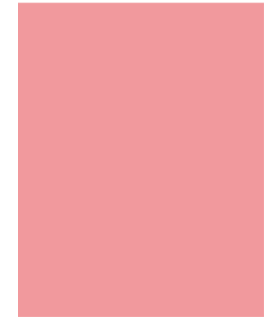


FY2018 Earnings Release



2019.02.07

Webzen Inc.

Disclaimer

This report is based on K-IFRS.

Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the dates on which these statements were made.

There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

Therefore WEBZEN will not be responsible for individual investment decisions based solely on this material.

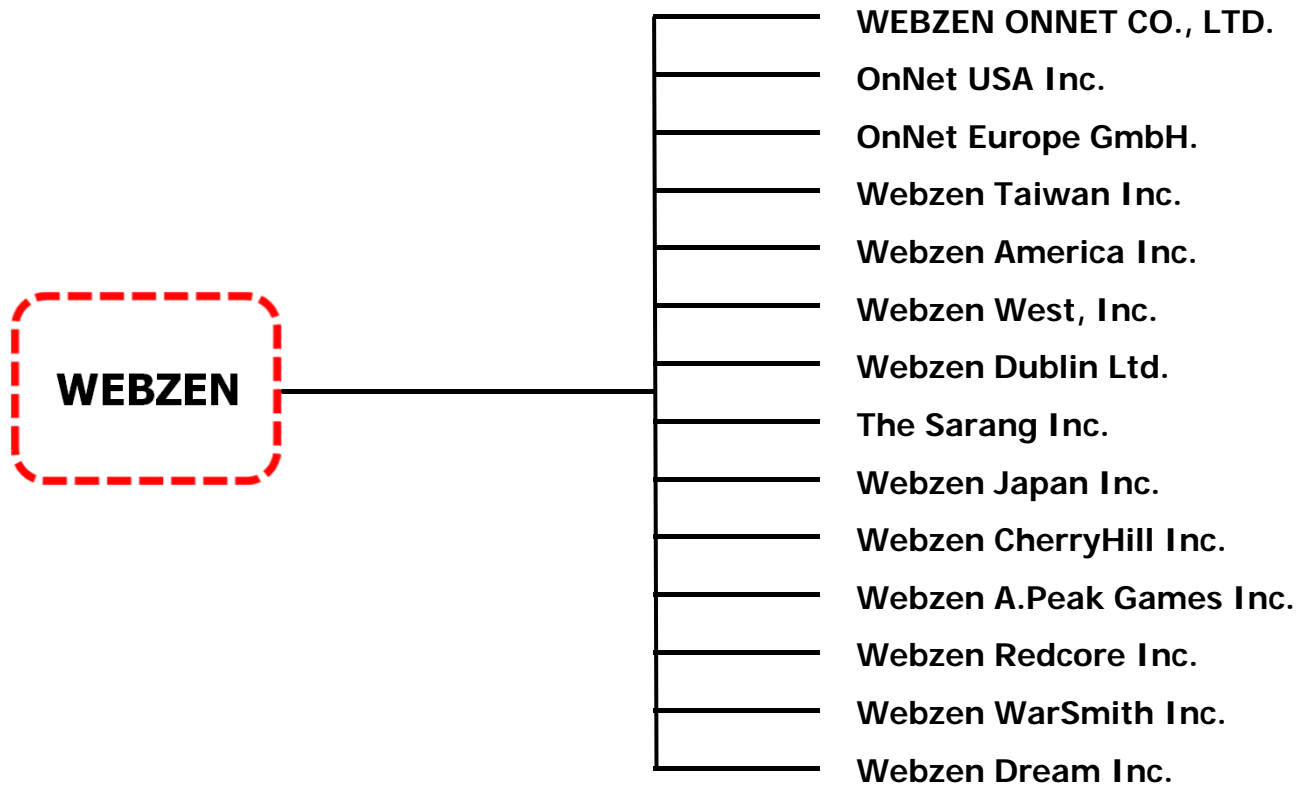
WEBZEN disclaims any duty to update the information in this material to reflect future events or circumstances.

Consolidated Corporations

A Global Contents Company loved by customers



The followings are the subsidiaries of Webzen Inc.



Summary of Financial Results

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[Consolidated]

(Unit : KRW million)

	FY2018	FY2017	YoY	%
Revenue	218,877	166,267	52,610	32%
Revenue of Game Services	218,230	166,154	52,076	31%
Other Revenue	647	114	533	469%
Operating Expenses	150,015	122,259	27,756	23%
Operating Profit	68,862	44,008	24,854	56%
Income before corporate tax	68,439	45,647	22,791	50%
Corporate tax	18,313	15,685	2,628	17%
Net Income	50,125	29,962	20,163	67%
Other comprehensive income	(726)	(78)	(649)	-
Total comprehensive income	49,399	29,885	19,514	65%

Result Analysis (Consolidated)

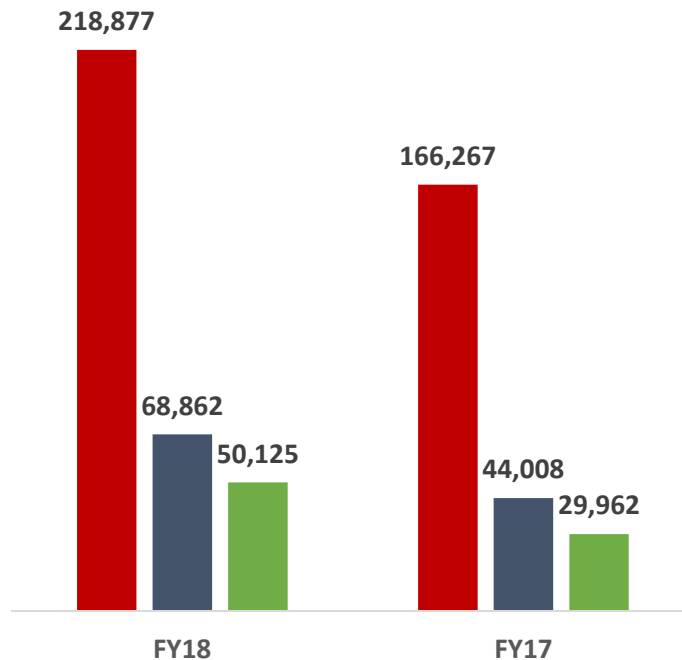
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- ▷ Revenue 218.9b (YoY ↑ 32%)
- ▷ Operating Profit 68.9b (YoY ↑ 56%)
- ▷ Net Income 50.1b (YoY ↑ 67%)

YoY

■ Revenue ■ Operating Profit ■ Net Income



(Unit : KRW million)

	FY2018	FY2017
Revenue	218,877	166,267
Operating Profit	68,862	44,008
Net Income	50,125	29,962

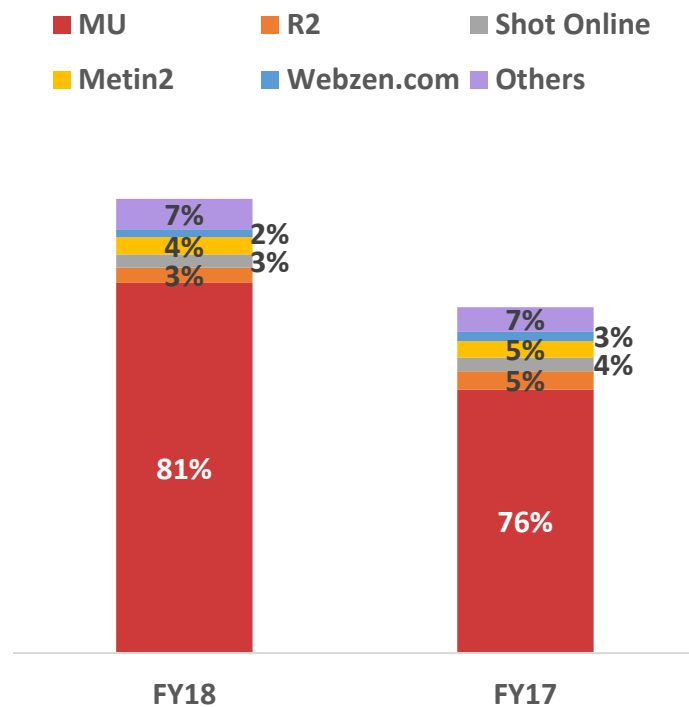
Sales Breakdown (Consolidated)

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- ▶ Total Revenue on Game Services 218.2b (YoY ↑ 31%)
- MU 177.8b (YoY ↑ 41%) , R2 7.3b (YoY ↓ 18%)
- Shot Online 6.4b (YoY ↓ 4%) , Metin2 8.3b (YoY ↑ 6%)

Sales breakdown (by products)



(Unit : KRW million)

Product	FY2018	FY2017
Total	218,230	166,154
MU(*)	177,849	126,501
R2	7,306	8,861
Shot Online	6,370	6,620
Metin2	8,316	7,865
Webzen.com	3,712	4,459
Others	14,678	11,848

(*) MU includes the sales of MU IP franchising games (such as 大天使之劍, 全民奇迹, MU Origin etc.)

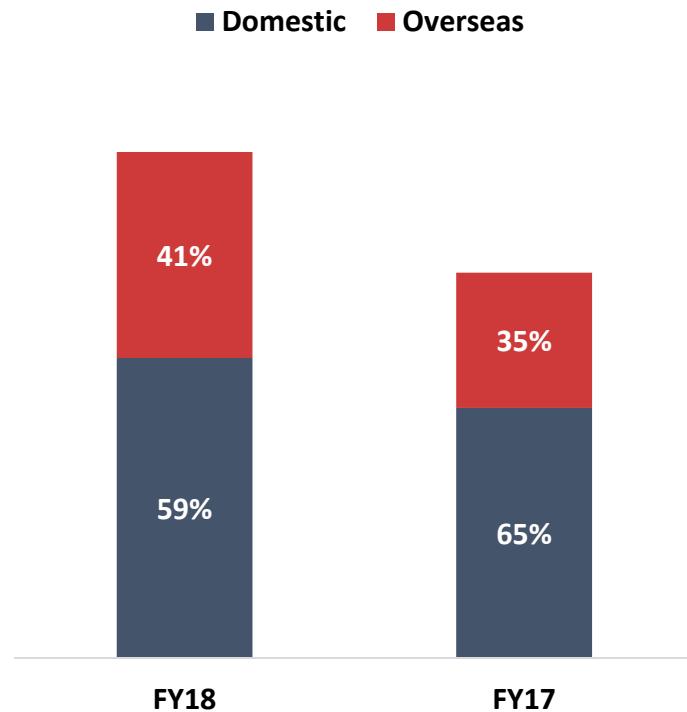
Sales Breakdown (Consolidated)

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- ▶ Domestic Sales : 129.4b (YoY ↑ 20%)
- ▶ Overseas Sales : 88.9b (YoY ↑ 52%)
- ▶ Portion of Overseas : YoY ↑ 6%P

Sales breakdown (by markets)



(Unit : KRW million)

	FY2018	FY2017
Total	218,230	166,154
Domestic	129,373	107,828
Overseas	88,857	58,326

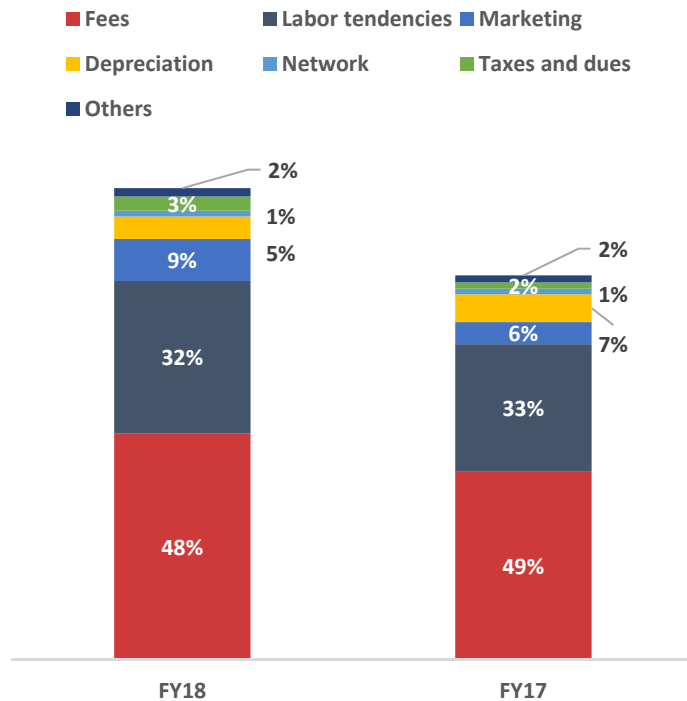
Expenses Breakdown (Consolidated)

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- ▷ Operating Expense 150.0b (YoY ↑ 23%)
 - Commission (fee) 72.1b (YoY ↑ 20%) , Labor 48.4b (YoY ↑ 20%)
 - Marketing 13.4b (YoY ↑ 91%) , Depreciation 7.1b (YoY ↓ 19%)

Expenses Breakdown



(Unit : KRW million)

	FY2018	FY2017
Total	150,015	122,259
Fees	72,057	60,002
Labor	48,403	40,383
Marketing	13,389	6,998
Depreciation	7,144	8,868
Network	1,812	1,782
Taxes and dues	4,531	1,988
Others	2,678	2,239

Summary of F/S (Consolidated)

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(Unit : KRW million)

	2018.12.31	2017.12.31
Current Assets	283,700	224,551
Non-Current Assets	113,089	98,928
Total Assets	396,789	323,479
Current Liabilities	67,896	40,446
Non-Current Liabilities	14,955	13,579
Total Liabilities	82,851	54,024
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,968	150,263
Accumulated Other Comprehensive Income for Equity	(532)	16
Elements of Other Stockholder's Equity	(48,718)	(43,777)
Retained Earnings	195,129	145,036
Non-Controlling Interests	435	261
Total Equities	313,939	269,455

Summary of F/S (Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	FY2018	FY2017
Revenue	218,877	166,267
Revenue(Game Service)	218,230	166,154
Other Income	647	114
Operating Expense	150,015	122,259
Operating Profit	68,862	44,008
Income before Corporate Tax	68,439	45,647
Corporate Tax	18,313	15,685
Net Profit	50,125	29,962
Controlling Interest	50,342	30,267
Non-Controlling Interest	(217)	(305)
Other comprehensive income	(726)	(78)
Total comprehensive income	49,399	29,885
Controlling Interest	49,608	30,198
Non-Controlling Interest	(209)	(314)

Thank you