

3Q20 Earnings Release

2020.11.06
Webzen Inc.

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The followings are the subsidiaries of WEBZEN Inc.

WEBZEN Inc.

WEBZEN ONNET CO., Ltd

ONNET Europe GmbH.

WEBZEN Taiwan Inc.

WEBZEN America Inc.

WEBZEN West Inc.

WEBZEN Dublin Ltd.

WEBZEN Japan Inc.

WEBZEN Cherryhill Inc.

WEBZEN A.Peak Games Inc.

WEBZEN Redcore Inc.

WEBZEN Warsmith Inc.

WEBZEN Dream Inc.

WEBZEN Kamp Inc.

Summary of Financial Results

[Consolidated]

(Unit : KRW million)

	3Q20	2Q20	QoQ	3Q19	YoY
Revenue	106,963	60,204	78%	47,356	126%
Game Sales	106,879	60,100	78%	47,351	126%
Others	84	103	-19%	5	1,697%
Operating Expenses	63,473	43,774	45%	28,807	120%
Operating Profit	43,489	16,429	165%	18,550	134%
Income before tax	45,129	19,965	126%	21,177	113%
Income tax expenses	11,144	5,162	116%	5,810	92%
Net Income	33,986	14,803	130%	15,367	121%
Other comprehensive income	124	(8)	-	(180)	-
Total comprehensive income	34,110	14,795	131%	15,187	125%

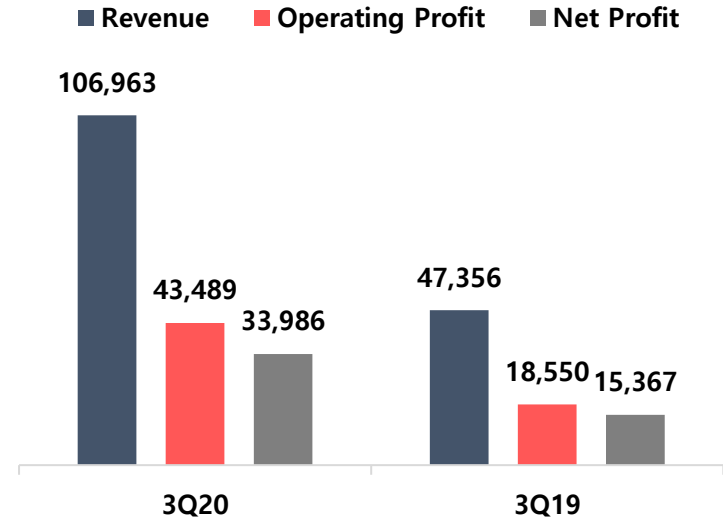
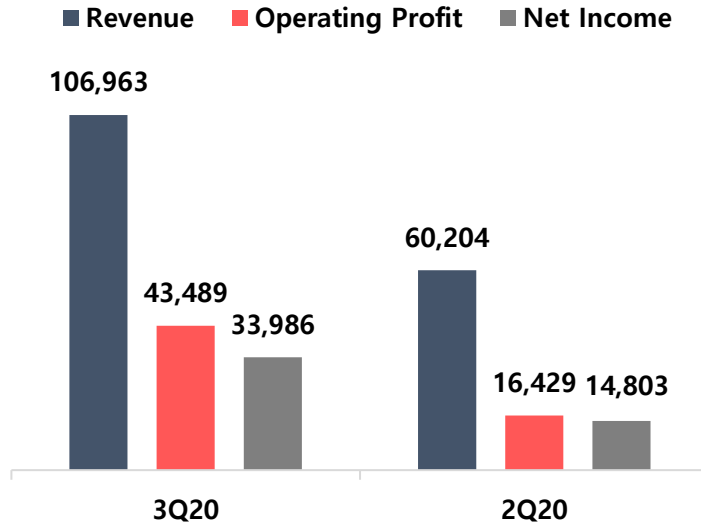
Result Analysis(Consolidated)

- Revenue 107.0b (QoQ ↑ 78%, YoY ↑ 126% based on Consolidated)
- Operating Profit 43.5b (QoQ ↑ 165%, YoY ↑ 134% based on Consolidated)
- Net Income 34.0b (QoQ ↑ 130%, YoY ↑ 121% based on Consolidated)

(Unit : KRW million)

QoQ

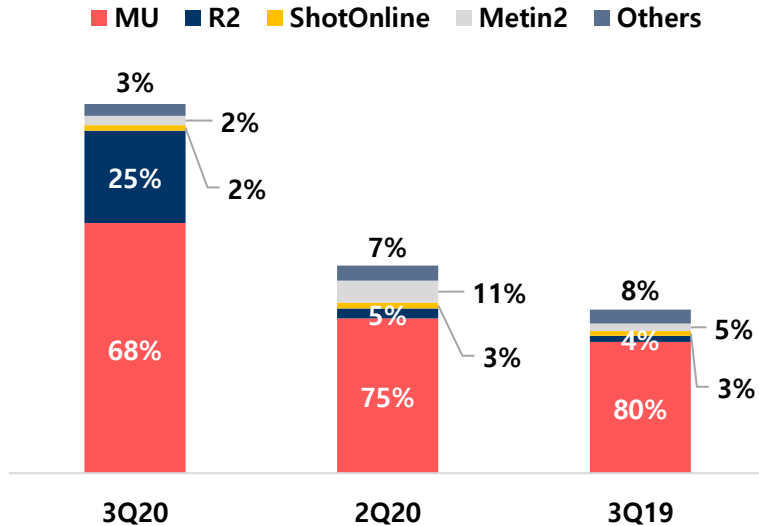
YoY



Sales Breakdown(Consolidated)

- MU 72.4b (QoQ ↑ 62%, YoY ↑ 91% based on consolidated)
- R2 26.7b (QoQ ↑ 837%, YoY ↑ 1,419% based on consolidated)
- ShotOnline 1.6b (QoQ ↓ 6%, YoY ↑ 14% based on consolidated)
- Metin2 2.7b (QoQ ↓ 58%, YoY ↑ 22% based on consolidated)

Sales breakdown



(Unit : KRW million)

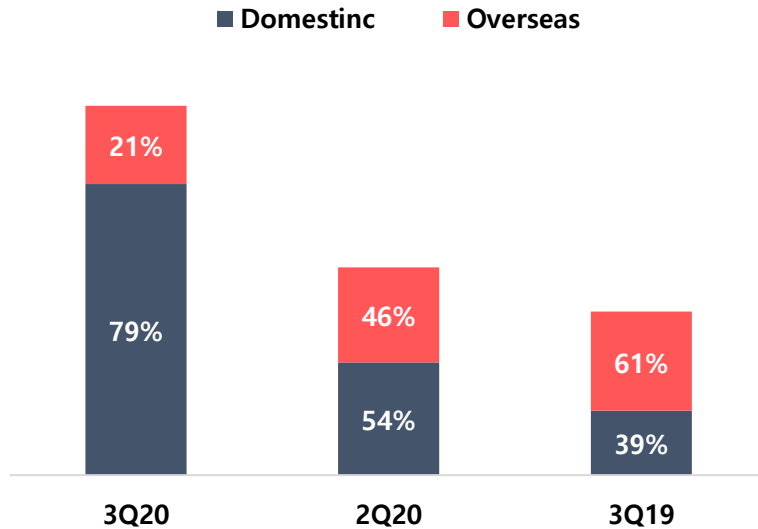
	3Q20	2Q20	3Q19
Total	106,879	60,100	47,351
MU (*)	72,433	44,827	37,988
R2 (**)	26,722	2,853	1,759
ShotOnline	1,615	1,723	1,423
Metin2	2,667	6,346	2,178
Others	3,443	4,353	4,004

(*)(**) The sales includes the sales of IP franchising games.

Sales Breakdown(Consolidated)

- Domestic Sales 84.3b (QoQ ↑ 158%, YoY ↑ 351%)
- Overseas Sales 22.6b (QoQ ↓ 18%, YoY ↓ 21%)
- Portion of Domestic QoQ ↑ 25%P, YoY ↑ 40%P

Sales breakdown



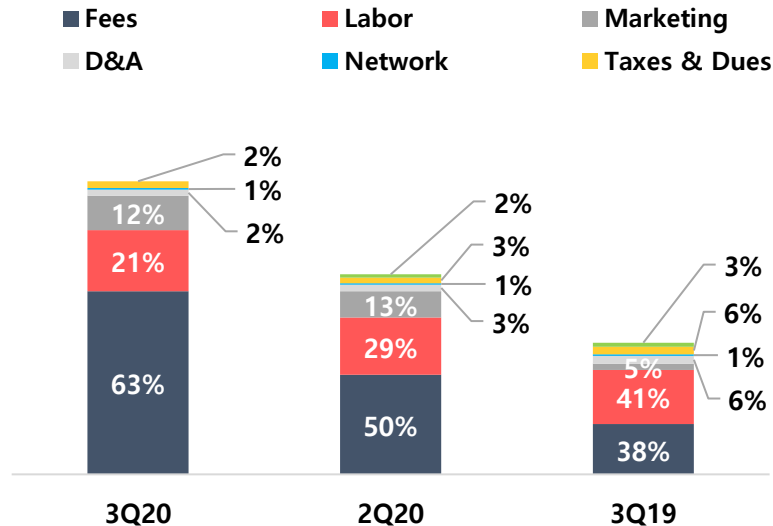
(Unit : KRW million)

	3Q20	2Q20	3Q19
Total	106,879	60,100	47,351
Domestic	84,256	32,596	18,671
Overseas	22,624	27,505	28,680

Expenses Breakdown(Consolidated)

- **Operating Expenses** **63.5b (QoQ ↑ 45%, YoY ↑ 120% based on consolidated)**
- Fees **40.1b (QoQ ↑ 84%, YoY ↑ 264% based on consolidated)**
- Labor tendencies **13.4b (QoQ ↑ 7%, YoY ↑ 13% based on consolidated)**
- Marketing **7.5b (QoQ ↑ 31%, YoY ↑ 454% based on consolidated)**

Expenses Breakdown



(Unit : KRW million)

	3Q20	2Q20	3Q19
Total	63,473	43,774	28,807
Fees	40,060	21,774	11,015
Labor	13,402	12,555	11,836
Marketing	7,497	5,731	1,354
D&A	1,351	1,455	1,702
Network	335	293	362
Taxes & Dues	1,491	1,248	1,664
Others	(662)	718	873

Summary of F/S(Consolidated)

(Unit : KRW million)

B/S	2020.09.30	2019.12.31
Current Assets	323,167	238,374
Non-Current Assets	197,371	175,588
Total Assets	520,538	413,962
Current Liabilities	95,630	42,305
Non-Current Liabilities	20,408	16,042
Total Liabilities	116,038	58,348
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,938	149,834
Accumulated Other Comprehensive Income for Equity	18	(432)
Elements of Other Stockholder's Equity	(56,019)	(48,718)
Retained Earnings	292,607	237,019
Non-Controlling Interests	301	255
Total Equities	404,500	355,615
Total Liabilities and Equities	520,538	413,962

Summary of F/S(Consolidated)

(Unit : KRW million)

I/S	3Q20	2Q20	3Q19
Revenue	106,963	60,204	47,356
Game Sales	106,879	60,100	47,351
Others	84	103	5
Operating Expenses	63,473	43,774	28,807
Operating Profit	43,489	16,429	18,550
Profit before tax	45,129	19,965	21,177
Corporate Tax	11,144	5,162	5,810
Net Income	33,986	14,803	15,367
Other Comprehensive Income	124	(8)	(180)
Total Comprehensive Income	34,110	14,795	15,187
Controlling Interests	33,960	14,852	15,318
Non-Controlling Interests	150	(57)	(131)

Thank you