



4th Quarter 2019 Results

INVESTOR RELATIONS

February 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 Mar 11th to reflect changes made from audit report, 2019.

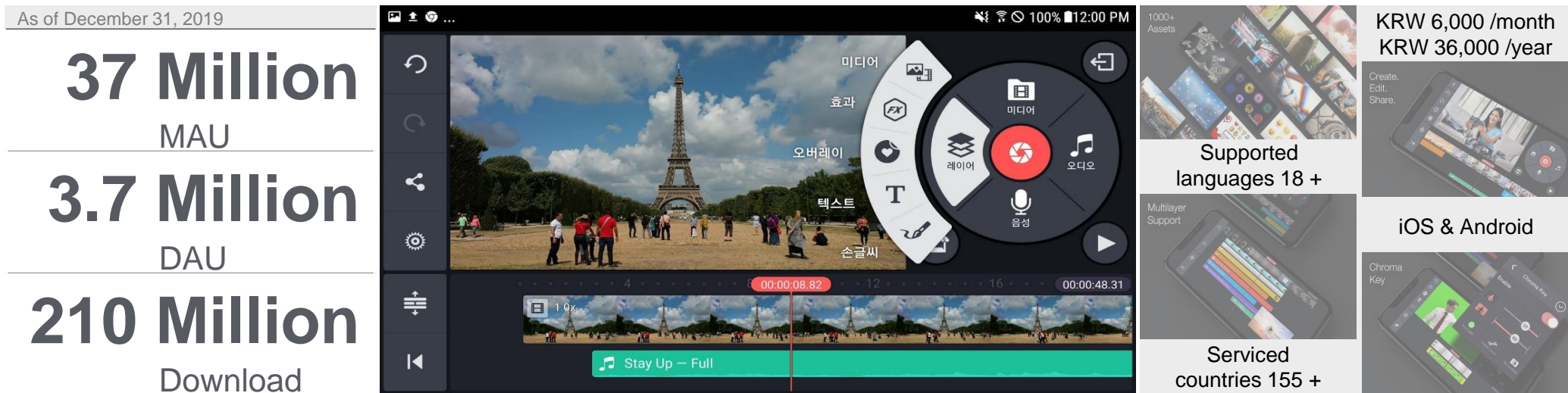


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Business | KineMaster; The Most Powerful Video Editing App on Mobile

- 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



Over 150 Global
Customers

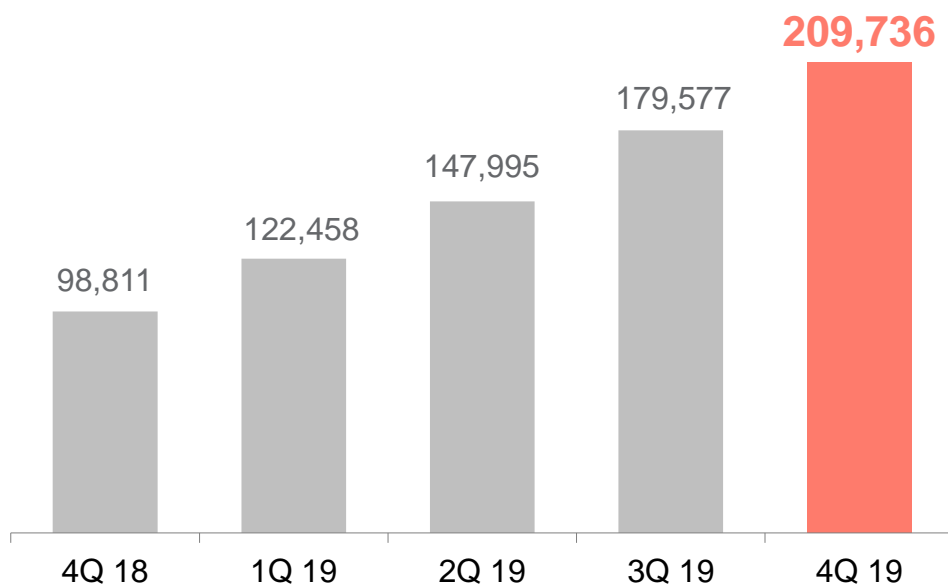


4Q 2019 | KineMaster Download

> KineMaster Global Downloads

Accumulated downloads YoY +112% / QoQ +17% in 4Q19

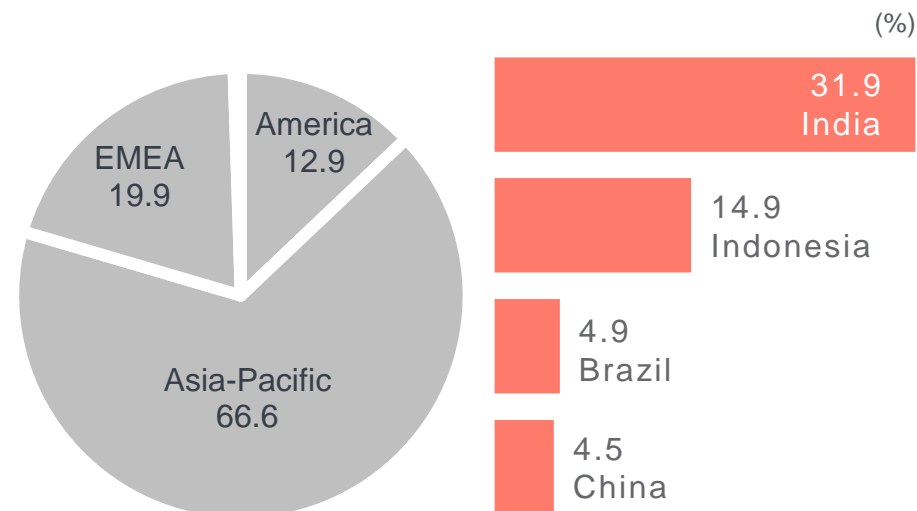
(in thousands)



※ 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 46% of Asia-Pacific



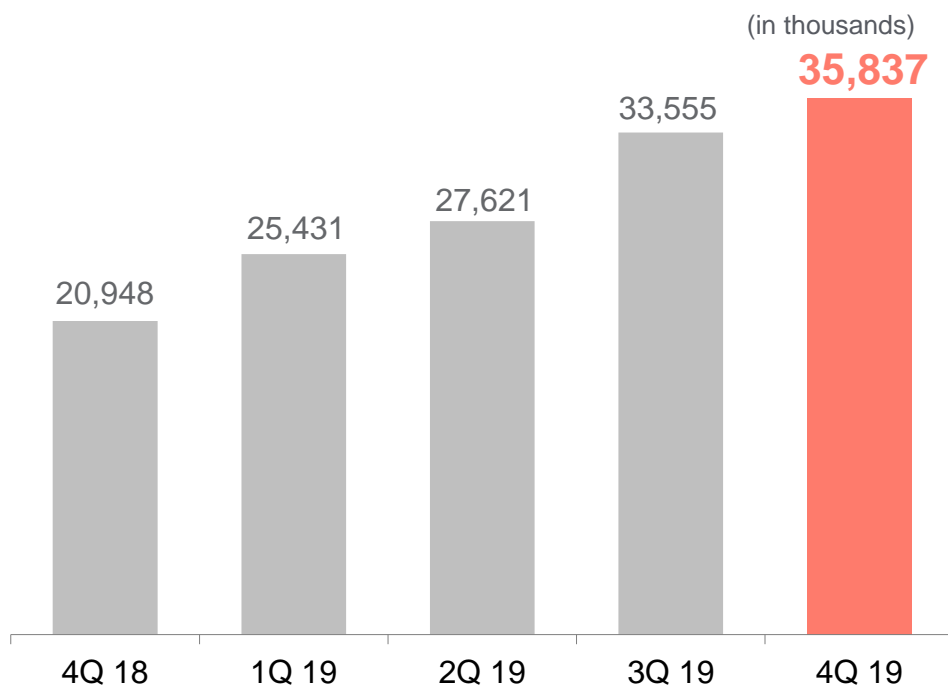
※ Android + iOS downloads based on Android, and iOS in 4Q19.



4Q 2019 | KineMaster MAU

> KineMaster MAU

MAU YoY +71% / QoQ +7% in 4Q19

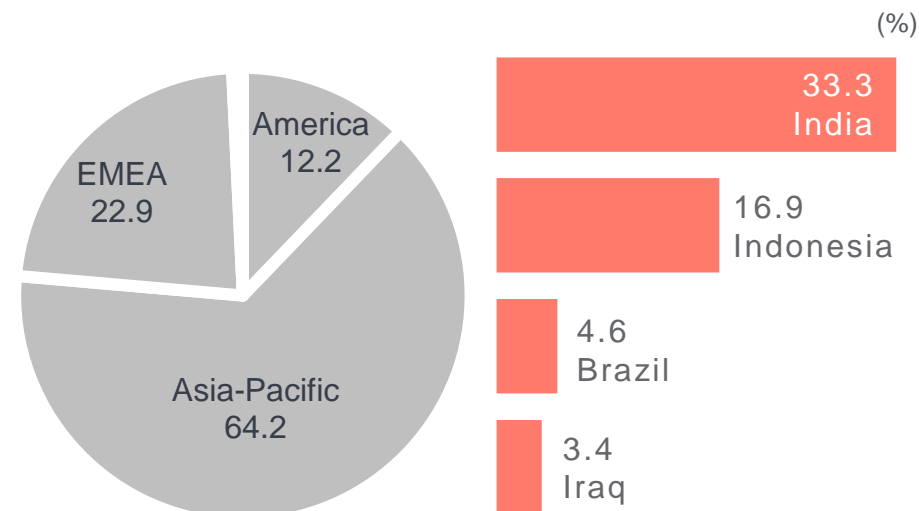


※ The information has been rewritten to include iOS, and Android, so '19 information is slightly different from '18.

※ Average of monthly MAU.

> MAU by Country

India and Indonesia account for about 47% of Asia-Pacific



※ Android + iOS MAU based on Android, and iOS in 4Q19.

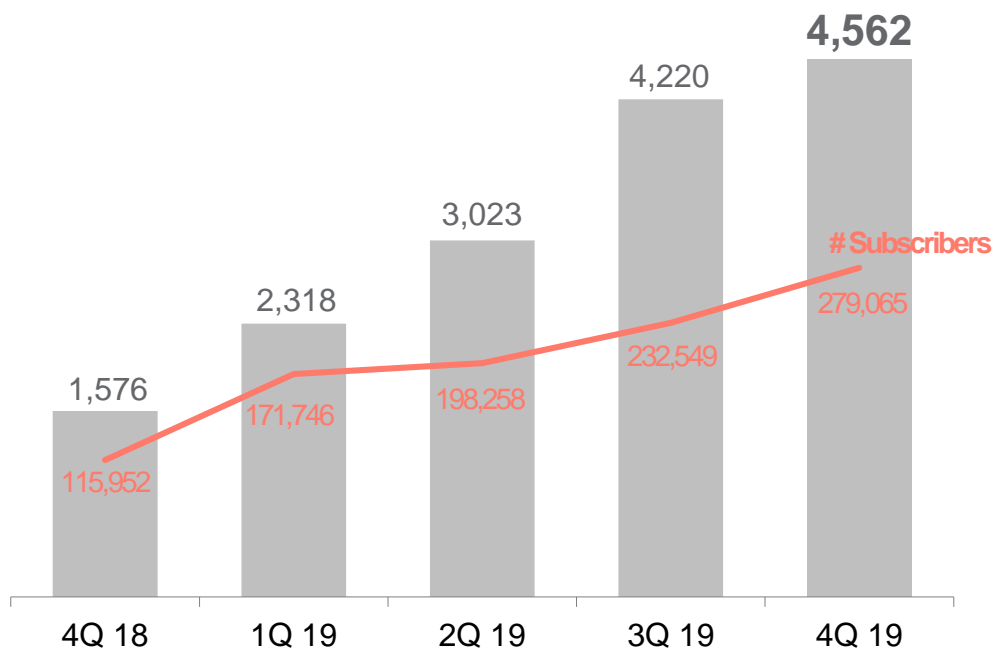


3Q 2019 | KineMaster Revenue

> KineMaster Revenue

Revenue YoY +189% / QoQ +8% in 4Q 2019

Subscribers YoY +135% / QoQ +20% in 4Q 2019 (in million KRW)

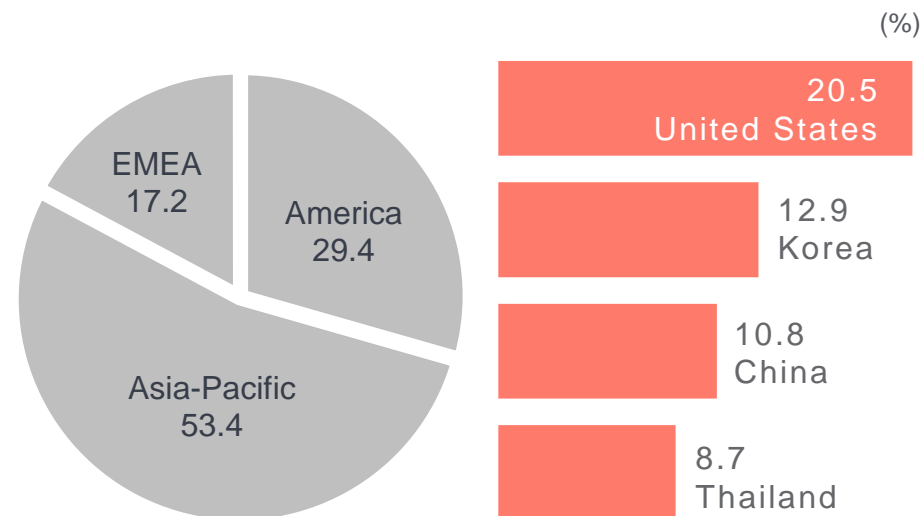


※ The total revenue includes subscriptions, Ads, and Premium IP Asset with the highest percentage of subscription revenue.

※ 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 22% of America



※ Cumulative revenue based on Android, and iOS in 4Q19.



3Q 2019 | Earnings Summary

(in million KRW)

	4Q 18	1Q 19	2Q 19	3Q 19	4Q 19	QoQ	YoY	FY 19
Total Revenue	3,907	3,748	4,305	5,512	5,858	6.3%	49.9%	19,423
KineMaster	1,576	2,318	3,023	4,220	4,562	8.1%	189.5%	14,104
PlayerSDK	1,146	1,079	1,081	1,008	1,049	4.1%	-8.5%	4,247
Others	1,184	351	201	284	247	-13.0%	-79.1%	1,072
Operating Expenses	4,229	4,381	4,518	4,871	5,337	9.6%	26.2%	19,105
App commission fee	407	526	697	1,009	1,086	7.6%	166.8%	3,318
Operating Profit	-322	-633	-212	641	522	-18.6%	Turnaround	318
% Margin	-8.3%	-16.9%	-4.9%	11.6%	8.91%	-	-	1.64%
Net Profit	-471	-595	-186	705	138	-80.4%	Turnaround	62
% Margin	-12.1%	-15.9%	-4.3%	12.8%	2.35%	-	-	0.32%

※ This material has been updated in Mar 11th to reflect changes made from audit report, 2019.

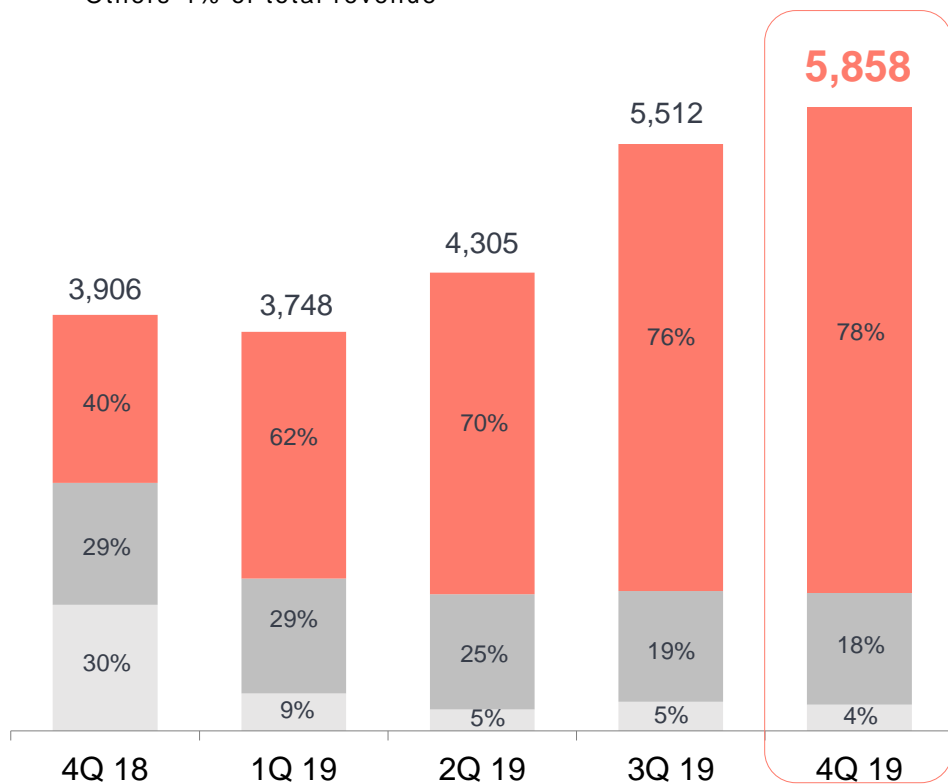


4Q 2019 | Earnings Summary

> Total Revenue

- KineMaster 78% of total revenue
- PlayerSDK 18% of total revenue
- Others 4% of total revenue

(in million KRW)

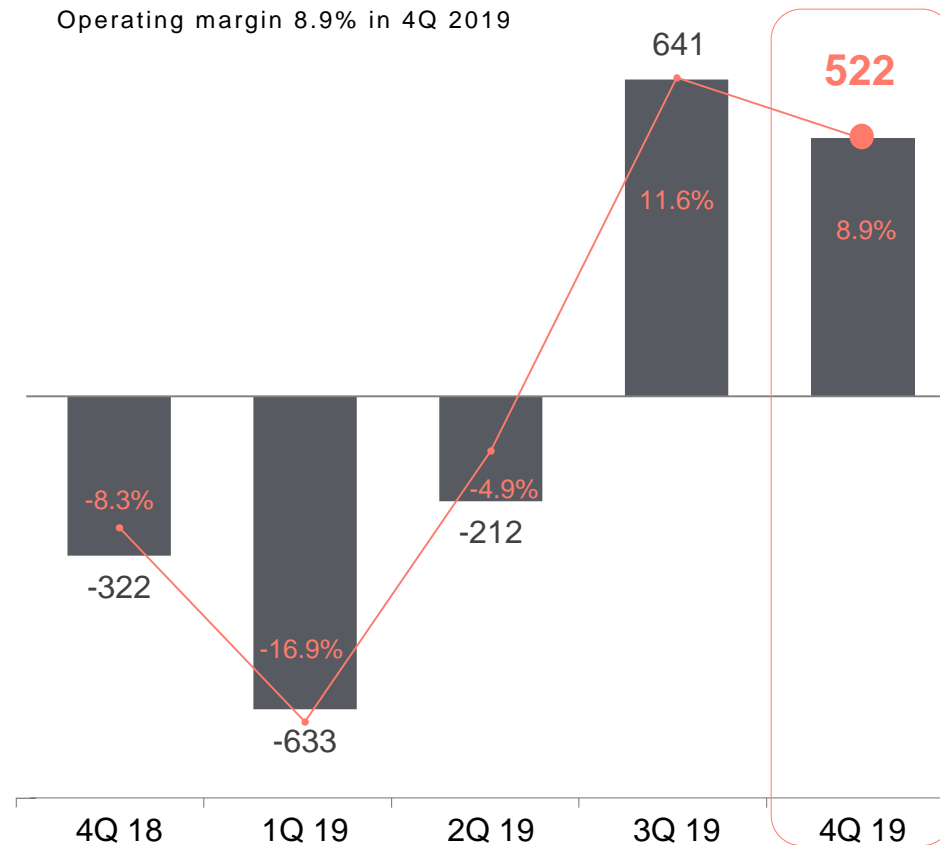


> Operating Profit

Operating profit 522mn in 4Q 2019

Operating margin 8.9% in 4Q 2019

(in million KRW)





3Q 2019 | Earnings Summary

- ✓ **Continuously adding a variety of new functions to improve user satisfaction**
 - Add Text style (outline, gloss, shadow), text options (alignment, column, and magnetic adjustments)
Image Chroma key and audio reverberation effect in update version 4.12 (December 23, 2019)
 - ✓ **Expanding strategic On/off-line marketing activities with App positioning and Communication**
 - Official YouTube channel with 840K subscribers: increasing collaborative opportunities with Global YouTube Influencer and Global Contents Partner
 - Ads: running Google Ads and Facebook Ads (30mn KRW/per month) → The Ads cost will be increased
 - Received 'Self-improvement App of the Year' in Google Play Award 2019(December 11, 2011)
 - ✓ **Strategic Plan for 2020**
 - Focus on expanding subscribers with more benefits for paid users.
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3Q 2019 | Earnings Summary

(in million KRW)

Statement of Financial Position	FY18	1Q19	2Q19	3Q19	FY19
Current assets	12,358	12,363	12,639	13,292	12,303
Non-current assets	1,659	1,642	981	823	2,045
Total assets	14,017	14,005	13,620	14,115	14,349
Current liabilities	902	1,191	1,055	859	1,277
Non-Current liabilities	754	798	728	707	541
Total liabilities	1,656	1,989	1,783	1,566	1,818
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	-2,428	-2,428	-2,428
Accumulated other comprehensive income	-16	-10	-1	7	-23
Retained earnings	6,949	6,352	6,166	6,870	6,881
Total equity	12,360	12,015	11,837	12,549	12,531
Total equity and liabilities	14,017	14,005	13,620	14,115	14,349

(in million KRW)


Income Statement	4Q18	1Q19	2Q19	3Q19	4Q19	FY19
Revenue	3,907	3,748	4,305	5,512	5,858	19,423
Operating expenses	4,229	4,381	4,518	4,871	5,337	19,105
Operating profit	-322	-633	-212	641	522	318
<i>Margin (%)</i>	-8.3	-16.9	-4.9	11.6	8.9	1.6
Non-operating profit	162	121	183	199	-43	461
Non-operating expenses	199	5	115	43	88	251
Net profit before tax	-358	-516	-144	798	391	528
Income tax expense	113	79	42	92	253	466
Net profit	-471	-595	-186	705	138	62
Total comprehensive income	-318	-590	-178	711	-18	-74
EPS(won)	-72	-91	-28	108	21	5

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Market Trend I

Video Editing App Market – Source: *App Annie*

Ranking (FY'19)	App	FY'17	FY'18	FY'19	YoY ('17~'18)	YoY ('18~'19)	% of Total
1	-	\$5,730,278	\$13,916,017	\$18,963,206	142.9%	36.3%	11.30%
2	-	\$3,713,450	\$11,710,773	\$17,637,927	215.4%	50.6%	10.50%
3	-	\$404,025	\$9,271,374	\$17,500,099	2194.8%	88.8%	10.40%
4	-	\$751,105	\$4,226,486	\$14,665,785	462.7%	247.0%	8.70%
5	-	\$1,561,894	\$6,154,033	\$13,883,342	294.0%	125.6%	8.20%
6	-	-	\$3,214,109	\$10,488,110	-	226.3%	6.20%
7		\$246,084	\$1,275,496	\$8,755,444	418.3%	586.4%	5.20%
8		\$1,157,344	\$3,286,970	\$7,960,744	184.0%	142.2%	4.70%
9	-	\$341,770	\$2,690,097	\$6,589,322	687.1%	144.9%	3.90%
10	-	-	\$135,681	\$5,695,871	-	4098.0%	3.40%
11	-	\$37,532	\$32,787	\$4,545,134	-12.6%	13762.6%	2.70%
12	-	\$1,331,425	\$3,233,908	\$4,504,947	142.9%	39.3%	2.70%
13-28	-	\$7,441,218	\$20,756,955	\$37,332,534	178.9%	79.9%	22.20%
Total		\$22,716,125	\$76,117,308	\$168,522,465	251.8%	110.9%	100%

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

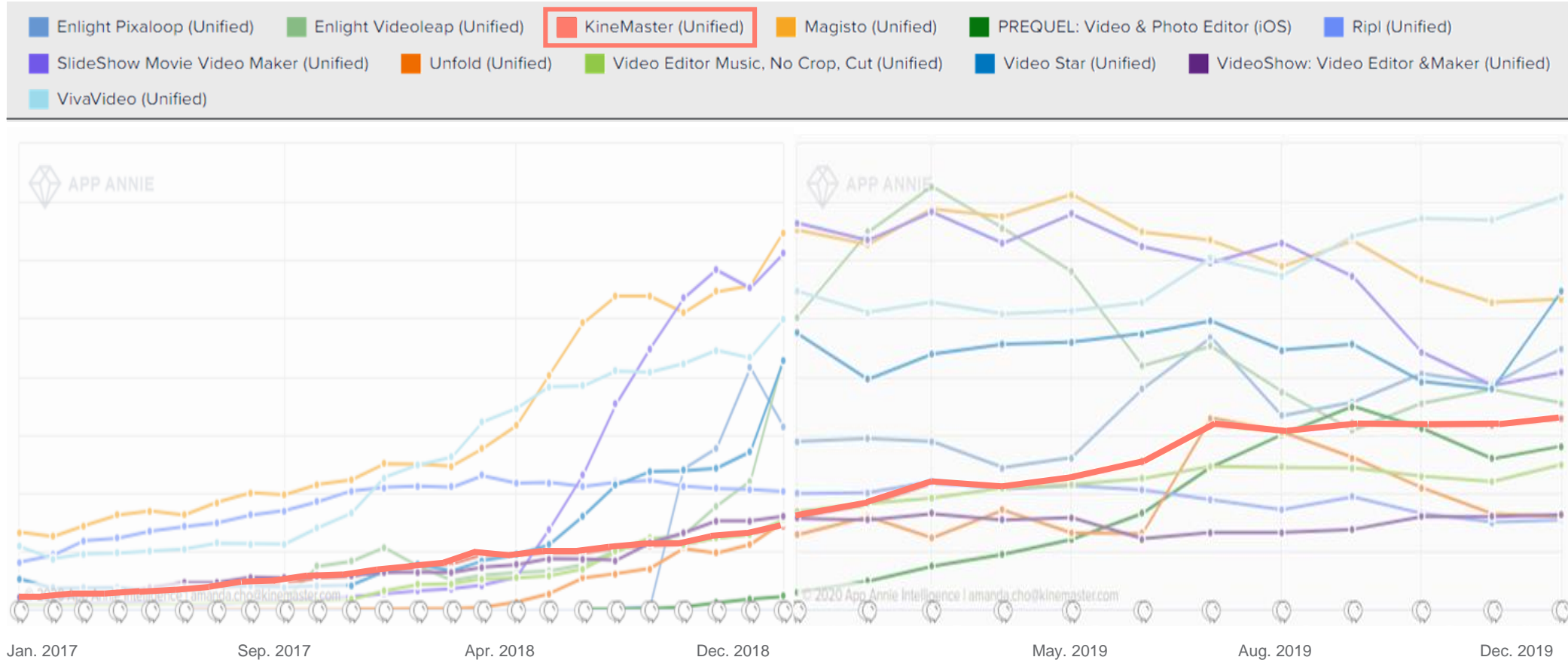


Market Trend I

Video Editing App Market – Source: *App Annie*

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

Android & iOS Estimated Revenue (1Q ~ 4Q'19)



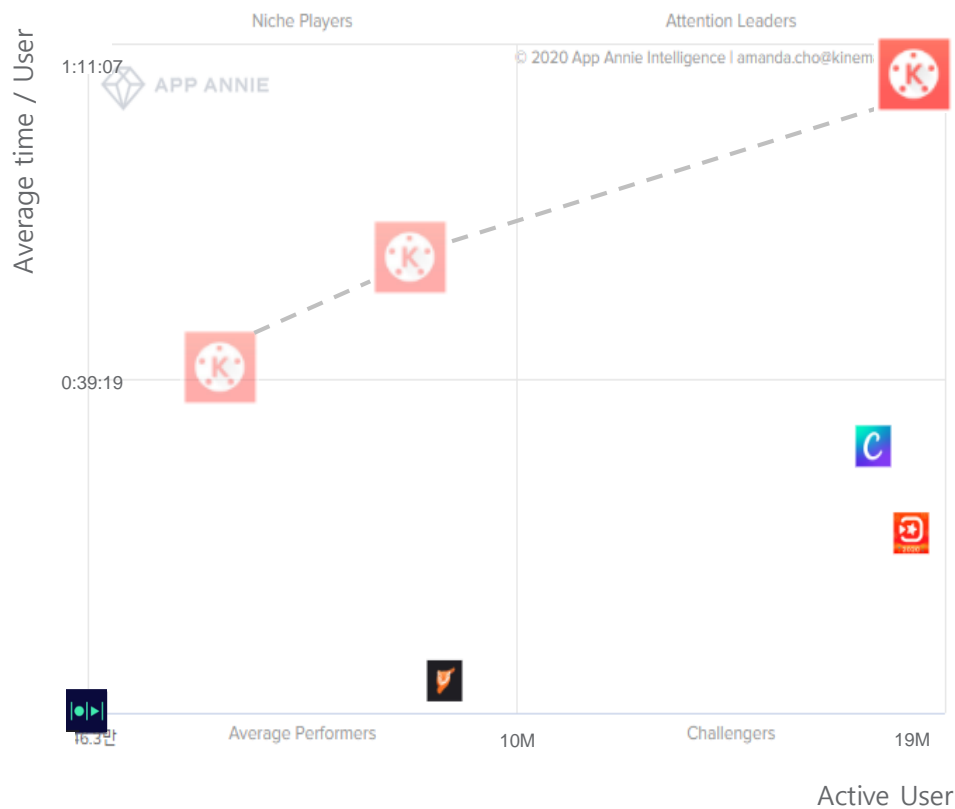
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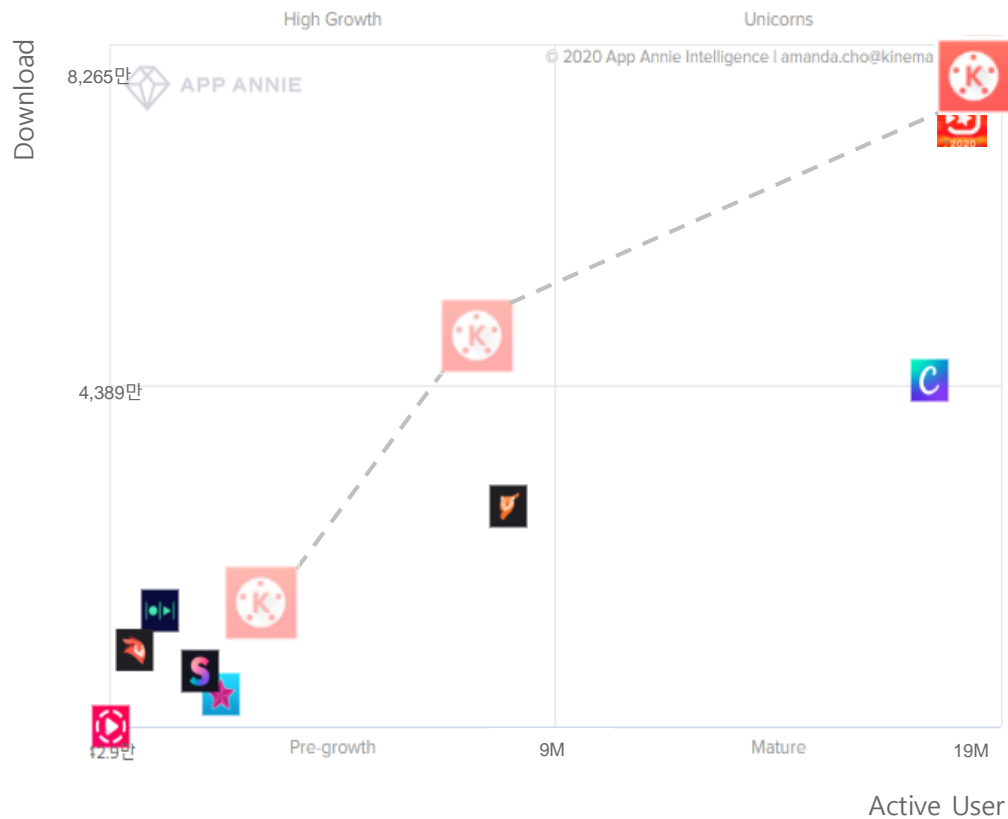
Market Trend I

Video Editing App Market – Source: *App Annie*

Android & iOS User attention (1Q'19 ~ 4Q'19)



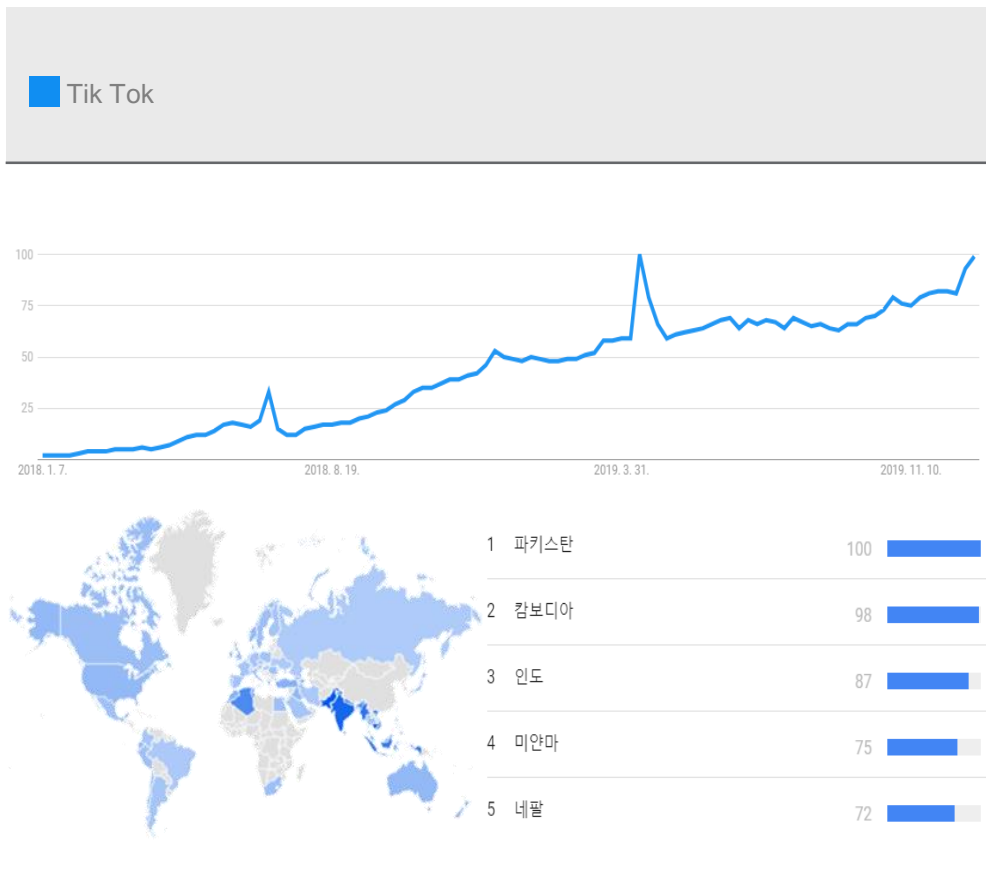
Android & iOS Growth(1Q'19 ~ 4Q'19)



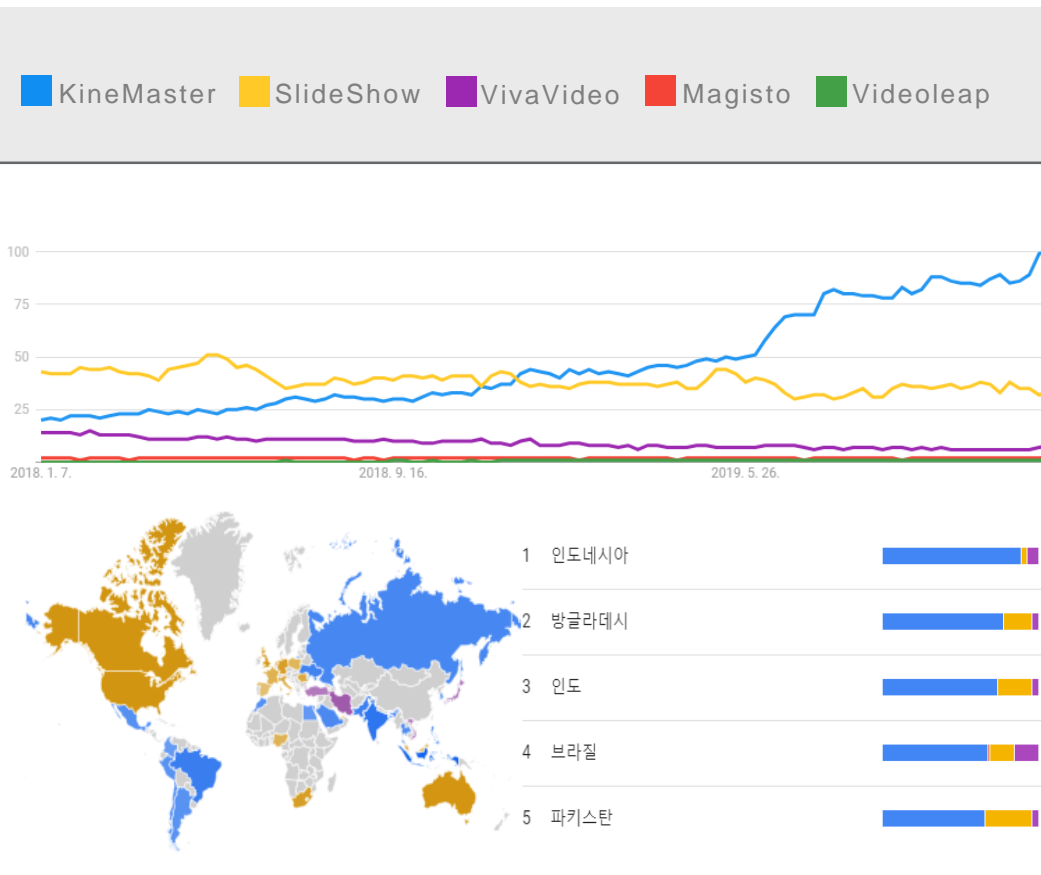
※ The information is estimated data provided by App Annie does not math the actual performance.

Market Trend I Video Editing App Market – Source: Trends

Tik Tok app search trend (1Q'18 ~ 4Q'19)



Video editing app search trends (1Q'18 ~ 4Q'19)



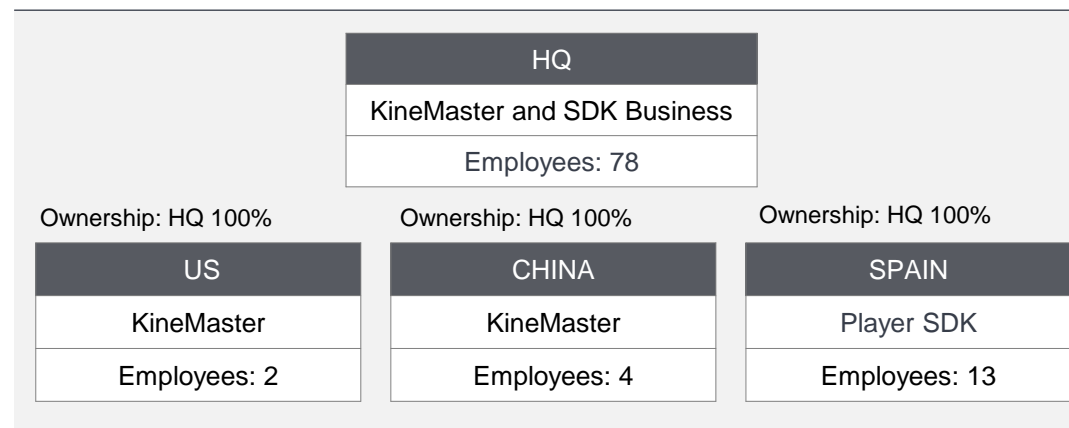


Appendix I History / Governance

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
 - 2019 KineMaster exceeded 210M total downloads /37M MAU

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%	-



4th Quarter 2019 Results | KineMaster Corporation

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