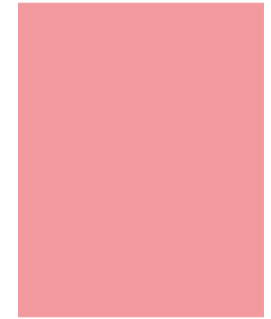


1H18

Earnings Release



2018.08.09

Webzen Inc.

Disclaimer

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.

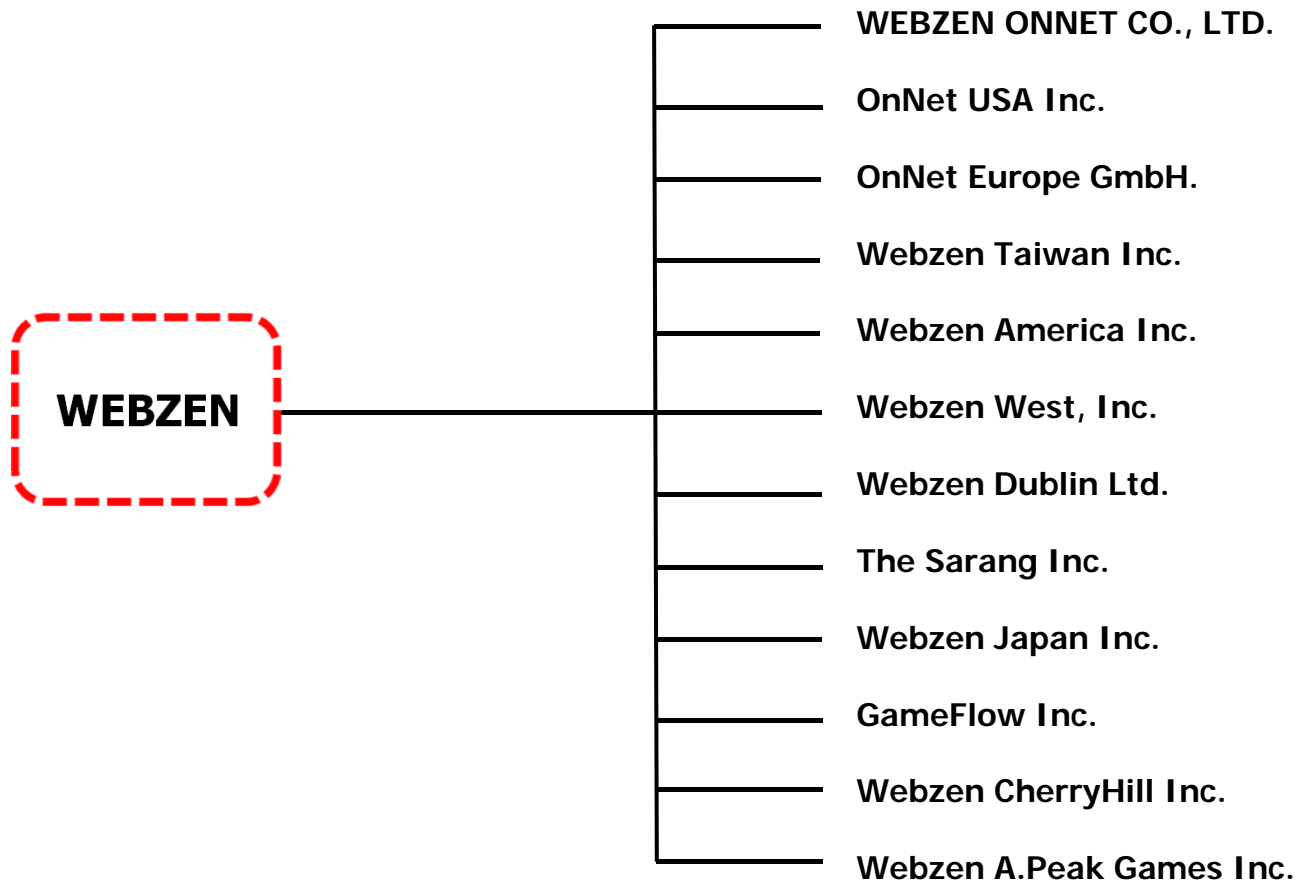
WEBZEN disclaims any duty to update the information in this material to reflect future events or circumstances.

Consolidated Corporations

A Global Contents Company loved by customers



The followings are the subsidiaries of Webzen Inc.



1H18 Result Analysis

Summary of Financial Results

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[Consolidated]

(Unit : KRW million)

	1H2018	1H2017	YoY	G/R
Revenue	103,597	86,862	16,734	19.3%
Revenue on Game Services	103,514	86,834	16,679	19.2%
Other Revenue	83	28	55	196.0%
Operating Expenses	66,575	64,758	1,817	2.8%
Operating Profit	37,022	22,104	14,918	67.5%
Income before tax	40,208	23,871	16,337	68.4%
Income tax expenses	10,991	6,445	4,546	70.5%
Net Income	29,218	17,427	11,791	67.7%
Total comprehensive income	29,337	17,594	11,743	66.7%

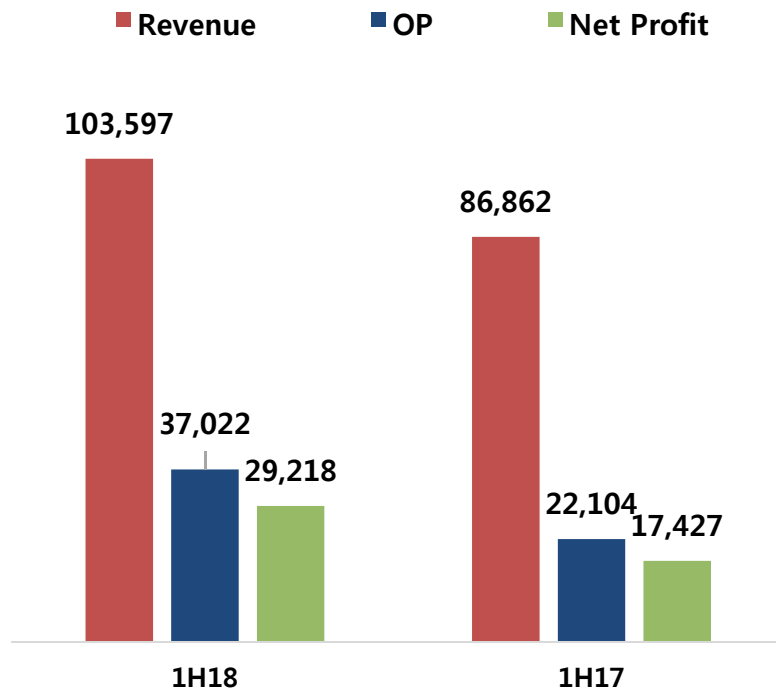
Result Analysis (Consolidated)

A Global Contents Company loved by customers



- ▷ Revenue 103.6b (YoY ↑ 19% based on consolidated)
- ▷ Operating Profit 37.0b (YoY ↑ 67% based on consolidated)
- ▷ Net Income 29.2b (YoY ↑ 68% based on consolidated)

YoY (Consolidated)



(Unit : KRW million)

	1H18	1H17	G/R
Revenue	103,597	86,862	19.3%
Operating Profit	37,022	22,104	67.5%
Net Income	29,218	17,427	67.7%

Sales Breakdown (Consolidated)

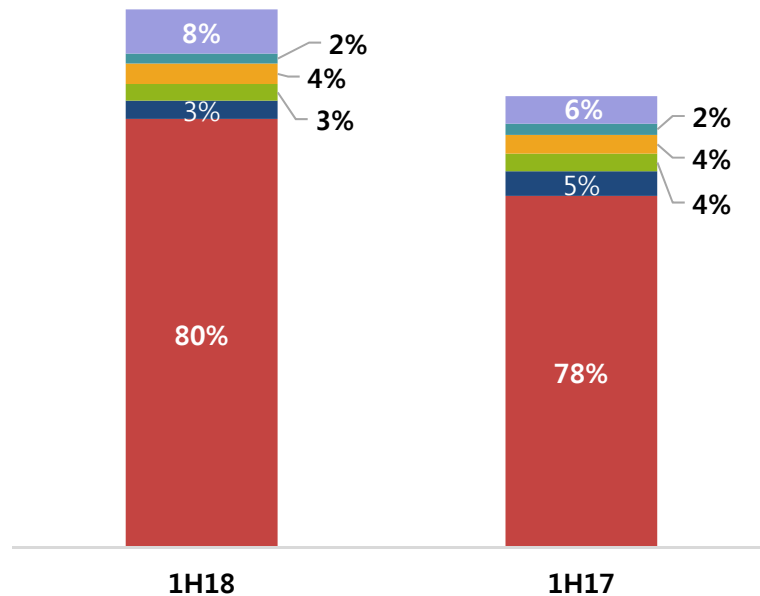
A Global Contents Company loved by customers



- ▶ Total Revenue on Game Services 103.5b (YoY ↑ 19%)
- ▶ MU 82.5b (YoY ↑ 22%) , R2 3.5b (YoY ↓ 26%)
- ▶ Metin2 4.0b (YoY ↑ 10%) , Webzen.com 1.9b (YoY ↓ 11%)

Sales breakdown (by products)

■ MU ■ R2 ■ Shot Online ■ Metin2 ■ webzen.com ■ Others



(Unit : KRW million)

	1H18	1H17	G/R
Total	103,514	86,834	19%
MU(*)	82,454	67,664	22%
R2	3,513	4,745	-26%
Shot Online(**)	3,194	3,389	-6%
Metin2	3,950	3,589	10%
Webzen.com	1,913	2,157	-11%
Others	8,490	5,289	61%

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

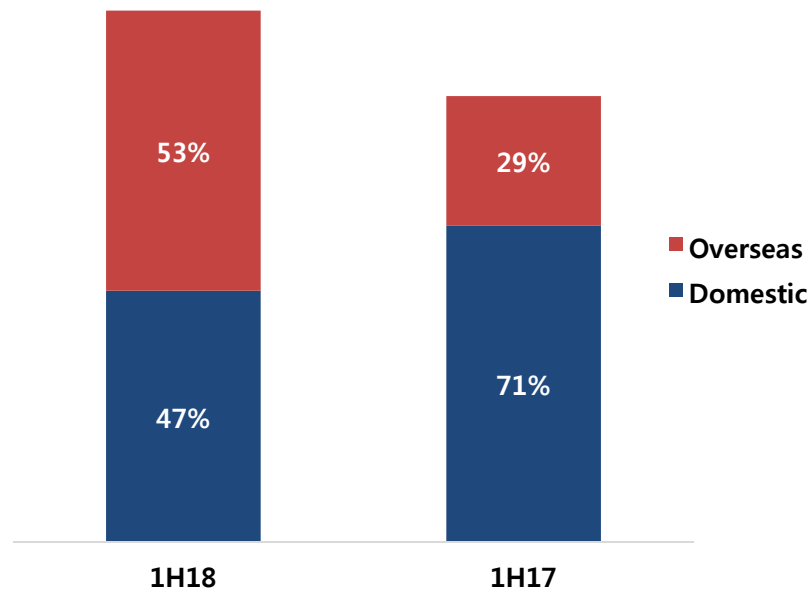
Sales Breakdown (Consolidated)

A Global Contents Company loved by customers



- ▷ Domestic Sales : 48.9b (YoY ↓ 21%)
- ▷ Overseas Sales : 54.6b (YoY ↑ 117%)
- ▷ Portion of Overseas : YoY ↑ 24%P

Sales breakdown (by markets)



(Unit : KRW million)

	1H18	1H17	G/R
Total	103,514	86,834	19%
Domestic	48,918	61,649	-21%
Overseas	54,596	25,185	117%

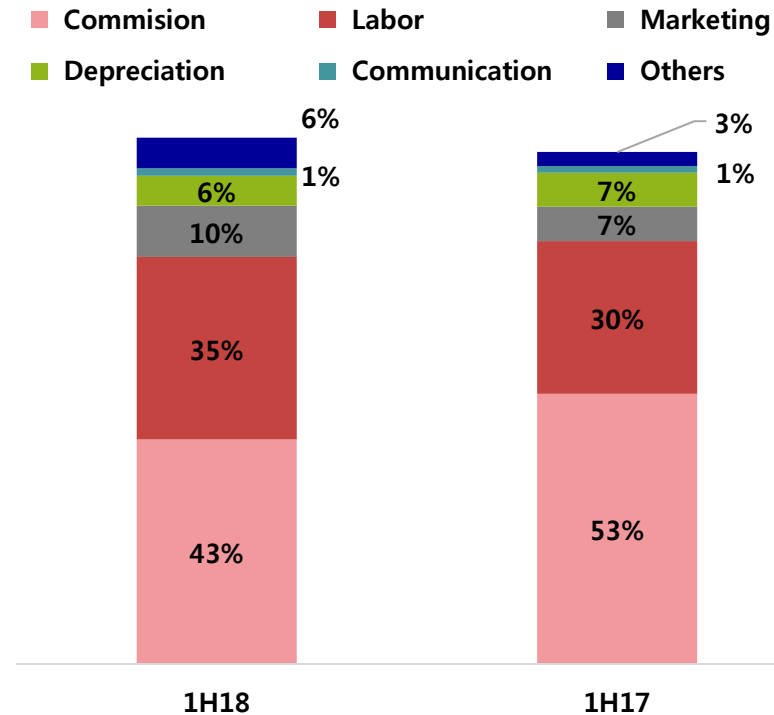
Expenses Breakdown (Consolidated)

A Global Contents Company loved by customers



- ▷ Operating Expenses 66.6b (YoY ↑ 3%)
 - Commission 28.4b (YoY ↓ 17%)
 - Labor 23.1b (YoY ↑ 19%)
 - Marketing 6.5b (YoY ↑ 49%)

Expenses Breakdown (by nature)



(Unit : KRW million)

	1H18	1H17	G/R
Total	66,575	64,758	3%
Commission(Fee)	28,393	34,150	-17%
Labor	23,090	19,322	19%
Marketing	6,474	4,358	49%
Depreciation	3,792	4,297	-12%
Communication	944	845	12%
Others	3,882	1,785	118%

2Q18 Result Analysis

Summary of Financial Results

A Global Contents Company loved by customers



(Unit : KRW million)

	2Q18	1Q18	QoQ	2Q17	YoY
Revenue	48,913	54,684	-10.6%	43,744	11.8%
Revenue (Game)	48,869	54,644	-10.6%	43,716	11.8%
Other Revenue	44	39	10.3%	28	55.3%
Operating Expense	36,044	30,531	18.1%	32,545	10.8%
Operating Profit (Loss)	12,869	24,153	-46.7%	11,199	14.9%
Profit (Loss) Before Tax	15,152	25,057	-39.5%	13,000	16.6%
Corporate Tax	2,701	8,290	-67.4%	2,952	-8.5%
Profit (Loss)	12,451	16,767	-25.7%	10,048	23.9%
Total comprehensive income	12,269	17,069	-28.1%	10,734	14.3%

Result Analysis (Consolidated)

A Global Contents Company loved by customers

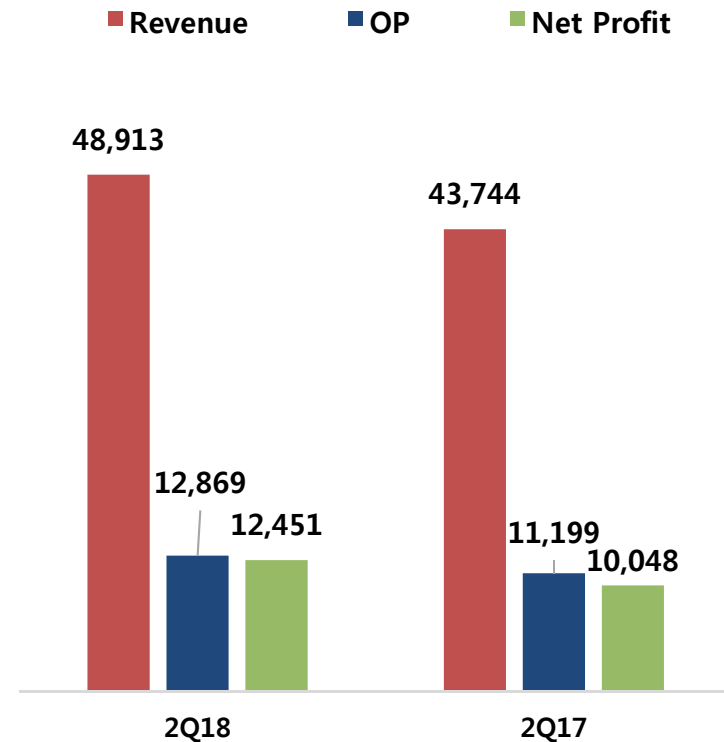
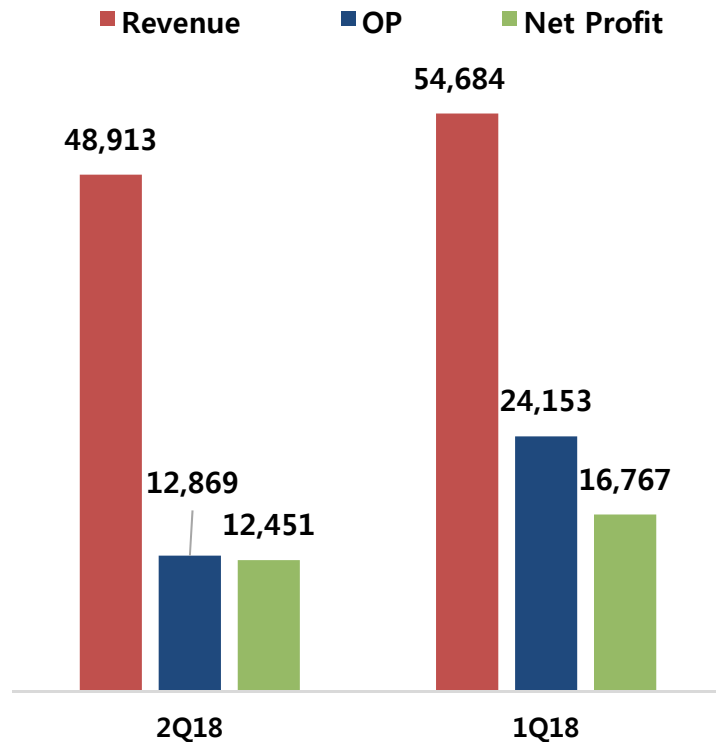


- ▷ Revenue 48.9b (QoQ ↓ 11% based on consolidated , YoY ↑ 12% based on consolidated)
- ▷ Operating Profit 12.9b (QoQ ↓ 47% based on consolidated , YoY ↑ 15% based on consolidated)
- ▷ Net Income 12.5b (QoQ ↓ 26% based on consolidated , YoY ↑ 24% based on consolidated)

(Unit : KRW million)

QoQ

YoY



Sales Breakdown (Consolidated)

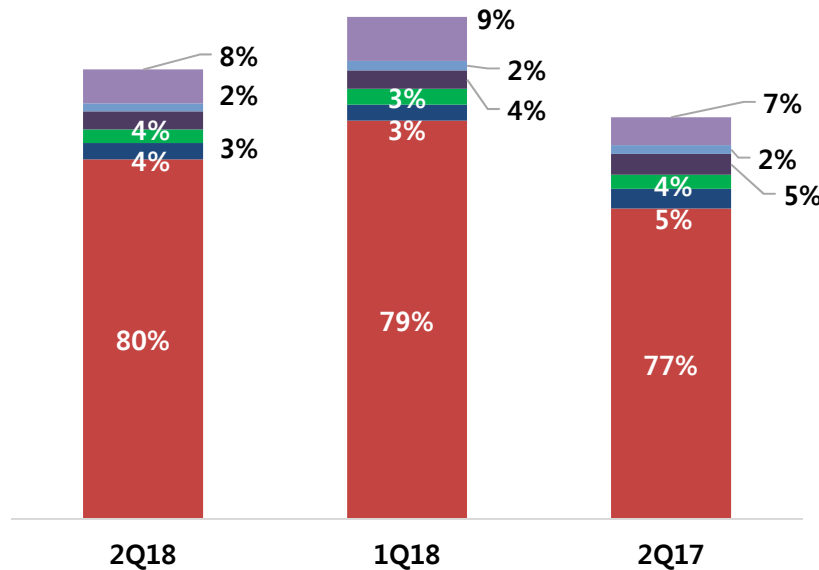
A Global Contents Company loved by customers



- ▶ Total Revenue on Game Services 48.9b (QoQ ↓ 11% , YoY ↑ 12%)
 - MU 39.1b (QoQ ↓ 10% , YoY ↑ 16%)
 - R2 1.8b (QoQ ↑ 1% , YoY ↓ 18%)
 - Metin2 2.0b (QoQ ↓ 2% , YoY ↓ 14%)

Sales breakdown (by products)

■ MU ■ R2 ■ Shot Online ■ Metin2 ■ webzen.com ■ Others



(Unit : KRW million)

	2Q18	1Q18	2Q17
Total	48,869	54,644	43,716
MU(*)	39,119	43,335	33,768
R2	1,762	1,750	2,146
Shot Online	1,462	1,732	1,536
Metin2	1,958	1,992	2,267
Webzen.com	878	1,035	965
Others	3,690	4,800	3,033

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

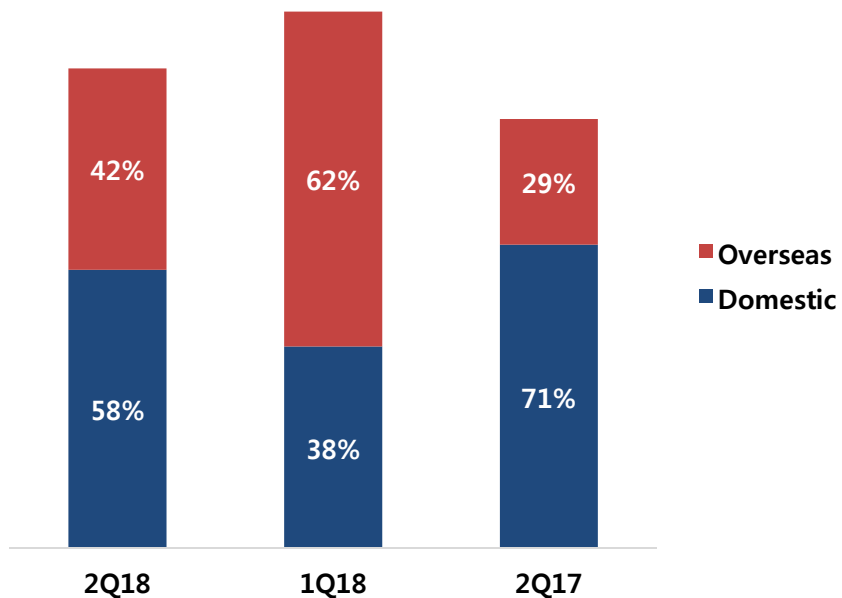
Sales Breakdown (Consolidated)

A Global Contents Company loved by customers



- ▷ Domestic Sales : 28.4b (QoQ ↑ 38% , YoY ↓ 8%)
- ▷ Overseas Sales : 20.5b (QoQ ↓ 40% , YoY ↑ 60%)
- ▷ Portion of Overseas : QoQ ↓ 20% , YoY ↑ 13%P

Sales breakdown (by markets)



(Unit : KRW million)

	2Q18	1Q18	2Q17
Total	48,869	54,644	43,716
Domestic	28,364	20,554	30,912
Overseas	20,505	34,091	12,803

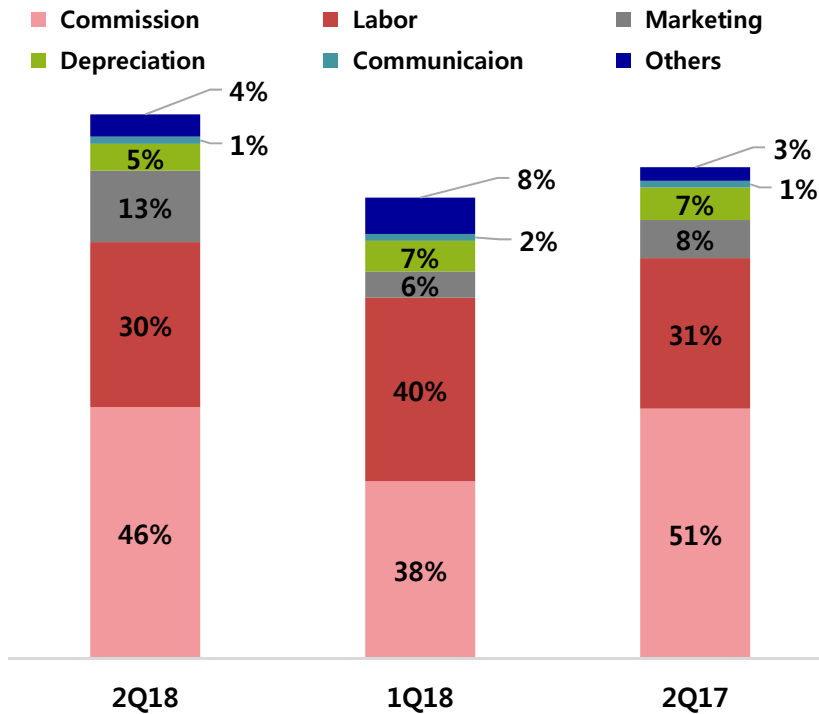
Expenses Breakdown (Consolidated)

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- ▷ Operating Expenses 36.0b (QoQ ↑ 18% , YoY ↑ 11%)
 - Commission 16.6b (QoQ ↑ 42% , YoY ↑ 1%)
 - Labor 10.9b (QoQ ↓ 10% , YoY ↑ 10%)
 - Marketing 4.7b (QoQ ↑ 173% , YoY ↑ 87%)

Expenses Breakdown (by nature)



(Unit : KRW million)

	2Q18	1Q18	2Q17
Total	36,044	30,531	32,545
Commission	16,652	11,740	16,557
Labor	10,930	12,160	9,963
Marketing	4,739	1,735	2,528
Depreciation	1,765	2,027	2,152
Communication	481	463	439
Others	1,477	2,405	907

Summary of F/S(Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	2018.06.30	2017.12.31
Current Assets	258,511	224,551
Non-Current Assets	107,276	98,928
Total Assets	365,787	323,479
Current Liabilities	50,823	40,446
Non-Current Liabilities	16,234	13,579
Total Liabilities	67,057	54,024
Contributed Equity	17,655	17,655
Capital Surplus for Equity	150,263	150,263
Accumulated Other Comprehensive Income for Equity	(379)	16
Elements of Other Stockholder's Equity	(43,777)	(43,777)
Retained Earnings	174,832	145,036
Non-Controlling Interests	135	261
Total Equities	298,729	269,455

Summary of F/S(Consolidated)

A Global Contents Company loved by customers



(Unit : KRW million)

	FY2018		FY2017	
	2Q18	1H18	2Q17	1H17
Revenue	48,913	103,597	43,744	86,862
Revenue (Game)	48,869	103,514	43,716	86,834
Other Revenue	44	83	28	28
Operating Expense	36,044	66,575	32,545	64,758
Operating Profit (Loss)	12,869	37,022	11,199	22,104
Profit (Loss) Before Tax	15,152	40,208	13,000	23,871
Corporate Tax	2,701	10,991	2,952	6,445
Profit (Loss)	12,451	29,218	10,048	17,427
Total comprehensive income	12,269	29,337	10,734	17,594

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Thank you