

WEMADE MAX

3Q FY2021 Earnings Results

INVESTOR RELATIONS

2021. 11. 3.

Disclaimer

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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 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

3Q 2021 Results

- Announced to become a global blockchain game developer (9/1)
- Signed license contract on PC Online game <Silkroad> with U1game, a Chinese publisher (9/14)
- LightCON, a subsidiary company, officially launched a new mobile board game <Player Poker> on Kakao games platform (7/28)

4Q 2021 Update and Plans

- LightCON rolled out a new mobile game <JungleGem Match : PvP Match3> (10/12)
- LightCON, a subsidiary company, preparing for the roll-out of <project SA>, a blockchain character collecting TCG mobile game
- Joy Studio, a subsidiary company, planning to release <Rise of Stars>, a new blockchain strategic simulation mobile game
- FLERO Games, a subsidiary company, will launch new blockchain games including <EVERYTOWN2 Global>, <My Secret Bistro 2>, <Abyssrium> and <Grow Slayer(tentative)>

2. 3Q 2021 Summary of Consolidated Financial Results

- Revenue (-8% QoQ, -20% YoY) : Decreased QoQ followed by stabilized revenue of existing mobile games
- Operating Income (-359% QoQ, +64% YoY) : Deficit reduced thanks to cut in operating expenses
- Net Income (+55% QoQ, +82% YoY) : Narrowed deficit QoQ and YoY helped by foreign currency translation gain

[Unit: Million KRW]

	3Q'21	2Q'21	QoQ	3Q'20	YoY	YTD 2021	YTD 2020	YoY
Revenue	7,641	8,313	-8%	9,574	-20%	26,109	28,063	-7%
Operating Expenses	8,137	8,421	-3%	10,952	-26%	26,277	31,158	-16%
Operating Income	-496	-108	-359%	-1,378	+64%	-168	-3,095	+95%
Non-Operating Income(loss)	73	25	-	-1	-	143	64	-
Financial Income(loss)	242	-646	-	-315	-	-371	-407	-
Equity Method	-66	-47	-	-445	-	-172	-680	-
Income before tax	-247	-776	+68%	-2,140	+88%	-567	-4,118	+86%
Income tax	127	62	-	-6	-	182	185	-
Net Income	-374	-838	+55%	-2,134	+82%	-750	-4,303	+83%

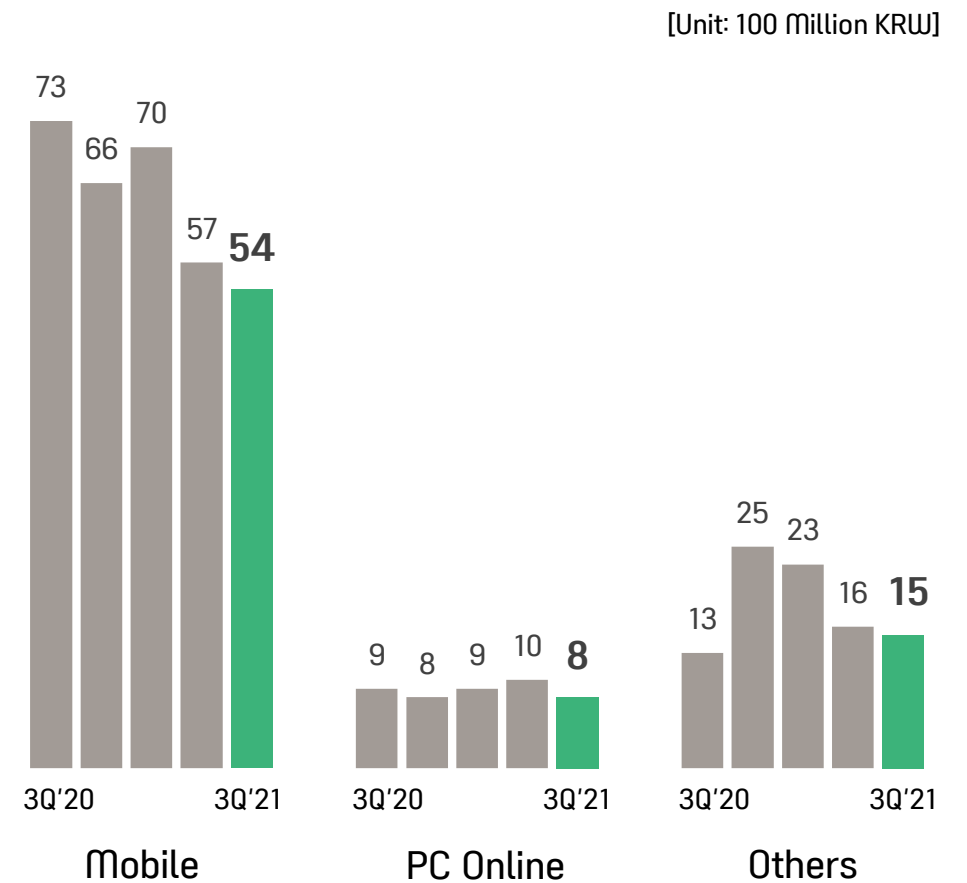
* Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding

By Platform

- Mobile (-6% QoQ, -26% YoY) : Declined QoQ due to muted revenue growth of existing games
- PC Online (-20% QoQ, -16% YoY) : Fell QoQ mainly on flattish revenue growth of <Silkroad>
- Others (-7% QoQ, +10% YoY) : Down QoQ but increased 10% YoY

[Unit: Million KRW]

	3Q'21	2Q'21	QoQ	3Q'20	YoY
Mobile	5,390	5,746	-6%	7,311	-26%
PC Online	774	970	-20%	925	-16%
Others	1,477	1,597	-7%	1,338	+10%
Total	7,641	8,313	-8%	9,574	-20%



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By Region

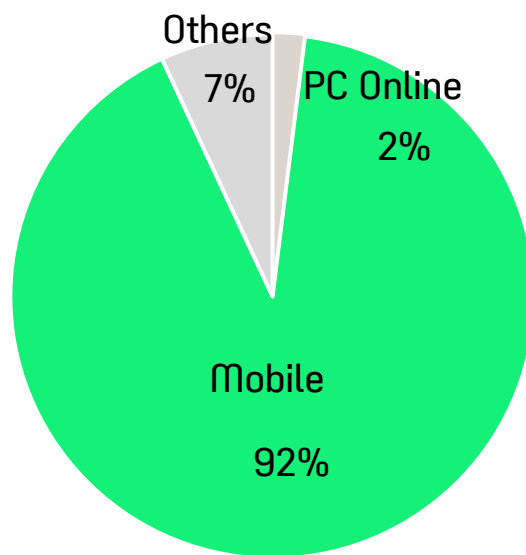
- Domestic (+34% QoQ, -39% YoY) : Rose +34% QoQ thanks to increased contribution by mobile game <Everytown>
- Overseas (-33% QoQ, +26% YoY) : Fell QoQ with decreased in sales from <SilkRoad>

[Unit: Million KRW]

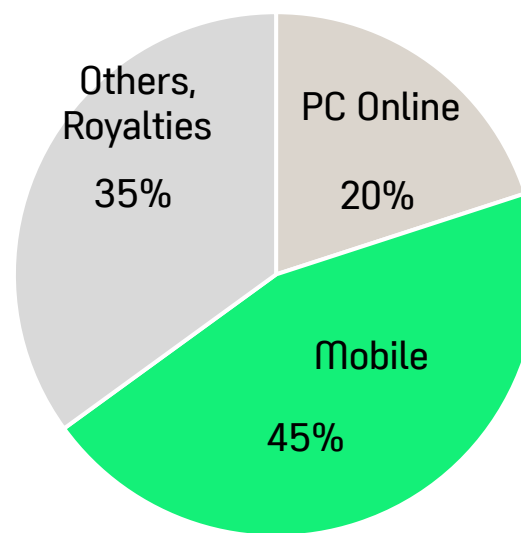
	3Q'21	2Q'21	QoQ	3Q'20	YoY
Domestic	4,139	3,079	+34%	6,801	-39%
Overseas	3,502	5,233	-33%	2,773	+26%
Total	7,641	8,313	-8%	9,574	-20%

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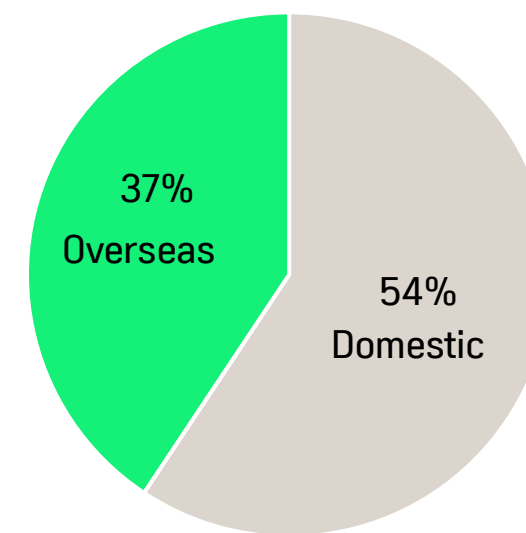
• Domestic



• Overseas



• Total



4. Operating Expenses

- Operating Expenses (-3% QoQ, -26% YoY) : Reduced -3% QoQ and -26% YoY driven by fall in labor cost and service fee
- 3Q'21 Operating Expenses

[Unit: Million KRW]

	3Q'21	2Q'21	QoQ	3Q'20	YoY
Labor*	3,881	4,865	-20%	4,114	-6%
Service Fee	2,900	3,206	-10%	3,678	-21%
Marketing	447	360	+24%	2,165	-79%
Taxes	50	115	-56%	135	-63%
Others	859	-125	+789%	860	-0%
Total	8,137	8,421	-3%	10,952	-26%

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

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5. Summary Consolidated Financial Statements

• Consolidated Balance Sheet

[Unit: 100 Million KRW]

	2019	2020	YTD 2021
Total Assets	272	421	471
Current Assets	155	279	294
Non-current Assets	117	142	177
Total Liabilities	226	138	191
Current Liabilities	224	77	63
Non-current Liabilities	2	61	128
Total Equity	45	283	280
Capital Stock	43	79	79
Retained Earnings	-310	-392	-403
Total Liabilities & Equity	272	421	471

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2019	2020	YTD 2021
Revenue	305	379	261
Operating Expenses	414	431	263
Operating Profit	-110	-52	-2
Non-operating Income(loss)	-52	-49	-4
Income before tax	-162	-101	-6
Income tax	-160	1	2
Net Income	-139	-100	-8
Controlling Interest	-139	-104	-11
Non-controlling Interest	-21	4	4

※ Above consolidated Income Statement figures are YTD figures

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