73,260	88,458
Online games—subscription revenue	6,746	10,564	7,185	9,893	24,448
Online games—royalties and license fees	2,832	2,583	2,436	3,543	4,459
Mobile games	65,013	60,086	56,714	55,982	54,249
Other revenue	3,536	4,333	5,316	3,842	5,302
Cost of revenues	56,858	56,058	51,635	48,874	51,098
Gross Profit	21,269	21,508	20,016	24,386	37,360
Total operating expenses	8,271	11,282	18,217	14,030	21,047
SG&A	5,733	8,984	15,491	11,007	17,643
R&D expenses	2,432	2,349	2,845	2,872	3,254
Other expenses (income)	106	(51)	(119)	151	150
Operating Profit	12,998	10,226	1,799	10,356	16,313
Finance income	1,141	1,353	631	1,551	627
Financial costs	(102)	(366)	(813)	(657)	(605)
Profit before income tax expense	14,037	11,213	1,617	11,250	16,335
Income Tax Expense	3,208	2,357	1,334	2,004	3,293
Profit for the period	10,829	8,856	283	9,246	13,042
Profit (loss) attributable to:					
Non controlling interest	(32)	(96)	(20)	(17)	(53)
Owners of the Parent Company	10,861	8,952	303	9,263	13,095
Earnings (loss) per share—basic and diluted:	1,563	1,288	44	1,333	1,884
Earnings (loss) per ADS—basic and diluted:	1,563	1,288	44	1,333	1,884

Financial Statements

Consolidated Statement of Financial Position (IFRS)

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

Account	2019 2Q	2019 3Q	2019 4Q	2020 1Q	2020 2Q
	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)
Assets	168,236	186,201	175,425	192,930	210,064
Current Assets	150,706	165,545	155,863	170,182	186,191
Cash and cash equivalents	111,164	120,259	118,928	123,002	131,566
Account receivables, net	34,817	39,409	32,253	40,748	48,910
Others	4,725	5,877	4,682	6,432	5,715
Non Current Assets	17,530	20,656	19,562	22,748	23,873
Property and equipment, net	5,843	6,833	6,663	8,576	7,893
Intangible asset	1,687	1,568	1,717	1,571	1,899
Deferred tax assets	7,035	8,866	7,667	9,042	10,246
Other non-current financial assets	1,554	1,662	1,770	1,771	1,785
Others	1,411	1,727	1,745	1,788	2,050
Liabilities	61,778	70,172	59,659	66,328	70,065
Current Liabilities	57,417	65,314	55,787	61,800	65,664
Account Payables	38,350	44,258	37,496	42,029	43,914
Deferred Revenue	12,421	12,795	10,748	10,389	12,834
Others	6,646	8,261	7,543	9,382	8,916
Non Current Liabilities	4,361	4,858	3,872	4,528	4,401
Equity	106,458	116,029	115,766	126,602	139,999
Share capital	3,474	3,474	3,474	3,474	3,474
Capital surplus	27,140	27,128	27,128	27,128	27,110
Other components of equity	277	814	274	1,577	1,875
Retained earnings	76,026	84,978	84,668	93,931	107,026
Non-controlling interest	(459)	(365)	222	492	514
Total Liabilities and Equity	168,236	186,201	175,425	192,930	210,064

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

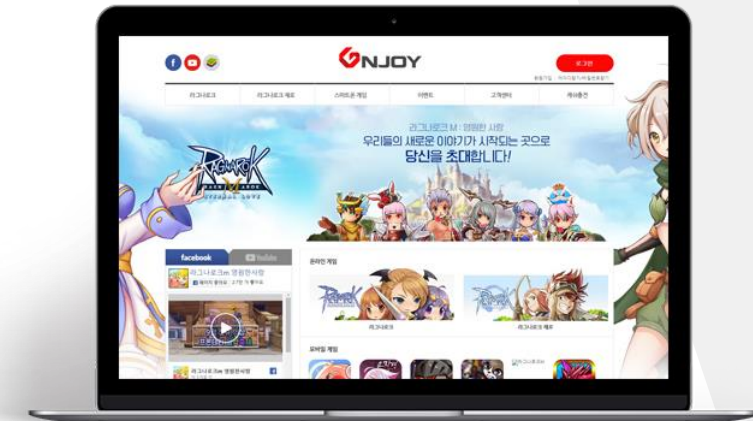
NeoCyon, Inc.

- 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**

Investor Relations Contact Information

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Chief Financial Officer

Jin Lee
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IR Unit



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THANK YOU

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

