



# Investor Briefing

ONE Store External Funding

SK Telecom

Nov. 13, 2019

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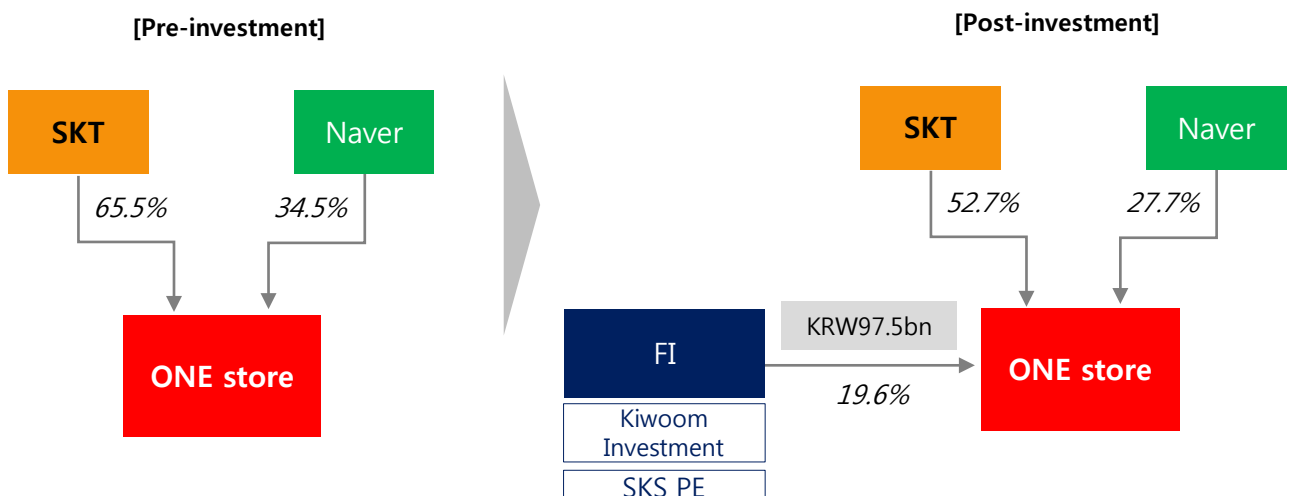
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- **ONE store attracts external funding of KRW 100 bn, and the implied value of the company is estimated at KRW 500bn (post-money)**
  - Financial Investor, Kiwoom-SKS PE consortium to invest KRW 97.5 bn to acquire shares of the company (convertible preferred stock)
  - FI to hold 19.6% of ONE store (SKT stake: 65.5% → 52.7%)
- **ONE store enhanced its strategy to strengthen game sourcing competitiveness from Jul.2018 to increase GMV while improving profitability, and is expected to achieve positive EBITDA in 2019**
  - Achieved 50% growth of monthly GMV YoY with the new strategy focused on game business, including benefit programs for game developers
  - The company has improved its profits to reach near BEP in 2019 in terms of operating income
- **The game segment, the major revenue source of the company, almost doubled its GMV YoY driven by the successful launch of the blockbuster games**
  - Mobile game industry recorded over 10% growth each year to overtake PC(online) game industry
- **The company to pursue IPO in 3 years and reach KRW 1tn enterprise value in 5 years with the new external funding**
  - Focus on mobile game segment with high growth and profitability potential, and expand the mobile game market share\* to 30% in terms of GMV
    - \* As of July 2019, 13.6% (Source: MobileIndex)
  - The company plans to expand its blockbuster game lineup, global partnership, and marketing activities with the new investment

## ONE store governance structure



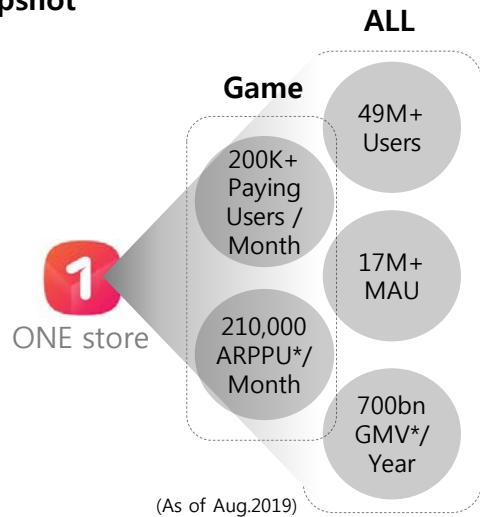
□ **As the only local Korean app store, ONE store offers services in 5 areas (game, e-Book/webtoon, commerce, VOD, music) based on Android platform**

- Game is the killer category accounting for over 70% of total GMV

## ONE store Snapshot

**ONE store**

- Sep.2009 SK Telecom launched T store
- Nov.2011 T store transferred to SK Planet
- May.2015 App stores of 3 telcos integrated
- Mar.2016 App store spun off from SK Planet
- Apr.2016 Naver became shareholder
- Jun.2016 ONE store launched

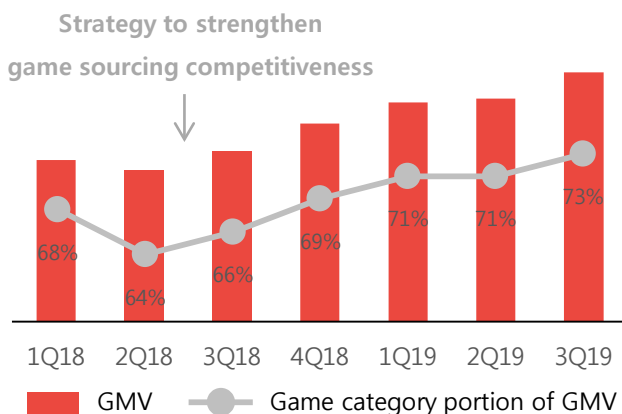


\* Unit : KRW, ARPPU : Average Revenue Per Paying User

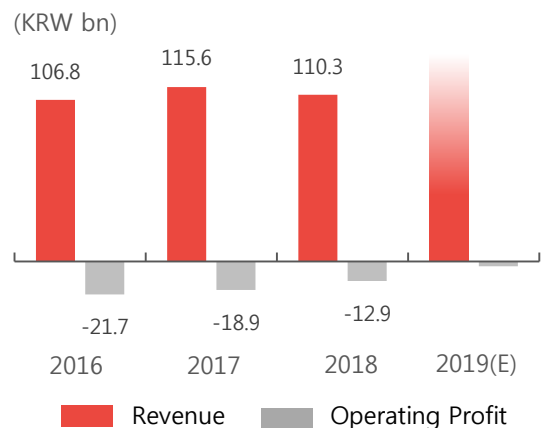
□ **GMV increased and profitability improved with the strategy to strengthen game sourcing competitiveness from Jul.2018**

- In 3Q.2019, GMV increased 47% YoY and revenue was up 25% YoY
- ONE store's game category GMV has surpassed that of Apple App Store's in 4Q.2018. And game category GMV is recording new highs every month since blockbuster game 'ROHAN M' was introduced on ONE store platform in Jul.2019
- Operating losses shrunk to half in 2018 vs 2016. Expected to be close to BEP in 2019. (EBITDA is expected to turn positive in 2019.)

## ONE store GMV

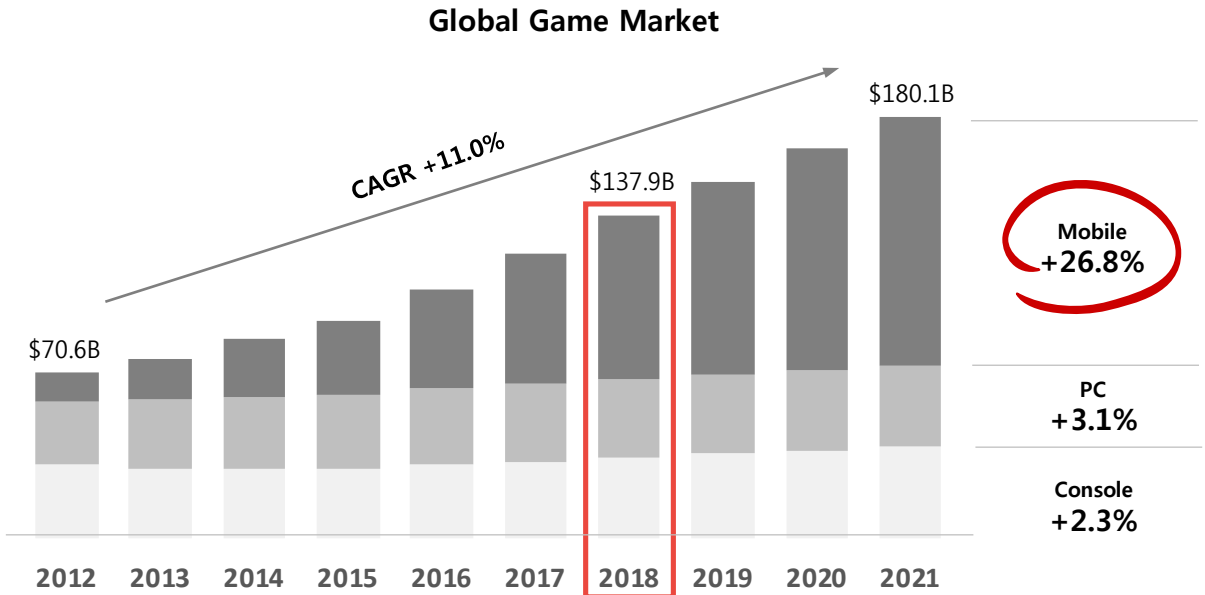


## ONE store Financials



- **Global game market is expected to grow at 11% CAGR during 2012~2021, and mobile is expected to drive the growth**

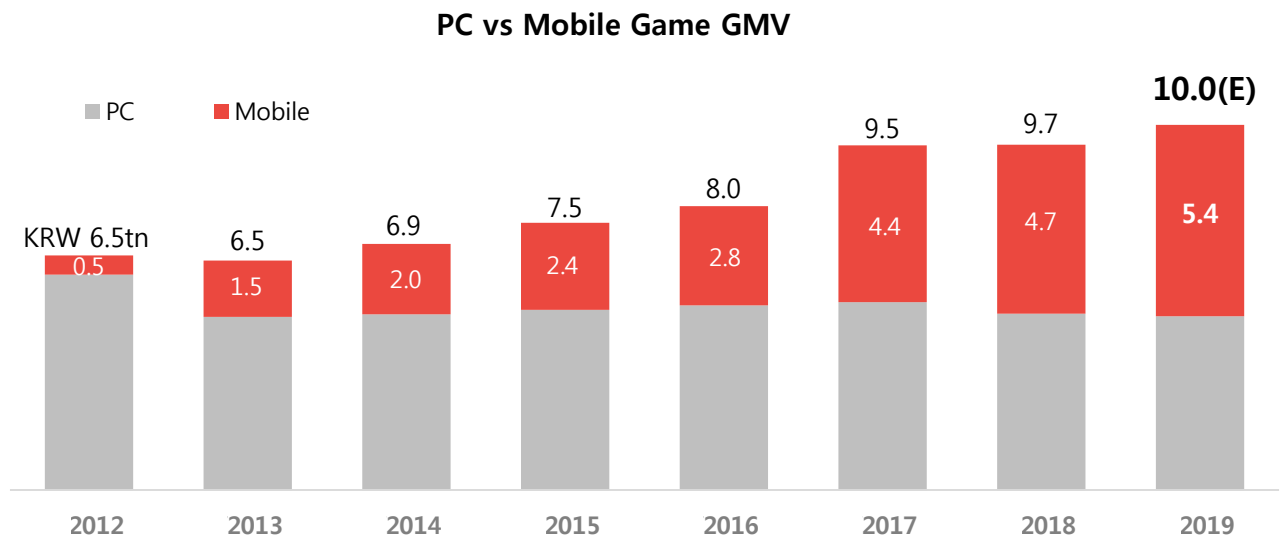
- Global mobile game market is expected to grow at 27% CAGR over three years until 2021



(Source: 2018 NEWZOO Global Games Market Report)

- **Mobile games are also driving growth in Korea, the fourth largest game market in the world. Mobile game market growth is expected to accelerate with 5G**

- Mobile game market is growing by more than 10% each year, and is now larger than the PC game market



(Source: AppAnnie, Internal Estimates)

### Balance Sheet

(KRW million)	FY2016	FY2017	FY2018
Current assets	90,414	76,810	92,844
Cash and cash equivalents	28,165	40,071	35,775
Short-term financial instruments	8,000	-	5,000
Accounts receivable	14,641	10,841	11,621
Other current assets	39,608	25,898	40,449
Non-current assets	43,793	28,081	23,872
Tangible assets	8,084	5,677	4,594
Intangible assets	34,738	21,433	18,306
Other non-current assets	971	971	971
<b>Total assets</b>	<b>134,207</b>	<b>104,891</b>	<b>116,716</b>
Current liabilities	40,970	38,547	63,440
Non-current liabilities	769	1,327	2,450
<b>Total liabilities</b>	<b>41,738</b>	<b>39,874</b>	<b>65,890</b>
Common stock	7,941	7,941	7,941
Additional paid in capital	106,929	106,929	107,125
Deficit	22,402	49,854	64,239
<b>Total shareholders' equity</b>	<b>92,469</b>	<b>65,017</b>	<b>50,827</b>
<b>Total liabilities and shareholders' equity</b>	<b>134,207</b>	<b>104,891</b>	<b>116,716</b>

### Income Statement

(KRW million)	FY2016*	FY2017	FY2018
Operating revenue	106,809	115,596	110,284
Operating expenses	128,483	134,459	123,171
Commissions paid	52,849	55,445	56,452
Depreciation	13,721	10,443	4,553
Sales promotion costs	32,498	33,776	25,925
Other operating expense	29,414	34,795	36,241
Operating profit	(21,674)	(18,862)	(12,887)
EBITDA	(7,673)	(2,077)	(5,379)
Finance income	837	1,248	967
Finance loss	482	259	460
Other non-operating income	26	78	13
Other non-operating expenses	868	9,458	1,537
Income before tax	(22,161)	(27,254)	(13,903)
Income tax expense	-	-	-
<b>Net income</b>	<b>(22,161)</b>	<b>(27,254)</b>	<b>(13,903)</b>

\* FY 2016 results is from Mar. 1 2016 to Dec. 31. 2016 (the entity spun off from SK planet in March 2016)