

WEMADE

2Q 2021 Earnings Results

INVESTOR RELATIONS

2021. 8. 11.

Disclaimer

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 2Q 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., CaiShenChuanQi Co., Ltd.

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1. Key Results and Plans

2Q 2021 Results

- <Mir 4>'s accumulated sales reached 100 billion KRW since its release on Nov 25, 2020, leading earnings in the first half of 2021 to exceed annual performance since 2015
 - Won copyright infringement and unfair competition lawsuits on <Legend of the Bluemoon> series against a Chinese game company KingNet at The Intermediate People's Court in Hangzhou city in China (6/4)
 - LIONHEART STUDIO*, one of Wemade's investment portfolio companies, released a new MMORPG game, <ODIN: Valhalla Rising> in Korea (6/29)
 - Wemade Tree officially launched a new blockchain game <CrypTornado for WEMIX> on global market including 174 countries (6/7)
 - Wemade tree launched 'WEMIX NFT Auction', an NFT based auction platform using WEMIX Token and KLAY (6/28)
- * 7.2% of equity held by Wemade

3Q 2021 Update and Plans

- Executed investments worth 80 billion KRW (Bond with Warrant: ₩50 billion, Convertible Bond: ₩30 billion) in Vidente, the largest single shareholder of Korea's major cryptocurrency exchange, Bithumb, to strengthen the strategic alliance (7/16, 7/27)
- Started <Mir 4>'s global pre-registration available in 170 countries and 12 languages with blockchain technology (7/29) and preparing global CBT (8/5~8)
- Currently on discussion with potential publishing partners to launch <Mir 4> in China
- Working on <Mir M> before its rollout in Korea within this year

2. 2Q 2021 Summary of Consolidated Financial Results

- Revenue (-9% QoQ, +175% YoY) : Decreased QoQ followed by stabilized revenue of <Mir 4> and existing games but jumped 175% YoY
- Operating Income (-2% QoQ, Turn to surplus YoY) : Down QoQ but turned to surplus YoY
- Net Income (-23% QoQ, Turn to surplus YoY) : Fell QoQ but turned to profit YoY

[Unit: Million KRW]

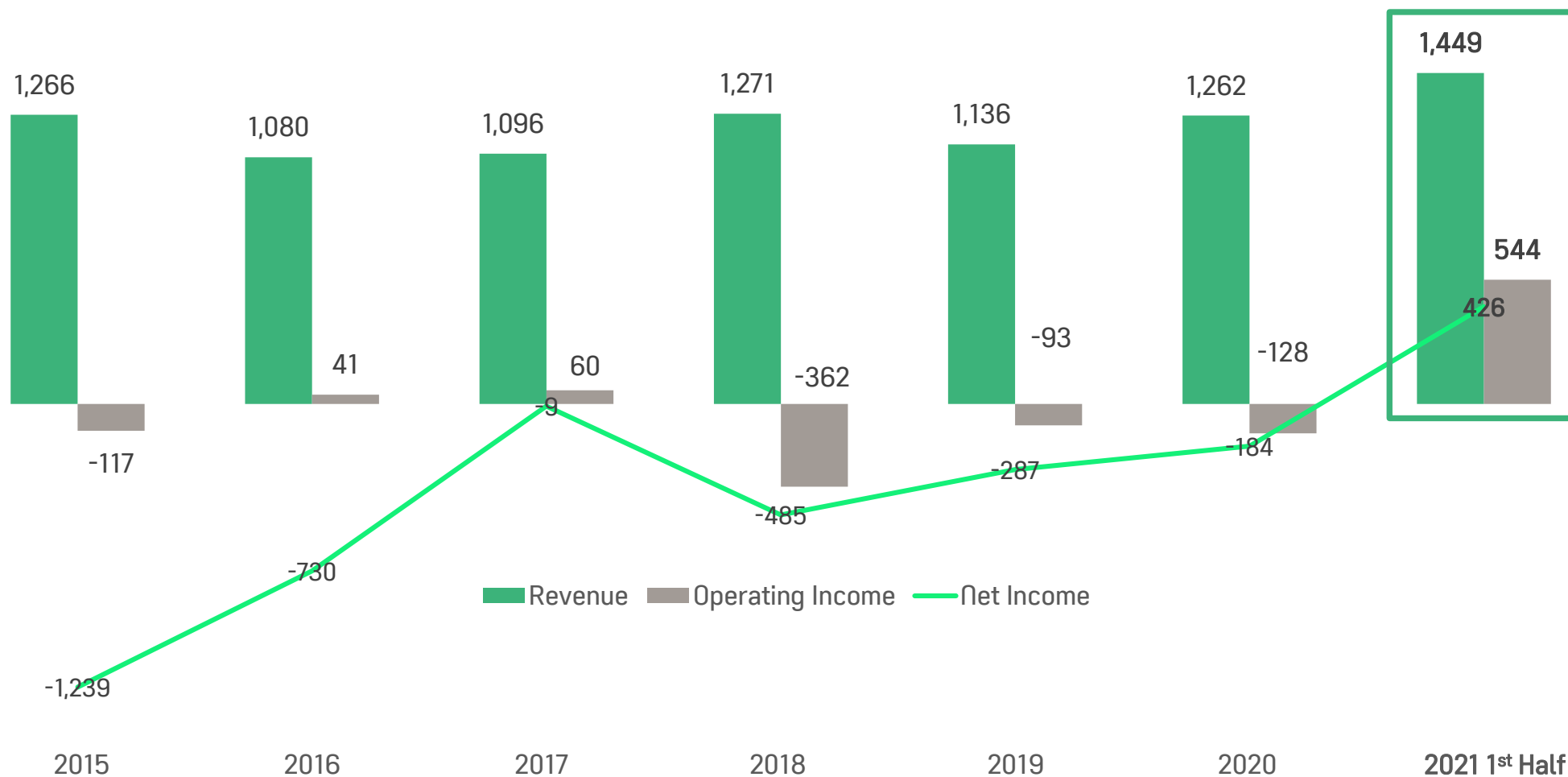
	2Q'21	1Q'21	QoQ	2Q'20	YoY
Revenue	68,895	76,043	-9%	25,078	+175%
Operating Expenses	42,003	48,502	-13%	28,373	+48%
Operating Income	26,892	27,541	-2%	-3,295	Turn to surplus
Non-Operating Income(loss)	-1,202	4,096	-	182	-
Financial Income(loss)	-682	2,842	-	-1,423	-
Equity Method	-417	-280	-	-	-
Income before tax	24,592	31,637	-22%	-4,536	Turn to surplus
Income tax	6,021	7,611	-21%	686	+804%
Net Income	18,571	24,025	-23%	-5,222	Turn to surplus

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

1H 2021 Summary of Consolidated Financial Results

- Revenue, Operating Income and Net Income in the first half of 2021 are all above the annual financial results since 2015, thanks to continued sales growth of <Mir 4>, a new mobile MMORPG game

2015 ~ 2020 Annual Earnings vs. 1H 2021 Earnings (Unit: 100 Million KRW)



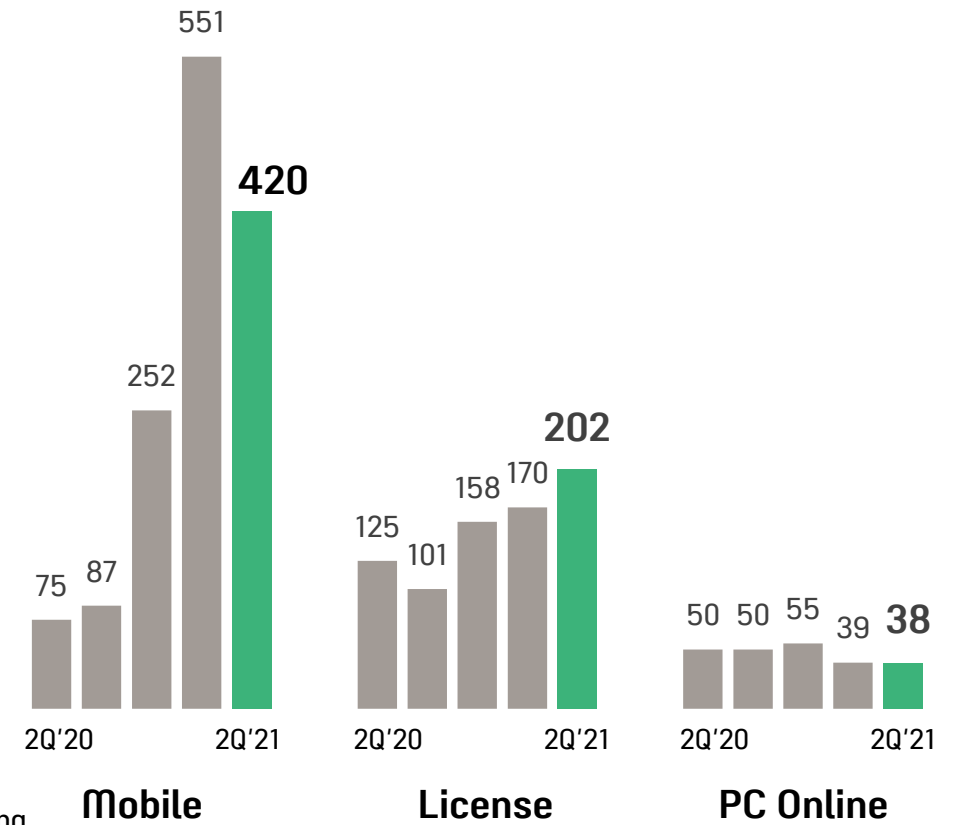
By Platform and License

- Mobile (-24% QoQ, +458% YoY) : Declined QoQ but leaped significantly YoY
- License (+19% QoQ, +61% YoY) : Grew 19% QoQ, 61% YoY thanks to existing license games' revenue increase
- PC Online (-3% QoQ, -24% YoY) : Down QoQ due to flattish revenue growth of existing games despite increased revenue from <Lost Saga> and <Icarus>

[Unit: Million KRW]

[Unit: 100 Million KRW]

	2Q'21	1Q'21	QoQ	2Q'20	YoY
Mobile	41,984	55,088	-24%	7,521	+458%
License	20,167	16,991	+19%	12,542	+61%
PC Online	3,808	3,939	-3%	5,015	-24%
Others	2,937	26	+11196%	0	-
Total	68,895	76,043	-9%	25,078	+175%



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By Region

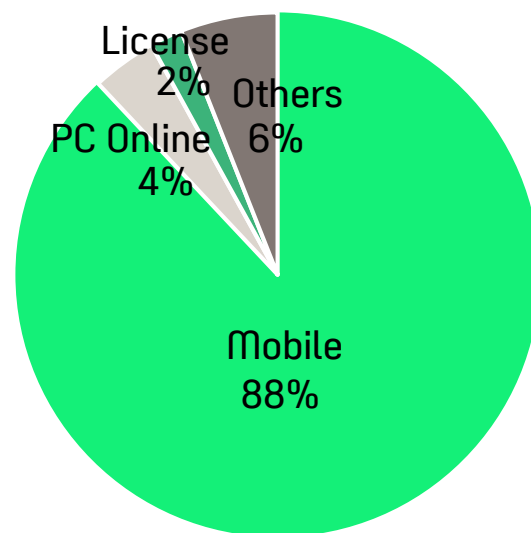
- Domestic (-17% QoQ, +458% YoY) : Declined QoQ with stabilized revenue of <Mir 4> and decrease in PC Online games revenue, but spiked 458% YoY
- Overseas (+15% QoQ, +30% YoY) : Increased 15% QoQ, 30% YoY led by Chinese license game sales growth

[Unit: Million KRW]

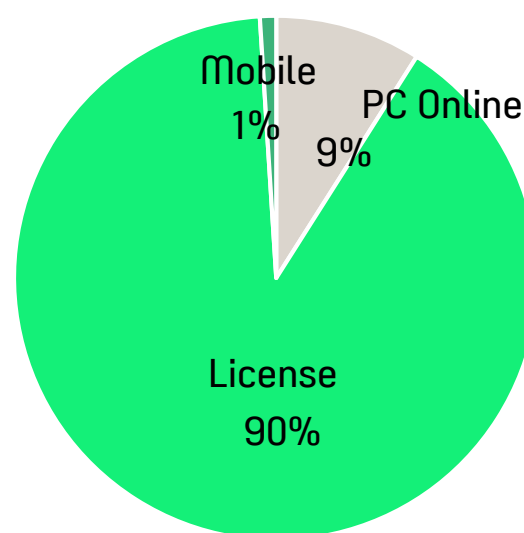
	2Q'21	1Q'21	QoQ	2Q'20	YoY
Domestic	47,399	57,430	-17%	8,494	+458%
Overseas	21,496	18,613	+15%	16,584	+30%
Total	68,895	76,043	-9%	25,078	+175%

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

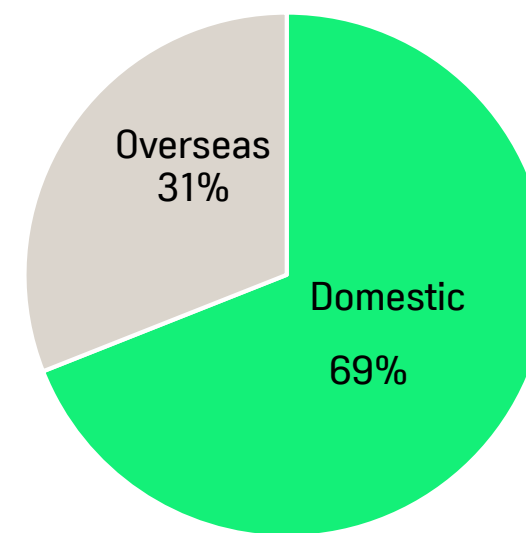
• Domestic



• Overseas



• Total



4. Operating Expenses

- Operating Expenses (-13% QoQ, +48% YoY) : Reduced -13% QoQ driven by fall in service fee and marketing cost

- 2Q'21 Operating Expenses:

[Unit: Million KRW]

	2Q'21	1Q'21	QoQ	2Q'20	YoY
Labor*	16,356	15,960	+2%	12,486	+31%
Service Fee	15,732	21,524	-27%	11,282	+39%
Marketing	5,020	5,728	-12%	1,561	+222%
Depreciation	861	916	-6%	853	+1%
Taxes	1,379	787	+75%	792	+74%
Others	2,656	3,587	-26%	1,400	+90%
Total	42,003	48,502	-13%	28,373	+48%

- 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	2Q'21
Total Assets	2,963	3,234	4,085
Current Assets	1,266	1,456	2,047
Non-current Assets	1,696	1,778	2,038
Total Liabilities	616	674	1,186
Current Liabilities	607	646	1,073
Non-current Liabilities	9	27	112
Total Equity	2,347	2,560	2,899
Capital Stock	87	87	87
Retained Earnings	941	776	1,648
Total Liabilities & Equity	2,963	3,234	4,085

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2019	2020	2Q'21
Revenue	1,136	1,262	1,449
Operating Expenses	1,230	1,391	905
Operating Profit	-93	-128	544
Non-operating Income(loss)	-11	-18	18
Income before tax	-105	-146	562
Income tax	182	37	136
Net Income	-287	-184	426
Controlling Interest	-100	-73	416
Non-controlling Interest	-187	-110	10

* Above consolidated Income Statement figures are YTD figures

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