

**Spark44 Seoul Limited**  
**Annual Financial Statements**  
**For the year ended March 31, 2019**

<b>Income Statement</b>		
<b>SPARK44 SEOUL</b>		
<b>For the period ended on March 31, 2019</b>		
		(Unit:KRW)
		<b>YTD</b>
<b>Revenue</b>		<b>2,307,533,020</b>
	Retainer Fees	1,351,102,925
	Intercompany GmbH w/o VAT non EU	66,819,599
	Pass Through	889,610,496
	Project & Out of Scope Fees	0
<b>COS(Pass Through)</b>		<b>889,610,496</b>
<b>Gross Profit</b>		<b>1,417,922,524</b>
<b>Operating Expenses</b>		
	Salaries	529,476,401
	Bonus and Incentives	68,052,266
	Micellaneous Wage	0
	Severance expenses	82,595,204
	Employee Benefit	0
	Entertaining - staff	4,948,245
	OT meal - staff	3,446,683
	Healthcheck - staff	1,625,000
	Pension	19,826,070
	Medical Insurance	19,460,450
	Employee Insurance	7,598,270
	Travel	5,428,759
	Flights	19,330,500
	Trains	585,800
	Taxis	2,737,506
	Milleage	1,694,319
	Travel-Other	637,900
	Travel-Phone&Internet	759,027
	Late night Taxis	3,051,660
	Entertainment	6,983,076
	Office- fixed line & calls	135,071
	Internet fee	9,000,000
	Employee Mobile Phone	8,785,383
	Depreciation	27,147,473
	Bank Charge	198,500
	Rent - Office	54,515,880
	IT Repairs	1,215,000
	IT Support	0
	Training	100,000
	Car allowance	13,440,000
	Postage/Freight	216,950
	Taxes and Dues	62,500
	Book&Printing	0
	Office Supply	4,120,891
	Insurance Fee	1,667,766
	Consultants costs	36,000,000
	Tax Consultants Fees	25,500,000
	Outside Service	4,109,840
	Office Equipment - Lease	3,800,029
	Security/Alarmsystem	2,116,800
	Other Service Fee	31,241
	Building Maintenance	29,312,880

	Marketing	0
	Management Fee	39,206,155
	Recruitment	17,250,000
	Sub Total	1,056,169,495
<b>Operating Income</b>		<b>361,753,029</b>
		0
<b>Non-Operating Income</b>		<b>0</b>
	Interest Income	659,356
	Foreign Exchange Gains- Unrealised	970,643
	Foreign Exchange Gains- Realised	1,269,250
	Micellaneous	106
	Sub Total	<b>2,899,355</b>
<b>Non-Operating Expense</b>		
	Interest Expense	0
	Foreign Exchange Losses -Realised	1,817,180
	Foreign Exchange Losses -Unrealised	(59,001)
	Intercompany Management Fees	38,659,230
	Intercompany Interest Expense	0
	Micellaneous	1
	Sub Total	<b>40,417,410</b>
<b>Income Before Tax</b>		<b>324,234,974</b>
		0
<b>Income Tax</b>		<b>62,302,189</b>
		0
<b>Net Income</b>		<b>261,932,785</b>

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Yen Jia Huang

Financial Controller

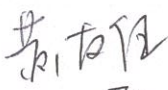
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**Statements of Cash Flows**  
**SPARK44 SEOUL**  
For the period ended on March 31, 2019

(Unit:KRW)

Particulars	FY 2019 This Period (Current)		FY 2018 Prior Period	
<b>I. Cash Flows from Operating Activities</b>		<b>395,117,436</b>		<b>325,393,362</b>
1. Cash Flows Generated from Operating Activities	484,052,322		411,720,350	
A. Net income	261,932,785		335,183,824	
B. Addition and Reduction				
Corporate tax	62,302,189		81,301,002	
Depreciation	27,147,473		29,297,901	
Interert income	-659,356		-1,840,402	
Retirement benefit	82,595,204		43,385,787	
C. Changes in assets and liabilities related to operating activities				
Decrease in account receivables	52,948,406		31,852,044	
Decrease in prepaid expense	250,456		-38,533,721	
Increase in Intercompany Payable	18,546		242,008	
Decrease in account payable	-61,075,069		-36,737,001	
Increase in Intercompany Payable	85,402,075		-26,416,667	
Increase in value added tax withheld	2,208,967		1,206,640	
Increase in accrued expenses	12,075,102		7,378,935	
Payment of severance	-41,094,456		0	
Increase in deposit			-14,600,000	
2. Received interests	557,846		1,557,022	
3. Corporate tax payment	-89,492,732		-87,884,010	
<b>II. Cash Flows from Investment Activities</b>		<b>-5,237,319</b>		<b>-9,483,500</b>
1. Cash inflows from investing activities	-		-	
2. Cash outflows from investing activities				
Acquisition of Hardware	-3,062,319		-8,897,500	
Acquisition of software	-585,000		-586,000	
Acquisition of F&F	-1,590,000			
<b>III. Cash Flows from Financing Activities</b>		<b>-440,000,000</b>		<b>0</b>
1. Cash inflows from financing activities				
Issuance of common stock				
2. Cash outflows from financing activities	-		-	
Payment of dividend	-440,000,000			
<b>IV. Increase (decrease) in cash and cash equivalents (I + II + III)</b>		<b>-50,119,883</b>		<b>315,909,862</b>
<b>V. Cash and cash equivalents at the start of the period</b>		<b>648,042,701</b>		<b>332,132,839</b>
<b>VI. Cash and cash equivalents at the end of the period</b>		<b>597,922,818</b>		<b>648,042,701</b>

  
You Jia Huang  
Financial Controller  
2019.5.23