

WEMADE MAX

1Q FY2023 Earnings Results

WEMADE MAX

INVESTOR RELATIONS

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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.

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 Plans

1Q 2023 Results

Enhanced Development Capabilities

- Wemade Connect, made a strategic investment in 'GBOOST, acquiring a 20.0% stake (January 18th)
- WemadMax, took 33.3% stake in 'Tiny Studio' through equity investment(March 2nd)

Released Game Updates and Organized Promotion Events

- Wemade Connect, <My Secret Bistro: Cooking Game> collaborated with Lotte World Adventure (January 10th)
- Wemade Connect, <Everytown> held the 'Festival of Affection's town' event for the 10th Anniversary of Service (March 1st ~ March 31st)
- Wemade Next, <Mir 4> updated various features including new growth system 'Potential' and the new area 'Shin-Giseon, Black Dragon's Top 4 floors', etc. (January 5th ~ March 30th)

2Q 2023 Update and Plans

8 New Games being prepared for WEMIX Platform

- LightCON, developing the blockchain Social Casino game <BYLO CASINO(formerly Vegas)> and <Valkyrrious>
- Wemade Connect, to release globally blockchain games <Abyssrium Origin> and <BETNEX(formerly SpoLive), etc.

New Mobile Game under development

- Wemade Connect, Working on the creation of a new mobile MMORPG game <Legend of Mir 2: Fate> and 2 types of idle RPG games <Dragon Princess Idle(Tentative)> and <Paladin Idle(Tentative)>

2. 1Q 2023 Summary of Consolidated Financial Results

- Revenue (-2.1% QoQ, -22.8% YoY) : Fell QoQ followed by the stabilized sales of existing mobile games <MIR4> and <MIR4 global>
- Operating Income (+48.4% QoQ, -69.6% YoY) : Soared QoQ thanks to reduction in marketing costs and service fees
- Net Income (Turned to profit QoQ, -69.1% YoY) : Turned to profit QoQ led by increase in financial Income including foreign currency transaction gain, etc.

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
Revenue	18,032	18,417	-2.1%	23,366	-22.8%
Operating Expenses	15,178	16,494	-8.0%	13,972	+8.6%
Operating Income	2,854	1,923	+48.4%	9,394	-69.6%
Non-Operating Income(loss)	-53	-1,402	-	63	-
Financial Income(loss)	548	-1,172	-	-146	-
Equity Method	-2	-165	-	-159	-
Income before tax	3,347	-815	Turned to profit	9,153	-63.4%
Income tax	514	1,822	-	-0	-
Net Income	2,832	-2,637	Turned to profit	9,153	-69.1%

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

By Platform

- PC Online (+6.0% QoQ, -9.7% YoY) : Rose QoQ mainly on sales increase in <Silkroad>
- Mobile (-4.2% QoQ, -25.4% YoY) : Declined QoQ due to the stabilization of existing mobile games <MIR4> and <MIR4 global>
- Royalties (+46.8% QoQ, +27.2% YoY) : Increased QoQ thanks to higher royalty sales from <Silkroad>
- Others (-20.4% QoQ, -34.4% YoY) : Down QoQ with decreased revenue in license and advertisement

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
PC Online	711	671	+6.0%	788	-9.7%
Mobile	15,105	15,772	-4.2%	20,238	-25.4%
Royalties	1,406	958	+46.8%	1,105	+27.2%
Others	810	1,017	-20.4%	1,235	-34.4%
Total	18,032	18,417	-2.1%	23,366	-22.8%

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

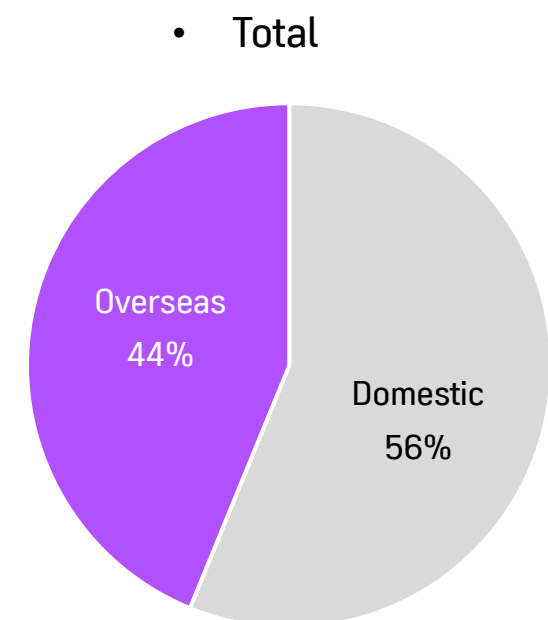
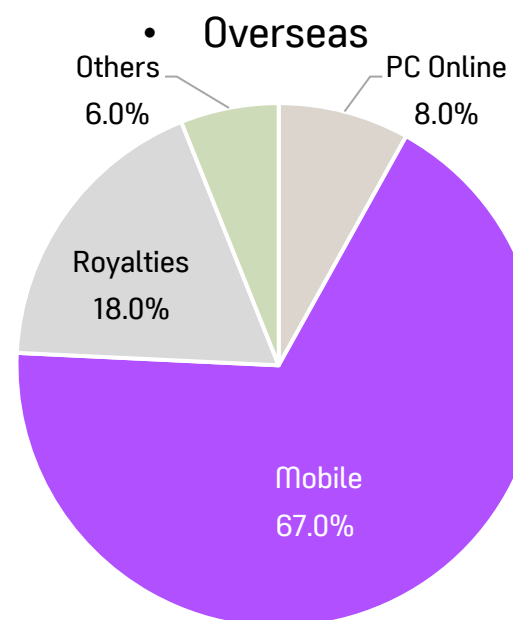
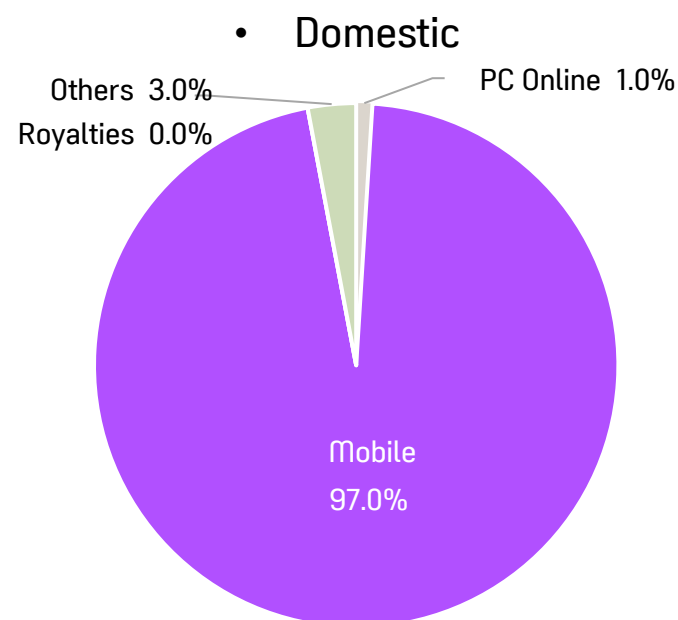
By Region

- Domestic (-7.2% QoQ, +2.4% YoY) : Declined QoQ as a result of softened sales of existing mobile games
- Overseas (+5.4% QoQ, -41.4% YoY) : Slightly climbed QoQ driven by continuous sales growth of mobile MMORPG game <Mir4 global>

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
Domestic	10,131	10,920	-7.2%	9,893	+2.4%
Overseas	7,901	7,497	+5.4%	13,473	-41.4%
Total	18,032	18,417	-2.1%	23,366	-22.8%

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



4. Operating Expenses

- Operating Expenses (-8.0% QoQ, +8.6% YoY) : Dropped QoQ on lower marketing costs and service fees

- 1Q'23 Operating Expenses

[Unit: Million KRW]

	1Q'23	4Q'22	QoQ	1Q'22	YoY
Labor*	8,343	8,380	-0.4%	6,880	+21.3%
Service Fee	4,298	5,311	-19.1%	4,404	-2.4%
Marketing	936	1,738	-46.1%	1,054	-11.2%
Taxes	231	87	+166.4%	145	+59.8%
Others	1,370	978	+40.0%	1,489	-8.0%
Total	15,178	16,494	-8.0%	13,972	+8.6%

- * 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]		
	2021	2022	1Q23
Total Assets	534	1,288	1,263
Current Assets	316	1,022	993
Non-current Assets	219	206	270
Total Liabilities	261	431	437
Current Liabilities	104	320	319
Non-current Liabilities	157	111	119
Total Equity	273	797	825
Capital Stock	79	166	166
Retained Earnings	-405	-152	-117
Total Liabilities & Equity	534	1,228	1,263

• Consolidated Income Statement

	[Unit: 100 Million KRW]		
	2021	2022	1Q23
Revenue	355	862	180
Operating Expenses	352	610	151
Operating Profit	3	253	29
Non-operating Income(loss)	-18	-9	4
Income before tax	-15	244	33
Income tax	1	18	5
Net Income	-15	226	28
Controlling Interest	-13	250	35
Non-controlling Interest	-2	-27	-7

* Above consolidated Income Statement figures are YTD figures

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