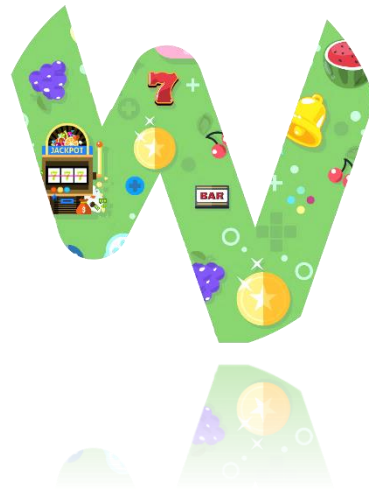




# Q4.19 Results Presentation

DOUBLEU GAMES IR | 2020.02.05



## Disclaimer

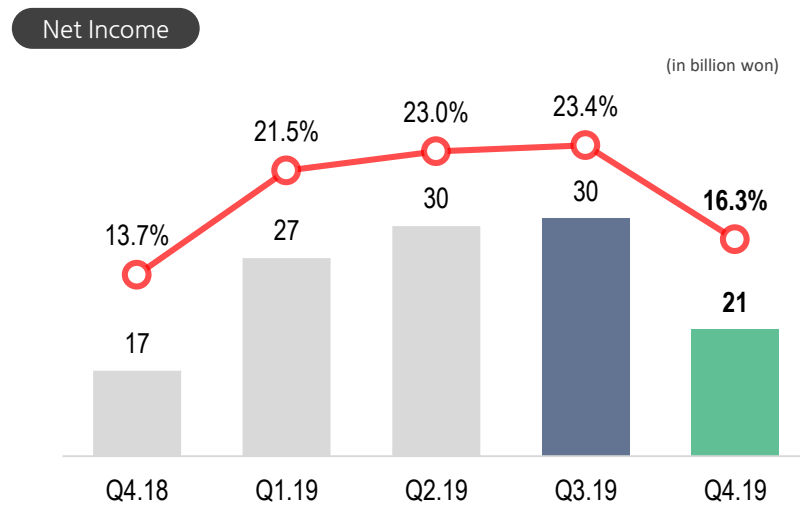
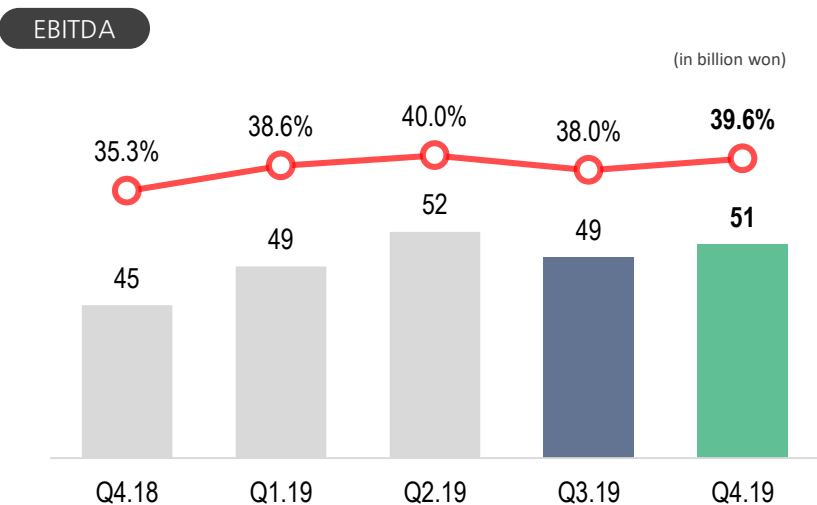
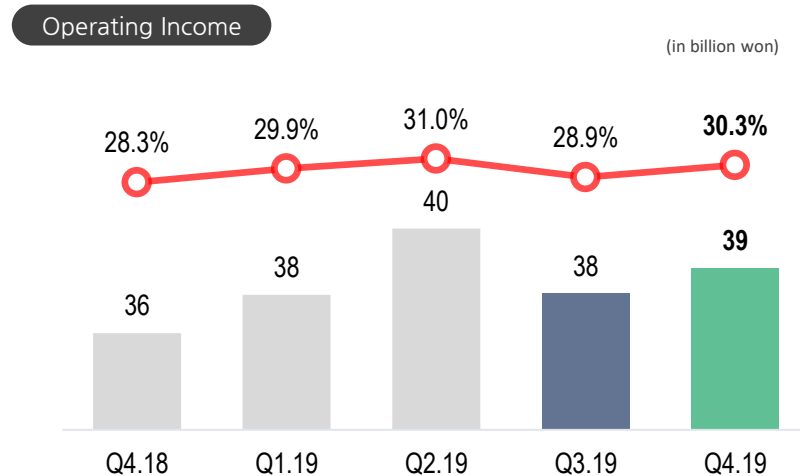
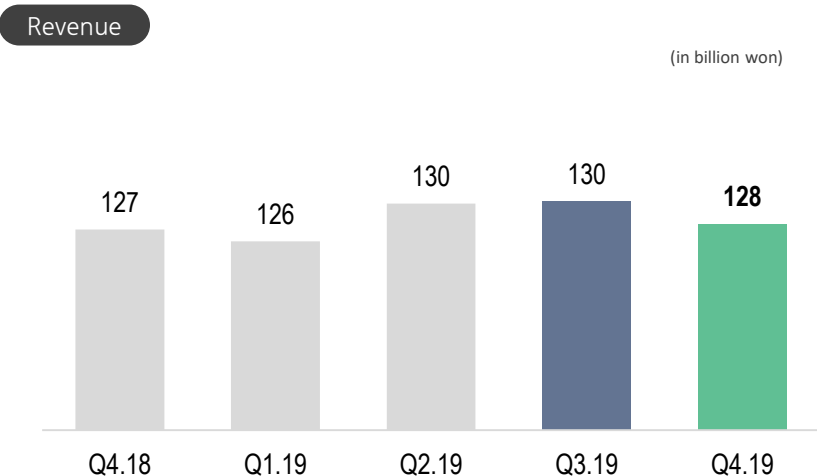
Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the dates on which these statements were made. There can be no assurance that the forward-looking statements used by DoubleU Games are correct as results can differ from expectations. Therefore DoubleU Games will not be responsible for individual investment decisions based solely on this material. DoubleU Games disclaims any duty to update the information in this material to reflect future events or circumstances

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  3. Costs Analysis
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- Appendix
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  - B. DDI Income statement (consolidated)
  - C. Revenue by Games

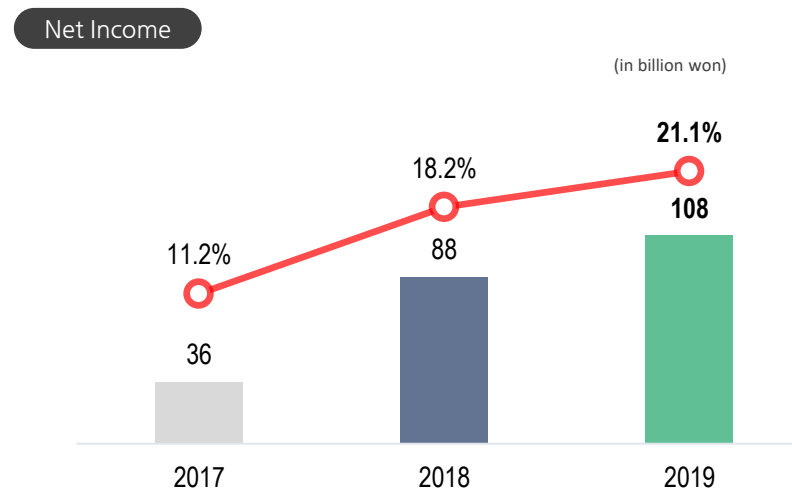
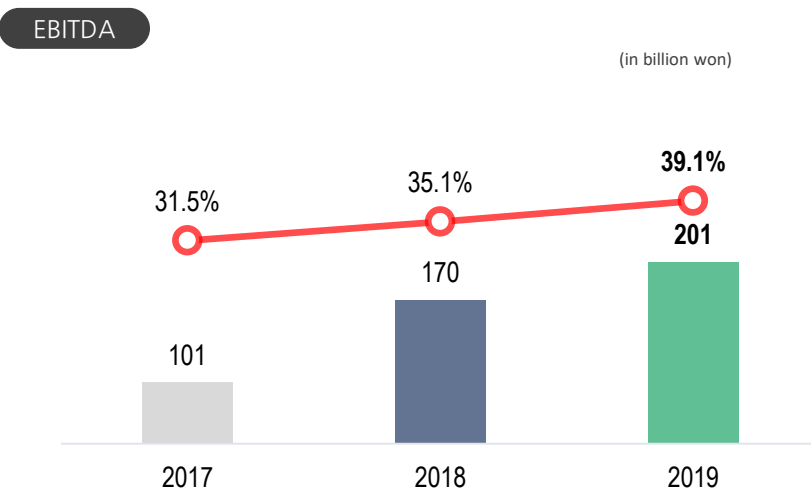
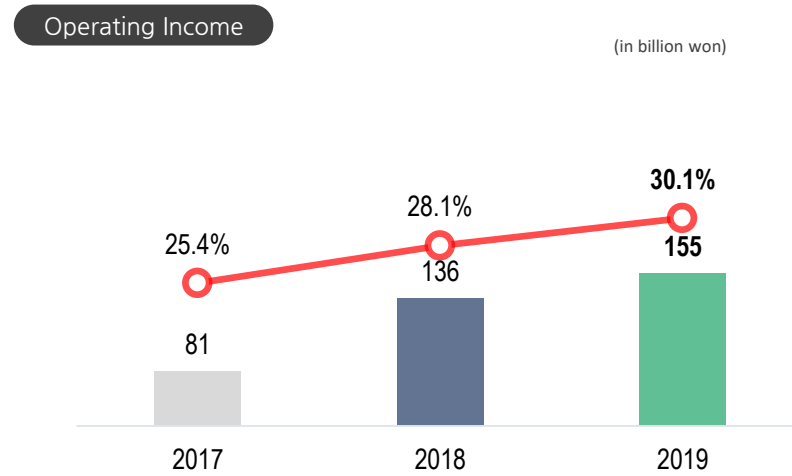
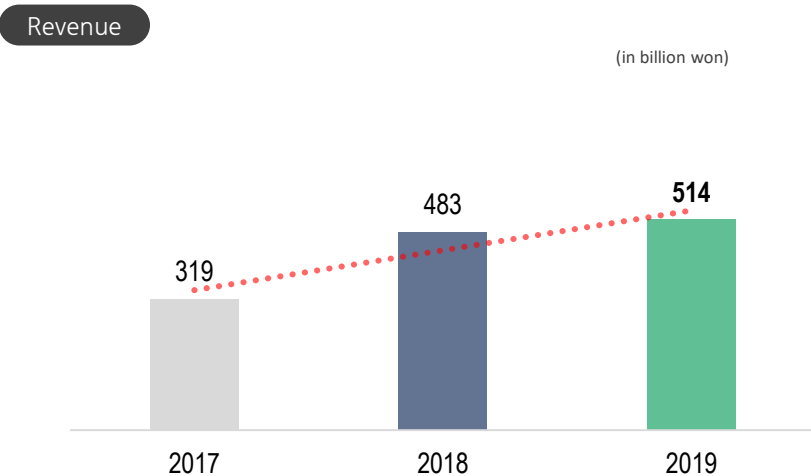
# 1 Earnings Summary (Consolidated, 4Q)

- Revenue KRW 128.1 bn, Operating income KRW 39.1 bn(31%), EBITDA KRW 50.7 bn(40%)
- Growth : Revenue Y/Y 0.9%, Operating income Y/Y 8.6%, EBITDA Y/Y 13.2%



# 1 Earnings Summary (Consolidated, 2019)

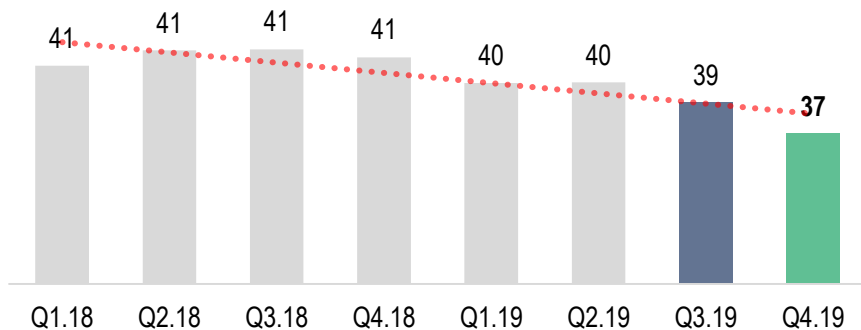
- Revenue KRW 513.8 bn, Operating income KRW 154.6 bn(30%), EBITDA KRW 200.7 bn(39%)
- Growth : Revenue Y/Y 6.4%, Operating income Y/Y 13.8%, EBITDA Y/Y 18.3%



## 2 Revenue Analysis (Consolidated)

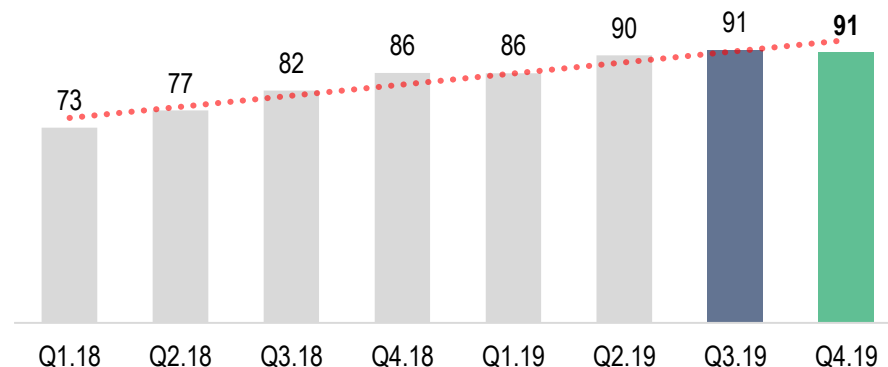
**PC** Y/Y -9.0%, Q/Q -3.9%, Revenue ratio : 29%

(in billion won)



**Mobile** Y/Y 5.6%, Q/Q -0.5%, Revenue ratio : 71%

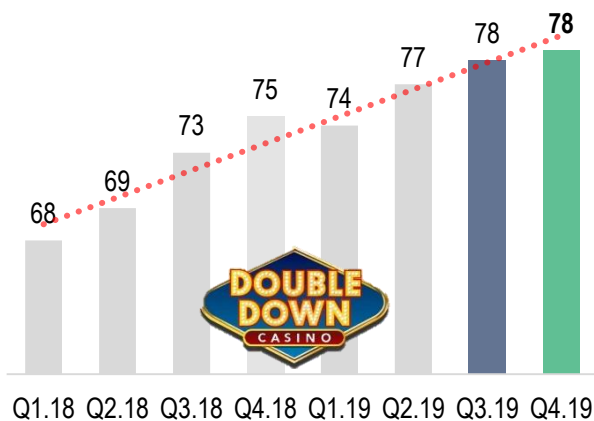
(in billion won)



**DDC**

Y/Y 5.1%, Q/Q 0.8%, Revenue ratio : 61%

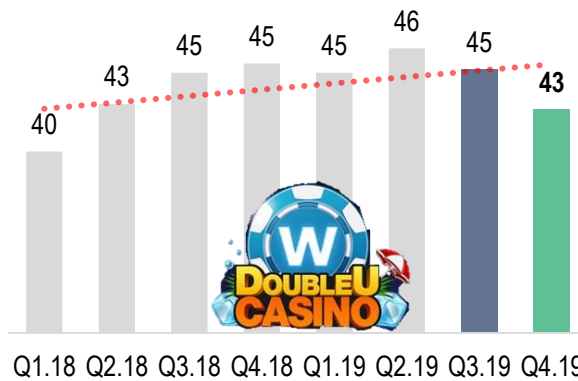
(in billion won)



**DUC**

Y/Y -5.7%, Q/Q -4.9%, Revenue ratio : 33%

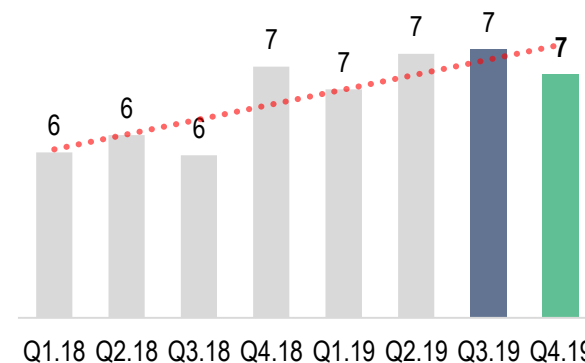
(in billion won)



**Other Apps**

Y/Y -1.4%, Q/Q -4.1%, Revenue ratio : 6%

(in billion won)



### 3 Costs Analysis (Consolidated)

(in billion won)

	19.4Q	19.3Q	18.4Q	Y/Y	Q/Q	Note
Revenue	128	130	127	0.9%	-1.5%	
DDC	78	78	75	5.1%	0.8%	DoubleDown Casino
DUC	43	45	45	-5.7%	-4.9%	DoubleU Casino
Others	7	7	7	-1.4%	-5.5%	Take5,FortKnox, etc.
Operating Cost	89	92	91	-2.2%	-3.8%	
Platform fee	38	39	38	0.8%	-1.3%	30% of Revenue (variable cost)
Marketing cost	19	19	18	3.3%	-2.1%	
Labor cost	14	15	14	-3.4%	-7.3%	
Royalty	2	3	5	-56.3%	-38.2%	Royalty rate changed by GDDA amendment
Other expense	4	4	7	-36.6%	2.3%	IFRS 16 [Rent fee] Other expense → Depreciation
D&A	12	12	9	31.8%	-2.5%	
Operating Income	39	38	36	8.6%	4.0%	
EBITDA	51	50	45	13.2%	2.4%	Operating Income + D&A
Operating Income %	30.5%	28.9%	28.3%			
EBITDA %	39.6%	38.0%	35.3%			
MKT/Revenue %	14.5%	14.6%	14.1%			

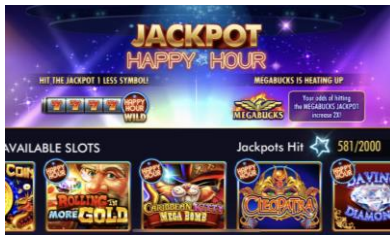
# 4 2019 Business Performance

## (DDC) New Contents

1. Megabucks



2. Jackpot Happy Hour



3. Bingo Challenge



4. Slot Journey



## (DUC) New Contents

1. Mine Quest



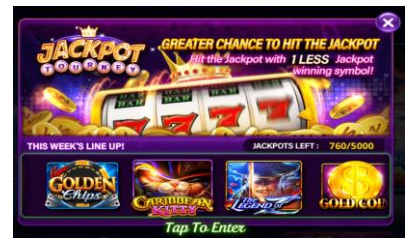
2. Toy Workshop



3. Nothing to Lose

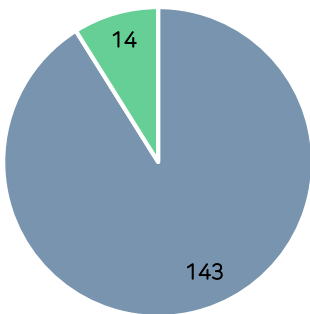


4. Jackpot Tourney

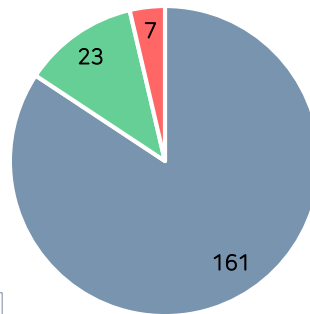


## Expanded DUG IP & DDI original slots

End of 2018  
157 slots



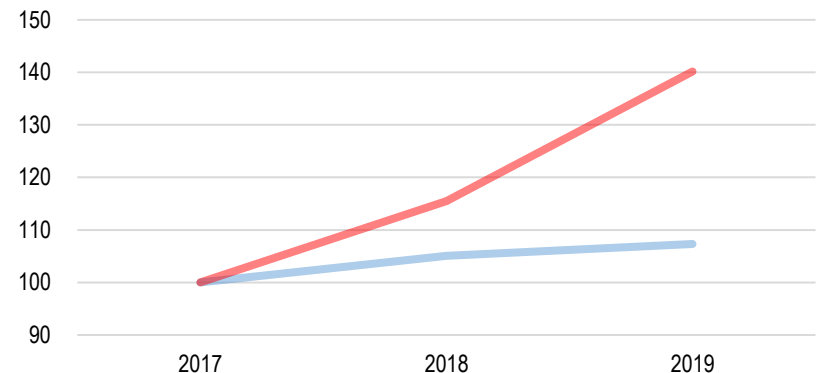
End of 2019  
191 slots



■ IGT ■ DUG ■ DDI

## ARPPU

Increased payment amount for mobile payment users



(\*) 2017FY ARPPU = 100 — DUC ARPPU — DDC ARPPU



## 5 2020 Business Plan (Finance Part)

### (Jun 2017) DDI acquisition evaluation

Type	Valuation	Years of Amortization	completion time Of Amortization
Identifiable Intangible Assets	Trademark	\$ 50.0 mn	Infinite
	Customer Relation	\$ 75.0 mn	4 years
	Game	\$ 2.0 mn	4 years
	Tech	\$ 45.0 mn	5 years
	Subtotal	\$ 172.0 mn	
Goodwill	\$ 627.6 mn		
Total	\$ 799.6 mn		

### Dividend Plan

Type	Finance year		
	2017	2018	2019
Total number of shares	17,595,514	18,247,298	18,260,502
Number of Treasury stock	1,398,976	1,398,976	1,398,976
Number of dividend shares	16,196,538	16,848,322	16,861,526
Dividend per Share	₩ 350	₩ 350	₩ 350
Total Dividend Amount	₩ 5.7 bn	₩ 5.9 bn	₩ 5.9 bn

### Amortization Schedule

Time line	Customer Relation	Game	Tech	Total	Note
Before '21.2Q	\$ 4.7 mn	\$ 0.1 mn	\$ 2.3 mn	\$ 7.1 mn	
After '21.2Q	-	-	\$ 2.3 mn	\$ 2.3 mn	
After '22.2Q	-	-	-	-	Amortization Completed (Expected)

(\*) It's Quarterly D&A expense of identifiable intangible assets.

### Debt Repayment Schedule

Time line	Repayments	Balance	Note
Jun 2017	-	₩ 315.0 bn	DDI Acquisition
End of 2017	₩ 43.6 bn	₩ 271.4 bn	
End of 2018	₩ 133.4 bn	₩ 138.0 bn	
End of 2019	₩ 98.0 bn	₩ 40.0 bn	
Feb 2020	₩ 20.0 bn	₩ 20.0 bn	Expected
May 2020	₩ 20.0 bn	-	Repayment Completed (Expected)

# 5 2020 Business Plan (Business Part)

01



Reinforcement of Retention Marketing

[Target]  
Original 140 mn Users  
(DDC 100 mn / DUC 40 mn)

Maximize marketing efficiency by strengthening Retention marketing for Existing users

02



Entering Taiwan social casino market

New Game Launching  
"Fortune Gold Star"

Social casino recorded the best installation genre in Taiwan in 2018-2019 (Appsflyer)

03



Expect to launch New Game (Hyper-Slots Genre)

"Project N(tentative)"



Hyper-casual genres such as coin masters became popular in 2018-2019 (Appsflyer)

04



M&A Planning

Goal to increase Top Line such as Social casino game / content

Plan to study various M&A deals after listing of subsidiary

## Appendix A. DUG Income statement (Consolidated)

(in billion won)

	'18.1Q	'18.2Q	'18.3Q	'18.4Q	'19.1Q	'19.2Q	'19.3Q	'19.4Q	2018	2019
Revenue	114	119	123	127	126	130	130	128	483	514
Operating Cost	88	84	84	91	88	90	92	89	347	359
Platform fee	34	36	37	38	38	38	39	38	144	152
Marketing cost	20	15	13	18	14	16	19	19	66	68
Labor cost	14	13	15	14	16	16	15	14	57	61
Royalty	5	5	5	5	4	4	3	2	19	13
D&A	8	8	9	9	10	12	12	12	34	46
Other expense	7	7	5	7	6	4	4	4	27	19
Operating Income	26	35	39	36	38	40	38	39	136	155
EBITDA	34	43	48	45	48	52	50	51	170	201
Non-operating income	2	13	(1)	2	4	5	8	(4)	15	13
Interest income	1	1					1		2	2
Foreign currency effect	1	12	(1)	2	4	5	7	(4)	13	11
Non-operating cost	(10)	(7)	(9)	(8)	(7)	(8)	(7)	(8)	(34)	(30)
Interest cost	(8)	(8)	(8)	(8)	(7)	(7)	(7)	(7)	(32)	(28)
Foreign currency effect	(2)	1				(1)		(1)	(1)	(2)
Other expense			(1)						(1)	
Profit before tax	18	41	29	30	34	38	39	28	117	138
Taxes	4	8	5	13	7	8	8	7	29	30
Net Income	14	33	24	17	27	30	31	21	88	108

## Appendix B. DDI Income statement (Consolidated)

(in billion won)

	'18.1Q	'18.2Q	'18.3Q	'18.4Q	'19.1Q	'19.2Q	'19.3Q	'19.4Q	2018	2019
Revenue	70	72	75	78	77	79	81	81	295	319
DDC	68	69	73	75	74	77	78	78	285	307
DD FK					1	1	2	2		5
Classic			1	1	1	1	1		2	3
Ellen	2	3	1	2	1	1	1	1	8	4
Operating Cost	58	57	58	62	59	59	62	59	234	239
Platform fee	21	21	22	23	23	24	24	24	87	95
Marketing cost	10	9	7	9	6	7	10	10	35	33
Labor cost	9	8	10	9	10	10	9	8	35	36
Royalty	5	6	6	6	5	5	5	3	23	18
D&A	8	8	8	9	10	10	11	10	33	42
Other expense	4	4	4	5	4	3	2	3	17	13
AWS	1	1	1	1	1		1	1	4	2
Operating Income	12	15	17	16	18	20	19	22	61	80
EBITDA	20	23	26	25	28	30	30	33	94	122

## Appendix C. Revenue by Games

(in billion won)

Company	Games	Symbol	'18.1Q	'18.2Q	'18.3Q	'18.4Q	'19.1Q	'19.2Q	'19.3Q	'19.4Q	2018	2019
DDI Total		-	70	72	75	78	77	80	81	81	295	319
DoubleDown Interactive (DDI)	DoubleDown Casino	DDC	68	70	73	75	74	77	78	78	286	307
	DoubleDown Casino Classic	DDCS			1	1	1	1			2	3
	Ellen Slots	Ellen	2	2	1	2	1	1	1	1	7	4
	DoubleDown Fort Knox	DD FK					1	1	2	2		5
DUG Total		-	44	47	48	49	49	50	49	47	188	195
DoubleU Games (DUG)	DoubleU Casino	DUC	40	43	44	45	45	46	45	43	172	178
	Take5	T5	3	3	3	3	3	4	3	3	12	13
	DoubleU Bingo	DUB	1	1	1	1	1		1		4	2
	Others	Other								1		2
Total		-	114	119	123	127	126	130	130	128	483	514