

# WEMADE MAX

2Q FY2023

Earnings Release

WEMADE MAX

INVESTOR RELATIONS

August 09, 2023

# 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 2023 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)**

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 Outlook

## 2Q'23 Results

Opened Pre-Registration for  
<God of Idle: Merge Master>

- Wemade Connect, opened a global Pre-Registration for the New Mobile game <God of Idle> (May 24 ~ July 17)  
- Genre: Casual RPG idle mobile games / Official release date: August 17, 2023

Existing Games Updates and  
with Promotional Events

- Wemade Connect, celebrated the 1st - anniversary of the blockchain mobile games <Dark Eden M on WEMIX> and <Every Farm> (May 26)
- Wemade Next, updated <Mir 4> with 'Integration' service and a new dungeon 'Black Dragon's Valle' (April 13, June 8) and held various events(the 900-day anniversary 'Moon of MIR' and 'Attendance Book' etc.) (May 11 ~ June 21)
- LikeitGames, added 'My Room' contents to the mobile adventure game <The Secret of Cat Island> (June 30)

## 3Q'23 Updates and Outlook

8 New Games to onboard  
on WEMIX Play Platform

- LightCOŃ, developing a blockchain Collecting RPG game <Valkyrrious>, etc.
- Wemade Connect, to release globally blockchain games <Abyssrium Origin on Wemix>, etc.

New Mobile Games under  
development

- Wemade Connect, working on the creation of a new mobile MMORPG game <Legend of Mir 2: Fate> and 3 titles of idle RPG games <Dragon Princess Idle(Tentative)>, <Paladin Idle(Tentative)> and <Hunter Ignition: IDLE RPG>
- LightCOŃ, undertaking the creation of a new mobile MMORPG game <TEETINY>

Merger between  
subsidiaries  
to enhance development  
capabilities

- LightCOŃ, completed a merger with Joy Studio (July 4)

※ Wemade Connect released the HTML5-based multi-platform MMORPG <Flyff Universe>, developed by Gala Lab on July 1 (after 2Q 2023)

## 2. 2Q'23 Summary of Consolidated Financial Results

- Revenue (-13.3% QoQ, -34.7% YoY) : Fell QoQ due to the stabilized sales of existing mobile games <MIR4>, <MIR4 global> and decreased royalties
- Operating Income (-67.2% QoQ, -89.2% YoY) : Down QoQ mainly on sluggish top-line growth
- Net Income (-71.9% QoQ, -91.3% YoY) : Declined QoQ with reduced foreign exchange gains

	2Q'23	1Q'23	QoQ	2Q'22	YoY	YTD 2023	YTD 2022	YoY
Revenue	15,633	18,032	-13.3%	23,955	-34.7%	33,665	47,322	-28.9%
Operating Expenses	14,696	15,178	-3.2%	15,268	-3.7%	29,875	29,240	+2.2%
Operating Income	936	2,854	-67.2%	8,687	-89.2%	3,790	18,081	-79.0%
Non-Operating Income(loss)	38	-53	-	107	-	-16	170	-
Financial Income (loss)	357	548	-	498	-	905	352	-
Equity Method	-348	-2	-	-184	-	-350	-342	-
Income before tax	983	3,347	-70.6%	9,108	-89.2%	4,330	18,261	-76.3%
Income tax	187	514	-	-22	-	702	-22	-
Net Income	796	2,832	-71.9%	9,131	-91.3%	3,628	18,284	-80.2%

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

# By Platform

- PC Online (-17.7% QoQ, -9.4% YoY) : Reduced QoQ mainly on overseas sales decrease in <Silkroad>
- Mobile (-11.1% QoQ, -37.5% YoY) : Declined QoQ owing to the stabilization of existing mobile games <MIR4> and <MIR4 global>
- Royalties (-40.2% QoQ, -35.1% YoY) : Shrunk QoQ as a consequence of reduction in royalty revenue from <Silkroad>
- Others (-3.2% QoQ, +45.7% YoY) : Down QoQ with decreased license and advertisement revenues

[Unit: Million KRW]

	2Q'23	1Q'23	QoQ	2Q'22	YoY
PC Online	585	711	-17.7%	646	-9.4%
Mobile	13,423	15,105	-11.1%	21,478	-37.5%
Royalties	840	1,406	-40.2%	1,294	-35.1%
Others	784	810	-3.2%	538	+45.7%
Total	15,633	18,032	-13.3%	23,955	-34.7%

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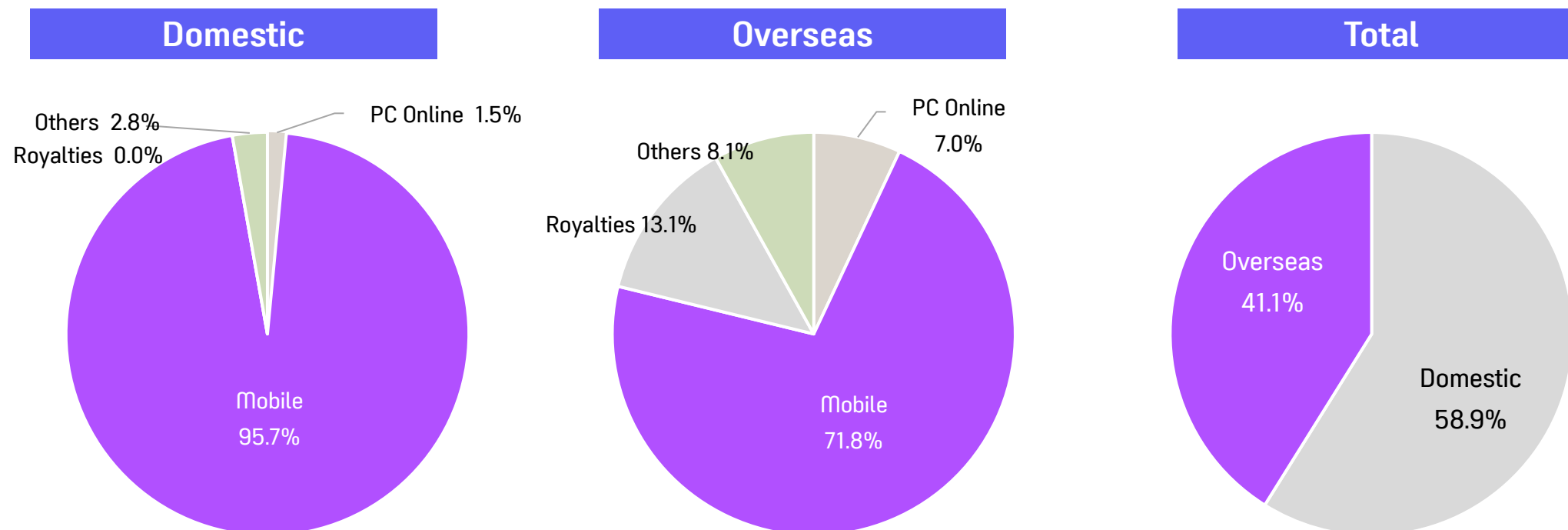
# By Region

- Domestic (-9.1% QoQ, -17.9% YoY) : Waned QoQ as a result of softened sales of existing mobile games
- Overseas (-18.7% QoQ, -49.6% YoY) : Dropped QoQ driven by sales declines in <Silkroad> and <Mir4 global>

[Unit: Million KRW]

	2Q'23	1Q'23	QoQ	2Q'22	YoY
Domestic	9,211	10,131	-9.1%	11,217	-17.9%
Overseas	6,422	7,901	-18.7%	12,738	-49.6%
Total	15,633	18,032	-13.3%	23,955	-34.7%

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## 4. Operating Expenses

- Operating Expenses (-3.2% QoQ, -3.7% YoY) : Reduced QoQ on lower marketing costs and service fees

[Unit: Million KRW]

	2Q'23	1Q'23	QoQ	2Q'22	YoY
Labor*	8,646	8,343	+3.6%	7,725	+11.9%
Service Fee	3,898	4,298	-9.3%	4,779	-18.4%
Marketing	651	936	-30.5%	1,235	-47.3%
Taxes	181	231	-21.8%	108	+68.0%
Others	1,321	1,370	-3.6%	1,421	-7.1%
<b>Total</b>	<b>14,696</b>	<b>15,178</b>	<b>-3.2%</b>	<b>15,268</b>	<b>-3.7%</b>

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

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# 5. Summary of Consolidated Financial Statements

## • Consolidated Balance Sheet

	[Unit: 100 Million KRW]		
	2021	2022	2Q23
<b>Total Assets</b>	<b>534</b>	<b>1,228</b>	<b>1,264</b>
Current Assets	316	1,022	990
Non-current Assets	219	206	274
<b>Total Liabilities</b>	<b>261</b>	<b>431</b>	<b>430</b>
Current Liabilities	104	320	372
Non-current Liabilities	157	111	58
<b>Total Equity</b>	<b>273</b>	<b>797</b>	<b>834</b>
Capital Stock	79	166	166
Retained Earnings	-405	-152	-104
<b>Total Liabilities &amp; Equity</b>	<b>534</b>	<b>1,228</b>	<b>1,264</b>

## • Consolidated Income Statement

	[Unit: 100 Million KRW]		
	2021	2022	2Q23
<b>Revenue</b>	<b>355</b>	<b>862</b>	<b>337</b>
Operating Expenses	352	610	299
<b>Operating Profit</b>	<b>3</b>	<b>253</b>	<b>38</b>
Non-operating Income(loss)	-18	-9	5
Income before tax	-15	244	43
Income tax	1	18	7
<b>Net Income</b>	<b>-15</b>	<b>226</b>	<b>36</b>
Controlling Interest	-13	250	49
Non-controlling Interest	-2	-27	-12

\* Above consolidated Income Statement figures are YTD figures

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