

WEMADE MAX

4Q FY2023 & Annual Earnings Results

WEMADE MAX

INVESTOR RELATIONS

February 7th, 2024

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 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)**

Wemade Next Co., Ltd., LightCON 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

4Q'23 Results

Onboarded <Valkyrions> on WEMIX PLAY

- LightCON, onboarded the collecting RPG <Valkyrions> on 'WEMIX PLAY' (Oct 25)

<Hunter Ignition> Globally Launched

- Wemade Connect, globally launched the remade new game <Hunter Ignition> with an enhanced idle gaming system inspired by <Spirit Saver> (Nov 8)

<The Cat Fishing Village>, MWU Korea Award Winner

- Nexelon, won in the 'Best Revenue' category at the 'MWU Korea Awards 2023' for <The Cat Fishing Village> (Nov 28)

Service Games Updates and Current Status

- Wemade Connect, <Every Town> collaborated with 'Sanrio Characters' (Oct 30)
- Wemade Connect, demonstrated a new subculture RPG <Lost Sword> at G-STAR 2023 (Nov 16)
- Wemade Next, celebrated the 3rd-anniversary of <MIR4> and updated a new episode 'Shinki Sun', etc. (Nov 9, Dec 7)
- Wemade Connect announced to release the blockchain game <Every Farm> on LG Smart TV's 'WebOS' (Dec 21)

1Q'24 Updates and Outlook

5 New Upcoming Block-chain Games

- Developing five new global blockchain games on WEMIX PLAY

10 New Mobile Games under development

- Wemade Next, developing <MIR4> with the goal of launching in China in the second quarter of 2024
- Wemade Connect, working on the creation of seven new mobile games
ex) the MMORPG game <Legend of Mir 2: Fate>, the subculture RPG <Lost Sword>, and two Idle RPGs <Dragon Princess Idle>, <Paladin Idle>, etc.
- LightCON, undertaking the creation of a new mobile MMORPG game <TeeTINY : Smart Tower Life>

2. 4Q 2023 Summary of Consolidated Results

- Revenue (-4.0% QoQ, -4.0% YoY) : Fell QoQ due to the stabilized sales of existing games.
- Operating Income (Turn to deficit QoQ, Turn to deficit YoY) : Turned to deficit QoQ on higher marketing costs related to new game releases.
- Net Income (+4.5% QoQ, Turn to profit YoY) : Increased QoQ thanks to the income tax credit.

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY	YTD 2023	YTD 2022	YoY
Revenue	17,684	18,415	-4.0%	18,417	-4.0%	69,764	86,235	-19.1%
Operating Expenses	18,889	17,168	+10.0%	16,494	+14.5%	65,932	60,953	+8.2%
Operating Income	-1,205	1,247	Turn to deficit	1,923	Turn to deficit	3,832	25,282	-84.8%
Non-Operating Income(loss)	-980	135	-	-1,402	-	-861	-1,227	-
Financial Income (loss)	-2,735	479	-	-1,172	-	-1,351	1,034	-
Equity Method	178	-288	-	-165	-	-460	-730	-
Income before tax	-4,742	1,572	Turn to deficit	-815	Deficit continued	1,160	24,359	-95.2%
Income tax	-6,165	211	-	1,822	-	-5,252	1,799	-
Net Income	1,423	1,361	+4.5%	-2,637	Turn to profit	6,412	22,559	-71.6%

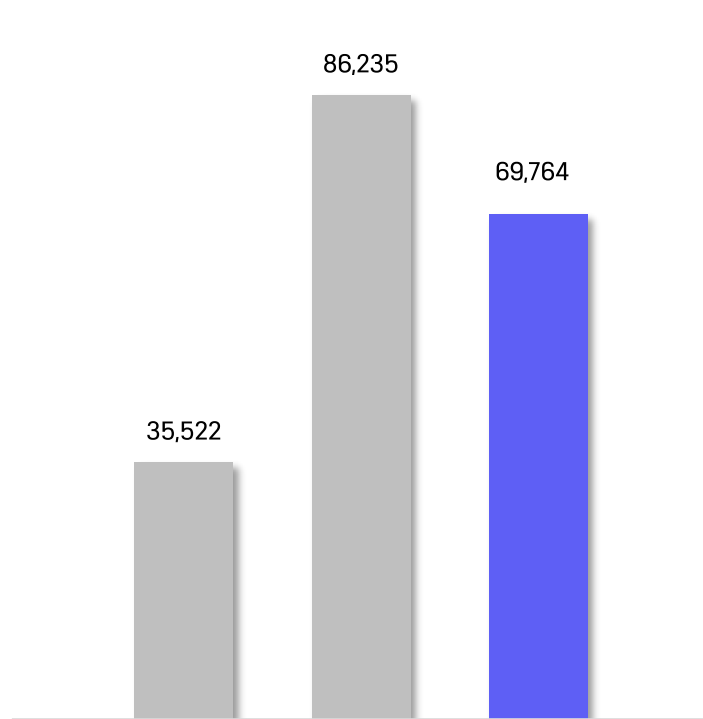
* Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

3. FY2023 Summary of Consolidated Results

- Revenue (-19.1% YoY): Despite an increase in sales in PC online and licenses businesses, declined YoY due to the stabilized sales of existing mobile games.
- Operating Income (-84.8% YoY): Down YoY on the increased expenses for new game launches.
- Net Income (-71.6% YoY): Declined YoY despite the reflected income tax credit.

Annual Revenue

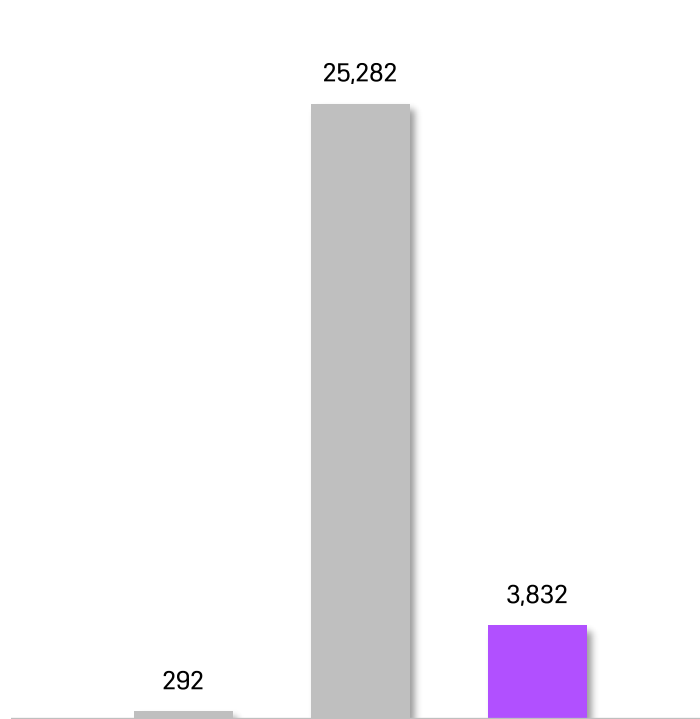
[Unit: Million KRW]



■ FY2021 ■ FY2022 ■ FY2023

Annual Operating Income

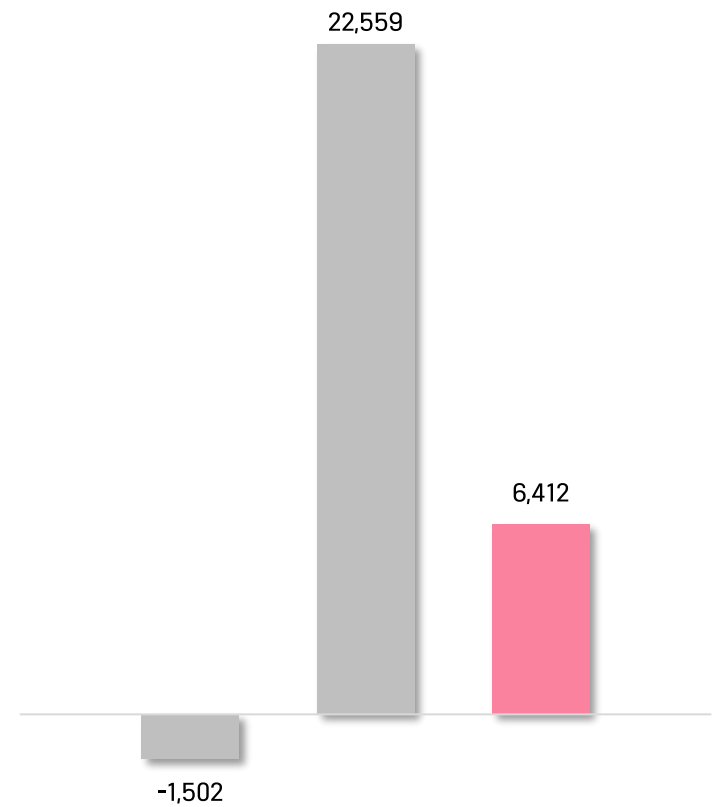
[Unit: Million KRW]



■ FY2021 ■ FY2022 ■ FY2023

Annual Net Income

[Unit: Million KRW]



■ FY2021 ■ FY2022 ■ FY2023

4. Sales Breakdown

By Business Segment

- PC Online (+4.8% QoQ, +523.1% YoY) : Increased QoQ thanks to the contribution of the Web Game <Flyff Universe>'s revenue.
- Mobile (-8.3% QoQ, -30.1% YoY) : Despite the revenue contribution of the new game <Hunter Ignition: IDLE RPG> , decreased QoQ due to the stabilization of existing game sales.
- Royalties (+9.9% QoQ, +87.3% YoY) : Rose QoQ driven by the growth in royalty revenue from <Silkroad Online> overseas.
- Others (-11.4% QoQ, -33.5% YoY) : Down QoQ with decreased license and advertisement revenues.

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY
PC Online	4,182	3,990	+4.8%	671	+523.1%
Mobile	11,032	12,029	-8.3%	15,772	-30.1%
Royalties	1,794	1,632	+9.9%	958	+87.3%
Others	676	763	-11.4%	1,017	-33.5%
Total	17,684	18,415	-4.0%	18,417	-4.0%

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4. Sales Breakdown By Region

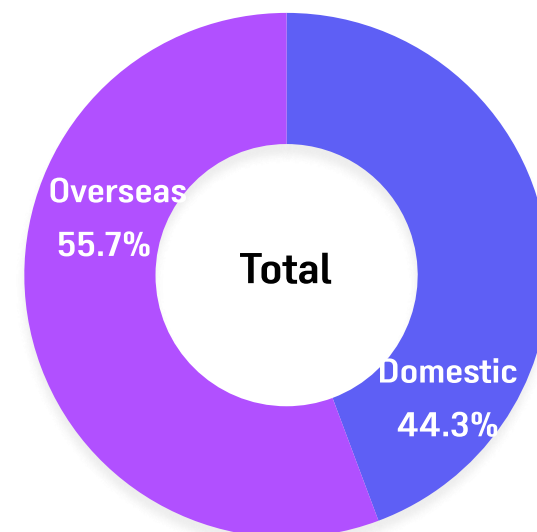
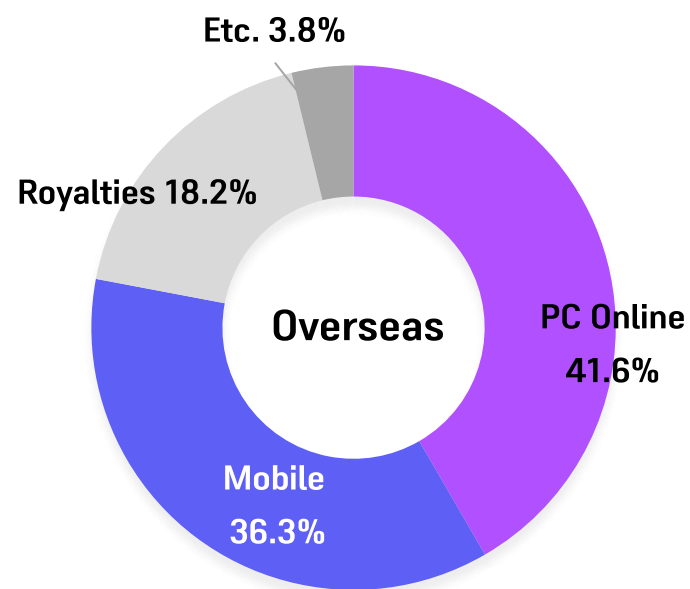
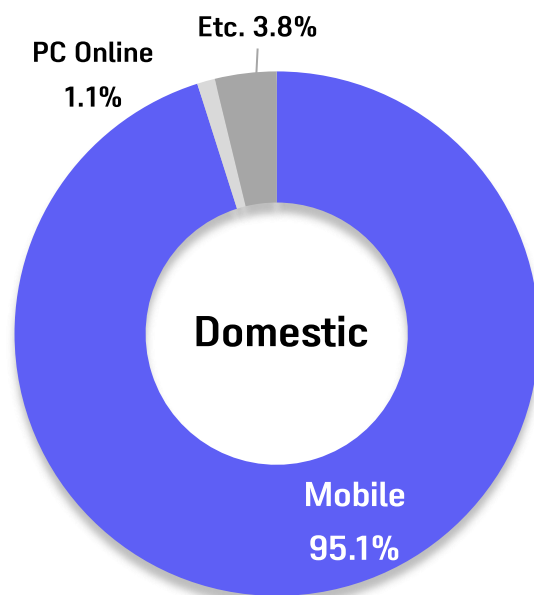
- Domestic (-10.5% QoQ, -28.2% YoY) : Declined QoQ as a result of softened sales of existing mobile games.
- Overseas (+1.9% QoQ, +31.3% YoY) : Up slightly QoQ with an increase in overseas revenue from the web games <Flyff Universe> and <Silkroad Online>.

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY
Domestic	7,837	8,752	-10.5%	10,920	-28.2%
Overseas	9,847	9,662	+1.9%	7,497	+31.3%
Total	17,684	18,415	-4.0%	18,417	-4.0%

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4Q'23 Revenue share by region



5. Operating Expenses

- Operating Expenses (+10.0% QoQ, +14.5% YoY) : Increased QoQ due to higher Service fees and Marketing expenses related with newly launched games.

[Unit: Million KRW]

	4Q'23	3Q'23	QoQ	4Q'22	YoY
Labor*	8,491	8,529	-0.4%	8,380	+1.3%
Service Fee	6,273	6,149	+2.0%	5,311	+18.1%
Marketing	1,231	716	+72.0%	1,738	-29.2%
Taxes	1,439	270	+433.6%	87	+1557.2%
Others	1,455	1,505	-3.3%	978	+48.8%
Total	18,889	17,168	+10.0%	16,494	+14.5%

*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.

6. Summary of Consolidated Financial Statements

• Consolidated Balance Sheet

	[Unit: 100 Million KRW]		
	2021	2022	2023
Total Assets	534	1,228	1,341
Current Assets	316	1,022	683
Non-current Assets	219	206	659
Total Liabilities	261	431	480
Current Liabilities	104	320	433
Non-current Liabilities	157	111	47
Total Equity	273	797	861
Capital Stock	79	166	166
Retained Earnings	-405	-152	-47
Total Liabilities & Equity	534	1,228	1,341

• Consolidated Income Statement

	[Unit: 100 Million KRW]		
	2021	2022	2023
Revenue	355	862	698
Operating Expenses	352	610	659
Operating Profit	3	253	38
Non-operating Income(loss)	-18	-9	-27
Income before tax	-15	244	12
Income tax	1	18	-53
Net Income	-15	226	64
Controlling Interest	-13	253	105
Non-controlling Interest	-2	-27	-40

*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.