

WEMADE MAX

4Q FY2021 Earnings Results

INVESTOR RELATIONS

2022. 2. 9.

Disclaimer

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 4Q 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 MAX (Consolidated)**

Wemade Connect (FLERO Games) Co., Ltd., Joy Studio Co., Ltd., Wemade IF (IDLE idea factory) Co., Ltd. LikeIT Games Co., Ltd.
LightCON Co., Ltd.

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1. Key Results and Plans

4Q 2021 Results

- Wemade Max announced to become a global blockchain game developer (9/1)
- Wemade Max decided to merge with Wemade Next, a developer of <MIR 4> in form of all-inclusive share swap (11/26)
- Wemade Connect invested in NFT games which launched <GalaxyTornado on WEMIX> (12/31)
- LightCON, a subsidiary company, introduced new Game Token 'SILTHEREUM' for <Rise of Stars (ROS)> (12/24)

1Q 2022 Update and Plans

- LightCON, a subsidiary company, begun pre-registration for a blockchain SLG game <Rise of Stars (ROS)> and is preparing for its global roll-out
 - First NFT warship carrier pre-sale sold out right after launch (1/27)
- Wemade Connect, a subsidiary company, plan to introduce new blockchain games on WEMIX platform including <Dark Eden M>, <Everytown> and <My Secret Bistro>
- LightCON, a subsidiary company, preparing for the roll-out of <project SA>, a blockchain game with cross between collectible RPG and TCG(trading card game)

2. 4Q 2021 Summary of Consolidated Financial Results

- Revenue (+23% QoQ, -5% YoY) : Up 23% QoQ led by increased revenue of existing mobile games
- Operating Income (Turn to Surplus QoQ, YoY) : Turn to profit thanks to increase in revenue QoQ
- Net Income (-750% QoQ, +44% YoY) : Decreased QoQ due to derivative loss but increased YoY

[Unit: Million KRW]

	4Q'21	3Q'21	QoQ	4Q'20	YoY	YTD 2021	YTD 2020	YoY
Revenue	9,371	7,641	+23%	9,858	-5%	35,480	37,921	-6%
Operating Expenses	8,781	8,137	+8%	11,940	-26%	35,058	43,098	-19%
Operating Income	590	-496	Turned to profit	-2,082	Turned to profit	422	-5,177	Turned to profit
Non-Operating Income(loss)	-936	73	-	-2,619	-	-793	-2,555	-
Financial Income(loss)	-2,718	242	-	-572	-	-3,088	-979	-
Equity Method	-264	-66	-	-670	-	-435	-1,350	-
Income before tax	-3,327	-247	-1246%	-5,943	+44%	-3,895	-10,062	+61%
Income tax	-148	127	-	-239	-	34	-54	-
Net Income	-3,179	-374	-750%	-5,704	+44%	-3,929	-10,008	+61%

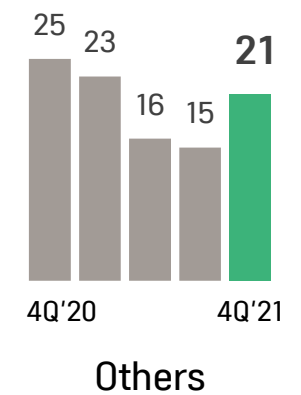
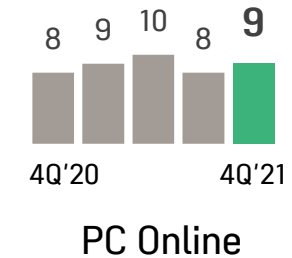
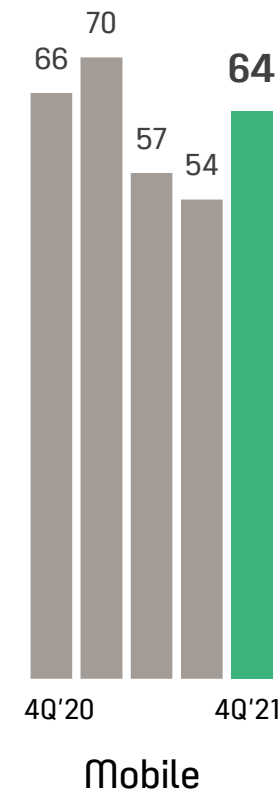
* Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding

By Platform

- Mobile (+19% QoQ, -4% YoY) : Increased 14% QoQ thanks to revenue growth of existing games
- PC Online (+16% QoQ, +20% YoY) : Rose 16% QoQ and 20% YoY mainly on sales increase in <Silkroad>
- Others (+41% QoQ, -15% YoY) : Jumped 41% QoQ driven by higher sales in license and advertisement

[Unit: Million KRW]

	4Q'21	3Q'21	QoQ	4Q'20	YoY
Mobile	6,387	5,385	+19%	6,642	-4%
PC Online	898	774	+16%	751	+20%
Others	2,086	1,482	+41%	2,465	-15%
Total	9,371	7,641	+23%	9,858	-5%



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By Region

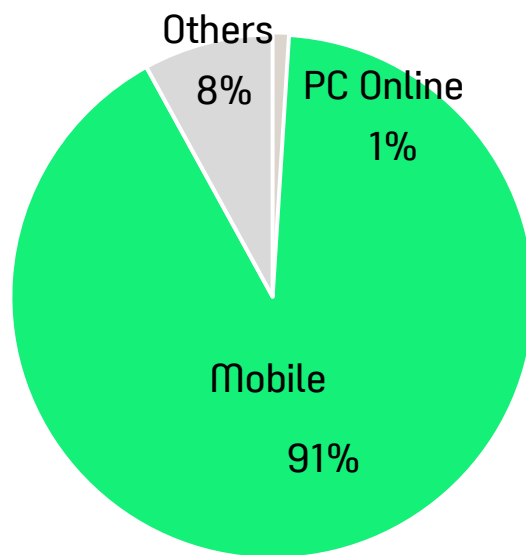
- Domestic (+34% QoQ, +19% YoY) : Hiked +34% QoQ thanks to increased contribution by mobile game <Everytown>
- Overseas (+8% QoQ, -28% YoY) : Grew 8% QoQ with increase in sales from <SilkRoad>

[Unit: Million KRW]

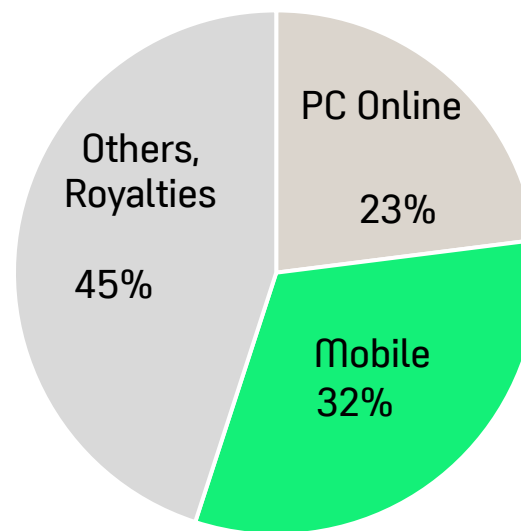
	4Q'21	3Q'21	QoQ	4Q'20	YoY
Domestic	5,886	4,267	+34%	4,788	+19%
Overseas	3,485	3,374	+8%	5,070	-28%
Total	9,371	7,641	+23%	9,858	-5%

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

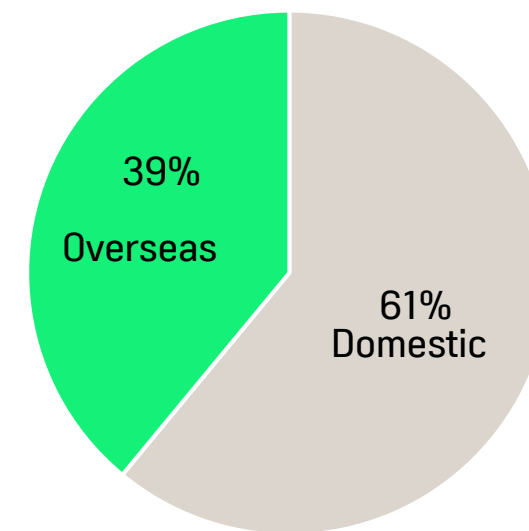
• Domestic



• Overseas



• Total



4. Operating Expenses

- Operating Expenses (+8% QoQ, -26% YoY) : Increased QoQ by 8% due to one-off labor cost and service fee but shrank YoY by 26%
- 4Q'21 Operating Expenses

[Unit: Million KRW]

	4Q'21	3Q'21	QoQ	4Q'20	YoY
Labor*	4,009	3,881	+3%	4,220	-5%
Service Fee	3,431	2,900	+18%	3,741	-8%
Marketing	397	447	-11%	2,758	-86%
Taxes	58	50	+14%	158	-64%
Others	887	859	+3%	1,063	-17%
Total	8,781	8,137	+8%	11,940	-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	2021
Total Assets	272	421	536
Current Assets	155	279	311
Non-current Assets	117	142	225
Total Liabilities	226	138	287
Current Liabilities	224	77	71
Non-current Liabilities	2	61	216
Total Equity	45	283	249
Capital Stock	43	79	79
Retained Earnings	-310	-392	-416
Total Liabilities & Equity	272	421	536

• Consolidated Income Statement

[Unit: 100 Million KRW]

	2019	2020	2021
Revenue	305	379	355
Operating Expenses	414	431	351
Operating Profit	-109	-52	4
Non-operating Income(loss)	-52	-49	-43
Income before tax	-161	-101	-38
Income tax	2	1	1
Net Income	-159	-100	-39
Controlling Interest	-139	-104	-24
Non-controlling Interest	-20	4	-15

※ Above consolidated Income Statement figures are YTD figures

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