

WEMADE

4Q FY2021 Earnings Results

INVESTOR RELATIONS

2022. 2. 9.

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 4Q 2021 and FY2021 is provided as reference to investors, and some parts of this document are subject to change due to result of external audit and review of FSC(Financial Services Commission).

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 Max Co., Ltd., Wemade XR Co., Ltd., Wemade Next Co., Ltd., Wemade M Co., Ltd., ChuanQi IP Co., Ltd., Wemade Tree Co., Ltd., LightCON Co., Ltd., CaiShenChuanQi Co., Ltd., Wemade Entertainment USA Inc., Wemade Online Co., Ltd., Wemade Science Technology(Yinchuan) Co., Ltd., WEMADE HONG KONG LIMITED, Wemade Entertainment Digital Technology Shanghai Co., Ltd., Beijing Wemade IP Service Co., LTD., Wemade Tree Pte. Ltd., Joystudio Co., Ltd., Wemade Connect Co., Ltd., Wemade IF Co., Ltd., LIKEIT Games Co., Ltd.

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1. Key Results and Plans

4Q 2021 Results

- <Mir4 Global> recorded 1.4 million concurrent users in November
- Launched NFT exchange, 'XDRACO', for trading in-game item NFTs (11/30) and character NFTs (12/21) from <Mir4 Global>
- In the process of merging WEMADE TREE and WEMADE to strengthen blockchain gaming services and expand WEMIX platform
- Announced to acquire SUNDAY TOZ, a listing company on KOSDAQ, to diversify game genre and line-up of WEMIX platform
- 'WEMIX' token got listed on global cryptocurrency exchange 'LBANK' and 'Coinone' in Korea
- WEMADE MAX, a subsidiary company, decided to merge with Wemade Next, a developer of <Mir4> in form of all-inclusive share swap (11/26)

1Q 2022 Update and Plans

- Preparing domestic launch of <Mir M> in 1H 2022
- Started WEMIX staking service(1/6) and DeFi service 'KLEVA Protocol*' (1/19) (* Total Value Locked(TVL) reached 500M dollars)
- Scheduled to roll out 20 new blockchain games on WEMIX platform including <Yul Hyul Kang Ho>, <Gunship Battle: Total Warfare>, <Rise of Stars>, <Dark Eden M>, <Every Town>, <Icarus Online>, <Project WEMIX Sports> in 1H 2022
- 'WEMIX*' token got listed on the biggest Korea cryptocurrency exchange 'Upbit'(1/11) and global crypto currency exchange 'OKX' (1/28) (*Listed on 4 domestic exchanges and 7 global exchanges in total)
- WEMADE XR, a subsidiary company, introduced a TECH DEMO of new MMORPG game <LEGEND OF YMIR>
- LIGHTCON, a subsidiary company, started <Rise of Stars>'s global pre-registration(1/12) preparing for global launch

2. 4Q 2021 Summary Consolidated Results

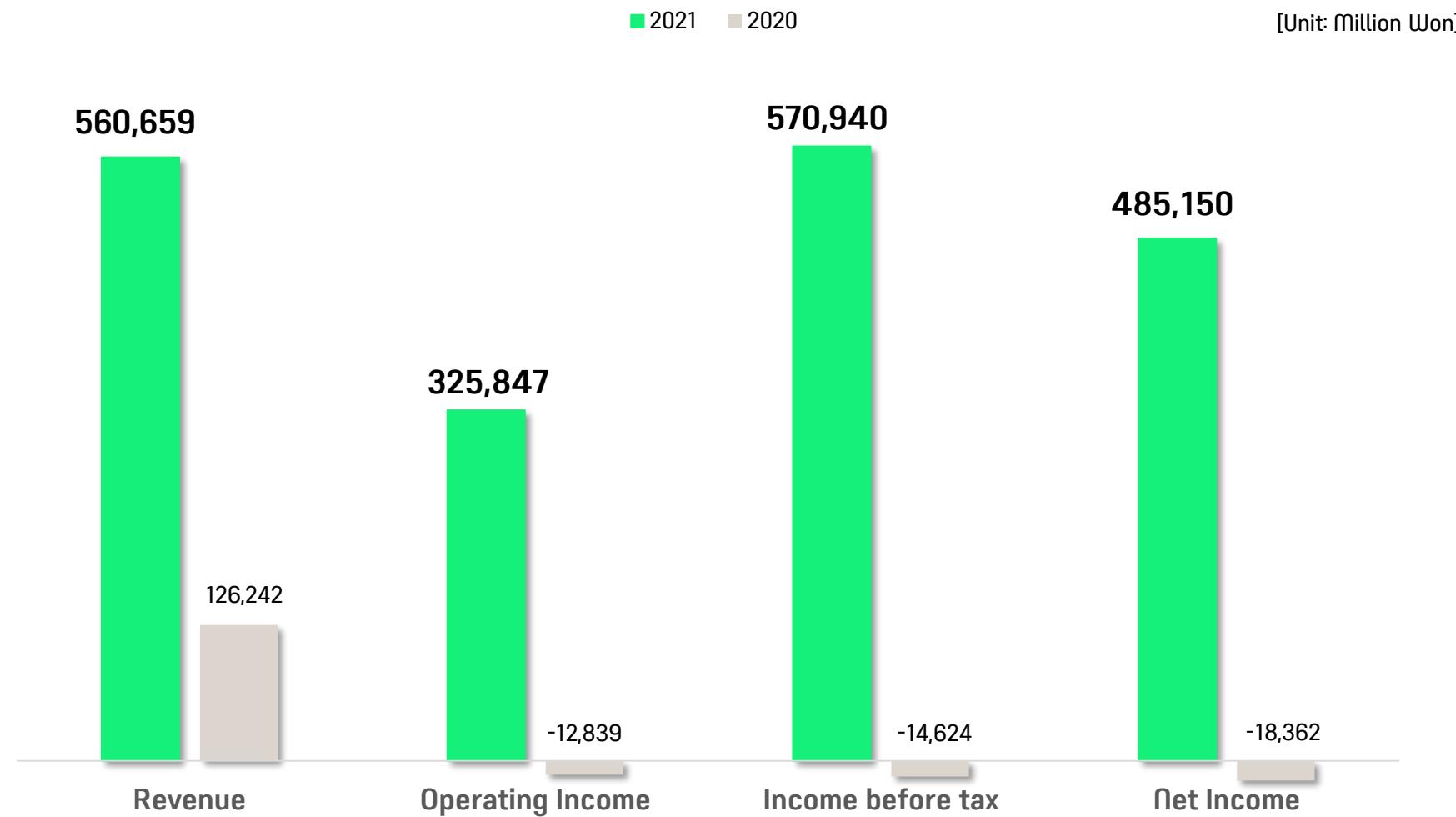
- Revenue (+456% QoQ, +656% YoY) : Jumped 456% QoQ, 616% YoY contributed by <Mir4 Global> and WEMIX liquidation(255 bn Won)
- Operating Income (+1,358% QoQ, Turn to profit YoY) : Skyrocketed +1,358% QoQ and turned to profit YoY
- Net Income (+2,277% QoQ, Turn to profit YoY) : Up +2,277% QoQ and turned to profit YoY mainly on fair value gains(281 bn Won)

	4Q'21	3Q'21	QoQ	4Q'20	YoY
Revenue	352,376	63,345	+456%	46,615	+656%
Operating Expenses	98,378	45,928	+114%	49,784	+98%
Operating Income	253,998	17,416	+1,358%	-3,170	Turn to profit
Non-Operating Income(loss)	-44,872	3,718	-	-883	-
Financial Income(loss)	281,845	3,122	-	-6,481	-
Equity Method	-	-516	-	-10	-
Income before tax	490,971	23,740	+1,968%	-10,543	Turn to profit
Income tax	66,282	5,875	+1,028%	-1,019	+6,605%
Net Income	424,689	17,866	+2,277%	-9,524	Turn to profit

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

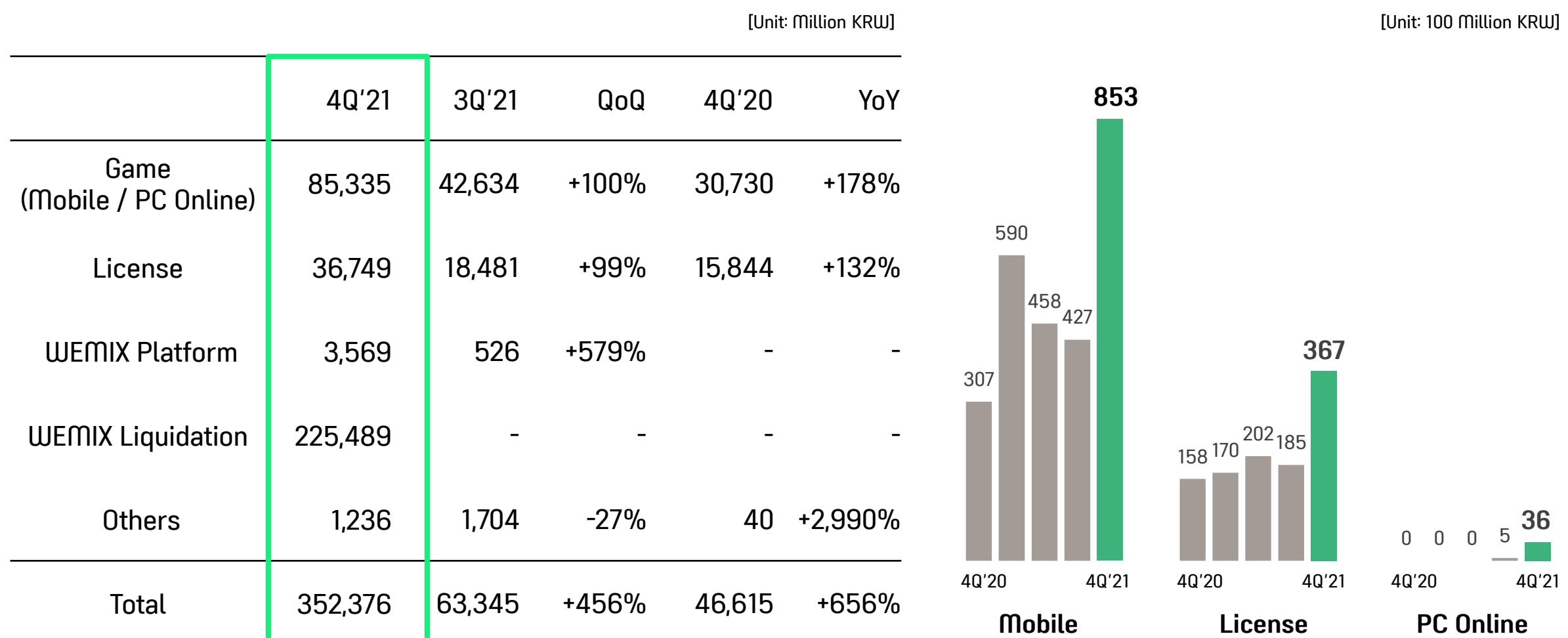
3. FY 2021 Summary Consolidated Results

- Recorded all-time high annual revenue, operating income, net income
- Revenue (+344% YoY) : Soared +344% YoY with success of <Mir4 Global> and WEMIX platform service
- Operating Income (Turn to profit, YoY) : Turned to profit thanks to the increased revenue
- Net Income (Turn to profit, YoY) : Turned to profit driven by fair value gains



By Platform and License

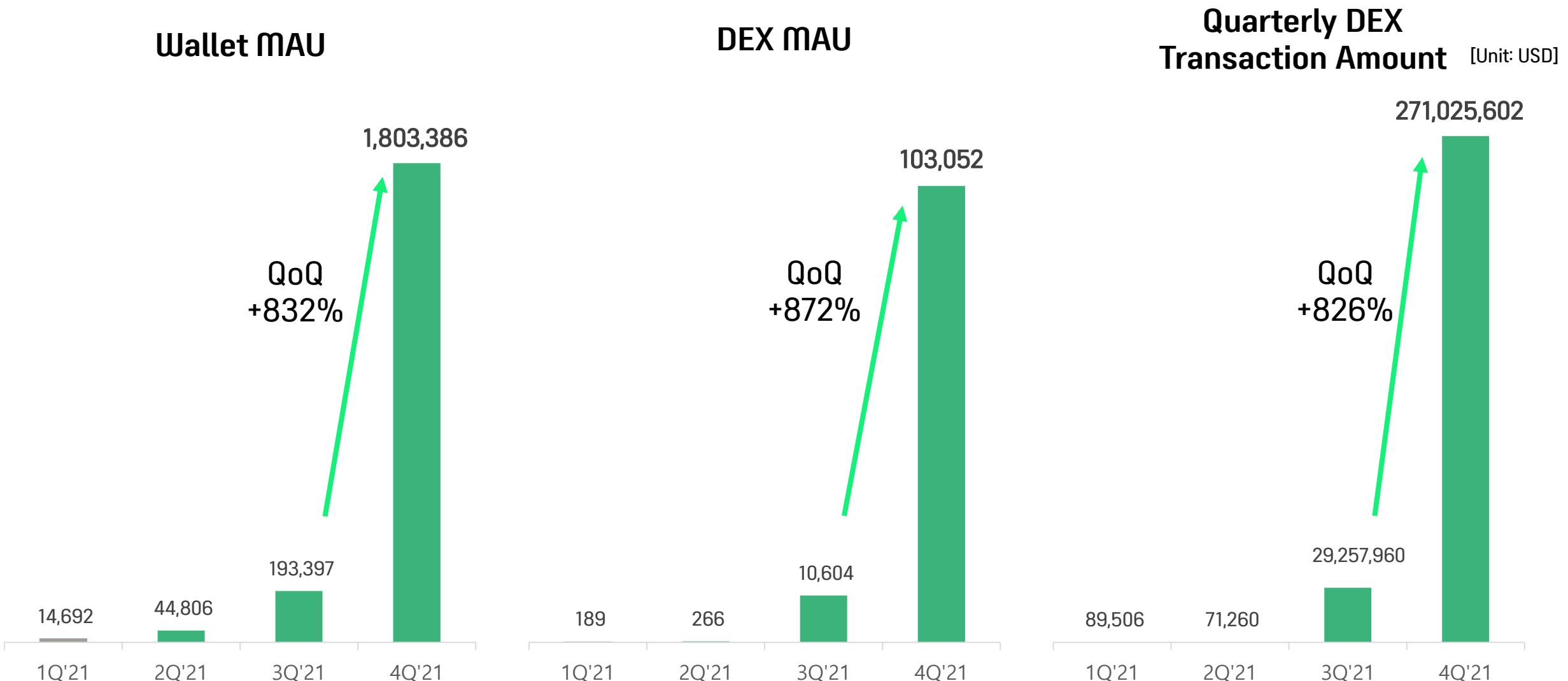
- Game (+100% QoQ, +178% YoY) : Increased +100% QoQ with success of <Mir4 Global>
- License (+99% QoQ, +132% YoY) : Rose QoQ, YoY driven by one-time sales recognition of several license agreements
- WEMIX Platform (+579% QoQ, - YoY) : Jumped +579% QoQ with increase in service fee of WEMIX DEX platform
- WEMIX Liquidation : New revenue classification by WEMIX liquidation



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WEMIX Platform Key Performance Indicators

- WEMIX Wallet MAU(+832% QoQ) averaged 1.8 million in 4Q'21 and WEMIX DEX MAU(+872% QoQ) averaged 103 thousands
- Quarterly WEMIX DEX transaction recorded 270 million USD in 4Q'21 and up +826% QoQ



*Above quarterly MAU is based on a quarterly average value

*WEMIX Wallet MAU based on visits by wallet users and DEX MAU based on number of users who traded on DEX

<MIR4 Global> Key Performance Indicators

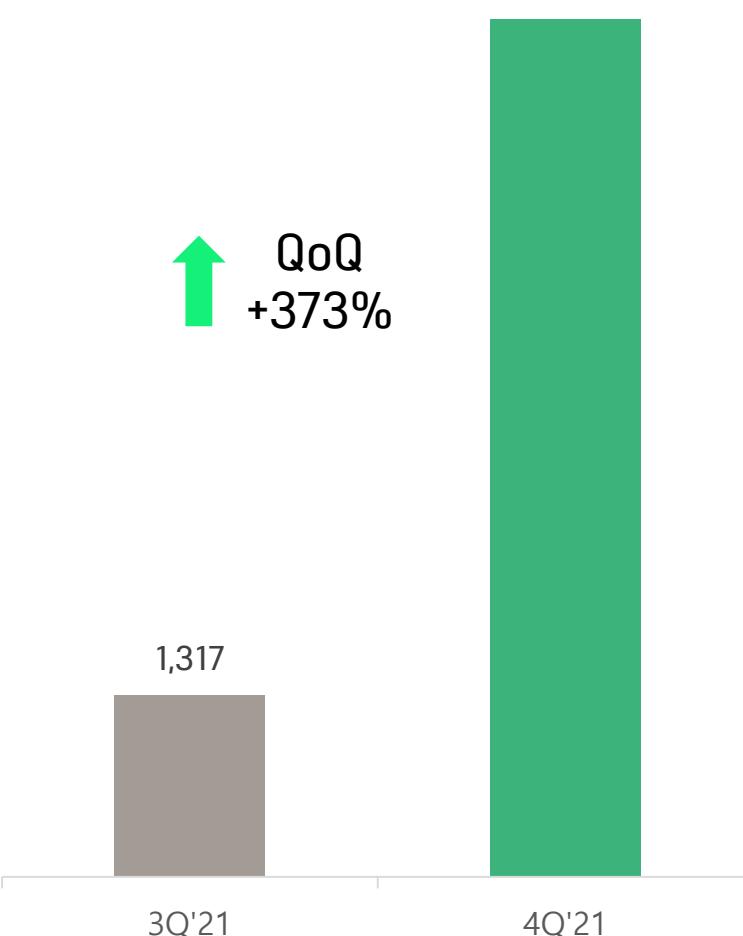
- <MIR4 Global> posted 6.2 million MAU in 4Q'21 and reached over 1.4 million PCU in November

Monthly Active Users

(MAU)

[Unit: Thousand]

6,234

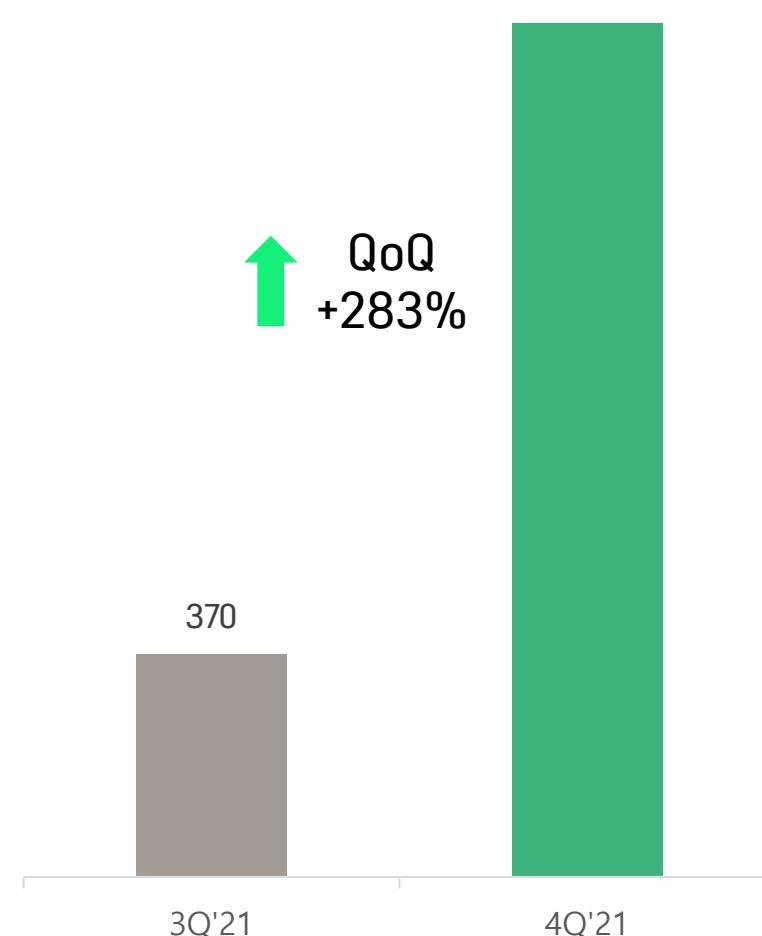
 QoQ +373%

Peak Concurrent Users

(PCU)

[Unit: Thousand]

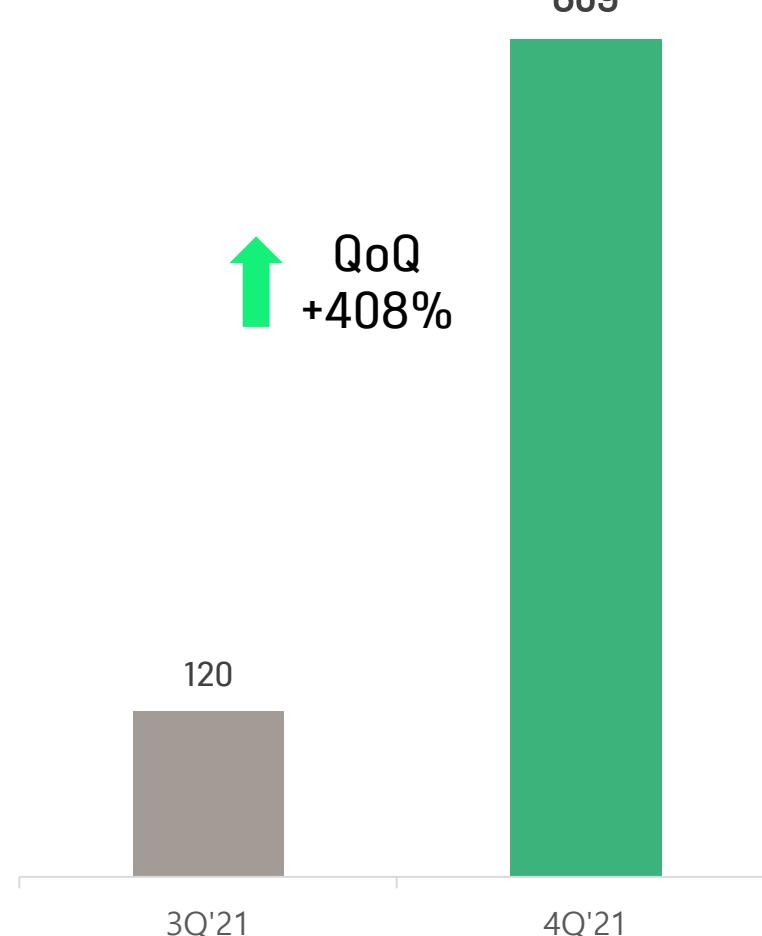
1,418

 QoQ +283%

Quarterly Revenue

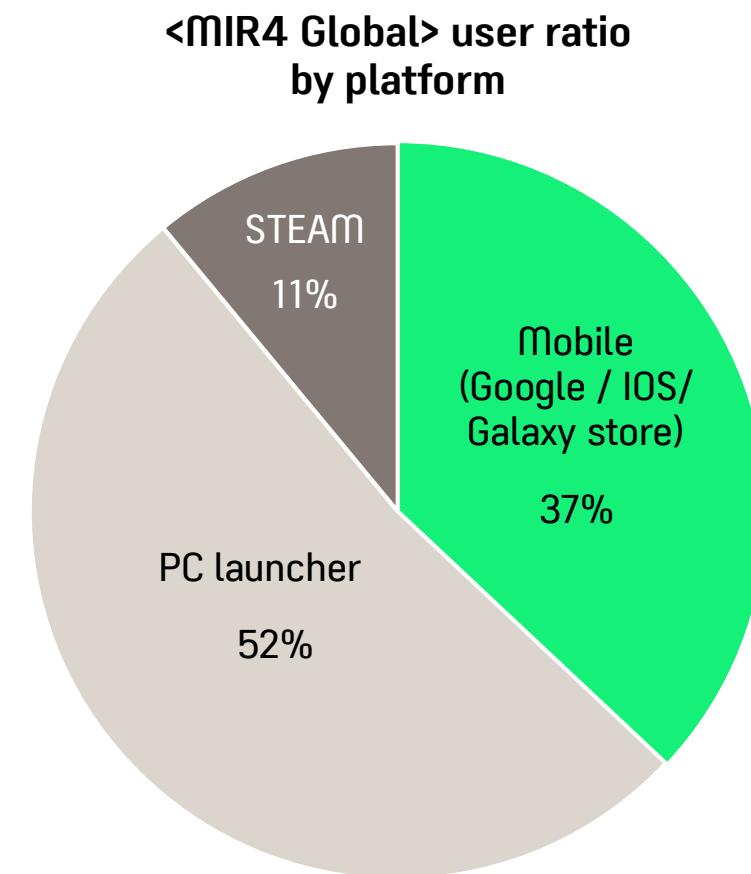
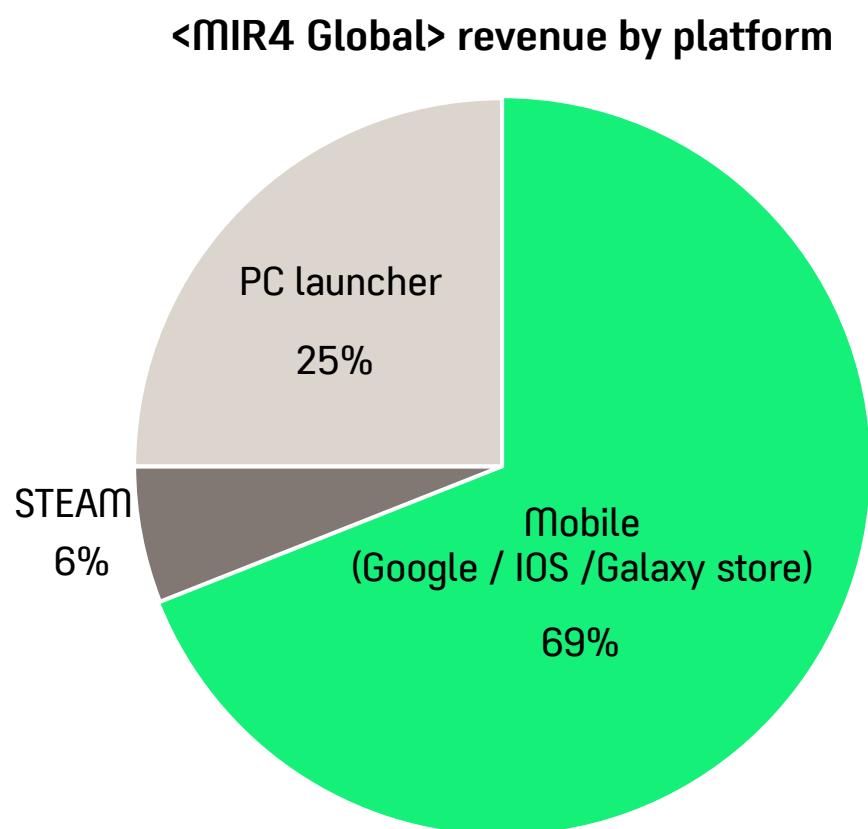
609

[Unit: 100 Million KRW]

 QoQ +408%

<MIR4 Global> Key Performance Indicators (By Platform)

- In terms of <MIR4 Global> sales, Mobile(Google/IOS/Galaxy store) represents the largest portion of 69% followed by PC launcher of 25% and STEAM of 6%
- In terms of <MIR4 Global> users by platform, PC users(STEAM, PC launcher) accounted for 63% followed by Mobile users for 37%



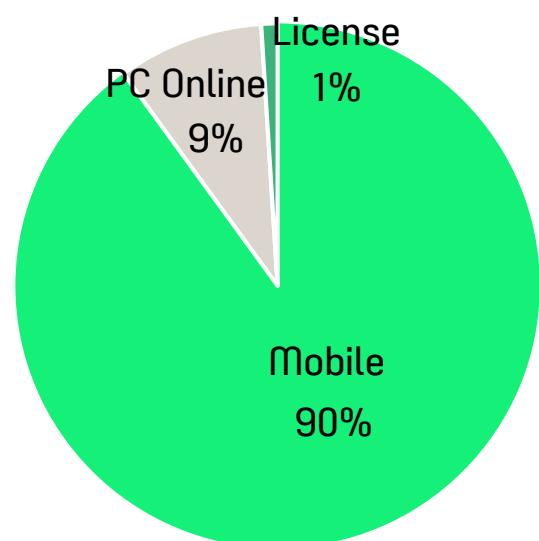
By Region

- Domestic (-21% QoQ, -14% YoY) : Fell 21% QoQ due to decrease in sales of existing games
- Overseas (+869% QoQ, +1,576% YoY) : Expanded 814% QoQ with increase in sales of <MIR4 Global> and WEMIX platform

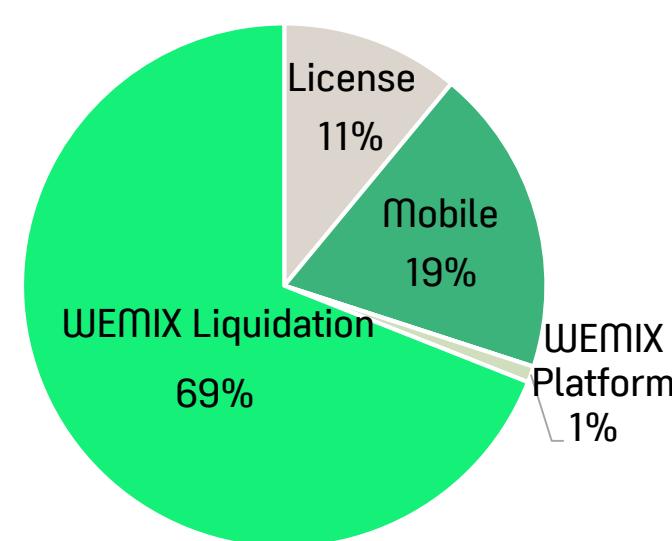
	4Q'21	3Q'21	QoQ	4Q'20	YoY
Domestic	23,209	29,377	-21%	26,971	-14%
Overseas	329,167	33,968	+869%	19,643	+1,576%
Total	352,376	63,345	+456%	46,615	+656%

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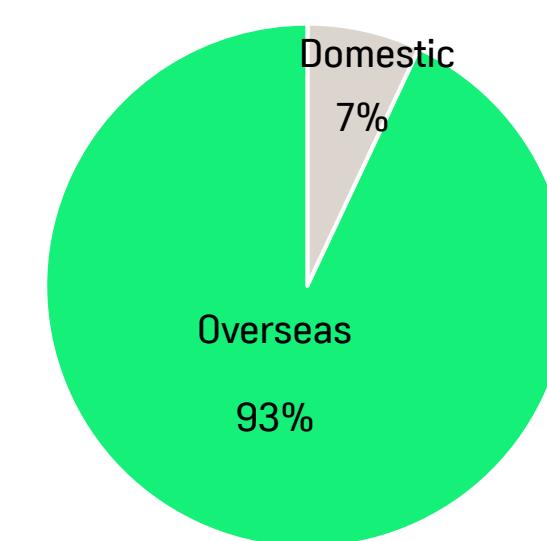
- Domestic



- Overseas



- Total



5. Operating Expenses

- Operating Expenses (+114% QoQ, +98% YoY) : Climbed QoQ, YoY led by 1) higher labor cost due to headcount increase and one-off compensation, 2) communication fees on addition of servers for <MIR4 Global>

- 4Q'21 Operating Expenses

[Unit: Million Won]

	4Q'21	3Q'21	QoQ	4Q'20	YoY
Labor*	37,197	16,939	+120%	15,506	+140%
Service Fee	31,365	15,781	+99%	14,057	+123%
Marketing	6,745	5,772	+17%	14,554	-54%
Depreciation	1,951	790	+147%	603	+224%
Taxes	1,339	1,309	+2%	858	+56%
Others	19,781	5,337	+271%	4,206	+370%
Total	98,378	45,928	+114%	49,784	+98%

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

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6. Summary Consolidated Financial Statements

• Consolidated Balance Sheet

	[Unit: 100 Million KRW]		
	2019	2020	2021
Total Assets	2,963	3,234	9,754
Current Assets	1,266	1,456	4,070
Non-current Assets	1,696	1,778	5,684
Total Liabilities	616	674	1,584
Current Liabilities	607	646	1,260
Non-current Liabilities	9	27	324
Total Equity	2,347	2,560	8,170
Capital Stock	87	87	169
Retained Earnings	941	776	4,993
Total Liabilities & Equity	2,963	3,234	9,754

• Consolidated Income Statement

	[Unit: 100 Million KRW]		
	2019	2020	2021
Revenue	1,136	1,262	5,606
Operating Expenses	1,230	1,391	2,348
Operating Profit	-93	-128	3,258
Non-operating Income(loss)	-11	-18	2,451
Income before tax	-105	-146	5,709
Income tax	182	37	858
Net Income	-287	-184	4,851
Controlling Interest	-100	-73	4,290
Non-controlling Interest	-187	-110	561

* Above consolidated Income Statement figures are YTD figures

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