

May 1, 2024

Company Name: Gala Inc.  
 Name of Representative: Hyunsu Kim,  
 Representative Director and Group CEO  
 (Code: 4777, Standard Market)  
 Contact: Yuki Okamoto, Director and CFO  
 (TEL: +81-3-6822-6669)

### Notice Regarding Financial Results of Unlisted Parent Company, etc.

We are pleased to announce that Megazone Cloud Corporation, our unlisted parent company, etc. (other related company), has finalized its financial results for the fiscal year ended December 31, 2023.

#### 1. Summary of Unlisted Parent Company, etc.

(1) Company name	Megazone Cloud Corporation
(2) Address	MEGAZONE Bldg. 46, Nonhyeon-ro 85-gil, Gangnam-gu, Seoul, 06235 Korea
(3) Representative	Joowan Lee, Representative Director
(4) Main business	Cloud Services Business
(5) Capital	361,086,000 KRW (as of December 31, 2023)

#### 2. Type of Shareholders, Major Shareholders, and Directors of the Parent Company, etc.

##### (1) Type of Shareholders

As of December 31, 2023

Classification	Shares								Number of fractional shares
	Governments /Local Governments	Financial institutions	Financial instruments operators	Other corporations	Foreign corporations, etc.		Individuals & others	Total	
					Excl. individuals	Individuals			
Number of shareholders (persons)	—	2	—	31	1	—	—	34	—
Number of shares held (shares)	—	4,696	—	355,180	1,210	—	—	361,086	—
Percentage of shares held (%)	—	1.30	—	98.36	0.34	—	—	100.00	—

##### (2) Major Shareholders

As of December 31, 2023

Name or trade name	Address	Number of shares held (shares)	Percentage to total number of shares issued (excluding treasury shares)(%)
Megazone Corporation	Seoul Special City, Republic of Korea	191,944	53.16
Stratus Investment Ltd.	Seoul Special City, Republic of Korea	38,180	10.57
Nimbus Limited	Seoul Special City, Republic of Korea	30,544	8.46
KT Corporation	Seongnam City, Gyeonggi-do, Republic of Korea	24,058	6.66
KB-Stonebridge Secondary Private Equity Fund	Seoul Special City, Republic of Korea	11,823	3.27
NAU Growth Capital Private Equity Fund	Seoul Special City, Republic of Korea	9,236	2.56
Spears 2020 Limited Co.	Seoul Special City, Republic of Korea	8,509	2.36
GDCU Investment Partnership	Seoul Special City, Republic of Korea	7,627	2.11

Name or trade name	Address	Number of shares held (shares)	Percentage to total number of shares issued (excluding treasury shares)(%)
ATP-GMB New Technology Investment Partnership 1	Seoul Special City, Republic of Korea	6,420	1.78
Korea Development Bank	Seoul Special City, Republic of Korea	3,949	1.09
Total	—	332,290	92.03

(3) Board of Directors

14 male, 0 female (0% of board members are female)

Title	Name	Date of birth	Brief profile	Term of office	Number of shares held (shares)
Representative Director	Joowan Lee	February 26, 1979	Nov 1998 Founded Megazone Corporation, Director (current position) Jul 2018 Representative Director, Megazone Cloud Corporation (current position) Apr 2019 Representative Director, Megazone Japan Co., Ltd. Nov 2019 CEO, Cloud Gram Corporation (current position) Jun 2020 Director, Gala Inc. Aug 2023 Representative Director, Megazone Japan Co., Ltd. (current position)	From July 5, 2021 to July 5, 2024	—
Director	Jihwang Jang	May 5, 1970	Apr 2001 Head, E-Flux Business Oct 2004 Representative Director, Megazone Corporation (current position) Nov 2018 Director, Megazone Cloud Corporation (current position)	From November 15, 2021 to November 15, 2024	—
Director	Wonmo Yang	September 11, 1968	Nov 1995 Finance Team Manager, Lego Korea Aug 2001 Finance Team Manager, Pulseburry Korea Apr 2002 CFO, Interbrand Jan 2009 President, Stifel Korea Nov 2018 Director, Megazone Cloud Corporation (current position)	From November 15, 2021 to November 15, 2024	—
Director	Junsun Yun	October 2, 1975	Feb 2014 Vice President, Big Note Corporation Feb 2015 Hanyang University (MBA) Apr 2017 Vice President, BF Tech Corporation Feb 2018 Director, Megazone Corporation Aug 2019 CSO and Director, Megazone Cloud Corporation (current position) Jun 2020 Director, Gala Inc.	From November 15, 2021 to November 15, 2024	—
Director	Inchul Hwang	October 30, 1975	Jul 2004 Dell Technologies May 2016 Amazon Web Services (AWS) Mar 2020 Director, Megazone Cloud Corporation (current position)	From March 31, 2024 to March 31, 2026	—
Director	Sungguk Ahn	August 1, 1973	May 2004 Consultant, Boston Consulting Group May 2017 Head of PE, Neoplux Mar 2022 CFO and Director, Megazone Cloud Corporation (current position)	From March 31, 2024 to March 31, 2026	—
Director	Youngguk Cho	May 23, 1976	Aug 2023 Vice President, Megazone Cloud Corporation (current position)	From August 18, 2023 to August 18, 2025	—
Corporate Auditor	Changwoo Seo	August 18, 1958	Mar 2019 Chairman, Korea Papa John's (current position) Corporate Auditor, Megazone Cloud Corporation (current position)	March 31, 2022 to March 31, 2025	—

Title	Name	Date of birth	Brief profile	Term of office	Number of shares held (shares)
Other Non-Executive Director	Sangkyu Park	November 27, 1963	Director, NAU IB Managing Senior Manager, Korea Technology Investment Vice President, NAU IB Capital (current position) Other Non-Executive Director, Megazone Cloud Corporation (current position)	March 31, 2024 to March 31, 2026	—
Other Non-Executive Director	Yongseok Kim	October 1, 1976	Samsung Securities Managing Partner, JKL Partners (current position) Other Non-Executive Director, Megazone Cloud Corporation (current position)	From November 7, 2023 to November 7, 2025	—
Other Non-Executive Director	TaeHyun Hwang	June 20, 1971	Director, Corporate Business Consulting, KT Corp. C-Level Consulting Head, KT Corp. AI/DX Business Strategy Director, KT Corp. IDC Business Department Head, KT Cloud (current position) Other Non-Executive Director, Megazone Cloud Corporation (current position)	From March 31, 2024 to March 31, 2026	—
Other Non-Executive Director	Jay Bu	December 29, 1970	Managing Director and Head of Telecommunications & Media, Carlyle Asia Partner, MBK Partners Partner, MBK Partners Special Situations (current position) Other Non-Executive Director, Megazone Cloud Corporation (current position)	From September 1, 2022 to September 1, 2024	—
Other Non-Executive Director	Donghan Son	April 23, 1974	Samil PricewaterhouseCoopers Power Valley Holdings CIO, IMM Private Equity (current position) Other Non-Executive Director, Megazone Cloud Corporation (current position)	From September 1, 2022 to September 1, 2024	—
Other Non-Executive Director	Hyunjun Kim	September 14, 1972	Managing Director, Mirae Asset Securities Co., Ltd. Managing Director, KB SECURITIES (current position) Other Non-Executive Director, Megazone Cloud Corporation (current position)	From March 31, 2024 to March 31, 2026	—

### 3. Financial Statements

The consolidated financial statements of Megazone Cloud Corporation are prepared in accordance with IFRS. Gala Inc. is considered a subsidiary in the application of IFRS.

#### (1) Consolidated Financial Statements

##### ① Consolidated Statement of Financial Position

(Unit: KRW)

	Previous fiscal year (December 31, 2022)	Current fiscal year (December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	160,246,621,122	328,650,139,703
Short-term financial instruments	292,800,000,000	88,000,000,000
Financial assets measured at fair value through profit or loss	33,785,471,536	65,185,337
Trade and other receivables	190,732,448,605	294,776,807,560
Other current financial assets	1,043,389,307	1,674,510,381
Inventories	26,858,500,785	11,705,753,460
Other current assets	152,718,694,176	144,513,898,270
<b>Total current assets</b>	<b>858,185,125,531</b>	<b>869,386,294,711</b>
Non-current assets		
Non-current trade and other receivables	9,376,038,194	7,811,564,806
Financial assets measured at fair value through profit or loss	1,899,525,125	2,554,202,158
Financial assets measured at fair value through other comprehensive income	92,571,338,600	94,214,616,800
Other non-current financial assets	133,861,559	129,394,300
Investments in associated companies	3,484,752,938	34,872,874,897
Property, plant and equipment	38,807,043,355	74,971,578,772
Right-of-use assets	25,998,394,378	34,572,639,865
Investment property	1,240,464,215	1,182,934,655
Intangible assets	8,362,161,217	16,646,933,480
Deferred tax assets	14,874,668,678	31,337,235,596
Other non-current assets	—	4,022,100
<b>Total non-current assets</b>	<b>196,748,248,259</b>	<b>298,297,997,428</b>
<b>Total assets</b>	<b>1,054,933,373,790</b>	<b>1,167,684,292,140</b>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	205,144,727,491	268,758,220,258
Short-term loans payable	5,304,505,280	157,506,772,348
Financial liabilities measured at fair value through profit or loss	1,100,780,000	—
Other current financial liabilities	5,022,991,177	7,947,735,811
Income taxes payable	2,661,910,163	541,486,049
Other current liabilities	88,397,919,643	68,813,809,857
<b>Total current liabilities</b>	<b>307,632,833,754</b>	<b>503,568,024,323</b>
Non-current Liabilities		
Long-term loans payable	54,620,268,480	467,098,475
Other non-current financial liabilities	19,320,398,390	22,865,677,865
Net defined benefit liabilities	25,630,907,323	39,132,969,166
Provisions	3,829,182,406	4,877,332,005
Deferred tax liabilities	1,270,092,474	81,591,442
Other non-current liabilities	1,179,176,836	841,952,800
<b>Total non-current liabilities</b>	<b>105,850,025,909</b>	<b>68,266,621,753</b>
<b>Total liabilities</b>	<b>413,482,859,663</b>	<b>571,834,646,076</b>

(Unit: KRW)

	Previous fiscal year (December 31, 2022)	Current fiscal year (December 31, 2023)
Equity		
Ownership interests in controlled entity		
Capital stock	361,086,000	361,086,000
Capital surplus	1,188,029,617,338	1,188,029,617,338
Retained earnings	△555,805,151,779	△ 600,693,145,950
Accumulated other comprehensive income	△1,385,252,911	△ 3,364,204,411
Other components of equity	△36,494,948,343	△ 32,356,092,004
Total ownership interests in controlled entity	594,705,350,305	551,977,260,973
Non-controlling interests	46,745,163,822	43,872,385,091
Total equity	641,450,514,127	595,849,646,064
Total liabilities and equity	1,054,933,373,790	1,167,684,292,140

## ② Consolidated Statement of Income

(Unit: KRW)

	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Net sales	1,265,993,986,184	1,426,466,987,459
Cost of sales	1,140,282,508,806	1,330,509,271,741
Gross profit	125,711,477,378	95,957,715,718
Selling, general and administrative expenses	160,303,799,511	164,935,223,080
Operating loss (△)	△34,592,322,133	△68,977,507,363
Other income	2,644,316,748	2,066,402,219
Other expenses	2,139,932,116	4,372,845,905
Financial income	24,811,841,077	33,097,542,200
Financial expenses	234,641,890,898	13,254,080,357
Share of profit of entities accounted for using equity method	△1,678,138,949	△1,905,568,487
Loss before income taxes (△)	△245,596,126,271	△53,346,057,692
Income tax expenses	607,720,861	△17,252,477,670
Net loss (△)	△246,203,847,132	△36,093,580,022
Ownership interests in controlled entity	△248,727,159,836	△40,453,828,674
Non-controlling interests	2,523,312,704	4,360,248,652

③ Consolidated Statement of Comprehensive Income

(Unit: KRW)

	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Net loss (△)	△246,203,847,132	△36,093,580,022
Other comprehensive income (loss)	△2,287,657,956	△1,798,007,105
Items that will not be reclassified to profit or loss	△2,040,437,567	1,043,252,403
Share of other comprehensive income (loss) under equity method	—	△52,236,137
Remeasurement of financial assets measured at fair value through other comprehensive income	△5,868,669,445	1,292,404,360
Defined benefit remeasurement	3,828,231,878	△196,915,820
Items that may be reclassified to profit or loss	△247,220,389	△2,841,259,508
Foreign currency translation adjustment	△247,220,389	△2,841,259,508
Comprehensive income (loss)	△248,491,505,088	△37,891,587,127
Ownership interests in controlled entity	△251,102,772,828	△41,507,176,246
Non-controlling interests	2,611,267,740	3,615,589,119

## ④ Consolidated Statement of Cash Flows

(Unit: KRW)

	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Cash flows from operations	△72,279,545,533	△75,983,287,786
Interest received	4,663,071,426	15,162,643,186
Interest paid	△2,396,382,860	△4,557,970,154
Dividend received	400,640	5,368,443,206
Income taxes paid	△4,415,515,912	△4,716,319,438
Cash flows from operating activities	△74,427,972,239	△64,726,490,986
Cash flows from investing activities		
Decrease in short-term financial instruments	170,274,684,932	1,206,815,262,685
Decrease in loans receivable	274,352,770	1,668,680,977
Decrease in guarantee deposits	544,837,700	193,352,162
Disposal of property, plant and equipment	98,933,821	84,822,615
Decrease in investments in subsidiaries, affiliates and joint ventures	1,495,011,045	—
Decrease in other intangible assets	703,252,329	4,323,119
Decrease in long-term loans receivable	200,000,000	—
Increase in short-term financial instruments	△447,803,600,000	△1,002,000,000,000
Increase in loans receivable	△433,666,873	△1,805,995,977
Increase in guarantee deposits	△3,938,944,109	△1,071,492,778
Purchase of financial assets measured at fair value through profit or loss	△31,665,724,101	△2,169,930,789
Purchase of property, plant and equipment	△17,833,623,231	△42,064,070,449
Purchase of intangible assets	△2,294,525,411	△12,060,200
Net cash outflows due to changes in scope of consolidation	△2,729,022,695	△14,895,989,562
Increase in long-term loans receivable	△1,777,365,159	—
Increase in financial assets measured at fair value through other comprehensive income	△100,000,034,100	—
Cash flows from investing activities	△434,885,433,082	144,746,901,803
Cash flows from financing activities		
Increase in short-term loans payable	6,854,093,760	5,431,137,200
Increase in long-term loans payable	56,568,360,000	90,600,000,000
Increase in current portion of long-term debt	3,558,277,065	—
Increase in lease deposits	213,000,000	202,324,836
Transactions with non-controlling interests	530,000,873,598	—
Proceeds from capital increase	—	251,579,600
Decrease in short-term loans payable	△51,540,187,500	△244,399,040
Decrease in long-term loans payable	△154,795,200	△67,049,280
Redemption of current portion of long-term debt	△3,536,154,823	△40,000,000
Lease payments	△3,942,188,491	△5,204,772,756
Cash outflows from other financing activities	—	△3,853,555
Decrease in lease deposits	△70,000,000	△317,800,000
Dividends paid	—	△2,169,867,658
Cash flows from financing activities	537,951,278,409	88,437,299,347
Effect of exchange rate change on cash and cash equivalents	△861,423,118	△54,191,583
Net increase in cash and cash equivalents	27,776,449,970	168,403,518,581
Cash and cash equivalents at beginning of period	132,470,171,152	160,246,621,122
Cash and cash equivalents at end of period	160,246,621,122	328,650,139,703

## (2) Financial Statements

## ① Statement of Financial Position

(Unit: KRW)

	Previous fiscal year (December 31, 2022)	Current fiscal year (December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	101,377,862,211	258,102,856,569
Short-term financial instruments	270,500,000,000	73,000,000,000
Financial assets measured at fair value through profit or loss	33,785,471,538	1,473,908,000
Trade and other receivables	98,962,234,861	113,872,111,166
Other current financial assets	641,734,144	509,302,269
Other current assets	120,970,172,314	116,224,458,403
<b>Total current assets</b>	<b>626,237,475,068</b>	<b>563,182,636,407</b>
Non-current assets		
Non-current trade and other receivables	12,719,471,955	7,662,683,562
Financial assets measured at fair value through profit or loss	1,524,332,572	1,918,762,685
Financial assets measured at fair value through other comprehensive income	92,571,338,600	94,214,616,800
Other non-current financial assets	914,886,562	249,849,207
Investments in associated companies	110,925,741,652	131,428,489,289
Property, plant and equipment	14,079,123,991	16,885,029,164
Right-of-use assets	23,710,968,290	29,931,547,732
Intangible assets	3,358,665	6,550,832,310
Deferred tax assets	12,770,780,404	26,984,278,982
<b>Total non-current assets</b>	<b>269,220,002,691</b>	<b>315,826,089,731</b>
<b>Total assets</b>	<b>895,457,477,759</b>	<b>879,008,726,138</b>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	130,720,450,100	171,053,332,943
Short-term loans payable	5,000,000,000	5,000,000,000
Financial liabilities measured at fair value through profit or loss	1,100,780,000	—
Other current financial liabilities	4,841,380,756	6,645,335,364
Other current liabilities	71,711,516,219	48,932,735,799
<b>Total current liabilities</b>	<b>213,374,127,075</b>	<b>231,631,404,106</b>
Non-current Liabilities		
Other non-current financial liabilities	18,659,347,135	21,988,790,696
Net defined benefit liabilities	20,970,294,625	33,277,739,530
Provisions	3,902,419,415	4,643,099,309
<b>Total non-current liabilities</b>	<b>43,532,061,175</b>	<b>59,909,629,535</b>
<b>Total liabilities</b>	<b>256,906,188,250</b>	<b>291,541,033,641</b>



(Unit: KRW)

	Previous fiscal year (December 31, 2022)	Current fiscal year (December 31, 2023)
Equity		
Capital stock	361,086,000	361,086,000
Capital surplus	1,188,029,617,338	1,188,029,617,338
Retained earnings	△560,131,802,764	△612,845,296,152
Accumulated other comprehensive income	△2,065,478,653	△1,994,153,793
Other components of equity	12,357,867,588	13,916,439,104
Total equity	638,551,289,509	587,467,692,497
Total liabilities and equity	895,457,477,759	879,008,726,138

## ② Statement of Income

(Unit: KRW)

	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Net sales	735,957,201,096	839,351,294,865
Cost of sales	679,414,781,422	781,660,422,583
Gross profit	56,542,419,674	57,690,872,282
Selling, general and administrative expenses	97,394,113,846	119,948,505,211
Operating loss (△)	△40,851,694,172	△62,257,632,929
Other Income	2,300,843,605	1,895,655,925
Other expenses	9,723,048,905	30,113,340,445
Financial gains	23,573,334,636	38,625,468,667
Financial expenses	233,203,800,374	15,735,762,787
Loss before income taxes (△)	△257,904,365,210	△67,585,611,569
Income tax expenses	△3,372,453,484	△14,872,118,181
Net loss (△)	△254,531,911,726	△52,713,493,388

## ③ Statement of Comprehensive Income

(Unit: KRW)

	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Net loss (△)	△254,531,911,726	△52,713,493,388
Other comprehensive income (loss)	△2,801,018,000	71,324,860
Items that will not be reclassified to profit or loss	△2,801,018,000	71,324,860
Gain (loss) on valuation of financial assets measured at fair value through other comprehensive income	△5,868,669,445	1,292,404,360
Defined benefit remeasurement	3,067,651,445	△1,221,079,500
Comprehensive income (loss)	△257,332,929,726	△52,642,168,528

## ④ Statement of Cash Flows

(Unit: KRW)

	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Cash flows from operations	△72,051,505,333	△24,568,539,431
Interest received	3,581,361,564	13,252,597,852
Interest paid	△1,975,292,241	△3,715,741,459
Dividend received	—	13,202,451,028
Income taxes paid	△363,419,916	△915,111,939
Cash flows from operating activities	△70,808,855,926	△2,744,343,949
Cash flows from investing activities		
Decrease in short-term financial instruments	—	1,040,000,000,000
Decrease in guarantee deposits	4,208,852	34,212,100
Disposal of property, plant and equipment	126,980,000	11,965,000
Disposal of investment shares of subsidiaries	3,579,005,374	—
Decrease in long-term loans receivable	9,831,239,930	1,668,680,977
Increase in short-term financial instruments	△270,000,000,000	△842,500,000,000
Purchase of property, plant and equipment	△12,032,147,701	△7,677,535,229
Purchase of intangible assets	△2,198,940	△12,060,200
Increase in guarantee deposits	△3,547,505,700	△883,090,640
Purchase of investments in subsidiaries and affiliates	△26,250,901,620	△5,960,510,000
Purchase of financial assets measured at fair value through profit or loss	△30,015,262,685	△1,899,600,000
Purchase of share acquisition rights	△25,198,731	—
Increase in long-term loans receivable	△8,998,518,612	△6,249,230,977
Increase in financial assets measured at fair value through other comprehensive income	△100,000,034,100	—
Payments for business combinations	—	△12,818,081,408
Cash flows from investing activities	△437,330,333,933	163,714,749,623
Cash flows from financing activities		
Increase in short-term loans payable	8,700,000,000	—
Increase in lease deposits	502,130,000	—
Paid-in capital increase	530,000,873,598	—
Decrease in lease deposits	—	△197,800,000
Decrease in short-term loans payable	△8,700,000,000	—
Lease payments	△2,800,670,605	△3,851,292,563
Cash flows from financing activities	527,702,332,993	△4,049,092,563
Effect of exchange rate change on cash and cash equivalents	△113,103,083	△196,318,753
Net increase in cash and cash equivalents	19,450,040,051	156,724,994,358
Cash and cash equivalents at beginning of period	81,927,822,160	101,377,862,211
Cash and cash equivalents at end of period	101,377,862,211	258,102,856,569