



NICE
Information Service Co., Ltd.

Semi-Annual Report 2021

1. Segment Information:

Executive staffs determine the sector of sales on the basis of reporting while set up the strategies of sales and others. Sales sector of the consolidated entity is strategic units to provide each other's goods and services. These areas require marketing strategy, so this reports had to be shown individually. Sales area is separated by corporate and personal credit information, debt collection service, and others.

(1) Operating results by reportable segment for the ended June 30, 2021 and 2020 are as follows:

| (In a thousand of KRW) | 2021 | | |
|-----------------------------|-------------|---------------|-------------|
| | Revenue | Expense | Net amounts |
| 1. Consumer & Corporate CB | 208,562,235 | (168,955,023) | 39,607,212 |
| 2. Debt-Collection | 31,671,867 | (30,641,825) | 1,030,042 |
| 3. Others | 3,162,307 | (3,570,847) | (408,540) |
| Subtotal | 243,396,409 | (203,167,695) | 40,228,714 |
| Internal Transactions | (3,974,061) | 3,974,061 | - |
| Equity Method Profit & Loss | | | 94,567 |
| Net Financial Profit&Loss | | | 540,225 |
| Other Non Profit & Loss | | | (151,698) |
| Total | 239,422,348 | (199,193,634) | 40,711,808 |

| (In a thousand of KRW) | 2020 | | |
|-----------------------------|-------------|---------------|-------------|
| | Revenue | Expense | Net amounts |
| 1. Consumer & Corporate CB | 194,961,316 | (161,386,862) | 33,574,454 |
| 2. Debt-Collection | 32,151,131 | (31,128,220) | 1,022,911 |
| 3. Others | 3,073,690 | (2,657,229) | 416,461 |
| Subtotal | 230,186,137 | (195,172,311) | 35,013,826 |
| Internal Transactions | (3,700,080) | 3,710,922 | 10,842 |
| Equity Method Profit & Loss | | | 93,417 |

| (In a thousand of KRW) | 2020 | | |
|---------------------------|-------------|---------------|-------------|
| Categories | Revenue | Expense | Net amounts |
| Net Financial Profit&Loss | | | 465,407 |
| Other Non Profit & Loss | | | (730,219) |
| Total | 226,486,057 | (191,461,389) | 34,853,273 |

(2) Total Assets of reportable segment as of June 30, 2021 and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|---------------------------|-------------|-------------|
| Individual & Corporate CB | 335,771,305 | 330,873,040 |
| Collection Service | 30,436,360 | 29,855,751 |
| Other business | 10,168,329 | 8,948,245 |
| Sub total | 376,375,994 | 369,677,036 |
| Internal transaction | (784,462) | (873,405) |
| Total | 375,591,532 | 368,803,631 |

(3) Total liabilities of reportable segment as of June 30, 2021 and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|---------------------------|-------------|-------------|
| Individual & Corporate CB | 90,076,427 | 98,890,797 |
| Collection Service | 9,479,990 | 9,694,457 |
| Other business | 2,795,944 | 2,290,386 |
| Sub total | 102,352,361 | 110,875,640 |
| Internal transaction | (784,462) | (873,405) |
| Total | 101,567,899 | 110,002,235 |

(4) Labor services by reportable segment as of June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|--------------------------------------|-------------|-------------|
| Corporate CB & Individual CB Service | 124,224,690 | 110,565,771 |
| Solution & Model Development Service | 16,681,982 | 16,050,891 |
| Self-Credit Management | 67,387,926 | 68,297,626 |
| Collection Service | 28,398,963 | 29,162,444 |
| Other service | 2,728,787 | 2,409,325 |
| Total | 239,422,348 | 226,486,057 |

(5) Agreement asset & liabilities by reportable segment as of June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|------------|------------|
| Contract Asset | 8,218,594 | 12,589,624 |
| Contract liabilities | 17,253,042 | 15,236,932 |

2. Financial Instrument:

(1) Capital Risk Management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratio and debt-to-equity ratio as at June 30, 2021 and June 30, 2020, were as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|---------------------------------|-------------|-------------|
| Total borrowings | - | - |
| less: cash and cash equivalents | 134,826,119 | 151,083,301 |

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|-------------|-------------|
| Net debt (a) | - | - |
| Total equity | 274,023,633 | 258,801,396 |
| Total capital (b) | 274,023,633 | 258,801,396 |
| Gearing ratio (a)/(b) | - | - |

(2) Financial instruments

Categorizations of financial instruments as at June 30, 2021 and June 30, 2020, are as follows:

1. Financial asset for 2021

| 2021 | | | | |
|---|---------------------------|---------------------------|------------------------------------|-------------|
| (In a thousand of KRW) | Financial assets at FVTPL | Financial assets at FVOCI | Financial assets at amortized cost | Total |
| Cash and cash equivalents | - | - | 68,323,783 | 68,323,783 |
| Trade receivables and Other receivables | - | - | 49,160,202 | 49,160,202 |
| Other financial assets | - | - | 66,502,336 | 66,502,336 |
| Financial assets at FVTPL | 23,361,748 | - | - | 23,361,748 |
| Financial assets at FVOCI | - | 166,471 | - | 166,471 |
| Other non-financial assets | - | - | 20,548,432 | 20,548,432 |
| Total | 23,361,748 | 166,471 | 204,534,753 | 228,062,972 |

2. Financial liabilities for 2021

| 2021 | | | |
|---|--------------------------------|---|------------|
| (In a thousand of KRW) | Financial liabilities at FVTPL | Financial liabilities at amortized cost | Total |
| Trade Payables and Other payables | - | 40,984,125 | 40,984,125 |
| Other current financial liabilities | - | 5,352,190 | 5,352,190 |
| Other non-current financial liabilities | - | 13,303,065 | 13,303,065 |
| Total | - | 59,639,380 | 59,639,380 |

1. Financial assets for 2020

| 2020 | | | | |
|---|---------------------------|---------------------------|------------------------------------|-------------|
| (In a thousand of KRW) | Financial assets at FVTPL | Financial assets at FVOCI | Financial assets at amortized cost | Total |
| Cash and cash equivalents | - | - | 113,391,275 | 113,391,275 |
| Trade receivables and Other receivables | - | - | 33,843,126 | 33,843,126 |
| Other current financial assets | - | - | 37,692,026 | 37,692,026 |
| Financial assets at FVTPL | 19,283,081 | - | - | 19,283,081 |
| Financial assets at FVOCI | - | 166,471 | - | 166,471 |
| Other non-current financial assets | - | - | 20,480,651 | 20,480,651 |
| Total | 19,283,081 | 166,471 | 205,407,078 | 224,856,630 |

2. Financial liabilities for 2020

| 2020 | | | |
|---|--------------------------------|---|-------------------|
| (In a thousand of KRW) | Financial liabilities at FVTPL | Financial liabilities at amortized cost | Total |
| Trade Payables and Other payables | - | 48,923,852 | 48,923,852 |
| Other current financial liabilities | - | 8,093,958 | 8,093,958 |
| Other non-current financial liabilities | - | 13,498,893 | 13,498,893 |
| Total | - | 70,516,703 | 70,516,703 |

3. Net Profit and Loss for Financial Assets

| (Units: In a thousand of KRW) | | | |
|-------------------------------|--|------------------|----------------|
| Categories | | 2021 | 2020 |
| Financial Asset | Interest earnings of financial asset at amortized cost approach | 788,515 | 711,020 |
| | Bad debt expense of financial asset at amortized cost approach | (84,416) | (452,189) |
| | Gain and loss on foreign currency transactions of financial asset at amortized cost approach | (23,765) | 20,214 |
| | Gain on financial Assets at FVTPL | - | 5,250 |
| | Gain of disposal on financial assets at FVTPL | 31,393 | 49,705 |
| Financial Liability | Interest expense of on amortised cost approach of financial liabilities | (248,290) | (245,613) |
| Total | | (303,428) | 463,437 |

(3) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to

minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's finance team under policies approved by the Corporate Management Committee. The finance team identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Corporate Management Committee reviews and approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, investment of excess liquidity.

1) Market risk

(1) Price risk

The consolidated entity is exposed to equity securities price risk arises from investments held by the Group, and is classified in the consolidated interim statement of financial position as financial assets at FVTPL and financial assets at FVOCI.

Investments in marketable equity securities are at the management's discretion and the Group does not have a separate investment policy for this matter.

(2) Credit risk

Credit risk is managed at group level. Credit risk is posed from accounts' credit risk including notes / account receivables and firm contracts in possession, and also from bank deposits of banks and financial institutions.

For customers such as banks and financial institutions, transactions are conducted only when an independent credit rating agency assigns a letter grade 'A' as the minimum requirement. For other conventional customers, credit is assessed based on the other factors such as the customer's financial condition, historical experience, and others. The Group does not have specific risk management policy for business counterparties.

(3) Liquidity risk

Finance team of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below analyzes the Group's financial liabilities and credit contract into relevant maturity groupings based on the remaining period at the reporting period to the contractual maturity date.

| 2021 | | | | | | |
|----------------------------------|------------|-----------------|--------------------|--------------------------|--------------------------|--------------|
| (In a thousand of KRW) | Book Value | C/F on contract | Less than 3 months | Between 3 month ~ 1 year | Between 1 year ~ 5 years | Over 5 years |
| Trade and other current payables | 40,984,125 | 40,984,125 | 20,676,462 | 20,307,663 | - | - |

| 2021 | | | | | | |
|---|------------|-----------------|--------------------|--------------------------|--------------------------|--------------|
| (In a thousand of KRW) | Book Value | C/F on contract | Less than 3 months | Between 3 month ~ 1 year | Between 1 year ~ 5 years | Over 5 years |
| Other current financial liabilities | 5,352,190 | 5,386,296 | 2,137,354 | 3,248,942 | - | - |
| Other non-current financial liabilities | 13,303,065 | 15,854,816 | - | - | 6,398,943 | 9,455,873 |
| Total | 59,639,380 | 62,225,237 | 22,813,816 | 23,556,605 | 6,398,943 | 9,455,873 |

| 2020 | | | | | | |
|---|------------|-----------------|--------------------|--------------------------|--------------------------|--------------|
| (In a thousand of KRW) | Book Value | C/F on contract | Less than 3 months | Between 3 month ~ 1 year | Between 1 year ~ 5 years | Over 5 years |
| Trade and other current payables | 48,923,852 | 48,923,852 | 41,258,679 | 7,665,173 | - | - |
| Other current financial liabilities | 8,093,958 | 8,152,394 | 2,060,936 | 6,091,458 | - | - |
| Other non-current financial liabilities | 13,498,893 | 16,228,348 | - | - | 6,274,798 | 9,953,550 |
| Total | 70,516,703 | 73,304,594 | 43,319,615 | 13,756,631 | 6,274,798 | 9,953,550 |

(5) Fair value of financial instruments

- 1) Financial instruments that are measured subsequent to initial recognition at fair value are categorized into Level 1 to Level 3, and fair value measurements of financial instruments by fair value hierarchy level as of June 30, 2021, and June 30, 2020, are as follows:

| 2021 | | | | |
|---------------------------------|---------|------------|-----------|------------|
| (In a thousand of KRW) | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVTPL: | | | | |
| Equity-Linked Securities; ELS | - | 1,000,000 | - | 1,000,000 |
| Endowment Insurance | - | 18,251,722 | - | 18,251,722 |
| Investment association fund | - | - | 4,110,026 | 4,110,026 |
| Total | - | 19,251,722 | 4,110,026 | 23,361,748 |
| Financial liabilities at FVOCI: | | | | |
| Non-listed stocks | - | - | 166,471 | 166,471 |

| 2020 | | | | |
|---------------------------------|---------|------------|-----------|------------|
| (In a thousand of KRW) | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVTPL: | | | | |
| Equity-Linked Securities; ELS | - | 1,000,000 | - | 1,000,000 |
| Endowment Insurance | - | 15,314,055 | - | 15,314,055 |
| Investment association fund | - | - | 2,969,026 | 2,969,026 |
| Total | - | 16,314,055 | 2,969,026 | 19,283,081 |
| Financial liabilities at FVOCI: | | | | |
| Non-listed stocks | - | - | 166,471 | 166,471 |

There is no significant movement between Level 1 and Level 2 for June 30, 2021 and 2020.

2) The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximate their fair values. The below financial assets and liabilities are classified as level 2 and 3.

| 2021 | | | | | |
|----------------------------|-----------|-------------|----------|-----------|-----|
| (In a thousand of KRW) | Beginning | Acquisition | Disposal | Valuation | End |
| Financial assets at FVTPL: | | | | | |

| 2021 | | | | | |
|---------------------------------|-------------------|------------------|--------------------|-------------------|-------------------|
| (In a thousand of KRW) | Beginning | Acquisition | Disposal | Valuation | End |
| Equity-Linked Securities; ELS | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| Endowment Insurance | 15,314,055 | 5,000,000 | (2,062,333) | 18,251,722 | 15,314,055 |
| Investment association fund | 2,969,026 | 1,400,000 | (259,000) | 4,110,026 | 2,969,026 |
| Total | 19,283,081 | 6,400,000 | (2,321,333) | 23,361,748 | 19,283,081 |
| Financial liabilities at FVOCI: | | | | | |
| Non-listed stocks | 166,471 | - | - | - | 166,471 |

3. Restricted Deposit:

Details of other current assets as of June 30, 2021 and 2020 are as follows:

Restricted deposits as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | Description | 2021 | 2020 |
|--------------------------------|-------------------------------|-----------|---------|
| Other current financial assets | Establishment of Pledge right | 4,667,388 | 155,000 |

4. Trade and Other Receivables:

(1) Trade and other receivables as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|-----------------------------------|-------------|-------------|
| Trade receivables | 34,788,899 | 37,321,696 |
| Loss allowance | (1,375,031) | (1,385,655) |
| Long-term trade receivables (net) | 33,413,868 | 35,936,041 |
| Accrued revenue | 163,366 | 643,747 |
| Loss allowance | (122,824) | (123,513) |
| Accrued revenue(net) | 40,542 | 520,234 |
| Guarantee Deposits | 388,716 | 680,896 |

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|------------|------------|
| Total | 33,843,126 | 37,137,171 |

(2) Changes in loss allowance for trade receivables for the June 30, 2021 and 2020, are as follows:

| 2021 | | | | |
|-----------------------------|---------------|------------|-------------|------------|
| (In a thousand of KRW) | Expected Loss | Balance | Loss amount | Book value |
| Less than 90 days | 0.07% | 47,551,839 | (34,926) | 47,516,913 |
| Between 91 days ~ 180 days | 14.05% | 809,456 | (113,720) | 695,736 |
| Between 181 days ~ 270 days | 21.63% | 89,767 | (19,417) | 70,350 |
| Between 271 days ~ 365 days | 36.94% | 365,226 | (134,902) | 230,324 |
| Above 365 days | 91.62% | 1,262,282 | (1,156,482) | 105,800 |
| Total | | 50,078,570 | (1,459,447) | 48,619,123 |

| 2020 | | | | |
|-----------------------------|---------------|------------|-------------|------------|
| (In a thousand of KRW) | Expected Loss | Balance | Loss amount | Book value |
| Less than 90 days | 1.00% | 32,296,402 | (321,835) | 31,974,567 |
| Between 91 days ~ 180 days | 8.88% | 1,069,568 | (94,926) | 974,642 |
| Between 181 days ~ 270 days | 25.84% | 216,521 | (55,943) | 160,578 |
| Between 271 days ~ 365 days | 40.54% | 73,645 | (29,853) | 43,792 |
| Above 365 days | 77.02% | 1,132,763 | (872,474) | 260,289 |
| Total | | 34,788,899 | (1,375,031) | 33,413,868 |

(3) Changes in trade receivable and other allowance for June 30, 2021 and 2020, are as follows:

| 2021 | | | |
|----------------------------|-------------------|-------------------|----------------|
| (In a thousand of KRW) | Beginning balance | Bad debt expenses | Ending balance |
| Trade receivable allowance | 1,375,031 | 84,416 | 1,459,447 |
| Accrued revenue allowance | 122,824 | - | 122,824 |
| Total | 1,497,855 | 84,416 | 1,582,271 |

| 2020 | | | |
|----------------------------|-------------------|-------------------|----------------|
| (In a thousand of KRW) | Beginning balance | Bad debt expenses | Ending balance |
| Trade receivable allowance | 1,385,655 | 452,189 | 1,837,844 |
| Accrued revenue allowance | 123,513 | - | 123,513 |
| Total | 1,509,168 | 452,189 | 1,961,357 |

5. Other Current Financial Assets:

(1) Changes in other financial assets for the six month periods ended June 30, 2021 and 2020 are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|----------------------------------|------------|------------|
| Short-term financial instruments | 66,457,838 | 37,593,128 |
| Short-term loan | 44,498 | 98,898 |
| Total | 66,502,336 | 37,692,026 |

6. Other Current Assets and Other Non-Current Assets:

Other current assets as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|-----------|-----------|
| Other current assets | | |
| Prepayments | 1,540,123 | 1,329,677 |
| prepaid expenses | 2,104,494 | 446,199 |
| Total | 3,644,617 | 1,775,876 |

| (In a thousand of KRW) | 2021 | 2020 |
|--------------------------|-----------|-----------|
| Other non-current assets | | |
| Other Investment assets | 250,000 | 250,000 |
| Long-term pre-payment | 1,528,267 | 2,287,078 |
| Total | 1,778,267 | 2,537,078 |

7. Financial Assets at FVTPL:

(1) Financial assets at FVTPL as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|---------------------------------------|------------|------------|
| Current Financial assets at FVTPL | | |
| Equity-Linked Bond | 1,000,000 | - |
| Endowment Insurance | - | 2,062,333 |
| Total | 1,000,000 | 2,062,333 |
| Non-current Financial assets at FVTPL | | |
| Equity-Linked Bond | - | 1,000,000 |
| Endowment Insurance | 18,251,722 | 13,251,722 |
| Investment association fund | 4,110,026 | 2,969,026 |
| Subtotal | 22,361,748 | 17,220,748 |
| Total | 23,361,748 | 19,283,081 |

(2) Changes in other financial assets for the six month periods ended June 30, 2021 and 2020 are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|-------------|-------------|
| Beginning balance | 19,283,081 | 18,170,601 |
| Acquisition | 6,400,000 | - |
| Disposal | (2,321,333) | (2,019,583) |

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|------------|------------|
| Evaluation | - | 5,250 |
| Ending balance | 23,361,748 | 16,156,268 |

8. Financial Assets at FVOCI :

(1) Financial assets at FVOCI as of June 30, 2021 and 2020 consist of the following:

| (In a thousand of KRW) | Categories | 2021 | 2020 |
|---------------------------------|-------------------|---------|---------|
| Non-marketable financial assets | Equity Securities | 166,471 | 166,471 |

9. Tangible Assets:

Changes in the carrying amount of tangible assets for the year ended June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | 2021 | | | | | | |
|---|-------------------|----------------------|-----------|--------------|----------------------------|-----------------------------------|----------------|
| | Beginning balance | Acquisition (Note 1) | Disposal | Depreciation | Others (Alternative , etc) | Fluctuation on consolidated scope | Ending balance |
| Building | 20,513,949 | - | - | (274,053) | - | - | 20,239,896 |
| Mechanical equipment | 8,615,161 | 3,141,250 | - | (1,916,981) | - | - | 9,839,430 |
| Furnishing | 2,644,841 | 973,515 | (5) | (590,483) | - | - | 3,027,868 |
| Delivery Equipment | 5,794 | - | - | (1,529) | - | - | 4,265 |
| The asset of right of use (Lease asset) | 21,278,828 | 1,080,288 | (116,479) | (4,154,612) | 117,380 | 31,231 | 18,236,636 |
| Total | 53,058,573 | 5,195,053 | (116,484) | (6,937,658) | 117,380 | 31,231 | 51,348,095 |

(Note 1) The result of non-cash transactions regarding acquisition of tangible assets is 277,243,000 won

| (In a thousand of KRW) | 2020 | | | |
|--|-------------------|---------------------|--------------|----------------|
| | Beginning balance | Acquisition(Note 1) | Depreciation | Ending balance |
| Building | 21,062,056 | - | (274,053) | 20,788,003 |
| Mechanical equipment | 10,990,225 | 668,145 | (2,013,934) | 9,644,436 |
| Furnishing | 3,111,936 | 327,521 | (616,992) | 2,822,465 |
| Delivery Equipment | 12,274 | - | (3,240) | 9,034 |
| The asset of right of use(Lease asset) | 19,929,320 | 1,892,408 | (3,922,935) | 17,898,793 |
| Total | 55,105,811 | 2,888,074 | (6,831,154) | 51,162,731 |

(Note 1) The result of non-cash transaction regarding the acquisition of tangible asset is (-)806,483,000 won.

10. Investment Properties:

(1) Changes in the carrying amount of investment properties for June 30, 2021 and 2020, are as follows:

| 2021 | | | |
|------------------------|-------------------|--------------|----------------|
| (In a thousand of KRW) | Beginning balance | Amortization | Ending balance |
| Land | 3,481,042 | - | 3,481,042 |
| Building | 9,708,730 | (145,996) | 9,562,734 |
| Structures | 1,854,044 | (68,976) | 1,785,068 |
| Total | 15,043,816 | (214,972) | 14,828,844 |

| 2020 | | | |
|------------------------|-------------------|--------------|----------------|
| (In a thousand of KRW) | Beginning balance | Amortization | Ending balance |
| Land | 3,481,041 | - | 3,481,041 |
| Building | 10,000,722 | (145,995) | 9,854,727 |

| 2020 | | | |
|------------------------|-------------------|--------------|----------------|
| (In a thousand of KRW) | Beginning balance | Amortization | Ending balance |
| Structures | 1,991,996 | (68,976) | 1,923,020 |
| Total | 15,473,759 | (214,971) | 15,258,788 |

(2) Changes in rent revenue and expense from investment property for June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|---------|---------|
| Rent revenue | 193,302 | 171,030 |
| Rent expense | 285,141 | 278,414 |

(3) The fair value of investment property for June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | | | |
|------------------------|------------|------------|------------|
| 2021 | | 2020 | |
| Book value | Fair value | Book value | Fair value |
| 14,828,844 | 17,418,000 | 15,043,816 | 17,418,000 |

11. Intangible Assets:

Changes in the carrying amount of intangible assets for the year ended June 30, 2021 and 2020, are as follows:

| 2021 | | | | | |
|------------------------|-------------------|----------------------|--------------|-----------------------------------|----------------|
| (In a thousand of KRW) | Beginning balance | Acquisition (Note 1) | Amortization | Fluctuation on consolidated scope | Ending balance |
| Goodwill | 13,554,007 | - | - | - | 13,554,007 |
| Other intangibles | 12,964,813 | 4,327,839 | (2,748,381) | 98,525 | 14,642,796 |

| 2021 | | | | | |
|------------------------|-------------------|----------------------|--------------|-----------------------------------|----------------|
| (In a thousand of KRW) | Beginning balance | Acquisition (Note 1) | Amortization | Fluctuation on consolidated scope | Ending balance |
| Total | 26,518,820 | 4,327,839 | (2,748,381) | 98,525 | 28,196,803 |

(Note 1) The result of non-cash transaction regarding the acquisition of intangible asset is 1,635,646,000 won.

| 2020 | | | | | |
|------------------------|-------------------|----------------------|--------------|-----------------------------------|----------------|
| (In a thousand of KRW) | Beginning balance | Acquisition (Note 1) | Amortization | Fluctuation on consolidated scope | Ending balance |
| Goodwill | 13,554,007 | - | - | - | 13,554,007 |
| Customer relationships | 605,167 | - | - | (363,100) | 242,067 |
| Other intangibles | 14,117,082 | 2,119,035 | (10,233) | (2,567,621) | 13,658,263 |
| Total | 28,276,256 | 2,119,035 | (10,233) | (2,930,721) | 27,454,337 |

(Note 1) The result of non-cash transaction regarding the acquisition of intangible asset is 195,700,000 won.

12. Investments in Subsidiaries:

(1) Investments in subsidiaries as of June 30, 2021, and June 30, 2020, consist of the following:

| Subsidiary | Location | Principal business | Ownership of Group(%) | |
|------------------------------------|----------|---------------------------------------|-----------------------|------|
| | | | 2021 | 2020 |
| NICE Credit Information | S.Korea | Asset management and debt-collection | 100 | 100 |
| NICE ZiniData | S.Korea | Data analysis service | 100 | 100 |
| NICE Info Vietnam Co., LTD(Note 1) | Vietnam | Business Strategy and risk consulting | 100 | 40 |

(Note 1) The consolidated entity acquired additional 60% of shares of NICE Info Vietnam Co., LTD during the period of June 30, 2021.

(2) Summarized financial position (before elimination of intercompany transactions and adjustments for differences in accounting policies) of subsidiaries as of June 30, 2021, and June 30, 2020, are as follows:

| (In a thousand of KRW) | NICE Credit Information | | NICE Zinidata | | NICE Info. Vietnam Co., LTD. | |
|-------------------------|-------------------------|------------|---------------|-----------|------------------------------|------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current asset | 21,449,266 | 19,741,012 | 7,048,753 | 7,630,187 | 773,670 | - |
| Non-current asset | 8,987,094 | 10,114,738 | 2,238,683 | 1,318,058 | 107,223 | - |
| Total assets | 30,436,360 | 29,855,750 | 9,287,436 | 8,948,245 | 880,893 | - |
| Current liabilities | 8,895,679 | 8,043,987 | 2,123,359 | 1,970,237 | 122,971 | - |
| Non-current liabilities | 584,311 | 1,650,470 | 549,614 | 320,150 | - | - |
| Total liabilities | 9,479,990 | 9,694,457 | 2,672,973 | 2,290,387 | 122,971 | - |
| Total equity | 20,956,370 | 20,161,293 | 6,614,463 | 6,657,858 | 757,922 | - |

(3) Financial performances of the Group's major subsidiaries for June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | NICE Credit Information | | NICE Zinidata | | NICE Info Vietnam Co., LTD | |
|-------------------------------------|-------------------------|------------|---------------|-----------|----------------------------|------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Operating revenue | 31,671,867 | 32,151,131 | 3,079,845 | 3,073,690 | 82,462 | - |
| Operating P&L | 1,030,042 | 1,022,912 | (41,032) | 417,435 | (367,508) | - |
| Semi-annual net P&L | 795,076 | 256,522 | (43,396) | 428,782 | (379,025) | - |
| Other comprehensive P&L | - | - | - | - | 2,357 | - |
| Semi-annual total comprehensive P&L | 795,076 | 256,522 | (43,396) | 428,782 | (376,668) | - |

(4) Cash flows of the firm's major subsidiaries for June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | NICE Credit | NICE | NICE Info |
|------------------------|-------------|------|-----------|
|------------------------|-------------|------|-----------|

| | Information | | Zinidata | | Vietnam Co., LTD | |
|--|-------------|-----------|-----------|-------------|------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| C/F from operating activity | 1,650,375 | 450,062 | 92,909 | 336,338 | (399,488) | 7,996 |
| C/F from Investment activity | (22,025) | (157,060) | (126,364) | (1,609,850) | 1,713,904 | - |
| C/F from financial activity | (755,274) | (674,807) | (175,704) | (106,739) | (753,103) | - |
| Net variation amount of cash and cash equivalent asset | 873,076 | (381,805) | (209,159) | (1,380,251) | 561,313 | |
| Beginning cash and cash equivalent asset | 8,218,136 | 7,742,035 | 1,373,529 | 1,927,246 | - | 7,996 |
| Ending cash and cash equivalent asset | 9,091,212 | 7,360,230 | 1,164,370 | 546,995 | 561,313 | 1,506,389 |

13. Investments in Associates:

(1) Investments in associates as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | Company | Main business | Location | Fiscal year | Share (%) | Investment | Book value | |
|------------------------|--|----------------------------|----------|-------------|-----------|------------|------------|-----------|
| | | | | | | | 2021 | 2020 |
| Joint firm | Dongbu Real Estate Trust, 11 (Joint venture) | Real estate rental | S.Korea | Dec. | 50 | 9,500,000 | 9,575,465 | 9,555,004 |
| Relative | Nice Info Vietnam Co., LTD | Business strategy and risk | Vietnam | Dec. | - | - | - | 235,823 |

| (In a thousand of KRW) | Company | Main business | Location | Fiscal year | Share (%) | Investment | Book value | |
|------------------------|---|------------------------------------|----------|-------------|-----------|------------|------------|------------|
| | | | | | | | 2021 | 2020 |
| | | consulting | | | | | | |
| | NICE Digital renaissance 3rd New tech. investment | New technology business investment | S.Korea | Dec. | 20.5 | 1,623,065 | 1,291,110 | 1,289,159 |
| | IBKC-NICE New Deal Fund | New technology business investment | S.Korea | | 20.6 | 2,800,000 | 2,714,833 | 1,383,426 |
| | NICE DWR | Securities Investment | S.Korea | Dec. | 36.7 | 17,600,000 | 17,600,000 | 17,572,725 |
| Total | | | | | | 31,523,065 | 23,457,962 | 12,058,455 |

(2) Changes in investments in associates for the year ended June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | Beginning balance | Acquisition | Gain&loss in equity method | Dividend acquisition | Capital change in equity method | Ending balance |
|--|-------------------|-------------|----------------------------|----------------------|---------------------------------|----------------|
| Dongbu Real Estate Trust, 11 (Joint venture) | 9,555,004 | - | 464,748 | (444,287) | - | 9,575,465 |
| Nice Info Vietnam Co., LTD | 235,823 | | (281,713) | - | 45,890 | - |

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June 30, 2021 AND 2020

| (In a thousand of KRW) | Beginning balance | Acquisition | Gain&loss in equity method | Dividend acquisition | Capital change in equity method | Ending balance |
|---|-------------------|-------------|----------------------------|----------------------|---------------------------------|----------------|
| NICE Digital renaissance 3rd New tech. investment | 1,289,159 | - | 1,951 | - | - | 1,291,110 |
| IBKC-NICE New Deal Fund | 1,383,426 | 1,400,000 | (68,593) | - | - | 2,714,833 |
| NICE DWR | 10,994,550 | 6,600,000 | (21,825) | - | - | 17,572,725 |
| Total | 23,457,962 | 8,000,000 | 94,568 | (444,287) | 45,890 | 31,154,133 |

| (In a thousand of KRW) | Beginning balance | Acquisition | Gain&loss in equity method | Dividend acquisition | Capital change in equity method | Ending balance |
|--|-------------------|-------------|----------------------------|----------------------|---------------------------------|----------------|
| Dongbu Real Estate Trust, 11 (Joint venture) | 9,565,166 | - | 390,354 | (389,183) | - | 9,566,337 |
| Nice Info Vietnam Co., LTD | 879,213 | - | (359,082) | - | 33,861 | 553,992 |
| NICE Digital renaissance 3rd New tech. | 1,614,076 | - | 62,146 | - | - | 1,676,222 |

| (In a thousand of KRW) | Beginning balance | Acquisition | Gain&loss in equity method | Dividend acquisition | Capital change in equity method | Ending balance |
|------------------------|-------------------|-------------|----------------------------|----------------------|---------------------------------|----------------|
| investment | | | | | | |
| NICE DWR | - | 11,000,000 | - | - | - | 11,000,000 |
| Total | 12,058,455 | 11,000,000 | 93,418 | (389,183) | 33,861 | 22,796,551 |

(3) Summarized financial position of the firms' investments in associates as of June 30, 2021, and June 30, 2020 are as follows:

| Categories | Dongbu Real Estate Trust, 11 (Joint venture) | | NICE Digital renaissance 3 rd New tech. investment | | IBKC-NICE New Deal Fund | | NICE DWR | | NICE Info. Vietnam Co., Ltd. |
|-----------------------|--|------------|---|-----------|-------------------------|-----------|------------|------------|------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Current asset | 620,889 | 580,092 | 1,019,774 | 1,010,265 | 5,821,195 | 6,801,246 | 1,898,971 | 3,336,932 | 812,372 |
| Non-current asset | 48,854,908 | 48,854,908 | 5,661,614 | 5,661,614 | 7,534,670 | - | 46,038,319 | 26,648,532 | 1,619,196 |
| Total asset | 49,475,797 | 49,435,000 | 6,681,388 | 6,671,879 | 13,355,865 | 6,801,246 | 47,937,290 | 29,985,464 | 2,431,568 |
| Current liability | 522,165 | 522,290 | - | - | 169,534 | 81,749 | 11,677 | 328 | 1,398,058 |
| Non-current liability | 29,802,701 | 29,802,701 | - | - | - | - | - | - | - |
| Total | 30,324,866 | 30,324,991 | - | - | 169,534 | 81,749 | 11,677 | 328 | 1,398,058 |

| Categories | Dongbu Real Estate Trust, 11 (Joint venture) | | NICE Digital renaissance 3 rd New tech. investment | | IBKC-NICE New Deal Fund | | NICE DWR | | NICE Info. Vietnam Co., Ltd. |
|---------------|--|------------|---|-----------|-------------------------|-----------|------------|------------|------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Liability | | | | | | | | | |
| Total capital | 19,150,931 | 19,110,009 | 6,681,388 | 6,671,879 | 13,186,331 | 6,719,497 | 47,925,613 | 29,985,136 | 1,033,510 |

(4) Financial performances of the Group's major subsidiaries for the year ended June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | | | | | | | | |
|-----------------------------|--|-----------|---|---------|-------------------------|----------|----------------------------|-----------|
| Categories | Dongbu Real Estate Trust, 11 (Joint venture) | | NICE Digital renaissance 3 rd New tech. investment | | IBKC-NICE New Deal Fund | NICE DWR | NICE Info Vietnam Co., Ltd | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2021 | 2021 | 2020 |
| Revenue | 1,355,438 | 1,348,724 | 88,748 | 403,906 | 7,564 | - | 11,975 | 192,928 |
| Operating profit and losses | 1,284,063 | 1,276,476 | 9,509 | 302,961 | (333,166) | (60,699) | (159,292) | (916,832) |
| Net amount | 929,474 | 780,624 | 9,509 | 302,961 | (333,166) | (58,227) | (1,681,152) | (896,119) |
| Other comprehensive income | - | - | - | - | - | - | 114,726 | 84,654 |
| Total comprehensive income | 929,474 | 780,624 | 9,509 | 302,961 | (333,166) | (58,227) | (1,566,426) | (811,465) |

(5) Adjustments from equity of associates to book value of shares owned as of June 30, 2021, is as follows:

| (In a thousand of KRW) | | | | | | | | | |
|-------------------------|--|------------|---|-----------|-------------------------|-----------|------------|------------|----------------------------|
| Categories | Dongbu Real Estate Trust, 11 (Joint venture) | | NICE Digital renaissance 3 rd New tech. investment | | IBKC-NICE New Deal Fund | | NICE DWR | | NICE Info Vietnam Co., Ltd |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2021 | 2020 |
| (Ending) Net assets (A) | 19,150,931 | 19,110,009 | 6,681,388 | 6,671,879 | 13,186,331 | 6,719,497 | 47,925,613 | 29,985,136 | 1,033,510 |
| Ownership ratio(B) | 50.0% | 50.0% | 20.5% | 20.5% | 20.6% | 20.6% | 36.7% | 36.7% | 40.0% |
| (A)x(B) | 9,575,465 | 9,555,004 | 1,370,541 | 1,368,590 | 2,714,833 | 1,383,426 | 17,572,725 | 10,994,550 | 413,404 |
| Other | - | - | (79,431) | (79,431) | - | - | - | - | (177,581) |
| Ending balance | 9,575,465 | 9,555,004 | 1,291,110 | 1,289,159 | 2,714,833 | 1,383,426 | 17,572,725 | 10,994,550 | 235,823 |

14. Other Non-Current Assets:

Other non-current assets as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|----------------------------|------------|------------|
| Long-term loan receivables | 15,029,689 | 14,833,554 |
| Guarantee Deposits | 5,518,743 | 5,647,097 |
| Total | 20,548,432 | 20,480,651 |

15. Trade and Other payables:

Long-term trade and other payables as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------|------------|------------|
| Long-term loans | 1,396,285 | 1,595,572 |
| Accrued expenses | 42,535,736 | 49,688,680 |
| Others | 797,694 | 795,273 |
| Total | 44,729,715 | 52,079,525 |

16. Other Current Liabilities and Other Non-Current Liabilities:

Other current liabilities and other non-current liabilities as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2020 | 2019 |
|-------------------------------|-----------|-----------|
| Other current liabilities: | | |
| Withholdings | 9,027,860 | 7,871,854 |
| Others | 107,058 | 107,508 |
| Total | 9,134,918 | 7,979,362 |
| Other non-current liabilities | | |
| Long-term accrued expense | 571,700 | 499,504 |

17. Income Tax Expenses:

Income tax expense was recognized as current tax expense adjusted to current adjustments for prior periods, deferred tax income/expenses by origination and reversal of deferred assets/liabilities and temporary differences, and income tax recognized in other comprehensive income. The Group's separate effective tax rate for the six months ended June 30, 2021, was 24.84% (June 30 2020: 23.34%).

18. Capital Stock:

Capital stock as of June 30, 2021, and June 30, 2020, consists of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|-----------------------------|--------------------|--------------------|
| Number of shares authorized | 200,000,000 shares | 200,000,000 shares |
| Par value | 500 | 500 |
| Number of shares issued | 60,714,820 shares | 60,714,820 shares |
| Issued capital | 30,357,410,000 | 30,357,410,000 |

19. Other Capital Surplus and Other Components of Equity:

(1) Other capital surplus as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|----------------------------|-------------|-------------|
| Additional Paid-in Capital | 49,852,079 | 49,852,079 |
| Treasury Stock | (6,551,753) | (6,551,753) |
| Other capital adjustments | (317,752) | (796,569) |
| Stock award | 975,721 | 441,186 |
| Total | 43,958,295 | 42,944,943 |

(2) Other capital paid-up as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|--|------------|------------|
| Beginning balance | 42,944,943 | 42,579,460 |
| Difference from additional share acquisition of subsidiaries | 478,817 | - |
| Stock award | 534,535 | 155,278 |
| Ending balance | 43,958,295 | 42,734,738 |

(3) Other components of equity as of June 30, 2021, and June 30, 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|------------------------------------|-------------|-------------|
| Loss on financial assets at FVOCI | (4,264,962) | (4,247,536) |
| Change in equity method investment | (57,477) | 33,861 |

| (In a thousand of KRW) | 2021 | 2020 |
|--|-------------|-------------|
| Gain and loss on overseas operations translation | 2,357 | - |
| Ending Balance | (4,320,082) | (4,213,675) |

20. Stock award

(1) Stock option of June 30, 2021 consist of the following:

| Placement | Number of shares authorized | Award method | Price (unit : won) | Period | Term |
|-----------------------------|-----------------------------|---|--------------------|---|--------------------------|
| 21 st Mar 2019 | 110,000 shares | New stock issued, Treasury stock issued, appreciation | 10,905 won | 22 nd Mar 2022 ~ 21 st Mar 2026 | 3 years of work required |
| March 26 th 2020 | 150,000 shares | New stock issued, Treasury stock issued, appreciation | 13,882 won | 27 nd Mar 2023 ~ 26 st Mar 2027 | 2 years of work required |
| Mach 25 th 2021 | 180,000 shares | New stock issued, Treasury stock issued, appreciation | 23,277 won | 25 th Mar 2023 ~ 25 th Mar 2028 | 2 years of work required |

(2) Number of shares and its weighted average price as of June 30, 2021, and June 30, 2020, consist of the following:

| (Unit : shares, won) | Number of stocks | Weighted average exercise price |
|----------------------------|------------------|---------------------------------|
| Beginning number of stocks | 260,000 | 12,623 |
| Given stocks | 180,000 | 23,277 |
| Ending number of stocks | 440,000 | 16,961 |

21. Retained earnings and dividend

(1) Current retained earnings for June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| Earned surplus reserve | 8,785,714 | 7,141,688 |
| Other surplus reserve | 2,250,000 | 2,250,000 |
| Unappropriated earned surplus | 192,992,296 | 180,372,316 |
| Total | 204,028,010 | 189,764,004 |

(2) The details of the dividend payment for June 30, 2021 and 2020, are as follows:

| 2021 | | | | | |
|---------------------------------------|---------------------------------|-----------------|-----------------------------|---------------------------------------|----------------|
| (Unit : shares, a thousand won) | Total number of stock issued | Treasury stocks | Number of stock dividend | Dividend per share (unit : won) | Total dividend |
| Common stocks | 60,714,820 | 932,027 | 59,782,793 | 275 | 16,440,268 |

| 2020 | | | | | |
|---------------------------------------|---------------------------------|--------------------|-----------------------------|---------------------------------------|----------------|
| (Unit : shares, a thousand won) | Total number of stock issued | Treasury stocks | Number of stock dividend | Dividend per share (unit : won) | Total dividend |
| Common stocks | 60,714,820 | 932,027 | 59,782,793 | 230 | 13,750,042 |

22. FINANCIAL INCOME AND EXPENSES:

Financial income and expenses for the ended June 30, 2021 and 2020, are as follows:

| (In a thousand of KRW) | 2021 | 2020 |
|--------------------------------|-----------|-----------|
| Financial income | | |
| Financial assets at FVOCI | 695,067 | 618,274 |
| Income expense | | |
| Financial liabilities at FVOCI | (205,945) | (221,998) |
| Total | 489,122 | 396,276 |

23. OTHER NON-OPERATING INCOME:

(1) Other non-operating income for the ended June 30, 2021 and 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|--|---------|---------|
| Gain on foreign currency exchange transaction | 4,876 | 19,610 |
| Gain on financial assets at fair value through profit and loss | - | 5,250 |
| Gain on disposal of financial assets at fair value through profit and loss | 31,393 | 49,705 |
| Gains on disposal of relative companies equity(stocks) | - | 19,194 |
| Gains on disposal of tangible assets | 3,395 | 600 |
| Gain on disposal of intangible assets | - | 14,767 |
| Gain on dividend | 444,287 | 389,183 |
| Gain on rent | - | 181,871 |
| Others | 4,981 | 2,966 |
| Total | 488,932 | 683,146 |

24. OTHER NON-OPERATING EXPENSES:

(1) Other non-operating expenses for the ended June 30, 2021 and 2020, consist of the following:

| (In a thousand of KRW) | 2021 | 2020 |
|--|---------|---------|
| Loss on Foreign Currency exchange Transactions | 16,076 | 7,344 |
| Donations | 90,000 | 221,945 |
| Others | 466 | 27 |
| Total | 106,542 | 229,316 |

25. EARNINGS (LOSS) PER SHARE:

(1) Basic earnings (loss) per share

Basic earnings (loss) per share for the ended June 30, 2021 and 2020, are as follows (In a thousand of Korean won, except for share data and earnings (loss) per share):

| (Unit: Won, shares) | 2021 | 2020 |
|--|----------------|----------------|
| Net profit from common stocks | 30,581,122,178 | 26,348,942,156 |
| Weighted-average number of common shares outstanding | 59,782,793 | 59,894,474 |
| Earnings (loss) per share: | 512 | 440 |

(2) Diluted earnings (loss) per share

Diluted earnings (loss) per share for the ended June 30, 2021 and 2020, are the same as the basic earnings (loss) per share, as there are no dilutive potential common shares and dilutive effect.

<The End>