



# INVESTOR RELATIONS

July 2020 | KineMaster Corporation



# Disclaimer

The financial information contained in this document is based on consolidated K-IFRS and has not been reviewed by an independent auditor.

Therefore, the information and financial data contained in this document are subject to change upon an independent auditor's review.

KineMaster Corporation is not liable for providing future updates on all figures included in this document. Investors should consider this document as only a single factor in making their investment decision.

※ This material has been updated in Aug 14th to reflect changes made from the accounting review for 2nd quarter, 2020.

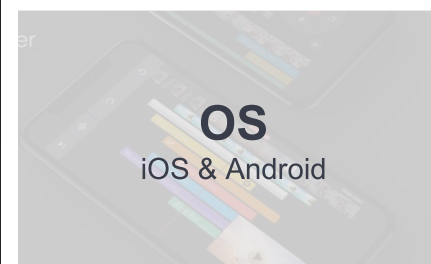
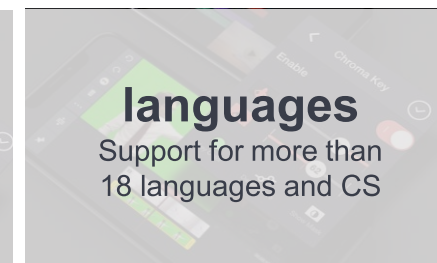
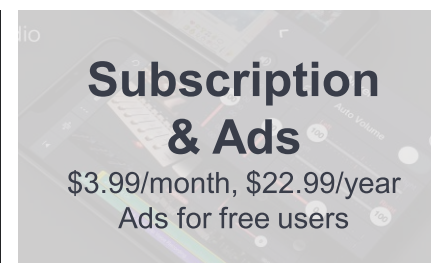


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# **Business |** KineMaster; The Most Powerful Video Editing App on Mobile

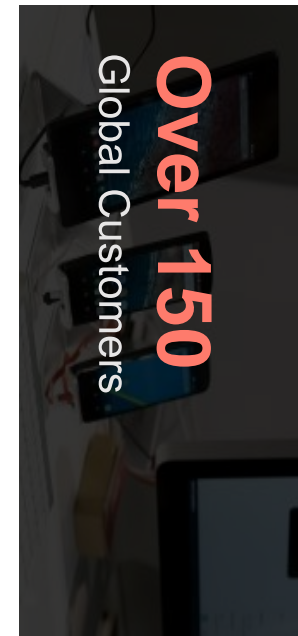
- > An intuitive user interface and experience-based mobile video editing app
- > Subscription model ; remove watermark and ads, full access to premium assets added every week
- > Asset store provides professional assets, such as music, sound effects, visual effects and transitions, stickers, animated overlays, and fonts
- > The editing app to create professional video content without a computer with Multi-layered, Chroma Key, Speed Adjust, Transition, Subtitles, Reverse, Color Filters, and Advanced Audio Editing Feature





# Business | Player SDK; Multiscreen Player SDK for video apps

- > Provide highest video quality for OTT service providers
- > Smartphones & Tablets, Smart TVs, STBs, Web Browsers
- > Excellent and timely customer support



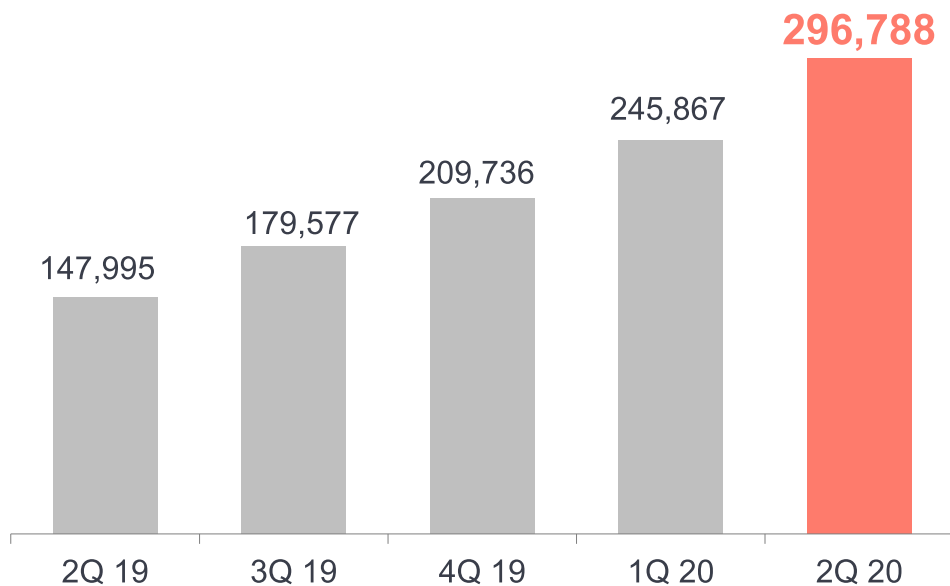


# 2Q 2020 | KineMaster Download

## > Cumulative Downloads

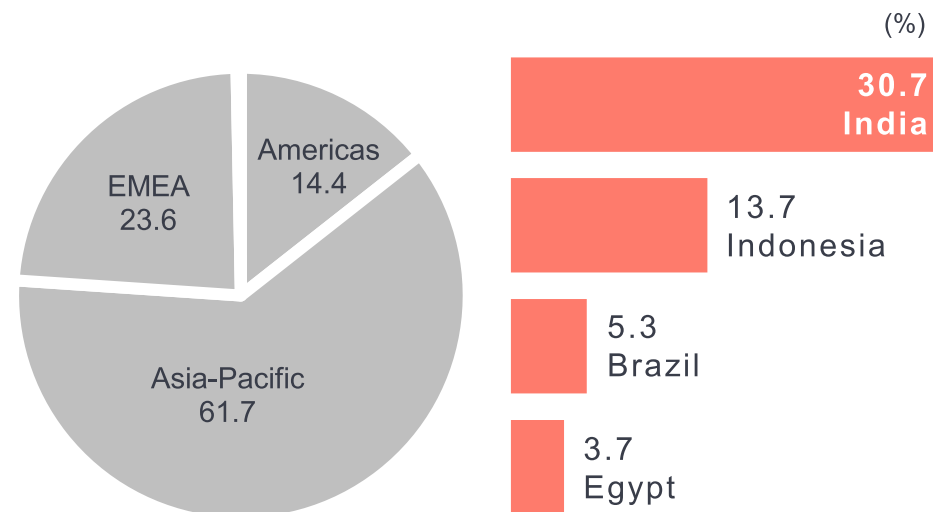
Accumulated downloads YoY +101% / QoQ +21% in 2Q20

(in thousands)



## > 2Q Downloads by Country

India and Indonesia account for about 44.3% of Asia-Pacific



※ The figure above is a download by country that occurred in Q2.

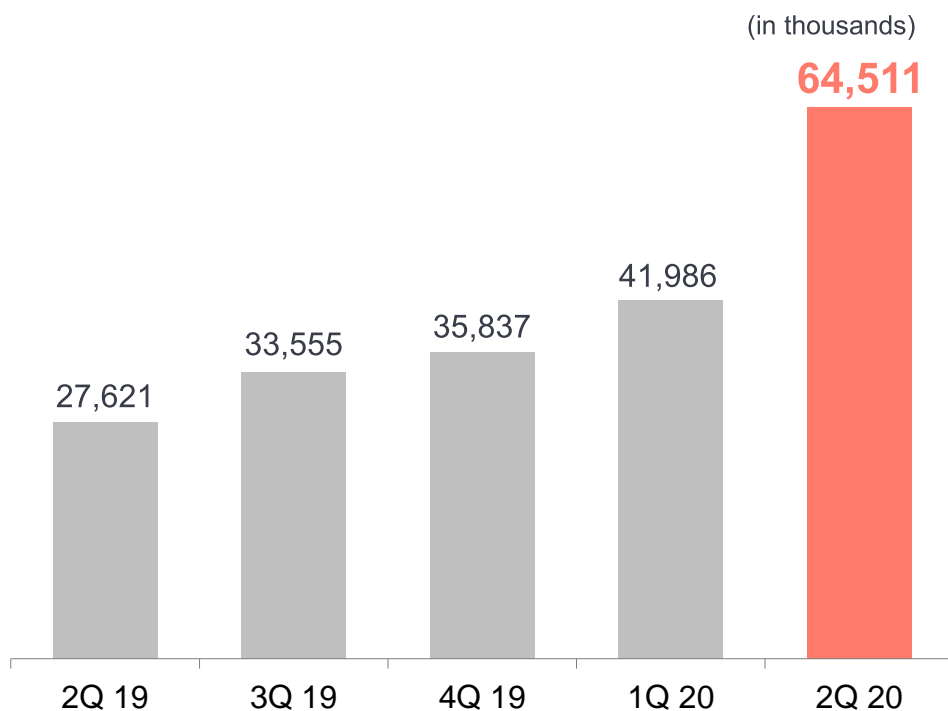
※ United States 3.6%, China 3.2%, Iraq 3.0%, Philippines 3.0%, Pakistan 2.6% are included in the top ranks.



# 2Q 2020 | KineMaster MAU

## > KineMaster MAU

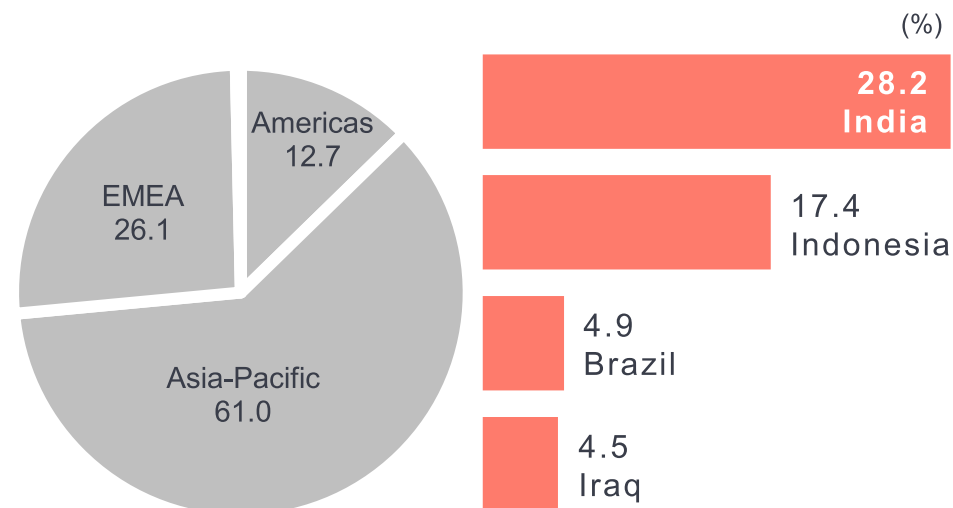
MAU YoY +134% / QoQ +54% in 2Q20



※ Average of monthly MAU.

## > MAU by Country

India and Indonesia account for about 45.6% of Asia-Pacific



※ Android + iOS MAU based on Android, and iOS in 2Q20.

※ Egypt 3.8%, Philippines 3.1%, United States 2.6%, Pakistan 2.4%, Russia 2.1% are included in the top ranks.

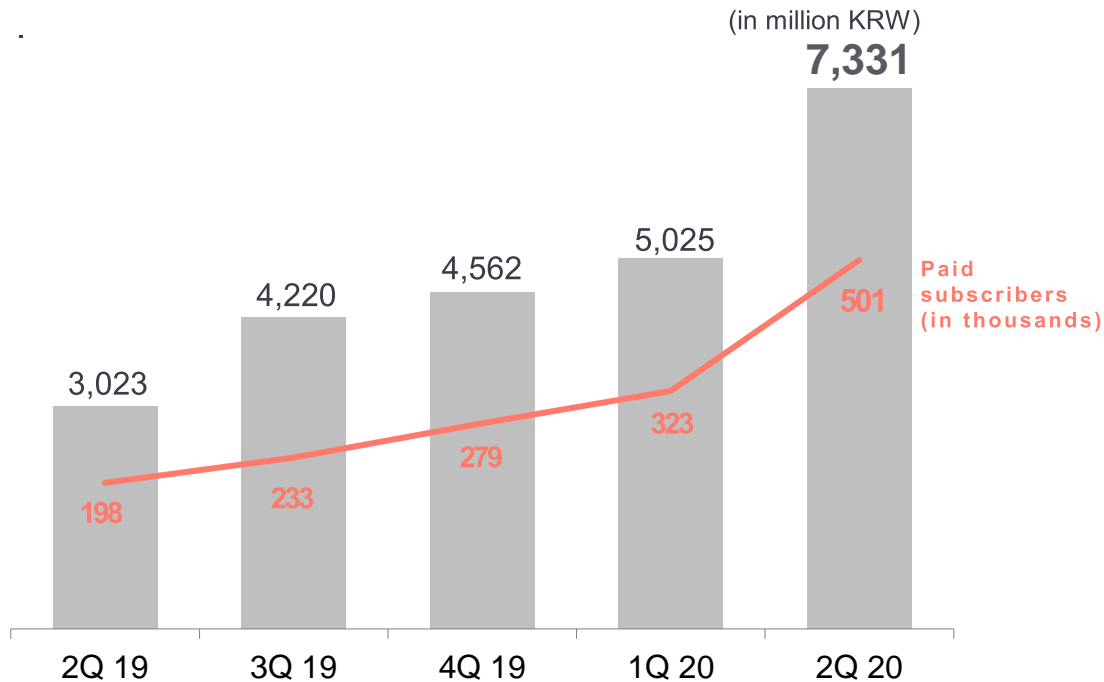


## 2Q 2020 | KineMaster Revenue

### > KineMaster MAU

Revenue YoY +143% / QoQ +46% in 2Q 2020

Subscribers YoY +152% / QoQ +55% in 2Q 2020

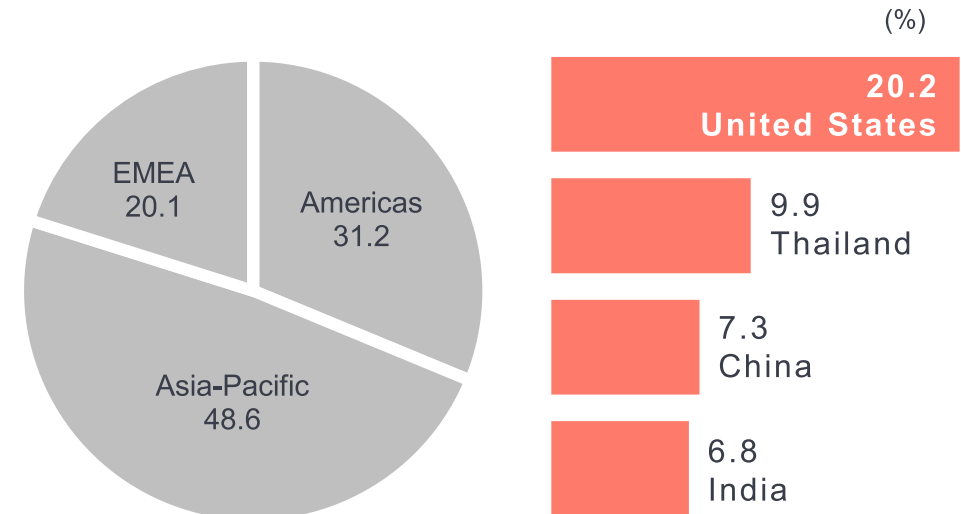


※ The total revenue includes subscriptions, Ads, and Premium IP Asset with the highest percentage of subscription revenue.

※ The number of subscribers is the average for each quarter, and Android includes users during the free trial period.

### > Revenue by Country

United States account for about 21% of Americas



※ Cumulative revenue based on Android, and iOS in 1Q20.

※ Korea 6.2%, India 5.8%, Brazil 5.5%, Japan 3.1%,

United Kingdom 2.9% are included in the top ranks.



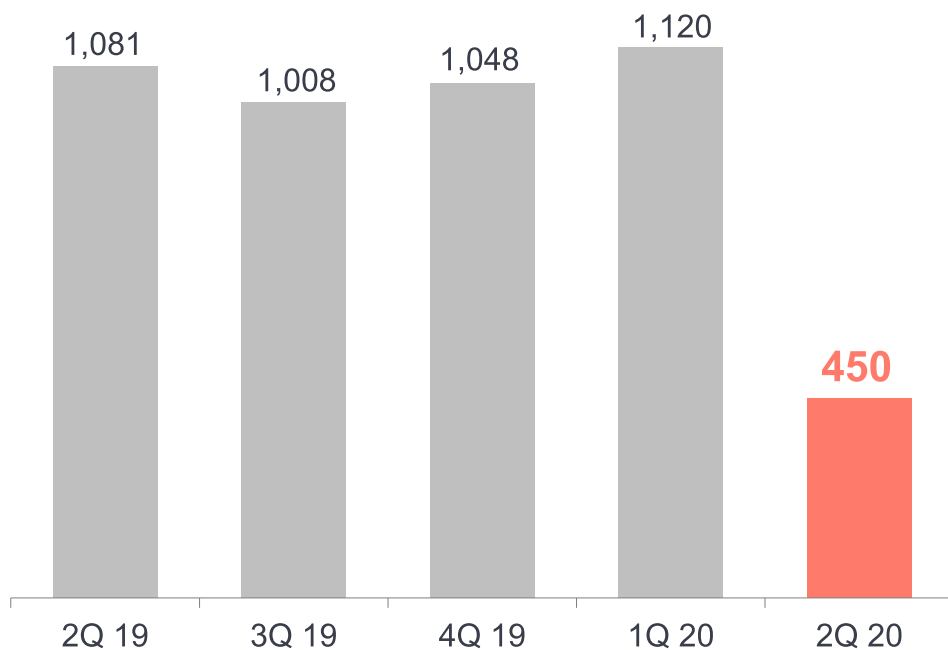


# 2Q 2020 | PlayerSDK Revenue

## > PlayerSDK Revenue

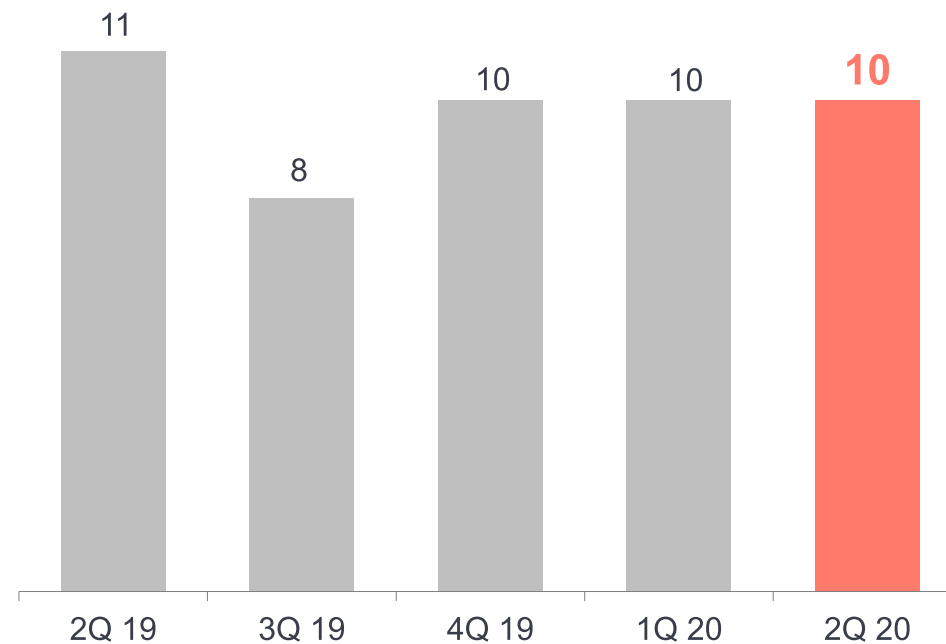
Revenue YoY -58% / QoQ -60% in 2Q 2020.

(in million KRW)



## > PlayerSDK Customers

Customers YoY -9%





# 2Q 2020 | Earnings Summary

(in million KRW)

	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	QoQ	YoY	1H 20
<b>Total Revenue</b>	4,305	5,512	5,858	6,172	<b>7,796</b>	26.31%	81.09%	13,968
<b>KineMaster</b>	<b>3,023</b>	<b>4,220</b>	<b>4,562</b>	<b>5,025</b>	<b>7,331</b>	<b>45.89%</b>	<b>142.51%</b>	<b>12,356</b>
PlayerSDK	1,081	1,008	1,049	1,120	<b>450</b>	-59.86%	-58.37%	1,570
Others	201	284	247	27	<b>15</b>	-43.49%	-92.54%	42
<b>Operating Expenses</b>	4,518	4,871	5,337	5,677	<b>6,426</b>	13.19%	42.25%	12,104
App commission fee	697	1,009	1,086	1,260	<b>1,992</b>	58.10%	185.80%	3,252
<b>Operating Profit</b>	<b>-212</b>	<b>641</b>	<b>522</b>	<b>495</b>	<b>1,369</b>	176.57%	Turnaround	1,864
% Margin	-4.9%	11.6%	8.91%	8.02%	<b>17.56%</b>	-	-	13.34%
<b>Net Profit</b>	<b>-186</b>	<b>705</b>	<b>138</b>	<b>505</b>	<b>1,082</b>	114.26%	Turnaround	1,587
% Margin	-4.3%	12.8%	2.35%	8.19%	<b>13.87%</b>	-	-	11.36%

※ The data has been updated to reflect changes made from the accounting review for 2nd quarter. (Major changes: increase of about KRW 100 million won in retirement benefits)

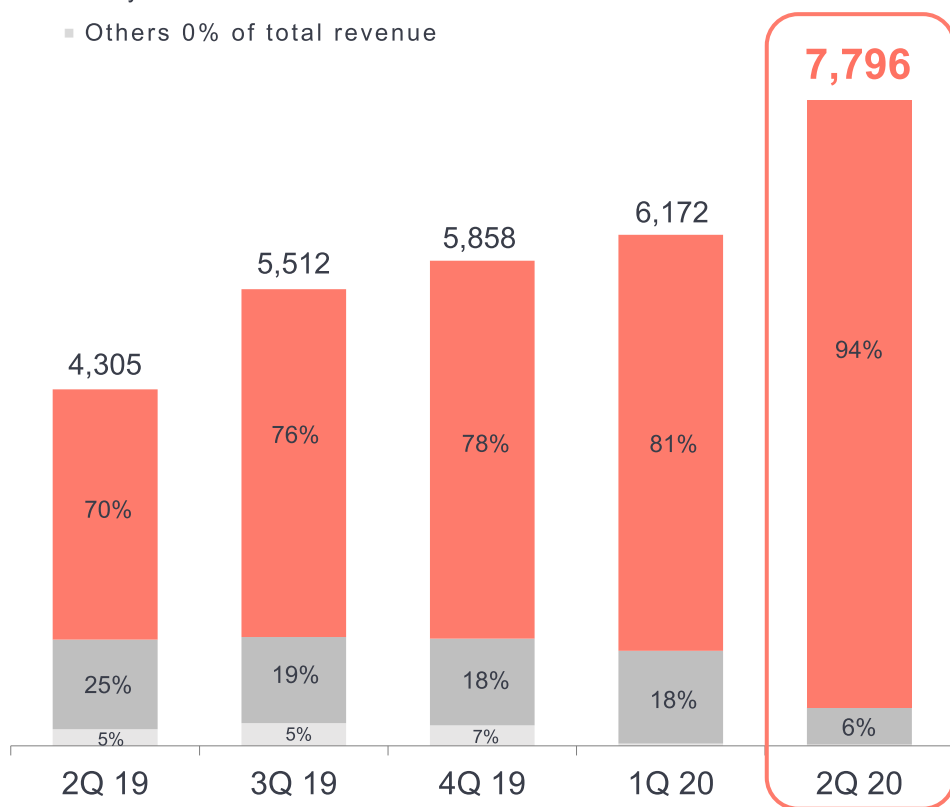


# 2Q 2020 | Earnings Summary

## > Total Revenue

- KineMaster 94% of total revenue
- PlayerSDK 6% of total revenue
- Others 0% of total revenue

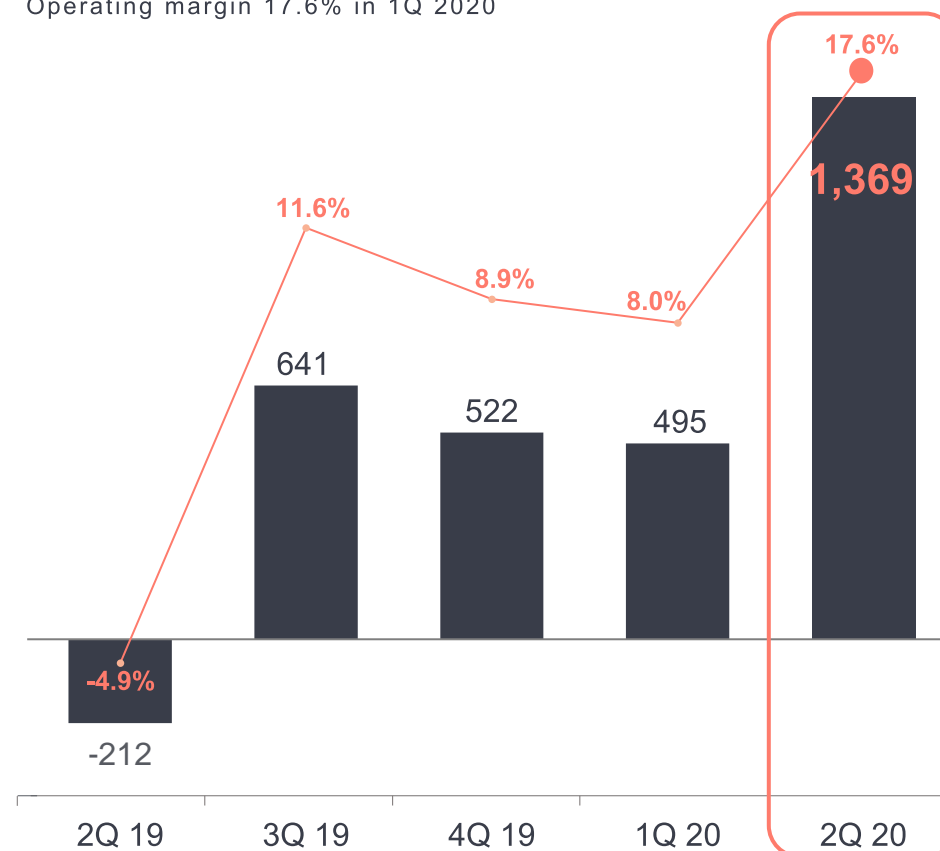
(in million KRW)



## > Operating Profit

Operating profit 136mn in 1Q 2020  
Operating margin 17.6% in 1Q 2020

(in million KRW)



※ The data has been updated to reflect changes made from the accounting review for 2nd quarter. (Major changes: increase of about KRW 100 million won in retirement benefits)



## 2Q 2020 | Earnings Summary

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### ✓ **Continuously adding a variety of new functions to improve user satisfaction**

KineMaster 4.13 version

- Powerful new color adjustment tools (Change the video and image vibrance, temperature, shadows, gain, lift, hue and more.)
- Share the videos straight to Instagram and Facebook Stories.
- Slow videos down to 1/8 speed.
- Animation presets for iOS.
- Adjust the intensity of the color filters for more subtle and dramatic grading for Android.
- Add premium assets for subscribers (Motion graphics, clip graphics, 10 classic albums released, overlay stickers, transition effects)

### ✓ **Expanding strategic On/off-line marketing activities with App positioning and Communication**

Official YouTube channel with 1.2M subscribers: increasing collaborative opportunities with Global YouTube Influencer and Global Contents Partner

### ✓ **Strategic Plan for 2020**

Reduce benefits for freeusers and increase benefits for subscribers.

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# 2Q 2020 | Earnings Summary

(in million KRW)

Statement of Financial Position	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20
Current assets	12,639	13,292	12,303	13,902	15,175
Non-current assets	981	823	2,045	926	958
<b>Total assets</b>	<b>13,620</b>	<b>14,115</b>	<b>14,349</b>	<b>14,829</b>	<b>16,133</b>
Current liabilities	1,055	859	1,277	952	1,067
Non-Current liabilities	728	707	541	750	775
<b>Total liabilities</b>	<b>1,783</b>	<b>1,566</b>	<b>1,818</b>	<b>1,701</b>	<b>1,842</b>
Capital Stock	3,508	3,508	3,508	6,773	6,773
Additional Paid-in and Other Capital	4,592	4,592	4,592	1,327	1,327
Elements of other stockholder's equity	-2,428	-2,428	-2,428	-2,428	-2,428
Accumulated other comprehensive income	-1	7	-23	73	63
Retained earnings	6,166	6,870	6,881	7,382	8,555
<b>Total equity</b>	<b>11,837</b>	<b>12,549</b>	<b>12,531</b>	<b>13,127</b>	<b>14,291</b>
<b>Total equity and liabilities</b>	<b>13,620</b>	<b>14,115</b>	<b>14,349</b>	<b>14,829</b>	<b>16,133</b>

Income Statement	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	1H 20
<b>Revenue</b>	<b>4,305</b>	<b>5,512</b>	<b>5,858</b>	<b>6,172</b>	<b>7,796</b>	<b>13,968</b>
<b>Operating expenses</b>	<b>4,518</b>	<b>4,871</b>	<b>5,337</b>	<b>5,677</b>	<b>6,426</b>	<b>12,104</b>
<b>Operating profit</b>	<b>-212</b>	<b>641</b>	<b>522</b>	<b>495</b>	<b>1,369</b>	<b>1,864</b>
<i>Margin (%)</i>	-4.9	11.6	8.9	8.0	17.6	13.3
Non-operating profit	183	199	-43	228	79	154
Non-operating expenses	115	43	88	42	218	107
<b>Net profit before tax</b>	<b>-144</b>	<b>798</b>	<b>391</b>	<b>681</b>	<b>1,230</b>	<b>1,911</b>
Income tax expense	42	92	253	175	148	324
<b>Net profit</b>	<b>-186</b>	<b>705</b>	<b>138</b>	<b>505</b>	<b>1,082</b>	<b>1,587</b>
Total comprehensive income	-178	711	-18	596	1,066	1,663
EPS(won)	-28	108	21	39	83	122

※ The data has been updated to reflect changes made from the accounting review for 2nd quarter. (Major changes: increase of about KRW 100 million won in retirement benefits)



# Market Trend I

## Video Editing App Market – Source: *App Annie*

Ranking (2Q 20)	App	Revenue 4Q 19	Revenue 1Q 20	Revenue 2Q 20	QoQ	YoY	% of Total	2H19	1H 20
1	-	\$2,826,121	\$3,864,542	\$7,825,451	102.49%	29549.72%	12.66%	\$4,511,199	\$11,689,993
2	-	\$5,140,323	\$5,711,756	\$7,447,090	30.38%	92.61%	12.05%	\$9,695,321	\$13,158,846
3	-	\$3,322,527	\$3,709,492	\$4,711,090	27.00%	35.77%	7.62%	\$6,799,317	\$8,420,582
4	KineMaster	\$2,422,739	\$2,539,441	\$3,948,279	55.48%	130.47%	6.39%	\$4,770,189	\$6,487,720
5	-	\$2,716,791	\$3,099,211	\$3,930,444	26.82%	-5.20%	6.36%	\$5,566,022	\$7,029,655
6	-	\$1,752,140	\$2,111,918	\$3,923,225	85.77%	142.05%	6.35%	\$3,575,677	\$6,035,143
7	-	\$2,161,649	\$1,925,369	\$3,712,281	92.81%	296.24%	6.01%	\$4,384,543	\$5,637,650
8	-	\$3,130,095	\$2,812,434	\$3,428,564	21.91%	57.62%	5.55%	\$6,013,168	\$6,240,998
9	--	\$4,126,631	\$3,436,855	\$3,425,629	-0.33%	-32.60%	5.54%	\$8,754,388	\$6,862,484
10	-	\$3,091,634	\$2,592,727	\$2,685,453	3.58%	-44.30%	4.34%	\$7,610,351	\$5,278,180
11	-	\$779,109	\$1,021,044	\$1,707,510	67.23%	124.99%	2.76%	\$1,572,507	\$2,728,554
12	-	\$1,349,444	\$1,208,467	\$1,522,625	26.00%	41.75%	2.46%	\$3,579,224	\$2,731,092
13-34	-	\$8,468,637	\$9,508,460	\$13,552,114	42.53%	47.23%	21.92%	\$16,813,947	\$23,060,574
Total		\$41,287,840	\$43,541,716	\$61,819,755	41.98%	58.93%	100.00%	\$83,645,853	\$105,361,471

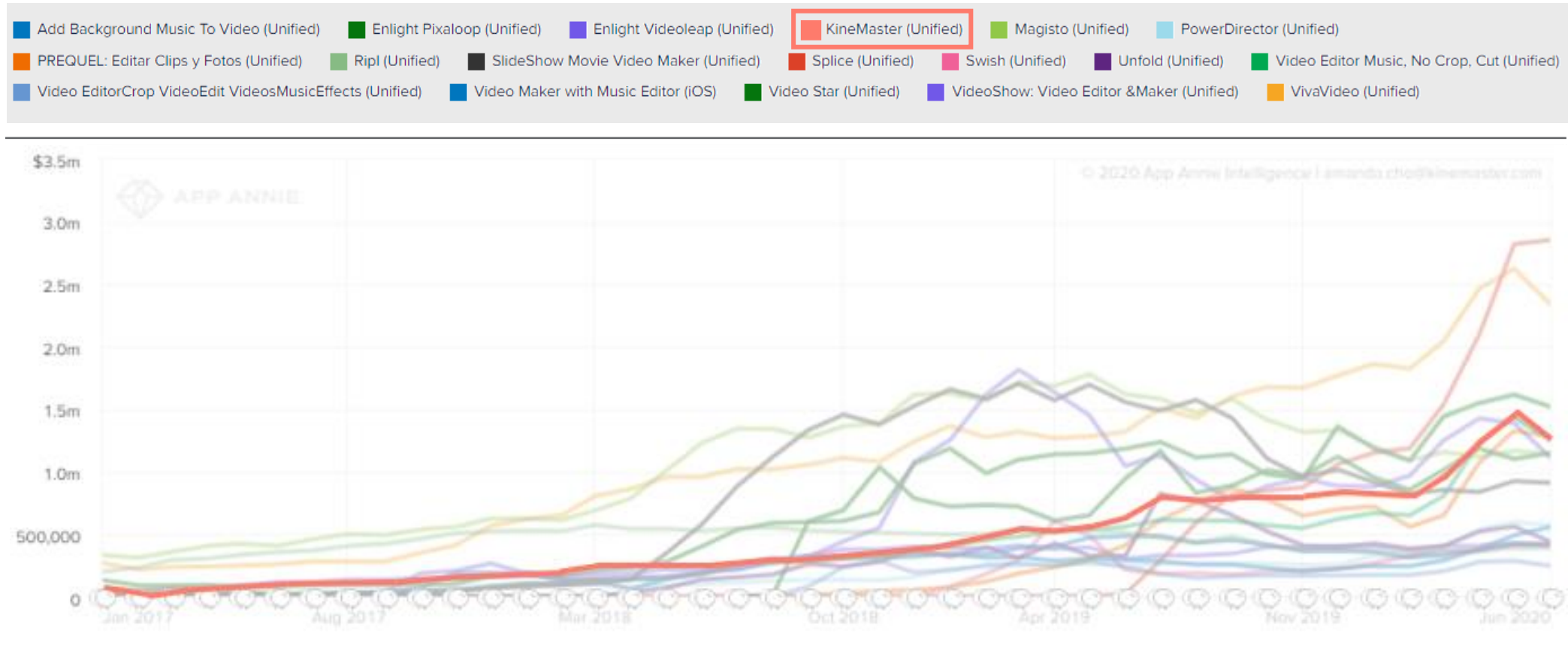
※ This information is estimated revenue from App annie; it does not include 30% store platform commission, Ads or Android revenue from China.

※ The ranking is based on rewritten by company which includes only the video editing app market, except for the photo editing app market



# Market Trend I Video Editing App Market – Source: *App Annie*

> Android & iOS Estimated Revenue (1Q'17 ~ 2Q'20)



※ This information is estimated revenue from App annie.

※ The ranking is based on rewritten by company which includes only the video editing app market, except for the photo editing app market



# Market Trend I

## Video Editing App Market – Source: *App Annie*

Ranking (2Q 20)	App	MAU 4Q 19	MAU 1Q 20	MAU 2Q 20	QoQ	YoY	% of Total
1	-	37,409,481	46,454,096	69,176,489	48.91%	151.75%	26.90%
<b>2</b>	<b>KineMaster</b>	<b>25,356,062</b>	<b>33,342,458</b>	<b>54,608,809</b>	<b>63.78%</b>	<b>249.56%</b>	<b>21.24%</b>
3	-	20,606,441	22,178,544	32,243,770	45.38%	89.14%	12.54%
4	-	9,247,710	10,996,415	17,475,693	58.92%	297.28%	6.80%
5	-	10,270,760	10,026,144	13,346,290	33.11%	39.76%	5.19%
6	-	9,643,542	8,790,691	13,242,632	50.64%	161.95%	5.15%
7	-	7,368,425	8,395,866	12,304,802	46.56%	115.96%	4.79%
8	-	5,887,147	5,768,104	6,441,842	11.68%	6.43%	2.51%
9	-	794,465	1,288,220	5,410,861	320.03%	688.74%	2.10%
10	-	2,355,673	2,742,045	4,454,762	62.46%	69.60%	1.73%
11	-	2,575,044	2,911,253	4,133,681	41.99%	57.00%	1.61%
12	-	2,306,389	2,333,494	3,751,914	60.79%	70.95%	1.46%
13-34	-	6,620,690	9,285,869	20,555,156	121.36%	210.47%	7.99%
<b>Total</b>		<b>140,783,231</b>	<b>164,513,200</b>	<b>257,146,703</b>	<b>56.31%</b>	<b>143.37%</b>	<b>100.00%</b>

※ This information is estimated MAU from App annie.

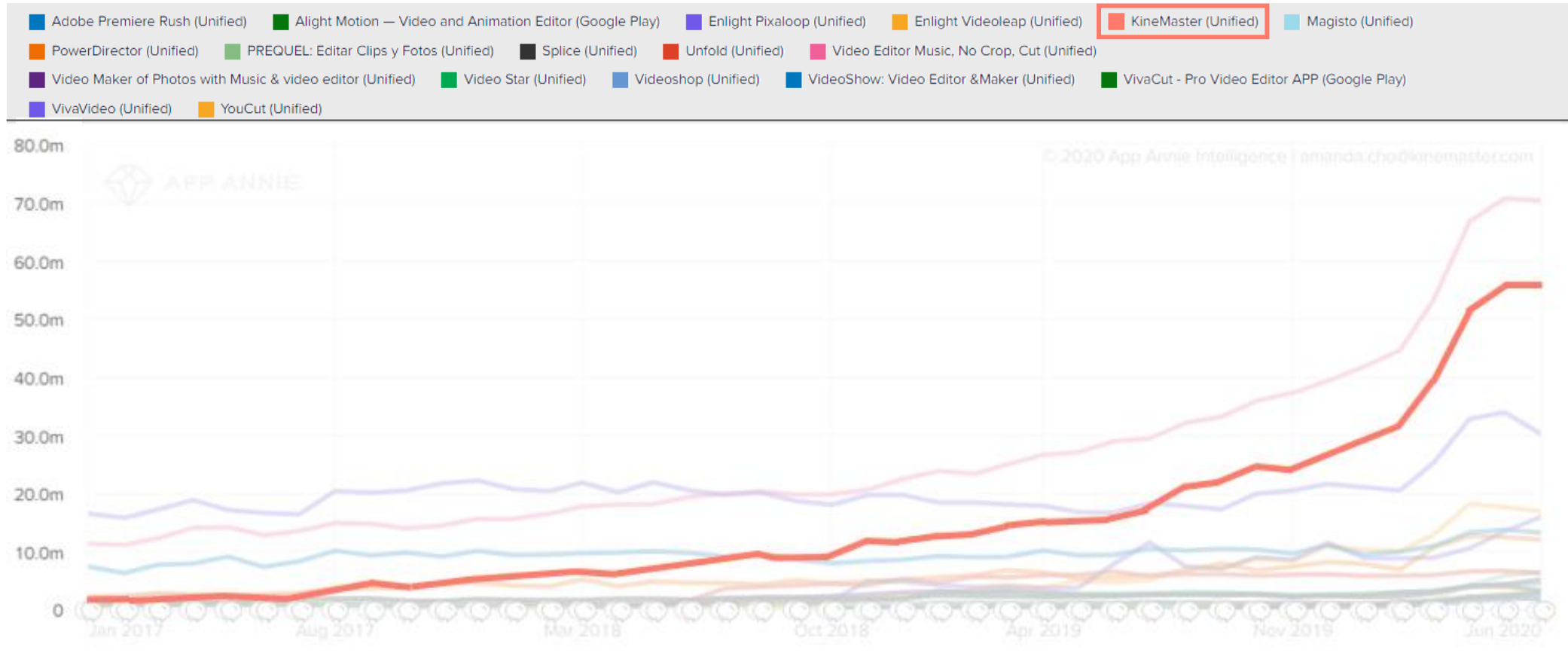
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# Market Trend I Video Editing App Market – Source: *App Annie*

> Android & iOS Estimated MAU (1Q'17 ~ 2Q'20)



※ This information is estimated MAU from App annie.

※ The ranking is based on rewritten by company which includes only the video editing app market, except for the photo editing app market.

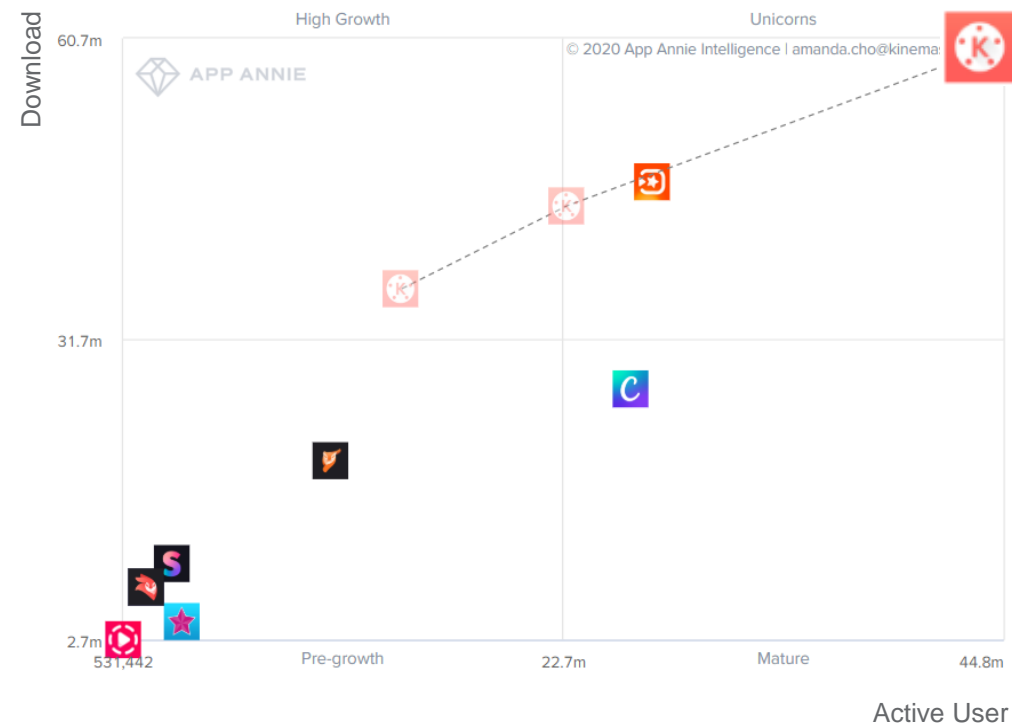


# Market Trend I Video Editing App Market – Source: *App Annie*

> Android & iOS User attention (1Q'20 ~ 2Q'20)



> Android & iOS Growth (1Q'20 ~ 2Q'20)



※ The information is estimated data provided by App Annie does not math the actual performance.

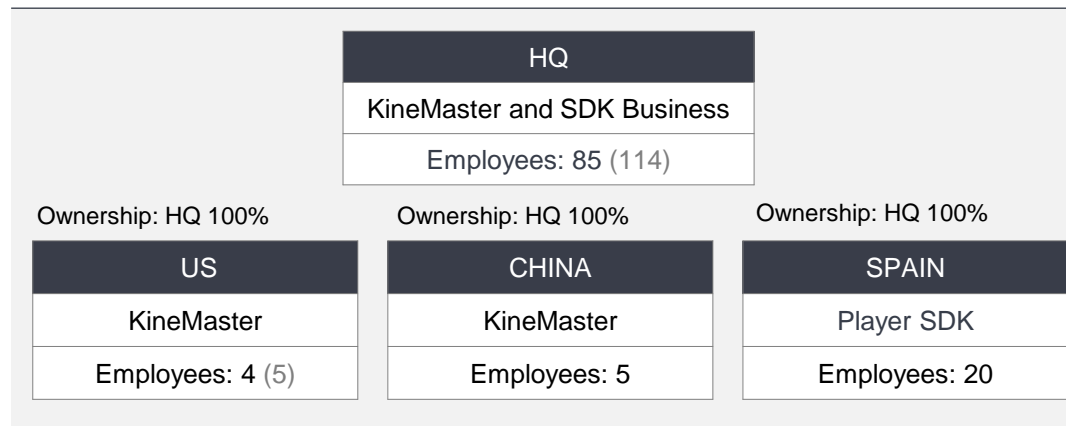


# Appendix I History / Governance

## History

- 2002 Company founded
- 2005 Provided streaming player to Samsung Electronics
- 2010 Provided streaming player to LG Electronics
- 2011 Listed on KOSDAQ
- 2011 Provided Android player SDK to HBO
- 2012 Started KineMaster app development
- 2013 Provided Player SDK to Time Warner Cable
- 2013 KineMaster Android version
- 2013 SingPlay Android version
- 2015 Provided video editing solution to XiaoMi
- 2017 KineMaster iOS version
- 2018 KineMaster exceeded 80M total downloads
- 2019 KineMaster exceeded 120M total downloads /25M MAU
- 2019 Changed the company name to KineMaster Corporation
- 2019 KineMaster exceeded 210M total downloads /37M MAU
- 2019 BeatSync Android version
- 2020 Capital increase without compensation
- 2020 KineMaster exceeded 240M total downloads /47M MAU
- 2020 KineMaster exceeded 297M total downloads /64M MAU

## Subsidiary



※ ( ) are based on total operating employees including key freelancers and outsourced staffs.

## List of shareholders

Il-taek Lim	1,709,870	12.62%	Cofounder · CEO
Jae-won Chung	1,076,286	7.95%	Cofounder · COO
Treasury Stock	487,515	3.60%	-
SOLBORN, Inc and parties concerned	4,732,188	31.98%	Investors
Etc	5,940,514	43.85%	-
Total	13,546,373	100.00%	-



**2nd Quarter 2020 Results** | KineMaster Corporation

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