

# WEMADE MAX

## 2Q FY2021 Earnings Results

INVESTOR RELATIONS

2021. 8. 11.

# Disclaimer

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The financial information under this document is the sales performance of WEMADE MAX 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.

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- **WEMADE MAX (Consolidated)**

FLERO Games Co., Ltd., Joy Studio Co., Ltd., IDLE idea factory Co., Ltd. LikeIT Games Co., Ltd. LightCON Co., Ltd.

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# 1. Key Results and Plans

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## 2Q 2021 Results

- U1game, a Chinese publisher, introduced <Silkroad M>, a 'Silkroad' IP-based license game in Korea (4/8)
- Split off mobile game business to enhance business efficiency (4/9)
- Established 'LightCON', a new consolidated subsidiary company (4/2)

## 3Q 2021 Update and Plans

- LightCON officially launched a new mobile board game <Play Poker> on Kakao games platform
- LightCON is working on developing four new titles in mobile games (3 puzzles, 1 RPG)
- Joy Studio, a subsidiary company, is preparing for the roll-out of <Rise of Stars>, a new space strategy mobile game
- FLERO Games, a subsidiary company, will launch <EVERYTOWN Global>, <My Secret Bistro 2> and <Dear My Cat 2> in the 2H 2021

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

- Revenue (-18% QoQ, -5% YoY) : Decreased QoQ followed by stabilized revenue of existing mobile games
- Operating Income (Turn to deficit QoQ, +92% YoY) : Turned to deficit but jumped 92% YoY
- Net Income (Turn to deficit QoQ, +58% YoY) : Turned to deficit but losses reduced YoY

[Unit: Million KRW]

	2Q'21	1Q'21	QoQ	2Q'20	YoY	1H'21	1H'20	YoY
<b>Revenue</b>	<b>8,313</b>	<b>10,156</b>	<b>-18%</b>	<b>8,782</b>	<b>-5%</b>	<b>18,469</b>	<b>18,489</b>	<b>-0%</b>
<b>Operating Expenses</b>	<b>8,421</b>	<b>9,720</b>	<b>-13%</b>	<b>10,136</b>	<b>-17%</b>	<b>18,141</b>	<b>20,206</b>	<b>-10%</b>
<b>Operating Income</b>	<b>-108</b>	<b>436</b>	<b>Turn to Deficit</b>	<b>-1,354</b>	<b>+92%</b>	<b>328</b>	<b>-1,716</b>	<b>Turn to profit</b>
Non-Operating Income(loss)	25	45	-	62	-	70	65	-
Financial Income(loss)	-646	34	-	-284	-	-612	-92	-
Equity Method	-47	-59	-	-239	-	-106	-235	-
<b>Income before tax</b>	<b>-776</b>	<b>456</b>	<b>Turn to Deficit</b>	<b>-1,815</b>	<b>+57%</b>	<b>-320</b>	<b>-1,978</b>	<b>+84%</b>
Income tax	62	-7	-	178	-	56	191	-
<b>Net Income</b>	<b>-838</b>	<b>462</b>	<b>Turn to Deficit</b>	<b>-1,993</b>	<b>+58%</b>	<b>-376</b>	<b>-2,169</b>	<b>+83%</b>

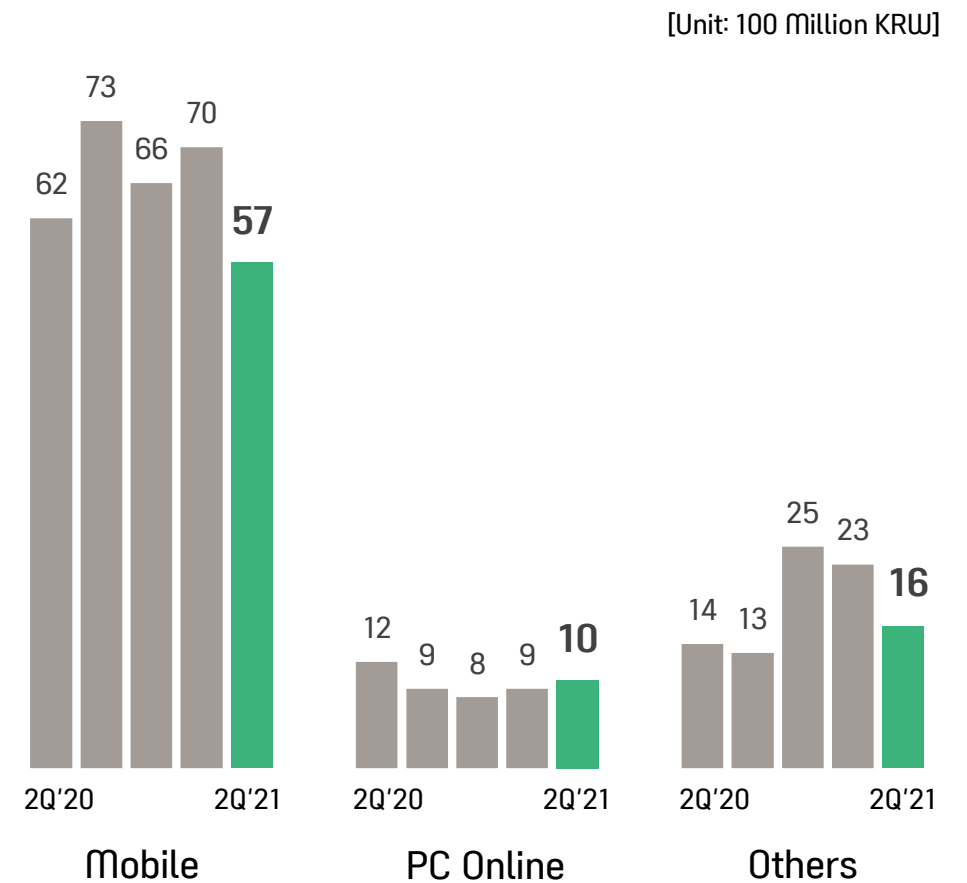
\* Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding

# By Platform

- Mobile (-18% QoQ, -7% YoY) : Declined QoQ due to muted revenue growth of existing games
- PC Online (+13% QoQ, -21% YoY) : Grew 13% QoQ thanks to overseas revenue growth of <Silkroad>
- Others (-31% QoQ, +15% YoY) : Down QoQ but increased 15% YoY

[Unit: Million KRW]

	2Q'21	1Q'21	QoQ	2Q'20	YoY
Mobile	5,746	6,982	-18%	6,170	-7%
PC Online	970	859	+13%	1,222	-21%
Others	1,597	2,315	-31%	1,390	+15%
Total	8,313	10,156	-18%	8,782	-5%



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# By Region

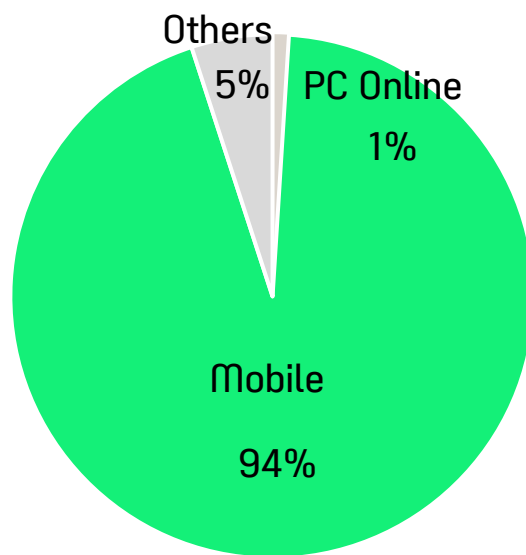
- Domestic (-53% QoQ, -46% YoY) Declined QoQ with decrease in existing mobile games revenue
- Overseas (+46% QoQ, +70% YoY) : Expanded +46% QoQ, +70% YoY led by <SilkRoad> sales growth, royalties and advertising sales growth

[Unit: Million KRW]

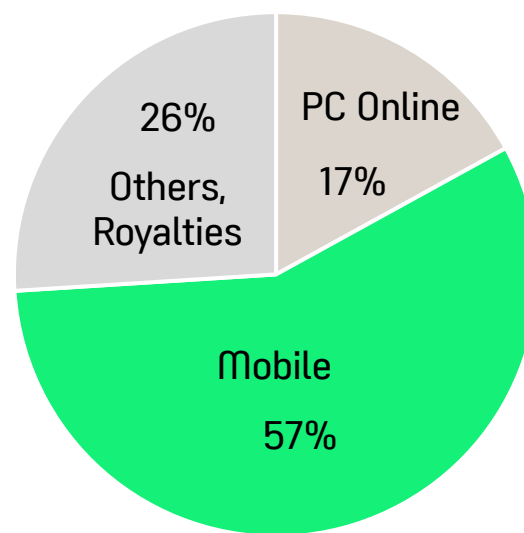
	2Q'21	1Q'21	QoQ	2Q'20	YoY
Domestic	3,079	6,561	-53%	5,704	-46%
Overseas	5,233	3,595	+46%	3,078	+70%
Total	8,313	10,156	-18%	8,782	-5%

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

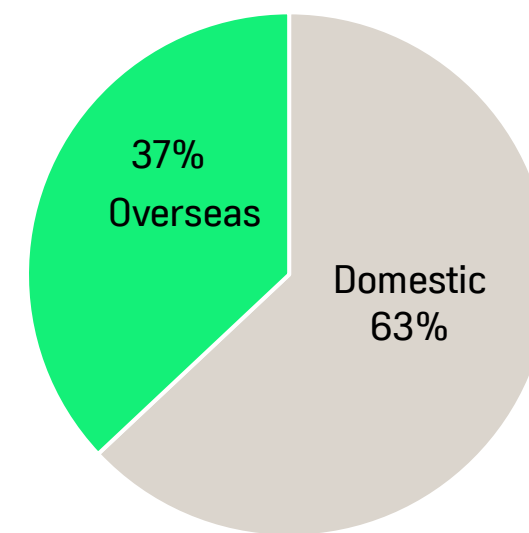
• Domestic



• Overseas



• Total



## 4. Operating Expenses

- Operating Expenses (-13% QoQ, -17% 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*	4,865	4,381	+11%	4,237	+15%
Service Fee	3,206	3,894	-18%	3,539	-9%
Marketing	360	502	-28%	1,428	-75%
Taxes	115	42	+172%	123	-7%
Others	-125	900	-114%	808	-115%
<b>Total</b>	<b>8,421</b>	<b>9,720</b>	<b>-13%</b>	<b>10,136</b>	<b>-17%</b>

\* 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 Consolidated Financial Statements

## • Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2019	2020	1H'21
<b>Total Assets</b>	<b>272</b>	<b>421</b>	<b>475</b>
Current Assets	155	279	300
Non-current Assets	117	142	175
<b>Total Liabilities</b>	<b>226</b>	<b>138</b>	<b>192</b>
Current Liabilities	224	77	65
Non-current Liabilities	2	61	127
<b>Total Equity</b>	<b>45</b>	<b>283</b>	<b>283</b>
Capital Stock	43	79	79
Retained Earnings	-310	-392	-399
<b>Total Liabilities &amp; Equity</b>	<b>272</b>	<b>421</b>	<b>475</b>

## • Consolidated Income Statement

[Unit: 100 Million KRW]

	2019	2020	1H'21
<b>Revenue</b>	<b>305</b>	<b>379</b>	<b>184</b>
Operating Expenses	414	431	181
<b>Operating Profit</b>	<b>-110</b>	<b>-52</b>	<b>3</b>
Non-operating Income(loss)	-52	-49	-6
Income before tax	-162	-101	-3
Income tax	-160	1	1
<b>Net Income</b>	<b>-139</b>	<b>-100</b>	<b>-4</b>
Controlling Interest	-139	-104	-7
Non-controlling Interest	-21	4	3

※ Above consolidated Income Statement figures are YTD figures

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