

WEMADE MAX

1Q FY2021 Earnings Results

INVESTOR RELATIONS

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Disclaimer

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This document contains forward-looking statements regarding financial situation and performance, as well as information related to plans and goals of the executives of the Company and its subsidiaries. Forward-looking statements include predictive information of the Company, and it may be changed by unknown risks, uncertainties and other factors which may influence the actual results or performance of the Company.

This document is written based on the current financial status. Please note that the actual results and performance of the Company may be materially different than those expressed in this document. The Company has no liability to outwardly perform based on new information or incidents which may be occurred in the future.

- **WEMADE MAX (Consolidated)**

FLERO Games Co., Ltd., Joy Studio Co., Ltd., IDLE idea factory Co., Ltd. LikeIT Games Co., Ltd.

Table of Contents.

1Q FY2021 Earnings Results

1. Key Results and Plans
2. 1Q 2021 Summary of Consolidated Financial Results
3. Sales Breakdown
 - By Platform and License
 - By Regions
4. Operating Expenses
5. Summary of Consolidated Financial Statements

1. Key Results and Plans

1Q 2021 Results

- Released <Rise of Stars>, a new Sci-Fi mobile RPG game, as a soft launch
- Officially launched <WIND Runner : Puzzle Match>, a new mobile game in 172 countries including the U.S. and Japan (2/9)
- U1game, a Chinese publisher, introduced <Silkroad M>, a 'Silkroad' IP-based license game in Korea (4/8)
- Split off mobile game business to enhance business efficiency (4/9)
- Established 'LightCON', a new consolidated subsidiary company (4/2)
- LINE GAMES launched a new 'Icarus' IP-based license game, <ICARUS Eternal> in Korea (3/18)

2Q 2021 Update and Plans

- Preparing for the roll-out of <Rise of Stars> into global markets
- LightCON, a subsidiary company, is developing three new titles in mobile games
- FLERO Games, a subsidiary company, will launch <EVERYTOWN Global>, <My Secret Bistro 2> and <Dear My Cat 2> in the 2H 2021

2. 1Q 2021 Summary of Consolidated Financial Results

- Revenue (+3% QoQ, +5% YoY) : Rose 3% QoQ, 5% YoY driven by <SilkRoad>'s overseas sales and mobile platform sales increase
- Operating Income (Turn to profit QoQ, YoY) : Turned to profit thanks to sales increase and reduced expenses
- Net Income (Turn to profit QoQ, YoY) : Swung to profit affected by foreign currency translation gain
- Posted consolidated profit for the first time in eight years since 2013

[Unit: Million KRW]

	1Q'21	4Q'20	QoQ	1Q'20	YoY
Revenue	10,156	9,858	+3%	9,707	+5%
Operating Expenses	9,720	11,940	-19%	10,070	-3%
Operating Income	436	-2,082	Turn to profit	-363	Turn to profit
Non-Operating Income(loss)	45	-2,619	-	3	-
Financial Income(loss)	34	-572	-	192	-
Equity Method	-59	-670	-	4	-
Income before tax	456	-5,943	Turn to profit	-163	Turn to profit
Income tax	-7	-239	-	14	-
Net Income	462	-5,704	Turn to profit	-177	Turn to profit

※ Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding

By Platform

- Mobile (+5% QoQ, +2% YoY) : Rose 5% QoQ and 202% YoY underpinned by sales increase in existing and new games
- PC Online (+14% QoQ, +30% YoY) : Jumped 14% QoQ and 30% YoY thanks to overseas revenue growth of <Silkroad>
- Others (-6% QoQ, +5% YoY) : Fell 6% QoQ due to decrease in license and advertisement sales

[Unit: Million KRW]

	1Q'21	4Q'20	QoQ	1Q'20	YoY
Mobile	6,982	6,632	+5%	6,890	+1%
PC Online	859	751	+14%	659	+30%
Others	2,315	2,475	-6%	2,159	+7%
Total	10,156	9,858	+3%	9,707	+5%

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3. Sales Breakdown

7

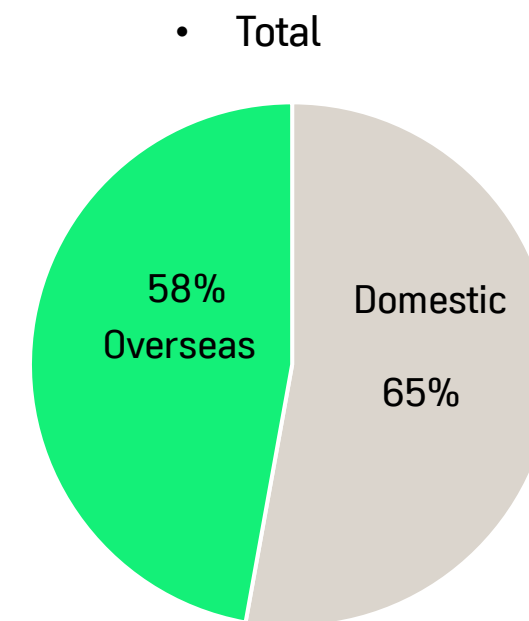
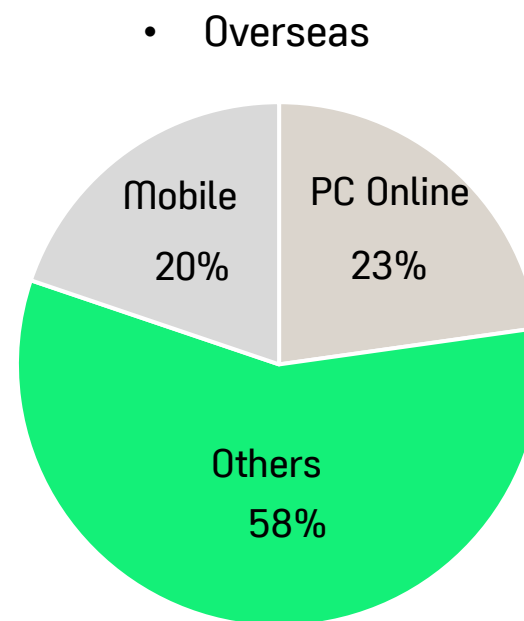
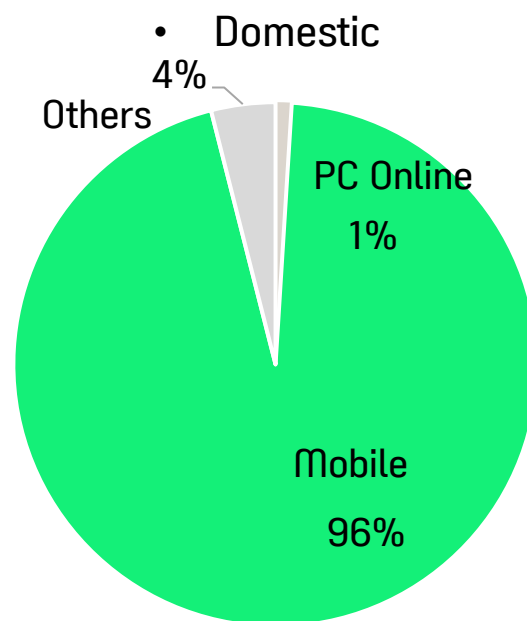
By Region

- Domestic (+6% QoQ, +5% YoY) : Grew 6% QoQ, 5% YoY benefited from sales increase in existing and new games
- Overseas (-0% QoQ, +5% YoY) : Expanded 5% YoY reflecting advertising sales, royalties and overseas revenue from <SilkRoad>

[Unit: Million KRW]

	1Q'21	4Q'20	QoQ	1Q'20	YoY
Domestic	6,561	6,164	+6%	6,277	+5%
Overseas	3,595	3,694	-0%	3,430	+5%
Total	10,156	9,858	-0%	9,707	+5%

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4. Operating Expenses

- Operating Expenses (-19% QoQ, -3% YoY) : Down 19% QoQ and 3% YoY with significantly reduced marketing costs (-82% QoQ)
- 1Q'21 Operating Expenses

[Unit: Million KRW]

	1Q'21	4Q'20	QoQ	1Q'20	YoY
Labor*	4,381	4,220	4%	4,074	8%
Service Fee	3,894	3,752	4%	3,891	0%
Marketing	502	2,758	-82%	1,187	-58%
Taxes	42	158	-73%	147	-71%
Others	900	1,053	-14%	771	17%
Total	9,720	11,940	-19%	9,965	-3%

- Includes wage, retirement benefits, employee benefits, stock compensation cost.

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5. Summary Consolidated Financial Statements

• Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2019	2020	1Q'21
Total Assets	272	421	471
Current Assets	155	279	306
Non-current Assets	117	142	165
Total Liabilities	226	138	180
Current Liabilities	224	77	57
Non-current Liabilities	2	61	123
Total Equity	45	283	291
Capital Stock	43	79	79
Retained Earnings	-310	-392	-392
Total Liabilities & Equity	272	421	471

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2019	2020	1Q'21
Revenue	305	379	102
Operating Expenses	414	431	97
Operating Profit	-110	-52	4
Non-operating Income(loss)	-52	-49	1
Income before tax	-162	-101	5
Income tax	-160	1	-0
Net Income	-139	-100	5
Controlling Interest	-139	-104	-1
Non-controlling Interest	-21	4	6

※ Above consolidated Income Statement figures are YTD figures

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