



1st Quarter 2019 Results

INVESTOR RELATIONS

April 2019 | KineMaster Corporation



Disclaimer

All 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 audit.

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.



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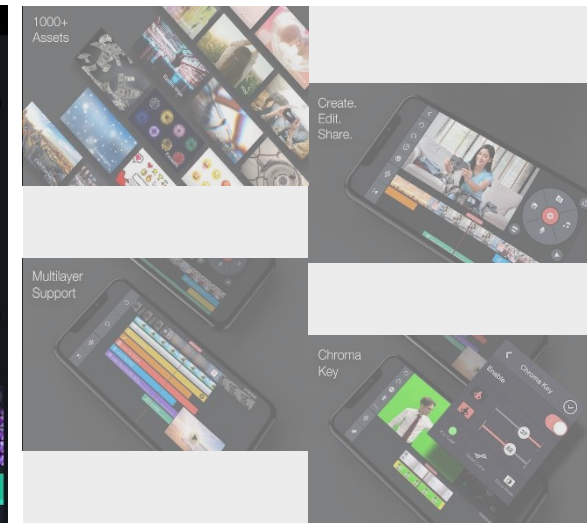
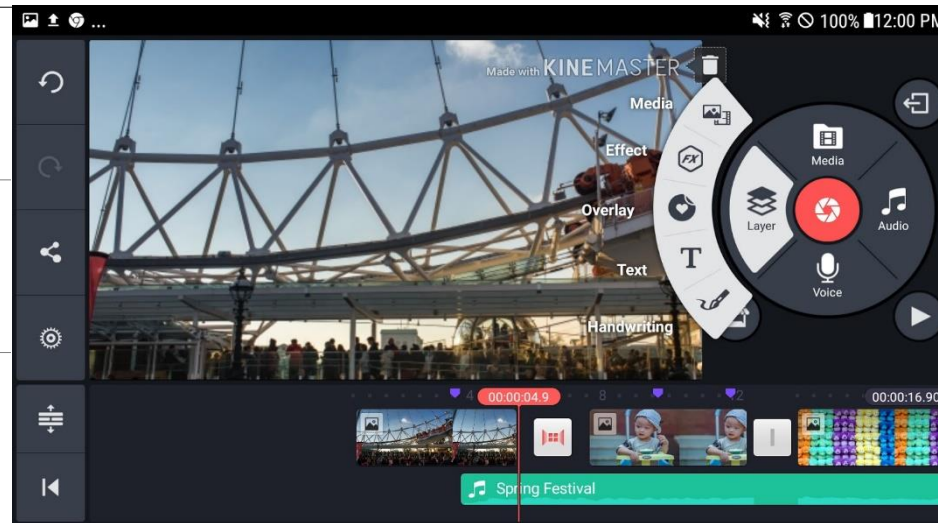
Business | KineMaster; The Most Powerful Video Editing App on Mobile

- The only cross-platform video editing app for creating professional video content without a computer (iPhone, iPad and all Android devices)
- Subscription model ; remove watermark and ads, full access to premium assets and new music every month
- Asset store provides professional assets, such as music, sound effects, visual effects and transitions, stickers, animated overlays, and fonts

25 Million
MAU

2.5 Million
DAU

120 Million
Download





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



Over 150 Global Customers



1st Quarter Results I KineMaster

1Q19 Market and Key performance

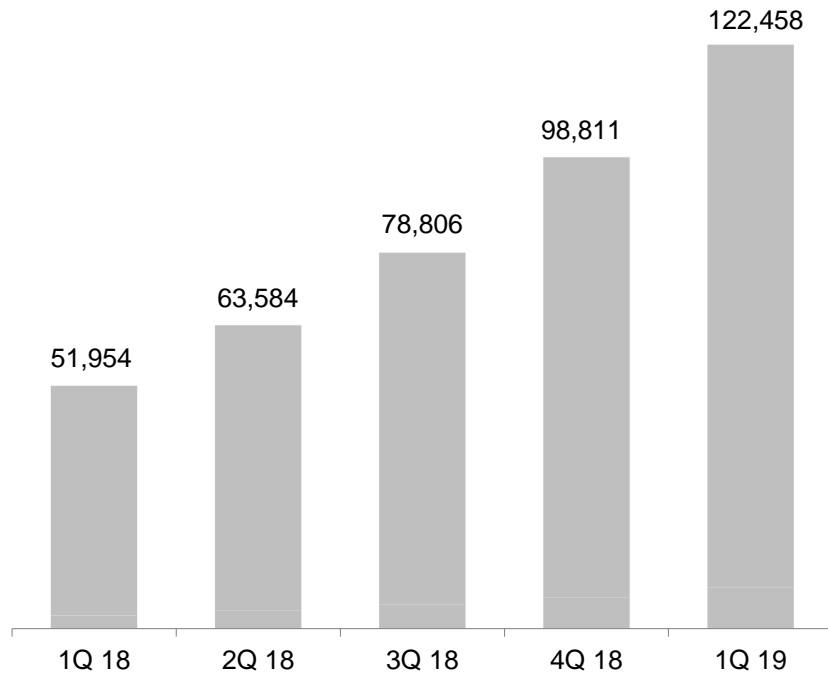
- ✓ Solid growth of mobile video editing market with a change in content consumption habits:
YoY +232% / MoM +10%
- ✓ Accumulated downloads: YoY +140% / QoQ +24%
- ✓ Monthly Active Users(MAU): YoY +110% / QoQ +21%
- ✓ Daily Active Users(DAU): YoY +122% / QoQ +26%
- ✓ Revenue: YoY +190% / QoQ +47%
- ✓ Cost: One-off cost is reflected (KRW 240M; stock compensation expense)



1st Quarter Results | KineMaster

> KineMaster Downloads

Accumulated downloads YoY +140% / QoQ +24%

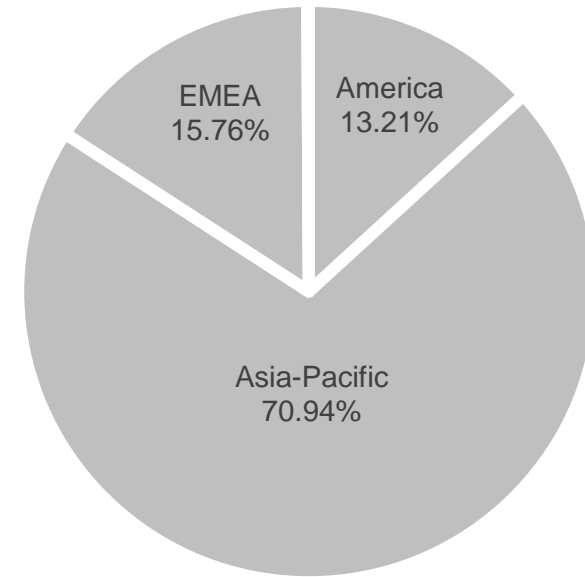


(Unit: thousands)

Global	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19
	51,954	63,584	78,806	98,811	122,458

※ The data has been rewritten to include iOS and Android, so 1Q19 data is slightly different from 4Q18.

> Downloads by Country in Q1 2019



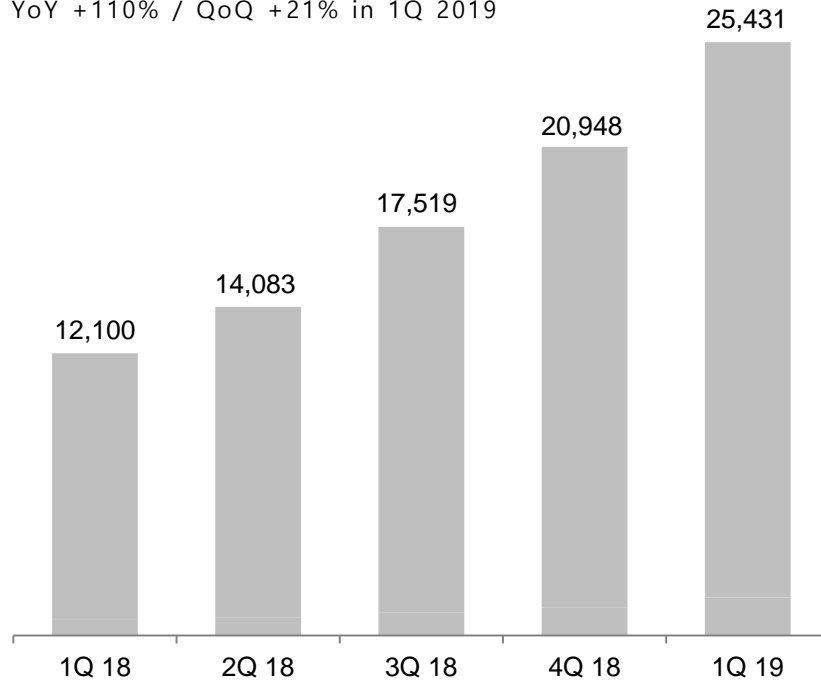
※ Cumulative downloads based on Android and iOS in Q1 2019.



1st Quarter Results | KineMaster

> KineMaster MAU(Monthly Active Users)

MAU YoY +110% / QoQ +21% in 1Q 2019



(Unit: thousands)

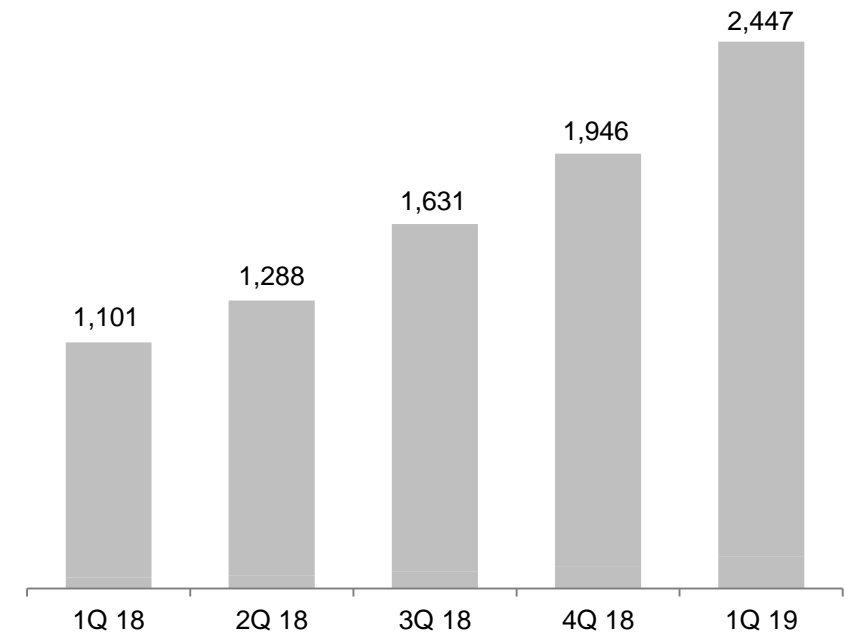
	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19
Global	12,100	14,083	17,519	20,948	25,431

※ The data has been rewritten to include iOS and Android, so 1Q19 data is slightly different from 4Q18.

※ Average of monthly MAU.

> KineMaster DAU(Daily Active Users)

DAU YoY +122% / QoQ +26% in 1Q 2019



(Unit: thousands)

	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19
Global	1,101	1,288	1,631	1,946	2,447

※ The data has been rewritten to include iOS and Android, so 1Q19 data is slightly different from 4Q18.

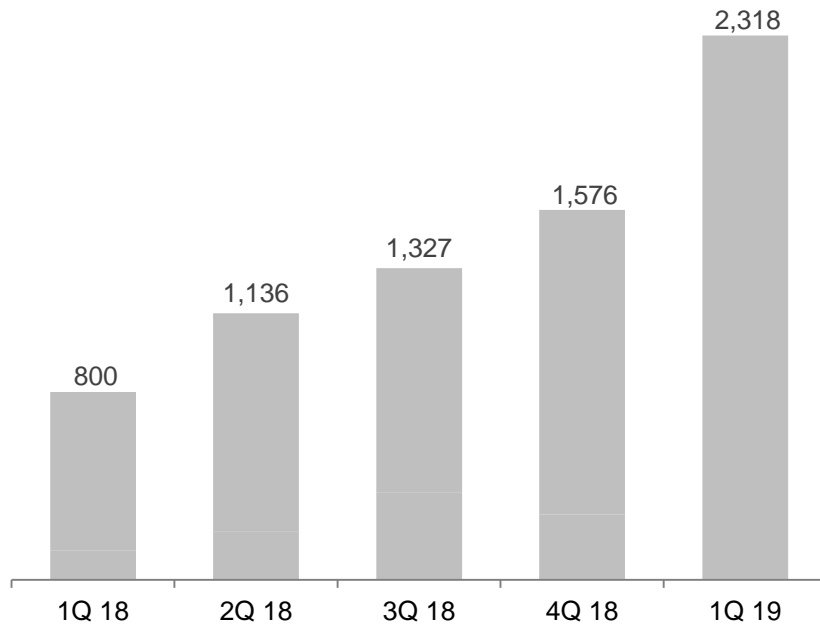
※ Average of monthly DAU.



1st Quarter Results | KineMaster

> KineMaster Revenue

YoY +190% QoQ +47% in 1Q 2019

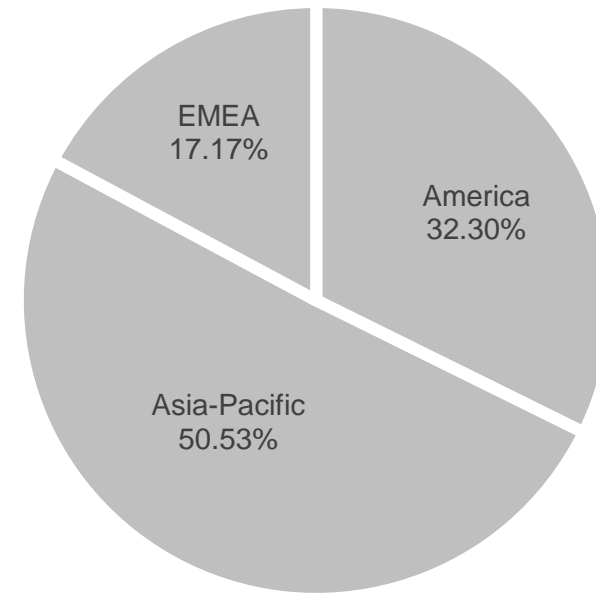


(Unit: KRW million)

Total Revenue	800	1,136	1,327	1,576	2,318
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※ The total revenue includes subscriptions, Ads and Premium IP Asset with the highest percentage of subscription revenue.

> Revenue by Country in Q1 2019



※ Cumulative revenue based on Android and iOS in Q1 2019.



1st Quarter Results I Overall

(Unit Million KRW)

Revenue	Y 2016	1Q '17	2Q '17	3Q '17	4Q '17	Y 2017	1Q '18	2Q '18	3Q '18	4Q '18	Y 2018	1Q'19
KineMaster (①)	768	258	325	404	606	1,593	800	1,136	1,327	1,575	4,838	2,318
NexPlayer SDK (②)	6,743	1,452	1,668	1,803	1,478	6,401	1,329	723	1,276	1,141	4,469	1,079
Others (③)	1,769	1,009	594	244	261	1,607	985	139	1,244	803	3,171	352
Internal company transaction Adjustment (④)	63	-2	1	3	-5	-4	6	-73	0	387	391	-1
Consolidate Revenue (①+②+③-④)	9,342	2,717	2,587	2,454	2,340	10,098	3,119	1,924	3,847	3,906	12,797	3,748

② Change in K-IFRS License Revenue recognitions from this year : Revenue(License) has been allocated to License period until last year → Revenue(License) reflected at one time.

③ One-time commissions are included.

* This consolidated data are the combined revenues of the KineMaster Corporation and its subsidiaries (USA, China, Spain)



Appendix I Consolidated F/S

Balance Sheet

(Unit: Million KRW)	2017. 12.31	2018. 12.31	2019.03.31
Current assets	14,741	12,358	11,920
Cash and cash equivalents	8,570	6,947	6,189
Trade Receivables	1,059	1,787	2,120
Other current assets	5,112	3,624	3,611
Non-current assets	1,880	1,659	1,642
Property, plant and equipment	552	410	406
Intangible Assets	319	237	224
Deposits Provided	1,009	1,012	1,012
Other non-current assets	-	-	-
Total assets	16,621	14,017	13,562
Current liabilities	2,772	902	1,191
Trade Payables	168	11	69
Non-trade Payables	442	555	887
Accrued Expenses	16	70	57
Advances from Customers	2,053	191	87
Other current liabilities	93	75	92
Non-current liabilities	344	754	355
Allowance for severance liability	41	468	75
Allowance for Other long term employees	178	161	155
Other estimated liability	125	125	125
Total liabilities	3,116	1,656	1,546
Capital Stock	3,508	3,508	3,508
Additional Paid-in and Other Capital	4,592	4,592	4,836
Elements of other stockholder's equity	-2,672	-2,672	-2,672
Accumulated other comprehensive income	-4	-16	-10
Retained earnings	8,080	6,949	6,353
Total equity	13,505	12,360	12,015
Total equity and liabilities	16,621	14,017	13,562

Income Statement

(Unit: Million KRW)	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	'18 Total	'17 Total
Revenue	3,119	1,924	3,847	3,907	3,748	12,797	10,098
Operating expense	3,547	3,993	4,152	4,229	4,381	15,920	13,462
Operating Income	-428	-2,069	-305	-322	-633	-3,124	-3,365
Other gains	14	166	-33	144	92	291	187
Other losses	36	15	6	66	5	123	1,118
Finance income	65	81	43	18	29	207	176
Financial cost	27	-	19	133	-	179	1
Profit (loss) before tax	-412	-1,837	-320	5,496	-516	2,927	-4,119
Income tax expense	77	-10	37	113	79	217	170
Profit	-489	-1,827	-357	-471	-595	-3,144	-4,290
Total comprehensive income	-492	-1,840	-372	-318	-590	-3,022	-4,431
Controlling interest	-75	-280	-55	-72	-91	-657	-482
Non-controlling interest	-75	-280	-55	-72	-91	-657	-482



Appendix I Video Editing App Market

Android & iOS Revenue (FY 2017 ~ FY 2018)

Rank Y2018	App Name	Revenue (2017FY)	Revenue (2018FY)	YoY	%
1	-	\$5,730,278	\$13,916,017	142.85%	20.02%
2	-	\$3,713,450	\$11,710,773	215.36%	16.84%
3	-	\$404,025	\$9,271,374	2194.75%	13.34%
4	-	\$1,561,894	\$6,154,033	294.01%	8.85%
5	-	\$3,803,618	\$5,496,465	44.51%	7.91%
6	-	\$751,105	\$4,226,486	462.70%	6.08%
7	KineMaster	\$1,157,344	\$3,286,970	184.01%	4.73%
8	-	\$1,331,425	\$3,233,908	142.89%	4.65%
9	-	\$0	\$3,214,109	0	4.62%
10	-	\$341,770	\$2,690,097	687.11%	3.87%
11	-	\$246,957	\$1,694,054	585.97%	2.44%
12	-	\$320,084	\$1,350,602	321.95%	1.94%
13	-	\$862,364	\$1,335,476	153.86%	1.92%
14	-	\$545,931	\$1,216,883	222.91%	1.75%
15	-	\$5,562	\$492,562	8755.86%	0.71%
16	-	\$147,373	\$226,922	153.94%	0.63%
17	-	\$0	\$6,604	0	0.01%
Total		\$20,923,180	\$69,523,335	232.28%	100%

YoY
184%

Android & iOS Revenue (Feb,19 ~ Mar,19)

Rank Y2019	App Name	Feb 2019	Mar 2019	MoM	%	%
1	-	\$1,699,884	\$1,912,585	\$4,953,784	12.51%	16.02%
2	-	\$1,630,351	\$1,799,703	\$5,126,068	10.39%	15.08%
3	-	\$1,619,572	\$1,756,130	\$5,068,819	8.43%	14.71%
4	-	\$1,310,520	\$1,361,861	\$4,076,097	3.92%	11.41%
5	-	\$1,080,802	\$1,215,077	\$3,614,227	12.42%	10.18%
6	-	\$767,281	\$751,460	\$2,299,788	-2.06%	6.30%
7	KineMaster	\$480,581	\$576,690	\$1,477,389	20.00%	4.83%
8	-	\$466,885	\$493,933	\$1,392,821	5.79%	4.14%
9	-	\$437,194	\$464,967	\$1,341,269	6.35%	3.90%
10	-	\$395,973	\$426,548	\$1,228,101	7.72%	3.57%
11	-	\$234,662	\$252,813	\$711,150	7.73%	2.12%
12	-	\$226,839	\$217,627	\$681,879	-4.06%	1.82%
13	-	\$188,568	\$310,994	\$581,422	64.92%	1.61%
14	-	\$139,040	\$172,198	\$446,336	23.35%	1.44%
15	-	\$101,021	\$84,219	\$304,768	-16.63%	0.71%
16	-	\$80,841	\$81,299	\$256,429	0.57%	0.68%
17	-	\$45,185	\$59,162	\$145,224	30.93%	0.50%
Total		\$10,905,199	\$11,937,266	\$33,707,117	9.46%	100%

MoM
20%

★ Data Source: App Annie provides mobile app market analysis. This data is estimated revenue; it does not include 30% store platform commission, Ads or Android revenue from China.



Appendix I Governance

History (App Business)

- 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 Launched Android version of KineMaster
- 2015 Provided video editing solution to XiaoMi
- 2017 Launched iOS version of KineMaster
- 2018 KineMaster exceeded 80M total downloads
- 2019 KineMaster exceeded 120M total downloads and 25M MAU(Monthly Active Users)
- 2019 Changed the company name to KineMaster Corporation

HQ | KineMaster Corporation

KineMaster and SDK Business

Number of Employees: 52

Governance

Name	Number of shares	Equity position	Remarks
Il-taek Lim	854,935	12.18%	Co-founder/ CEO
Jae-won Chung	538,143	7.67%	Co-founder/ COO
Treasury Stock	487,515	6.95%	-
SOLBORN, Inc and parties concerned	2,096,094	29.87%	Investors
Etc	3,040,224	43.33%	-
Total	7,016,911	100%	-

Subsidiary | KOREA

Support KineMaster

Number of Employees: 35

Ownership: HQ 100%

Subsidiary | US

KineMaster marketing in US

Number of Employees: 1

Ownership: HQ 100%

Subsidiary | CHINA

KineMaster marketing in China

Number of Employees: 3

Ownership: HQ 100%

Subsidiary | SPAIN

Player SDK sales and management

Number of Employees: 13

Ownership: HQ 100%



1st Quarter 2019 Results | KineMaster Corporation

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