

INVESTOR RELATIONS 2023

The Second Quarter of 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.

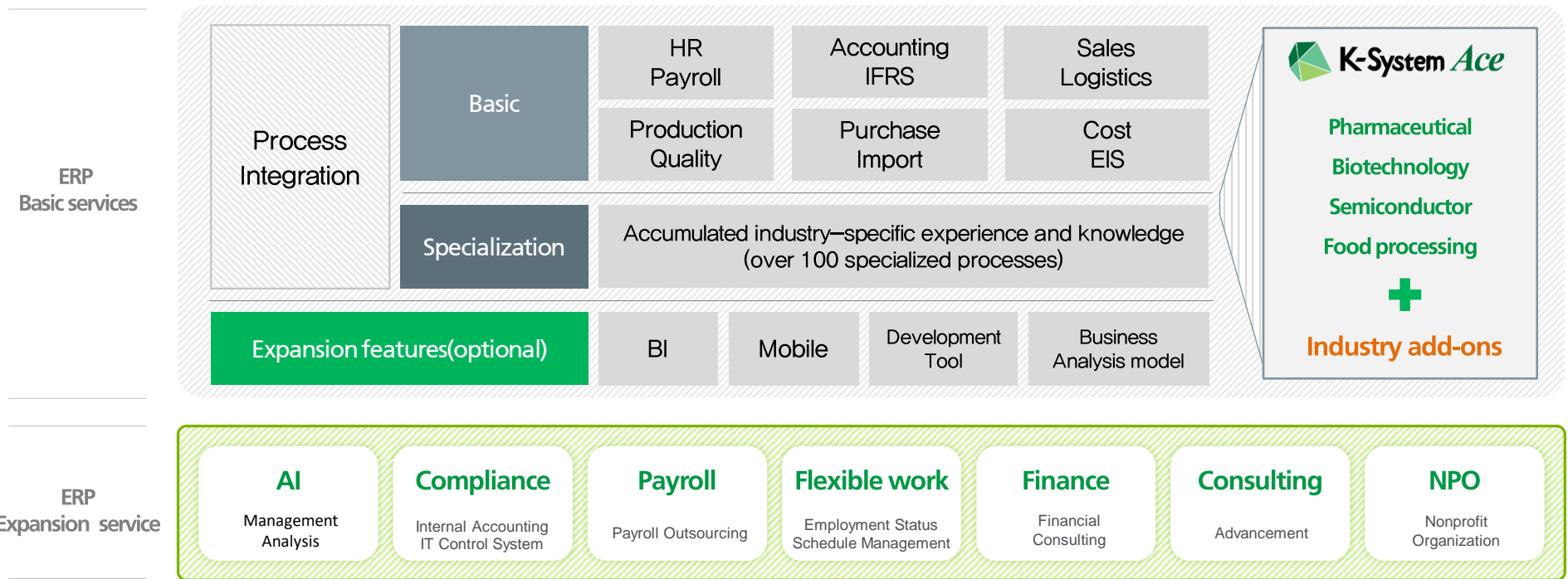
Needs of ERP

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

ERP

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

Enterprise Resource Planning



2nd Quarter Business Performance

2nd Quarter 2023 Revenue: KRW 14 billion (YoY +0.7%) Operating Profit: KRW 780 million (YoY +1.7%)

- The increase in supply of ERP systems to public corporations, including public interest corporations, is driving order growth.
- Investment in Indonesia operations and the development of skilled personnel are affecting operating profits.
- Expectation of Recovery in Second-half Performance Growth Due to Increase in Order Backlog Resulting from Active Execution of IT Investments.

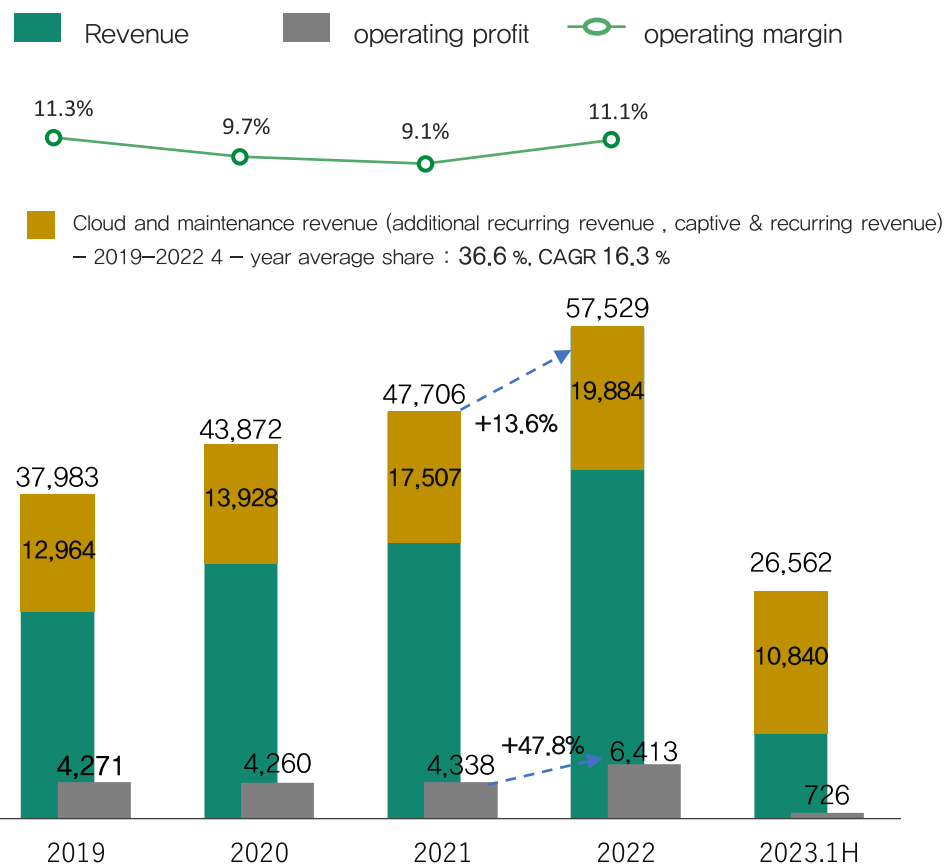
Quarterly profit and loss

Unit : KRW million

Segment	22.1H	23.1H	YoY	22.2Q	23.2Q	YoY
Revenue	27,819	26,562	-4.5%	13,887	13,990	0.7%
K-System (On-Premises)	18,118	15,424	-14.9%	8,902	7,994	-10.2%
System Ever (SaaS)	1,100	1,660	50.9%	574	847	47.6%
Maintenance service	8,179	9,180	12.2%	4,290	4,947	15.3%
Others	422	298	-29.4%	120	201	67.5%
Operating Profit (Loss)	2,697	726	-73.1%	769	781	1.7%
operating profit margin	9.7%	2.7%	-	5.5%	5.6%	-
Net Income (loss)	3,012	1,429	-52.6%	1,017	921	-9.4%
Net Income Margin	10.8%	5.4%	-	7.3%	6.6%	-

Yearly profit and loss

Unit : KRW million

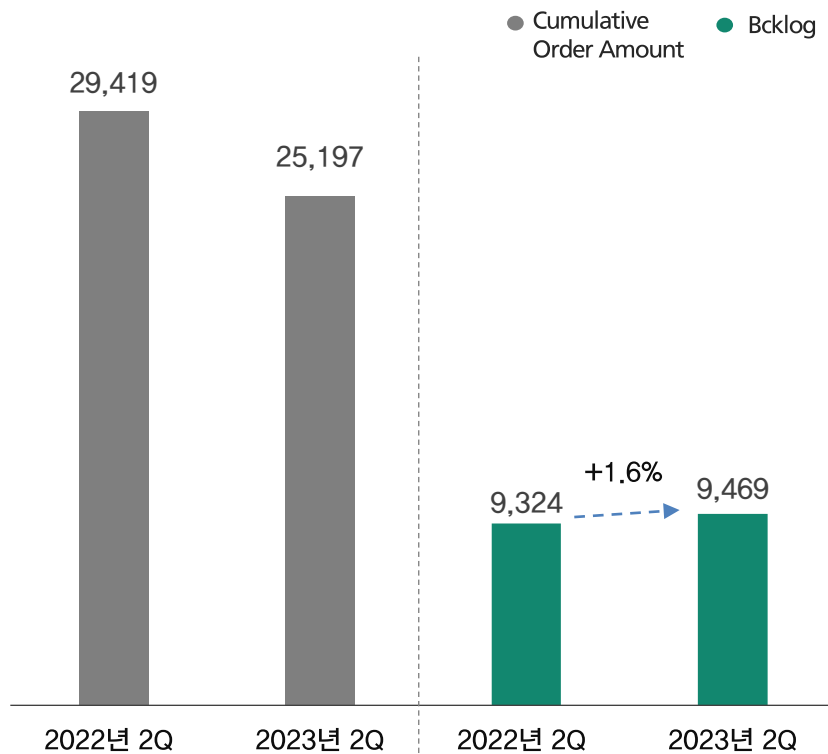


K-System Business

- In 2Q 2023, cumulative orders reached 25.2 billion KRW.
- The accumulated order balance stood at 9.5 billion KRW by the end of the 2nd quarter of 2023.
- Demand for non-profit ERP and 'K-System Ace Public' drove order growth.
- Major contracts secured in pharma, biotech, materials, chemicals, etc.
- ERP projects with partners succeeding, gaining clients in franchises, shipbuilding, etc.

K-System orders

Unit : KRW million



K-System order backlog

Unit : KRW million



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 : KRW 1,000

Category	2020		2021		i2022		1H 2023	
	Sales	%	Sales	%	Sales	%	Sales	%
On-premise ERP	28,668,486	65.3%	29,367,763	61.6%	36,860,445	64.1%	15,423,843	58.1%
Cloud ERP	1,307,668	3.0%	1,846,280	3.9%	2,464,803	4.3%	1,660,037	6.2%
maintenance *	12,619,994	28.8%	15,660,656	32.8%	17,419,357	30.3%	9,180,342	34.6%
Product	1,276,262	2.9%	831,003	1.7%	784,328	1.3%	297,955	1.1%
	43,872,410	100.0%	47,705,702	100.0%	57,528,932	100.0%	26,562,177	100.0%

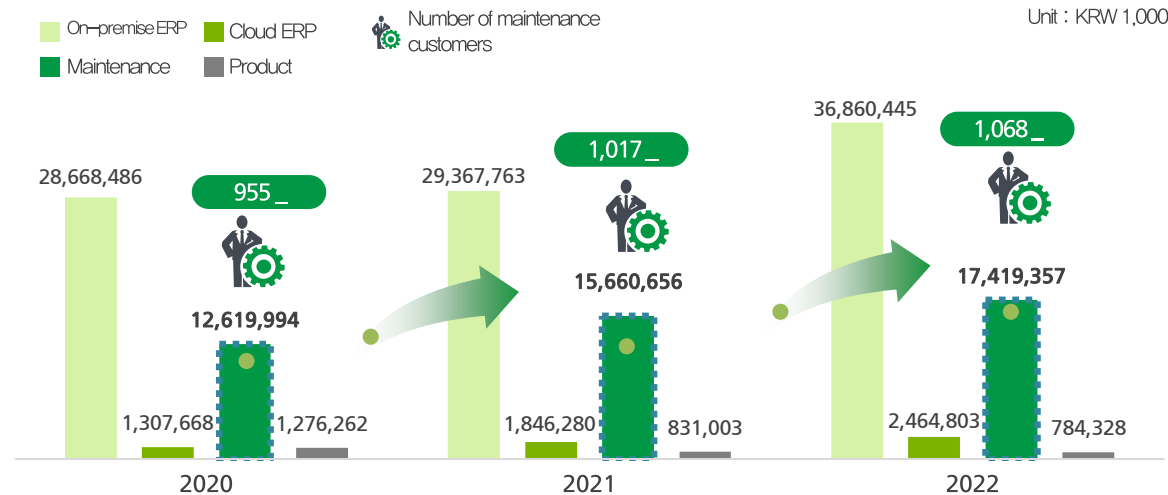
Maintenance Customers: 1,120

(as of the end of June 2023)

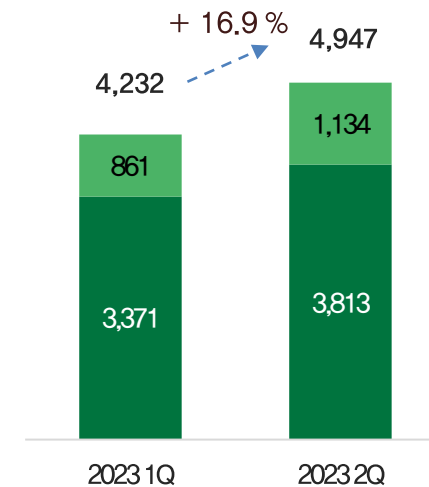
- Customized Younglimwon Based on ERP- using clients
 (Including partner companies supported customers)

Unit : KRW million

* Note : Maintenance includes additional customization



■ Additional development, consulting
 ■ maintenance



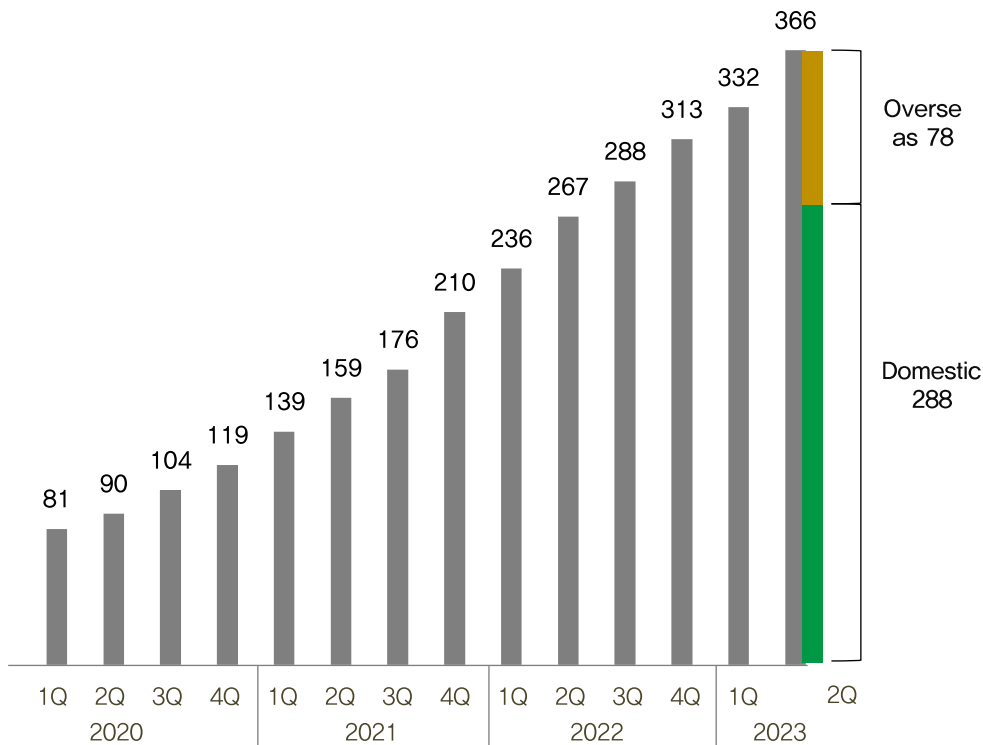
Cloud service Business

- As social welfare demands rise, efficiency enhancement and accounting transparency become crucial for non-profit organizations. This drives the expansion of non-profit ERP supply.
- Continued growth in new clients for EverTime, EverPayroll, and SystemEver services.
- Accelerate the increase in the number of new customers in the overseas sector as of Q2 2023

Cloud ERP Service New Customer

Unit : pieces

Domestic / Overseas cloud customers (Cumulative)



Cloud ERP Service Status

- **Steady increase in EverTime and EverPayroll clients due to the expansion of flexible work arrangements.**

Expansion of EverTime and EverPayroll adoption among existing YoungLim Won ERP clients

- Increased adoption among existing manufacturing and distribution clients to accommodate flexible work arrangements.
- Attraction of large clients by MetaNet Global and major consulting firms.

Positive trend in SystemEver's non-profit orders

- Completed non-profit implementation for "Beautiful Foundation" through SystemEver.
- Ongoing project for a "Large Religious Corporation" in a built-in format.

- **Vision for the Future**

large IT companies in Japan / Establishment of Indonesia development center

- Japan: We are currently in the process of partnering with a major IT company in Japan and anticipate expanding our operations through this partnership.
- Indonesia: Following the successful transition to corporate status, we plan to establish a development center in Indonesia to secure exceptional talent.

Evertime / EverPayroll: Anticipated to retain substantial distribution and service clientele

- ➔ Continued growth is expected due to the adoption of flexible work arrangements

Appendix

01. Company Overview

02. Consolidated summary financial statements



Company overview

Company profile

Company name	YoungLimWon Soft Lab Co.,Ltd
CEO	Kwon, Young Bum
Establishment date	May 22, 1993
Capital	KRW 40.65 Bil(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

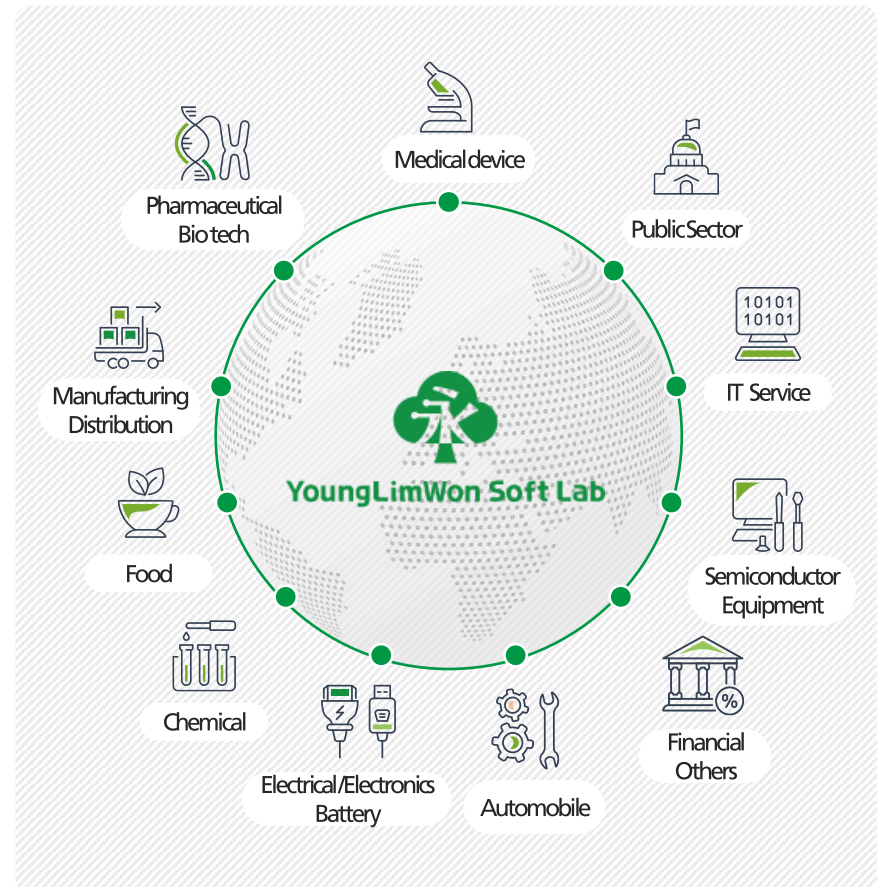
We provide the best solutions and impressive services to help our customer companies improve their management, lead the Asian market, and ultimately expand globally.



Vision

We contribute to the development of humanity by helping customer companies innovate as the number one ERP company in Asia.

Industries



Consolidated Summary Financial Statements

The consolidated financial statement

Unit : KRW million

Category	2020	2021	2022	2023.1H
Current assets	36,073	37,720	44,035	39,290
non-current assets	16,405	18,344	17,333	17,841
Total assets	52,479	56,063	61,368	57,131
current liabilities	11,239	9,125	12,981	9,909
non-current liabilities	7,485	9,549	4,651	3,325
Total liabilities	18,725	18,674	17,632	13,234
Capital	4,066	4,066	4,066	4,066
Additional paid-in capital / retained earnings	19,420	19,420	19,420	19,420
Accumulated earnings / retained earnings	10,243	14,502	21,339	21,536
Total equity	33,754	37,390	43,736	43,897

The consolidated income statement

Unit : KRW million

Category	2020	2021	2022	2023.2Q	2023.1H
Sales revenue	43,872	47,706	57,529	13,990	26,562
Cost of goods sold (COGS)	23,706	25,308	30,587	6,766	13,983
Gross profit	20,166	22,398	26,942	7,224	12,579
Selling and administrative expenses (SG&A)	15,906	18,060	20,529	6,443	11,853
Operating profit	4,260	4,338	6,413	781	726
Other income/expenses	260	317	314	(22)	271
Financial income/expenses	(207)	275	435	161	431
Continuing business income before income tax	4,314	4,930	7,162	921	1,429
Net income	4,864	4,937	7,149	921	1,429

Thank you



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