

WEMADE

3Q FY2022 Earnings Results

INVESTOR RELATIONS

2022. 10.26.

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 3Q 2022 is provided as a reference for the convenience of the investors, and without the completion of the external auditor's review, 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., Joystudio Co., Ltd., Wemade Connect Co., Ltd., Wemade IF Co., Ltd., LIKEIT Games Co., Ltd., CaiShenChuanQi Co., Ltd., Wemade Innovation Co., Ltd., Wemade Entertainment USA, Inc., Wemade Online Co., Ltd., Wemade Science Technology (Yinchuan) Co., Ltd., WeRise Limited., WEMADE HONG KONG LIMITED, Wemade Entertainment Digital Technology Shanghai Co., Ltd., Beijing Wemade IP Service Co., LTD., Wemix Pte. Ltd., PGS-CNCI Korea New Technology Business Investment Fund No. 1, Shanghai Werise Network Technology Co., Ltd., Krypton Company Co., Ltd., Play Links Co., Ltd., PlayMatchical Corp., Nexelon inc., This Means War Co., Ltd., Play Metachain Corp., Wemix Bahamas, LLC, Wemix US, LLC, ByLO Curacao B.V., Fujian Wemade Intellectual Property Service Co., Ltd, K-1 19th Real Estate Investment Trust Company, 유나이티드파트너스국내리츠일반사모부동산투자신탁제1호*, 코람코일반사모부동산투자신탁제142호*

*Companies that only have official names in Korean.

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1. Key Results and Plans

3Q 2022 Results

New Game on WEMIX PLAY Platform

- Rolled out new P&E game <Mir 2M: The Warrior> on 'WEMIX PLAY'

WEMIX 3.0

- 1) Diversified Platform and Services
- 2) Announced DIOS Protocol

- Launched new blockchain game platform 'WEMIX PLAY'(7/1), synthetic token 'REFLECT' and staking program 'STAKE 360'(7/15)
- Announced 'DIOS' protocol to connect stable coin, 'WEMIX Dollar's value to WEMIX ecosystem(9/28)

WEMIX Ecosystem Expansion

- Supplied 1.6million WEMIX liquidity to Uniswap, the largest DEX(Decentralized Exchange) on Ethereum
- Global blockchain infrastructure firm 'BlockDaemon', 'DSRV' joined as WEMIX 3.0 NCP(Node Council Partner)

Strategic Investments for Global Market Penetration

- Established the UAE office for the first time as a Korean game company
- Invested in African P&E project MVM(Metaverse Magna)

Won Intellectual Property Lawsuit against Chinese Game Company

- Won an intellectual property lawsuit against the Chinese game developer Shanghai Kingnet(上海恺英) and its subsidiary Zhejiang Huanyou(浙江欢游) at the Shanghai High People's court and received a final judgement ordering Shanghai Kingnet to pay 95billion KRW for restoration

4Q 2022 Update and Plans

WEMIX 3.0

- 1) Successful launch of Mainnet
- 2) Issued 'WEMIX Dollar'
- 3) Opened 'WEMIX.Fi' and Preparing for 'NILE' Platform Launch

- Launched platform-driven & service-oriented blockchain mainnet 'WEMIX3.0' (10/20)
- Issued stable coin 'WEMIX Dollar', 100% reserved by USDC(10/22)
- Opened WEMIX DeFi Service platform 'WEMIX.Fi' and ready to launch DAO project platform 'NILE'

Main Sponsor of 'G-Star' Exhibition & Introducing New Game Titles

- To introduce two new game titles <Legend of YMIR>, <Night Crow(Tentative)> at 'G-Star', the biggest Korean game exhibition as a main sponsor(11/17)

Planning for <Mir M>'s Global Launch & Accelerating Game Onboarding on WEMIX PLAY Platform

- Planning to release the blockchain version of <Mir M> global in 4Q'22
- Revealed two new P&E games <Giant Monster War>(10/1), <Dekaron G>(10/18) (Total 17 games in service) and ready to launch <Champion Strike: Crypto Arena>, <Kingdom Hunter>, <Black Squad: Royal Road>, <Anipang Match>, <Anipang Blast>, etc on 'WEMIX PLAY'

2. 3Q 2022 Summary of Consolidated Financial Results

- Revenue (-1% QoQ, +71% YoY) : Down QoQ in line with flattish revenue growth of existing games in service
- Operating income (Deficit decrease QoQ, Turn to deficit YoY) : Deficit decreased QoQ thanks to decline in operating expenses
- Net income (Deficit continue QoQ, Turn to deficit YoY) : Despite foreign currency translation gains supported by strong dollars, turned to deficit YoY due to valuation and disposal loss on fair value of financial assets

[Unit: Million KRW]

	3Q'22	2Q'22	QoQ	3Q'21	YoY
Revenue	108,291	108,964	-1%	63,345	71%
Operating Expenses	136,327	143,526	-5%	45,928	197%
Operating Income	-28,036	-34,562	Deficit decreases	17,416	Turn to deficit
Non-Operating Income(Loss)	-1,508	-22,267	-	3,718	-
Financial Income(loss)	-63,095	31,784	-	3,122	-
Equity Method	-165	-2,139	-	-516	-
Income before tax	-92,803	-27,184	Deficit continues	23,740	Turn to deficit
Income tax	-4,306	5,189	-	5,875	-
Net Income	-88,497	-32,373	Deficit continues	17,866	Turn to deficit

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

3. Sales Breakdown

By Business Segment

- Game (-7% QoQ, +115% YoY) : Dropped QoQ mainly on sales decrease of <Mir 4(domestic/global)> and limited contribution of <Mir M>
- License (+73% QoQ, -21% YoY) : Up 73% QoQ thanks to three new license games
- WEMIX Platform (-34% QoQ, +7% YoY) : Fell QoQ affected by lower transaction amounts in PLAY Wallet

[Unit: Million KRW]

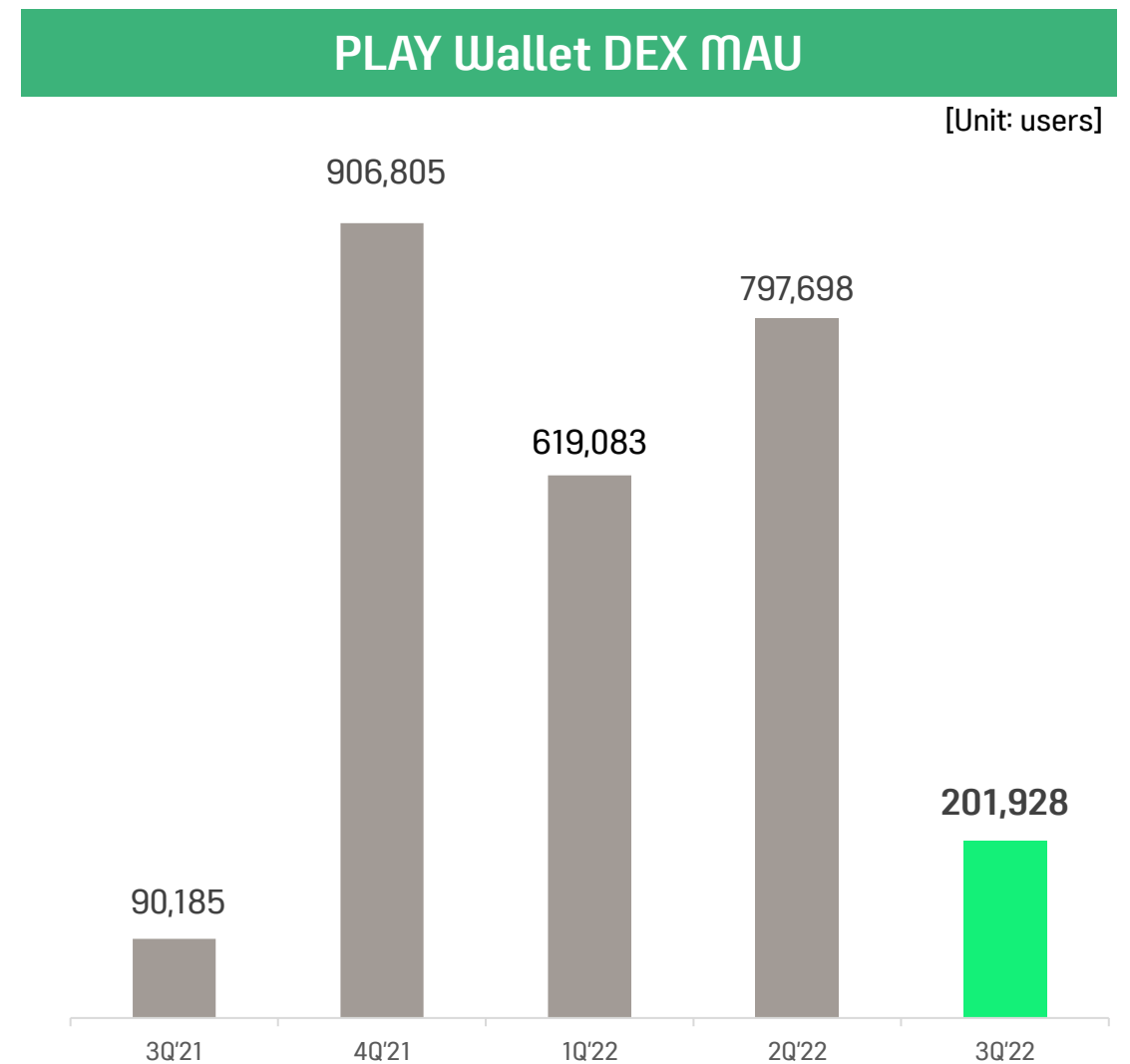
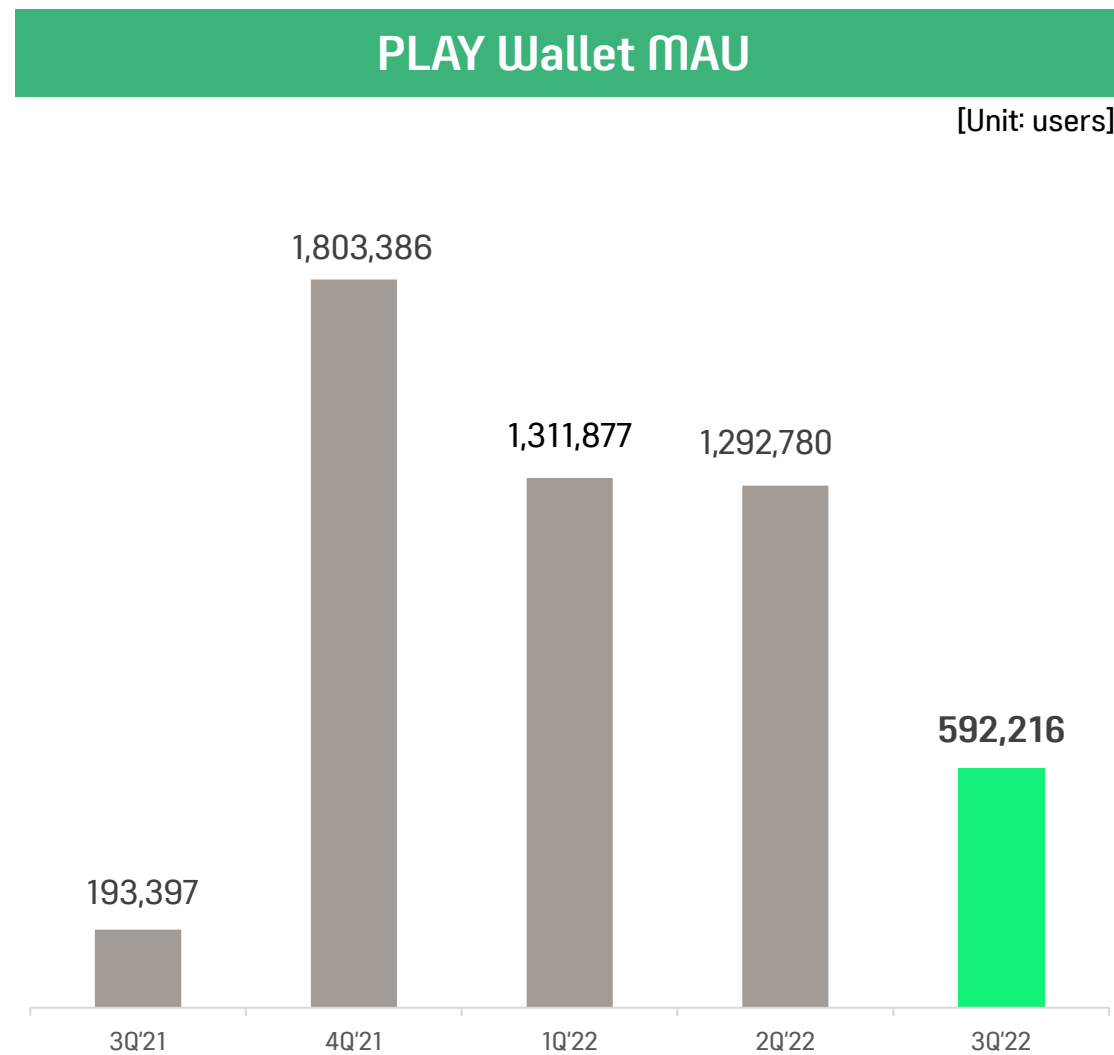
	3Q'22	2Q'22	QoQ	3Q'21	YoY
Game (Mobile / PC Online)	91,550	97,945	-7%	42,635	115%
License	14,529	8,389	73%	18,481	-21%
WEMIX Platform	565	858	-34%	526	7%
Others	1,647	1,772	-7%	1,704	-3%
Total	108,291	108,964	-1%	63,345	71%

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

**WEMIX price for 3Q'22 WEMIX Platform sales is 2,105 KRW. WEMIX Platform sales is recognized from unearned revenue.

WEMIX Platform Key Performance Indicators (1)

- In 3Q '22, PLAY Wallet (Previously WEMIX Wallet) MAU and PLAY Wallet DEX MAU recorded 0.6 million and 0.2 million users respectively
- PLAY Wallet MAU increased 206% YoY and PLAY Wallet DEX MAU rose 124% YoY



*The MAU above is based on the average value for each quarter. PLAY Wallet MAU is based on visits, PLAY Wallet DEX MAU is based on transaction usage.

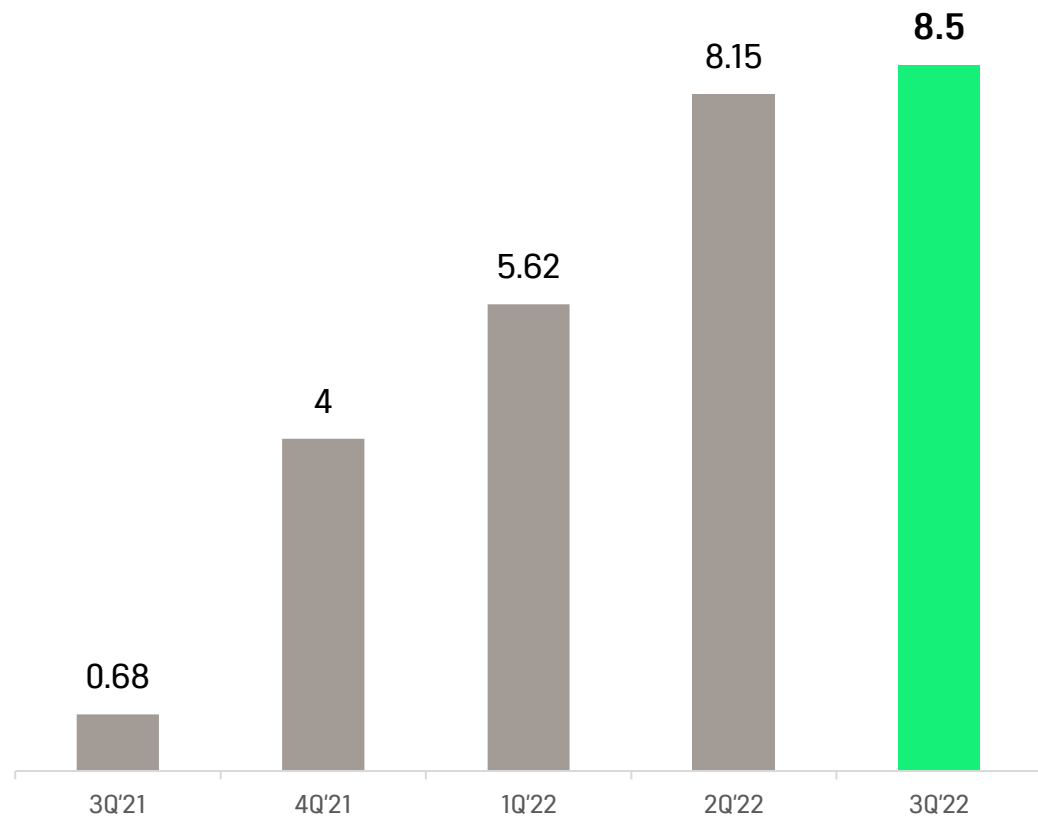
*The MAU above is calculated on Korea Standard Time(KST).

WEMIX Platform Key Performance Indicators (2)

- The cumulative number of PLAY Wallet accounts increased to 8.5 million in 3Q '22, showing steady growth (+1,142% YoY)
- Currently, total 17 games in service on WEMIX PLAY; Released <Mir 2M: The Warrior> in 3Q'22 and <Giant Monster War>, <Dekaron G> in Oct '22

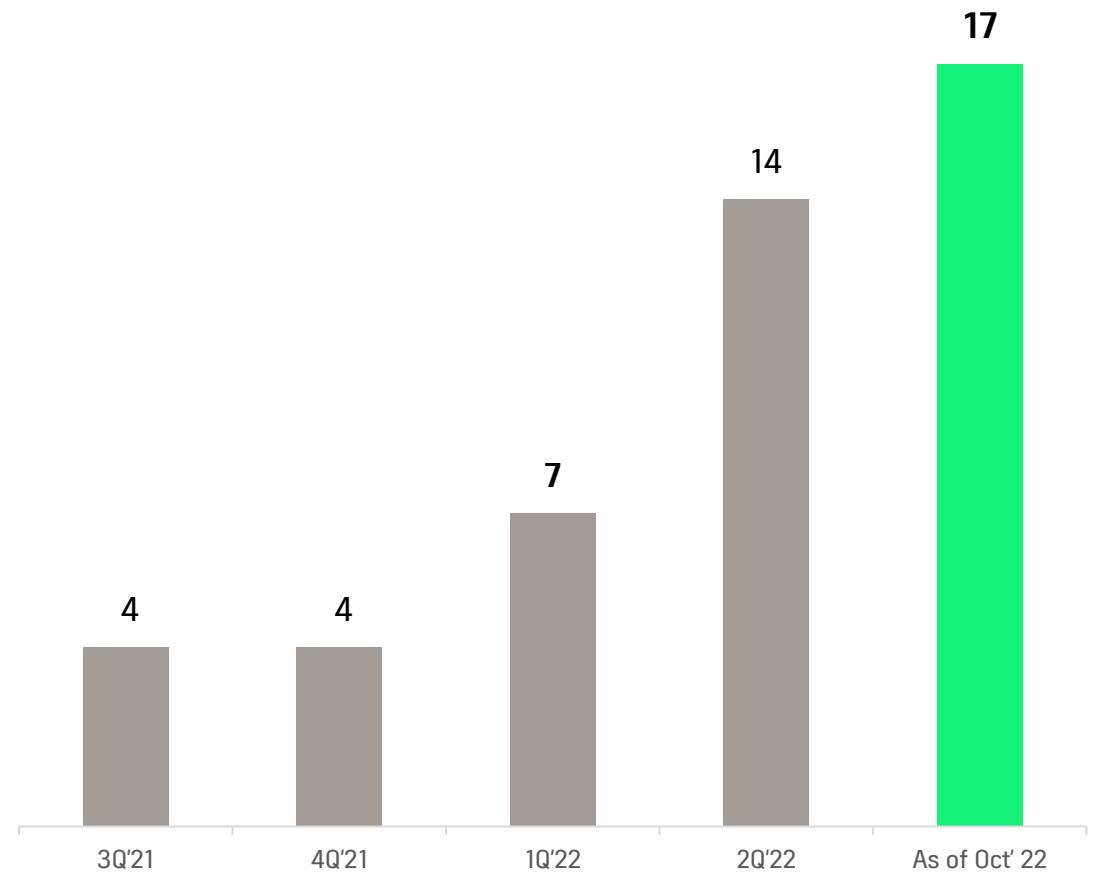
Cumulative Number of PLAY Wallet accounts

[Unit: Million users]



WEMIX PLAY Onboarding Games

[Unit: games]



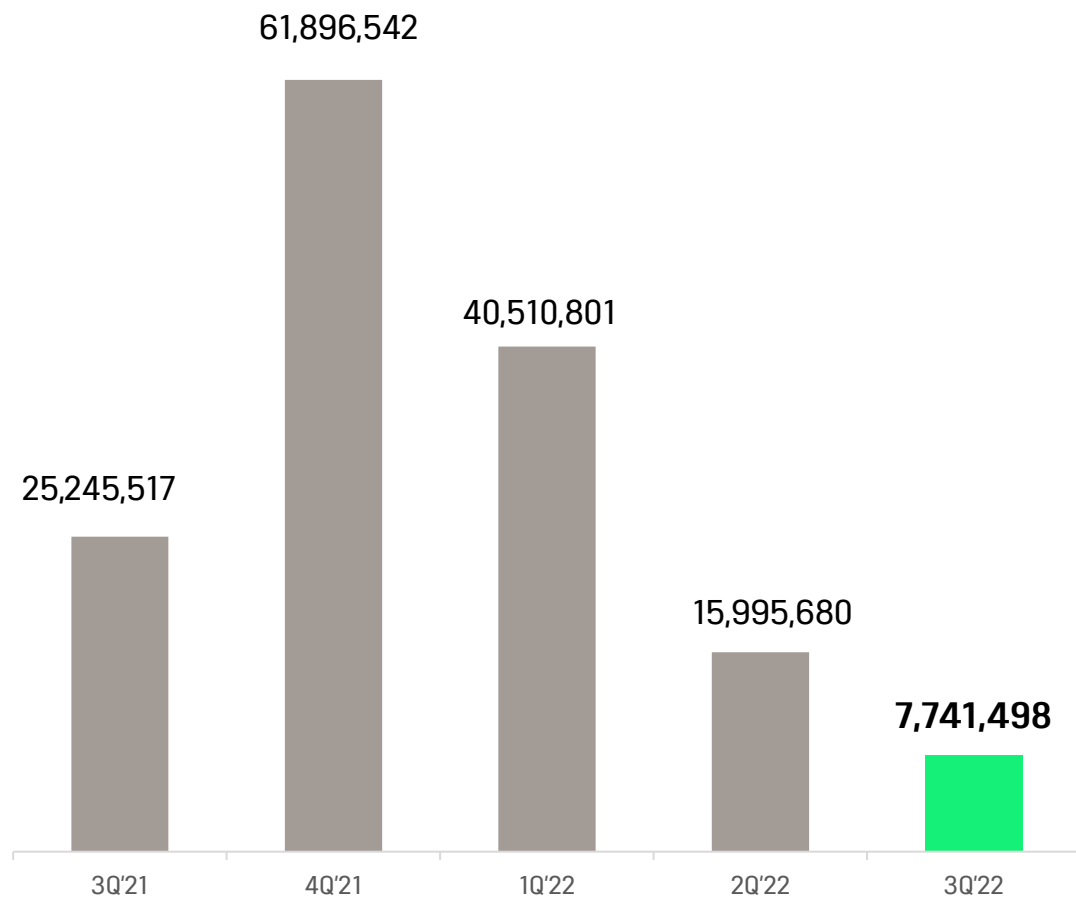
*The number of WEMIX Play onboarding games above is based on the games in service on the platform for each quarter.

WEMIX Platform Key Performance Indicators (3)

- PLAY Wallet DEX recorded 7.7 million WEMIX in transaction value in 3Q '22
- Total value of NFT transactions in PLAY Wallet for 3Q '22 slightly down QoQ maintaining solid growth trend

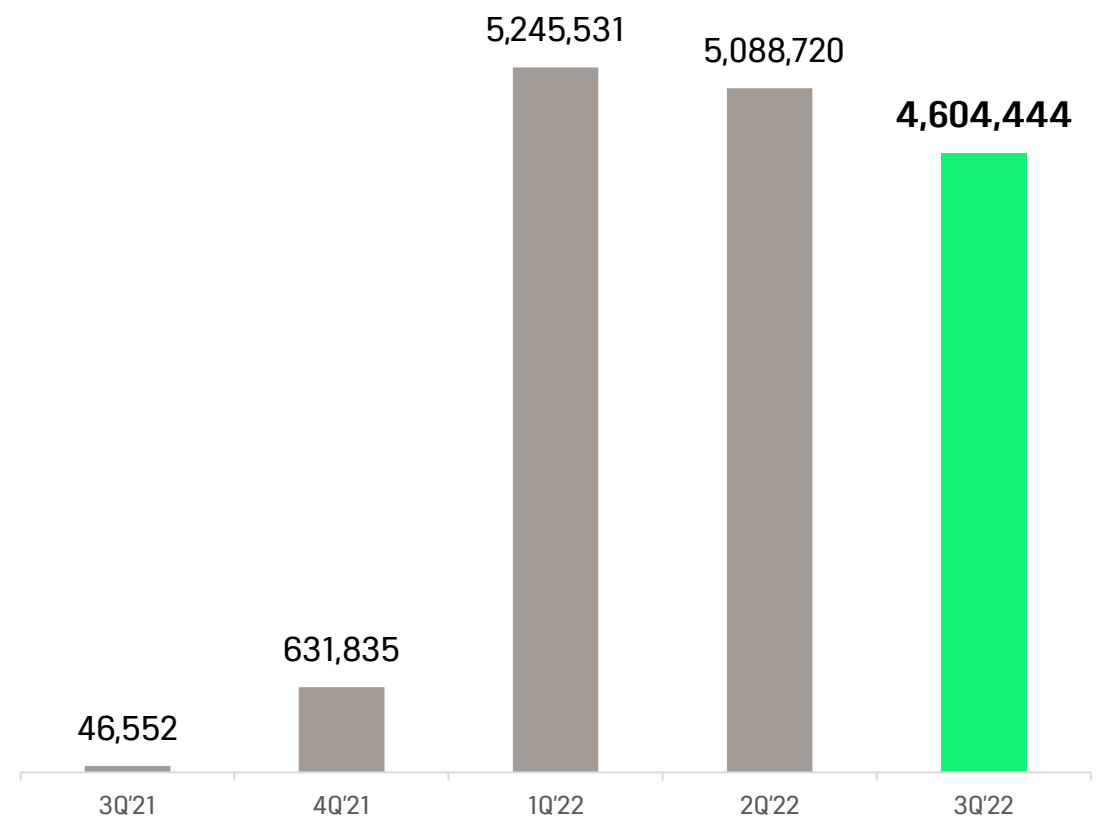
PLAY Wallet DEX Quarterly Transaction Value

[Unit: WEMIX]



PLAY Wallet NFT Quarterly Transaction Value

[Unit: WEMIX]



*The DEX Quarterly transaction value above includes every transaction generated on PLAY Wallet DEX.

*The DEX Quarterly transaction value and NFT Quarterly transaction value above are calculated on Coordinated Universal Time(UTC).

By Region

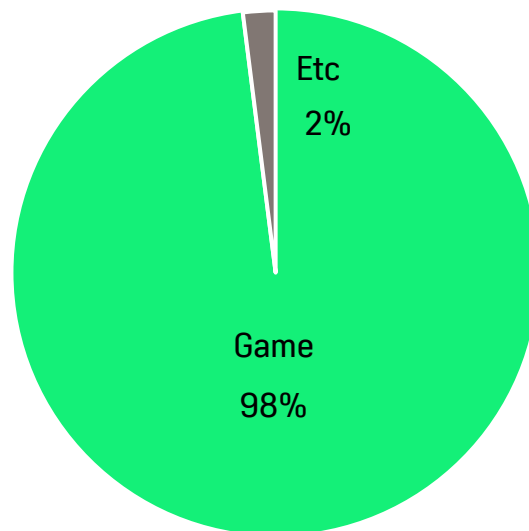
- Domestic (+11% QoQ, +139% YoY) : Up QoQ and YoY contributed by new MMORPG game, <Mir M>
- Overseas (-16% QoQ, +12% YoY) : Fell QoQ on softened revenue growth of existing games, but increased YoY helped by new license games

[Unit: Million KRW]

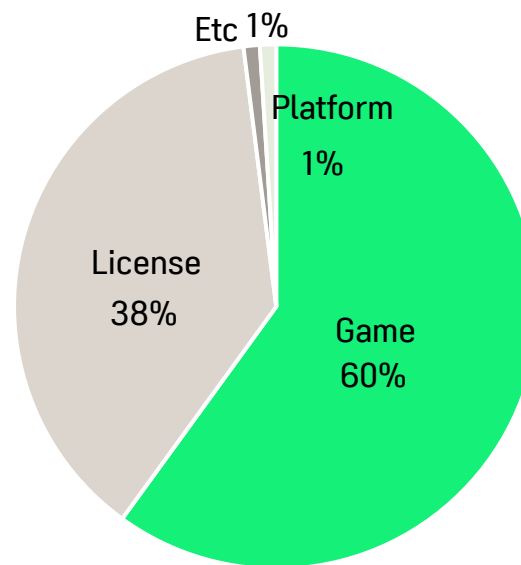
	3Q'22	2Q'22	QoQ	3Q'21	YoY
Domestic	70,329	63,529	11%	29,377	139%
Overseas	37,962	45,435	-16%	33,968	12%
Total	108,291	108,964	-1%	63,345	71%

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

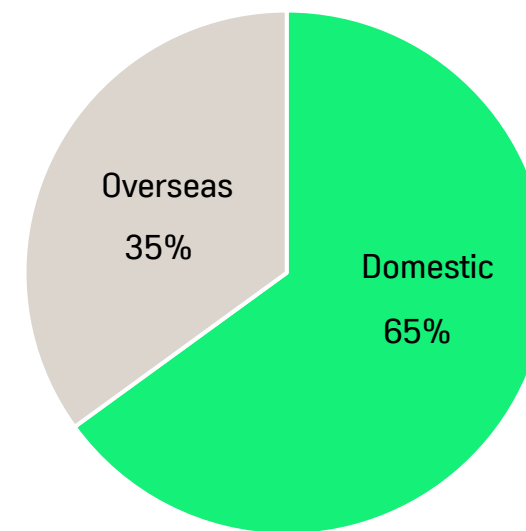
• Domestic



• Overseas



• Total



*Less than 1% is omitted from indications

4. Operating Expenses

- Operating expenses (-5% QoQ, +197% YoY) : Reduced QoQ driven by decrease in overall costs including labor costs, marketing expenses

- 3Q '22 Operating Expenses

[Unit: Million KRW]

	3Q'22	2Q'22	QoQ	3Q'21	YoY
Labor*	50,321	56,200	-10%	16,939	197%
Service Fee	44,509	41,136	8%	15,781	182%
Communication*	10,664	12,317	-13%	-	-
Marketing	21,143	24,457	-14%	5,772	266%
Depreciation	4,276	5,256	-19%	790	441%
Taxes	1,591	965	65%	1,309	22%
Others	3,822	3,196	20%	5,337	-28%
Total	136,327	143,526	-5%	45,928	197%

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

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

***Other expenses include communication fee in 3Q'21. Since 1Q'22 it continues to be reported independently.

5. Summary of Consolidated Financial Statements

• Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2020	2021	3Q'22
Total Assets	3,234	10,273	13,422
Current Assets	1,456	3,992	3,858
Non-current Assets	1,778	6,281	9,564
Total Liabilities	674	3,836	7,628
Current Liabilities	646	3,550	5,721
Non-current Liabilities	27	286	1,907
Total Equity	2,560	6,437	5,794
Capital Stock	87	169	172
Retained Earnings	776	3,876	2,392
Total Liabilities & Equity	3,234	10,273	13,422

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2020	2021	3Q'22
Revenue	1,262	3,350	3,483
Operating Expenses	1,391	2,376	4,044
Operating Profit	-128	974	-561
Non-operating Income(loss)	-18	2,945	-567
Income before tax	-146	3,918	-1,128
Income tax	37	837	77
Net Income	-184	3,081	-1,205
Controlling Interest	-73	3,067	-1,279
Non-controlling Interest	-110	14	73

*The figures of the summary of consolidated income statement above are based on the accumulated amounts.

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