



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



**Subscription
& Ads**
\$3.99/month, \$22.99/year
Ads for free users

languages
Support for more than
18 languages and CS

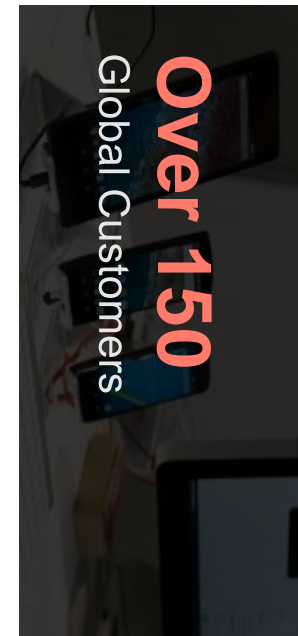
OS
iOS & Android

Country
Global services to
more than 155
countries



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



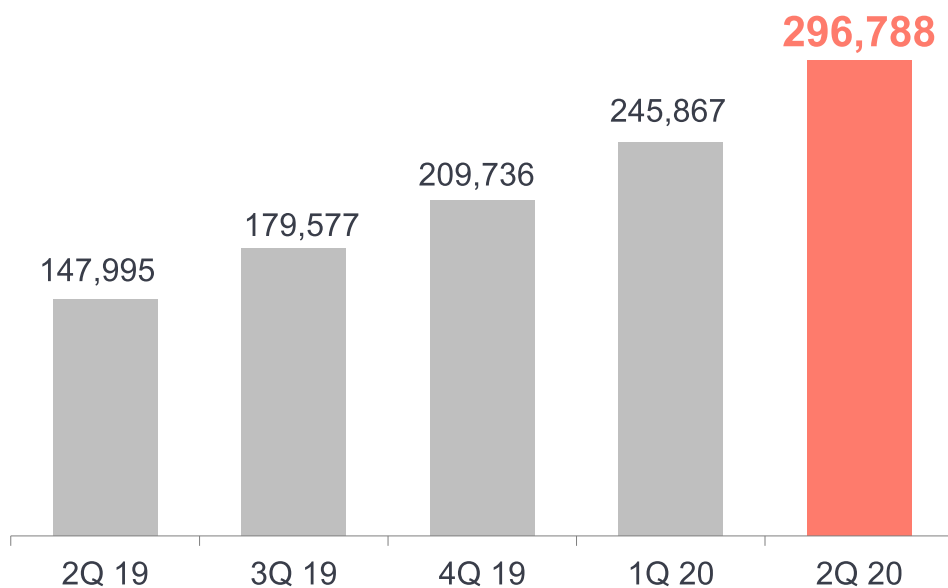


2Q 2020 | KineMaster Download

> Cumulative Downloads

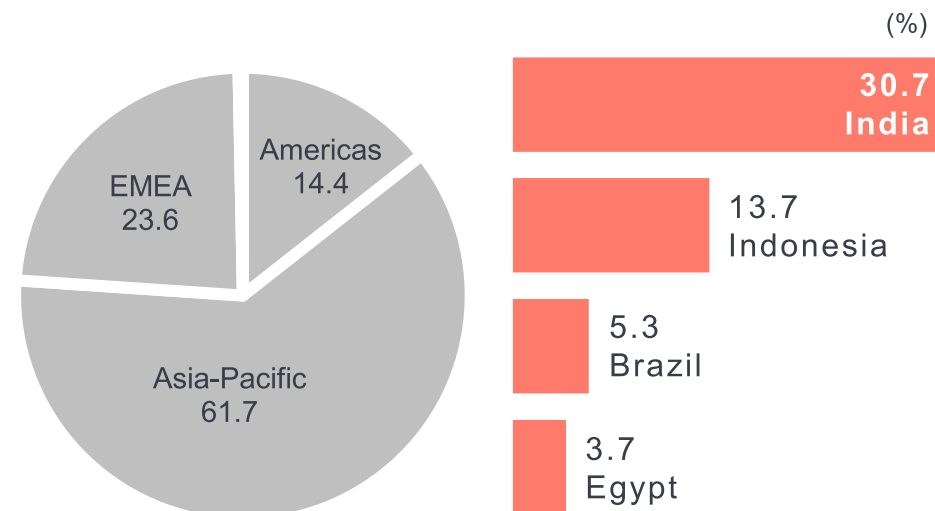
Accumulated downloads YoY +101% / QoQ +21% in 2Q20

(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.

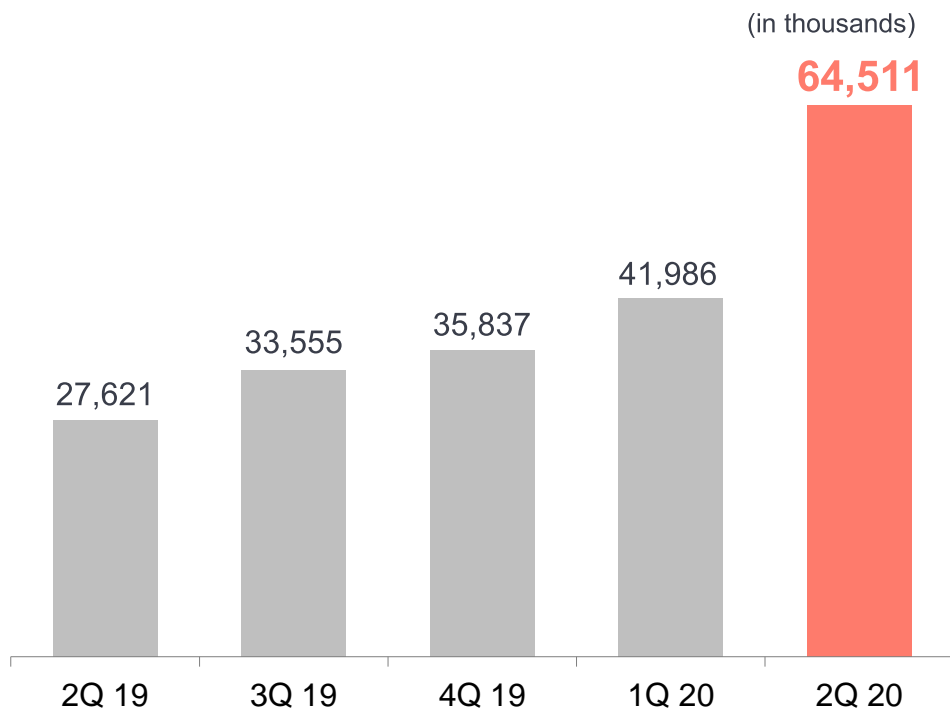
※ United States 3.6%, China 3.2%, Iraq 3.0%, Philippines 3.0%, Pakistan 2.6% are included in the top ranks.



2Q 2020 | KineMaster MAU

> KineMaster MAU

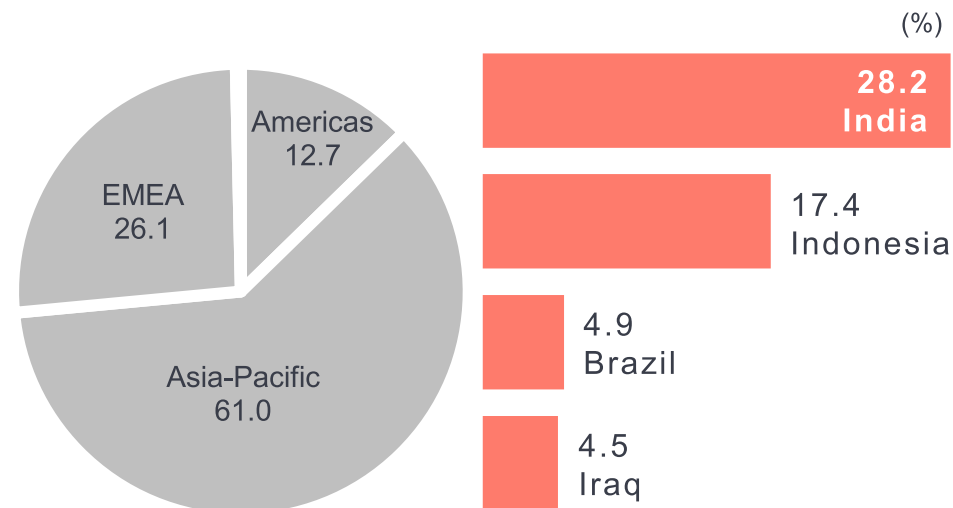
MAU YoY +134% / QoQ +54% in 2Q20



※ 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.

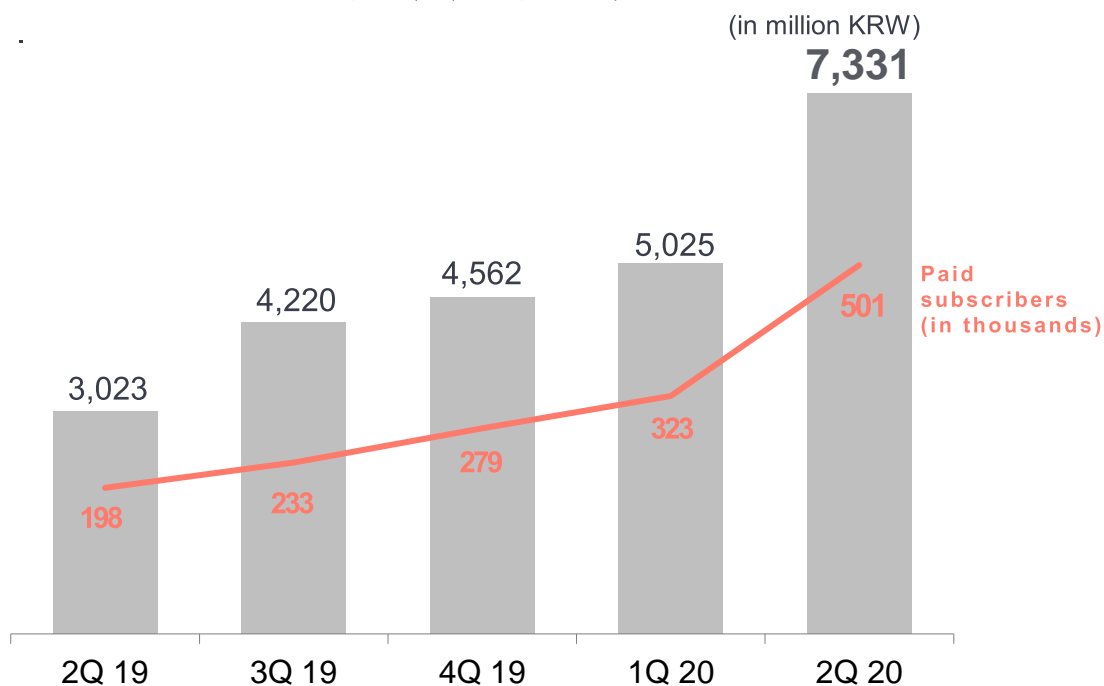


2Q 2020 | KineMaster Revenue

> KineMaster MAU

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

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

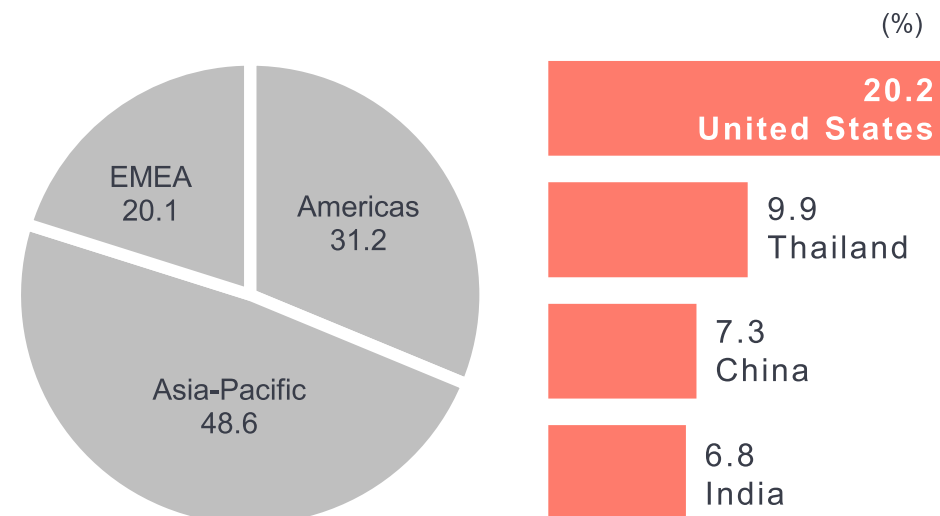


※ The total revenue includes subscriptions, Ads, and Premium IP Asset with the highest percentage of subscription revenue.

※ 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.

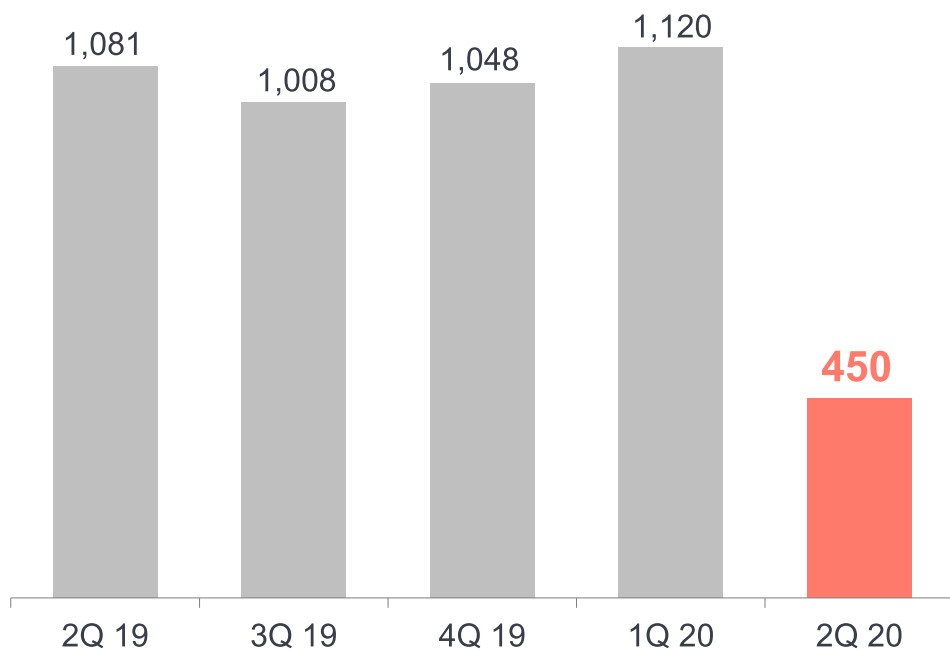


2Q 2020 | PlayerSDK Revenue

> PlayerSDK Revenue

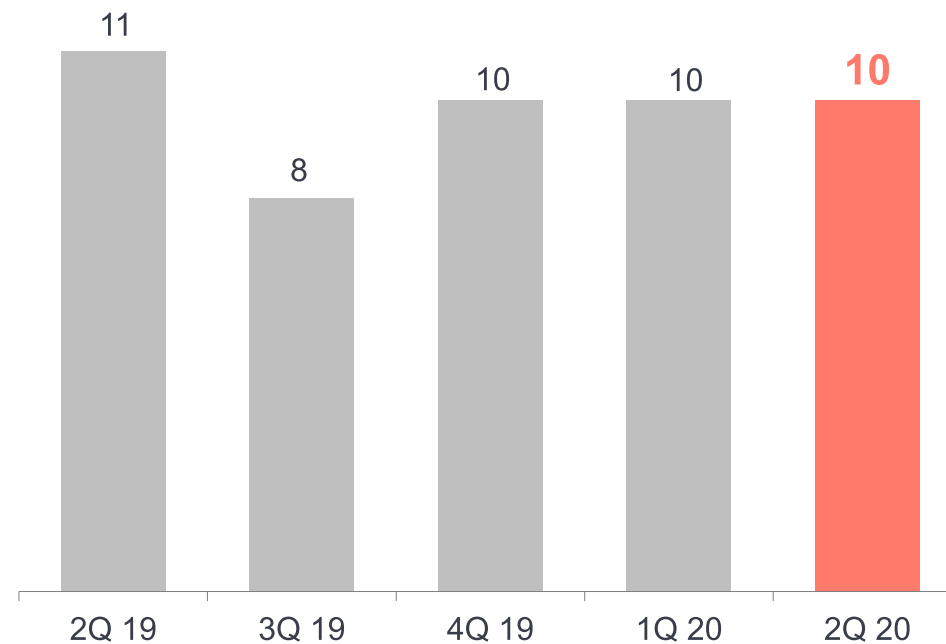
Revenue YoY -58% / QoQ -60% in 2Q 2020.

(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 |
|---------------------------|--------------|--------------|--------------|--------------|---------------|---------------|----------------|---------------|
| Total Revenue | 4,305 | 5,512 | 5,858 | 6,172 | 7,796 | 26.31% | 81.09% | 13,968 |
| KineMaster | 3,023 | 4,220 | 4,562 | 5,025 | 7,331 | 45.89% | 142.51% | 12,356 |
| PlayerSDK | 1,081 | 1,008 | 1,049 | 1,120 | 450 | -59.86% | -58.37% | 1,570 |
| Others | 201 | 284 | 247 | 27 | 15 | -43.49% | -92.54% | 42 |
| Operating Expenses | 4,518 | 4,871 | 5,337 | 5,677 | 6,426 | 13.19% | 42.25% | 12,104 |
| App commission fee | 697 | 1,009 | 1,086 | 1,260 | 1,872 | 48.57% | 168.58% | 3,133 |
| Operating Profit | -212 | 641 | 522 | 495 | 1,369 | 176.57% | Turnaround | 1,864 |
| % Margin | -4.9% | 11.6% | 8.91% | 8.02% | 17.56% | - | - | 13.34% |
| Net Profit | -186 | 705 | 138 | 505 | 1,082 | 114.26% | Turnaround | 1,587 |
| % Margin | -4.3% | 12.8% | 2.35% | 8.19% | 13.87% | - | - | 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)

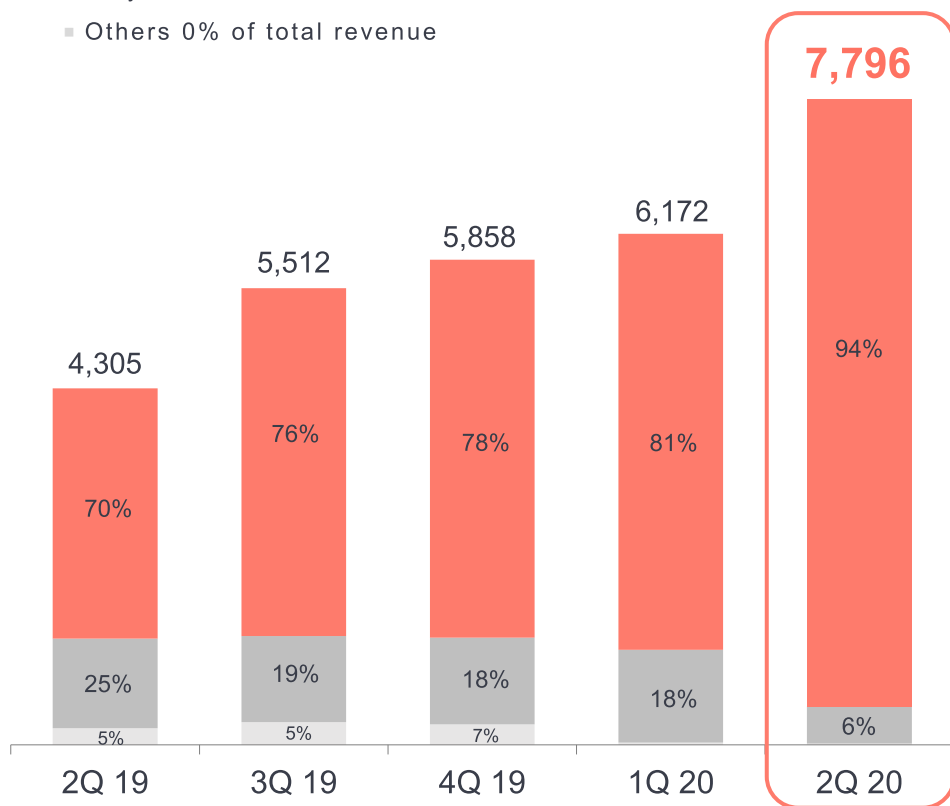


2Q 2020 | Earnings Summary

> Total Revenue

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

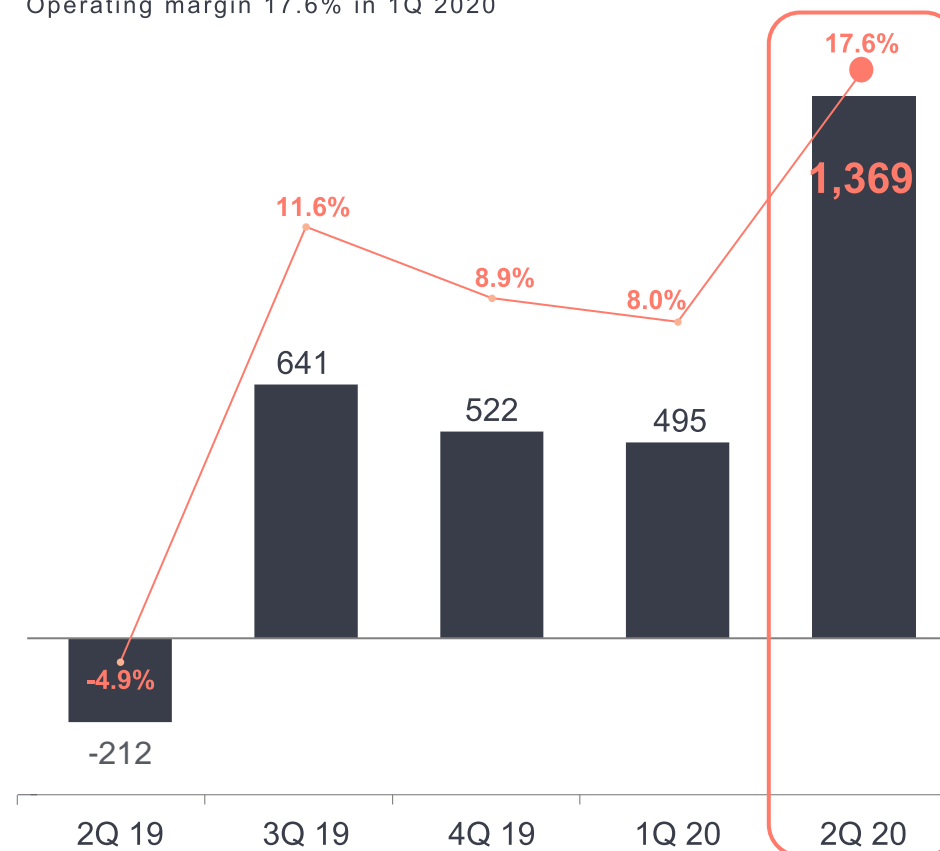
(in million KRW)



> 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

✓ **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.



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 |
| Total assets | 13,620 | 14,115 | 14,349 | 14,829 | 16,133 |
| Current liabilities | 1,055 | 859 | 1,277 | 952 | 1,067 |
| Non-Current liabilities | 728 | 707 | 541 | 750 | 775 |
| Total liabilities | 1,783 | 1,566 | 1,818 | 1,701 | 1,842 |
| 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 |
| Total equity | 11,837 | 12,549 | 12,531 | 13,127 | 14,291 |
| Total equity and liabilities | 13,620 | 14,115 | 14,349 | 14,829 | 16,133 |

| Income Statement | 2Q 19 | 3Q 19 | 4Q 19 | 1Q 20 | 2Q 20 | 1H 20 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Revenue | 4,305 | 5,512 | 5,858 | 6,172 | 7,796 | 13,968 |
| Operating expenses | 4,518 | 4,871 | 5,337 | 5,677 | 6,426 | 12,104 |
| Operating profit | -212 | 641 | 522 | 495 | 1,369 | 1,864 |
| <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 |
| Net profit before tax | -144 | 798 | 391 | 681 | 1,230 | 1,911 |
| Income tax expense | 42 | 92 | 253 | 175 | 148 | 324 |
| Net profit | -186 | 705 | 138 | 505 | 1,082 | 1,587 |
| 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 |

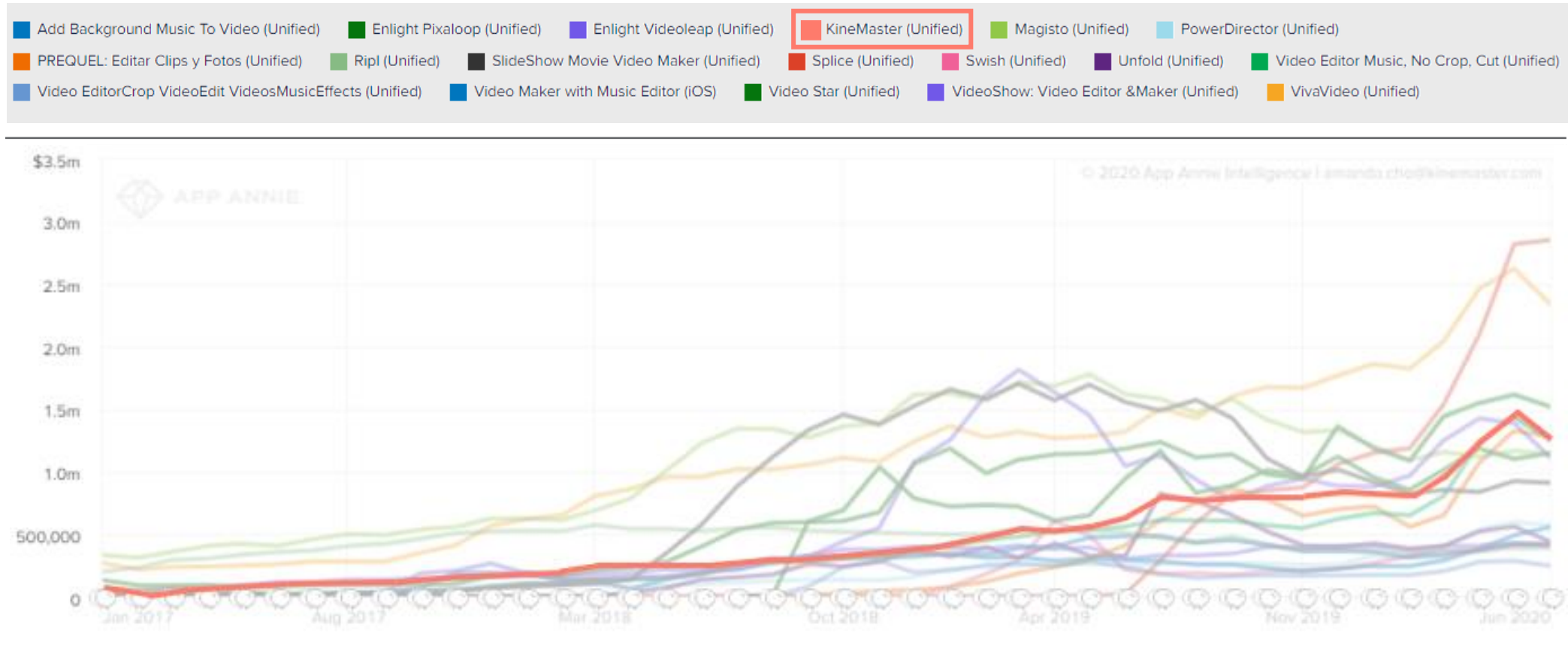
※ This information is estimated revenue from App annie; it does not include 30% store platform commission, Ads or Android revenue from China.

※ 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% |
| 2 | KineMaster | 25,356,062 | 33,342,458 | 54,608,809 | 63.78% | 249.56% | 21.24% |
| 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% |
| Total | | 140,783,231 | 164,513,200 | 257,146,703 | 56.31% | 143.37% | 100.00% |

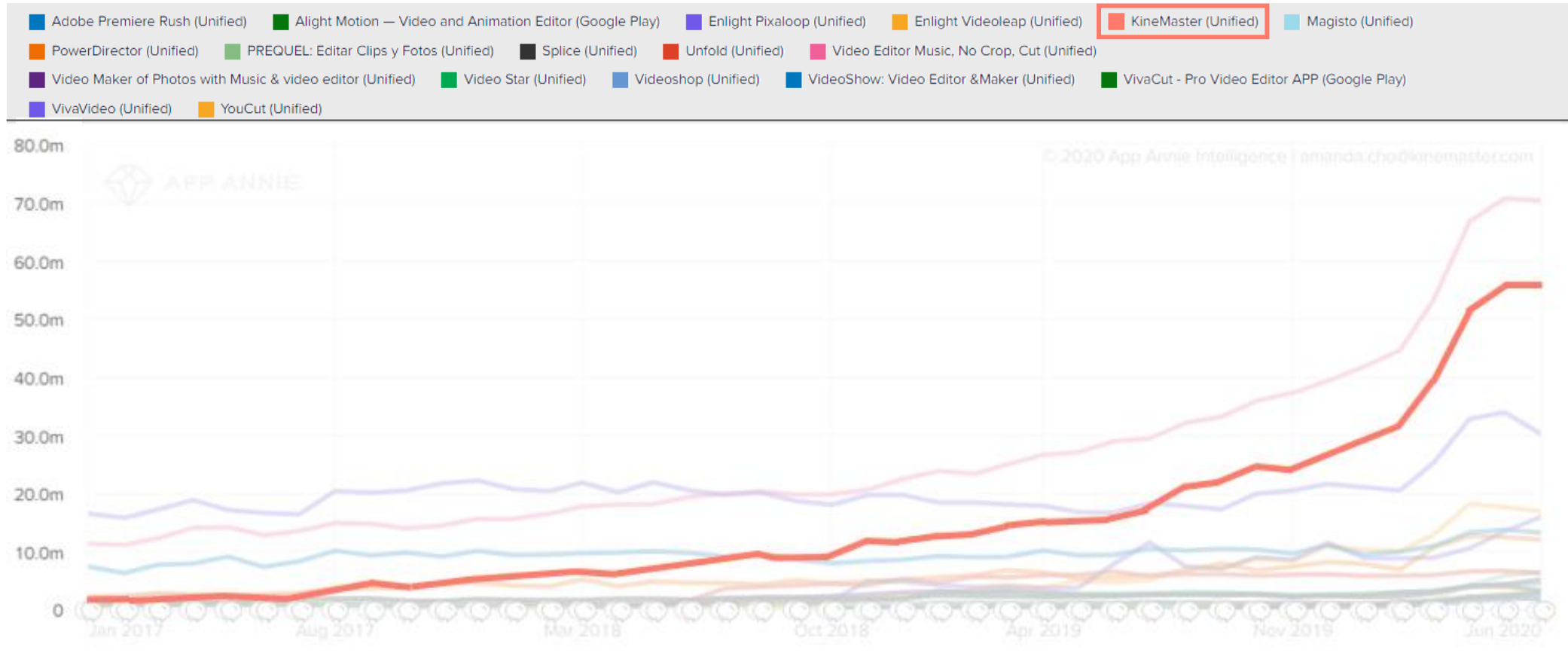
※ This information is estimated MAU from App annie.

※ 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 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.

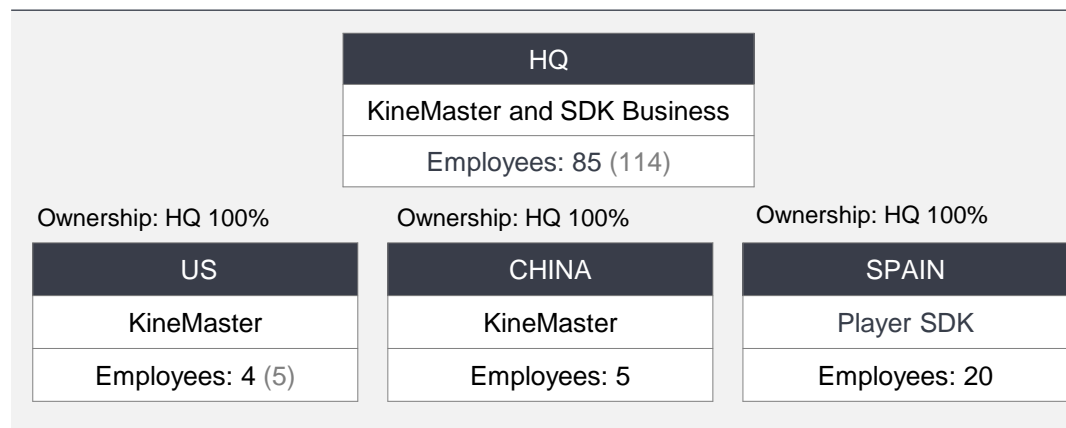


Appendix I History / Governance

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 | 4,332,188 | 31.98% | Investors |
| Etc | 5,940,514 | 43.85% | - |
| Total | 13,546,373 | 100.00% | - |



2nd Quarter 2020 Results | KineMaster Corporation

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

www.kinemastercorp.com | www.kinemaster.com