

WEMADE



WEMIX

1Q FY2023

Earnings Release

WEMADE

INVESTOR RELATIONS

May 10, 2023

Disclaimer

The financial information of this Presentation is the sales performance of Wemade Co., Ltd. (the "Company"), prepared in accordance with the standards of the K-IFRS. The result of 1Q FY2023 is provided as a reference for the convenience of the investors, and without the completion of the external auditor's review, it is subject to any changes resulting from the accounting audit process and the instructions of the Financial Services Commission.

This document contains forward-looking statements regarding the financial situation, operation, sales performance, senior management's plan, and goals for the Company and its subsidiaries subject to consolidation. Such forward-looking statements include "predictive information" about the future. It is subject to change pending any unknown risks, uncertainties, or other factors which may impact the actual performance results of the Company.

This document has been prepared based on the current information available. Please be advised that the Company is not liable to update on any new piece of information or any future event which may cause any change of any nature in any public manner, and that there may also be significant differences from the Company's actual performance results in the future.

● Wemade (Consolidated)

Wemade Max Co., Ltd., Wemade XR Co., Ltd., Wemade Next Co., Ltd., Wemade M Co., Ltd., Wemade Plus Co., Ltd., ChuanQi IP Co., Ltd., Wemade Play Co., Ltd. (formerly Sunday Toz Co., Ltd.), LightCONN Co., Ltd., Joystudio Co., Ltd., Wemade Connect Co., Ltd., Nexelon inc., LIKEIT Games Co., Ltd., Nitro X Co., Ltd., CaiShenChuanQi Co., Ltd., Wemix Korea Co., Ltd., Wemix Pte. Ltd., PGS-CNCI Korea New Technology Business Investment Fund No. 1, Wemix Bahamas, LLC., Wemix US, LLC, WeRise Limited, LIGHTSCALE HOLDINGS PTE. LTD., Shanghai WeRise Limited, LIGHTSCALE LABS PTE. LTD., WEMIX MENA LTD., BYLO Malta Ltd., (주)도티소프트*, Lightscale Inc., This Means War Co., Ltd., Play Links Co., Ltd., Play Toz Corp., PlayMatchical Corp., 코람코일반사모부동산투자신탁제142호*, 유나이티드파트너스국내리츠일반사모부동산투자신탁 제1호*, K-1 19th Real Estate Investment Trust Company, Wemade Science Technology(Yinchuan) Co., Ltd., Wemade Online CO., Ltd., Wemade Entertainment USA Inc., BYLO Curacao B.V., Beijing Wemade IP Service Co., LTD., Fujian Wemade Intellectual Property Service Co., Ltd., WEMADE HONG KONG LIMITED, Wemade Entertainment Digital Technology Shanghai Co., Ltd.

*Companies that only have official names in Korean.

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1. Key Results and Outlook

1Q'23 Results

WEMIX 3.0

- 1) New Partners in 40 WONDERS
- 2) Continued Listing of WEMIX
- 3) WEMIX Ecosystem Global Expansion

- Three new partners, including 'B-HARVEST', joined as WEMIX 3.0 Node Council Partners (40 WONDERS)
- WEMIX re-listed on 'Coinone', a crypto exchange in Korea (Feb 16) and newly listed on global crypto exchanges, 'BitMart' (Jan 17) and 'BIT.com' (Mar 28), 'Mercado Bitcoin', the largest Brazilian crypto exchange (Feb 14), and 'Bitbns', the largest Indian crypto exchange (Feb 20)
- Signed MOUs with seven companies including Savvy Games Group company 'Nine66' (Feb 21) for WEMIX Ecosystem Expansion

NILE & WEMIX PLAY

- 1) NILE-based Service Expansion
- 2) New games on WEMIX PLAY

- Launched 'NEITH Station' the World's first NFT-Fi service (Mar 16) and 'Tangled' a T2E (Talk to Earn) Life Dapp (Mar 31)
- Signed MOUs with three North American game developers (Mar 30) at 'GDC2023', aims to add three games on lineups
- Onboarded 4 games including <Mir M Global> (Jan 31), <Abyss Legend>, <SLOCO CASINO>, and <ANIPANG Match>

Finalized Singapore ICC Arbitration

- Received the award on the final amount of damages on the litigation alleging the termination and invalidation of <Legend of Mir 2> Software License Agreement against Actoz Soft and subsidiary of Shengqu Games Limited (formerly Shanda Games)

2Q'23 Updates and Outlook

<NIGHT CROWS> Successfully launched

- New MMORPG title <NIGHT CROWS (developer: MADENGINE)> ranked #1 Top Grossing in Korea on both Apple App Store and Google Play Store after its launch

Blockchain Business Global Expansion

- 1) New Projects in NILE
- 2) More Onboarding Lineups
- 3) Partnership for Middle East Business Expansion
- 4) New Partners in 40 WONDERS
- 5) Platinum Sponsor at NFTNYC2023

- Onboarded 'SNKR2' Korea's First M2E (Move to Earn) Project (Apr 14)
- Unveiled 'WEMIX CHAMPIONSHIP', WEMIX's first sports NFT project (Apr 18)
- Secured a 100-game lineup for onboarding through signed deals with various global game companies (Apr 28)
- Signed MOU with the Ministry of Investment in Saudi Arabia (MISA), for the development and growth of the gaming and blockchain sector in Saudi Arabia (Apr 25)
- New joiners of WEMIX 3.0 NCP (40 WONDERS): 'Mblock' a blockchain service provider, 'Kakao Games' a Korean game company, and 'WONDER DAO' the initial DAO of WEMIX3.0
- Attended 'NFTNYC2023' the world's largest NFT conference as a platinum sponsor (Apr 12)

2. 1Q'23 Summary of Consolidated Financial Results

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- Revenue (-18% QoQ, -28% YoY) : Down QoQ from softened revenue growth from existing games in service and base effect from the previous quarter's lump sum license revenue recognition
- Operating Income (Deficit continued QoQ, Turn to deficit YoY) : Posted operating loss despite QoQ drop in operating expenses
- Net Income (Deficit decrease QoQ, Turn to deficit YoY) : Deficit narrowed QoQ from reversal of impairment loss on intangible assets

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
Revenue	93,903	115,207	-18%	131,035	-28%
Operating Expenses	140,677	143,985	-2%	125,715	12%
Operating Income	-46,775	-28,778	Deficit continued	5,320	Turn to deficit
Non-Operating Income(loss)	27,499	-58,395	-	-454	-
Financial Income(loss)	-8,548	13,368	-	3,919	-
Equity Method	-2,060	6,344	-	-1,614	-
Income before tax	-29,883	-67,461	Deficit decrease	7,171	Turn to deficit
Income tax	-1,338	6,988	-	6,849	-
Net Income	-28,545	-74,449	Deficit decrease	322	Turn to deficit

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

3. Sales Breakdown

By Business Segment

- Game (+9% QoQ, -28% YoY) : Rose QoQ driven by new blockchain game <Mir M Global> despite sales stabilization of existing games
- License (-81% QoQ, -53% YoY) : Decreased QoQ due to base effect of license game Minimum Guarantee (MG) recognition in 4Q'22
- WEMIX Platform (-46% QoQ, +134% YoY) : Fell QoQ due to drop in Play Wallet transaction values

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
Game (Mobile / PC Online)	83,869	77,178	9%	115,802	-28%
License	6,088	31,403	-81%	12,943	-53%
WEMIX Platform	2,476	4,562	-46%	1,058	134%
Others	1,469	2,063	-29%	1,231	19%
Total	93,903	115,207	-18%	131,035	-28%

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

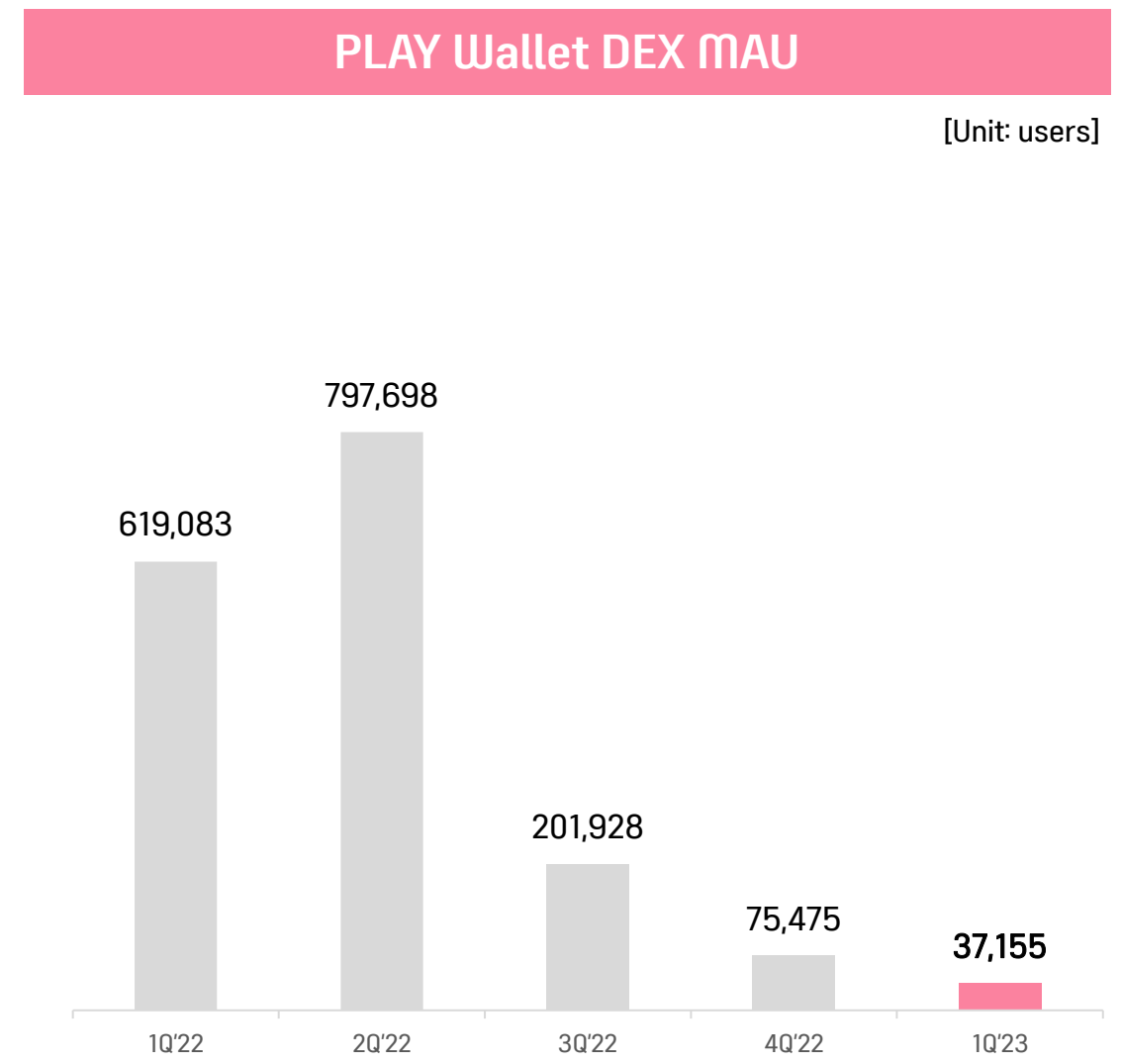
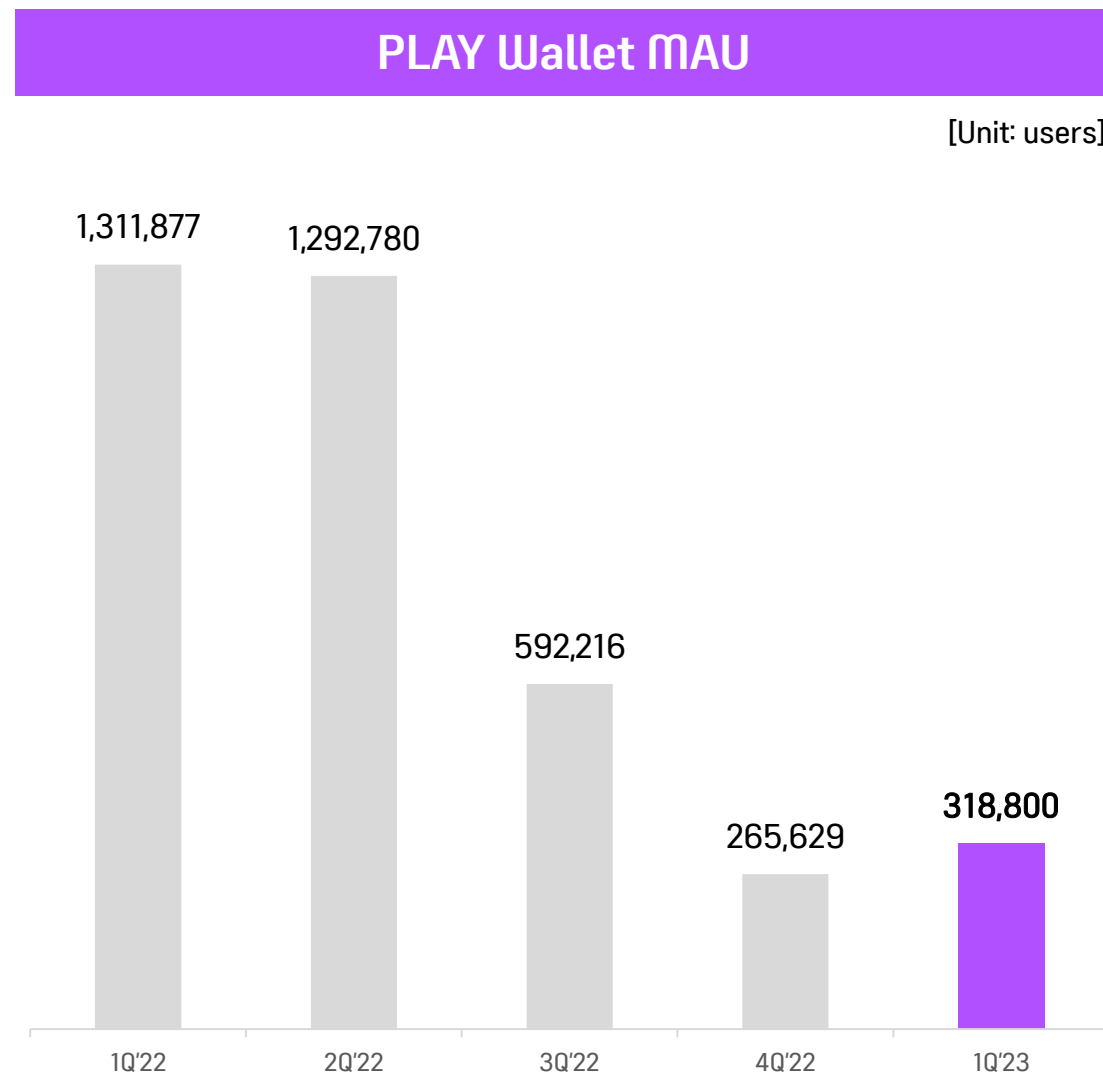
**WEMIX price for 1Q'23 WEMIX Platform sales is KRW 2,255. WEMIX Platform sales is recognized from unearned revenue.

3. Sales Breakdown

WEMIX Platform Key Performance Indicators (1)

- In 1Q'23, PLAY Wallet* MAU increased QoQ, recording 319K users.
- PLAY Wallet DEX MAU dropped QoQ, recording 37K users as affected by service restrictions during DEX upgrade maintenance in 1Q'23.

**Previously WEMIX Wallet*



*The MAU above is an average value for each quarter. PLAY Wallet MAU is based on the number of visits, while PLAY Wallet DEX MAU is based on transaction usage.

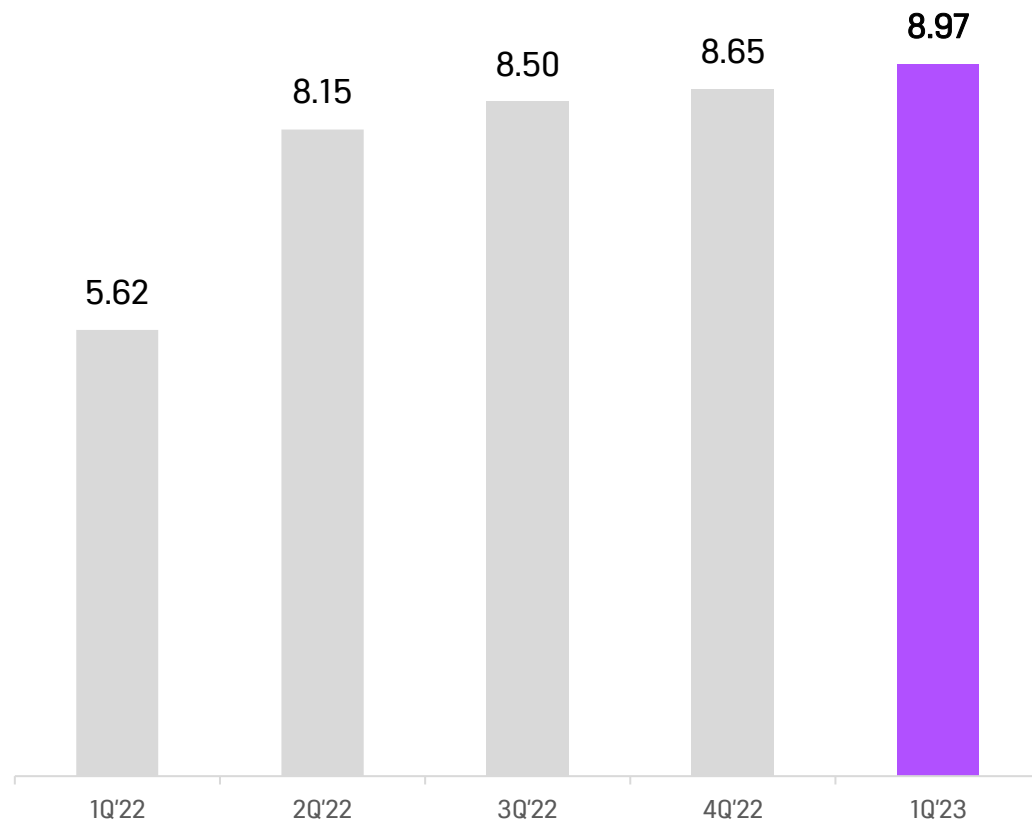
*The MAU above is calculated on Korea Standard Time(KST).

WEMIX Platform Key Performance Indicators (2)

- The cumulative number of PLAY Wallet accounts continued to increase and recorded 8.97 Million in 1Q'23, up by 60% YoY.
- With new titles, like <MIR M Global>, <Abyss Legend>, <SLOCO CASINO>, <ANIPANG Match>, <Infinity Party Battle>, <ANIPANG COINS> 26 games in total are in service.

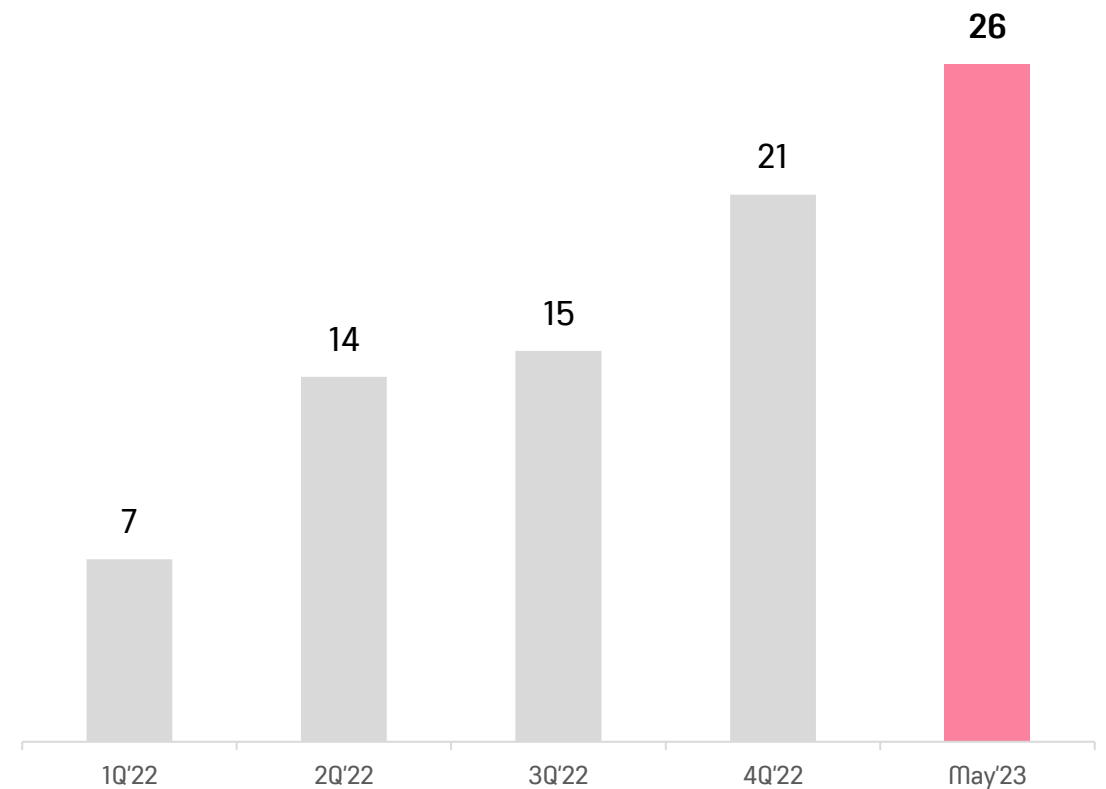
Cumulative Number of PLAY Wallet accounts

[Unit: Million users]



WEMIX PLAY Onboarding Games

[Unit: Number of Games]



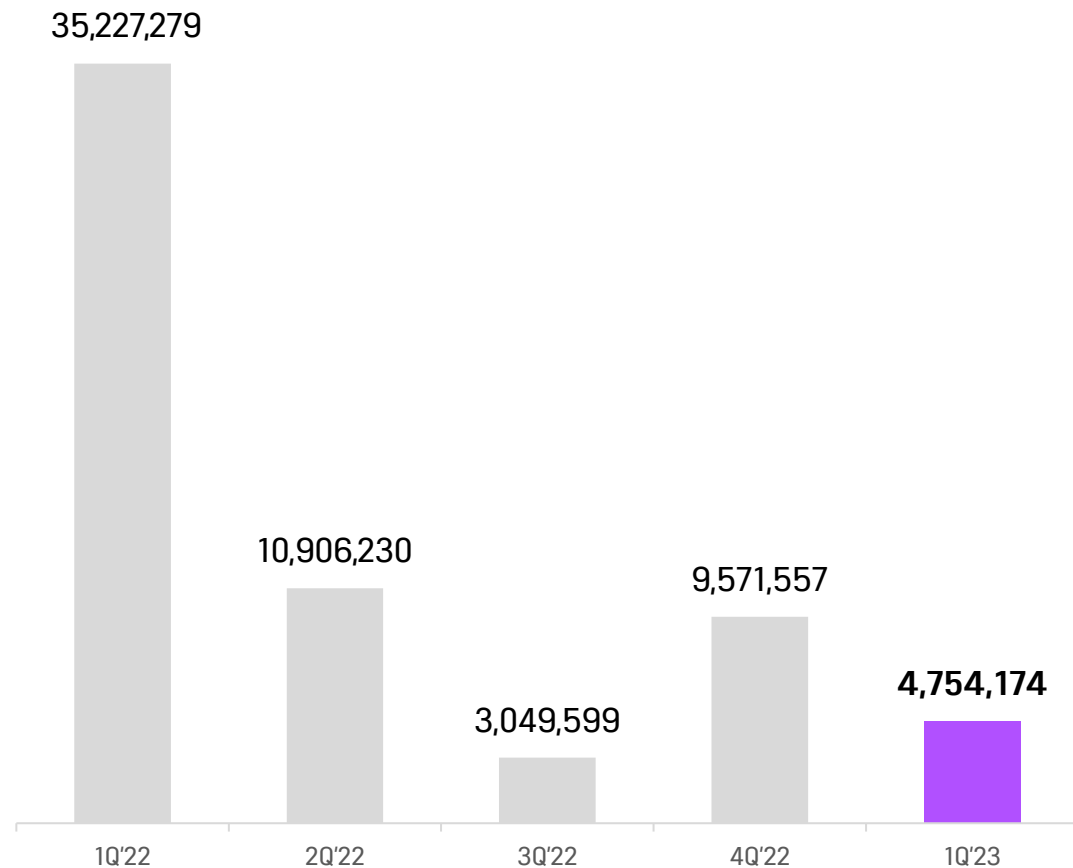
*The number of WEMIX PLAY onboarding games above is based on the games in service on the platform for each quarter.

WEMIX Platform Key Performance Indicators (3)

- PLAY Wallet DEX transaction value declined by 50% QoQ, recording 5 Million WEMIX in 1Q'23, as affected by DEX upgrade maintenance service schedule.
- The total value of PLAY Wallet NFT transaction was 8 Million WEMIX in 1Q'23 (-24% QoQ).

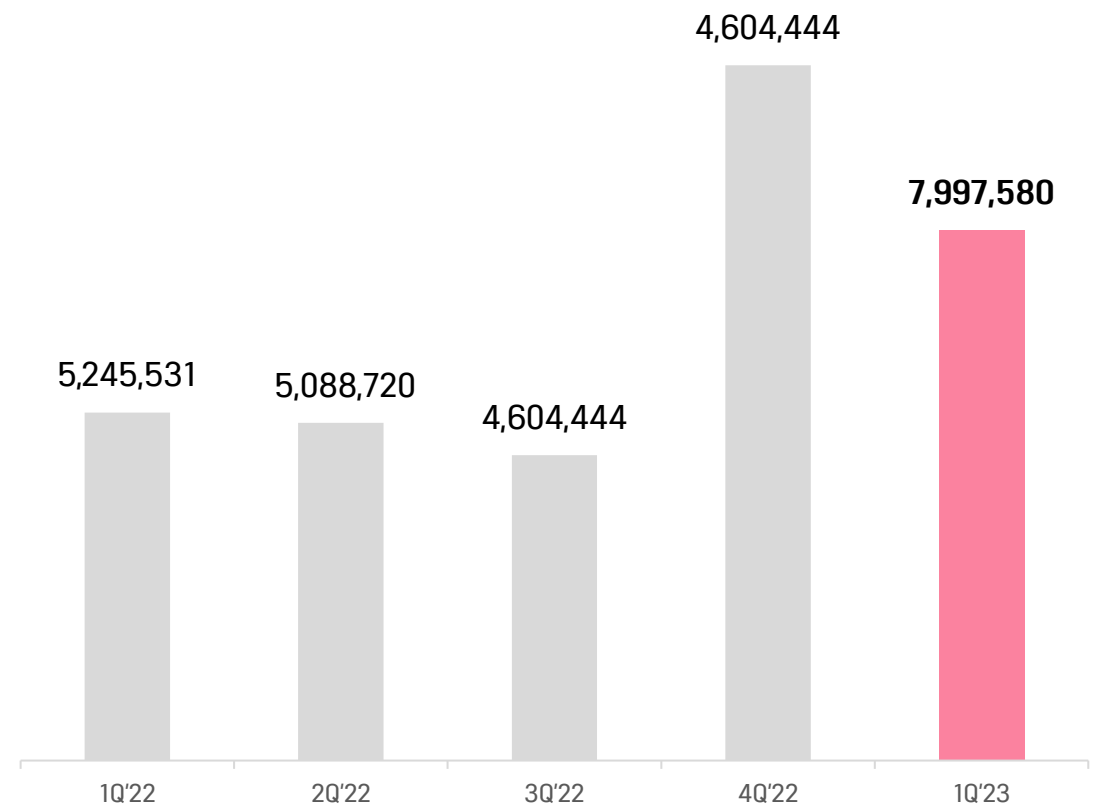
PLAY Wallet DEX Quarterly Transaction Value

[Unit: WEMIX]



PLAY Wallet NFT Quarterly Transaction Value

[Unit: WEMIX]



*The DEX Quarterly transaction value above includes every transaction generated in PLAY Wallet DEX.

*The DEX Quarterly transaction value and NFT Quarterly transaction value above are calculated on Coordinated Universal Time(UTC).

*Previous DEX Quarterly transaction values were recalculated and updated accordingly.

3. Sales Breakdown

By Region

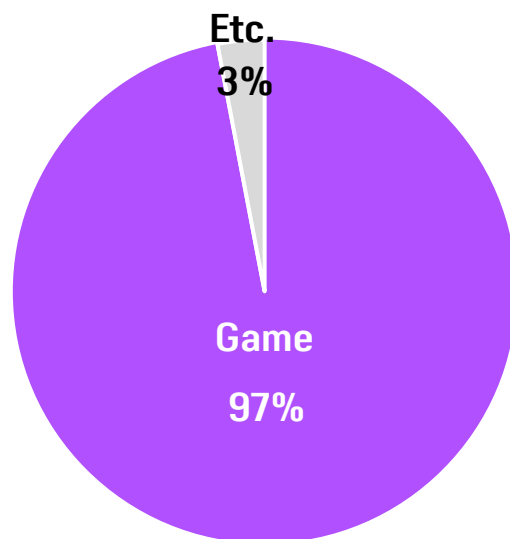
- Domestic (-11% QoQ, -19% YoY) : Down QoQ due to stabilized sales of existing games
- Overseas (-26% QoQ, -37% YoY) : Declined QoQ due to base effect from lump sum license contract MG recognized in the last quarter

[Unit: Million KRW]

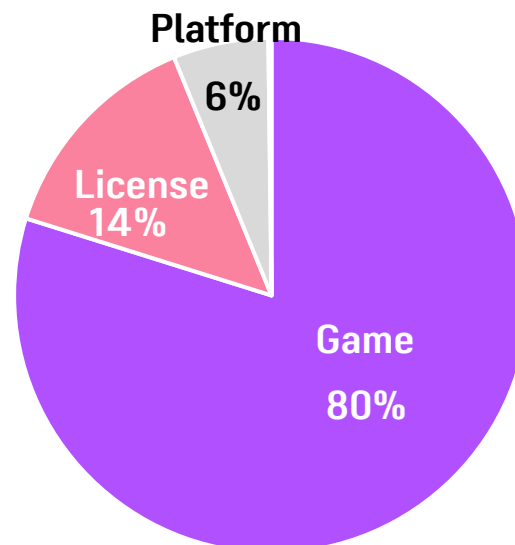
	1Q'23	4Q'22	QoQ	1Q'22	YoY
Domestic	50,373	56,681	-11%	61,920	-19%
Overseas	43,530	58,526	-26%	69,115	-37%
Total	93,903	115,207	-18%	131,035	-28%

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

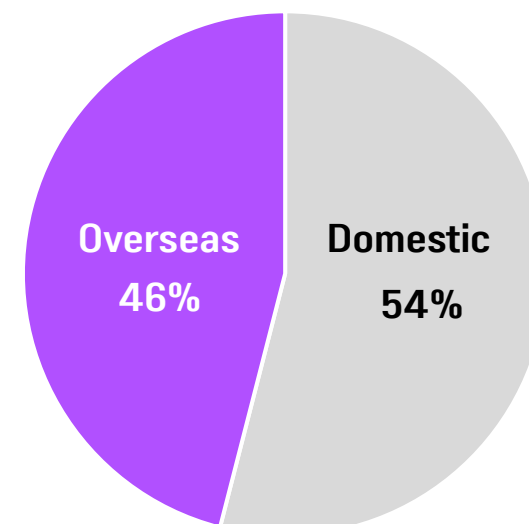
• Domestic



• Overseas



• Total



*Less than 1% is omitted from indications.

4. Operating Expenses

- Operating Expenses (-2% QoQ, +12% YoY) : Reduced QoQ despite increase in server costs with <Mir M Global> launch thanks to lower marketing costs

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
Labor*	55,269	54,289	2%	44,816	23%
Service Fee	48,325	51,469	-6%	47,228	2%
Communication*	11,825	8,017	48%	14,011	-16%
Marketing	11,852	19,227	-38%	13,453	-12%
Depreciation	6,762	5,557	22%	2,999	125%
Taxes	2,147	1,759	22%	1,074	100%
Others	4,496	3,666	23%	2,134	111%
Total	140,677	143,985	-2%	125,715	12%

*Includes wages, retirement benefits, employee benefits, and stock compensation costs. Communication expenses include server operating costs.

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

5. Summary of Consolidated Financial Statements

• Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2021	2022	1Q'23
Total Assets	10,273	14,298	13,975
Current Assets	3,992	4,054	3,490
Non-current Assets	6,281	10,245	10,485
Total Liabilities	3,836	8,955	9,178
Current Liabilities	3,550	7,227	7,514
Non-current Liabilities	286	1,728	1,664
Total Equity	6,437	5,343	4,797
Capital Stock	169	172	172
Retained Earnings	3,876	1,812	1,257
Total Liabilities & Equity	10,273	14,298	13,975

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2021	2022	1Q'23
Revenue	3,350	4,635	939
Operating Expenses	2,376	5,484	1,407
Operating Profit	974	-849	-468
Non-operating Income(loss)	2,968	-992	169
Income before tax	3,918	-1,817	-299
Income tax	837	41	-13
Net Income	3,081	-1,858	-285
Controlling Interest	3,067	-1,854	-304
Non-controlling Interest	14	-3	19

*The figures of the summary of consolidated income statement above are based on the accumulated amounts.

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