UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August, 2023

Commission File Number 001-39349

DoubleDown Interactive Co., Ltd.
(Translation of registrant's name into English)

Joseph A. Sigrist, Chief Financial Officer
c/o DoubleDown Interactive, LLC
605 5th Avenue, Suite 300
Seattle, WA 98104
+1-206-408-4545
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. ☒ Form 20-F ☐ Form 40-F

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Issuance of Press Release; Financial Statements

On August 8, 2023, DoubleDown Interactive Co., Ltd. (the "Company") issued a press release announcing its preliminary unaudited financial results for the second quarter ended June 30, 2023, together with the unaudited consolidated financial statements of the Company for the three and six months ended June 30, 2023.

A copy of the press release and the unaudited financial statements are being furnished in this report on Form 6-K as Exhibits 99.1 and 99.2, respectively, pursuant to General Instruction B to the Form 6-K, and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release of the Company, dated August 8, 2023
99.2	Unaudited consolidated financial statements of the Company for the three and six months ended June 30, 2023

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOUBLEDOWN INTERACTIVE CO., LTD.

Date: August 8, 2023

By: */s/ Joseph A. Sigrist*
Name: Joseph A. Sigrist
Title: Chief Financial Officer

Exhibit 99.1

DoubleDown Interactive Reports Second Quarter 2023 Financial Results

SEATTLE, WASHINGTON – August 8, 2023 — DoubleDown Interactive Co., Ltd. (NASDAQ: DDI) ("DoubleDown" or the "Company"), a leading developer and publisher of digital games on mobile and web-based platforms, today announced its unaudited financial results for the second quarter ended June 30, 2023.

Second Quarter 2023 vs. Second Quarter 2022 Summary:

- Revenues of $75.2 million in the second quarter of 2023 compared to $80.6 million in the second quarter of 2022.
- Operating costs of $47.7 million in the second quarter of 2023, a decline from $128.6 million in the second quarter of 2022, primarily due to the $71.5 million non-cash accrual in General and Administrative in second quarter 2022 which did not recur in second quarter 2023 associated with legal proceedings related to the previously disclosed *Benson* litigation, with the remainder of the reduction primarily reflecting lower cost of revenue, and decreased marketing and amortization expenses.
- Adjusted EBITDA of $27.6 million for the second quarter of 2023, an increase from $25.0 million for the second quarter of 2022, primarily due to lower sales and marketing expenses. Accordingly, the adjusted EBITDA margin increased to 36.7% in the second quarter of 2023 from 32.7% in the second quarter of 2022.
- Net income of $24.4 million, or earnings per fully diluted common share of $9.83 ($0.49 per American Depositary Share ("ADS")), in the second quarter of 2023, compared to a loss of $34.1 million, or a loss of $13.75 per fully diluted common share (($0.69) per ADS), in the second quarter of 2022. Note each ADS represents 0.05 share of a common share.
- Average Revenue Per Daily Active User ("ARPDAU") increased to $1.05 in the second quarter of 2023 from $0.95 in the second quarter of 2022.
- Average monthly revenue per payer increased to $235 in the second quarter of 2023 from $226 in the second quarter of 2022.

"Our business performed well in the second quarter as Adjusted EBITDA increased more than 10% year over year and we generated approximately $38 million in operating cash flow, excluding the final litigation settlement payment," said In Keuk Kim, Chief Executive Officer of DoubleDown. "ARPDAU and average monthly revenue per player rose 11% and 4%, respectively, compared to the second quarter of 2022. DoubleDown's attractive business model combined with our disciplined focus on managing operating expenses delivers solid Adjusted EBITDA margins as demonstrated by the 34.7% margin through the first six months of 2023, a 290-basis point improvement over the comparable period in 2022.

"Our ability to consistently generate positive cash flow, combined with our strong balance sheet with more than $150 million in uncommitted capital, provides us with the flexibility to invest in new gaming categories and high addressable market opportunities such as iGaming through our pending acquisition of SuprNation, which is expected to close later this year. We are encouraged by our performance in the first half of the year and expect to continue generating attractive cash flow over the balance of 2023 and beyond."

Summary Operating Results for Double Down Interactive (Unaudited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenue ($ MM)	$ 75.2	$ 80.6	$ 152.8	$ 166.1
Total operating expenses	47.7	128.6	99.9	189.4
Loss contingency	—	71.5	—	71.5
Adjusted EBITDA ($ MM)	$ 27.6	$ 25.0	$ 53.0	$ 51.9
Net income ($ MM)	$ 24.4	$ (34.1)	$ 48.0	$ (15.6)
Net income margin	32.4%	(42.3%)	31.4%	(9.4%)
Adjusted EBITDA margin	36.7%	31.0%	34.7%	31.3%
Non-financial performance metrics				
Average MAUs (000s)	1,804	2,328	1,918	2,319
Average DAUs (000s)	793	940	817	958
ARPDAU	$ 1.05	$ 0.95	$ 1.04	$ 0.96
Average monthly revenue per payer	$ 235	$ 226	$ 228	$ 226
Payer conversion	6.0%	5.2%	5.9%	5.3%

Second Quarter 2023 Financial Results

Revenue in the second quarter of 2023 was $75.2 million, representing a 7% decrease from the second quarter of 2022. The decrease primarily reflects the further normalization of player activities following the lifting of COVID-related restrictions and more normalized consumer entertainment-focused behavior in 2023 compared to the prior year, as well as changes in player behaviors as a result of inflation and global economic concerns.

Operating expenses in the second quarter of 2023 were $47.7 million, a 63% decrease from the second quarter of 2022. The decrease in operating expenses was primarily due to lower cost of revenue and reflects the $71.5 million non-cash accrual noted above, with the remainder primarily reflecting lower sales, and decreases in marketing and amortization expenses in the second quarter of 2023 as compared to the second quarter of 2022.

The Company recorded net income of $24.4 million in the second quarter of 2023, or $9.83 per fully diluted common share ($0.49 per ADS), as compared to a net loss of $34.1 million, or a loss of $13.75 per fully diluted common share (($0.69) per ADS) in the second quarter of 2022. The net loss includes the impact of the non-cash accrual of $71.5 million noted. The increase in net income also reflects lower marketing expenditures and amortization expenses, partially offset by a decline in revenue. Note each ADS represents 0.05 share of a common share.

Adjusted EBITDA in the second quarter of 2023 was $27.6 million, compared to $25.0 million in the second quarter of 2022. The increase was primarily due to lower sales and marketing expenses, partially offset by a decline in revenue.

Net cash flows used in operating activities for the second quarter of 2023 were $56.8 million, compared to net cash flows provided by operating activities of $21.1 million in the second quarter of 2022. The decrease was primarily due to the final payment of $95.25 million towards the *Benson* litigation settlement. Excluding such payment, net cash flows provided by operating activities was $38.4 million.

Conference Call

DoubleDown will hold a conference call today (August 8, 2023) at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) to discuss these results. A question-and-answer session will follow management's presentation.

To access the call, please use the following link: DoubleDown Second Quarter 2023 Earnings Call. After registering, an email will be sent, including dial-in details and a unique conference call access code required to join the live call. To ensure you are connected prior to the beginning of the call, please register a minimum of 15 minutes before the start of the call.

A simultaneous webcast of the conference call will be available with the following link: DoubleDown Second Quarter 2023 Earnings Webcast, or via the Investor Relations page of the DoubleDown website at ir.doubledowninteractive.com. For those not planning to ask a question on the conference call, the Company recommends listening via the webcast.

A replay will be available on the Company's Investor Relations website shortly after the event.

About DoubleDown Interactive

DoubleDown Interactive Co., Ltd. is a leading developer and publisher of digital games on mobile and web-based platforms. We are the creators of multi-format interactive entertainment experiences for casual players, bringing authentic Vegas entertainment to players around the world through an online social casino experience. Our flagship title, *DoubleDown Casino*, has been a fan-favorite game on leading social and mobile platforms for years, entertaining millions of players worldwide with a lineup of classic and modern games.

Safe Harbor Statement

Certain statements contained in this press release are “forward-looking statements” about future events and expectations for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our beliefs, assumptions, and expectations of industry trends, our future financial and operating performance, and our growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Therefore, you should not place undue reliance on such statements. Words such as “anticipates,” believes,” “continues,” “estimates,” “expects,” “goal,” “objectives,” “intends,” “may,” “opportunity,” “plans,” potential,” “near-term,” long-term,” “projections,” “assumptions,” “projects,” “guidance,” “forecasts,” “outlook,” “target,” “trends,” “should,” “could,” “would,” “will,” and similar expressions are intended to identify such forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors. We assume no obligation to update or revise any forward-looking statements for any reason or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Use and Reconciliation of Non-GAAP Financial Measures

In addition to our results determined in accordance with the accounting principles generally accepted in the United States of America (“GAAP”), we believe the following non-GAAP financial measure is useful in evaluating our operating performance. We present “*adjusted earnings before interest, taxes, depreciation and amortization*” (“Adjusted EBITDA”) because we believe it assists investors and analysts by facilitating comparison of period-to-period operational performance on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. The items excluded from the Adjusted EBITDA may have a material impact on our financial results. Certain of those items are non-recurring, while others are non-cash in nature. Accordingly, the Adjusted EBITDA is presented as supplemental disclosure and should not be considered in isolation of, as a substitute for, or superior to, the financial information prepared in accordance with GAAP, and should be read in conjunction with the financial statements furnished in our report on Form 6-K to be filed with the SEC.

In our reconciliation from our reported GAAP “net income before provision for taxes” to our Adjusted EBITDA, we eliminate the impact of the following seven line items: (i)depreciation and amortization; (ii) loss contingency related to the *Benson* case; (iii) interest income; (iv) interest expense; (v) foreign currency transaction/remeasurement (gain) loss; (vi) short-term investments (gain) loss; and (vii) other (income) expense, net. The below table sets forth the full reconciliation of our non-GAAP measures:

Reconciliation of non-GAAP measures *(in millions, except percentages)*	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2023	**2022**	**2023**	**2022**
Net income (loss)	$ 24.4	$ (34.1)	$ 48.0	$(15.6)
Income tax benefit (expense)	(7.5)	12.0	(14.3)	6.0
Income (loss) before tax	31.9	(46.1)	62.3	(21.6)
Adjustments for:				
Depreciation and amortization	0.0	1.5	0.1	3.7
Loss contingency	—	71.5	—	71.5
Interest income	(4.2)	(0.6)	(7.4)	(0.2)
Interest expense	0.4	0.5	0.9	0.9
Foreign currency transaction/remeasurement gain	(0.7)	(5.8)	(3.1)	(7.7)
Short-term investments loss	0.1	4.0	0.1	5.8
Other (income) expense, net	0.0	0.0	0.1	(0.5)
Adjusted EBITDA	$ 27.6	$ 25.0	$ 53.0	$ 51.9
Adjusted EBITDA margin	36.7%	31.0%	34.7%	31.3%

We encourage investors and others to review our financial information in its entirety and not to rely on any single financial measure.

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DoubleDown Interactive Co., Ltd.
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars, except share and per share amounts)

	June 30, 2023 (unaudited)	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$184,471	$ 217,352
Short-term investments	60,664	67,891
Accounts receivable, net	26,841	21,198
Prepaid expenses, and other assets	5,176	6,441
Total current assets	$277,152	$ 312,882
Property and equipment, net	444	436
Operating lease right-of-use assets, net	2,373	3,858
Intangible assets, net	35,049	35,051
Goodwill	379,072	379,072
Deferred tax asset	45,307	59,290
Other non-current assets	1,345	1,463
Total assets	$740,742	$ 792,052
Liabilities and Shareholders’ Equity		
Accounts payable and accrued expenses	$ 13,481	$ 13,830
Short-term operating lease liabilities	2,356	3,050
Income taxes payable	5	—
Contract liabilities	2,207	2,426
Loss contingency	—	95,250
Current portion of borrowings with related party	38,087	—
Other current liabilities	1,564	1,926
Total current liabilities	$ 57,700	$ 116,482
Long-term borrowings with related party	—	39,454
Long-term operating lease liabilities	665	1,625
Other non-current liabilities	9,578	8,265
Total liabilities	$ 67,943	$ 165,826
Shareholders’ equity		
Common stock, KRW 10,000 par value - 200,000,000 Shares authorized; 2,477,672 issued and outstanding	21,198	21,198
Additional paid-in-capital	359,280	359,280
Accumulated other comprehensive income	17,905	19,360
Retained earnings	274,416	226,388
Total shareholders’ equity	$672,799	$ 626,226
Total liabilities and shareholders’ equity	$740,742	$ 792,052

DoubleDown Interactive Co., Ltd.
Condensed Consolidated Statement of Income and Comprehensive Income
(Unaudited, in thousands except share and per share amounts)

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Revenue	$ 75,187	$ 80,570	$ 152,783	$ 166,056
Operating expenses:				
Cost of revenue(1)	24,905	27,497	50,624	56,345
Sales and marketing(1)	13,103	18,051	29,148	37,842
Research and development(1)	5,069	4,333	10,112	9,013
General and administrative(1)	4,540	77,180	9,882	82,450
Depreciation and amortization	48	1,493	103	3,706
Total operating expenses	47,665	128,554	99,869	189,356
Operating income (loss)	$ 27,522	$ (47,984)	$ 52,914	$ (23,300)
Other income (expense):				
Interest expense	(436)	(454)	(898)	(925)
Interest income	4,249	586	7,379	794
Gain on foreign currency transactions	2,478	193	2,730	315
Gain (loss) on foreign currency remeasurement	(1,778)	5,646	388	7,415
Loss on short-term investments	(70)	(4,045)	(70)	(5,806)
Other, net	(47)	(20)	(94)	(55)
Total other income (expense), net	$ 4,396	$ 1,906	$ 9,435	$ 1,738
Income (loss) before income tax	$ 31,918	$ (46,078)	$ 62,349	$ (21,562)
Income tax (expense) benefit	(7,561)	12,022	(14,320)	6,000
Net income (loss)	$ 24,357	$ (34,056)	$ 48,029	$ (15,562)
Other comprehensive income (expense):				
Pension adjustments, net of tax	49	239	(108)	(287)
Loss on foreign currency translation	(166)	(3,526)	(1,347)	(4,972)
Comprehensive income (loss)	$ 24,239	$ (37,343)	$ 46,573	$ (20,821)
Earnings (loss) per share:				
Basic	$ 9.83	$ (13.75)	$ 19.38	$ (6.28)
Diluted	$ 9.83	$ (13.75)	$ 19.38	$ (6.28)
Weighted average shares outstanding:				
Basic	2,477,672	2,477,672	2,477,672	2,477,672
Diluted	2,477,672	2,477,672	2,477,672	2,477,672

(1) Excluding depreciation and amortization.

DoubleDown Interactive Co., Ltd.
Condensed Consolidated Statement of Cash Flows
(Unaudited, in thousands of U.S. dollars)

	Six months ended June 30,	
	2023	**2022**
Cash flow from (used in) operating activities:		
Net income (loss)	$ 48,029	$ (15,562)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	103	3,706
Gain on foreign currency remeasurement	(388)	(7,415)
Loss on short-term investments	70	5,806
Deferred taxes	13,655	(11,988)
Working capital adjustments:		
Accounts receivable	(5,656)	493
Prepaid expenses, other current and non-current assets	1,528	(844)
Accounts payable, accrued expenses and other payables	(601)	904
Contract liabilities	(219)	(634)
Income tax payable	5	—
Other current and non-current liabilities	(94,121)	75,046
Net cash flows from (used in) operating activities	$ (37,595)	$ 49,512
Cash flow from (used in) investing activities:		
Purchases of intangible assets	—	(3)
Purchases of property and equipment	(118)	(99)
Disposals of property and equipment	—	6
Purchases of short-term investments	(61,325)	(235,391)
Sales of short-term investments	66,440	141,001
Net cash flows from (used in) investing activities	$ 4,997	$ (94,486)
Cash flow from (used in) financing activities:		
Net cash flows from (used in) financing activities:	$ —	$ —
Net foreign exchange difference on cash and cash equivalents	(283)	(4,178)
Net decrease in cash and cash equivalents	$ (32,881)	$ (49,152)
Cash and cash equivalents at beginning of period	$ 217,352	$ 242,060
Cash and cash equivalents at end of period	$ 184,471	$ 192,908
Cash paid during year for:		
Interest	—	—
Income taxes	$ 299	$ 9,334

Exhibit 99.2

DoubleDown Interactive Co., Ltd.

Condensed Consolidated Financial Statements (unaudited)

June 30, 2023 and June 30, 2022

Contents

Consolidated Financial Statements as of and for the three and six months ended June 30, 2023 and 2022

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DoubleDown Interactive Co., Ltd.
Condensed Consolidated Statements of Income and Comprehensive Income
(unaudited, in thousands of U.S. Dollars, except share and per share amounts)

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Revenue	$ 75,187	$ 80,570	$ 152,783	$ 166,056
Operating expenses:				
Cost of revenue[(1)]	24,905	27,497	50,624	56,345
Sales and marketing[(1)]	13,103	18,051	29,148	37,842
Research and development[(1)]	5,069	4,333	10,112	9,013
General and administrative[(1)]	4,540	77,180	9,882	82,450
Depreciation and amortization	48	1,493	103	3,706
Total operating expenses	47,665	128,554	99,869	189,356
Operating income (loss)	$ 27,522	$ (47,984)	$ 52,914	$ (23,300)
Other income (expense):				
Interest expense	(436)	(454)	(898)	(925)
Interest income	4,249	586	7,379	794
Gain on foreign currency transactions	2,478	193	2,730	315
Gain (loss) on foreign currency remeasurement	(1,778)	5,646	388	7,415
Loss on short-term investments	(70)	(4,045)	(70)	(5,806)
Other, net	(47)	(20)	(94)	(55)
Total other income (expense), net	$ 4,396	$ 1,906	$ 9,435	$ 1,738
Income (loss) before income tax	$ 31,918	$ (46,078)	$ 62,349	$ (21,562)
Income tax (expense) benefit	(7,561)	12,022	(14,320)	6,000
Net income (loss)	$ 24,357	$ (34,056)	$ 48,029	$ (15,562)
Other comprehensive income (expense):				
Pension adjustments, net of tax	49	239	(108)	(287)
Loss on foreign currency translation	(166)	(3,526)	(1,347)	(4,972)
Comprehensive income (loss)	$ 24,239	$ (37,343)	$ 46,573	$ (20,821)
Earnings (loss) per share:				
Basic	$ 9.83	$ (13.75)	$ 19.38	$ (6.28)
Diluted	$ 9.83	$ (13.75)	$ 19.38	$ (6.28)
Weighted average shares outstanding:				
Basic	2,477,672	2,477,672	2,477,672	2,477,672
Diluted	2,477,672	2,477,672	2,477,672	2,477,672

(1) Excluding depreciation and amortization

See accompanying notes to consolidated financial statements.

DoubleDown Interactive Co., Ltd.
Condensed Consolidated Balance Sheets
(in thousands of U.S. Dollars, except share amounts)

	June 30, 2023	December 31, 2022
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	$ 184,471	$ 217,352
Short-term investments	60,664	67,891
Accounts receivable, net	26,841	21,198
Prepaid expenses, and other assets	5,176	6,441
Total current assets	$ 277,152	$ 312,882
Property and equipment, net	444	436
Operating lease right-of-use assets, net	2,373	3,858
Intangible assets, net	35,049	35,051
Goodwill	379,072	379,072
Deferred tax asset	45,307	59,290
Other non-current assets	1,345	1,463
Total assets	$ 740,742	$ 792,052
Liabilities and Shareholders' Equity		
Accounts payable and accrued expenses	$ 13,481	$ 13,830
Short-term operating lease liabilities	2,356	3,050
Income taxes payable	5	—
Contract liabilities	2,207	2,426
Loss contingency	—	95,250
Current portion of borrowings with related party	38,087	—
Other current liabilities	1,564	1,926
Total current liabilities	$ 57,700	$ 116,482
Long-term borrowings with related party	—	39,454
Long-term operating lease liabilities	665	1,625
Other non-current liabilities	9,578	8,265
Total liabilities	$ 67,943	$ 165,826
Shareholders' equity		
Common stock, KRW 10,000 par value - 200,000,000 Shares authorized; 2,477,672 issued and outstanding	21,198	21,198
Additional paid-in-capital	359,280	359,280
Accumulated other comprehensive income	17,905	19,360
Retained earnings	274,416	226,388
Total shareholders' equity	$ 672,799	$ 626,226
Total liabilities and shareholders' equity	$ 740,742	$ 792,052

See accompanying notes to consolidated financial statements.

DoubleDown Interactive Co., Ltd.
Condensed Consolidated Statements of Changes in Shareholders' Equity
(unaudited, in thousands of U.S. Dollars, except share amounts)

	Common shares	Common stock	Additional paid-in- capital	Accumulated other comprehensive income/(loss)	Retained earnings (deficit)	Total shareholders' equity
Three months ended June 30, 2023						—
As of April 1, 2023	2,477,672	21,198	359,280	18,022	250,060	648,560
Net income	—	—	—	—	24,357	24,357
Pension adjustments, net of tax	—	—	—	49	—	49
Loss on foreign currency translation, net of tax	—	—	—	(166)	—	(166)
As of June 30, 2023	2,477,672	21,198	359,280	17,905	274,416	672,799
Three months ended June 30, 2022						
As of April 1, 2022	2,477,672	21,198	671,831	21,061	166,311	880,401
Net income	—	—	—	—	(34,056)	(34,056)
Pension adjustments, net of tax	—	—	—	239	—	239
Loss on foreign currency translation, net of tax	—	—	—	(3,526)	—	(3,526)
As of June 30, 2022	2,477,672	21,198	671,831	17,774	132,254	843,057

	Common shares	Common stock	Additional paid-in- capital	Accumulated other comprehensive income/(loss)	Retained earnings (deficit)	Total shareholders' equity
Six months ended June 30, 2023						
As of January 1, 2023	2,477,672	21,198	359,280	19,360	226,388	626,226
Net income	—	—	—	—	48,029	48,029
Pension adjustments, net of tax	—	—	—	(108)	—	(108)
Loss on foreign currency translation	—	—	—	(1,347)	—	(1,347)
As of June 30, 2023	2,477,672	21,198	359,280	17,905	274,416	672,799
Six months ended June 30, 2022						
As of January 1, 2022	2,477,672	21,198	671,831	23,033	147,816	863,878
Net income	—	—	—	—	(15,562)	(15,562)
Pension adjustments, net of tax	—	—	—	(287)	—	(287)
Loss on foreign currency translation, net of tax	—	—	—	(4,972)	—	(4,972)
As of June 30, 2022	2,477,672	21,198	671,831	17,774	132,254	843,057

See accompanying notes to consolidated financial statements.

DoubleDown Interactive Co., Ltd.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands of U.S. Dollars)

	Six months ended June 30, 2023	2022
Cash flow from (used in) operating activities:		
Net income (loss)	$ 48,029	$ (15,562)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	103	3,706
Gain on foreign currency remeasurement	(388)	(7,415)
Loss on short-term investments	70	5,806
Deferred taxes	13,655	(11,988)
Working capital adjustments:		
Accounts receivable	(5,656)	493
Prepaid expenses, other current and non-current assets	1,528	(844)
Accounts payable, accrued expenses and other payables	(601)	904
Contract liabilities	(219)	(634)
Income tax payable	5	—
Other current and non-current liabilities	(94,121)	75,046
Net cash flows from (used in) operating activities	$ (37,595)	$ 49,512
Cash flow from (used in) investing activities:		
Purchases of intangible assets	—	(3)
Purchases of property and equipment	(118)	(99)
Disposals of property and equipment	—	6
Purchases of short-term investments	(61,325)	(235,391)
Sales of short-term investments	66,440	141,001
Net cash flows from (used in) investing activities	$ 4,997	$ (94,486)
Cash flow from (used in) financing activities:		
Net cash flows from (used in) financing activities:	$ —	$ —
Net foreign exchange difference on cash and cash equivalents	(283)	(4,178)
Net decrease in cash and cash equivalents	$ (32,881)	$ (49,152)
Cash and cash equivalents at beginning of period	$ 217,352	$ 242,060
Cash and cash equivalents at end of period	$ 184,471	$ 192,908
Cash paid during year for:		
Interest	—	—
Income taxes	$ 299	$ 9,334

See accompanying notes to consolidated financial statements.

Note 1: Description of business

Background and nature of operations

DoubleDown Interactive Co., Ltd. (“DDI,” “we,” “us,” “our” or the “Company”) was incorporated in 2008 in Seoul, Korea as an interactive entertainment studio, focused on the development and publishing of casual games and mobile applications. DDI is a subsidiary of DoubleU Games Co., Ltd. (“DUG” or “DoubleU Games”), a Korean company and our controlling shareholder holding 67.1% of our outstanding shares. The remaining 32.9% of our outstanding shares are held by STIC Special Situation Private Equity Fund (“STIC”, 20.2%) and the remainder by participants in our IPO (12.7%). In 2017, DDI acquired DoubleDown Interactive, LLC (“DDI-US”) from International Gaming Technologies (“IGT”) for approximately $825 million. DDI-US, with its principal place of business located in Seattle, Washington, is our primary revenue-generating entity.

We develop and publish digital gaming content on various mobile and web platforms through our multi-format interactive all-in-one game experience concept. We host *DoubleDown Casino, DoubleDown Classic, DoubleDown Fort Knox and Undead World* within various formats.

Initial Public Offering

On September 2, 2021, DoubleDown Interactive Co., Ltd. filed its initial public offering (the “Offering”) of 6,316,000 American Depositary Shares (the “ADSs”), each representing 0.05 common share, with par value of ₩10,000 per share, of the Company, at a price to the public of $18.00 per ADS, before underwriting discounts and commissions. The number of ADSs sold by the Company was 5,263,000, and the number of ADSs sold by STIC Special Situation Diamond Limited, the selling shareholder in the Offering (the “Selling Shareholder”), was 1,053,000. The net proceeds to us from this offering was approximately $86.5 million, after deducting the underwriting discounts and commissions and the offering expenses in the aggregate of approximately $8.7 million.

Prior to this offering, there has been no public market for our common shares or ADSs. Our ADSs trade on the NASDAQ Stock Market (“NASDAQ”) under the symbol “DDI.”

Capital Reserve Reallocation

On August 26, 2022, the shareholders approved the reduction of the Company’s capital reserve in the amount of ₩70,000,000,000 pursuant to Article 461-2 of the Korean Commercial Code at an Extraordinary General Meeting of Shareholders.

On December 28, 2022, the shareholders approved the reduction of the Company’s capital reserve in the amount of ₩330,000,000,000 pursuant to Article 461-2 of the Korean Commercial Code at an Extraordinary General Meeting of Shareholders.

Basis of preparation and consolidation

Our unaudited condensed consolidated financial statements include all adjustments of a normal, recurring nature necessary for the fair presentation of the results for the interim periods presented. The results for the interim period presented are not necessarily indicative of those for the full year. The condensed consolidated financial statements should be read in conjunction with our consolidated financial statements for the year ended December 31, 2022.

The condensed consolidated financial statements include the balances and accounts of DDI and our controlled subsidiaries. All significant inter-company transactions, balances and unrealized gains or losses have been eliminated. We view our operations and manage our business as one operating segment.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures. We regularly evaluate estimates and assumptions related to provisions for income taxes, revenue recognition, expense accruals, deferred income tax asset valuation allowances, valuation of goodwill and intangibles, and legal contingencies. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and the actual results, future operating results may be affected.

Functional currency and translation of financial statements

Our functional currency is the Korean Won ("KRW") and the U.S. Dollar ("dollar," "USD," "US$," or "$") is the functional currency of our United States subsidiaries. The accompanying consolidated financial statements are presented in USD. The consolidated balance sheets have been translated at the exchange rates prevailing at each balance sheet date. The consolidated statement of comprehensive income and statement of cash flows have been translated using the weighted-average exchange rates prevailing during the periods of each statement. The equity capital is denominated in the functional currency, KRW, and is translated at historical exchange rates. All translation adjustments resulting from translating into the reporting currency are accumulated as a separate component of accumulated other comprehensive income in shareholders' equity. Gains or losses resulting from foreign currency transactions are included in other income (expense).

Intercompany monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date with the gain or loss arising on translation recorded to other income (expense). Intercompany non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Cash and cash equivalents

We consider all money market funds and short-term investments with a maturity of three months or less when acquired to be cash and cash equivalents. Cash and cash equivalents are held by high credit quality financial institutions and balances may exceed limits of federal insurance. We have not experienced any losses resulting from these excess deposits.

Financial instruments and concentration of credit risk

Financial instruments, which potentially expose us to concentrations of credit risk, consist primarily of cash and cash equivalents, accounts receivable and short-term investments.

Accounts receivable are recorded and carried at the net invoiced amount, which is net of platform payment processing fees, unsecured, and represent amounts due to us based on contractual obligations where an executed contract exists. We do not require collateral and have not recognized an allowance as management estimates the net receivable is fully collectible. Apple, Inc. ("Apple"), Facebook, Inc. ("Facebook"), and Google, LLC ("Google") represent significant distribution, marketing, and payment platforms for our games. A substantial portion of our revenue was generated from players who accessed our games through these platforms and a significant concentration of our accounts receivable balance is comprised of balances owed to us by these platforms.

The following table summarizes the percentage of revenues and accounts receivable generated via our platform providers in excess of 10% of our total revenues and total accounts receivable:

	Revenue Concentration			
	Three months ended June 30,		**Six months ended June 30,**	
	2023	**2022**	**2023**	**2022**
Apple	55.4%	54.5%	55.3%	54.3%
Facebook	16.9%	24.2%	17.7%	24.2%
Google	18.9%	18.6%	18.8%	18.7%

	Accounts Receivable Concentration	
	As of June 30, 2023	**As of December 31, 2022**
Apple	65.5%	55.8%
Facebook	10.5%	20.4%
Google	12.0%	17.7%

Note 2: Revenue from Contracts with Customers

Our social and mobile apps operate on a free-to-play model, whereby game players may collect virtual currency free of charge through the passage of time or through targeted marketing promotions. If a game player wishes to obtain virtual currency above and beyond the level of free virtual currency available to that player, the player may purchase additional virtual currency. Once a purchase is completed, the virtual currency is deposited into the player's account and is not separately identifiable from previously purchased virtual currency or virtual currency obtained by the game player for free.

Once obtained, virtual currency (either free or purchased) cannot be redeemed for cash nor exchanged for anything other than gameplay within our apps. When virtual currency is played on any of our games, the game player could “win” and would be awarded additional virtual currency or could “lose” and lose the future use of that virtual currency. We have concluded that our virtual currency represents consumable goods, because the game player does not receive any additional benefit from the games and is not entitled to any additional rights once the virtual currency is substantially consumed.

Control transfers when the virtual currency is consumed for gameplay. We recognize revenue from player purchases of virtual currency based on the consumption of this currency. We determined through a review of play behavior that game players generally do not purchase additional virtual currency until their existing virtual currency balances, regardless of source (e.g., bonus currency, gifted currency through social media channels, daily free chips, etc.), have been substantially consumed.

Based on an analysis of customers’ historical play behavior, purchase behavior, and the amount of virtual currency outstanding, we are able to estimate the rate that virtual currency is consumed during gameplay. Accordingly, revenue is recognized using a user-based revenue model with the period between purchases representing the timing difference between virtual currency purchase and consumption. This timing difference is relatively short.

We continuously gather and analyze detailed customer play behavior and assess this data in relation to our judgments used for revenue recognition.

We generate a small portion of our revenue from subscription services. All monthly subscription fees are prepaid and non-refundable for a one-month period and auto-renew until the end customer terminates the service with the platform provider the subscription services originated. The subscription revenue is recognized on a daily basis beginning on the original date of purchase and has no impact on a customer purchased virtual currency.

Disaggregation of revenue

We believe disaggregation of our revenue based on platform and geographical location are appropriate categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

The following table represents our disaggregation of revenue between mobile and web platforms (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Mobile	$ 62,468	$ 60,753	$ 125,798	$ 124,883
Web	12,719	19,817	26,985	41,173
Total	$ 75,187	$ 80,570	$ 152,783	$ 166,056

The following table presents our revenue disaggregated based on the geographical location of our players (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
U.S. (1)	$ 65,629	$ 70,661	$ 133,831	$ 144,349
International	9,558	9,909	18,952	21,707
Total	$ 75,187	$ 80,570	$ 152,783	$ 166,056

(1) Geographic location is presented as being derived from the U.S. when data is not available.

Principal-agent considerations

Our revenue contracts are with game players who are our customers. We have exclusive control over all content, pricing, and overall functionality of games accessed by players. Our games are played on various third-party platforms for which the platform providers collect proceeds from our customers and remit us an amount after deducting a fee for processing and other agency services. We record revenue at the gross amount charged to our customers and classify fees paid to platform providers (such as Apple, Facebook, and Google) within cost of revenue, contract assets, contract liabilities and other disclosures.

Contract assets, contract liabilities and other disclosures

Customer payments are based on the payment terms established in our contracts. Payments for purchase of virtual currency are required at time of purchase, are non-refundable and relate to non-cancellable contracts that specify our performance obligations. All payments are initially recorded as revenue, as the player has no right of return after the purchase, consistent with our standard terms and conditions. Based on our analysis, at each period end, we estimate the number of days to consume virtual currency. This represents the revenue amount where the performance obligation has not been met and is deferred as a contract liability until we satisfy the obligation. The contract asset consists of platform fees for which revenue has not been recognized. For subscription revenue, the remaining portion of the daily ratable monthly subscription is recorded as a contract liability and the applicable platform fees as a contract asset.

The following table summarized our opening and closing balances in contract assets and contract liabilities (in thousands):

	As of June 30, 2023	As of December 31, 2022
Contract assets [(1)]	$ 662	$ 728
Contract liabilities	2,207	2,426

(1) Contract assets are included within prepaid expenses and other assets in our consolidated balance sheet.

Note 3: Short-term investments

The Company holds investments in marketable securities with the intention of selling these investments within a relatively short period of time (3-6 months). As such, gains or losses from holding or trading these securities were recognized in the Statements of Income. At June 30, 2023, short term investments comprised of fixed time deposits classified as trading.

Note 4: Goodwill and intangible assets

There were no changes to the carrying amount of goodwill in the three months and six months ended June 30, 2023. We recognized an aggregate $269.9 million impairment of goodwill and intangibles in 2022. Changes in the carrying amount of intangible assets were as follows (in thousands):

		June 30, 2023				December 31, 2022			
	Useful life	Gross amount	Accumulated amortization	Impairment	Net amount	Gross amount	Accumulated amortization	Impairment	Net amount
Goodwill	indefinite	$ 633,965	$ —	$(254,893)	$379,072	$ 633,965	$ —	$(254,893)	$379,072
Trademarks	indefinite	50,000	—	(15,000)	35,000	50,000	—	(15,000)	35,000
Customer relationships	4 years	75,000	(75,000)	—	—	75,000	(75,000)	—	—
Purchased technology	5 years	45,423	(45,423)	—	—	45,423	(45,423)	—	—
Development costs	3 years	9,486	(9,486)	—	—	9,486	(9,486)	—	—
Software	4 years	2,467	(2,418)	—	49	2,462	(2,411)	—	51
Total		$ 816,340	$ (132,327)	$(269,893)	$414,121	$ 816,336	$ (132,320)	$(269,893)	$414,123

The following reflects amortization expense related to intangible assets included with depreciation and amortization (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Amortization Expense	$ 4.2	$ 1,378	$ 8.2	$ 3,620

Note 5: Debt

The components of debt at June 30, 2023 and December 31, 2022 are as follows (in thousands):

	As of June 30, 2023	As of December 31, 2022
4.60% Senior Notes due to related party due 2024	$ 38,087	$ 39,454
Total debt	38,087	39,454
Less: Short-term debt	38,087	—
Total Long-term debt	$ —	$ 39,454

4.60% Senior Notes due to related party due 2024

The 4.60% Senior Notes due to related party, which collectively total KRW100 billion (US$76 million) at inception, accrue 4.60% interest quarterly on the outstanding principal amount until maturity. Interest and principal are due in full at maturity (May 27, 2024).

Note 6: Fair value measurements

The carrying values of our accounts receivable, prepaid expenses and other current assets, accounts payable, accrued liabilities and short-term borrowings approximate their fair values due to the short-term nature of these instruments.

Our cash equivalents (Level 1 of fair value hierarchy) consist of money market funds and Korean government bonds totaling $184.5 million, and short-term investments (Level 2 of fair value hierarchy) comprised of fixed time or certificates of deposit with maturity periods greater than 90 days totaling $60.7 million as of June 30, 2023. As of December 31, 2022, our cash equivalents (Level 1 of fair value hierarchy) consisted of money market funds and Korean government bonds totaling $217.4 million, and short-term investments (Level 2 of fair value hierarchy) comprised of fixed time or certificates of deposit with maturity periods greater than 90 days totaling $67.9 million. We rely on credit market data to track interest rates for other entities with similar risk profiles.

We record all debt at inception at fair value. We perform subsequent analysis on available data to evaluate the fair value of our borrowing as of the balance sheet date. We rely on credit market data to track interest rates for other entities with similar risk profiles. As of June 30, 2023, we believe the fair value of our senior notes (a Level 3 estimate) would be $1.5 million lower than face value due to the overall increase in interest rates during the past year. We do not believe the difference between carrying value and fair value has changed materially due to foreign exchange exposure or our credit worthiness.

Note 7: Income taxes

We are subject to federal and state income taxes in Korea and the United States. We account for our provision for income taxes in accordance with ASC 740, Income Taxes, which requires an estimate of the annual effective tax rate for the full year to be applied to the interim period, taking into account year-to-date amounts and projected results for the full year.

Our effective tax rate varies from the statutory Korean income tax rate due to the effect of foreign rate differential, withholding taxes, state and local income taxes, foreign derived intangible income (FDII) deduction, research and development credits, and a valuation allowance on Korean deferred tax assets. Our effective tax rate could fluctuate significantly from quarter to quarter based on variations in the estimated and actual level of pre-tax income or loss by jurisdiction, changes in enacted tax laws and regulations, and changes in estimates regarding non-deductible expenses and tax credits. As of June 30, 2023, and December 31, 2022, we have provided a valuation allowance against our net deferred tax assets that we believe, based on the weight of available evidence, are more likely than not to be realized.

The income tax expense of $7.6 million for the three months ended June 30, 2023, reflects an effective tax rate of 23.7% which is lower than the effective tax rate of 26.1% for the three months ended June 30, 2022. The decrease in rate from 2022 to 2023 is primarily due to a reduction in the Korean tax rate and changes in the valuation allowance offset by a reduction in the FDII benefit.

The effective tax rate of 23.0% for the six months ended June 30, 2023, is higher than the Korean statutory rate of 19%, primarily due to foreign rate differential and state taxes. The effective rate of 23.0% includes a $172 thousand discrete provision related to a change in the state tax rate and withholding taxes of $241 thousand.

Note 8: Net income per share

Basic net income per share is computed by dividing net income by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. Diluted net income per share is computed by dividing net income by the weighted-average number of common shares and dilutive common share equivalents outstanding for the period determined using the treasury-stock and if-converted methods. There were no potentially dilutive securities outstanding in either period presented.

Note 9: Leases

We are lessee for corporate office space in Seattle, Washington and Seoul, Korea. The lessor for our Seoul, Korea leases is our parent, DoubleU Games (see Note 12). Our leases have remaining terms of three to sixteen months. We do not have any finance leases. Our total variable and short-term lease payments are immaterial for all periods presented.

The Seattle, Washington lease originated in July 2012 and consists of 49,375 square feet. The lease will expire in October 2024.

In February 2019, we executed new subleases with our parent, DUG, for 21,218 square feet of office space in Gangnam-gu, Seoul, Korea. The lease term will expire in September 2023.

Supplemental balance sheet and cash flow information related to operating leases is as follows (in thousands):

	As of June 30, 2023	As of December 31, 2022
Operating lease right-of-use asset	$ 3,021	$ 4,675
Accrued rent	648	817
Total operating lease right-of-use asset, net	$ 2,373	$ 3,858
Short-term operating lease liabilities	2,356	3,050
Long-term operating lease liabilities	665	1,625
Total operating lease liabilities	$ 3,021	$ 4,675

Supplemental cash flow information related to leases was as follows (in thousands):

	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 1,715	$ 1,604

Note 10: Accumulated other comprehensive income

Changes in accumulated other comprehensive income (AOCI) by component for the three and six months ended June 30, 2023 and 2022 were as follows (in thousands):

Three months ended June 30, 2023	Currency Translation Adjustments	Defined Benefit Pension Plan	Total
Balance at April 1, 2023	$ 19,611	$ (1,589)	$18,022
Foreign currency translation loss, net of tax	(166)	—	(166)
Actuarial gain/(loss), net of tax	—	49	49
Balance as of June 30, 2023	$ 19,445	$ (1,540)	$17,905

Three months ended June 30, 2022	Currency Translation Adjustments	Defined Benefit Pension Plan	Total
Balance at April 1, 2022	$ 22,865	$ (1,804)	$21,061
Foreign currency translation loss, net of tax	(3,526)	—	(3,526)
Actuarial gain/(loss), net of tax	—	239	239
Balance as of March 31, 2022	$ 19,339	$ (1,565)	$17,774

Six months ended June 30, 2023	Currency Translation Adjustments	Defined Benefit Pension Plan	Total
Balance at January 1, 2023	$ 20,792	$ (1,432)	$19,360
Foreign currency translation loss, net of tax	(1,347)	—	(1,347)
Actuarial gain/(loss), net of tax	—	(108)	(108)
Balance as of June 30, 2023	$ 19,445	$ (1,540)	$17,905

Six months ended June 30, 2022	Currency Translation Adjustments	Defined Benefit Pension Plan	Total
Balance at January 1, 2022	$ 24,311	$ (1,278)	$23,033
Foreign currency translation loss, net of tax	(4,972)	—	(4,972)
Actuarial gain/(loss), net of tax	—	(287)	(287)
Balance as of June 30, 2022	$ 19,339	$ (1,565)	$17,774

We do not tax effect foreign currency translation gain/(loss) because we have determined such gain/(loss) is permanently reinvested and actuarial gain/(loss) is not tax effected due to a valuation allowance applied to our deferred tax assets.

Note 11: Commitments and contingencies

Legal contingencies

On April 12, 2018, a class-action lawsuit was filed against DDI-US demanding a return of unfair benefit under the pretext that the Company's social casino games are not legal in the State of Washington, United States. Similar class-action lawsuits were concurrently filed with certain of our competitors, certain of which, announced settlements which the court has recently approved. On April 25, 2021, plaintiffs filed their Second Amended Complaint, changing their allegations to include an additional corporate entity of co-defendant, IGT.

IGT tendered its defense of the lawsuit to DDI-US and sought indemnity for any damages from the lawsuit, based on various agreements associated with IGT's sale of DDI-US. DDI-US had previously tendered its defense to IGT and sought indemnity from it.

On August 29, 2022, DDI-US entered into an agreement in principle to settle the aforementioned *Benson* class action and associated proceedings, pursuant to which, among other things, IGT and DDI-US would contribute $269.75 million and $145.25 million, respectively, to the settlement fund. This agreement in principle received final court approval with the final contribution to the settlement fund made in June, 2023. The Company had an aggregate accrual of $145.25 million for the years ended December 31, 2022 and 2021, less $50 million for payments made in the fourth quarter of 2022 and $95.25 million in second quarter of 2023. As of June 30, 2023, the Company loss contingency was cleared.

Publishing and license agreements

DoubleU Games

We entered into the DoubleU Games License Agreement on March 7, 2018, and it was subsequently amended on July 1, 2019 and November 27, 2019. Pursuant to the DoubleU Games License Agreement, DoubleU Games grants us an exclusive license to develop and distribute certain DoubleU Games social casino game titles and sequels thereto in the social online game field of use. We are obligated to pay a royalty license fee to DoubleU Games in connection with these rights, with certain customary terms and conditions. The agreement remains in effect until either DUG no longer holds an interest, directly or indirectly, in DDI, or DDI no longer holds an interest, directly or indirectly, in DDI-US. In such event, the agreement provides that the parties will mutually renegotiate the terms of the agreement. As of June 30, 2023, we licensed approximately 49 game titles under the terms of this agreement.

International Gaming Technologies ("IGT")

In 2017, we entered into a Game Development, Distribution, and Services agreement with IGT, and it was subsequently amended on January 1, 2019. Under the terms of the agreement, IGT will deliver game assets so that we can port (a process of converting the assets into functioning slot games by platform) the technology for inclusion in our gaming apps. The agreement includes game assets that are used to create new games. Under the agreement, we pay IGT a royalty rate of 7.5% of revenue for their proprietary assets and 15% of revenue for third-party game asset types. We also pay a monthly fee for porting. The initial term of the agreement is ten (10) years with up to two additional five-year periods. Costs incurred in connection with this agreement for the three months ended June 30, 2023 and 2022 totaled $1.9 million and $2.3 million, respectively, and are recognized as a component of cost of revenue. Costs incurred in connection with this agreement for the six months ended June 30, 2023 and 2022 totaled $3.9 million and $5.0 million, respectively, and are recognized as a component of cost of revenue.

Note 12: Related party transactions

Our related party transactions comprise of expenses for use of intellectual property, borrowings, and sublease previously described. We may also incur other expenses with related parties in the ordinary course of business, which are included in the consolidated financial statements.

The following is a summary of expenses charged by our parent, DoubleU Games (in thousands):

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022	Statement of Income and Comprehensive Income Line Item
Royalty expense (see Note 11)	$ 698	$ 852	$ 1,450	$ 1,690	Cost of revenue
Interest expense (see Note 5)	436	454	881	925	Interest expense
Rent expense (see Note 9)	307	320	624	655	General and administrative expense
Other expense	38	60	135	114	General and administrative expense

Amounts due to our parent, DUG, are as follows (in thousands):

	At June 30, 2023	At December 31, 2022	Statement of Consolidated Balance Sheet Line Item
4.6% Senior Notes with related party	$ 38,087	$ —	Short-Term borrowing with related party
4.6% Senior Notes with related party	—	$ 39,454	Long-Term borrowing with related party
Royalties and other expenses	201	315	A/P and accrued expenses
Short-term lease liability	348	1,066	Short-term operating lease liabilities
Accrued interest on 4.6% Senior Notes with related party	8,449	7,852	Other non-current liabilities
Long-term lease liability	—	—	Long-term lease liabilities

Note 13: Defined benefit pension plan

We operate a defined benefit pension plan under employment regulations in Korea. The plan services the employees located in Seoul and is a final waged-based pension plan, which provides a specified amount of pension benefit based on length of service. The total benefit obligation of $4.1 million and $4.0 million was included in other non-current liabilities as of June 30, 2023 and December 31, 2022, respectively, and the change in actuarial gains or losses, which is not significant, was included in other comprehensive income. The plan is funded.

Note 14: Subsequent Event

The previously announced acquisition of SuprNation AB (“SuprNation”), a European-based i-gaming company, is expected to close later this year, subject to satisfaction or waiver of certain customary closing conditions, including without limitation, certain regulatory approvals. Following the closing, SuprNation AB will be a direct, wholly-owned subsidiary of DDI-US.