

WEMADE MAX

4Q FY2022 Earnings Results

WEMADE MAX

INVESTOR RELATIONS

2023. 02. 15.

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.

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- **WEMADE MAX (Consolidated)**

Joy Studio Co., Ltd., LightCON Co., Ltd., Wemade Next Co., Ltd., Wemade Connect Co., Ltd., LikeIT Games Co., Ltd., Nexelon Co., Ltd., Nitro(X) Co., Ltd.,

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1. Key Results and Plans

4Q 2022 Results

Enhanced Development Capabilities	<ul style="list-style-type: none"> • Wemade Connect, a consolidated subsidiary, merged with 'Wemade IF' (Nov 1) • Wemade Connect acquired 'Nitro(X)' (Nov 1)
<Rise Of Stars Re:Verse> Global Launch	<ul style="list-style-type: none"> • LightCON, a consolidated subsidiary, globally launched <Rise Of Stars Re:Verse>, Strategy Simulation SLG (Oct 27) ; NFT pre-sale sold out and ranked 2nd in sales under Google Play strategy game category in Hong Kong
<Spirits Savor> Global Launch	<ul style="list-style-type: none"> • Wemade Connect globally released <Spirits Savor>, Idle RPG Mobile Games(Dec 15) ; Secured 400,000 pre-bookings and selected as Excellent Beta Game of One Store
Released Game Updates and Organized Promotion Events	<ul style="list-style-type: none"> • Wemade Connect, <Abyssrium> climbed to 3rd on Free Apps in Japan(Oct 7) • Wemade Connect, <EveryTown> collaborated with Lotte World Adventure(Dec 20) • LightCON, <God of Hitgo> carried out massive renewal updates for 7th Anniversary of Service(Dec 20)

1Q 2023 Update and Plans

8 New Games being prepared for WEMIX Platform	<ul style="list-style-type: none"> • LightCON, to roll-out of blockchain collectible RPG + TCG games <Valkyrrious (Tentative)>, Social Casino <Vegas> • Wemade Connect, to release globally new blockchain game <Abyssrium Origin> <SPOLIVE>, etc
New Mobile Game based on MIR IP under development	<ul style="list-style-type: none"> • Developing new mobile game <The Legend of Mir 2> by Wemade Connect

2. 4Q 2022 Summary of Consolidated Financial Results

- Revenue (-11% QoQ, +93% YoY) : Decreased QoQ followed by stabilizing existing mobile game sales including <MIR4> and <MIR4 global> but increased YoY thanks to the integration effect of a new consolidated subsidiary, Wemade Next
- Operating Income (-69% QoQ, Profit continues YoY): Down QoQ due to increased marketing and service fee following the launch of a new blockchain game < Rise Of Stars>
- Net Income (Turn to deficit QoQ, Deficit continues YoY) : Turned to deficit QoQ

[Unit: Million KRW]

	4Q'22	3Q'22	QoQ	4Q'21	YoY	YTD 2022	YTD 2021	YoY
Revenue	18,205	20,496	-11%	9,413	+93%	86,022	35,522	+142%
Operating Expenses	16,557	15,219	+9%	8,953	+85%	61,016	35,230	+73%
Operating Income	1,648	5,277	-69%	460	Profit continues	25,006	292	Profit continues
Non-Operating Income(loss)	-1,360	6	-	-936	-	-1,185	-793	-
Financial Income(loss)	-1,200	1,853	-	-161	-	1,006	-532	-
Equity Method	-165	-223	-	-263	-	-730	-435	-
Income before tax	-1,077	6,913	Turned to deficit	-901	-20%	24,097	-1,468	Turned to profit
Income tax	1,883	0	-	-148	-	1,861	34	-
Net Income	-2,960	6,913	Turned to deficit	-753	Deficit continues	22,237	-1,502	Turned to profit

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

By Platform

- Mobile (-12% QoQ, +144% YoY) : Declined QoQ by stabilizing existing mobile games
- PC Online (+7% QoQ, -25% YoY) : Rose QoQ mainly on sales increase in <Silkroad>
- Others (-10% QoQ, -12% YoY) : Down QoQ and YoY with decreased sales in license and advertisement

[Unit: Million KRW]

	4Q'22	3Q'22	QoQ	4Q'21	YoY
Mobile	15,695	17,837	-12%	6,428	+144%
PC Online	671	627	+7%	898	-25%
Others	1,839	2,032	-10%	2,086	-12%
Total	18,205	20,496	-11%	9,413	+93%

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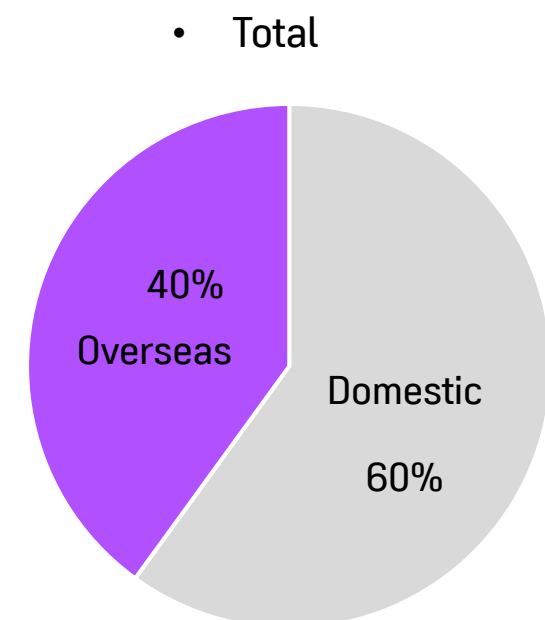
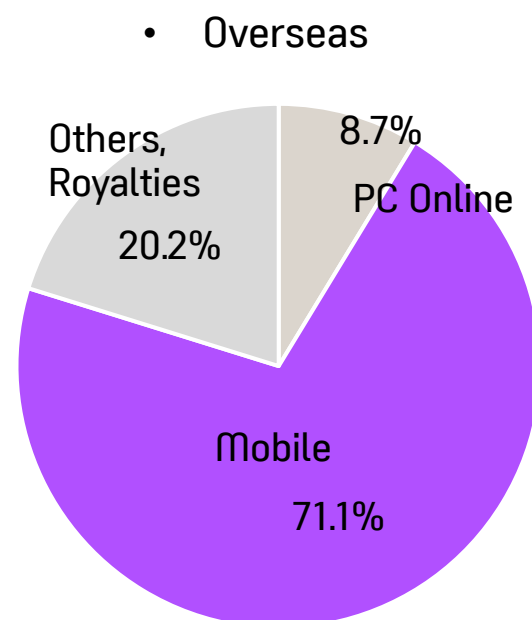
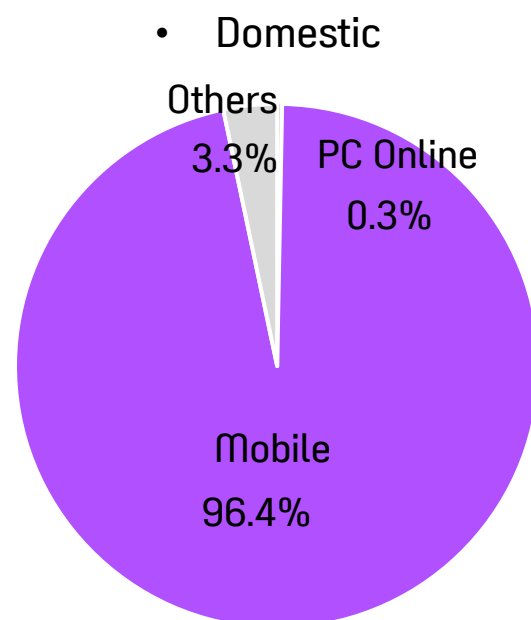
By Region

- Domestic (-9% QoQ, +86% YoY) : Declined QoQ driven by decrease in domestic sales of existing mobile games but increased YoY contributed by the integration effect of Wemade Next
- Overseas (-14% QoQ, +105% YoY) : Dropped QoQ affected by stabilizing existing mobile game sales including <MIR4 global> ; jumped YoY on the consolidation effect of Wemade Next

[Unit: Million KRW]

	4Q'22	3Q'22	QoQ	4Q'21	YoY
Domestic	10,730	11,814	-9%	5,760	+86%
Overseas	7,475	8,682	-14%	3,653	+105%
Total	18,205	20,496	-11%	9,413	+93%

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



4. Operating Expenses

- Operating Expenses (+9% QoQ, +85% YoY) : Climbed QoQ due to more marketing expenses and service fees for new game releases

- 4Q'22 Operating Expenses

[Unit: Million KRW]

	4Q'22	3Q'22	QoQ	4Q'21	YoY
Labor*	8,333	8,226	+1%	4,100	+103%
Service Fee	5,235	4,661	+12%	3,536	+48%
Marketing	1,738	847	+105%	397	+338%
Taxes	87	110	-21%	58	+51%
Others	1,163	1,376	-16%	862	+35%
Total	16,557	15,219	+9%	8,953	+85%

- 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 of Consolidated Financial Statements

• Consolidated Balance Sheet

	[Unit: 100 Million KRW]		
	2020	2021	2022
Total Assets	421	534	1,244
Current Assets	279	316	1,022
Non-current Assets	142	219	222
Total Liabilities	138	261	448
Current Liabilities	77	104	157
Non-current Liabilities	61	157	292
Total Equity	283	273	796
Capital Stock	79	79	166
Retained Earnings	-392	-405	-164
Total Liabilities & Equity	421	534	1,244

• Consolidated Income Statement

	[Unit: 100 Million KRW]		
	2020	2021	2022
Revenue	379	355	860
Operating Expenses	431	352	610
Operating Profit	-52	3	250
Non-operating Income(loss)	-49	-18	-9
Income before tax	-101	-15	241
Income tax	1	1	19
Net Income	-100	-15	222
Controlling Interest	-104	-13	248
Non-controlling Interest	4	-2	-26

* Above consolidated Income Statement figures are YTD figures

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