

YoungLimWon Soft Lab

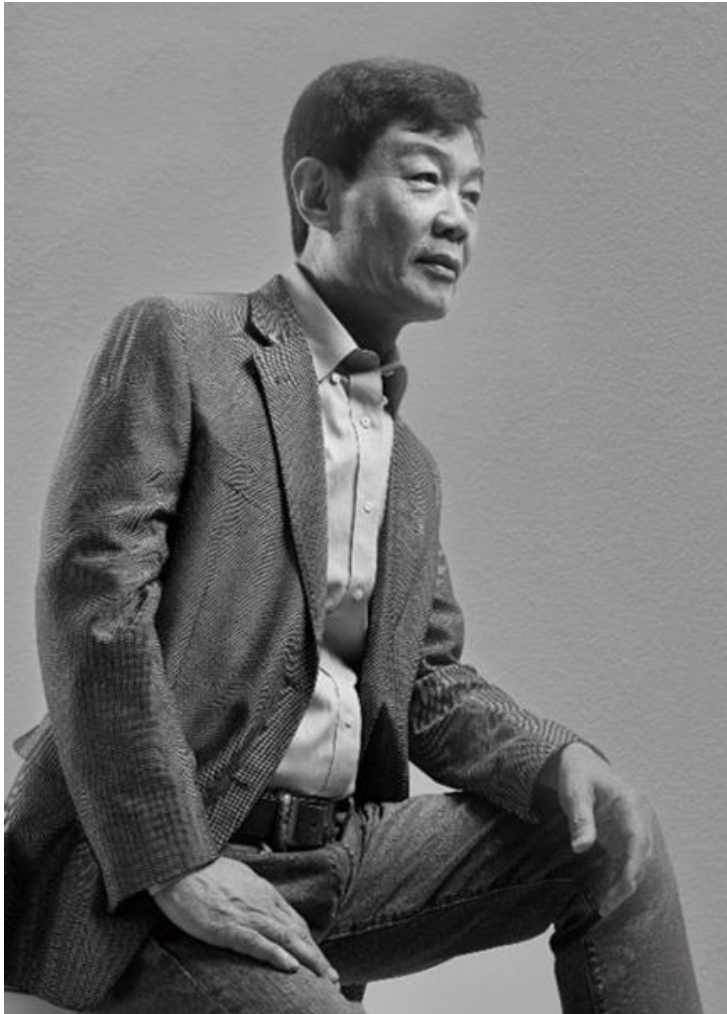
INVESTOR RELATIONS 2023



Disclaimer

This material is not prepared for the purpose of recommending investment but enhancing investors' understanding and providing various information that can be used as a reference for making investment decisions. However, at the present time, the future matters, including the company's plans, estimates, and projections, may differ from actual results, and the company cannot guarantee the accuracy and the completeness of all information. Therefore, the investment decisions with reference to this document must be made solely under the investor's own judgment and responsibility, and the company does not take any responsibility for the results of any investment activities conducted based on the contents of this document. In other words, these data cannot be used as the proof of the legal responsibility for the results of investors' investment under any circumstances.

CEO message



For the past 30 years, YounglimWon Soft Lab has focused on enhancing its competitiveness in Enterprise Resource Planning (ERP) industry. Now, it has grown to the point where it can compete with not only domestic but also global ERP companies and we're confident that it will continue to sustain this growth trajectory in the future.

Since the successful launch of the industry-specific customized ERP, 'K-System Ace,' in 2021, it has secured the stable sales stream from the steady demand. It plans to continue to expand its spectrum by challenging various vertical industries, such as aerospace, defense and high-tech.

Regarding its cloud products, YoungLimWon Soft Lab is making a significant progress in market penetration by utilizing its distinctive expansion solutions, such as 'EverTime', 'EverPayroll' and 'AI Business Analysis' features.

YoungLimWon Soft Lab does not neglect to explore and discover new business opportunities. We will secure a new growth engine with 'Flexstudio', which supports and distributes mobile apps that companies can build quickly and easily even with less app development and design skills.

I would like to express my deepest gratitude to all of you who have provided continuous encouragement and support for YoungLimWon Soft Lab's growth over the past 30 years.

CEO Young-Bum Kwon



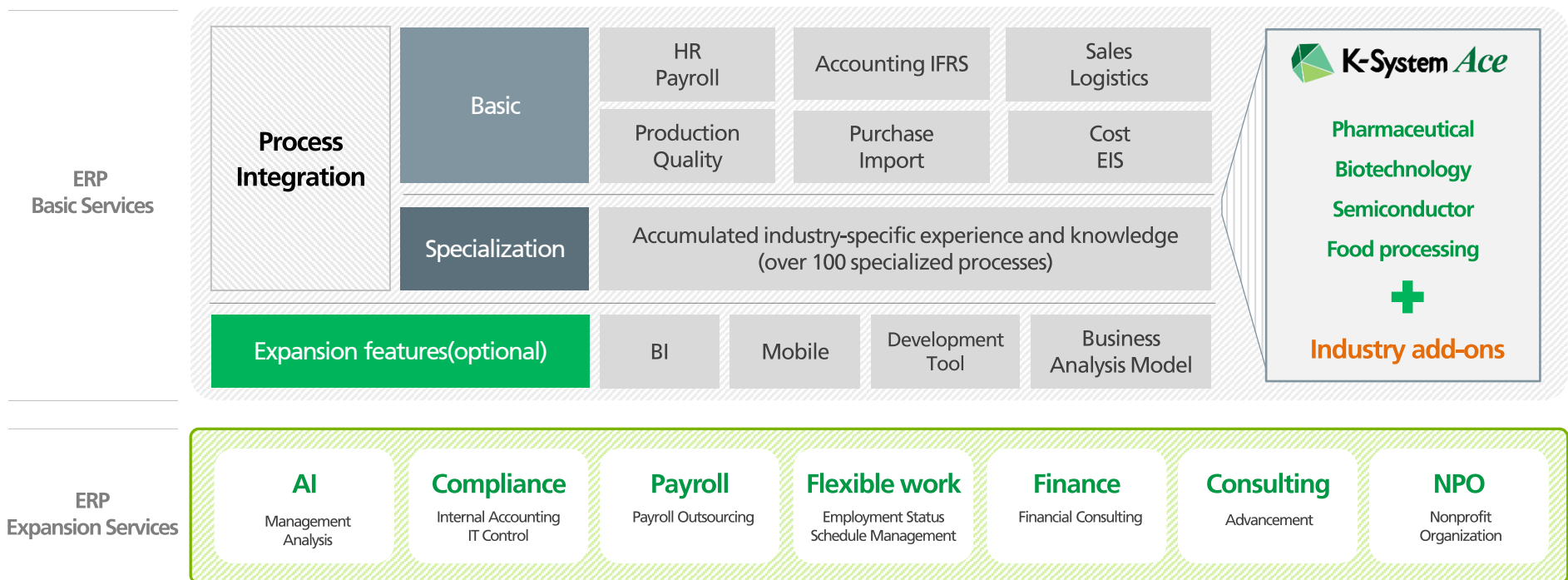
Needs of ERP

The essence of digital transformation is ERP!
ERP is the core of enterprise information systems

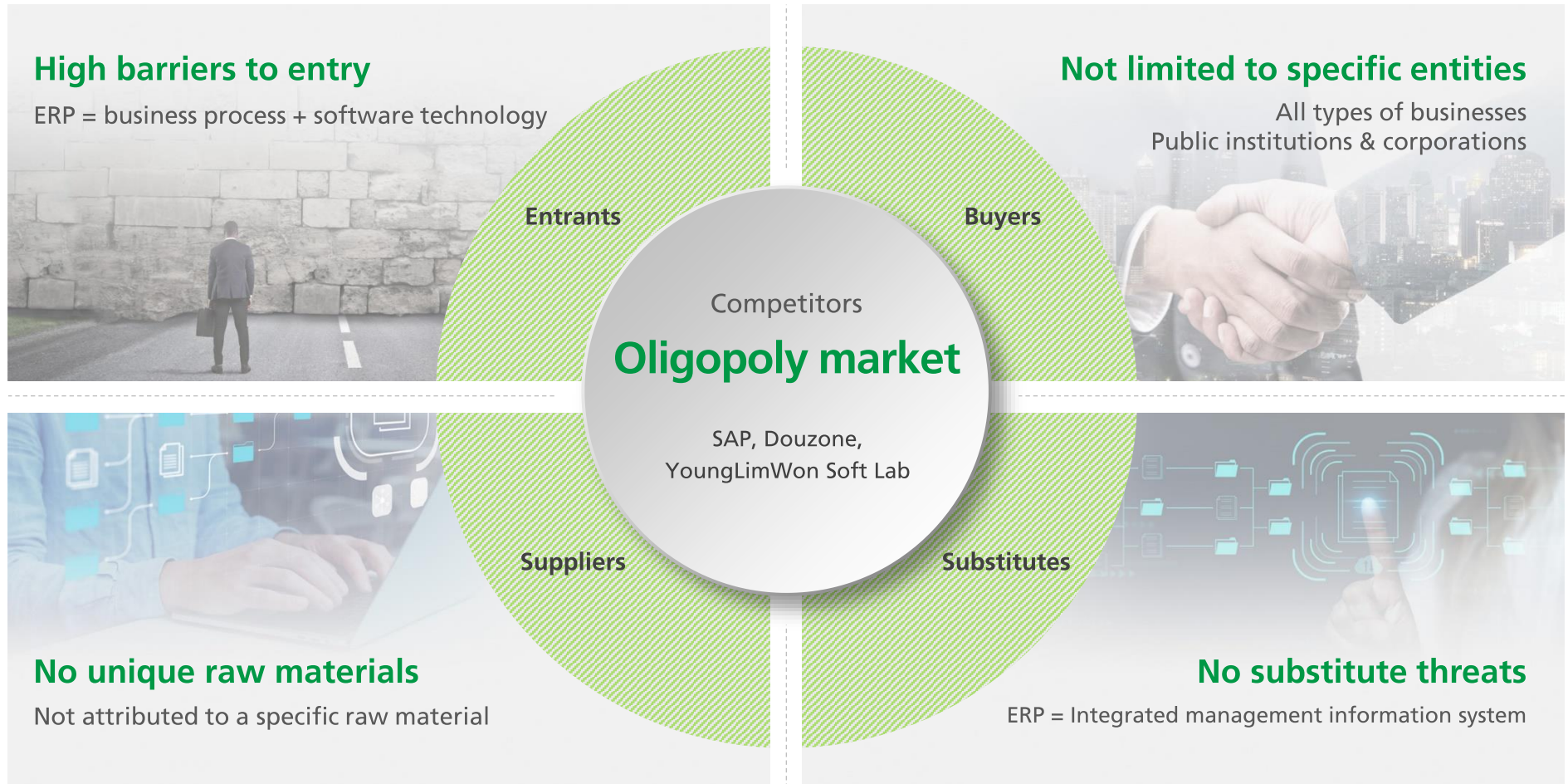
ERP

Real-time sharing of entire company data to integrated corporate management processes

Enterprise Resource Planning



Characteristics of the ERP market



* Source: Michael Porter's industrial structure analysis model

Growth rate of the ERP market(1)

YoungLimWon Soft Lab growing doubly compared to overall ERP market

95% of new customers at YoungLimWon Soft Lab are customers who have already used ERP.
 Maintaining competitiveness in the market with trust and reputation built up over 30-year foundation.

(Unit: KRW 100 million)

YoungLimWon Soft Lab Annual performance	2020	2021	2022	CAGR
Revenue	438.7	477.0	575.2	14.51%
YOY growth rate	15.5%	8.7%	20.6%	
Operating profit	42.6	43.3	64.1	22.67%
YOY growth rate	-0.2%	1.6%	48.0%	
Operating profit margin rate	9.7%	9.1%	11.1%	

※ Source: YoungLimWon Soft Lab

YoungLimWon Soft Lab Net-new ERP revenue	2020	2021	2022	CAGR
Revenue	233.7	260.0	313.1	15.75%
The share to total market revenue	5.3%	5.5%	6.1%	
Korea ERP market revenue(IDC)	4,391.8	4,751.2	5,131.8	8.10%

※ Source: IDC Korea

Annual ERP performance forecast	2022	2023(F)	2024(F)	2025(F)	2026(F)
Korea ERP market size	5,131.7	5,351.1	5,625.9	5,769.1	5,880.3
YOY growth rate		4.3%	5.1%	2.5%	1.9%
CAGR	3.5%				

※ Source: IDC 1H22

Growth rate of the ERP market(2)

YoungLimWon Soft Lab Ranked 3rd among domestic ERP annual performance announcements

Since 2020, YoungLimWon Soft Lab has maintained its 3rd place in market share.

(Unit: KRW 100 million)

Companies	2020		2021		2022	
	ERP Market	%	ERP Market	%	ERP Market	%
SAP	109,928	25.0%	112,651	23.7%	109,711	21.4%
Douzone Bizon	82,775	18.8%	88,440	18.6%	86,091	16.8%
Younglimwon Softlab	23,366	5.3%	25,959	5.5%	31,309	6.1%
Workday	20,929	4.8%	23,693	5.0%	28,013	5.5%
Oracle	17,371	4.0%	18,575	3.9%	20,547	4.0%
Works Human Intelligence	21,831	5.0%	20,957	4.4%	20,504	4.0%
Monday.com	5,180	1.2%	9,638	2.0%	16,042	3.1%
Bizentro	12,973	3.0%	13,867	2.9%	14,821	2.9%
Microsoft	7,446	1.7%	8,229	1.7%	9,140	1.8%
Others	137,384	31.3%	153,116	32.2%	176,997	34.5%
Total	439,182		475,125		513,176	
Korea ERP market revenue(IDC)		4,391.8		4,751.2		5,131.8

※ Source: IDC Korea

The share of maintenance business

Of the total revenue, the share of the recurring revenue from "maintenance and cloud" remained at 30%

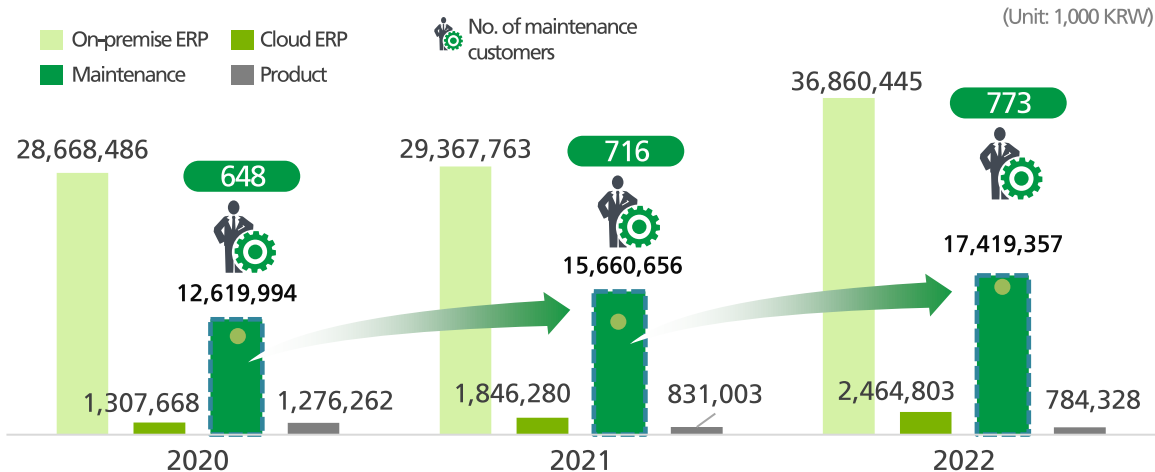
Securing business stability through repeated inflow of stable maintenance profit.

Providing R&D investment for new products and services.

(Unit: 1,000 KRW)

Category	2020		2021		2022	
	Sales	%	Sales	%	Sales	%
On-premise ERP	28,668,486	65.3%	29,367,763	61.6%	36,860,445	64.1%
Cloud ERP	1,307,668	3.0%	1,846,280	3.9%	2,464,803	4.3%
Maintenance*	12,619,994	28.8%	15,660,656	32.8%	17,419,357	30.3%
Product	1,276,262	2.9%	831,003	1.7%	784,328	1.3%
	43,872,410	100.0%	47,705,702	100.0%	57,528,932	100.0%

* including additional customization



Stable profit structure

Customer inflow



Continuous inflow of **100 +** new customers annually

Profitability of maintenance revenue



6-month average conversion period from free to paid service

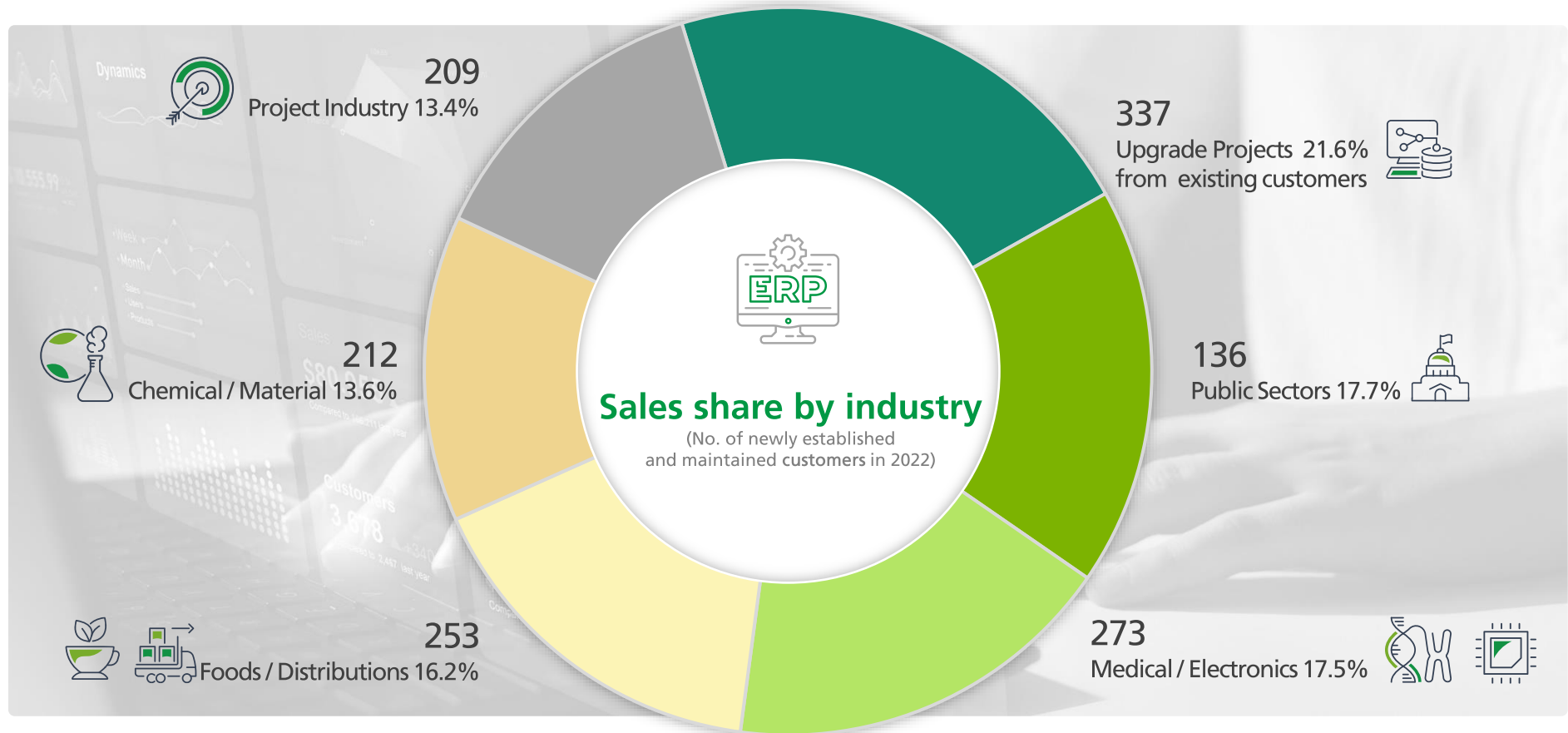
10-year average maintenance contract duration

15% of licensing and development revenues flowing annually

80% approx. operating margin to maintenance revenue

The revenue splits

Maintain a stable portfolio with an equal share of the revenue across diverse industries



Major customers by vertical industry

Electrical/ Electronics/ Battery	IT Services	Semiconductor Equipments	Food Processing	Pharmaceutical/ Biotechnology	Automobile	Chemical	Public Sectors	Financial Others	Manufacturing/ Distributions	Global
 POWERLOGICS										
										
										
										
										
										
										

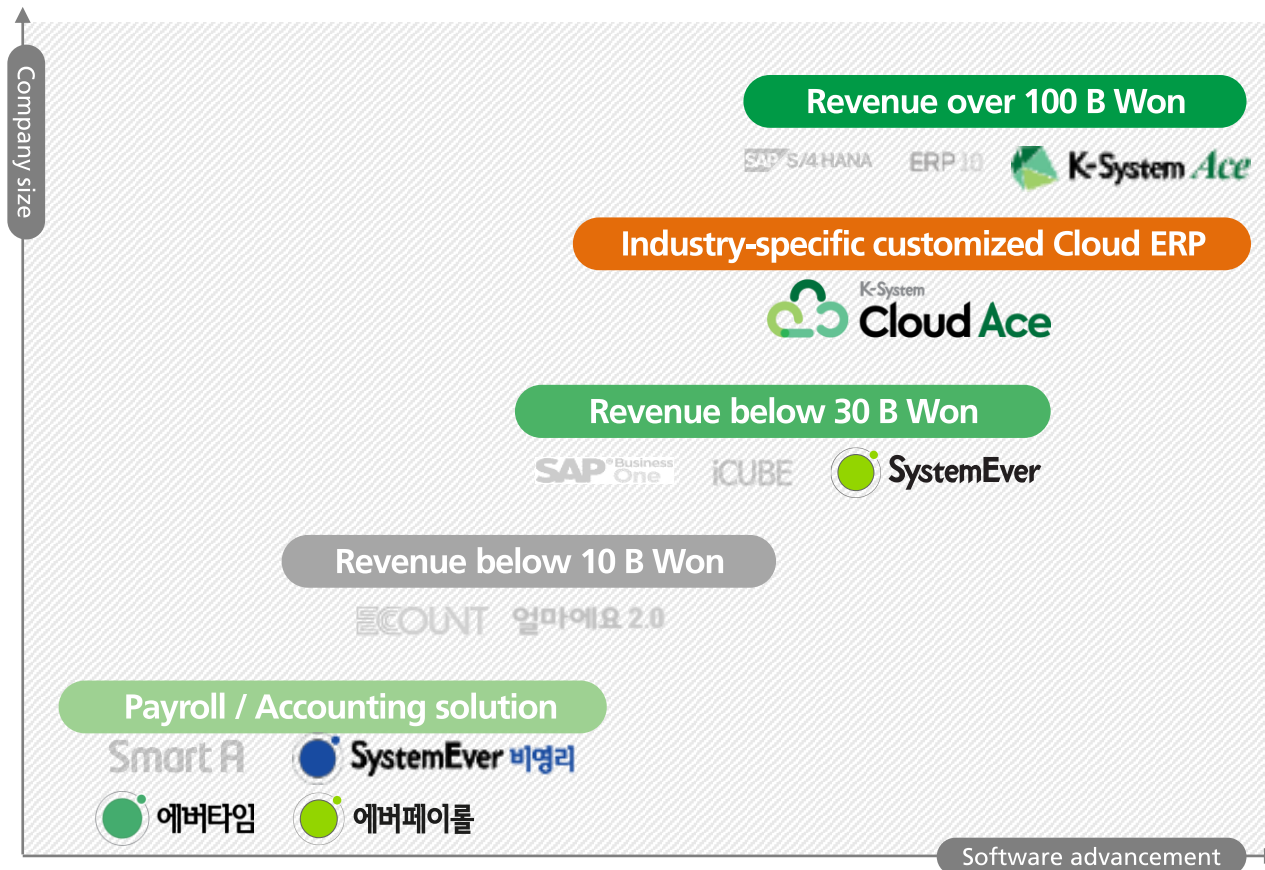
Main business areas

Customized ERP & cloud ERP business for targeted customers



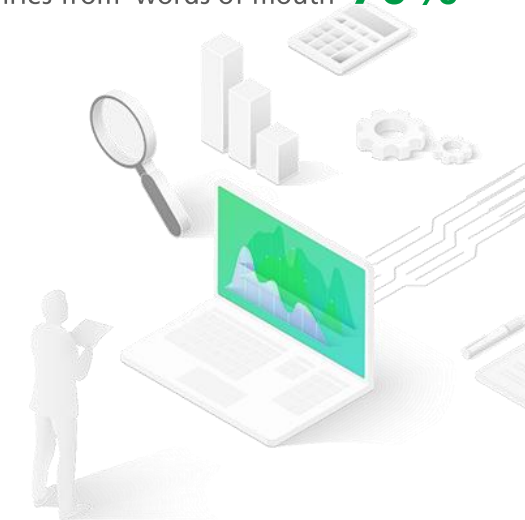
Positioning of the ERP market

Providing a variety of ERP products that fit different enterprise sizes



Purely B2B Market :

- Enterprise oriented
- Reputation significantly impacting on awareness
- Sales inquiries from 'words of mouth' **70%**



Differentiations among main products



Product	Customization	Delivery Type	Company size in revenue	Revenue Sources	Recurring revenue	Remarks
K-System Ace	Full	On-Premise (IaaS)	Over 100 B Won	License, Consulting, Customization	Monthly fee for maintenance	License : Consulting : Customization = 40 : 30 : 30 approx. Usual project size: 300 ~500 M Won Monthly fee for maintenance: 2 ~ 3 M Won
K-System Cloud Ace	5MM or less	IaaS / PaaS	30 ~ 100 B Won	Consulting, Customization	Monthly fee	Consulting + Customization: 50 ~ 100 M Won Monthly fee: 2 ~ 2.75 M Won
SystemEver	1MM or less	SaaS	10 ~ 30 B Won	Consulting, Little Customization	Monthly fee	Consulting: 1~10 M Won Monthly fee: 0.4 ~1.2 M Won(0.7 M Won avg.)

Evolution of YoungLimWon ERP

Substantial revenue growth benefitted from product enhancement and ERP's crucial role in Digital Transportation

2008~2015

Market expansion with 'K-System Genuine'

- Expanding target customers whose revenue size to 30~300 B Won
- 40~50 new customers per year on average
- Laying the groundwork for future business with cloud ERP platform

2016~2020

Establishment of vertical ERP

- + - Accelerating sales of 'K-System Genuine'
- + - Launch 'K-System Ace'

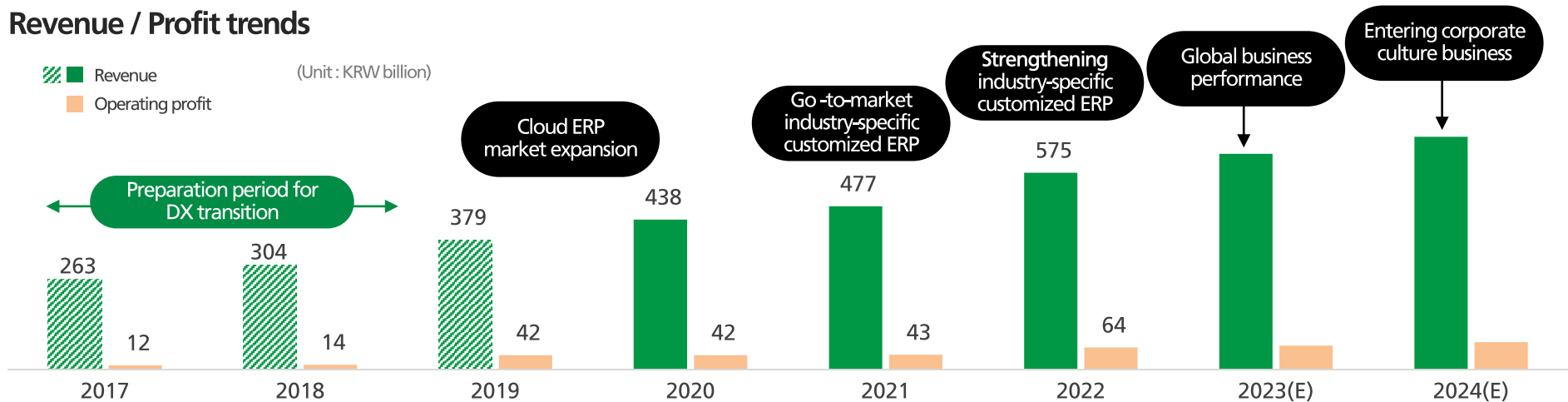
- Expansion of active sales force
- Development of new products
- Revenue growth from 25 to 44 B Won
- Increasing the operating profit from 1.1 to 4.1 B Won

2021~

Investment for future growth

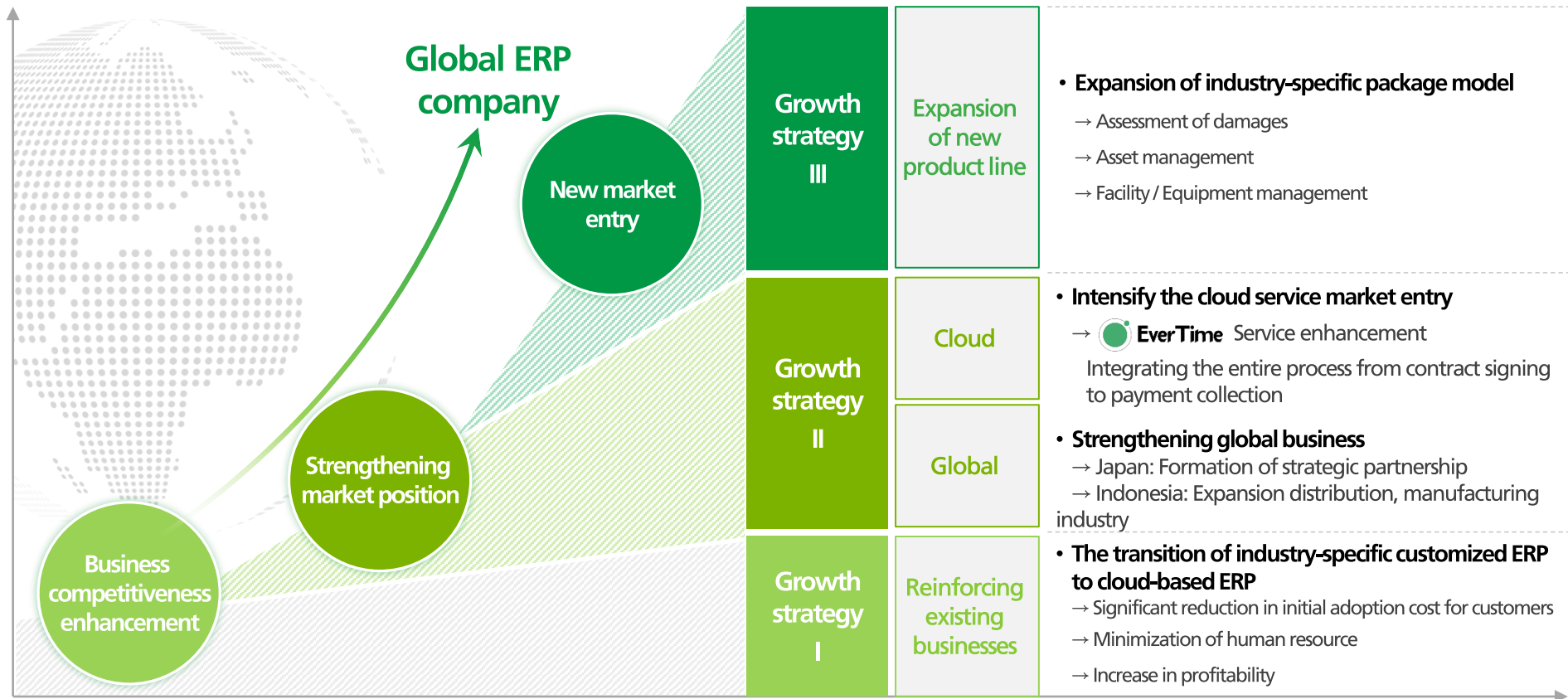
- + - Expansion of professional workforce and product enhancement
- + - Expansion of 'K-System Ace' industry models
- Strengthening domestic/overseas marketing of cloud ERP 'SystemEver'
- Launching cloud version of industry-specific customized ERP 'K-System Ace'
- Entering a corporate culture business

Revenue / Profit trends



Growth strategy plan

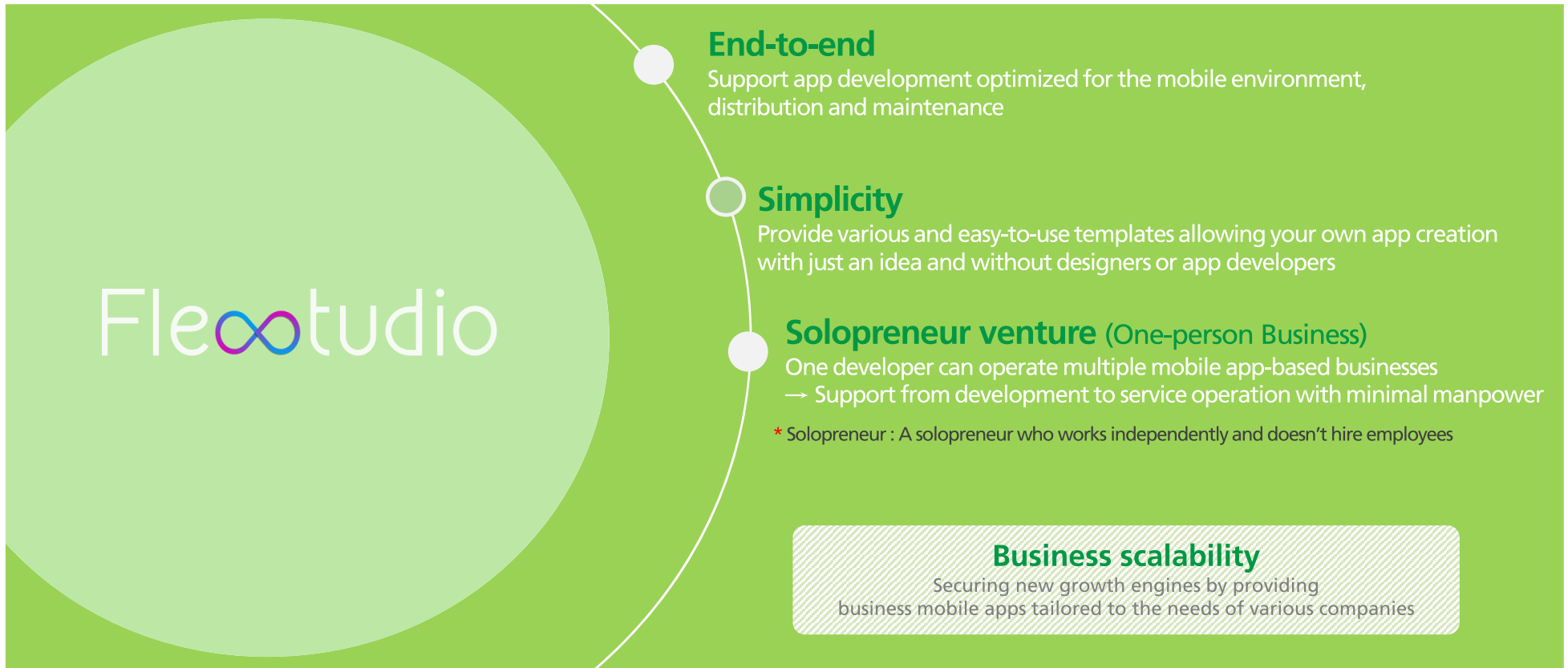
Leap to a global ERP company through the implementation of a strategic growth roadmap



New business - Support for corporate culture innovation, "Flexstudio"

Launch mobile development tool service based on accumulated cloud and mobile technology know-how

Developing and operating mobile applications in the form of SaaS by using "Flexstudio"



Appendix

- 01. Company overview
- 02. Consolidated summary financial statement
- 03. Industry-specific customized ERP 'K-System Ace'



Company overview

Company profile

Company name	YoungLimWon Soft Lab Co., Ltd
CEO	Kwon, Young Bum
Establishment date	May 22, 1993
Capital	KRW 40.65 B (as of December 2022)
Business area	Software development & Supply
No. of employees	344 (as of December 2022)
HQ address	583 Yangcheon ro, Gangseo gu , Seoul, Korea
Official homepage	www.ksystem.co.kr

Mission & Vision

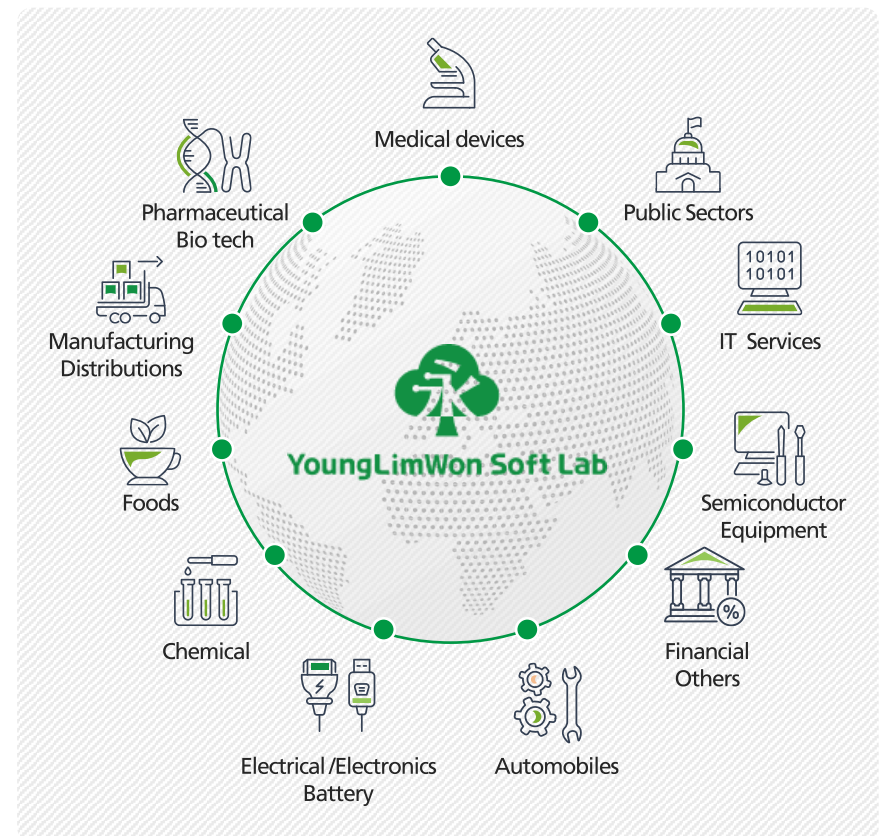
Mission

We provide the best solutions and impressive services to help our customer companies improve their management, lead Asian market, and ultimately expand globally.

Vision

As #1 ERP company in Asia, We contribute to 'the development of humanity' by helping customer companies' innovation

Industries



Consolidated summary financial statement

The consolidated financial statement

(Unit : KRW million)

Category	2020	2021	2022
Current assets	36,073	37,720	44,035
Non-current assets	16,405	18,344	17,333
Total assets	52,479	56,063	61,368
Current liabilities	11,239	9,125	12,981
Non-current liabilities	7,485	9,549	4,651
Total liabilities	18,725	18,674	17,632
Capital	4,066	4,066	4,066
Additional paid-in capital / retained earnings	19,420	19,420	19,420
Accumulated earnings / retained earnings	10,243	14,502	21,339
Total equity	33,754	37,390	43,736

The consolidated income statement

(Unit : KRW million)

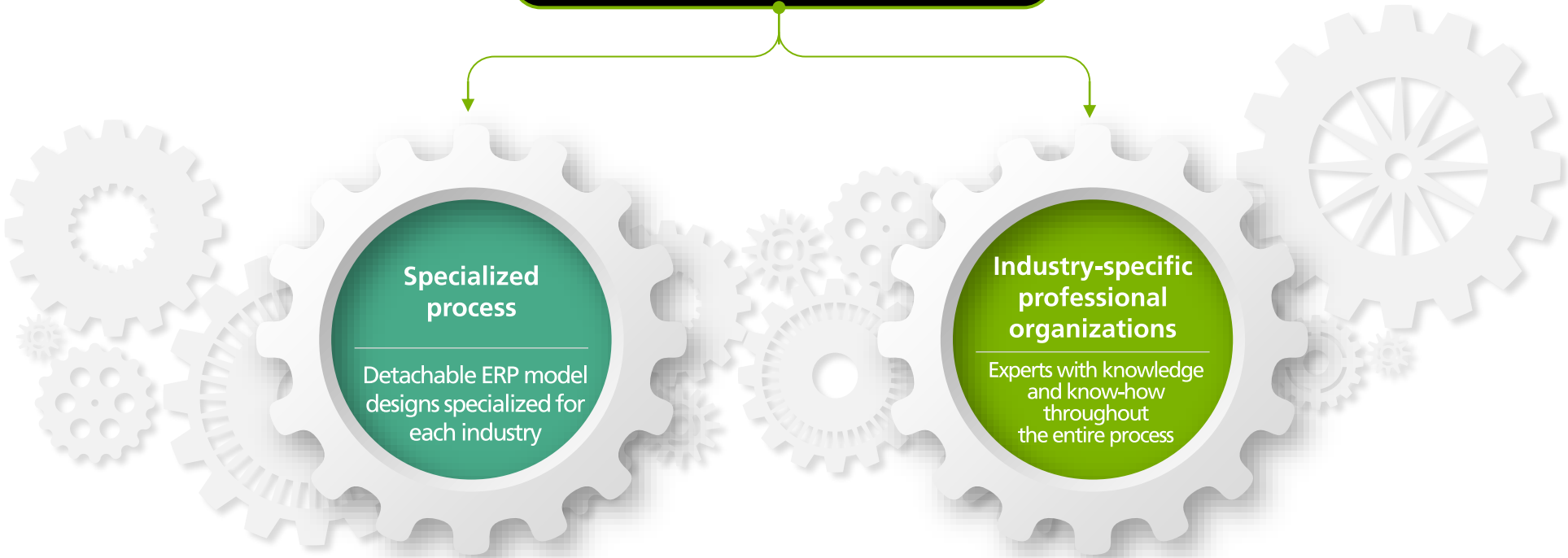
Category	2020	2021	2022
Sales revenue	43,872	47,706	57,529
Cost of goods sold (COGS)	23,706	25,308	30,587
Gross profit	20,166	22,398	26,942
Selling and administrative expenses (SG&A)	15,906	18,060	20,529
Operating profit	4,260	4,338	6,413
Other income/expenses	260	317	314
Financial income/expenses	(207)	275	435
Continuing business income before income tax	4,314	4,930	7,162
Net income	4,864	4,937	7,149

Industry-specific customized ERP 'K-System Ace' (1)

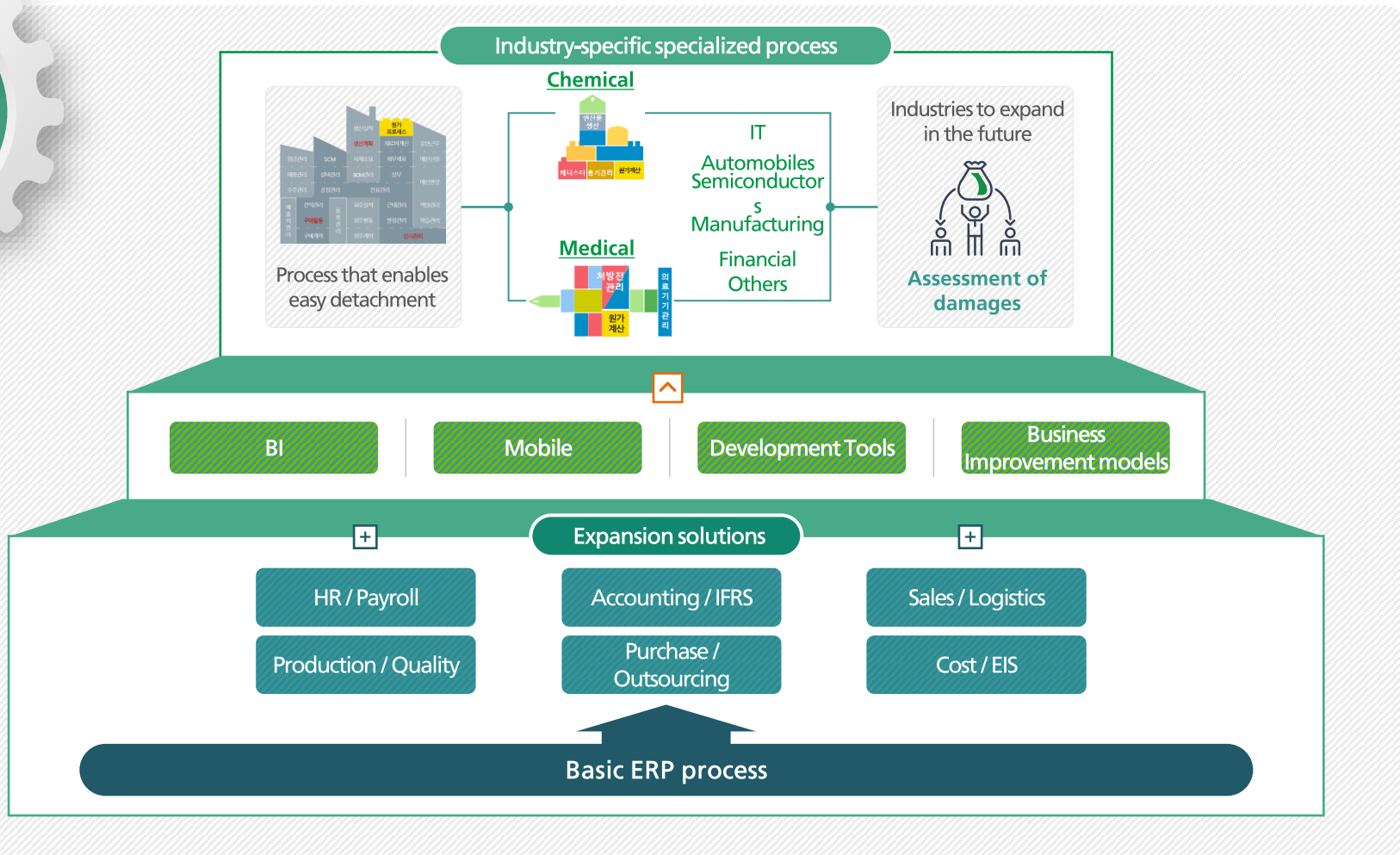


K-System Ace is a customized industry-specific ERP based on YoungLimWon Soft Lab's technology and know-how accumulated over 30 years and designed to be flexible to suit the processes of various industries.

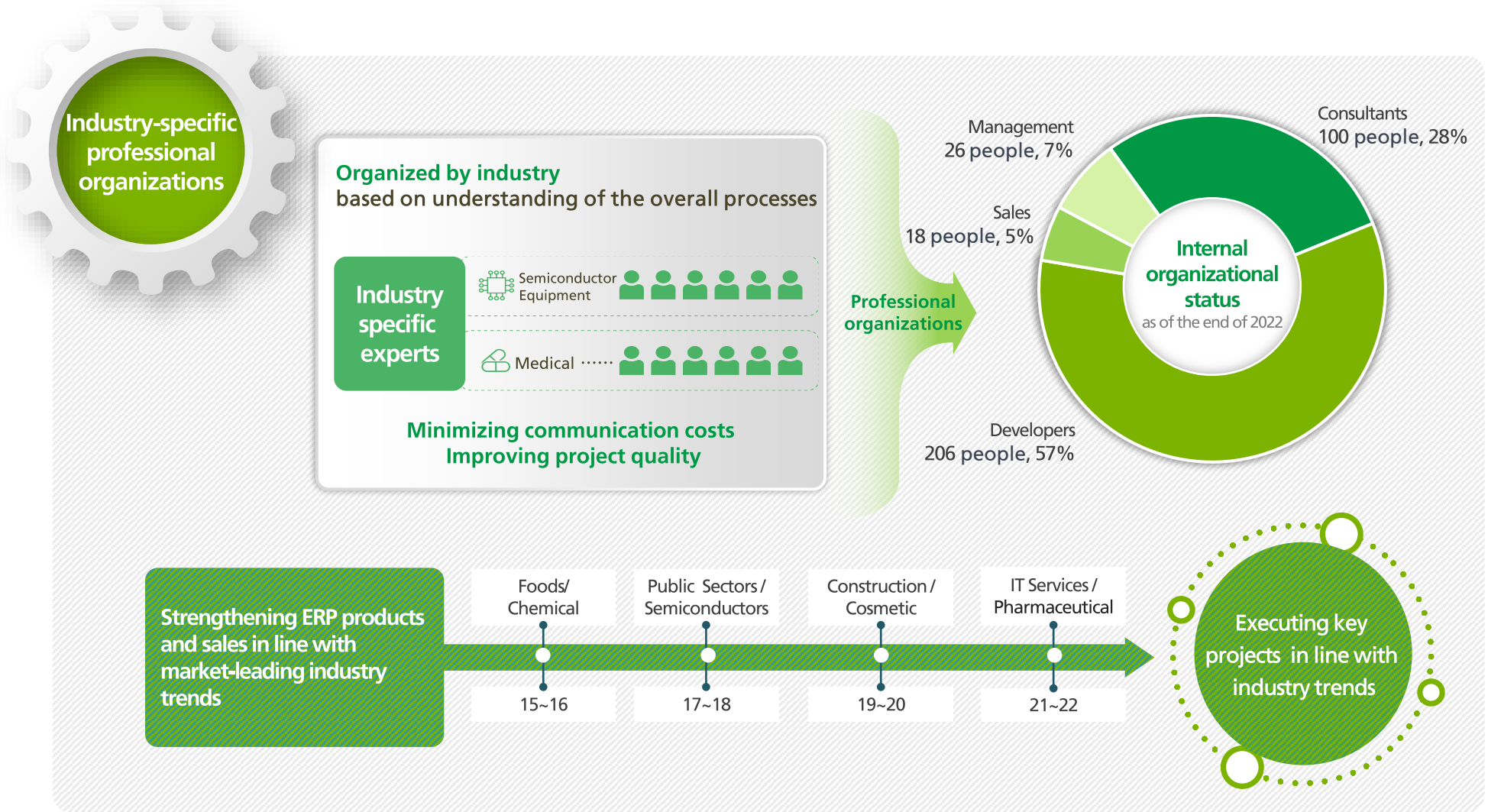
Expansion of specialized industries



Industry-specific customized ERP 'K-System Ace' (2)



Industry-specific customized ERP 'K-System Ace' (3)



YoungLimWon Soft Lab Co.,Ltd.

Making your business better