



FY2013 & Q4 Earnings Release

WEMADE ENTERTAINMENT

INVESTOR RELATIONS Feb 12, 2014



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- Consolidated companies

WeMade Entertainment, Joymax (IO Entertainment, Fever Studio, Link Tomorrow, Linyworks),

WeMade Creative, Goblin Studio, Banana Fish, WeMade Online, WeMade Entertainment USA

WeMade Entertainment Shanghai

FY2013 & Q4 Earnings Release

I. FY2013 Q4 Results

1. Operational Highlights
2. Income Statement - WeMade
3. Income Statement - Joymax
4. Revenue by Game
5. Revenue by Region
6. Operating Expenses

II. Appendix

1. Revenue from "Legend of Mir2" (China)
2. Financial Statement - WeMade
3. Financial Statement - Joymax

I . FY2013 & Q4 Results

1. Operational Highlights
2. Income Statement - WeMade
3. Income Statement – Joymax
4. Revenue by Game
5. Revenue by Region
6. Operating Expenses

1. Operational Highlights

Mobile Game

• Domestic Market

- Despite the solid performance of 'Everytown', 'Atlan Story' and newly launched 'Dog Fight', mobile revenue decreased 18% QoQ as 'Wind Runner's revenue declined.
- Successfully completed CBT of mobile MMORPG, 'Ark Sphere'.
- Mobile game positioned as new growth engine, recording 120 billion KRW of annual revenue.
- Launched 20 new titles in 2013.

• Overseas Market

- Japan: 'LINE' version of 'Iron Slam', 'Hero Square' are slated to launch in 1st half of 2014.
LINE-Wind Runner's revenue declined 32% QoQ.
- China: Completed 'Moon Wolf' CBT in Feb, 2014.
- 21.4 billion won or 15.2% of total mobile revenue came from overseas.

Online Game

- Next Generation MMORPG 'Icarus' prepped for commercial service in 1st half of 2014.
- 'ChangChun2' readied for CBT in 1st half of 2014, followed by commercial launch in 2nd half.
- Signed a publishing contract with 'Nexon Europe' for commercial service of 'Lost Saga' in 2014.

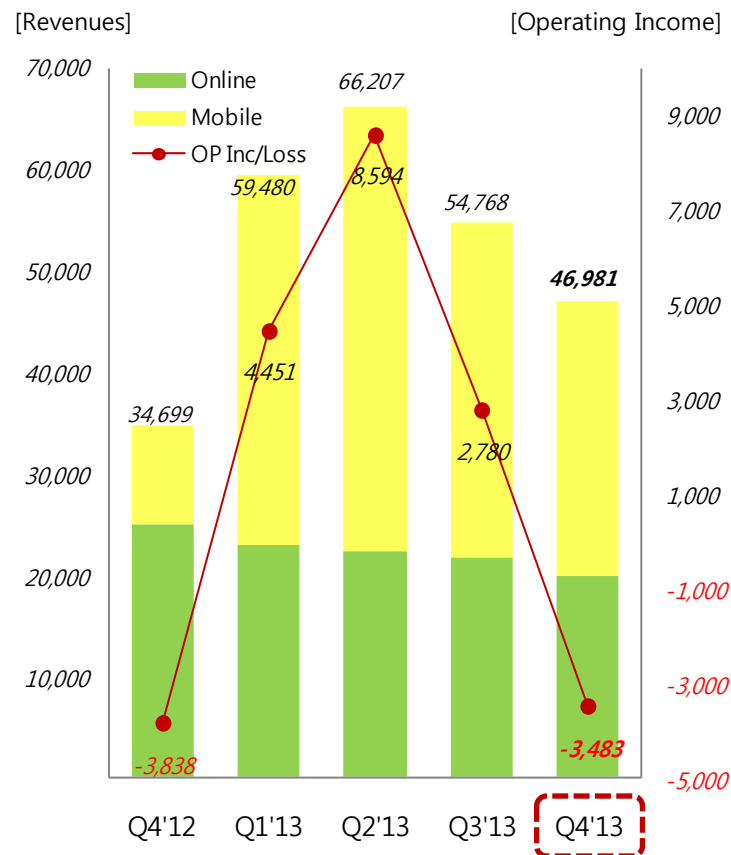
2. Q4 2013 Income Statement - WeMade

- Total revenue stood at 47 billion won. (-14% QoQ, +35% YoY)
- Recorded operating loss of 3.5 billion won, mainly due to decrease in mobile game revenues.

•Q4 '13 Results

[Million KRW]

	Q4 '13	Q3 '13	QoQ	Q4 '12	YoY
Revenue	46,981	54,768	-14%	34,699	35%
Mobile	27,181	33,054	-18%	9,688	181%
Online	19,800	21,714	-9%	25,012	-21%
Op Expense	50,463	51,989	-3%	38,537	31%
Labor	25,823	25,234	2%	19,845	30%
Service fee	16,067	18,171	-12%	9,986	61%
Marketing	1,517	807	88%	3,575	-58%
D&A	2,756	2,684	3%	1,930	43%
Taxes	845	1,014	-17%	856	-1%
Others	3,455	4,078	-15%	2,345	47%
Op Income	-3,483	2,780	Turn to red	-3,838	-
Non-Op.	-553	-827	-	-1,621	-
Financial	1,743	-928	-	-1,236	-
Equity Method	-259	74	-	-64	-
Income before taxes	-2,551	1,100	Turn to red	-6,759	-
Income tax	43	350	-88%	1,571	-97%
Discont. ops	-	-	-	-8	-
Net Income	-2,594	750	Turn to red	-8,338	-
Attributable to WeMade	-5,431	-1,759	-	-6,538	-
Minority Interest	2,837	2,509	13%	-1,801	Turnaround



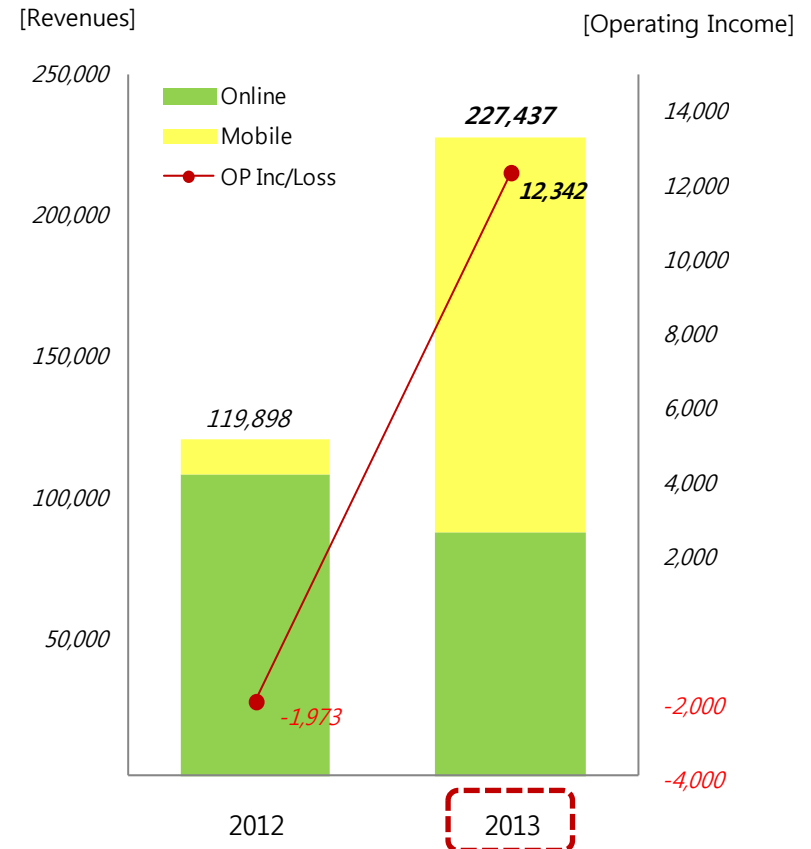
2. 2013 Annual Income Statement - WeMade

- Annual revenue topped 227.4 billion won, historical high thanks to robust growth of mobile. (+90% YoY)
- Operating income turned to black, recording 12.3 billion won in 2013.

• 2013 Results

[Million KRW]

구분	2013	2012	YoY
Revenue	227,437	119,898	90%
Mobile	140,771	12,385	1037%
Online	86,666	107,513	-19%
Op Expense	215,095	121,871	76%
Labor	100,681	68,044	48%
Service fee	80,197	24,379	229%
Marketing	4,873	8,743	-44%
D&A	10,288	7,796	32%
Taxes	3,812	3,990	-4%
Others	15,243	8,919	71%
Op Income	12,342	-1,973	Turnaround
Non-Op.	-361	-1,501	-
Financial	5,759	-682	-
Equity Method	1,118	-605	-
Income before taxes	18,858	-4,762	Turnaround
Income tax	6,468	2,861	122%
Discont. ops	-131	-322	-
Net Income	12,259	-7,945	Turnaround
Attributable to WeMade	3	-4,285	Turnaround
Minority Interest	12,256	-3,660	Turnaround



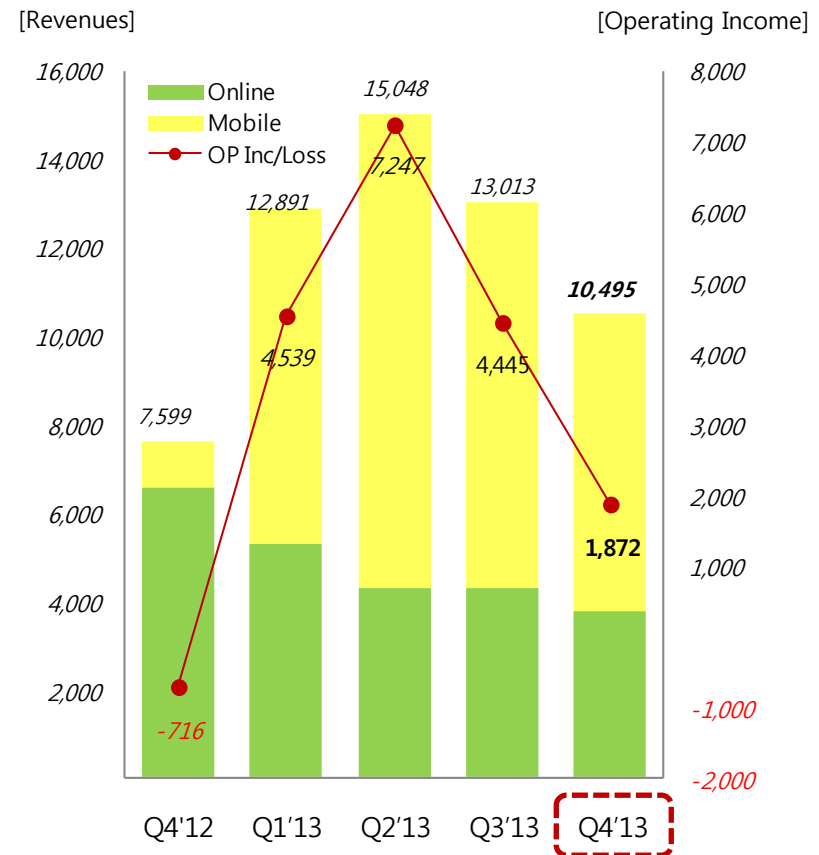
3. Q4 2013 Income Statement - Joymax

- Total revenue 10.5 billion won. (-19% QoQ, +38% YoY)
- Operating income 1.9 billion won. (-58% QoQ, return to profitability YoY)

•Q4 '13 Results

[Million KRW]

	Q4'13	Q3'13	QoQ	Q4'12	YoY
Revenue	10,495	13,013	-19%	7,599	38%
Mobile	6,732	8,748	-23%	1,038	549%
Online	3,763	4,265	-12%	6,561	-43%
Op Expense	8,623	8,568	1%	8,315	4%
Labor	5,473	5,334	3%	4,520	21%
Service fee	855	911	-6%	1,193	-28%
Marketing	15	19	-21%	392	-96%
D&A	899	946	-5%	837	7%
Taxes	37	74	-50%	35	6%
Others	1,344	1,284	5%	1,338	0.4%
Op Income	1,872	4,445	-58%	-716	Turn around
Non-Op.	248	-285	187%	-1,037	124%
Financial	1,638	80	1,948%	-135	1,322%
Equity Method	-	-	-	-	-
Income before taxes	3,758	4,240	-11%	-1,888	Turn around
Income tax	690	1,246	-45%	967	-28%
Net Income	3,068	2,994	2%	-2,855	Turn around
Attributable to Joymax	1,921	1,161	65%	-2,709	Turn around
Minority Interests	1,147	1,833	-37%	-146	Turn around



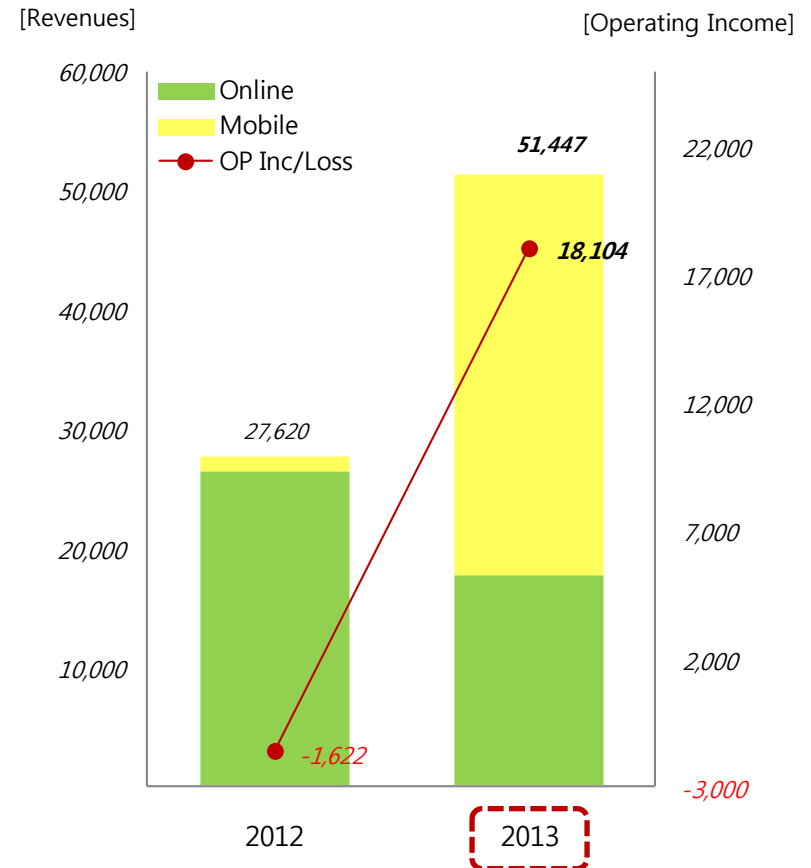
3. 2013 Annual Income Statement - Joymax

- Annual revenue growth of 86% can be attributed to growth of mobile game revenue.
- Operating income 18.1 billion won. (Return to profitability YoY)

• 2013 Results

[Million KRW]

	2013	2012	YoY
Revenue	51,447	27,620	86%
Mobile	33,846	1,155	2,830%
Online	17,601	26,465	-33%
Op Expense	33,343	29,242	14%
Labor	20,383	15,978	28%
Service fee	36,06	4,476	-19%
Marketing	125	744	-83%
D&A	3,694	2,995	23%
Taxes	266	188	41%
Others	5,270	4,861	8%
Op Income	18,104	-1,622	Turn around
Non-Op.	-17	-1,067	98%
Financial	2,761	-747	469%
Equity Method	-	-215	100%
Income before taxes	20,847	-3,651	Turn around
Income tax	6,207	1,140	445%
Net Income	14,640	-4,791	Turn around
Attributable to Joymax	7,141	-4,061	Turn around
Minority Interests	7,499	-730	Turn around



4. Revenue by Game

- Achieved dramatic growth in mobile game revenue in 2013. (+1,037% YoY)
- Q4 Mobile game: Revenue for SNG's increased slightly while revenues in casual and core segment decreased.
- Q4 Online game: Decreased 1.9 billion won as revenues across major titles declined. (-9% QoQ)

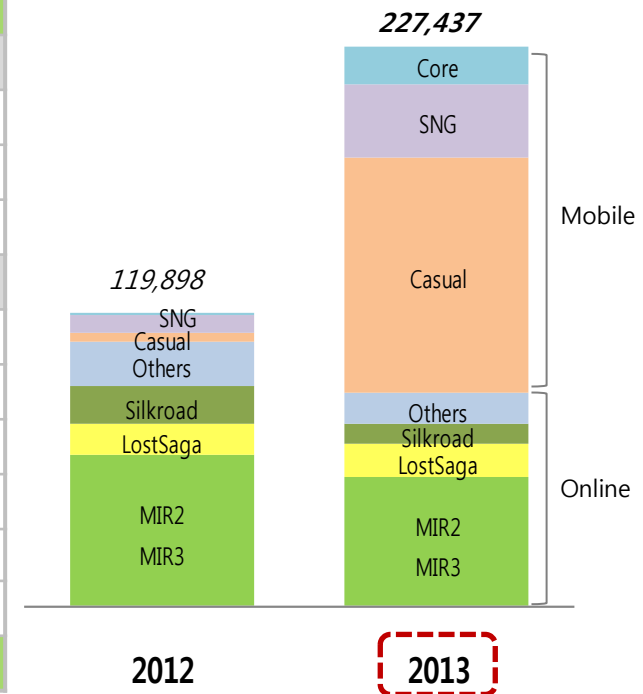
• Q4 Revenues by Game

	Q4'13	Q3'13	QoQ	Q4'12	YoY
Mobile Games	27,181	33,054	-18%	9,688	181%
<i>Casual</i>	14,983	19,865	-25%	3,798	294%
<i>SNG</i>	7,737	7,101	9%	4,934	57%
<i>Core</i>	4,461	6,089	-27%	956	367%
Online Games	19,800	21,714	-9%	25,012	-21%
<i>MIR2</i>	10,125	10,872	-7%	11,476	-12%
<i>MIR3</i>	2,291	2,134	7%	2,601	-12%
<i>Lost Saga</i>	3,275	3,869	-15%	3,371	-3%
<i>Silkroad</i>	1,662	1,683	-1%	3,041	-45%
<i>Digimon Masters</i>	1,418	1,821	-22%	1,255	13%
<i>Others</i>	1,029	1,335	-23%	3,267	-68%
Total	46,981	54,768	-14%	34,699	35%

• 2013 Revenues by Game

[Million KRW]

	2013	2012	YoY
Mobile Games	140,771	12,385	1,037%
<i>Casual</i>	96,140	4,196	2,191%
<i>SNG</i>	29,665	6,960	326%
<i>Core</i>	14,967	1,229	1,118%
Online Games	86,666	107,513	-19%
<i>MIR2</i>	43,804	51,363	-15%
<i>MIR3</i>	8,802	10,224	-14%
<i>Lost Saga</i>	13,857	12,567	10%
<i>Silkroad</i>	7,839	15,512	-49%
<i>Digimon Masters</i>	6,291	4,843	30%
<i>Others</i>	6,074	13,005	-53%
Total	227,437	119,898	90%



5. Revenue by Region

- Annual domestic revenue increased 350% and overseas revenue increased 3% YoY, driven by growth of mobile games.
- Decrease in domestic revenues can be attributed to Wind Runner's decline.
- Overseas revenue decreased 17% QoQ as revenues from 'Legend of MIR2' & 'LINE-Wind Runner' decreased.

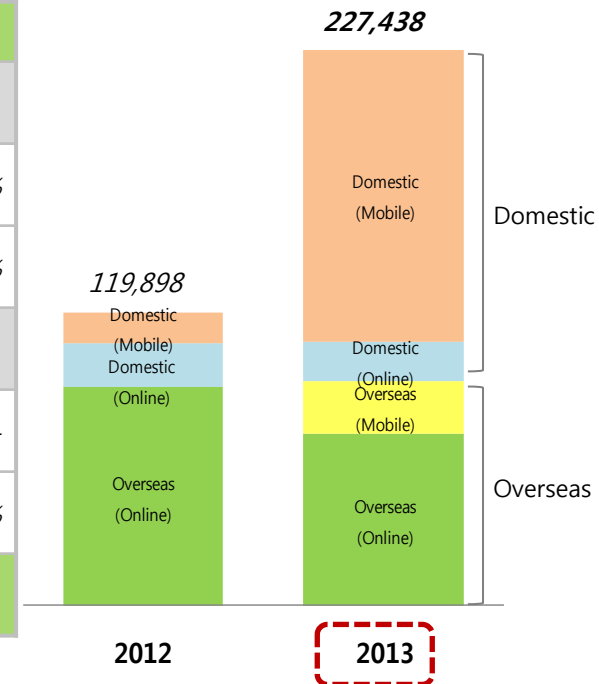
• Q4 Revenues by Region

	Q4 '13	Q3 '13	QoQ	Q4 '12	YoY
Domestic	25,490	28,953	-12%	13,809	85%
<i>Mobile</i>	21,373	24,792	-14%	9,677	121%
<i>Online</i>	4,117	4,161	-1%	4,132	0%
Overseas	21,491	25,815	-17%	20,891	3%
<i>Mobile</i>	5,808	8,262	-30%	11	-
<i>Online</i>	15,683	17,553	-11%	20,880	-25%
Total	46,981	54,768	-14%	34,699	35%

• 2013 Revenues by Region

[Million KRW]

	2013	2012	YoY
Domestic	135,398	30,092	350%
<i>Mobile</i>	119,340	12,374	864%
<i>Online</i>	16,058	17,718	-9%
Overseas	92,039	89,806	2%
<i>Mobile</i>	21,431	11	-
<i>Online</i>	70,608	89,795	-21%
Total	227,437	119,898	90%



6. Operational Expenses

- Q4 operating expenses decreased 3% QoQ
 - Variable cost such as service fee reduced as mobile game revenue decreased.
 - Marketing expense increased 0.7 billion won due to direct launches of various titles in domestic and overseas market.
- Annual operating expenses increased 76% YoY as a result of increase in labor cost and service fee.

• Q4 Operating Expenses

	Q4 '13	Q3 '13	QoQ	Q4 '12	YoY
Labor	25,823	25,234	2%	19,845	30%
Service Fee ¹	16,067	18,171	-12%	9,986	61%
Marketing	1,517	807	88%	3,575	-58%
D&A	2,756	2,684	3%	1,930	43%
Taxes	845	1,014	-17%	856	-1%
Others	3,455	4,078	-15%	2,345	47%
Total	50,463	51,989	-3%	38,537	31%

• 2013 Operating Expenses

[Million KRW]

	2013	2012	YoY
Labor	100,681	68,044	48%
Service Fee ¹	80,197	24,379	229%
Marketing	4,873	8,743	-44%
D&A	10,288	7,796	32%
Taxes	3,812	3,990	-4%
Others	15,243	8,919	71%
Total	215,095	121,871	76%

※ 1. Service fee includes commission to Google / Apple & Kakao

II. Appendix

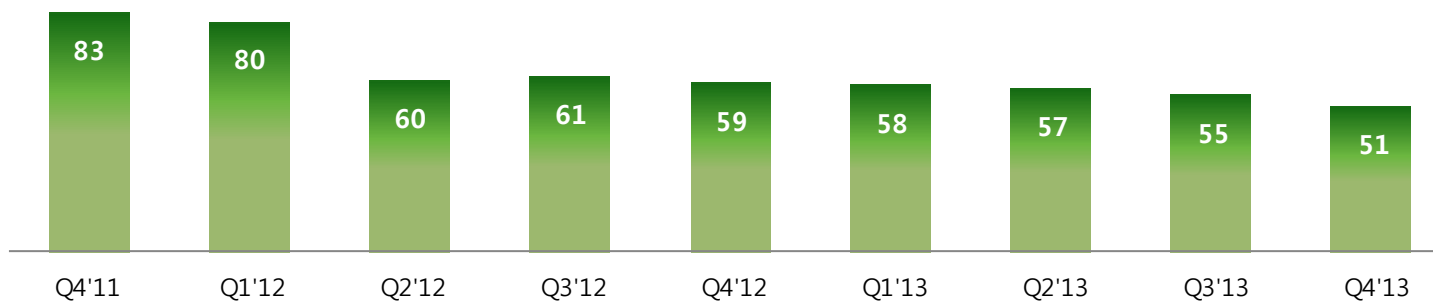
1. Revenue from 'Legend of Mir2' (China)
2. Financial Statement - WeMade Ent.
3. Financial Statement - Joymax

1. Revenue from 'Legend of Mir2' (China)

- Decreased 7% QoQ, 14% YoY in RMB terms.
- Recorded annual revenue of 39.2 billion won. (-15% YoY)

• Mir2 China Revenue Trend

[Million RMB]



• Mir2 China Revenue by Currency

[Million RMB, Million USD, Million KRW]

구분	Q4 '13	Q3 '13	QoQ	Q4 '12	YoY
RMB	50.7	54.6	-7.1%	58.7	-13.5%
USD	8.3	8.9	-6.4%	9.4	-11.3%
KRW	8,838.7	9,779.0	-9.6%	10,191.6	-13.3%

2013	2012	YoY
219.9	259.1	-15.1%
35.8	41.1	-12.9%
39,226.3	46,192.6	-15.1%

2. Financial Statement - WeMade

• Statements of Financial Position (Condensed)

[Billion KRW]	2011	2012	2013
Current Assets	215.8	175.5	144.1
Non Current Assets	143.4	185.1	225.3
Total Assets	359.2	360.6	369.4
Liabilities	28.7	21.7	25.4
Equity	330.5	338.9	344.0
Liabilities & Equity	359.2	360.6	369.4

• Income Statement (Condensed)

[Billion KRW]	2011	2012	2013
Revenues	115.8	119.9	227.4
Op Expense	95.4	121.9	215.1
Op Profit	20.4	-2.0	12.3
Non Op Inc/Exp	6.1	-2.8	6.5
Inc before Taxes	26.5	-4.8	18.9
Taxes	-3.9	2.9	6.5
Discontinued Ops	-4.3	-0.3	-0.1
Net Income	26.1	-7.9	12.3
Attributable to Wemade	23.3	-4.3	0.3
Minority Interest	2.8	-3.7	12.0

3. Financial Statement - Joymax

• Statements of Financial Position (Condensed)

[Billion KRW]	2011	2012	2013
Current Assets	65.1	50.4	73.5
Non Current Assets	42.3	57.7	46.1
Total Assets	107.4	108.1	119.6
Liabilities	8.5	8.2	10.5
Current Assets	3.5	3.5	3.5
Equity	98.9	99.9	109.1
Liabilities & Equity	107.4	108.1	119.6

• Income Statement (Condensed)

[Billion KRW]	2011	2012	2013
Revenues	26.6	27.6	51.4
Op Expense	22.7	29.2	33.3
Op Profit	3.9	-1.6	18.1
Non Op Inc/Exp	2.9	-2.1	2.7
Inc before Taxes	6.8	-3.7	20.8
Taxes	0.8	1.1	6.2
Net Income	6.0	-4.8	14.6
Attributable to Joymax	6.0	-4.1	7.1
Minority Interest	-	-0.7	7.5

Thank You