



4Q FY2023 & Annual Earnings Results

WEMADE

INVESTOR RELATIONS

2024. 2. 7

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 4Q 2023 and FY2023 is provided as a reference for the convenience of the investors, and without the completion of the external auditor's audit, 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.), LightCON 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 Fund 1, Wemix US, LLC, WeRise Limited, LIGHTSCALE HOLDINGS PTE. LTD., Shanghai WeRise Network Technology Co. Ltd., LIGHTSCALE LABS PTE. LTD., WEMIX MENA LTD., BYLO Malta Ltd., DOTI SOFT Co., Ltd., Lightscale Inc., This Means War Co., Ltd., Play Links Co., Ltd., Play Toz Corp., PlayMatchical Corp., 코람코일반사모부동산투자신탁제142호*, JB국내리츠일반사모부동산투자신탁제1호*, PlayKings Corp., 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

4Q'23 Results

Global Blockchain Project WEMIX

- Listed on KRW-based crypto exchange 'GOPAX' and relisted on KRW-based crypto exchange 'korbit', 'bithumb'
- Ranked 9th on CoinMarketCap's TVL (Total Value Locked) chain ranking (12/13), 1st crypto in gaming sector of Sygnum's Crypto Industry Sector Index (12/12)
- Successfully concluded the world's first Web3 golf tournament that incorporates blockchain, 'WEMIX CHAMPIONSHIP 2023'
- Onboarded 9 games including <Valkyrious> (10/25), <Summoners League> (11/23), and <Amazing Cultivation> (12/21) on WEMIX PLAY

New Games Launching

- Participated G-STAR 2023 as a main sponsor; upcoming new games <Legend of YMIR> and <FANTASTIC4 BASEBALL> demonstrated in public
- Preparing to release <Mir M> in Chinese market; Chinese license approved (12/22)

Continued expansion of global blockchain business

- First Korean game company to partner with 'Innovation Hub' of DIFC in Dubai and entered into a strategic alliance with a leading Singaporean investor 'Whampoa Digital'; will collaborate in establishing "WEMIX PLAY Center" and launching a US\$100M Web3 fund

1Q'24 Updates and Outlook

2024, The year of the biggest game releases

- Opened global pre-registration for blockchain game <Night Crows Global>; pre-registration commemorative NFT collection 'The Night is Coming' sold out
- Prepared for domestic and global launch of <Fantastic 4 Baseball> in Q1; signed licensing agreement with Professional Baseball League in Taiwan (CPBL) and selected as preferred bidder for Korean Baseball Organization (KBO) game license
- <Mir 4>, <Mir M> currently in discussion with a potential publishing partner in China / Plan to release <Legend of YMIR> in Q3
- Two consolidated companies (WemadeMax and WemadePlay) set to launch the most games ever in '24, with games from a wide range of genres

MEGA-ECOSYSTEM WEMIX

- Fan Token 2.0 Update released; Creator Membership NFTs introduced to expand Fan Token's utility
- KLEVA to be upgraded to 'KLEVA omni'; KLEVA token newly listed on 'GOPAX' exchange (1/18)
- New WEMIX 3.0 NCP '40WONDERS' including global game developer 'Ubisoft', global digital asset bank 'Sygnum', cybersecurity company 'Verichains'
- Announced 'Zero Minting' of WEMIX to achieve true deflationary economy (1/9)

2. 4Q'23 Summary of Consolidated Results

- Revenue (-50% QoQ, +3% YoY): Down QoQ on base effect from the previous quarter's lump sum license revenue recognition and sales decline of existing games in service
- Operating Income (Turn to deficit QoQ, deficit continued YoY): Fell QoQ due to drop in revenue
- Net Income (Turn to deficit QoQ, deficit continued YoY): Driven by loss on investment asset valuation and loss on valuation of derivative instruments related to Convertible Bonds(CB) with share price appreciation

[Unit: Million KRW]

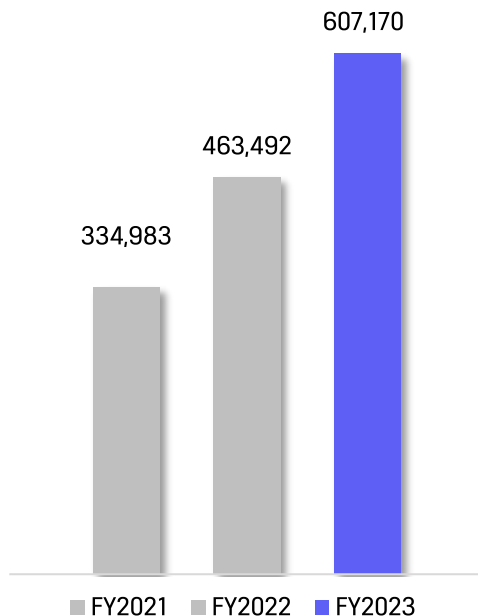
	4Q'23	3Q'23	QoQ	4Q'22	YoY
Revenue	118,445	235,544	-50%	115,207	3%
Operating Expenses	189,253	190,171	-0.5%	143,985	32%
Operating Income	-70,808	45,372	Turn to deficit	-28,778	Deficit continued
Other non-operating Income(loss)	-24,824	92	-	-58,382	-
Financial Income(loss)	-79,386	11,883	-	13,355	-
Equity Method	3,242	5,367	-	6,344	-
Income before tax	-171,777	62,715	Turn to deficit	-67,461	Deficit Continued
Income tax	17,778	24,798	-	6,988	-
Net Income	-189,555	37,917	Turn to deficit	-74,449	Deficit Continued

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

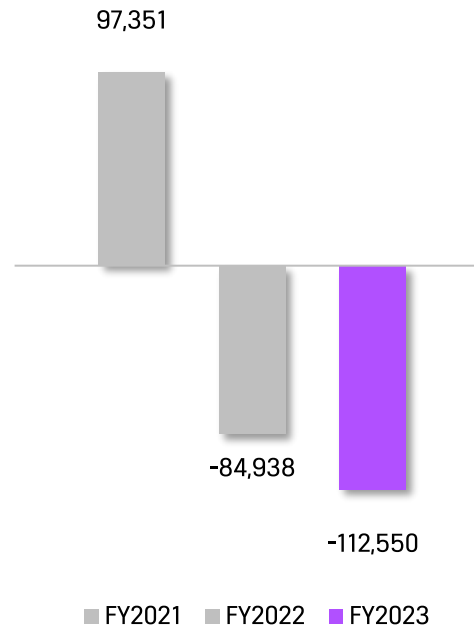
3. FY2023 Summary of Consolidated Results

- Recorded all-time high annual revenue in FY2023
- Revenue (+31% YoY): Driven by blockbuster MMORPG <Night Crows> and a new license agreement for <Mir> IP in China
- Operating Income (Deficit Continued YoY): Up in sales-related costs with revenue increase and labor costs for business expansion
- Net Income (Deficit Continued YoY): Despite an increase in reversal of impairment loss on intangible assets (digital asset price appreciation), deficit continued from recognizing a loss on investment asset valuation

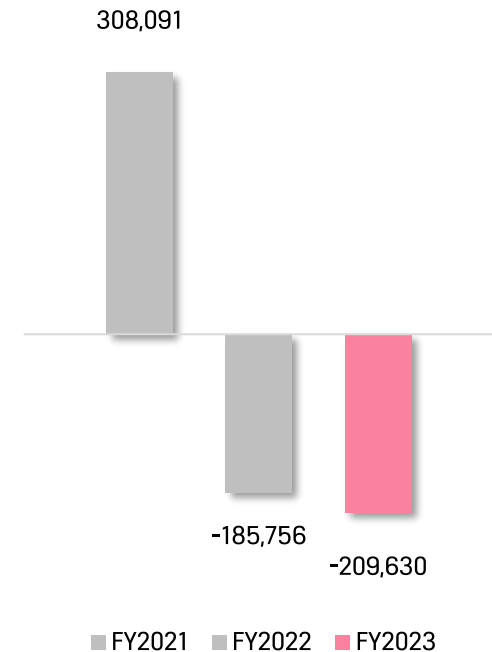
Annual Revenue
[Unit: Million KRW]



Annual Operating Income
[Unit: Million KRW]



Annual Net Income
[Unit: Million KRW]



4. Sales Breakdown

By Business Segment

- Game (-16% QoQ, +45% YoY): Decreased due to flattish revenue growth from existing games in service
- License (-100% QoQ, -99% YoY): High base effect from License Agreement Revenue (100 billion KRW) recognition in 3Q'23
- Blockchain Platform (+276% QoQ, +3% YoY): Spiked QoQ by higher transaction value of blockchain platforms

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY
Game	112,256	133,492	-16%	77,178	45%
License	355	99,375	-100%	31,403	-99%
Blockchain Platform	4,693	1,247	276%	4,562	3%
Others	1,141	1,429	-20%	2,063	-45%
Total	118,445	235,543	-50%	115,207	3%

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** Base price of WEMIX for blockchain platform sales recognition in 4Q'23 is KRW 2,267. Blockchain platform sales is recognized from unearned revenue.

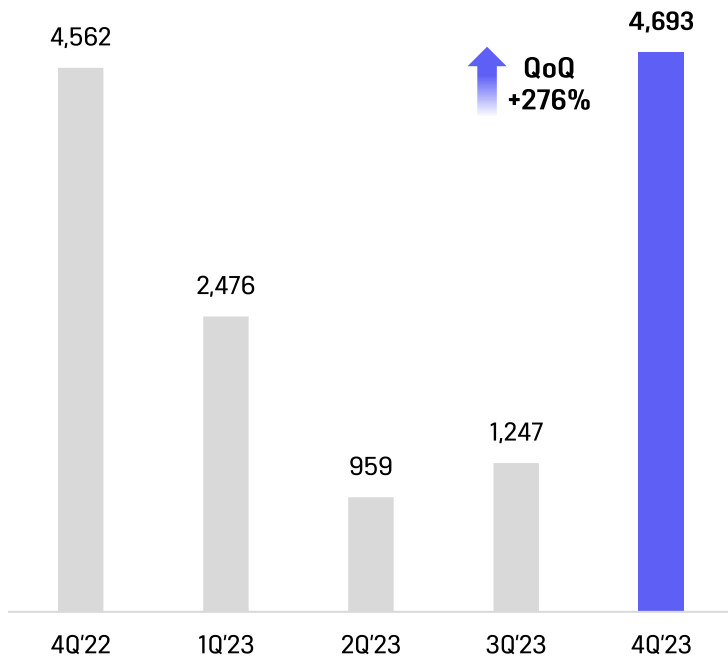
4. Sales Breakdown

Blockchain Platform Key Performance Indicators (1)

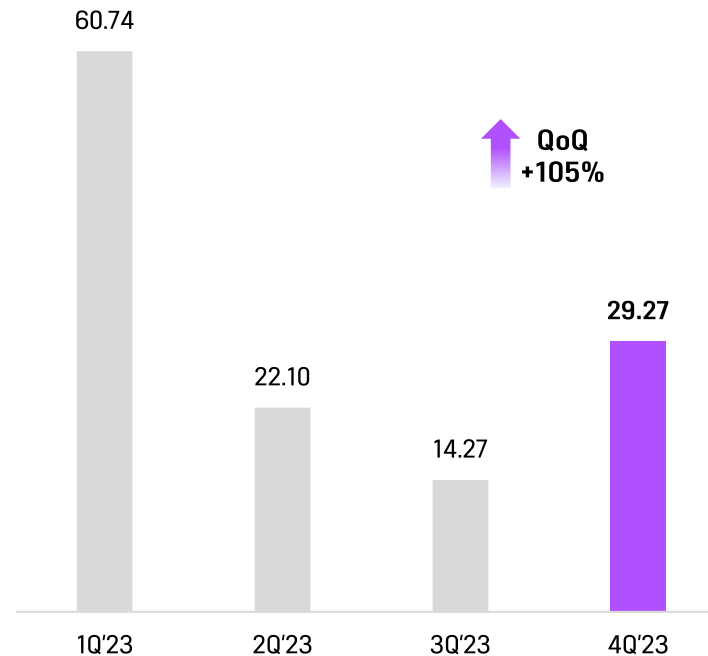
- In 4Q'23, blockchain platform revenue spiked +276% QoQ as a result of elevated transaction value
- In 4Q'23, WEMIX PLAY transaction value boosted +105% QoQ

Blockchain Platform Revenue¹⁾ Trend

[Unit: Million KRW]

**WEMIX PLAY Transaction Value^{2),3)}**

[Unit: Million WEMIX\$]



1) Blockchain platform revenue is on a consolidated financial statement basis.

2) WEMIX PLAY Transaction Value is a sum of DEX, NFT, and SWAP, effective from 1Q'23 transaction value.

3) Transaction Value is calculated in Coordinated Universal Time (UTC).

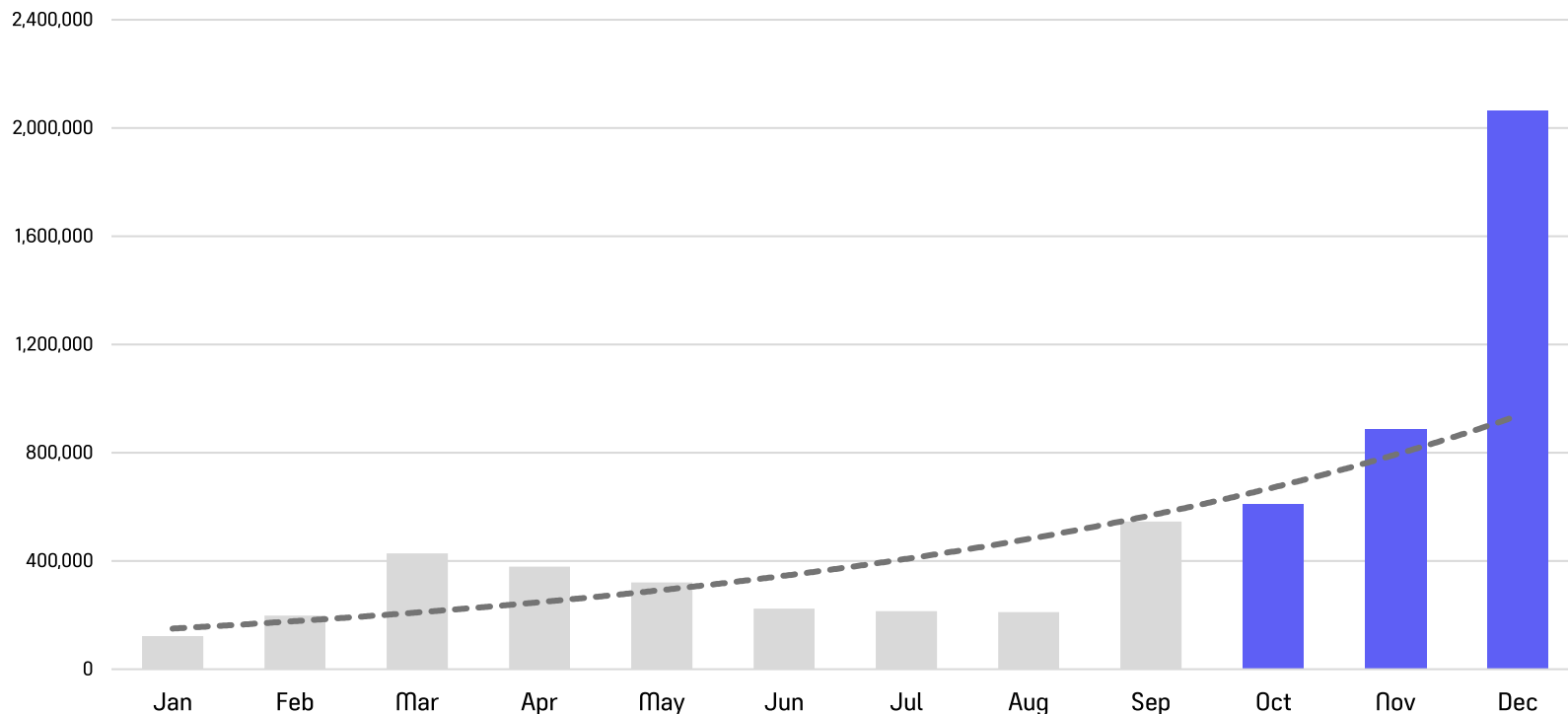
4. Sales Breakdown

Blockchain Platform Key Performance Indicators (2)

- Blockchain platform revenue trend has demonstrated a sequential growth since August 2023
- Blockchain platform revenue is projected to expand further in 2024 with WEMIX ecosystem's growth

Blockchain Platform Revenue Trend (FY 23)¹⁾

[Unit: USD]



1) The above figures are based on internal KPIs with evenly distributed one-off revenue recognition.

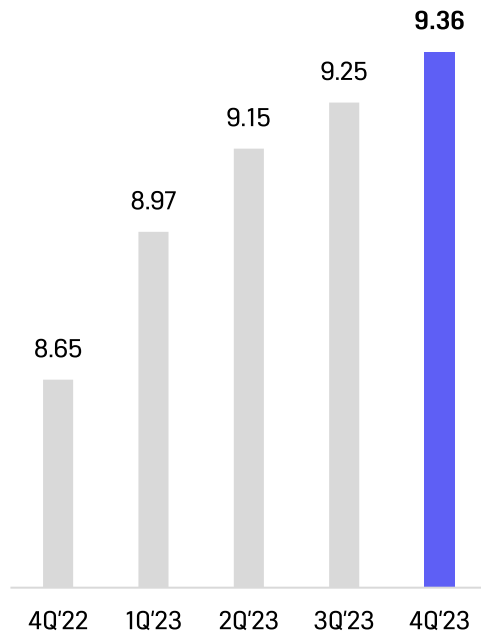
4. Sales Breakdown

Blockchain Platform Key Performance Indicators (3)

- The cumulative number of PLAY Wallet accounts recorded 9.36 million users in 4Q'23, continuing steady growth of 8% YoY
- As of Feb '24, 48 games have been onboarded on WEMIX PLAY including <Valkyrions>, <Amazing Cultivaiton>
- In 4Q'23, WEMIX/PLAY Wallet MAU increased +15% QoQ

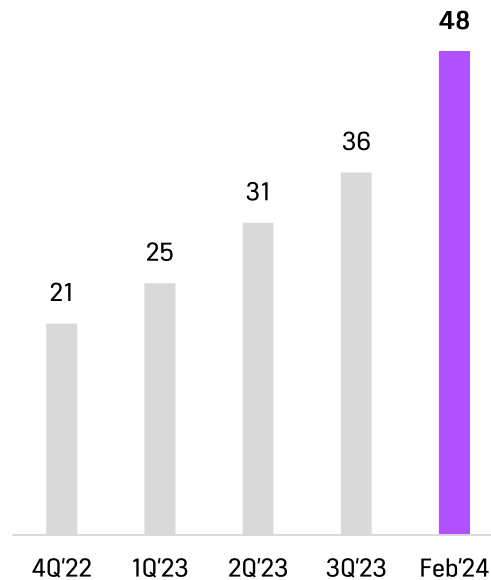
Cumulative Number of PLAY Wallet Accounts

[Unit: Million Users]



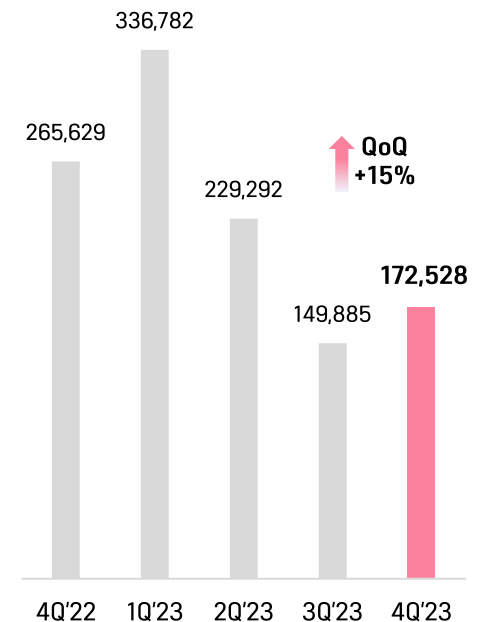
Cumulative Number of Onboarding Games¹⁾

[Unit: Number of Games]



WEMIX/PLAY Wallet MAU^{2),3),4)}

[Unit: users]



1) The above onboarding game count excludes 'pre-open' game.

2) The MAU above is an average value for each quarter. From 1Q'23, MAU value is a sum of WEMIX Wallet MAU and PLAY Wallet MAU.

3) WEMIX/PLAY Wallet MAUs are based on visits to the app by users who downloaded the app during the month.

4) The MAU above is calculated in Korea Standard Time(KST).

4. Sales Breakdown

By Region

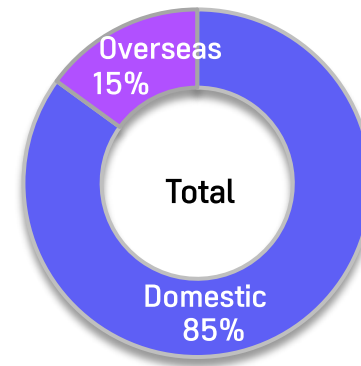
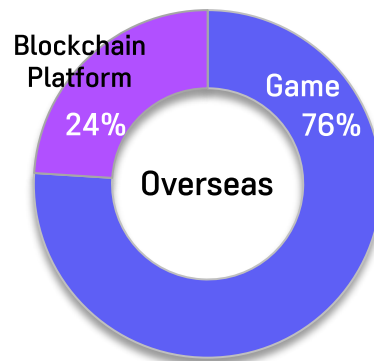
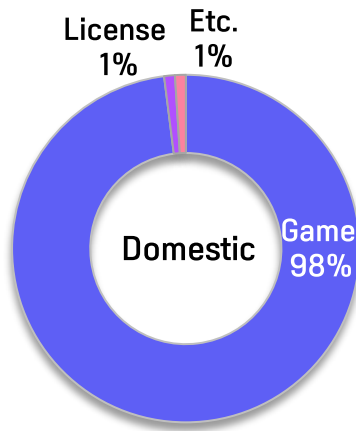
- Domestic (-16% QoQ, +77% YoY): Moderated due to decline in revenue from existing games, but increased YoY
- Overseas (-84% QoQ, -69% YoY): Declined due to high base effect from license agreement lump sum revenue in 3Q'23

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY
Domestic	100,125	118,747	-16%	56,681	77%
Overseas	18,320	116,797	-84%	58,526	-69%
Total	118,445	235,544	-50%	115,207	3%

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

4Q'23 Revenue share by region



*Less than 1% is omitted from indications.

5. Operating Expenses

- Operating expenses(-0.5% QoQ, +32% YoY): Decreased QoQ by lowered labor and communications expenses(including server operating costs) despite a rise in marketing expenses

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY
Labor*	59,184	64,987	-9%	54,235	9%
Service Fee	87,353	86,691	1%	51,521	70%
Communication*	8,867	12,796	-31%	8,017	11%
Marketing	28,850	14,892	94%	19,227	50%
Depreciation	-4,897	5,457	-190%	6,098	-180%
Taxes	2,159	1,239	74%	1,759	23%
Others	7,736	4,110	88%	3,128	147%
Total	189,253	190,171	-0.5%	143,985	32%

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

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6. Summary of Consolidated Financial Statements

• Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2021	2022	2023
Total Assets	10,273	14,298	14,475
Current Assets	3,992	4,054	4,309
Non-current Assets	6,281	10,245	10,166
Total Liabilities	3,836	8,955	10,355
Current Liabilities	3,550	7,227	9,070
Non-current Liabilities	286	1,728	1,285
Total Equity	6,437	5,343	4,120
Capital Stock	169	172	172
Retained Earnings	3,876	1,812	-501
Total Liabilities & Equity	10,273	14,298	14,475

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• Consolidated Income Statement

[Unit: 100 Million KRW]

	2021	2022	2023
Revenue	3,350	4,635	6,072
Operating Expenses	2,376	5,484	7,197
Operating Income	974	-849	-1,126
Non-operating Income(Loss)	2,945	-968	-502
Income before Tax	3,918	-1,817	-1,628
Income Tax	837	41	469
Net Income	3,081	-1,858	-2,096
Controlling Interest	3,067	-1,854	-2,059
Non-controlling Interest	14	-3	-37

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