



## 1Q 2021 Earnings Results

INVESTOR RELATIONS

2021. 5. 12.

# Disclaimer

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The financial information under this document is the sales performance of Wemade Co., Ltd. (the "Company") written in accordance with K-IFRS. The result of 1Q 2021 is provided as reference to investors, and some parts of this document are subject to change due to result of external audit.

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 (Consolidated)

Wemade Next Co., Ltd., Wemade Plus Co., Ltd., Wemade XR Co., Ltd., ChuanQi IP Co., Ltd., Wemade M Co., Ltd., Wemade Tree Co., Ltd., WEMADE MAX Co., Ltd., (JOYMAX Co., Ltd.) FLERO Games Co., Ltd., Joy Studio Co., Ltd., IDLE idea factory Co., Ltd., LightCON Co., Ltd, LikeIT Games Co., Ltd., Wemade Online Co., Ltd., Wemade Entertainment USA Inc., WEMADE HONG KONG LIMITED, Wemade Science Technology(Yinchuan) Co., Ltd., Wemade Entertainment Digital Technology(Shanghai) Co., Ltd., Beijing Wemade ChuanQi Technology Co., Ltd., Shangrao Wemade ChuanQi Technology Co., Ltd., Chongqing Wemade ChuanQi IP Service Co., Ltd., Wemade Tree Pte. Ltd., Jiangsu Wemade Network Technology Co., Ltd., Beijing Wemade IP Service Co., LTD.

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# 1. Key Results and Plans

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## 1Q 2021 Results

- Signed a new partnership agreement with Longhua group to legalize private servers and service <Legend of Mir 2> in China
- Released four new 'Mir' IP-based license games in China
- LINE GAMES launched a new 'Icarus' IP-based license game, <ICARUS Eternal> in Korea (3/18)
- Made strategic investment in 'MADENGINE', a newly established game studio founded by former hit MMORPG game 'V4' developers
- WEMADE MAX, a subsidiary company, changed the company name from 'JOYMAX' to 'WEMADE MAX'
- WEMIX Token, issued by Wemade Tree, got listed on Biki, a global cryptocurrency exchange (1/6)
- Wemade Tree has launched its new Mir IP-based blockchain game <Jaeshin ChaunQi> (2/4)

## 2Q 2021 Update and Plans

- Plan to launch <Mir 4> for WEMIX based on NFT technology into global markets including Taiwan and Japan and currently in discussion with potential publishing partners in China
- In the process of polishing <Mir M> to roll out in domestic market
- WEMADE MAX has split off its mobile game business to enhance its business efficiency (4/9)
- Wemade Tree aims to establish NFT market for Non-Fungible Token (NFT) trade service
- Wemade Tree made strategic investment in 'UTPlus Interactive', a metaverse platform development company and 'HYPERITHM', a financial service company specialized in cryptocurrency

## 2. 1Q 2021 Summary of Consolidated Financial Results

- Revenue (+63% QoQ, +147% YoY) : Achieved the highest quarterly sales ever thanks to solid success of <Mir 4>
- Operating Income (Turn to profit QoQ, +755% YoY) : Recorded the biggest quarterly profit ever with reduced marketing costs
- Net Income (Turn to profit QoQ, +204% YoY) : Turned to profit affected by foreign currency translation gain despite increased Income tax

[Unit: Million KRW]

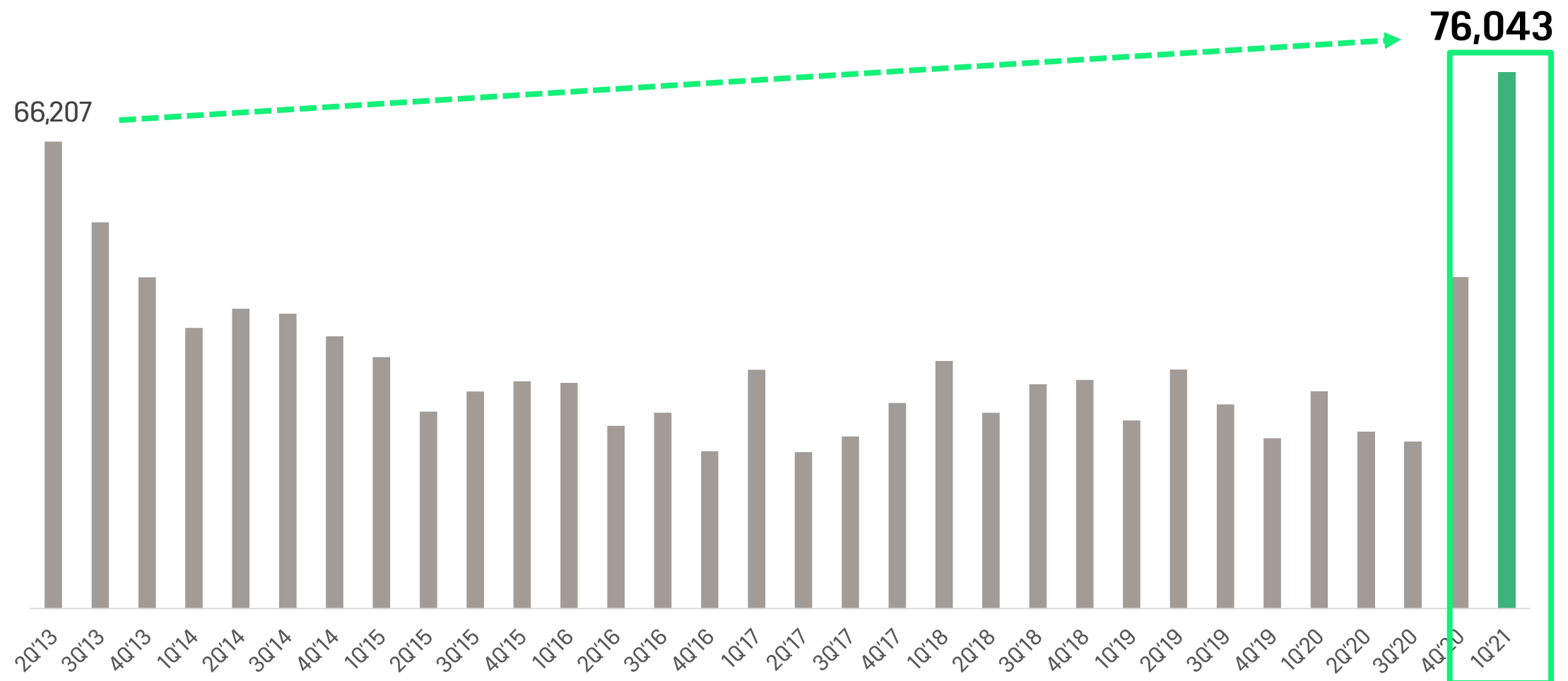
|                            | 1Q'21         | 4Q'20          | QoQ                   | 1Q'20         | YoY         |
|----------------------------|---------------|----------------|-----------------------|---------------|-------------|
| <b>Revenue</b>             | <b>76,043</b> | <b>46,615</b>  | <b>63%</b>            | <b>30,820</b> | <b>147%</b> |
| <b>Operating Expenses</b>  | <b>48,502</b> | <b>49,784</b>  | <b>-3%</b>            | <b>27,599</b> | <b>76%</b>  |
| <b>Operating Income</b>    | <b>27,541</b> | <b>-3,170</b>  | <b>Turn to profit</b> | <b>3,221</b>  | <b>755%</b> |
| Non-Operating Income(loss) | 4,096         | -883           | -                     | 3,987         | -           |
| Financial Income(loss)     | 2,842         | -6,481         | -                     | 4,328         | -           |
| Equity Method              | -280          | -10            | -                     | -             | -           |
| <b>Income before tax</b>   | <b>31,637</b> | <b>-10,543</b> | <b>Turn to profit</b> | <b>11,536</b> | <b>174%</b> |
| Income tax                 | 7,611         | -1,019         | 847%                  | 3,636         | 109%        |
| <b>Net Income</b>          | <b>24,025</b> | <b>-9,524</b>  | <b>Turn to profit</b> | <b>7,900</b>  | <b>204%</b> |

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

# 1Q 2021 Revenue

- Achieved the highest quarterly sales of 76 billion KRW and surpassed the previous highest quarterly sales (2Q'13, 66 billion KRW)  
: Mobile sales grew significantly QoQ, YoY contributed by <Mir4>

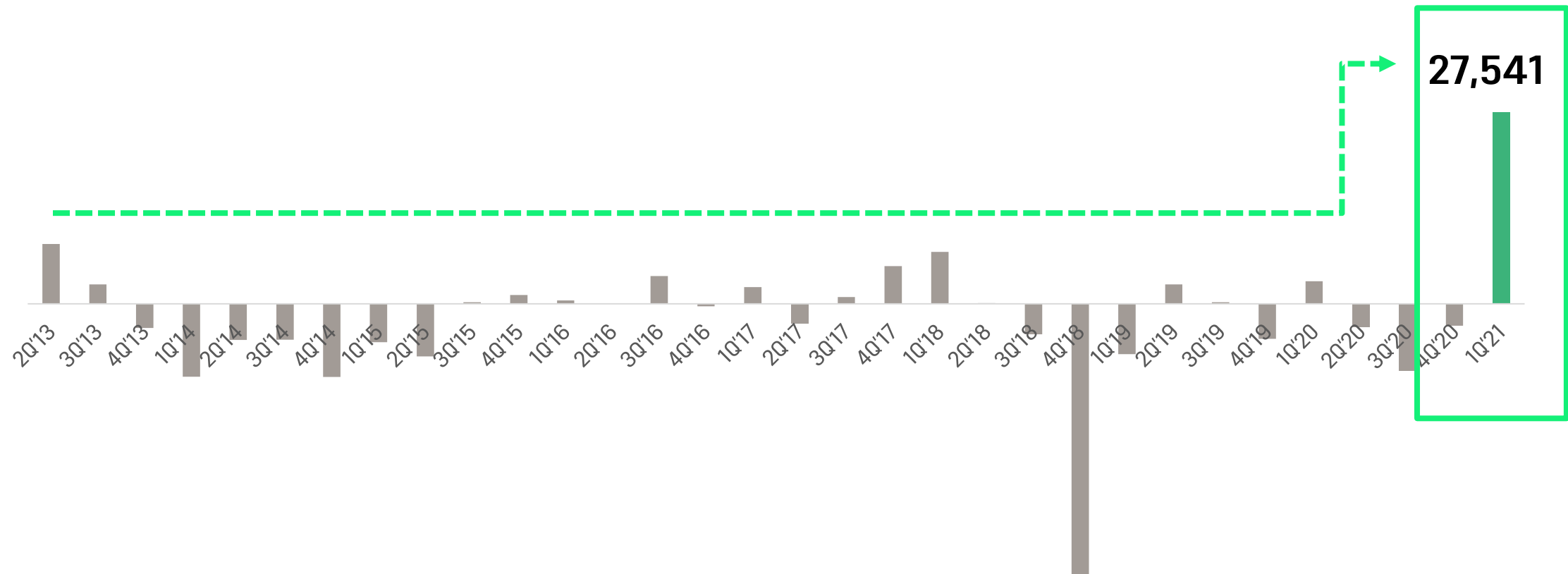
Wemade's Quarterly Revenue (Unit: Million KRW)



# 1Q 2021 Operating Income / Net Income

- Recorded the biggest quarterly operating profit ever of 28 billion KRW
- Realized the largest quarterly net profit ever of 24 billion KRW when excluding one-off financial income in Q4 2014

**Wemade's Quarterly Operating Income** (Unit: Million KRW)



# By Platform and License

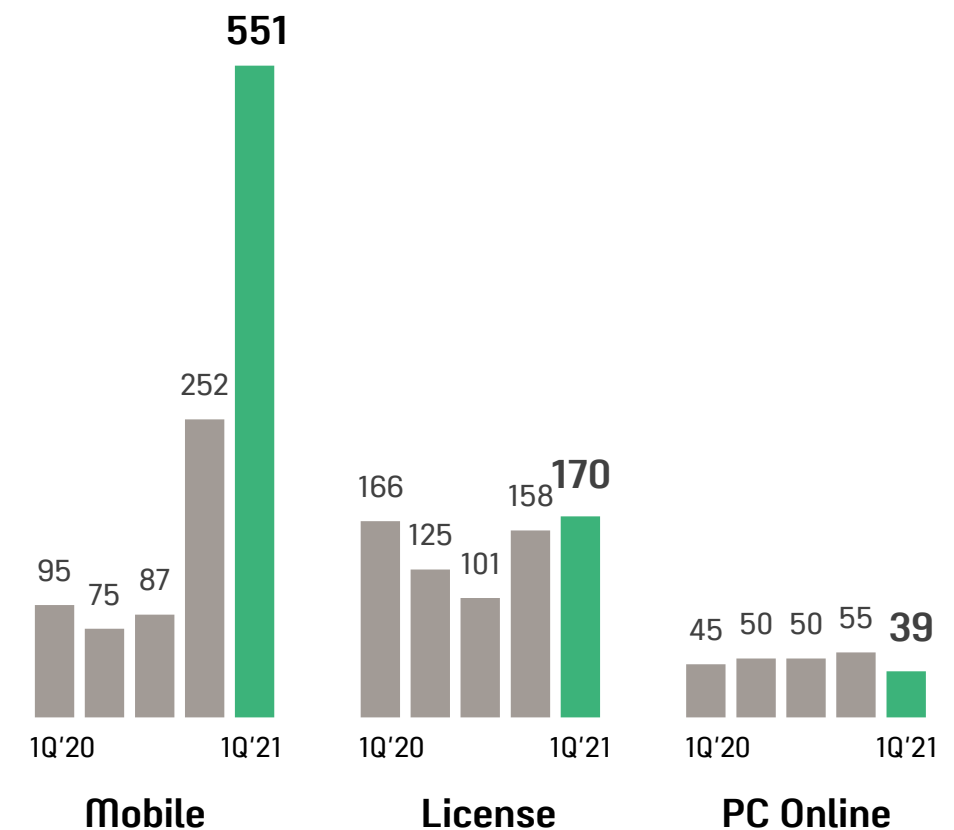
- Mobile (+118% QoQ, +478% YoY) : Spiked 118% QoQ and 478% YoY driven by <Mir4>'s performance fully reflected in 1Q'21
- License (+7% QoQ, +2% YoY) : Rose 7% QoQ led by the launch of 4 'Mir'IP-based license games in China and <ICARUS Eternal>, an 'Icarus' IP-based license game, in Korea
- PC Online (-28% QoQ, -13% YoY) : Fell -28% QoQ, -13% YoY due to high comparison base on new server opening promotion in 4Q'20

[Unit: Million KRW]

[Unit: 100 Million KRW]

|           | 1Q'21  | 4Q'20  | QoQ  | 1Q'20  | YoY  |
|-----------|--------|--------|------|--------|------|
| Mobile    | 55,088 | 25,233 | 118% | 9,524  | 478% |
| License   | 16,991 | 15,844 | 7%   | 16,640 | 2%   |
| PC Online | 3,939  | 5,497  | -28% | 4,537  | -13% |
| Others    | 26     | 40     | -35% | 120    | -78% |
| Total     | 76,043 | 46,615 | 63%  | 30,820 | 147% |

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



# By Region

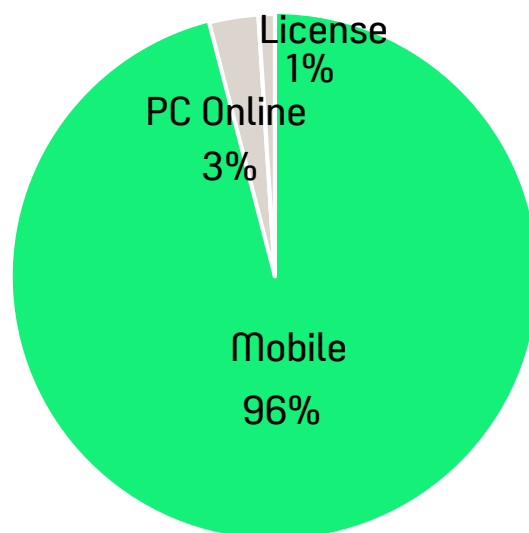
- Domestic (+113% QoQ, +453% YoY) : Skyrocketed 113% QoQ, 453% YoY underpinned by mobile sales increase
- Overseas (-5% QoQ, -9% YoY) : Decreased -5% QoQ, -9% YoY, reflecting a slight fall in mobile sales

[Unit: Million KRW]

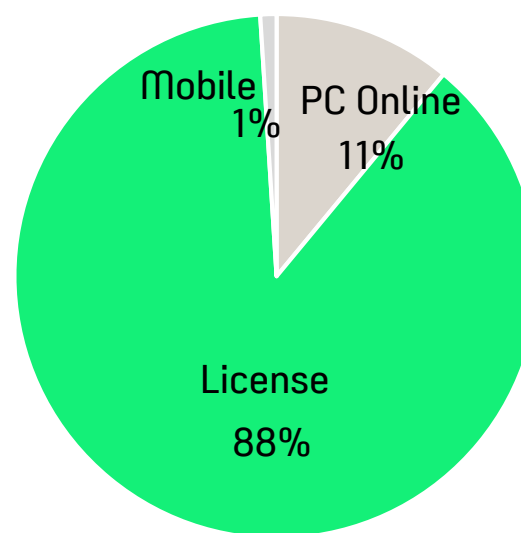
|          | 1Q'21  | 4Q'20  | QoQ   | 1Q'20  | YoY   |
|----------|--------|--------|-------|--------|-------|
| Domestic | 57,430 | 26,971 | +113% | 10,383 | +453% |
| Overseas | 18,613 | 19,643 | -5%   | 20,437 | -9%   |
| Total    | 76,043 | 46,615 | +63%  | 30,820 | +147% |

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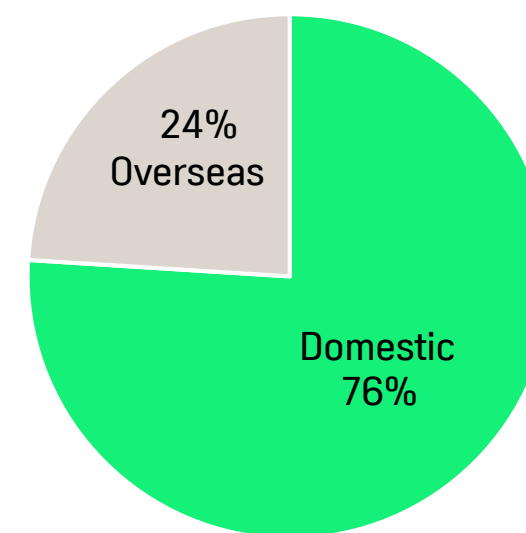
- Domestic



- Overseas



- Total



## 4. Operating Expenses

- Operating Expenses (-3% QoQ, +76% YoY) : Down 3% QoQ thanks to reduced marketing cost after new game promotion in 4Q'20

- 1Q'21 Operating Expenses

[Unit: Million KRW]

|              | 1Q'21  | 4Q'20  | QoQ  | 1Q'20  | YoY  |
|--------------|--------|--------|------|--------|------|
| Labor*       | 15,960 | 15,506 | 3%   | 13,704 | 16%  |
| Service Fee  | 21,524 | 14,057 | 53%  | 8,834  | 144% |
| Marketing    | 5,728  | 14,554 | -61% | 1,341  | 327% |
| Depreciation | 916    | 603    | 52%  | 818    | 12%  |
| Taxes        | 787    | 858    | -8%  | 1,481  | -47% |
| Others       | 3,587  | 4,206  | -15% | 1,420  | 152% |
| Total        | 48,502 | 49,784 | -3%  | 27,599 | 76%  |

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

※ 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]

|                                       | 2019         | 2020         | 1Q'21        |
|---------------------------------------|--------------|--------------|--------------|
| <b>Total Assets</b>                   | <b>2,963</b> | <b>3,234</b> | <b>3,996</b> |
| Current Assets                        | 1,266        | 1,456        | 1,947        |
| Non-current Assets                    | 1,696        | 1,778        | 2,050        |
| <b>Total Liabilities</b>              | <b>616</b>   | <b>674</b>   | <b>1,291</b> |
| Current Liabilities                   | 607          | 646          | 1,193        |
| Non-current Liabilities               | 9            | 27           | 98           |
| <b>Total Equity</b>                   | <b>2,347</b> | <b>2,560</b> | <b>2,706</b> |
| Capital Stock                         | 87           | 87           | 87           |
| Retained Earnings                     | 941          | 776          | 910          |
| <b>Total Liabilities &amp; Equity</b> | <b>2,963</b> | <b>3,234</b> | <b>3,996</b> |

### • Consolidated Income Statement

[Unit: 100 Million KRW]

|                            | 2019         | 2020         | 1Q'21      |
|----------------------------|--------------|--------------|------------|
| <b>Revenue</b>             | <b>1,136</b> | <b>1,262</b> | <b>760</b> |
| Operating Expenses         | 1,230        | 1,391        | 485        |
| <b>Operating Profit</b>    | <b>-93</b>   | <b>-128</b>  | <b>275</b> |
| Non-operating Income(loss) | -11          | -18          | 41         |
| Income before tax          | -105         | -146         | 316        |
| Income tax                 | 182          | 37           | 76         |
| <b>Net Income</b>          | <b>-287</b>  | <b>-184</b>  | <b>240</b> |
| Controlling Interest       | -100         | -73          | 232        |
| Non-controlling Interest   | -187         | -110         | 8          |

※ Above consolidated Income Statement figures are YTD figures

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