



Investor Relations 3Q18

NEXSTREAMING

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All financial information contained in this IR material is based on parents only and consolidated K-IFRS that have not been reviewed by an independent auditor. NexStreaming is not liable for providing future updates on all figures included in this IR material. Investors should consider this IR material as only a single factor in making their Investment decision.

Contents

- **Business**
- **Market**
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- **PlayerSDK**
 - 3Q PlayerSDK Highlight

Mobile Video, and More Video

Mobile Video Editing App

KineMaster

The Most Powerful Video Editing App on Mobile Professional-quality full-featured non-linear on Android and iOS



Feature

- Featured by Google Play in 150 countries
- Abundant set of filters and themes
- Full HD quality

Customers

- Mobile Application Users

Monetization

- Subscription, Ads and IP Premium assets

Growth

- Exponential growth in the number of people who share video contents

Mobile Video Player SDK

NexPlayerSDK

The most suitable solution for streaming services video apps
More than 220 premium service providers worldwide use



Feature

- Support a variety of platform (Android, iOS, Windows8)
- HTTP Live Streaming, Latest Codec
- Global partnership (Dolby, DTS...)

Customers

- Global Service Providers

Monetization

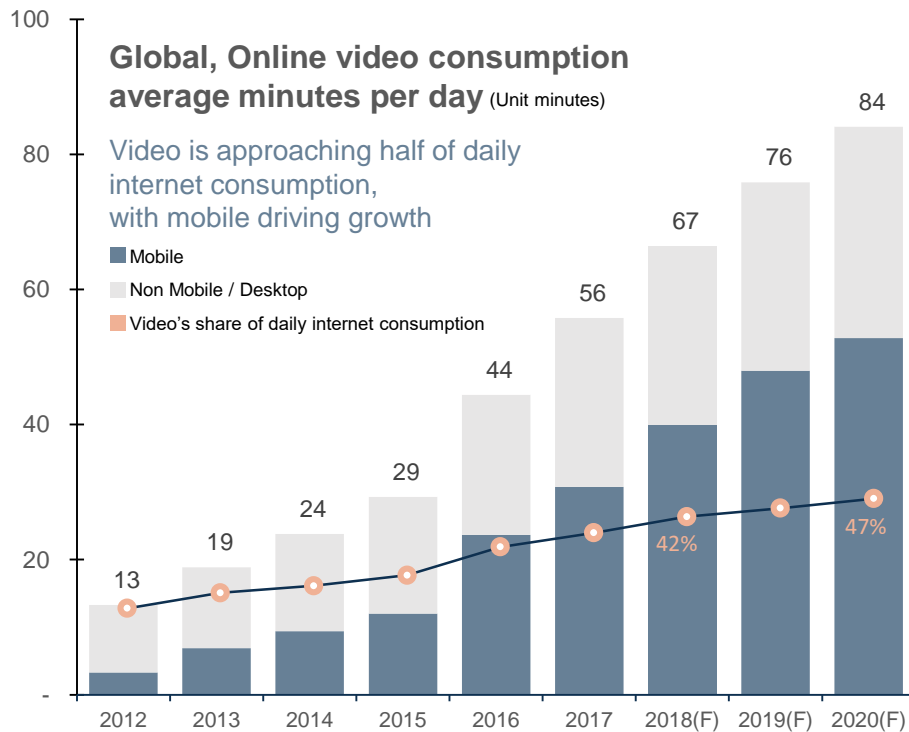
- Annual License (Similar as recurring revenue)

Growth

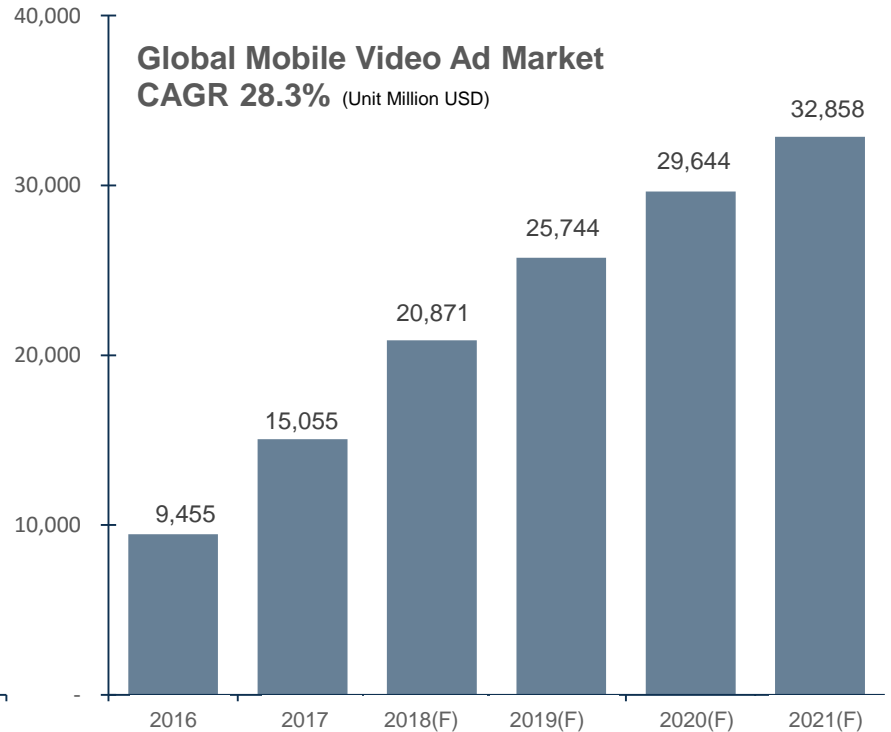
- Expanding global OTT business by using smart devices

Video contents dominate the mobile platforms

Contents consumption habits have transitioned from TEXT, to PICTURE and now to VIDEO. Video on their mobile devices has become the new favorite form of content consumption

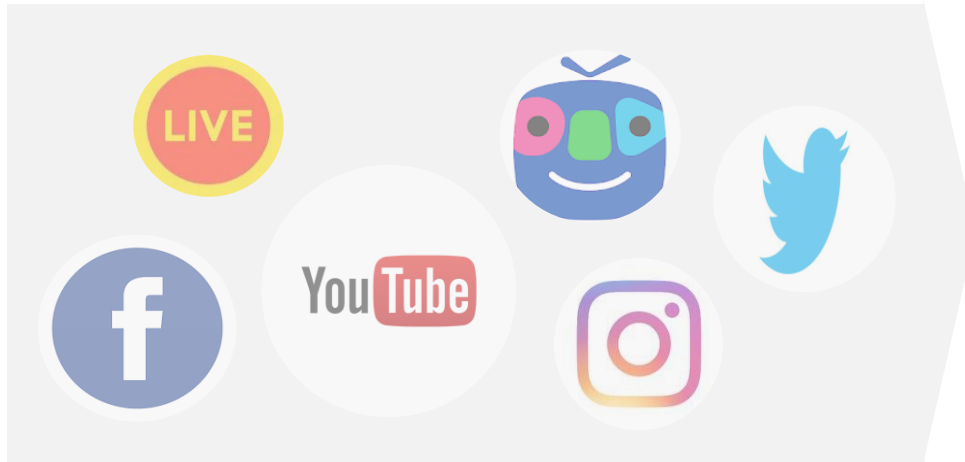


< SOURCE: Zenith, Media Consumption Forecast 2018, WARC DATA. Global Ad Trends, August 2018 >



< Reference : PWC 2017 >

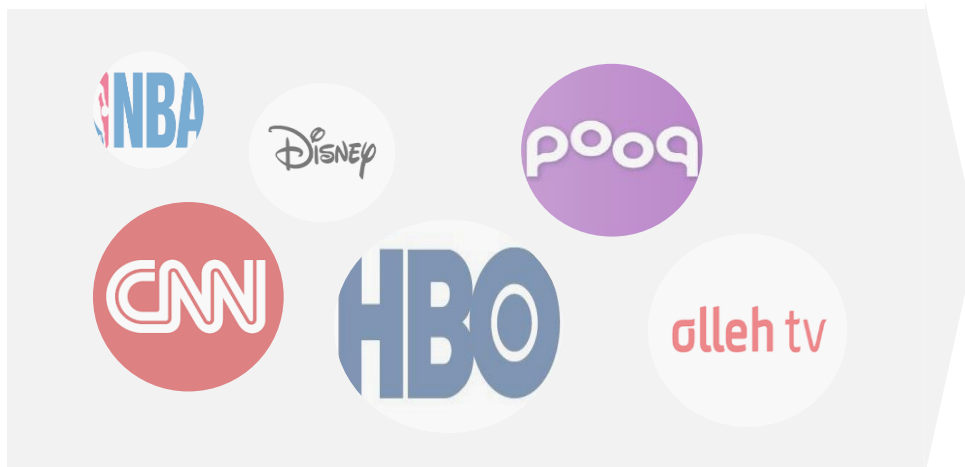
Individual Creator Video platforms



Creators want, Video editing tool

- ✓ Easy But High quality
- ✓ Android and iOS as well
- ✓ Reasonable Price
- ✓ Possible to edit unique

OTT Service Providers



Providers want, Video streaming SDK

- ✓ Premium Track Record
- ✓ Better than native, Highest Quality
- ✓ DRM Content Protection
- ✓ 360 video

The Most Powerful Video Editing App on Mobile

Professional-quality full-featured non-linear video editing app on Android and iOS,
Easily fine tune cuts and layer timing, instantly previewing each change as it is made.



Precision Editing

Video clips and layers can be trimmed precisely at frame-by-frame granularity, and audio clip timing can be adjusted with sub-frame accuracy.



Instant Preview

No more waiting to import or pre-render video: KineMaster allows you to instantly preview your edits as soon as you make them.



Multi-Track Audio

Up to four additional audio tracks are supported, and an unlimited number of audio clips can be added per track.



Multiple Layers

KineMaster supports unlimited text, image, handwriting and sticker layers, as well as up to two video layers on supported devices. Layer position can be precisely controlled, and layers can be animated using preset animation effects or via keyframe animation.

81,427,900 Download

The total accumulated downloads in Android and iOS as of Sep 2018

16,873,724 MAU

MAU(Monthly Active Users) in Android and iOS as of Sep 2018



Color Adjustment

Add color filters to your video, and finely adjust video brightness, contrast and saturation to achieve exactly the look that you want. Full color-LUT support coming soon!



Speed Control

Adjust the speed of your video from 0.25x up to 1.5x without distorting the audio pitch, to achieve slow- and fast-motion effects.



Pro Audio Features

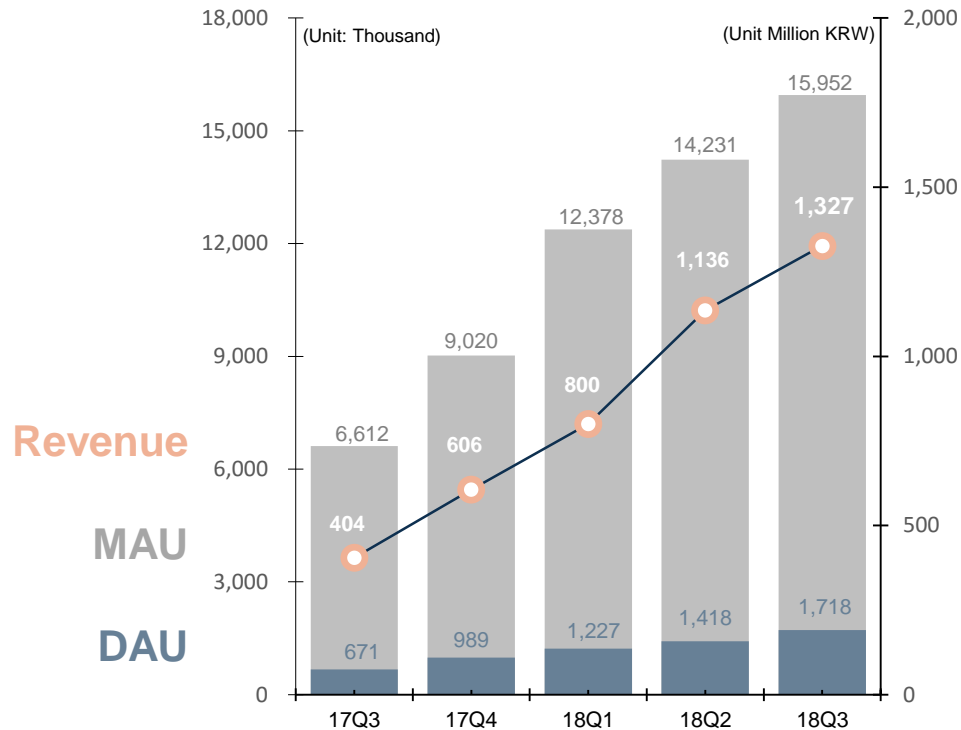
Fine tune audio by adjusting the volume envelope over time to achieve the precise effect that you want. Multiple audio formats are supported, or you can separate the audio track from a video clip to edit separately. Dynamic range compression coming soon!



Chroma Key

Video layers now support chroma key compositing, allowing full green screen support, including preview of the alpha mask and detailed adjustment of the curve used to blend the chroma key edges.

3Q18 KineMaster Highlight



*1) The MAU and DAU data includes only Google Play data
 *2) MAU: Monthly Active Users
 *3) DAU: Daily Active Users

(Unit Million KRW)

Revenue	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
KineMaster	202	231	258	325	404	606	800	1,136	1,327
% (1)	9.0%	10.9%	9.5%	12.6%	16.5%	25.9%	25.6%	59.0%	34.5%

(1)The proportion of total consolidate revenue.

KineMaster has been growing rapidly and continuing to build alternative revenue, like ads and IP premium assets

YoY 228.4% Up

- QoQ 16.8% Up of total revenue
- 34.5% portion of total revenue
- KineMaster MAU and DAU are increasing constantly, and continues to show steady growth in subscribers since its release.
- Add a bunch of new functions to KineMaster.
- Advertising business model is added.
- Add a variety of new assets.

- ✓ Provide Best synergy through Cross Platform Integration



<Commercial reference for NexPlayer 360 SDK>

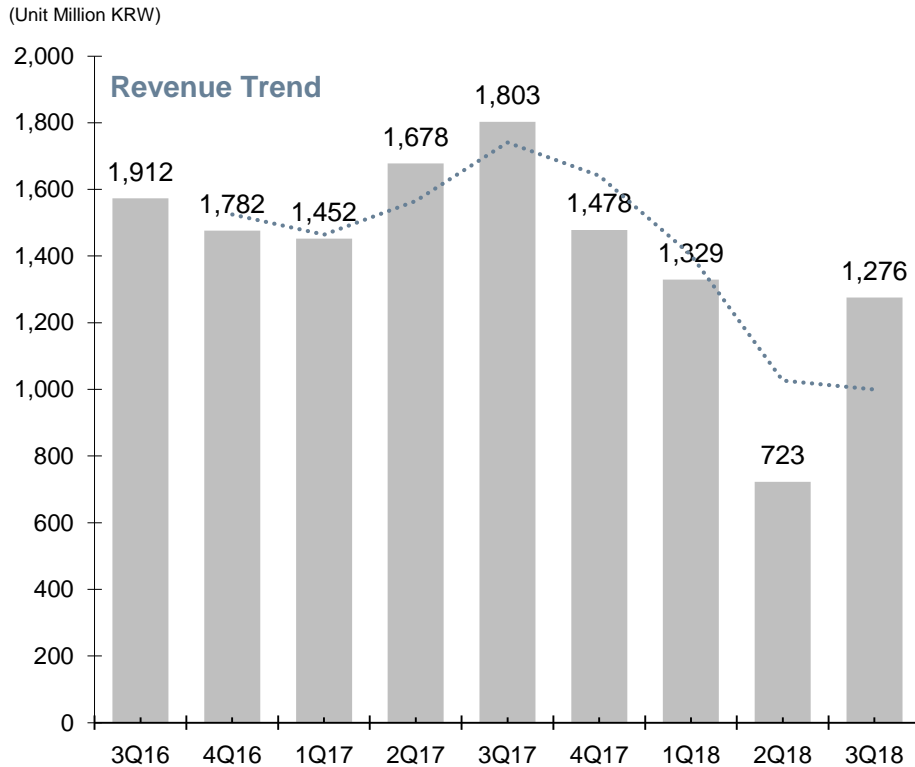


- ✓ The market leader player SDK for Android, iOS, Tizen and HTML5 apps

Key Features,

- Android, iOS, HTML5, Amazon Fire TV, Unity, Chromecast, STBs, Tizen TV supported
- MPEG-DASH and HLS with intelligent ABR algorithms
- Multiple video/audio tracks
- TTML, WebVTT, CEA608/708 advanced closed captioning
- VAST and compatibility with any other ad insertion solution
- 360 video
- Multiple integrated Add-ons: Dolby, Conviva, Agama, DTS, Yospace...
- Server/Client Time-shifting
- Offline playback, Offline HLS
- Multiple DRM support: Widevine, PlayReady, Verimatrix...
- CMAF (Common Media Application Format) support
- Customizable

3Q18 PlayerSDK Highlight



NexPlayer SDK 33.1% of total revenue

- QoQ 76.49% Up,
- YoY 29.22% Down of revenue
- Change in K-IFRS License Revenue recognitions from this year : Revenue(License) has been allocated to License period till last year → Revenue(License) reflected at one time.
- NexPlayer SDK revenue slightly decreased due to intense competition.
- NexPlayer360 SDK is expected to explore new business opportunities for Service Providers.

(Unit Million KRW)

Revenue	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
NexPlayer SDK	1,573	1,476	1,452	1,668	1,803	1,478	1,329	723	1,276
% ⁽¹⁾	72.0%	75.2%	53.4%	64.9%	74.5%	65.1%	44.1%	37.5%	33.1%

(1)The proportion of total consolidate revenue.

(Unit Million KRW)

Revenue		2Q '16	3Q '16	4Q '16	'16 Total	1Q '17	2Q '17	3Q '17	4Q '17	'17 Total	1Q '18	2Q '18	3Q '18	QoQ	YoY
Player BU (①)	NexPlayer SDK (1)	1,782	1,573	1,476	6,743	1,452	1,668	1,803	1,478	6,401	1,329	723	1,276	76.4%	29.2%
Editor BU (②)	KineMaster	183	202	231	768	258	325	404	606	1,593	800	1,136	1,327	16.8%	228.4%
	Others (2)	342	391	256	1,217	1,009	282	244	254	1,289	985	139	1,244	-	-
	Embedded (3)	340	153	0	552	0	312	0	7	318	0	0	0	-	-
Internal company transaction Adjustment (③)		-7	-82	151	63	-2	1	3	-5	-4	6	-73	0	-	-
Consolidate Revenue (①+②-③)		2,641	2,237	2,113	9,342	2,717	2,587	2,454	2,340	10,098	3,119	1,924	3,847	99.9%	56.8%

(1) Change in K-IFRS License Revenue recognitions from this year : Revenue(License) has been allocated to License period till last year → Revenue(License) reflected at one time.

(2) One-time commission and NexEditor SDK revenue are included.

(3) From '15 the Embedded BU and the App BU were combined to become a current Editor BU, so above material has been restated to the current situation.

*) Since the information results of 1Q'18 has been prepared in advance, it is subjected to change in the process of audit by external auditors.

*) This consolidated data is combined revenues of the NexStreaming and it's subsidiaries.

Appendix

Summarized Financial Statements (Consolidated)

Balance Sheet			Income Statement							
(Unit: Million KRW)	2017. 12.31	2018. 09.30	(Unit: Million KRW)	2Q '17	3Q '17	4Q '17	'17 Total	1Q2018	2Q18	3Q18
Current assets	14,741	12,915	Revenue	2,587	2,454	2,340	10,098	3,119	1,924	3,847
Cash and cash equivalents	8,570	5,390	Operating expense	3,080	2,975	3,822	13,462	3,547	3,993	4,152
Trade Receivables	1,059	2,726	Employment Costs	1,195	1,020	780	4,308	1,051	1,168	1,578
Other current assets	5,112	4,798	Employee Benefits	87	99	93	363	81	111	137
Non-current assets	1,880	1,782	Commission Fee	796	529	899	3,146	877	1,196	1,517
Property, plant and equipment	552	440	Development Expenses	398	613	684	2,101	569	435	56
Intangible Assets	319	218	Advertising Expenses	66	61	123	338	95	170	51
Deposits Provided	1,009	1,013	Outside order Expenses	116	197	305	884	424	398	334
Other non-current assets	-	111	Others	422	456	938	2,323	450	514	479
Total assets	16,621	14,696	Operating Income	-493	-521	-1,482	-3,365	-428	-2,069	-305
Current liabilities	2,772	1,224	Other gains	56	117	-32	187	14	166	-33
Trade Payables	168	2	Other losses	-106	83	559	1,118	36	15	6
Non-trade Payables	442	921	Finance income	34	32	29	176	65	81	43
Accrued Expenses	16	75	Financial cost	-1	-5	-17	1	27	-	19
Advances from Customers	2,053	44	Profit (loss) before tax	-296	-450	-2,026	-4,119	-412	-1,837	-320
Other current liabilities	93	184	Income tax expense	59	58	40	170	77	-10	37
Non-current liabilities	344	792	Profit	-355	-508	-2,066	-4,290	-489	-1,827	-357
Allowance for severance liability	41	490	Total comprehensive income	-352	-515	-2,188	-4,431	-492	-1,840	-372
Allowance for Other long employees	178	178	Controlling interest	-352	-515	-2,188	-4,431	-492	-1,840	-372
Other estimated liability	125	125	Non-controlling interest	-	-	-	-	-	-	-
Total liabilities	3,116	2,017	EPS (Unit: KRW)	-54	-78	-316	-656	-75	-75	-55
Capital Stock	3,508	3,508								
Additional Paid-in and Other Capital	4,592	4,592								
Elements of other stockholder's equity	-2,672	-2,672								
Accumulated other comprehensive income	-4	-17								
Retained earnings	8,080	7,269								
Total equity	13,505	12,680								
Total equity and liabilities	16,621	14,696								



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