



3rd Quarter 2019 Results

INVESTOR RELATIONS

October 2019 | 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.





Contents

01.	Business KineMaster / PlayerSDK	4
02.	3Q 2019 KineMaster Download/ MAU · DAU/ Revenue	6
03.	3Q 2019 Earnings Summary	9
04.	Market Trend Video Editing App Market	13
05.	Appendix History / Governance	16

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

As of September 30, 2019			1000+ Assets
34 Million MAU		Supported languages 18 +	KRW 6,000 /month
3.2 Million DAU		Multilayer Support	KRW 36,000 /year
180 Million Download		Service countries 155 +	Chroma Key



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



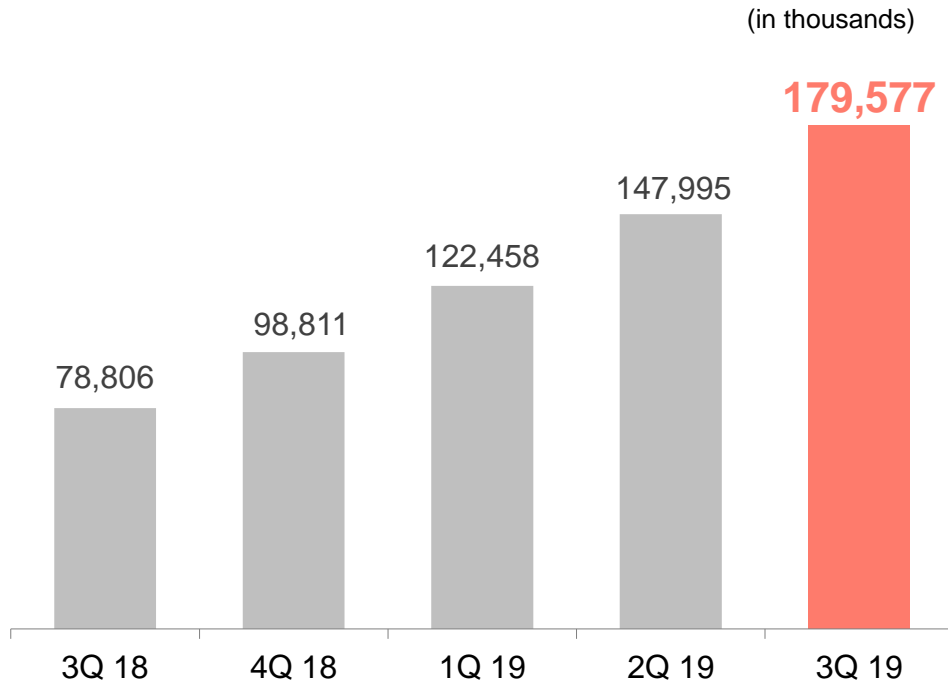
Over 150 Global Customers



3Q 2019 | KineMaster Download

> KineMaster Global Downloads

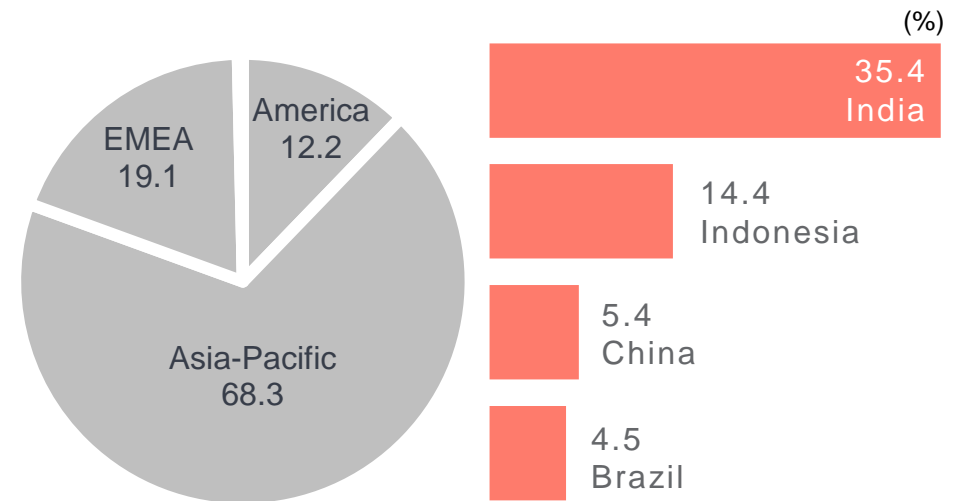
Accumulated downloads YoY +128% / QoQ +21% in 3Q19



※ The information has been rewritten to include iOS, and Android, so '19 information is slightly different from '18.

> Downloads by Country

India and Indonesia account for about 50% of Asia-Pacific



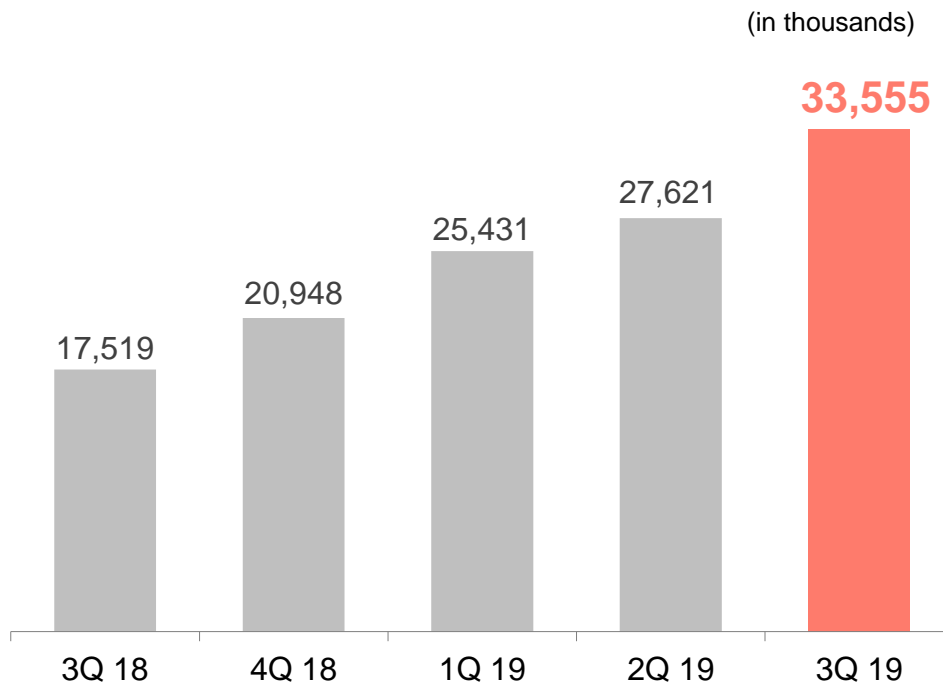
※ Android + iOS Cumulative downloads based on Android, and iOS in 3Q19.



3Q 2019 | KineMaster MAU · DAU

> KineMaster MAU

MAU YoY +92% / QoQ +21% in 3Q19

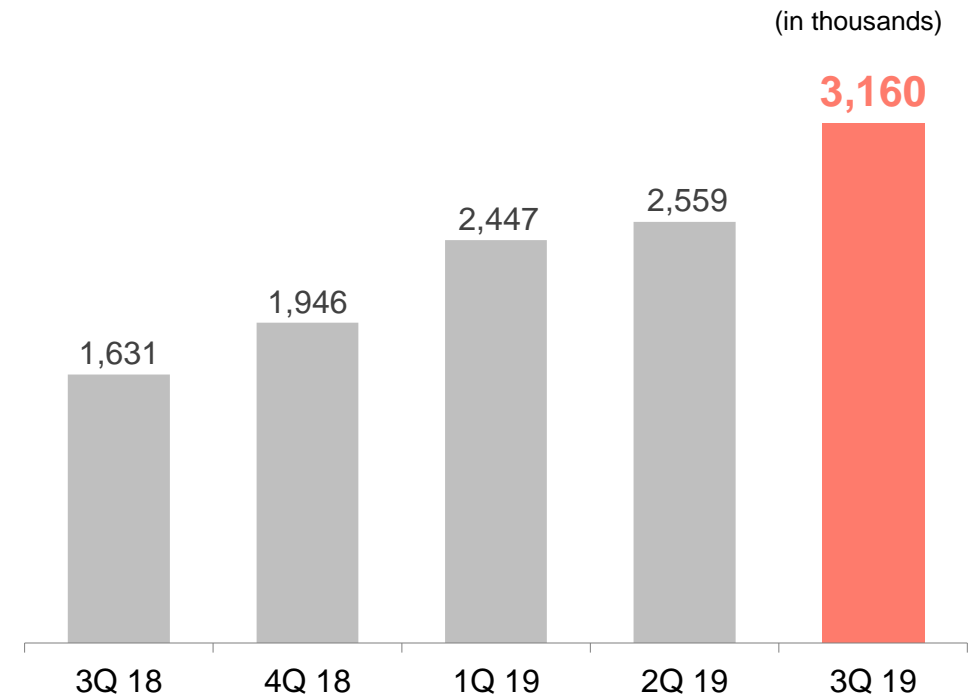


※ The information has been rewritten to include iOS, and Android, so '19 information is slightly different from '18.

※ Average of monthly MAU.

> KineMaster DAU

DAU YoY +94% / QoQ +23% in 3Q19



※ The information has been rewritten to include iOS, and Android, so '19 information is slightly different from '18.

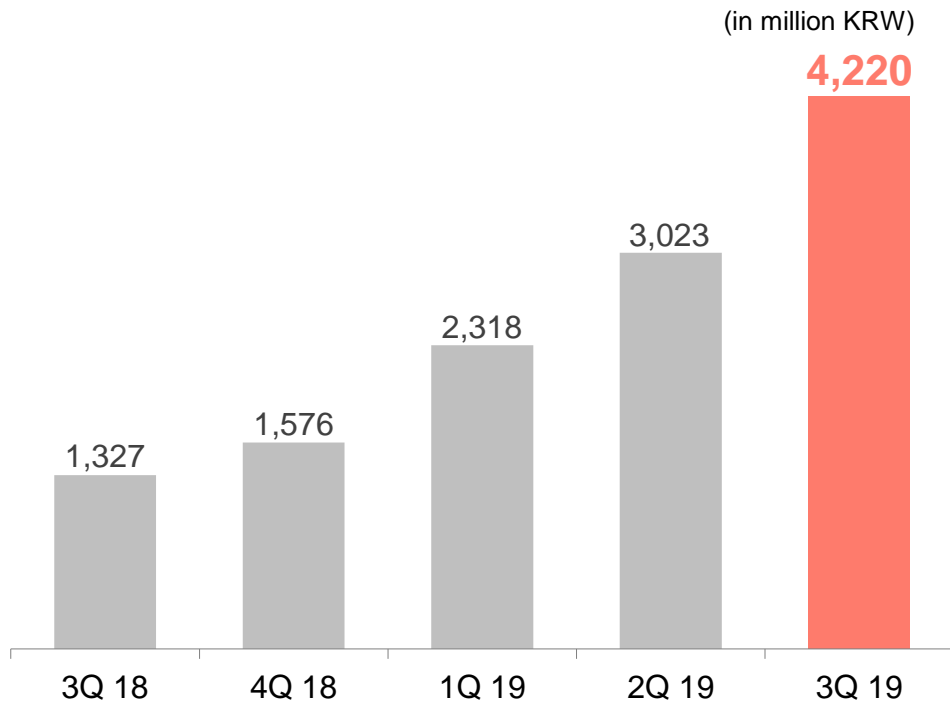
※ Average of monthly DAU.



3Q 2019 | KineMaster Revenue

> KineMaster Revenue

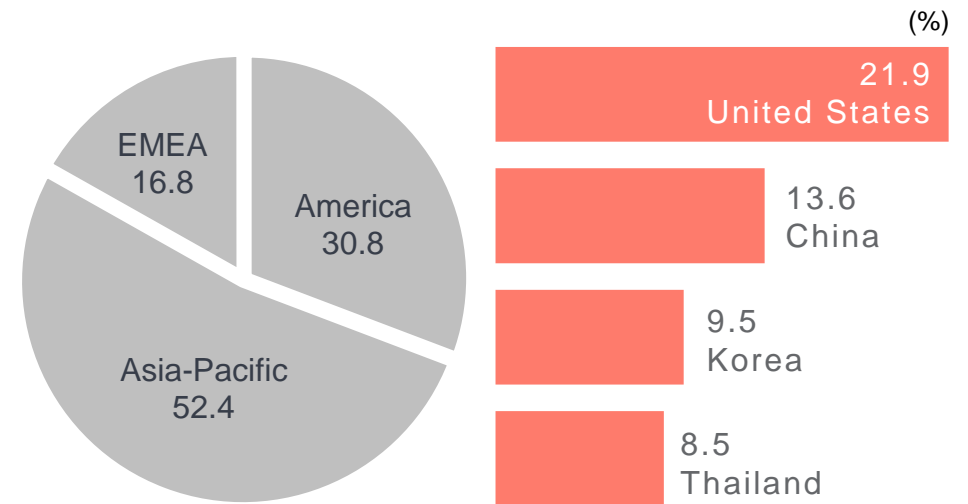
YoY +218% / QoQ +40% in 3Q 2019 .



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

> Revenue by Country

United States account for about 22% of America



※ Cumulative revenue based on Android, and iOS in 3Q19.



3Q 2019 | Earnings Summary

(in million KRW)

	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19	QoQ	YoY	9M 19
Total Revenue	3,847	3,907	3,748	4,305	5,512	28.0%	43.3%	13,565
KineMaster	1,327	1,576	2,318	3,023	4,220	39.6%	218.0%	9,561
PlayerSDK	1,276	1,146	1,079	1,081	1,008	-6.8%	-21.0%	3,178
Others	1,244	1,184	351	201	284	41.3%	-77.2%	826
Operating Expenses	4,152	4,229	4,381	4,518	4,871	7.8%	17.3%	13,769
Operating Profit	-305	-322	-633	-212	641	Turnaround	Turnaround	-204
<i>% Margin</i>	-7.9%	-8.3%	-16.9%	-4.9%	11.6%	-	-	-1.5%
Net Profit	-357	-471	-595	-186	705	Turnaround	Turnaround	-76
<i>% Margin</i>	-9.3%	-12.1%	-15.9%	-4.3%	12.8%	-	-	-0.56%

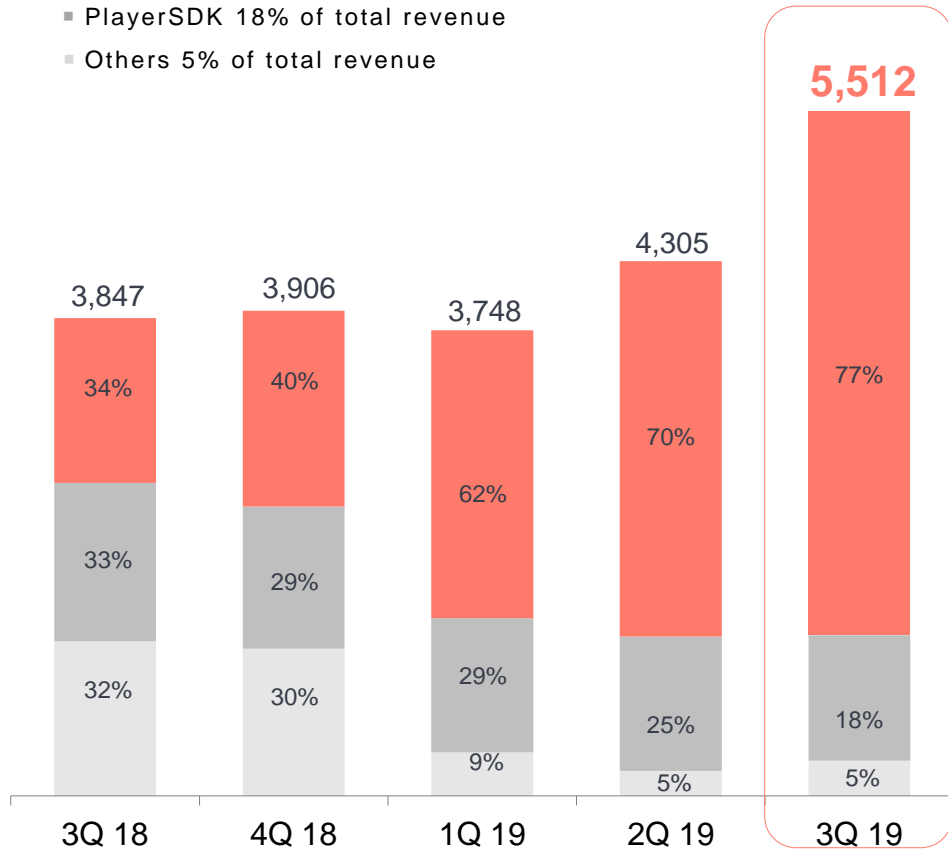


3Q 2019 | Earnings Summary

> Total Revenue

- KineMaster 77% of total revenue
- PlayerSDK 18% of total revenue
- Others 5% of total revenue

(in million KRW)

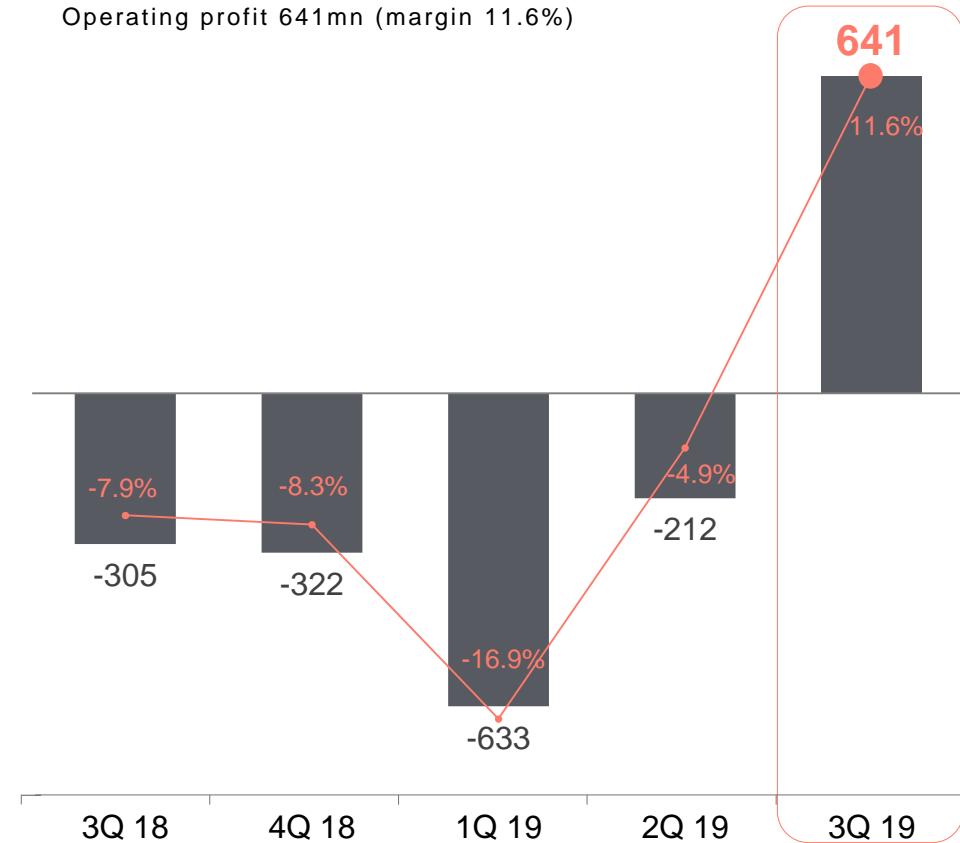


> Operating Profit

Turnaround from 2Q19

Operating profit 641mn (margin 11.6%)

(in million KRW)





3Q 2019 | Earnings Summary

- ✓ **Continuously adding a variety of new functions to existing and new users switch to subscription**
 - Add Reverse, Voice Changer, New Equalizer, and more features for Short & Fun videos in the 3rd quarter

 - ✓ **Expanding strategic On/off-line marketing activities with App positioning and Communication**
 - Official YouTube channel with 700K subscribers: increasing collaborative opportunities with Global YouTube Influencer and Global Contents Partner
 - Ads: running Google Ads and Facebook Ads from May 2019 (30mn KRW/per month)
 - Participate in Global/local events: VidCon in LA (Jul. 2019), DIA Festival in Busan (Aug. 2019)
 - KM Instructors : Operate the official certification instructor system, globally has 94 instructors
 - Introduced as a famous Korean app in overseas on Google Play (Aug. 2019)

 - ✓ **GooglePlay and Apple Store commission fee account for 23.5% of KineMaster revenue**
 - 3Q commission fee : 994mn KRW
-



3Q 2019 | Earnings Summary

(in million KRW)

Statement of Financial Position	3Q18	4Q18	1Q19	2Q19	3Q19
Current assets	12,915	12,358	12,363	12,639	13,292
Non-current assets	1,782	1,659	1,642	981	823
Total assets	14,696	14,017	14,005	13,620	14,115
Current liabilities	1,224	902	1,191	1,055	859
Non-Current liabilities	792	754	798	728	707
Total liabilities	2,017	1,656	1,989	1,783	1,566
Capital Stock	3,508	3,508	3,508	3,508	3,508
Additional Paid-in and Other Capital	4,592	4,592	4,592	4,592	4,592
Elements of other stockholder's equity	-2,672	-2,672	-2,672	-2,428	-2,428
Accumulated other comprehensive income	-17	-16	-10	-1	7
Retained earnings	7,269	6,949	6,352	6,166	6,870
Total equity	12,680	12,360	12,015	11,837	12,549
Total equity and liabilities	14,696	14,017	14,005	13,620	14,115

(in million KRW)

Income Statement	3Q18	4Q18	1Q19	2Q19	3Q19	9M19
Revenue	3,847	3,907	3,748	4,305	5,512	13,565
Operating expenses	4,152	4,229	4,381	4,518	4,871	13,769
Operating profit	-305	-322	-633	-212	641	-204
<i>Margin (%)</i>	<i>-7.9</i>	<i>-8.3</i>	<i>-16.9</i>	<i>-4.9</i>	<i>11.6</i>	<i>-1.5</i>
Non-operating profit	10	162	121	183	199	503
Non-operating expenses	25	199	5	115	43	163
Net profit before tax	-320	-358	-516	-144	798	137
Income tax expense	37	113	79	42	92	213
Net profit	-357	-471	-595	-186	705	-76
Total comprehensive income	-372	-318	-590	-178	711	-56
EPS(won)	-55	-72	-91	-28	108	-12



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

Android & iOS Estimated Revenue (1Q'17 ~ 4Q'18)

2018	App	Y2017	Y2018	YoY	%
1	-	\$5,730,278	\$13,916,017	142.9%	20.0%
2	-	\$3,713,450	\$11,710,773	215.4%	16.8%
3	-	\$404,025	\$9,271,374	2194.8%	13.3%
4	-	\$1,561,894	\$6,154,033	294.0%	8.9%
5	-	\$3,803,618	\$5,496,465	44.5%	7.9%
6	-	\$751,105	\$4,226,486	462.7%	6.1%
7		\$1,157,344	\$3,286,970	184.0%	4.7%
8	-	\$1,331,425	\$3,233,908	142.9%	4.7%
9	-	\$0	\$3,214,109	0.0%	4.6%
10	-	\$341,770	\$2,690,097	687.1%	3.9%
11	-	\$246,957	\$1,694,054	586.0%	2.4%
12	-	\$320,084	\$1,350,602	322.0%	1.9%
13-17	-	\$1,561,230	\$3,278,447	8988.6%	4.7%
Total		\$20,923,180	\$69,523,335	232.3%	100.0%

Android & iOS Estimated Revenue (1Q ~ 3Q'19)

3Q19	App	1Q19	2Q19	3Q19	QoQ	%
1	-	\$5,126,068	\$5,082,750	\$4,627,757	-9.0%	10.4%
2	-	\$4,076,097	\$3,866,509	\$4,554,998	17.8%	10.2%
3	-	\$5,068,819	\$4,820,929	\$4,518,717	-6.3%	10.1%
4	-	\$3,614,227	\$3,469,798	\$3,476,790	0.2%	7.8%
5	-	\$2,299,788	\$2,175,154	\$2,883,073	32.6%	6.5%
6	-	\$4,953,784	\$4,145,979	\$2,849,231	-31.3%	6.4%
7	-	\$742,123	\$1,560,357	\$2,759,465	76.9%	6.2%
8		\$1,477,389	\$1,713,166	\$2,347,450	37.0%	5.3%
9	-	\$1,021,593	\$1,074,149	\$2,229,780	107.6%	5.0%
10	-	\$374,458	\$936,870	\$2,222,894	137.3%	5.0%
11	-	\$1,392,821	\$1,620,824	\$1,823,537	12.5%	4.1%
12	-	\$7,542	\$26,393	\$1,685,078	6284.6%	3.8%
13-28	-	\$9,227,673	\$9,665,798	\$8,679,553	-10.2%	19.4%
Total		\$39,382,382	\$40,158,676	\$44,658,323	11.2%	100.0%

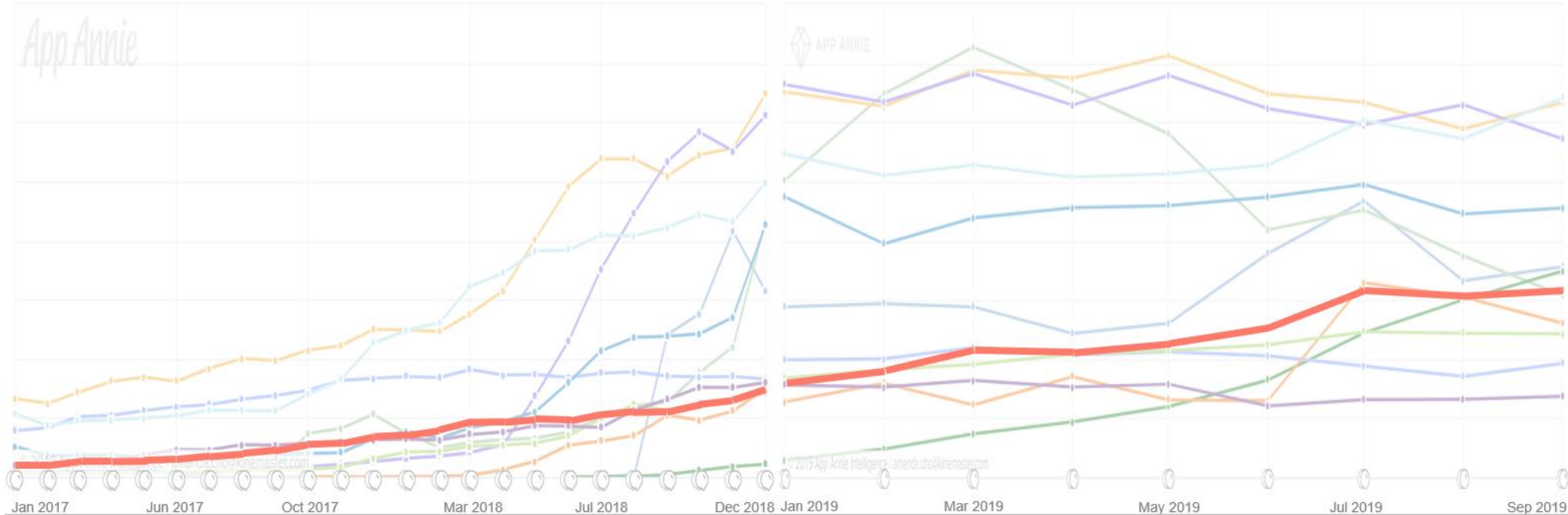
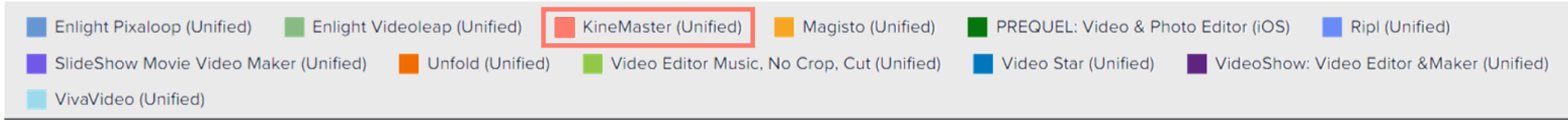
※ This information is estimated revenue; it does not include 30% store platform commission, Ads or Android revenue from China.



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

Android & iOS Estimated Revenue (1Q'17 ~ 4Q'18)

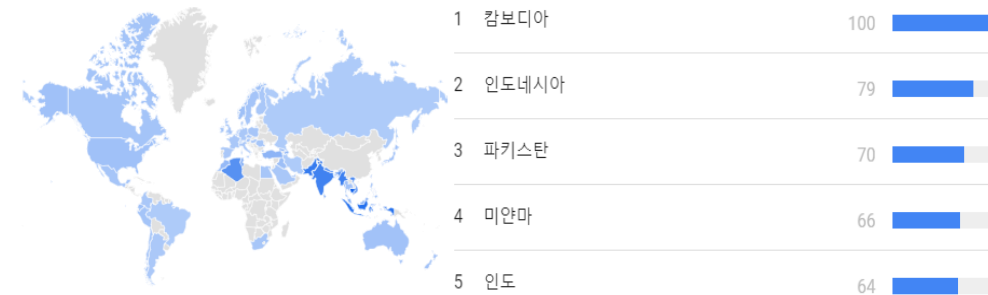
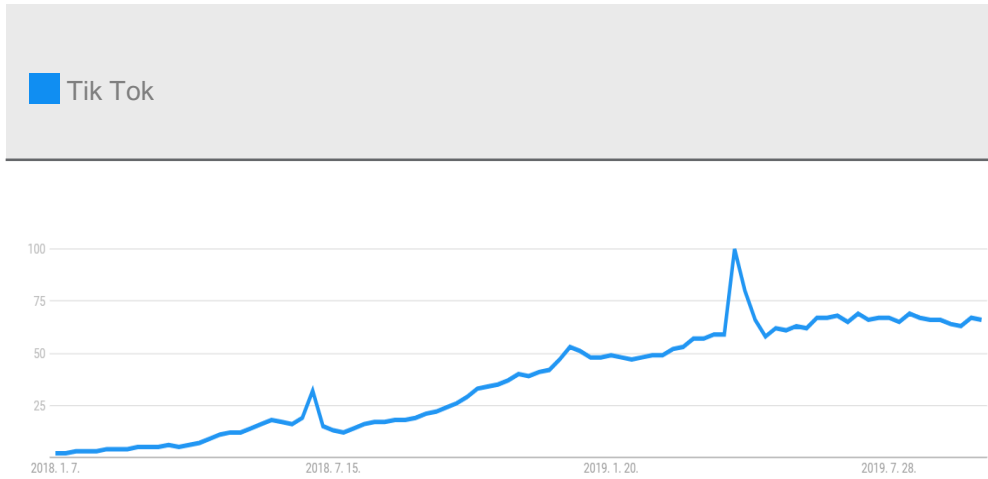
Android & iOS Estimated Revenue (1Q ~ 3Q'19)



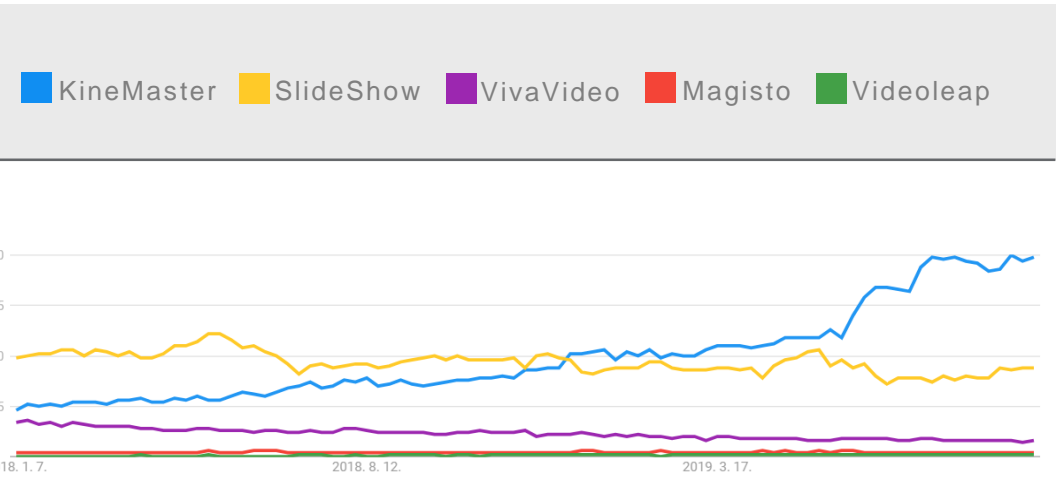


Market Trend I Video Editing App Market – Source: Google Trends

Tik Tok app search trend (1Q'18 ~ 3Q'19)



Video editing app search trends (1Q'18 ~ 3Q'19)





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
 - 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

Subsidiary



List of shareholders

Il-taek Lim	854,935	12.2%	Cofounder · CEO
Jae-won Chung	538,143	7.7%	Cofounder · COO
Treasury Stock	487,515	6.9%	-
SOLBORN, Inc and parties concerned	2,166,094	30.9%	Investors
Etc	2,970,224	42.3%	-
Total	7,016,911	100.0%	-



3rd Quarter 2019 Results | KineMaster Corporation

Business Planning Team | ir@kinemaster.com / wojin.rho@kinemaster.com

www.kinemastercorp.com | www.kinemaster.com