

# WEMADE MAX

3Q FY2023

Earnings Release

WEMADE MAX

INVESTOR RELATIONS

November 8<sup>th</sup>, 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 3Q 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)**

LightCON Co., Ltd., Wemade Next Co., Ltd., Wemade Connect Co., Ltd., LIKEIT Games Co., Ltd., Nexelon Co., Ltd., Nitro X Co., Ltd.,

# **Table of Contents**

## **3Q FY2023**

### **Earnings Release**

1. **Key Results and Outlooks**
2. **3Q'23 Summary of Consolidated Financial Results**
3. **Sales Breakdown**
  - By Business Segment
  - By Region
4. **Operating Expenses**
5. **Summary of Consolidated Financial Statements**

# 1. Key Results and Outlook

## 3Q'23 Results

Merger between subsidiaries to enhance development capabilities

- LightCON, completed a merger with Joy Studio (Jul 4)

<Flyff Universe> Service Launch

- Wemade Connect, released the HTML5-based multi-platform MMORPG <Flyff Universe>, developed by Gala Lab (Jul 1) ; Attracted over 250,000 new sign-up users and successfully hosted the global online tournament 'Flyff World Championship' (Sep 14)

<God of Idle> Global Launch

- Wemade Connect, globally launched the new mobile game <God of Idle> in 12 countries (Aug 17)

Service Games Updates and Promotional Events

- Wemade Connect, celebrated the 7<sup>th</sup> anniversary of <Abyssrium> and 9<sup>th</sup> anniversary of <My Secret Bistro> (Aug 1)
- Wemade Next, updated <Mir 4> with the new legendary items of 'Candelra, the Luminous Empress' and introduced the growth system of 'Malyeongju', etc. (Jul 20, Sep 14)
- LikeitGames, <The Secret of Cat Island> collaborated with 'Photoism' (Jul 30)

## 4Q'23 Updates and Outlook

<Valkyrrious> onboarded on WEMIX PLAY

- LightCON, onboarded the collecting RPG <Valkyrrious> on 'WEMIX PLAY'(Oct 26)

5 new onboarding games on WEMIX PLAY under development

- Developing five new blockchain games for global releases, including <Abyssrium Origin on Wemix>

6 new mobile games under development

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

## 2. 3Q'23 Summary of Consolidated Financial Results

- Revenue (+17.8% QoQ, -10.2% YoY) : Rose QoQ along with increased sales from the Web Game <Flyff Universe> and royalties from <Silkroad Online>
- Operating Income (+33.1% QoQ, -76.4% YoY) : Soared QoQ on revenue growth
- Net Income (+71.0% QoQ, -80.3% YoY) : Jumped QoQ with increased foreign exchange gains

	[Unit: Million KRW]					[Unit: Million KRW]		
	3Q'23	2Q'23	QoQ	3Q'22	YoY	YTD 2023	YTD 2022	YoY
Revenue	18,415	15,633	+17.8%	20,496	-10.2%	52,080	67,818	-23.2%
Operating Expenses	17,168	14,696	+16.8%	15,219	+12.8%	47,042	44,459	+5.8%
Operating Income	1,247	936	+33.1%	5,277	-76.4%	5,037	23,358	-78.4%
Non-Operating Income(loss)	135	38	-	6	-	119	175	-
Financial Income (loss)	479	357	-	1,853	-	1,384	2,206	-
Equity Method	-288	-348	-	-223	-	-638	-565	-
Income before tax	1,572	983	+59.9%	6,913	-77.3%	5,902	25,174	-76.6%
Income tax	211	187	-	-	-	913	-22	-
Net Income	1,361	796	+71.0%	6,913	-80.3%	4,989	25,197	-80.2%

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

## By Business Segment

- PC Online (+581.5% QoQ, +536.8% YoY) : Spiking significantly QoQ due to the release of the new Web Game <Flyff Universe>
- Mobile (-10.4% QoQ, -32.6% YoY) : Declined QoQ owing to the sales stabilization of existing mobile games <MIR4> and <MIR4 Global>
- Royalties (+94.3% QoQ, +115.4% YoY) : Increased markedly QoQ thanks to royalty revenue growth from <Silkroad Online>
- Others (-2.6% QoQ, -40.0% YoY) : Down QoQ with decreased license and advertisement revenues

[Unit: Million KRW]

	3Q'23	2Q'23	QoQ	3Q'22	YoY
PC Online	3,990	585	+581.5%	627	+536.8%
Mobile	12,029	13,423	-10.4%	17,840	-32.6%
Royalties	1,632	840	+94.3%	758	+115.4%
Others	763	784	-2.6%	1,272	-40.0%
Total	18,415	15,633	+17.8%	20,496	-10.2%

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

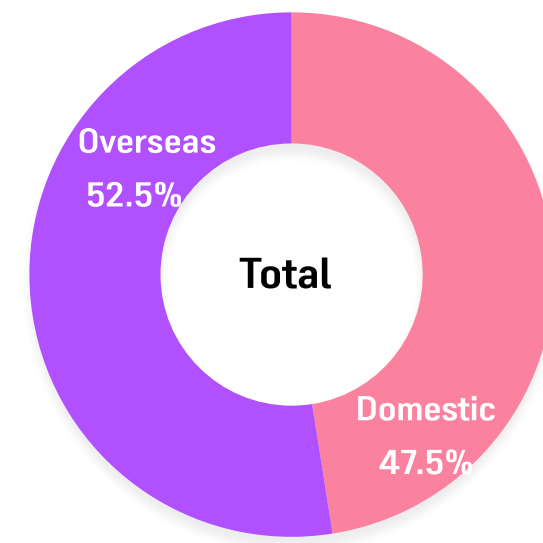
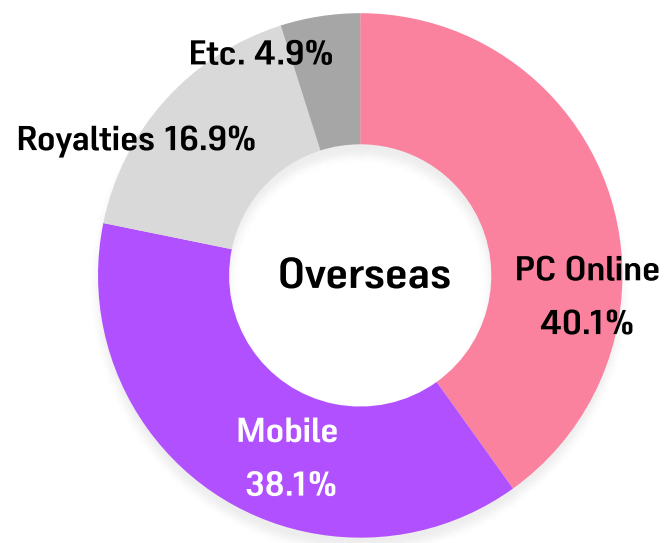
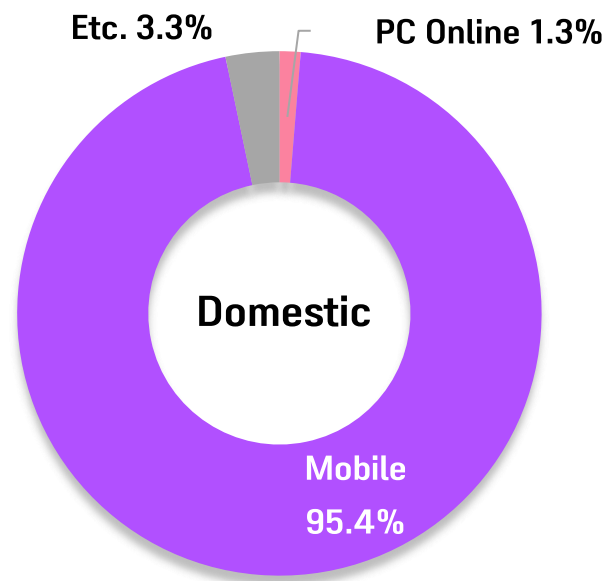
# By Region

- Domestic (-5.0% QoQ, -25.1% YoY) : Waned QoQ as a result of softened sales of existing mobile games
- Overseas (+50.5% QoQ, +9.7% YoY) : Increased QoQ driven by overseas sales increase from <Flyff Universe>

[Unit: Million KRW]

	3Q'23	2Q'23	QoQ	3Q'22	YoY
Domestic	8,752	9,211	-5.0%	11,686	-25.1%
Overseas	9,662	6,422	+50.5%	8,810	+9.7%
Total	18,415	15,633	+17.8%	20,496	-10.2%

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



\*Less than 1% is omitted from indications.

## 4. Operating Expenses

- Operating Expenses (+16.8% QoQ, +12.8% YoY) : Up QoQ on higher revenue-linked service fees related to new game release

[Unit: Million KRW]

	3Q'23	2Q'23	QoQ	3Q'22	YoY
Labor*	8,529	8,646	-1.4%	8,226	+3.7%
Service Fee	6,149	3,898	+57.7%	4,661	+31.9%
Marketing	716	651	+10.0%	847	-15.4%
Taxes	270	181	+49.2%	110	+145.8%
Others	1,505	1,321	+13.9%	1,376	+9.3%
<b>Total</b>	<b>17,168</b>	<b>14,696</b>	<b>+16.8%</b>	<b>15,219</b>	<b>+12.8%</b>

\*Includes wage, incentive, retirement benefits, employee benefits, and stock compensation cost.

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



# 5. Summary of Consolidated Financial Statements

## • Consolidated Balance Sheet

	[Unit: 100 Million KRW]		
	2021	2022	3Q23
<b>Total Assets</b>	<b>534</b>	<b>1,228</b>	<b>1,296</b>
Current Assets	316	1,022	1,019
Non-current Assets	219	206	276
<b>Total Liabilities</b>	<b>261</b>	<b>431</b>	<b>449</b>
Current Liabilities	104	320	395
Non-current Liabilities	157	111	53
<b>Total Equity</b>	<b>273</b>	<b>797</b>	<b>847</b>
Capital Stock	79	166	166
Retained Earnings	-405	-152	-85
<b>Total Liabilities &amp; Equity</b>	<b>534</b>	<b>1,228</b>	<b>1,296</b>

## • Consolidated Income Statement

	[Unit: 100 Million KRW]		
	2021	2022	3Q23
<b>Revenue</b>	<b>355</b>	<b>862</b>	<b>521</b>
Operating Expenses	352	610	470
<b>Operating Profit</b>	<b>3</b>	<b>253</b>	<b>50</b>
Non-operating Income(loss)	-18	-9	9
Income before tax	-15	244	59
Income tax	1	18	9
<b>Net Income</b>	<b>-15</b>	<b>226</b>	<b>50</b>
Controlling Interest	-13	250	67
Non-controlling Interest	-2	-27	-17

\*The figures of the summary of consolidated income statement above are based on the accumulated amounts.

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