



GRAVITY

Investor Relation

March 2018

© 2018 GRAVITY CO.,LTD. All rights reserved.



Disclaimer



These materials have been prepared by GRAVITY Co., Ltd. ("Gravity" or the "Company"). The statements contained in this presentation have not been independently verified. No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in these materials. Neither the Company nor any of its affiliates, advisers or representatives accepts any responsibility whatsoever for any loss or damage arising from any information presented or contained in these materials. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

The presentations do not constitute an offer or invitation to purchase or subscribe for any shares or other securities of the Company and neither any part of the materials nor any information or statement contained therein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

Certain statements or other disclosure content in these presentation materials may include, in addition to historical information, "forward-looking statements" within the meaning of the "safe-harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by the use of forward-looking terminology, such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "project," or "continue" or the negative thereof or other similar words, although not all forward-looking statements will contain these words. These forward-looking statements are based on our current assumptions, expectations and projections about future events. All forward-looking statements involve risks and uncertainties that may cause our actual performance, financial condition or results of operations to be materially different from those suggested by the forward-looking statements, including, but not limited to, our ability to diversify revenue; our ability to collect, and in a timely manner, license fees and royalty payments from overseas licensees; our ability to acquire, develop, license, launch, market or operate commercially successful online games; our ability to compete effectively in a highly competitive industry; our ability to anticipate and access technological developments in our industry; our ability to recruit and retain quality employees as we grow; our ability to implement our growth strategies; and economic and political conditions globally. Investors should consider the information contained in our submissions and filings with the United States Securities and Exchange Commission (the "SEC") including our annual report for the fiscal year ended December 31, 2016 on Form 20-F, together with such other documents that we may submit to or file with the SEC from time to time, including on Form 6-K. The forward-looking statements speak only as of this press release and we assume no duty to update them to reflect new, changing or unanticipated events or circumstances.



Contents



2017 4Q Updates

- 01. Business Updates
- 02. Operation Results Analysis

Gravity and Ragnarok

- 03. Ragnarok, the Global IP
- 04. Ragnarok: The 3rd Golden Days
- 05. Ragnarok M in Korea

Upcoming Launchings & Vision

- 06. Upcoming Launchings
- 07. Vision 2018

Exhibits

- 01. Company Overview
- 02. Financial Statements
- 03. Subsidiaries/Branch



GRAVITY Investor Relations

2017 4Q UPDATES

01 Business Updates

02 Operation Results Analysis

RAGNAROK M in Taiwan & Hong Kong

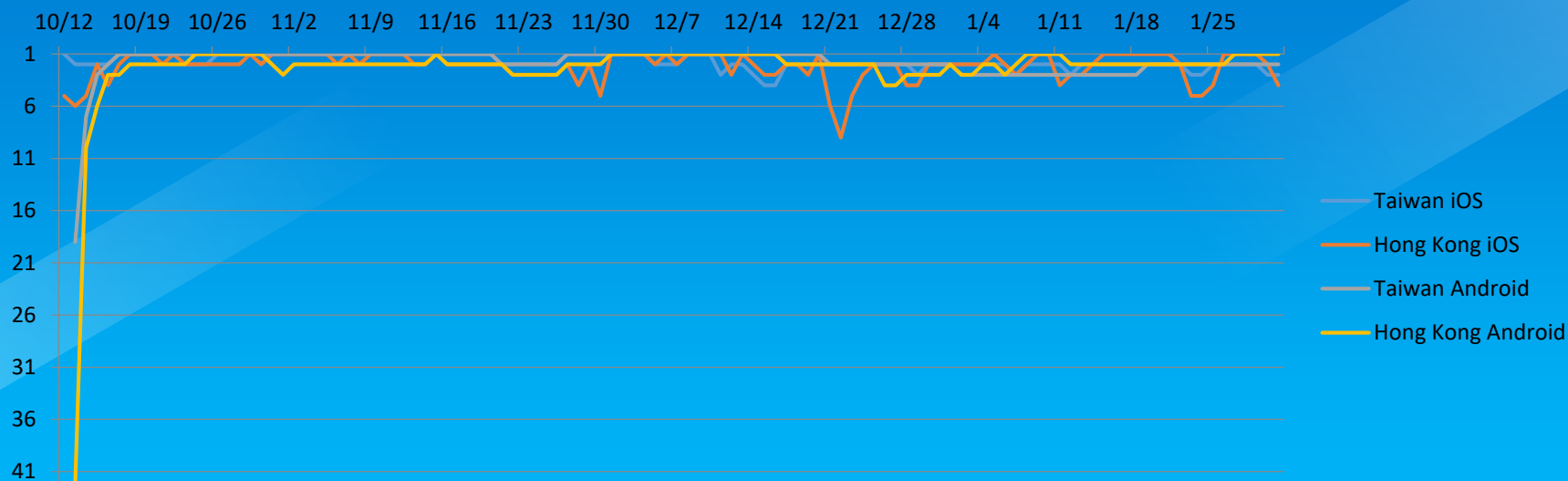
Launch on October 12, 2017. No. 1 Mobile Game in Taiwan & Hong Kong



- Recorded No 1. in both Apple's App Store and Google Play Store in Taiwan and Hong Kong
- Highly ranked for 4 months since the launch
- Over 2,500,000 Registered IDs
- More launches in other markets are planned in 2018

RAGNAROK M, in Taiwan & Hong Kong

Mobile game ranking in Taiwan and Hong Kong (October 12, 2017~January 31, 2018, by revenues)



3Q 2017

OCT 12

Taiwan & Hong Kong

Highly ranked for more than 4 months after its launch in Oct 17

1Q 2018

MAR

Korea (expected)

RAGNAROK: ZERO, Launched in Korea

Official Launch On December 28, 2017 in Korea



- Operating **3 new game servers** for increased users
- Developed based on classic version of Ragnarok Online
-> Inducing return of old users
- **Approx. 1,000,000 Registered IDs** (as of February, 2018)
- More launches in overseas markets planned in 2018



BUSINESS UPDATES

Gravity in G-STAR 2017

GRAVITY

G★ 2017
GLOBAL GAME EXHIBITION G-STAR

November 16~19, 2017 (4 days) at BEXCO in Busan, Korea



- ▶ Announced new line-ups : Ragnarok M, RO: Idle Poring, Sword and Fairy: Mirror's Mirage and Ragnarok Zero
- ▶ High Attention from game users and media with demonstration new games, Quiz events and costume-play performances
- ▶ Ragnarok Zero Event: Introduction of new game features and Q&A session for Ragnarok fans
- ▶ Approx. 220,000 visited G-STAR 2017, Approx. 60,000 visited Gravity's B2C booth
- ▶ G-STAR 2017 Gravity's Video clips on YouTube: Approx. 60,000 views, G-STAR 2017 Gravity's website: total 35,000 visitors

Gravity in 2018 Taipei Game Show

TAIPEI GAME SHOW 2018

January 26~29, 2018(4 days) at Taipei World Trade Center Hall in Taiwan



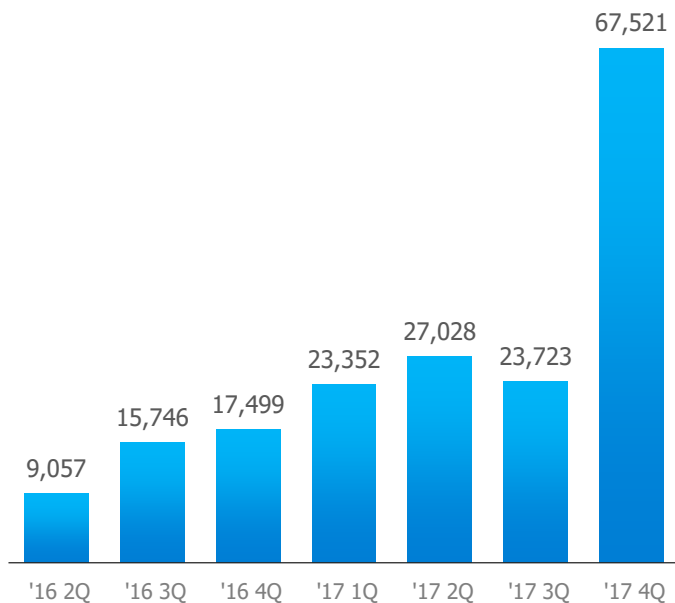
- ▶ Announced new line-ups with trial events: Ragnarok M, Ragnarok: Idle Poring
- ▶ Various events for visitors: Game Tournaments, Costume-play performances, Photo Walls
- ▶ Approx. 350,000 visited 2018 Taipei Game Shows, Approx. 50,000 visited Gravity's B2C booth

Operation Results Analysis

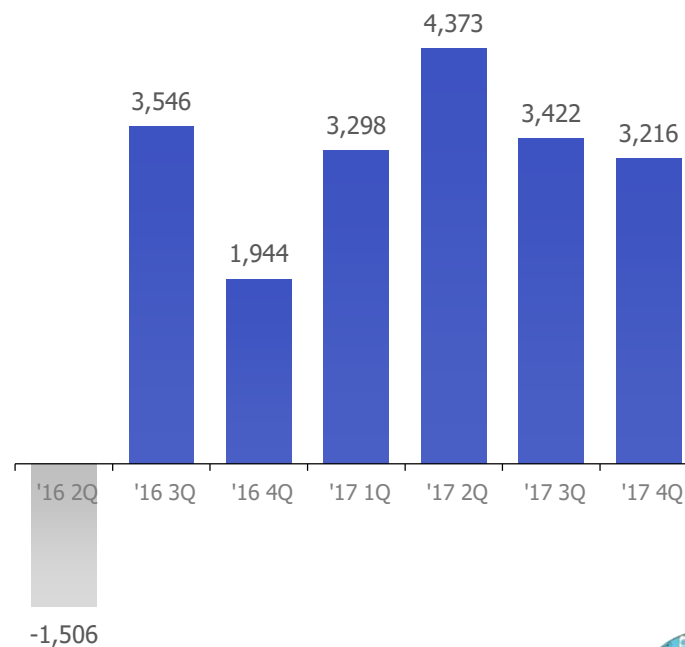
2016 2Q – 2017 4Q(preliminary) - Quarterly

In Million Won

Revenues



Operating Income(Loss)

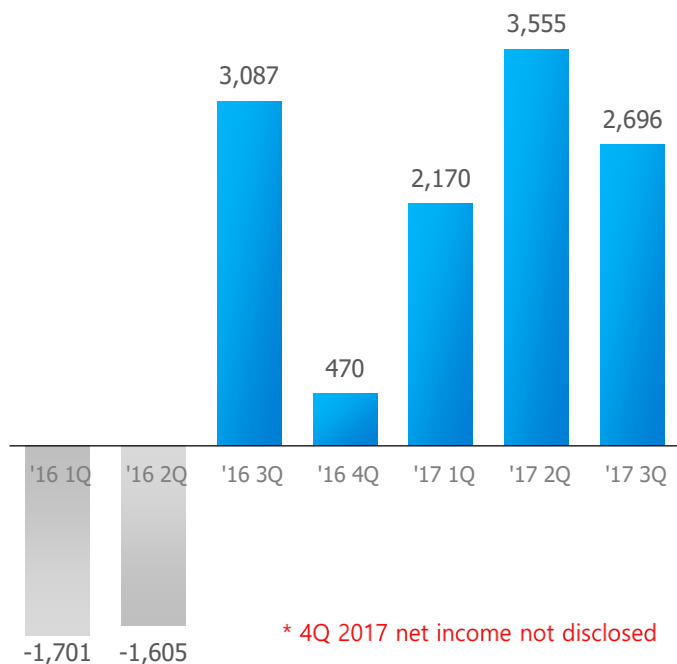


Operation Results Analysis

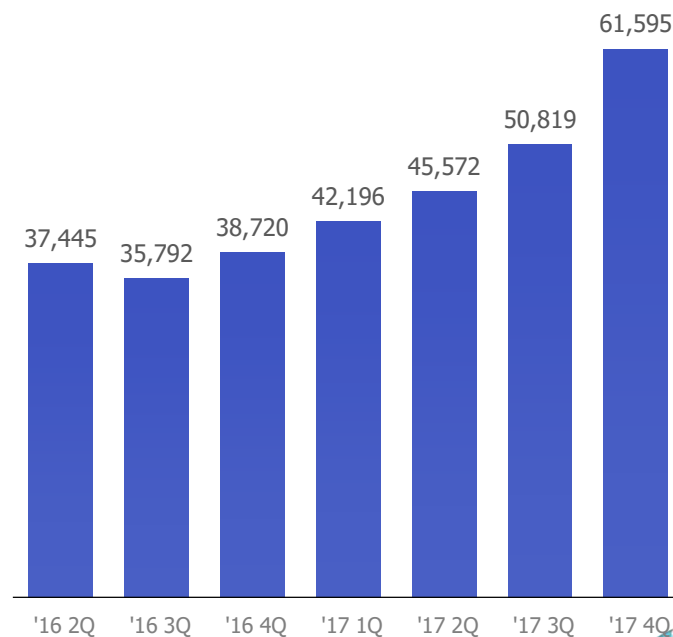
2016 2Q – 2017 4Q(preliminary) - Quarterly

In Million Won

Net Income(Net Loss)

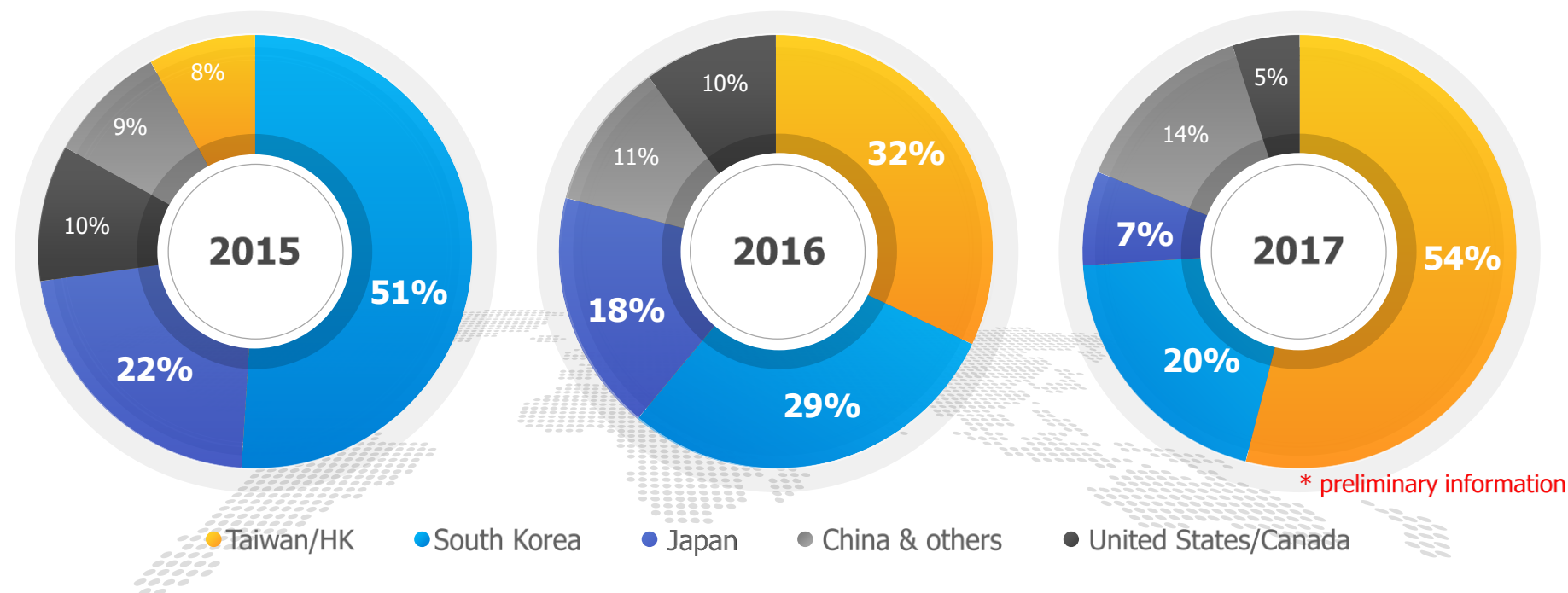


Cash & Short-term Financial Instruments



Operation Results: Revenues Breakdown '15 - '17

Revenues Breakdown : Market Area



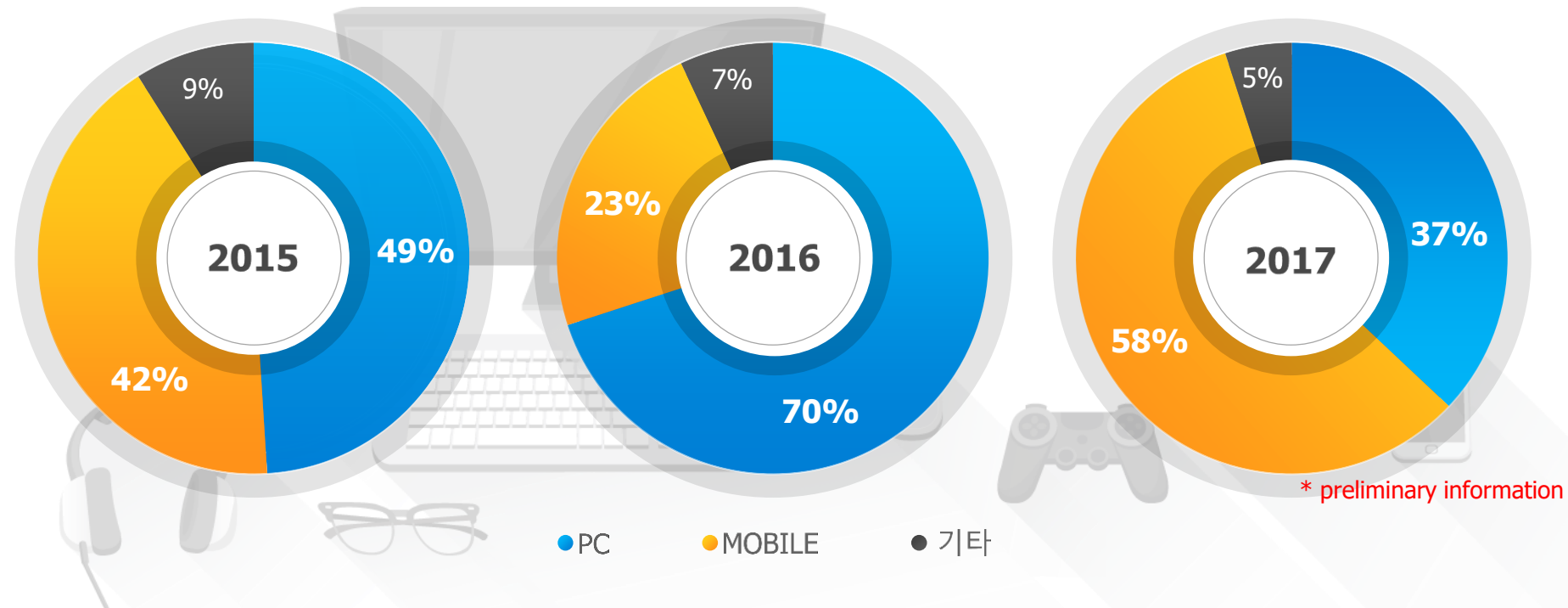
Most Revenues from Korea and Japan

Diversified Market Area

Due to Sales Growth in Taiwan and Other Asian Markets

Operation Results: Revenues Breakdown '15 - '17

Revenues Breakdown : Game Platforms



Revenue Growth of Ragnarok Online in 2016
Revenue Growth of Mobile Games in 2017

Business Strengthened in both Online and Mobile Games

GRAVITY Investor Relations

GRAVITY and RAGNAROK

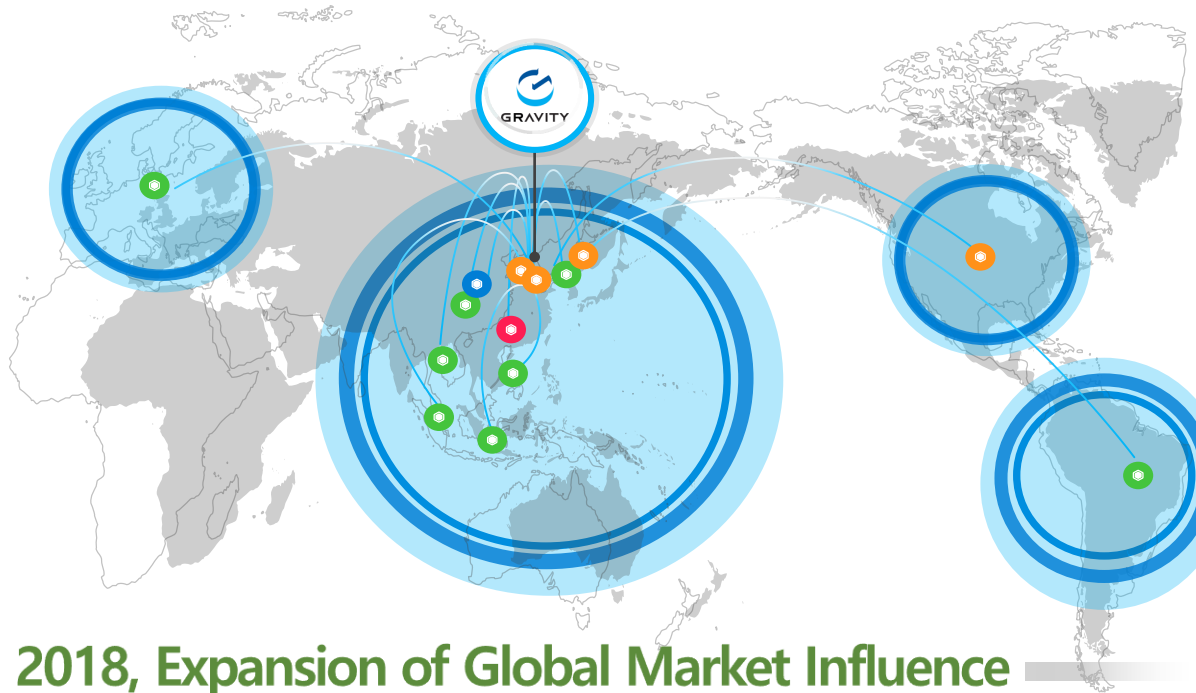
- 03 Ragnarok, the Global IP
- 04 Ragnarok: The 3rd Golden Days
- 05 Ragnarok M in Korea



Ragnarok, the Global IP

Global Business Network of Gravity

- **Leading Game Publisher & Developer** for more than 16 years in Asian market
- **Global game service know-how** in more than 80 countries
- **Game Service Network** including North & South America market and Euro market



2018, Expansion of Global Market Influence

- **Establishment of Taiwan Subsidiary Planned** (currently operating Taiwan branch)
- **Strengthening overseas business of existing subsidiaries**
- **Planned to establish overseas branches and JVs for aggressive market expansion**

Publisher

- **Europe** WhyBe Online
- **Japan** GungHo Online Entertainment
- **Brazil** Level Up!
- **Indonesia** Gravindo
- **Philippines** Electronics Extreme
- **Singapore/Malaysia** Electronics Extreme
- **Thailand** Electronics Extreme
- **China** Shanghai TA REN
Network Technology

Subsidiary

- **Korea** NeoCyon
Gravity Games
- **Japan** Gravity Entertainment
- **U.S.A** Gravity Interactive

Branch

- **Taiwan** Branch

Partnership

- **China** Shanghai The Dream
Networks Technology

Ragnarok, the Global IP

Ragnarok Online & More Ragnarok IP Games

Ragnarok M

China MAR, 2017
Taiwan OCT, 2017



Ragnarok Clicker

AUG, 2016
North America [Web]
DEC, 2016
North America [Mobile]
APR, 2017
Worldwide [Mobile]



Ragnarok R

China OCT, 2016
Taiwan DEC, 2016
Thailand FEB, 2017
Korea APR, 2017
North America JAN, 2018



Ragnarok Online Re-launching

JUN, 2016 Taiwan
JUL, 2016 Thailand
FEB, 2017 Indonesia
JUN, 2017 Philippines
Nov, 2017 Singapore, Malaysia

Ragnarok Online Zero

JAN, 2018 Korea



Ragnarok Prequel

MAY, 2015 China
JUL, 2016 Taiwan
MAR, 2017 North America
SEP, 2017 Thailand
DEC, 2017 Philippines



RO: Idle Poring

APR, 2016 China
SEP, 2017 Global [Except Japan]
JAN, 2018 Korea

RAGNAROK, the 3rd Golden Days

Ragnarok into Diverse Game Users

2002

The First Golden Days

10s·20s

 The First Online Game Sensation
in Southeast Asia and China

 Formation of Loyal Global
Core Users

2017

The Second Golden Days

30s·40s

 Increased Purchase
Power of Ragnarok Users

 Increased new users and
return of old users

 Higher IP Recognition

2018

The Third Golden Days

Diverse Users

 Higher Value of Ragnarok IP
→ Influx of New Users

 Increased Female Users

 Variety of Game Types and
Markets of Ragnarok Games

Core RPG Game Users

Diverse Game Users

RAGNAROK, the 3rd Golden Days

Ragnarok into Diverse Game Users

Drawing New Ragnarok Users by Successful New Launches of Ragnarok IP Games



Launch of Ragnarok M in Taiwan, Hong Kong
No. 1 in both Apple's App Store and Google Play Store



Global Launch of Ragnarok: Idle Poring
Ranked as top 10 mobile game
(in more than 7 countries)



- **Return** of old users in 30s and 40s
- **Influx** of new users in 10s and 20s
- **Increase of Female Users**

RAGNAROK, the 3rd Golden Days

Ragnarok into Multi Game Platform



Ragnarok Odyssey Ragnarok Odyssey Ace



Ragnarok Online



Ragnarok Prequel



Ragnarok Clicker



Ragnarok Zero



Ragnarok R



Idle Poring



Ragnarok M



Ragnarok : Clicker Mobile



Ragnarok : Classic MMORPG



Ragnarok :Spear of Odin

RAGNAROK, the 3rd Golden Days

Ragnarok into Multi Game Developers



Ragnarok M in Korea

Ragnarok M, upcoming launched in March, 2018

- Pre-registered IDs exceeded **1,000,000** (as of Mid-February 2018)
- Over **80,000** members of official web page on Naver (as of End of February 2018)
- Main models drawing large attention : Girls' Generation YoonA and Seo Gang Joon (Top Korean celebrities)



Ragnarok M in Korea

Ragnarok M,

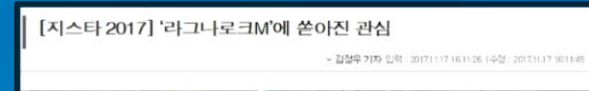
One of the Most Anticipated Mobile Game in Korea

- Large attention from users and media in 2017 G-Star
- Featured as the most anticipated 2018 mobile game by multiple media
- Successful pre-marketing events:
: Character naming, event, official webpage sign-up event and more

Ragnarok, Idle Poring,

Launch in January 2018 in Korea

- An Idle mobile game based on Ragnarok characters
- A casual type of Ragnarok IP game for various game users
- Strengthens Ragnarok IP's recognition in the Korea prior to launch of Ragnarok M



"'라그나로크M'의 캐릭터명을 선점하라!"

- 그라비티, 기대작 MMORPG "'라그나로크M'의 캐릭터 선점 이벤트 실시
- 캐릭터 헤어스타일, 성별, 캐릭터명 등 선점 가능, 정식 출시 이후 그대로 사용
- 이벤트 참여하면 개인 아이덴티티로 교환 가능한 사전 예약 배지 포인트 제공



GRAVITY Investor Relations

Upcoming Launchings & Vision

06 Upcoming Launchings

07 Vision 2018



Upcoming Launchings



※ Game release plans are subject to change.



Platform	Game	Plan	Schedule	Market
PC	Ragnarok Online	Additional Re-launching	2018	TBD
PC	Ragnarok Zero	Additional launching	2018	TBD
Web Browser	Ragnarok Prequel (Ragnarok Journey)	Additional launching	2018	Korea / South East Asia
Mobile	Ragnarok R	Additional launching	2018	South East Asia
Mobile	Ragnarok M	Additional launching	2018 1Q / 2018	Korea / TBD
Mobile	RO : Idle Poring	Additional launching	2018	TBD
Mobile	Spear of Odin	New launch	2018	South East Asia
Mobile	Mobile games based on Ragnarok IP	New launch	2018	TBD



Global Market Strategy

- **New Games Servers(Korea, Taiwan), Additional Development of Ragnarok Online , More Offline Events such as revival of Ragnarok World Championship**
→ Revenue growth in major markets such as Korea, Japan, North America and Taiwan
- **Localization, Market Expansion in SE Asia, Direct Service in more markets**
→ Aggressive business expansion in Asia
- **Global Operation of RO LAND(Ragnarok website)**
→ Information about Ragnarok games and use as a game marketing tool
- **Market Expansion in East Europe, Middle East and South America**
→ Revenue growth from more game markets

Strategy for Strong Game Lineups

- **In House development of mobile games, Console game, Online Game**
→ More in-house developed game titles
- **Publishing of Diversified Game Line-ups**
→ Securing more game IPs and various game business



Strategy for Higher Value of Ragnarok

- **Development and Distribution of Ragnarok Games on Various Platforms**
→ Targeting more users and markets based on game market trends
- **Additional Development and Renewal of Ragnarok Online**
→ Localization, game service improvement, **Service of Ragnarok Zero** (a new version of Ragnarok Online)
- **Global Launch of Ragnarok LAND (Ragnarok Portal Site)**
→ for Providing Information on Ragnarok Games and for marketing of such games

Investment for Growth of Gravity Group

- **Consideration of Strategic Investment**
→ For diversifying source of revenues and for more growth potentials



GRAVITY Investor Relations

Exhibits

- 01 Company Overview
- 02 Condensed Financial Statements
- 03 Corporate Structure



Date of Establishment

- April 4, 2000

Location

- Seoul, Korea (HQ), Taipei, Taiwan ((Branch)

Employees

- 476 (Including subsidiaries, as of 4Q 2017)

Business Area

- Development and Publishing of Online Games and Mobile Games
- Character merchandizing and other IT Services

Management

- CEO Hyun Chul Park, COO Yoshinori Kitamura,
CFO Heung Gon Kim



Condensed Financial Statements



Consolidated Statements of Operation (US GAAP)

Account	2016 1Q	2016 2Q	2016 3Q	2016 4Q	2017 1Q	2017 2Q	2017 3Q
	(unaudited)						
Revenues	9,094	9,057	15,746	17,500	23,352	27,028	23,723
Online games—subscription revenue	2,137	2,323	8,497	10,107	9,855	9,786	9,126
Online games—royalties and license fees	3,368	2,763	3,743	2,985	4,475	3,546	3,492
Mobile games and applications	2,830	3,138	2,830	3,243	8,063	12,239	9,730
Character merchandising, animation and other revenue	759	833	676	1,165	959	1,457	1,375
Cost of revenues	6,619	6,846	6,734	9,797	13,969	15,463	14,335
Gross Profit	2,475	2,211	9,012	7,703	9,383	11,565	9,388
Total operating expenses	3,036	3,717	5,466	5,759	6,085	7,192	5,966
SG&A	2,688	3,205	4,982	5,125	5,516	6,498	4,942
R&D Expense	343	512	484	634	569	694	1,024
Impairment Losses	5	0	0	0	0	0	0
Operating Income (Loss)	-561	-1,506	3,546	1,944	3,298	4,373	3,422
Other Income(Exp.)	-726	294	-22	450	84	187	199
Income(Loss) before income tax exp.	-1,287	-1,212	3,524	2,394	3,382	4,560	3,621
Income Tax Expense	433	410	465	1,932	1,228	1,017	914
Non-controlling Interest	-19	-17	-28	-8	-16	-12	11
Net Income (Loss)	-1,701	-1,605	3,087	470	2,170	3,555	2,696
Earnings (loss) per share—basic and diluted:	-245	-231	444	67	312	512	388
Earnings (loss) per ADS—basic and diluted:	-490	-462	888	134	624	1,024	776

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

Condensed Financial Statements



Consolidated Balance Sheet (US GAAP)

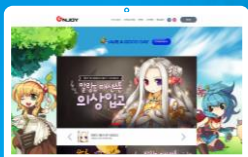
Account	2016 1Q	2016 2Q	2016 3Q	2016 4Q	2017 1Q	2017 2Q	2017 3Q
	(unaudited)			(audited)	(unaudited)		
Assets	49,642	46,886	52,260	55,190	62,409	73,397	74,452
Current Assets	47,714	44,782	50,280	53,391	60,515	71,372	71,964
Cash and cash equivalents	35,881	37,445	35,792	38,720	42,196	45,572	50,819
Account receivable	9,494	4,631	11,846	11,819	15,180	22,689	16,750
Others	2,339	2,706	2,642	2,852	3,139	3,111	4,395
Non Current Assets	1,928	2,104	1,980	1,799	1,894	2,025	2,488
Property and equipment, net	779	673	587	593	753	870	843
Intangible asset	123	112	101	91	89	85	80
Leasehold deposit	948	953	954	962	947	972	987
Others	78	366	338	153	105	98	578
Liabilities	21,288	20,148	22,218	25,096	29,911	37,311	35,616
Current Liabilities	15,736	15,155	17,983	20,686	25,646	29,741	29,021
Account Payable	8,269	7,072	8,468	10,033	13,056	15,709	13,032
Deferred Income	6,950	7,493	8,884	9,689	10,930	11,871	13,428
Others	517	590	631	964	1,660	2,161	2,561
Non Current Liabilities	5,552	4,993	4,235	4,410	4,265	7,570	6,595
Shareholders' equities	28,354	26,738	30,042	30,094	32,498	36,086	38,836
Common shares	3,474	3,474	3,474	3,474	3,474	3,474	3,474
APIC	75,076	75,076	75,076	75,076	75,076	75,076	75,076
Non-controlling interest	-510	-527	-555	-562	-578	-590	-579
Accumulated Other Comprehensive Income	776	782	1,027	617	867	912	955
Retained Earnings	-50,462	-52,067	-48,980	-48,511	-46,341	-42,786	-40,090
Total Liabilities and Shareholders' equity	49,642	46,886	52,260	55,190	62,409	73,397	74,452

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

Corporate Structure

Gravity Co., Ltd.

- Online & Mobile Game Development
- Ragnarok Online Service in Korea
- Other Online & Mobile Game service in Korea
- IP Licensing Business
- Global Business Planning/Marketing
- Operation of GnJoy.com



Game portal site:
GnJoy.com



Gravity Interactive, Inc.

- Game Service on Steam
- Operation of Warpportal.com
- Mobile Game Service for the Anglosphere
- Global Online Game Service



NeoCyon, Inc.

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



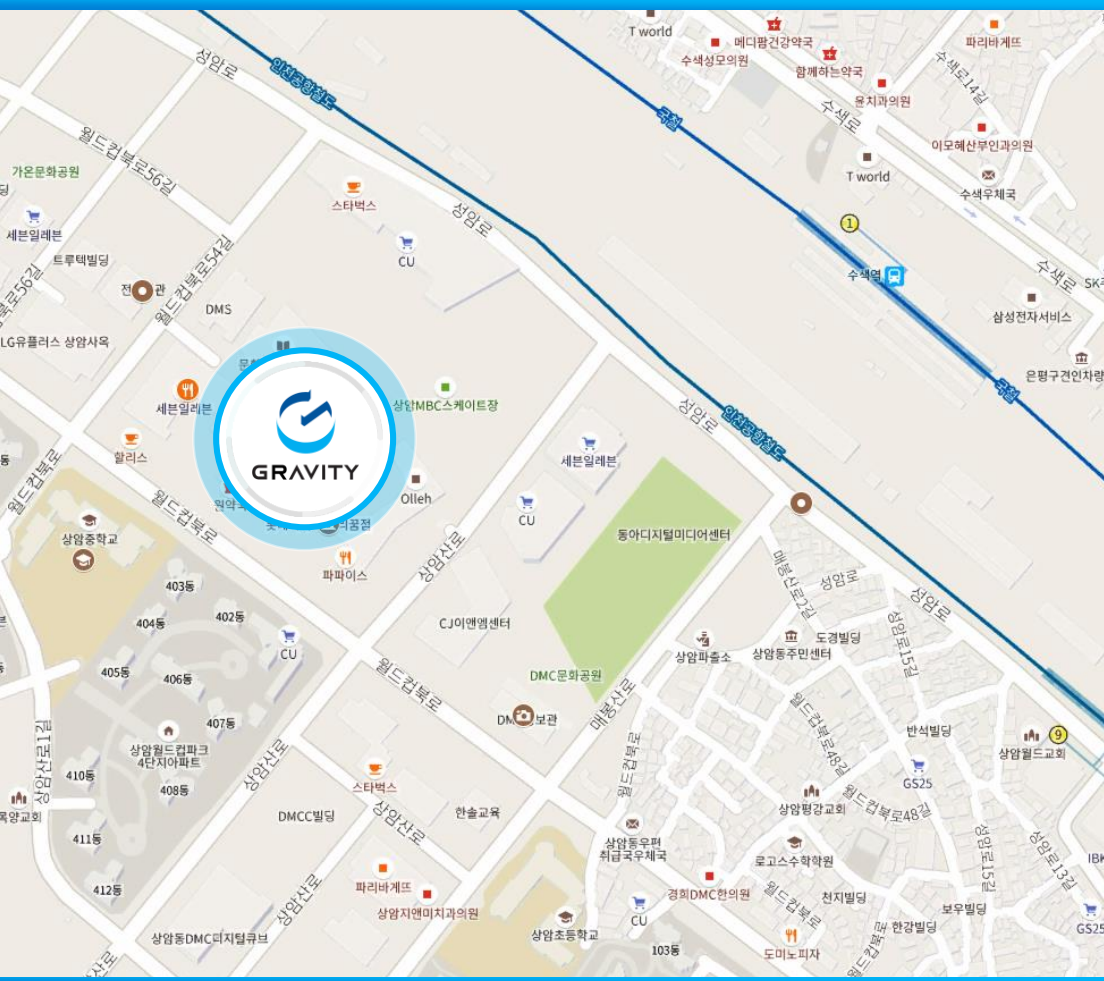
Taiwan Branch

- Online & Mobile Game Service in Taiwan, Hong Kong and Macao
- Operation of **Gnjoy.com.tw**

● HQ/Branch ● Subsidiaries



Investor Relations Contact Information



Heung Gon Kim
Chief Financial Officer

Ji Hee Kim
IR Manager



Contact Information

Address | 15F, 396 World Cup buk-ro,
Mapo-gu, Seoul 121-795, Korea

E-mail | ir@gravity.co.kr

Tel | +82 - 2 - 2132 - 7800~7801

Fax | +82 - 2 - 2132 - 7070



**Gravity and Ragnarok,
We are dedicated to grow as a Global Leading Game Company**

Thank You



© 2018 GRAVITY CO.,LTD. All rights reserved.