

WEMADE

3Q 2021 Earnings Results

INVESTOR RELATIONS

2021. 11. 03.

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 3Q 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., Wemade Tree Pte. Ltd., Beijing Wemade IP Service Co., LTD., CaiShenChuanQi Co., Ltd.

Table of Contents.

3Q 2021 Earnings Results

1. Key Results and Plans
2. 3Q 2021 Summary of Consolidated Financial Results
 - Summary of Consolidated Financial Results
 - WEMIX Platform Key Performance Indicators
 - <MIR 4> Global Key Performance Indicators
3. Sales Breakdown
 - By Platform and License
 - By Regions
4. Operating Expenses
5. Summary of Consolidated Financial Statements

1. Key Results and Plans

3Q 2021 Results

- Officially released <Mir 4> global version to 170 countries in 12 languages with WEMIX-based blockchain technology (8/26)
 - Exceeded over 100 servers in just a month of roll-out (9/30) (186 servers as of 11/2) and reached one million concurrent users (10/27)
- Issued 100% bonus shares to improve shareholder return (8/30)
- WEMADE MAX , a subsidiary company, announced to become a global blockchain game developer (9/1)
- 'WEMIX' token got listed on global cryptocurrency exchanges: 'gate.io' (9/3), 'MEXC' (9/9), and 'Liquid Global' (9/20)

4Q 2021 Update and Plans

- Made decision to merge Wemade tree, a subsidiary company, to strengthen blockchain gaming services and expand WEMIX platform
- Released a teaser for upcoming new game, <MIR M>, and planning for official launch in Korea during 1Q 2022
- Started DRACO Staking Program (DSP) for <MIR 4> global (11/2)
- Scheduled to open NFT exchange, 'XDRACO', for trading in-game item NFTs (11/16) and character NFTs (12/14) from <MIR 4> global
- Plan to introduce new blockchain games on WEMIX platform including <Yulgang>, <AbyssRium>, <Dark Eden> and <Rise of Stars>
- Wemade Tree, a subsidiary company, signed MOU for the partnership in game and blockchain business with NHN (10/29)

2. 3Q 2021 Summary of Consolidated Financial Results

- Revenue (-8% QoQ, +167% YoY) : Reduced QoQ on stabilized revenue of <Mir 4> Korea and existing games but soared 167% YoY
- Operating Income (-35% QoQ, Turn to surplus YoY) : Fell QoQ but turned to profit YoY
- Net Income (-4% QoQ, Turn to surplus YoY) : Down QoQ but turned to surplus YoY

[Unit: Million KRW]

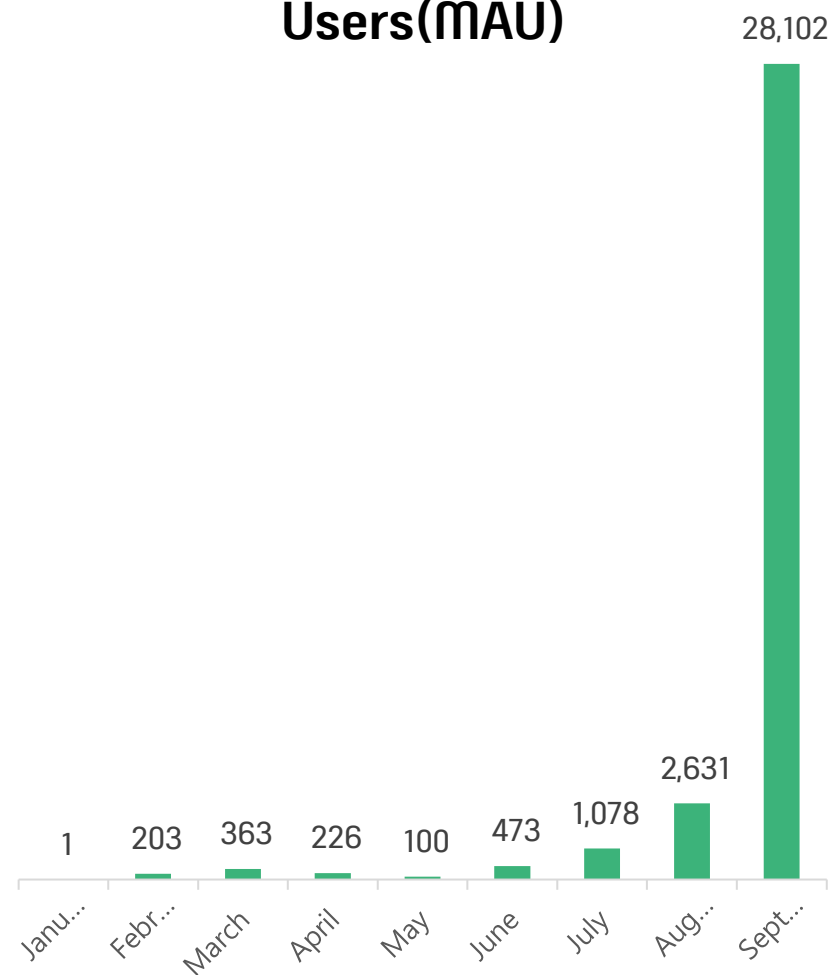
	3Q'21	2Q'21	QoQ	3Q'20	YoY
Revenue	63,345	68,895	-8%	23,729	+167%
Operating Expenses	45,928	42,003	+9%	33,324	+38%
Operating Income	17,416	26,892	-35%	-9,595	Turn to surplus
Non-Operating Income(loss)	3,718	-1,199	-	2	-
Financial Income(loss)	3,122	-684	-	-1,487	-
Equity Method	-516	-417	-	-	-
Income before tax	23,740	24,592	-3%	-11,079	Turn to surplus
Income tax	5,875	6,021	-2%	436	+1247%
Net Income	17,866	18,571	-4%	-11,516	Turn to surplus

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

WEMIX Platform Key Performance Indicators

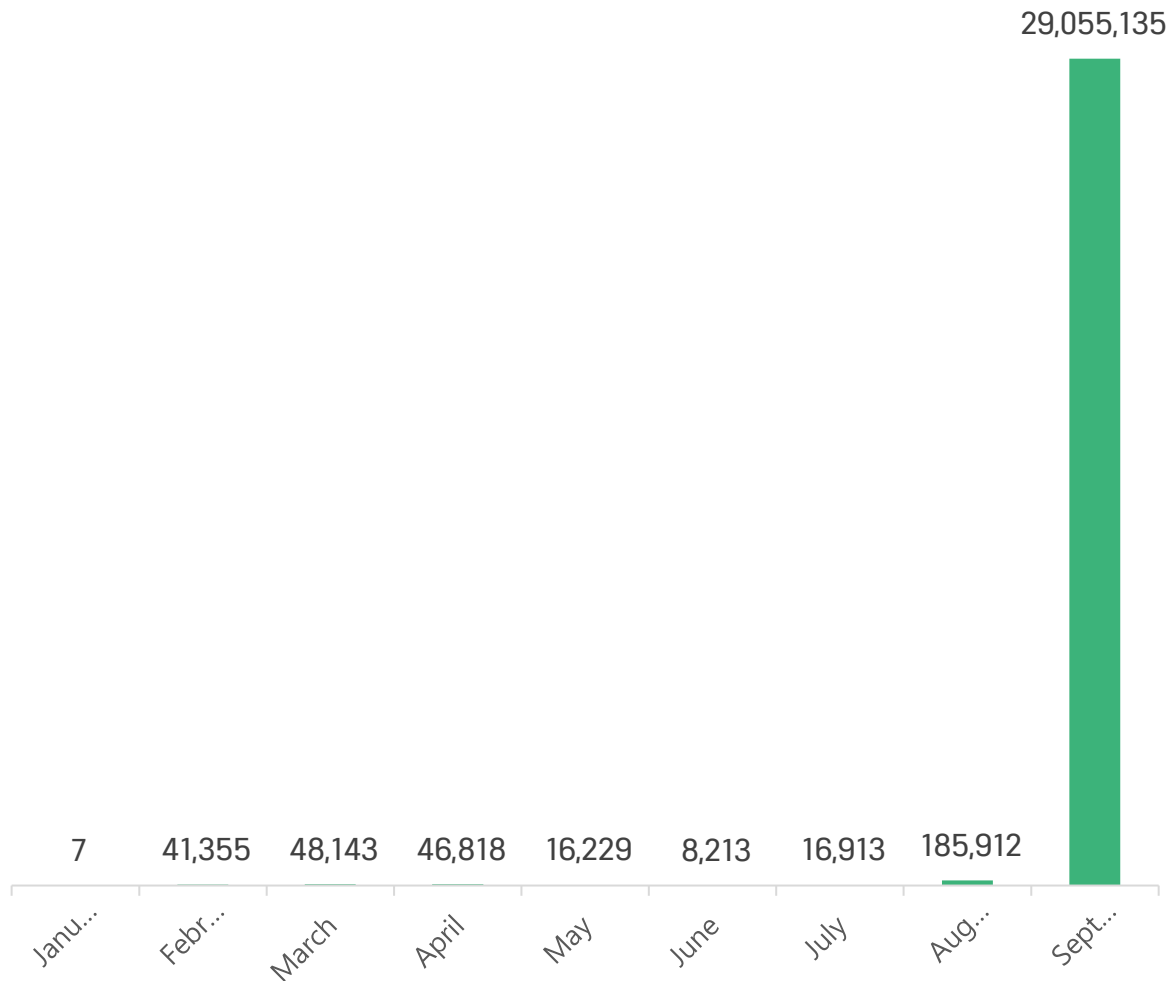
- WEMIX Platform MAU posted 28,102 with monthly transaction amount of 29 million USD in September, skyrocketed after launch in January
- Four games including <Mir4> global currently in service on WEMIX platform

Monthly Active Users(MAU)



Monthly Transaction Amount

[Unit: USD]



WEMIX Games



<MIR 4 GLOBAL>



<CAISHENCHUANQI for WEMIX>



<CRYPTORNADO for WEMIX>



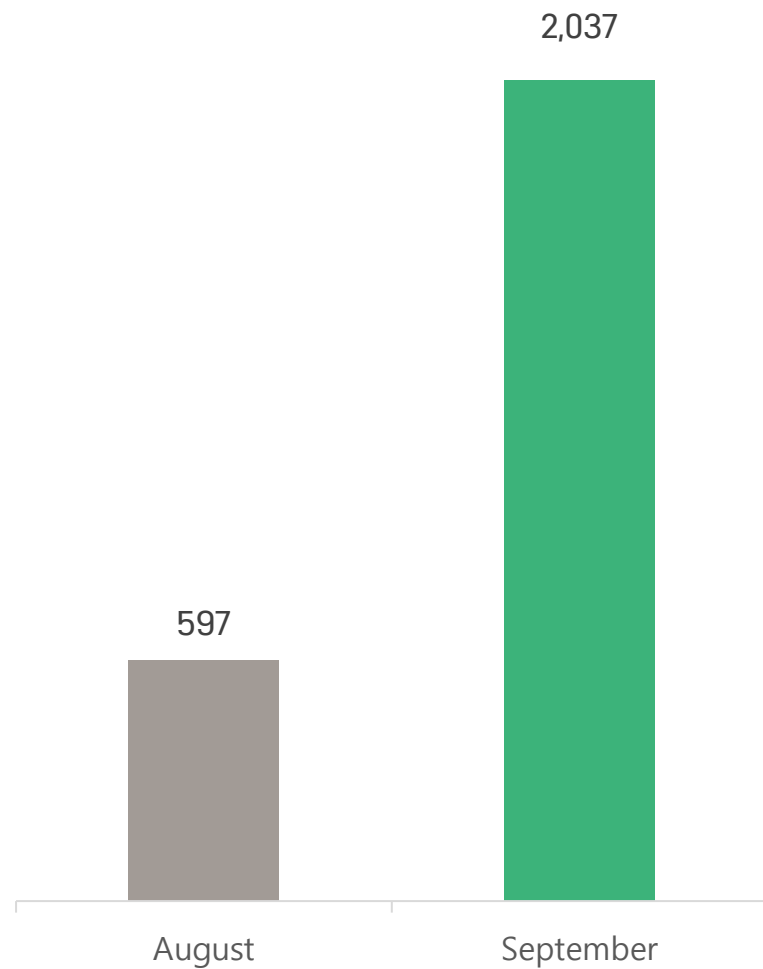
<BIRDTORNADO for WEMIX>

<MIR 4> Global Key Performance Indicators

- Released on August 26th, <MIR 4> Global recorded 2 million MAU in September and reached over 1 million PCU on October 27th

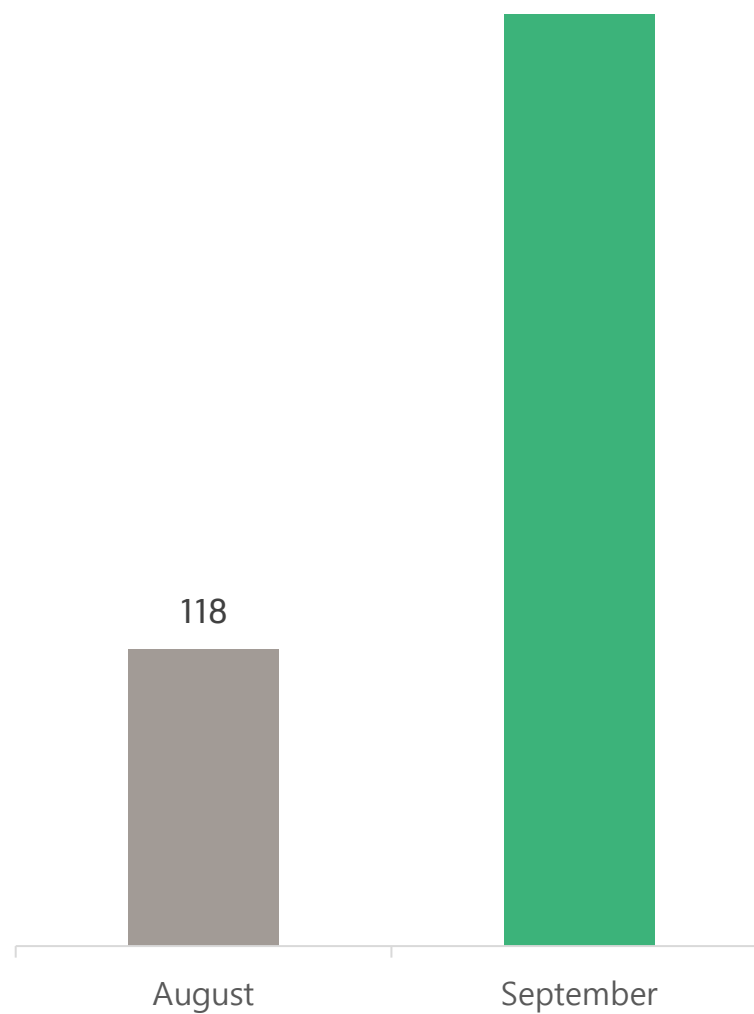
Monthly Active Users

(MAU) [Unit: Thousand]



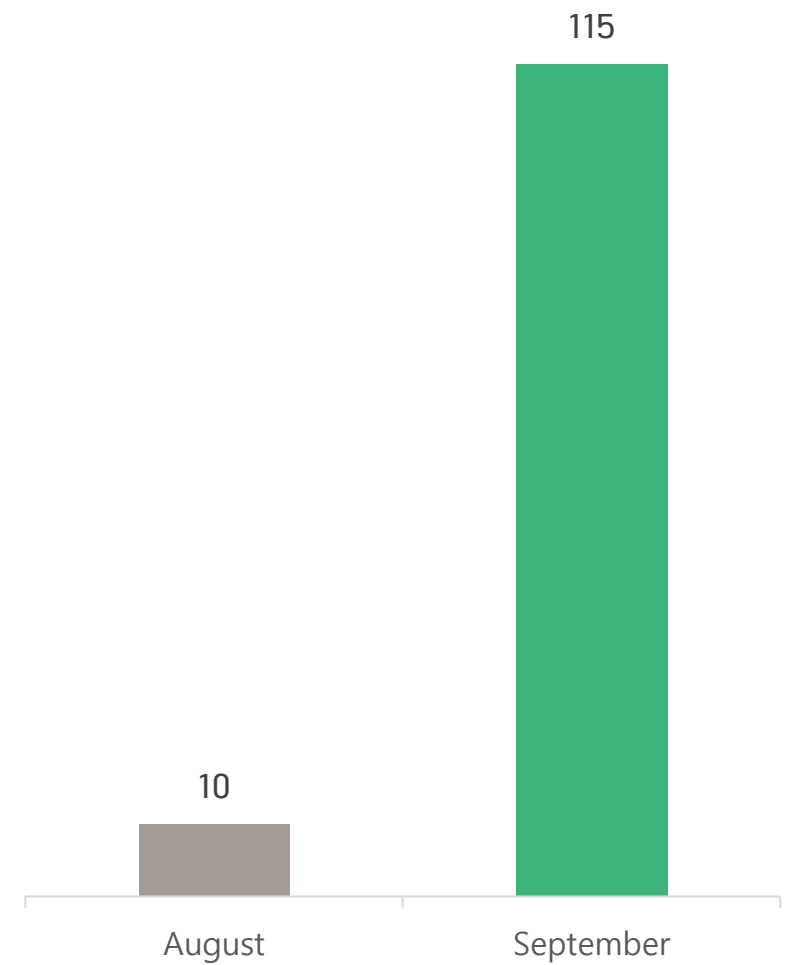
Peak Concurrent Users

(PCU) [Unit: Thousand]



Monthly Revenue

[Unit: 100 Million KRW]



* Sales in platform are also included.

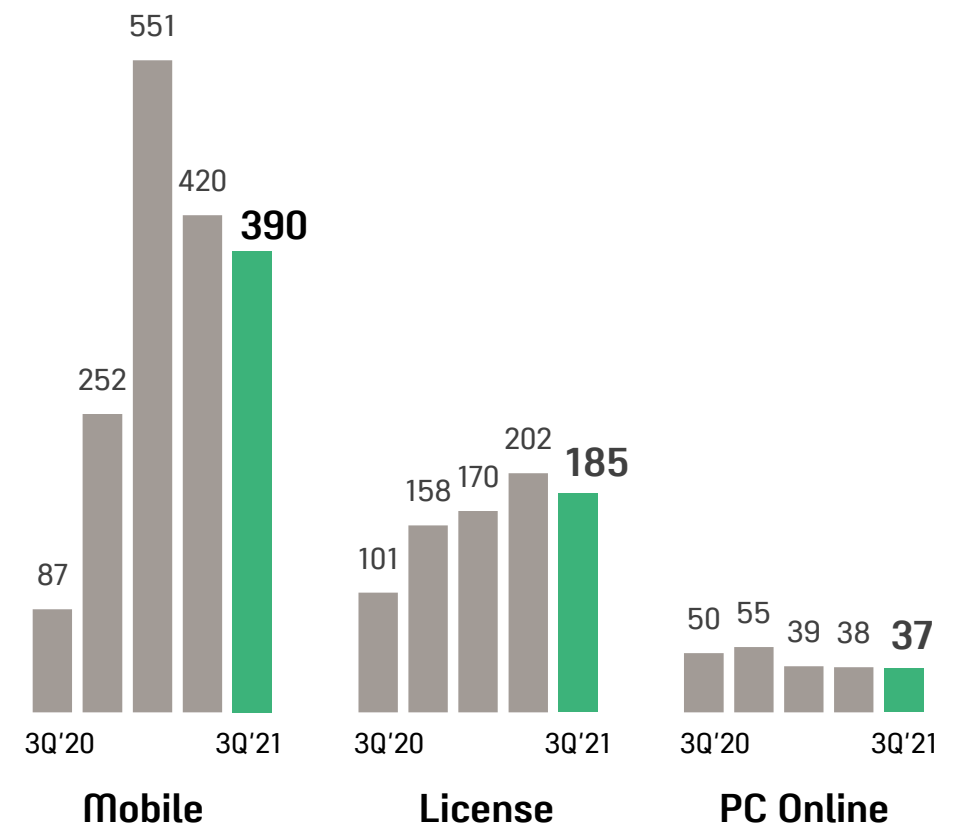
By Platform and License

- Mobile (-7% QoQ, +348% YoY) : Declined QoQ with flattish revenue growth of <MIR 4> Korea but leaped significantly YoY thanks to <Mir4> global launch
- License (-8% QoQ, +84% YoY) : Down QoQ with lower sales in existing license games but expanded significantly YoY
- PC Online (-4% QoQ, -26% YoY) : Fell QoQ with decrease in existing overseas sales
- WEMIX Platform : New revenue classification based on increased fee income from WEMIX DEX platform on account of <Mir4> global roll-out

[Unit: Million KRW]

[Unit: 100 Million KRW]

	3Q'21	2Q'21	QoQ	3Q'20	YoY
Mobile	38,973	41,984	-7%	8,699	+348%
License	18,481	20,167	-8%	10,069	+84%
PC Online	3,662	3,808	-4%	4,959	-26%
WEMIX Platform	526	-	-	-	-
Others	1,704	2,937	-42%	2	85,100%
Total	63,345	68,895	-8%	23,729	+167%



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By Region

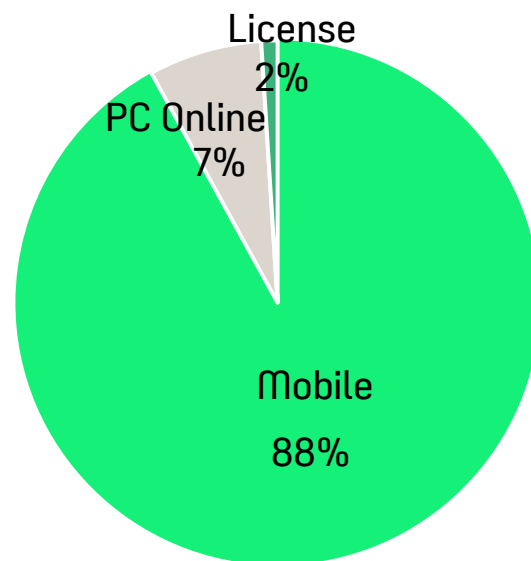
- Domestic (-34% QoQ, +189% YoY) : Decreased QoQ followed by stabilized revenue of <Mir 4> Korea but jumped 189% YoY
- Overseas (+39% QoQ, +150% YoY) : Rose 39% QoQ thanks to <MIR 4> global release

[Unit: Million KRW]

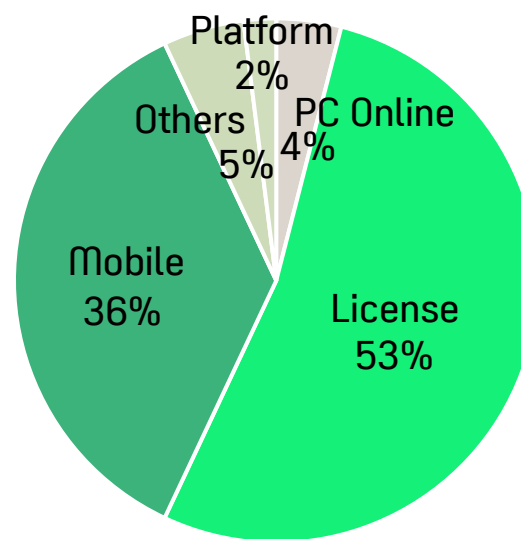
	3Q'21	2Q'21	QoQ	3Q'20	YoY
Domestic	29,377	44,489	-34%	10,149	+189%
Overseas	33,968	24,407	+39%	13,580	+150%
Total	63,345	68,895	-8%	23,729	+167%

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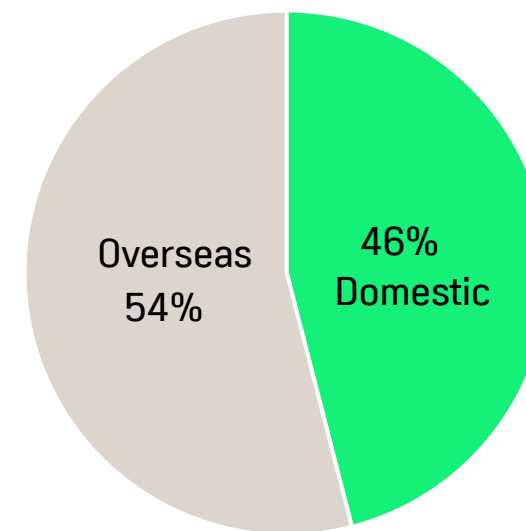
- Domestic



- Overseas



- Total



4. Operating Expenses

- Operating Expenses (+9% QoQ, +38% YoY) : Up 9% led by increase in <MIR 4> global's marketing and communication fees due to addition in servers

- 3Q'21 Operating Expenses:

[Unit: Million KRW]

	3Q'21	2Q'21	QoQ	3Q'20	YoY
Labor*	16,939	16,347	+4%	14,180	+19%
Service Fee	15,781	15,758	0%	11,743	+34%
Marketing	5,772	5,020	+15%	4,107	+41%
Depreciation	790	844	-6%	1,007	-22%
Taxes	1,309	1,379	-5%	842	+55%
Others	5,337	2,656	+101%	1,444	+270%
Total	45,928	42,003	+9%	33,324	+38%

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

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5. Summary of Consolidated Financial Statements

• Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2019	2020	3Q'21
Total Assets	2,963	3,234	5,252
Current Assets	1,266	1,456	1,878
Non-current Assets	1,696	1,778	3,374
Total Liabilities	616	674	2,162
Current Liabilities	607	646	1,512
Non-current Liabilities	9	27	650
Total Equity	2,347	2,560	3,090
Capital Stock	87	87	87
Retained Earnings	941	776	1,263
Total Liabilities & Equity	2,963	3,234	5,252

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2019	2020	3Q'21
Revenue	1,136	1,262	2,083
Operating Expenses	1,230	1,391	1,364
Operating Profit	-93	-128	718
Non-operating Income(loss)	-11	-18	81
Income before tax	-105	-146	800
Income tax	182	37	195
Net Income	-287	-184	605
Controlling Interest	-100	-73	585
Non-controlling Interest	-187	-110	20

※ Above consolidated Income Statement figures are YTD figures

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