

DEVSISTERS

MAKING GAMES THAT ARE LOVED

DISCLAIMER

This material and the contents contained herein represent **consolidated operating results prepared in accordance with Korean International Financial Reporting Standards (K-IFRS)**.

Please be advised that the financial performance results and operating results for the Q2 2023 contained herein are provided for the convenience of investors and have not been reviewed by an external auditor. Therefore, these contents are subject to change depending on the outcome(s) of future external auditor review(s).

Although this material has been prepared in accordance with objective standards, etc., expressions of expectations, forecasts, and/or subjective judgements may be included. Additionally, other numbers and interpretations which are not consistent with this material due to changes in the future environment, different standards of data aggregation, etc., may be derived.

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Q2 FY23 Financial Highlights

Q2 FY23 Sales: 38.3 billion KRW (QoQ -24.0%, YoY -28.2%), Operating Loss: 13.1 billion KRW, Net Loss: 12.3 billion KRW

Decrease in sales due to downward stabilization of live service game and increase in operating loss due to future growth investment

Aim to shift to a re-growth phase through the successful launch of new games and major live service updates

Financial Highlights (unit: million KRW)

	Q1 23	Q2 23	QoQ	Q2 22	YoY
Sales	50,312	38,251	-24.0%	53,274	-28.2%
Domestic (games)	21,394	15,598	-27.1%	21,855	-28.6%
Overseas (games)	28,214	22,184	-21.4%	30,138	-26.4%
Other	704	469	-33.3%	1,281	-63.4%
Operating Cost	55,361	51,359	-7.2%	55,495	-7.5%
Operating Income	-5,048	-13,108	Deficit continues	-2,221	Deficit continues
<i>Operating income to sales ratio</i>	-10.0%	-34.3%	-24.3%p	-4.2%	-30.1%p
Net Income	-3,419	-12,276	Deficit continues	-2,288	Deficit continues
<i>Net income to sales ratio</i>	-6.8%	-32.1%	-25.3%p	-4.3%	-27.8%p

Sales Breakdown

38.3 billion KRW in Q2 FY23 Sales (QoQ -24.0%, YoY -28.2%)

- Game sales declined 23.8% QoQ to 37.8 billion KRW due to the absence of major live game updates compared to Q1 (2nd anniversary & legendary cookie update)
- Release of new titles and TCG is expected to lay the groundwork for additional sales growth in the second half of the year

Sales by segment (unit: million KRW)

	Q1 23	Q2 23	QoQ	Q2 22	YoY
Game Sales	49,608	37,782	-23.8%	51,993	-27.3%
Domestic	21,394	15,598	-27.1%	21,855	-28.6%
Overseas	28,214	22,184	-21.4%	30,138	-26.4%
Merchandise, Royalty, and Other Sales	704	469	-33.3%	1,281	-63.4%
Total Sales	50,312	38,251	-24.0%	53,274	-28.2%

Cost Breakdown

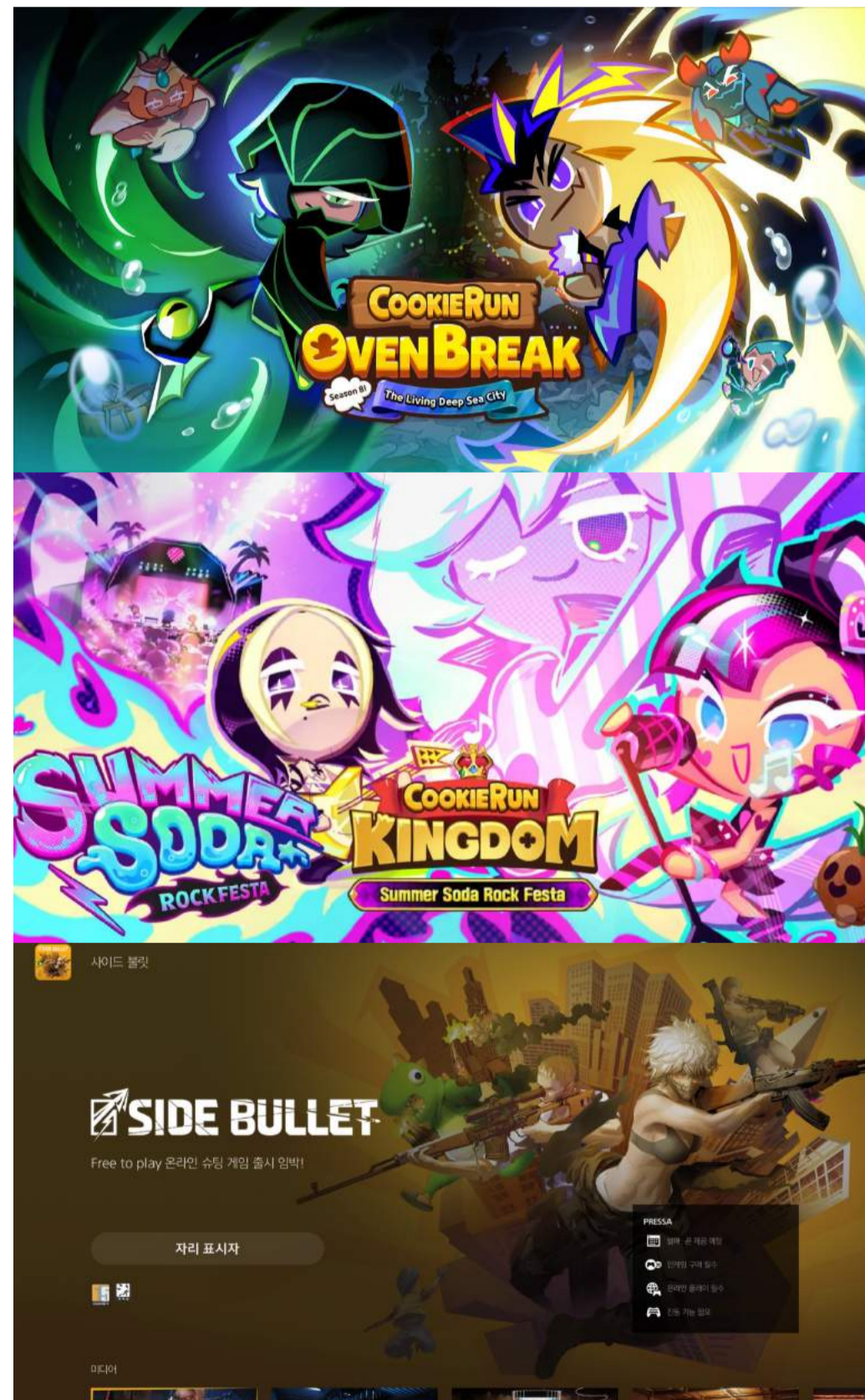
51.4 billion KRW in Q2 FY23 Cost (QoQ -7.2%, YoY -7.5%)

- Slight rise in labor cost due to an increase in personnel as new games are being prepared for launch
- Decline in advertising cost due to reduced marketing budget

Operating Cost (unit: million KRW)

	Q1 23	Q2 23	QoQ	Q2 22	YoY
Operating Cost	55,361	51,359	-7.2%	55,495	-7.5%
Labor	19,010	20,549	8.1%	17,173	19.7%
Service Fee	20,633	15,869	-23.1%	19,845	-20.0%
Advertising	2,524	1,640	-35.0%	6,389	-74.3%
Other	13,193	13,301	0.8%	12,087	10.0%
Operating Income	-5,048	-13,108	Deficit continues	-2,221	Deficit continues
Pre-tax Income	-3,418	-12,172	Deficit continues	-1,176	Deficit continues
Net Income	-3,419	-12,276	Deficit continues	-2,288	Deficit continues

Contents Update Overview



Game	Description	
CookieRun: OvenBreak	Status	<ul style="list-style-type: none"> Positive reaction from users and community regarding Champions League update Increase in influx of new/returning users and recovery of sales from Season 8 update
	Preview	<ul style="list-style-type: none"> Maintain AU by CookieRun: OvenBreak's interesting story and fresh events Various events and contents planned for the 7th anniversary update
CookieRun: Kingdom	Status	<ul style="list-style-type: none"> Increased content play concentration with the renewal of main competitive content and the release of new grade cookies Aimed to improve overall indicators by releasing new grade cookies, special episodes, and contents but decreased compared to the previous year
	Preview	<ul style="list-style-type: none"> Kick-start the community by providing large-scale contents and music-centered updates Rebalance previously released cookies by new system and release new special episodes Aim to improve overall indicators by releasing main episode and new cookies at the end of Q3
Side Bullet	Status	<ul style="list-style-type: none"> Game improvements such as adding battle royale trio bots and fixing bugs Development and inspection of PlayStation 5 version
	Preview	<ul style="list-style-type: none"> July 27, End of Dead Cide Club Steam Early Access July 31, Title change and open Side Bullet PlayStation 5 page Global service scheduled for the second half of 2023 in PlayStation 5, after adding contents and stabilizing the game

BRIXITY

Experience the joy of creation by creating your own city

Basic Information

Developer	Genre	Platform
Studio Kingdom	Sandbox / City building	Mobile

Game Features

- **July 25, 2023:** Brixity Pre-registration open & Early Access Recruitment / **August 24, 2023:** Global Release
- Construct, revive the planet and create a vibrant town with future citizen 'Pipo'
- Mobile optimized operability guarantees freedom of expression and allows users to show off their tastes
- Rise to fame as a trending creator in in-game blueprint marketplace

Core Value



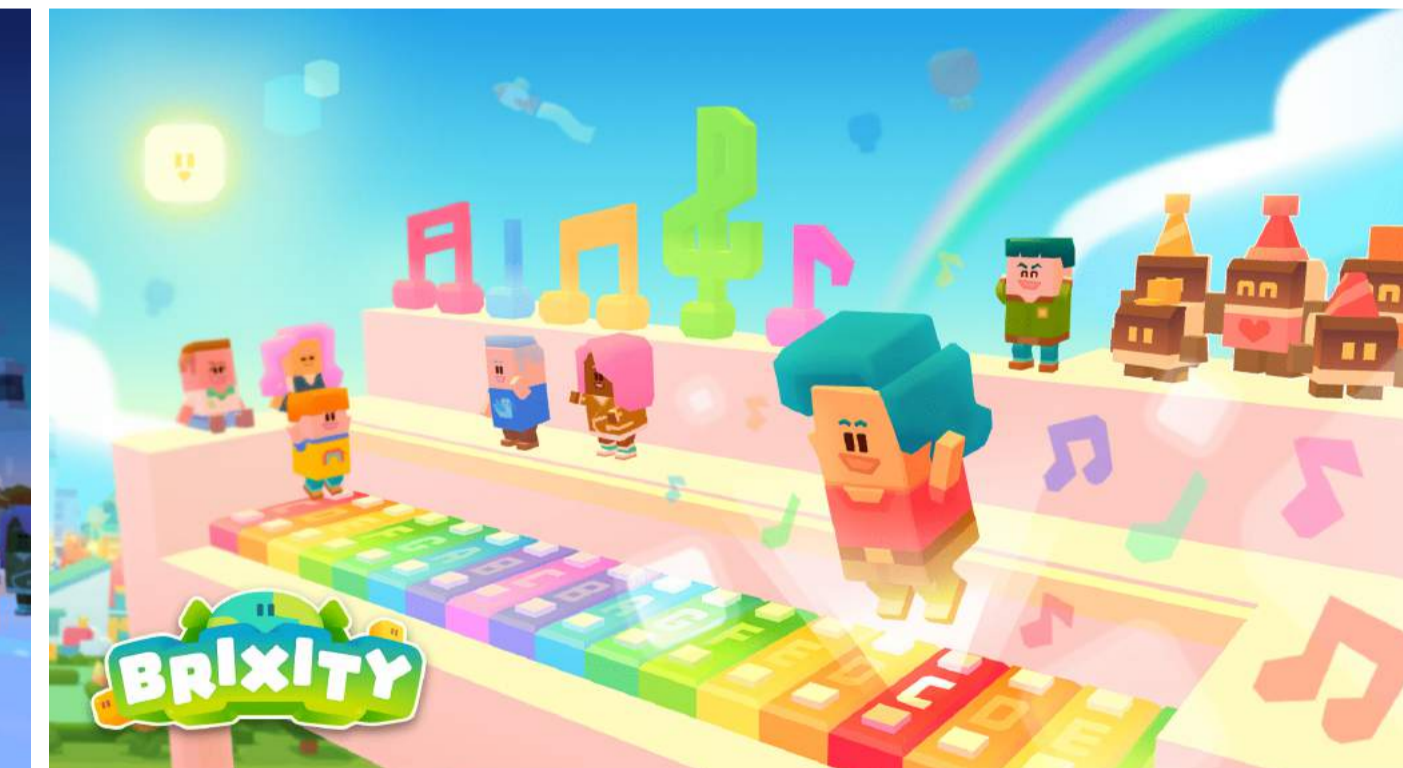
Build

Construct buildings and residential homes with imagination
Allows one's creativity to flow unrestricted



Social

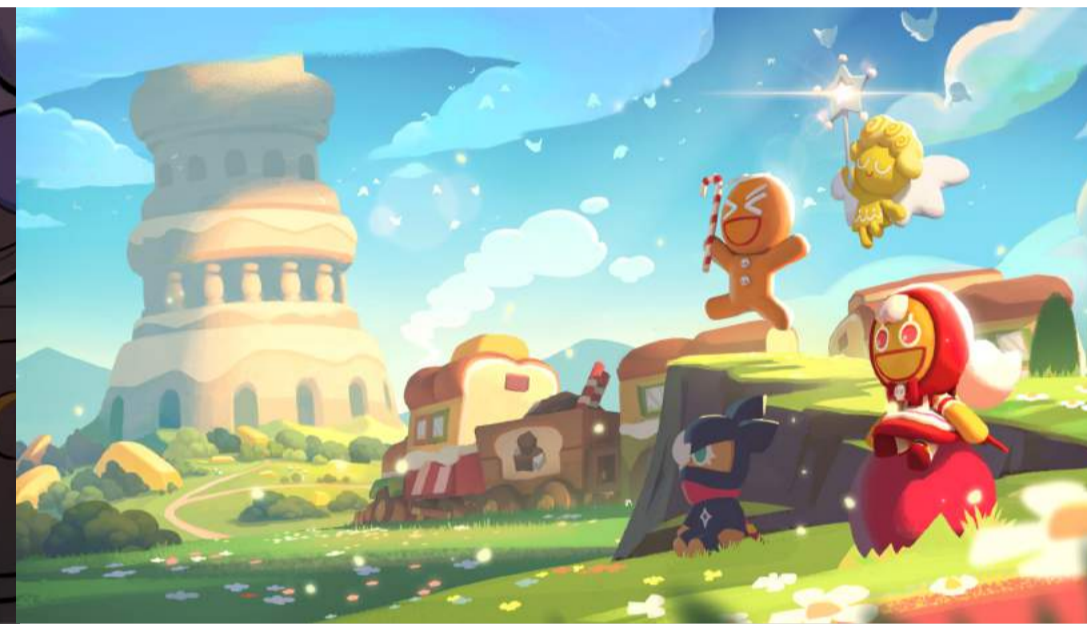
Embark on exploring other players' cities
Vote for your favorite city



Interaction

Unique play experience with various special brix and distinct pipos
Share your breathtaking creations in-game and on social media

Pipeline Update



	WITCH'S CASTLE	PROJECT B	OVENSMASH
Genre	Puzzle adventure	3D Multiplay action	Online multi battle action
Developer	Studio Kingdom	Ovengames	Press A
Platform	Mobile	Mobile	Mobile
Game Features	<ul style="list-style-type: none"> • CookieRun's origin story, which deals with the birth of a brave cookie and the secret of a witch • High-quality elements such as in-game puzzle play, interesting story, decoration, and collection are combined into one • Anyone can easily play by tap-to-blast puzzle mode 	<ul style="list-style-type: none"> • Combat space with different themes and patterns • Casual co-op raid game played with friends to achieve one goal • Play game with variety of cookies with distinct skills 	<ul style="list-style-type: none"> • More than 30 attractive cookie characters with all different skills • Cookie Run universe based map design and various games modes • Team up with friends to form combinations and play strategically • Destroy the battlefield to disrupt the opponent

Consolidated Financial Statements

Statement of Financial Position (unit: million KRW)

	Q1 23	Q2 23		Q1 23	Q2 23
Assets			Liabilities		
Current assets	114,969	108,457	Current liabilities	20,384	25,877
Cash and cash equivalents	18,248	12,623	Other liabilities	6,021	10,634
Short-term financial instruments	5,271	3,537	Other current liabilities	8,440	9,349
Current financial assets at fair value through profit or loss	57,717	64,614	Current tax liabilities	89	93
Trade receivables	19,043	13,911	Current lease liabilities	5,834	5,800
Other receivables	4,781	4,356	Non-current liabilities	102,438	104,105
Other current assets	6,264	7,117	Other long-term liabilities	6,927	7,381
Inventory assets	1,924	1,431	Net defined benefit liabilities	1,921	215
Current tax assets	1,720	868	Provisions for non-current liabilities	810	813
Non-current assets	187,567	190,249	Current financial liabilities at fair value through profit or loss	83,330	87,351
Other long-term receivables	7,459	8,438	Non-current lease liabilities	9,449	8,346
Non-current financial assets at fair value through profit or loss	111,664	115,362	Total liabilities	122,821	129,982
Financial assets at fair value through other comprehensive income	28,138	28,138	Equity reverting to the owner of the parent company	178,254	167,005
Investments in affiliated companies	2,100	2,094	Capital	5,933	5,940
Tangible assets	13,645	13,297	Other paid-in capital	118,908	120,081
Right of use assets	15,343	13,966	Retained earnings (losses)	36,622	24,346
Intangible assets	9,217	8,954	Other accumulated comprehensive income	16,791	16,638
Total assets	302,536	298,706	Non-controlling equity interest	1,460	1,719
			Shareholder equity	179,714	168,724
			Total liabilities and equity	302,536	298,706

Consolidated Financial Statements

Comprehensive Income Statement (unit: million KRW)

	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Sales	53,274	51,649	48,813	50,312	38,251
Operating Cost	55,495	55,463	72,053	55,361	51,359
Operating Income	-2,221	-3,814	-23,240	-5,048	-13,108
Non-operating Income	1,045	1,402	7,017	1,631	935
Pre-tax Income	-1,176	-2,413	-16,223	-3,418	-12,172
Income Tax	1,112	1,498	-7,432	1	103
Net Income	-2,288	-3,910	-8,791	-3,419	-12,276
Equity Attribution to the owners of the parent company	-2,288	-3,910	-8,791	-3,419	-12,276
Non-controlling Interest	0	0	0	0	0

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