

Maximizing Potential

DOUZONE BIZON IR GUIDE BOOK

ENG. Ver | 2023.02.03

DOUZONE

The Ultimate Enterprise ICT Solution

DOUZONE is an ICT Group.

ICT creates and sustains businesses and
Helps your business succeed.

DOUZONE ICT maximizes your ability to
Communicate and Collaborate, Manage your Workforce,
Create Products and Provide Services,
Operate Funds, and Protect Company's Information.

Experience your Maximized Potentials
with DOUZONE ICT

Company Overview	Business Areas	03
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Business	WEHAGO	10
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	– FinTech	
	– X-Commerce	
	– Healthcare	
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“ The Only Company in Korea that Provides ” Comprehensive Enterprise Solutions & Services

Solutions(For corporate clients)



ERP



GroupWare



Data
Security



E-Fax



E-Tax Invoice



On-Premise



Platform

Key clients



Small
Corporations



Small &
medium-sized
Corporations



More established
Medium-size
corporations



Conglomerates

Profit model



Licensing
(Registration fee)



Customizing

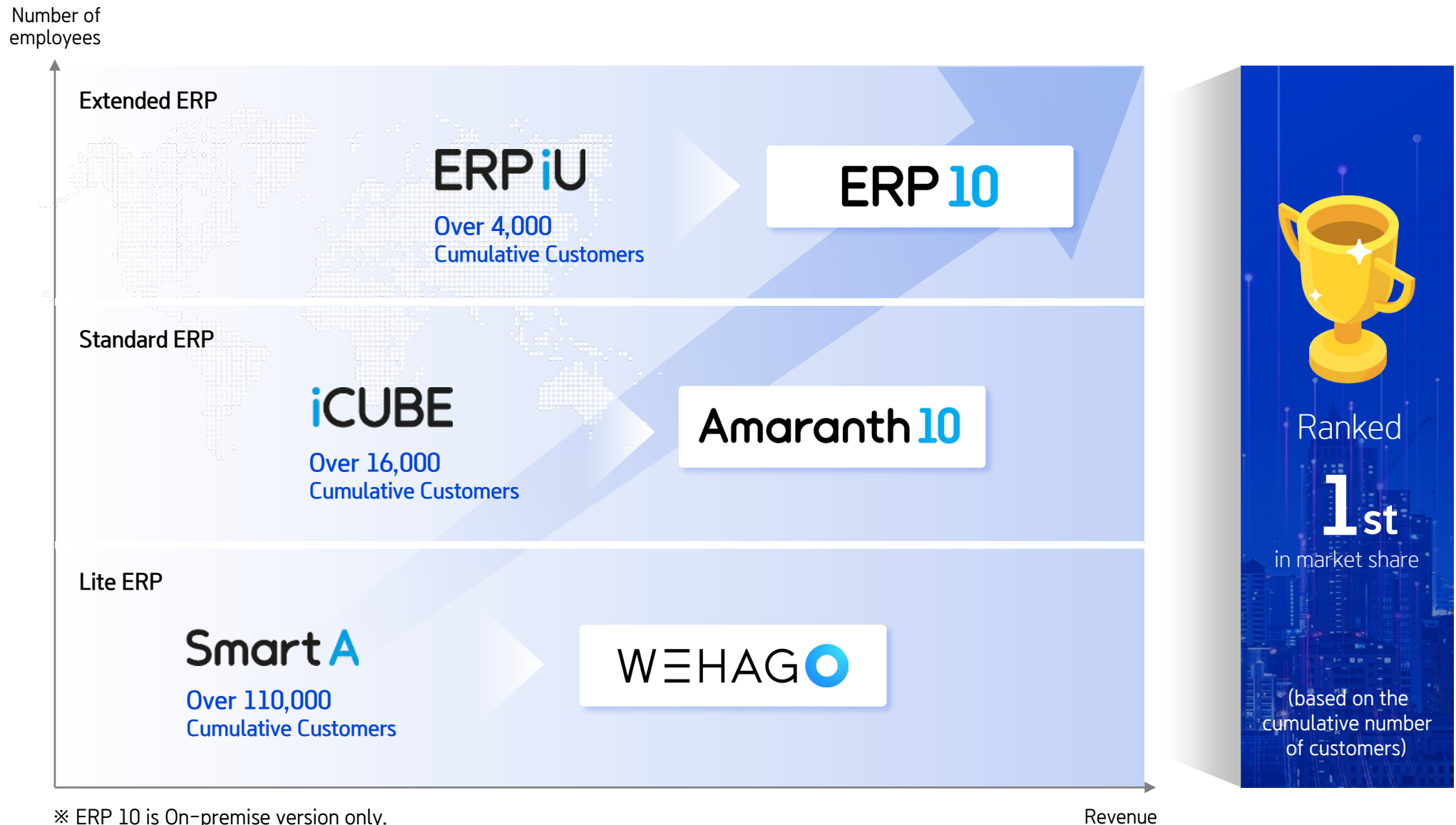


Maintenance &
repairs



Platform
Service Fees

2. ERP Line up



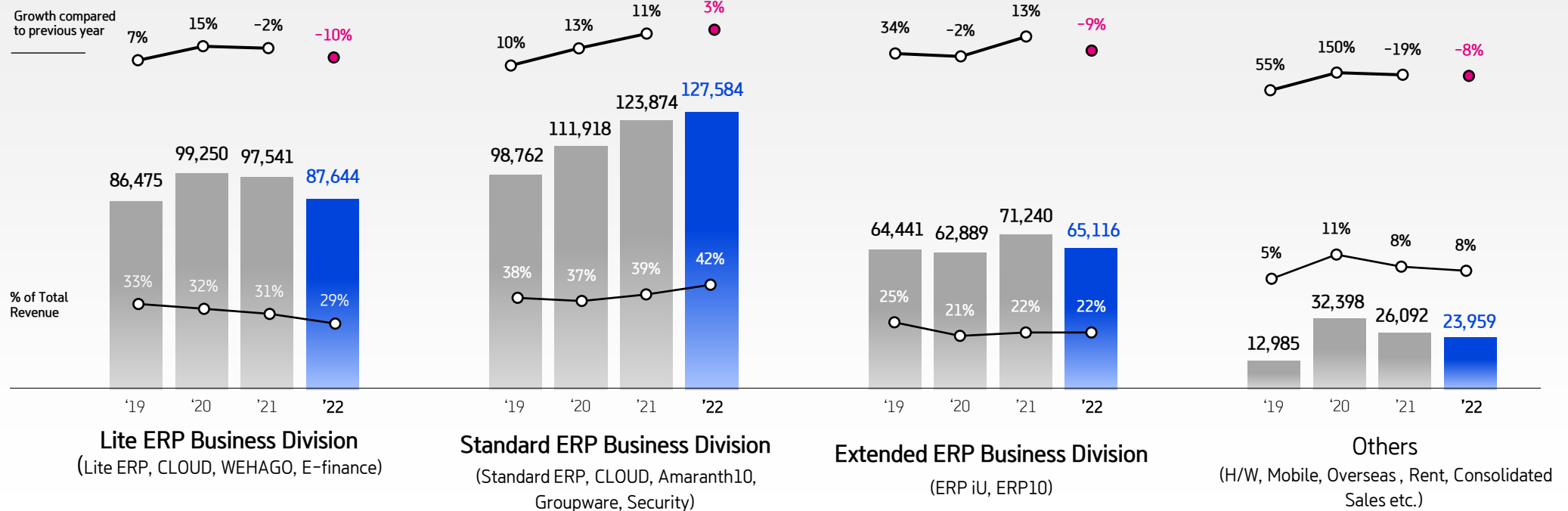
※ ERP 10 is On-premise version only.

※ Smart A product will be discontinued from technical support.

3. Revenue(based on consolidated financial statements)



[Unit : million KRW]



3-1. Lite ERP / Revenue Status (Consolidated Basis)

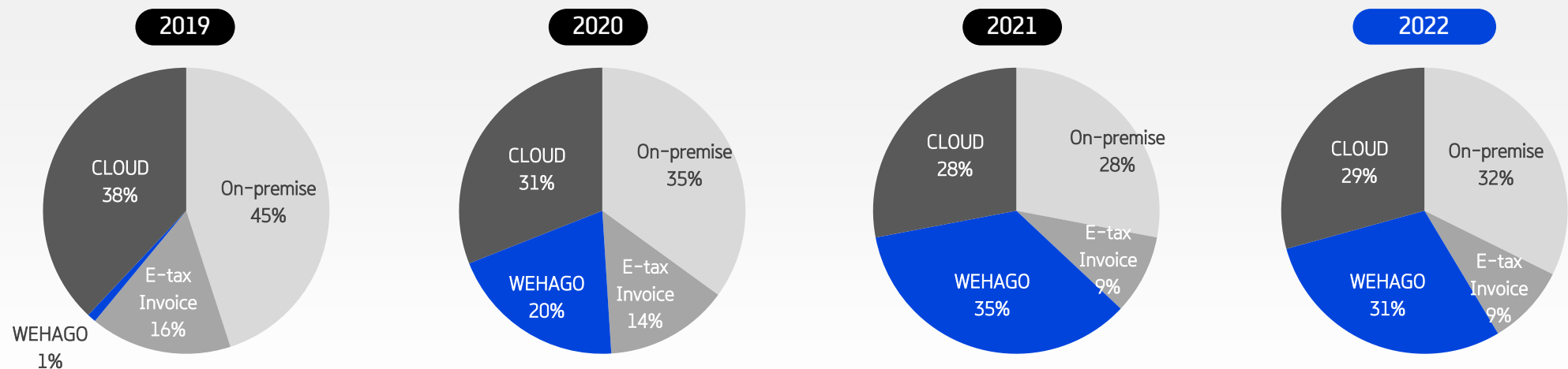
Lite / Revenue Status

[Unit : Million KRW]

Classification	2019			2020			2021			2022		
	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)
Lite ERP (On-premise)	39,015	-1%	15%	34,720	-11%	11%	27,173	-22%	9%	28,115	4%	9%
CLOUD	32,803	16%	13%	30,636	-7%	10%	27,170	-11%	9%	25,123	-8%	8%
WEHAGO	880	1,175%	0%	19,714	2,140%	6%	34,060	73%	11%	26,806	-21%	9%
E-tax Invoice	13,777	6%	5%	14,180	3%	5%	9,138	-36%	3%	7,600	-17%	3%
Total	86,475	7%	33%	99,250	15%	32%	97,541	-2%	31%	87,644	-10%	29%

Note) The above sales ratio indicates the ratio of each product sales to total Sales.

Percentage of sales by product in Lite ERP Business Division (%)



Note) The above sales ratio indicates the ratio of each products sales to total sales of platform Business Division

3-2. Standard ERP business division Revenue Status (Consolidated Basis)

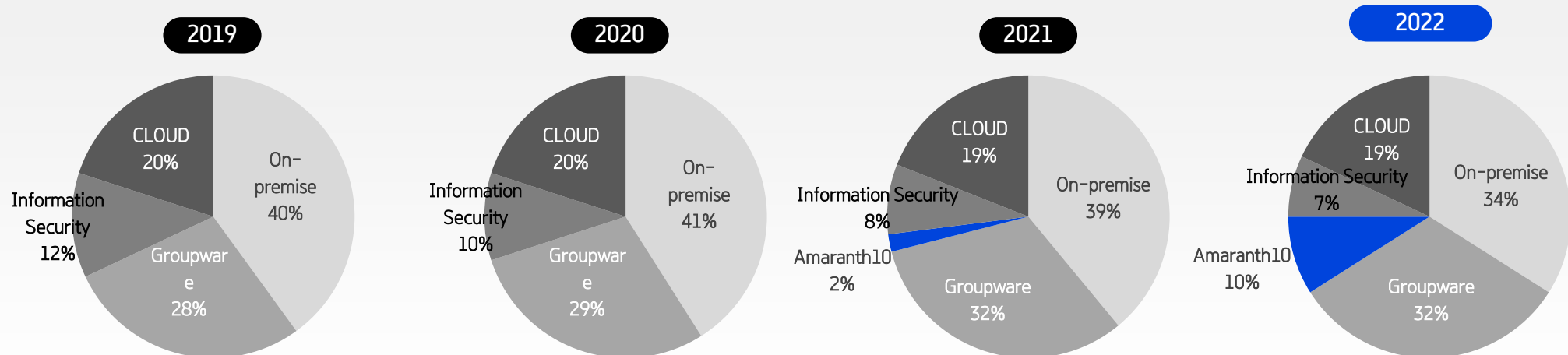
Standard ERP Business revenue status

[Unit : Million KRW]

Classification	2019			2020			2021			2022		
	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)
Standard ERP (On-premise)	40,030	15%	15%	46,218	16%	15%	47,866	4%	15%	41,749	-13%	14%
CLOUD	19,363	12%	7%	22,558	17%	7%	24,035	7%	8%	23,915	-1%	8%
Amaranth10	-	-	-	-	-	-	1,940	-	1%	12,451	542%	4%
Groupware	27,631	5%	11%	31,946	16%	10%	40,166	26%	13%	40,311	0%	16%
Information Security	11,738	3%	5%	11,196	-5%	4%	9,867	-12%	3%	9,158	-7%	3%
Total	98,762	10%	38%	111,918	13%	37%	123,874	11%	39%	127,584	3%	42%

Note) The above sales ratio indicates the ratio of each product sales to total sales

Percentage of sales by product in Standard ERP Business Division (%)



Note) The above sales ratio indicates the ratio of each product sales to total sales of Solution Business Division.

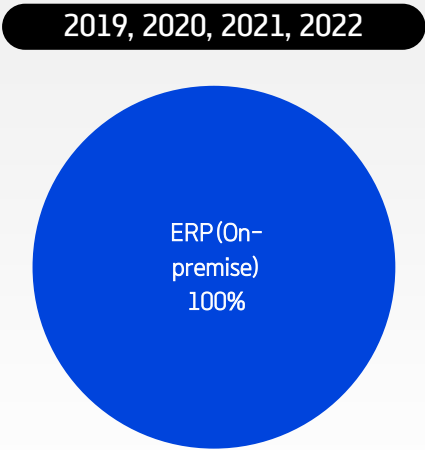
Extended ERP Business Division Revenue Status

[Unit : Million KRW]

Classification	2019			2020			2021			2022		
	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)	Revenue	YoY	Portion(%)
Extended ERP (On-premise)	64,441	35%	25%	62,889	-2%	21%	71,240	13%	22%	65,116	-9%	21%
Total	64,441	35%	25%	62,889	-2%	21%	71,240	13%	22%	65,116	-9%	21%

Note) The above sales ratio indicates the ratio of sales by product to total sales.

Percentage of sales by product in Extended ERP Business Division (%)



Note) The above sales ratio indicates the ratio of each product sales to total sales of Extended ERP Business Division.

4. Revenue Analysis (based on consolidated financial statements)

- FY2022 of newly acquired customers 18% vs. retention rate (up-sell, cross-sell) of 82% shows **strong customer loyalty**.
- FY2022 of license fee is 38% of total revenue vs. maintenance/service fee of 62%. **Yearly maintenance fee growth of 4%**.

New Customers vs. Existing Customers

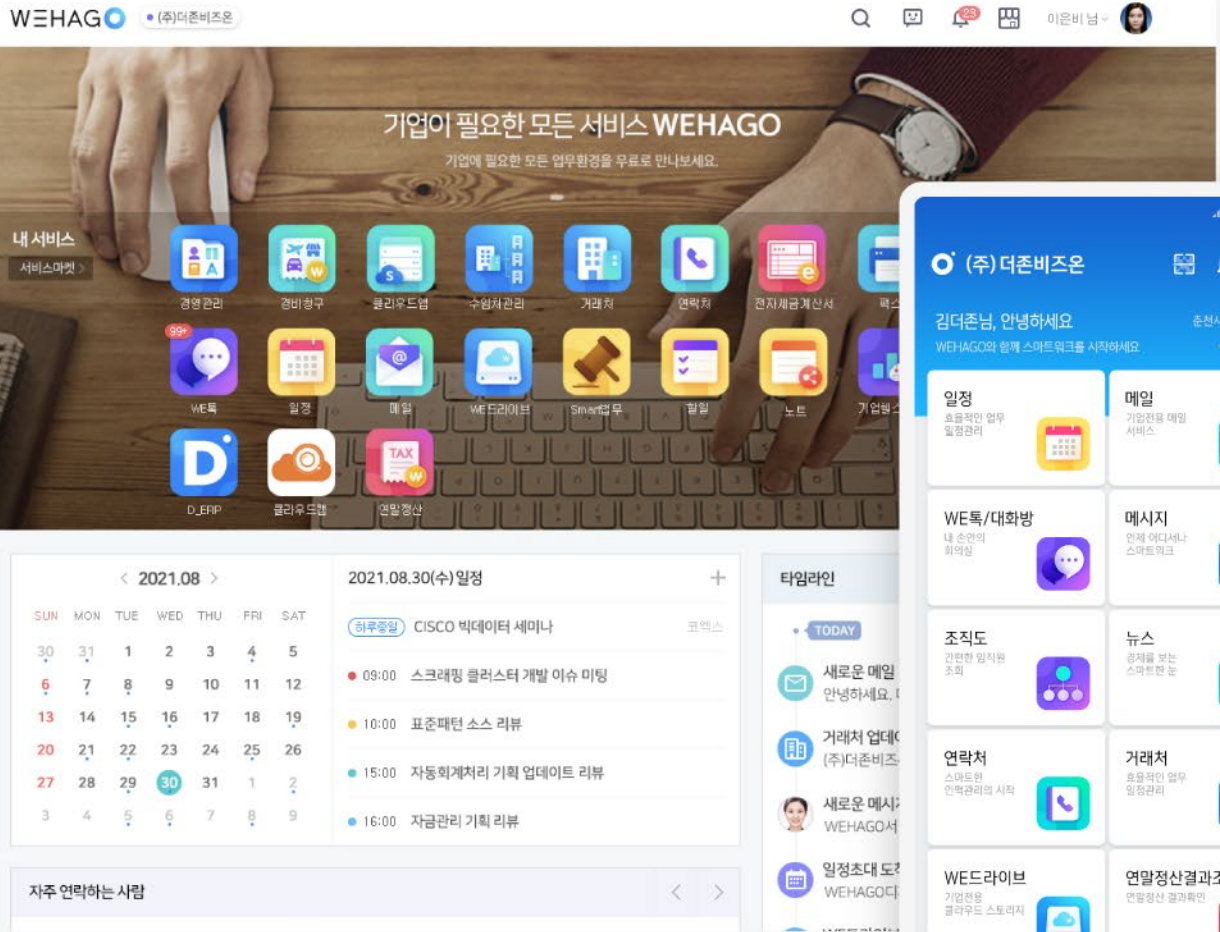
[Unit : Million KRW]

Classification	2019		2020		2021		2022			
	Revenue	Portion(%)	Revenue	Portion(%)	Revenue	Portion(%)	Revenue	Portion(%)	Growth (YoY)	Growth Rate (YoY)
New Customers	33,419	13%	51,541	17%	51,956	16%	55,988	18%	4,032	8%
Existing Customers	229,245	87%	254,914	83%	266,791	84%	248,315	82%	-18,476	-7%
Total	262,664	100%	306,456	100%	318,747	100%	304,303	100%	-14,444	-5%

License Revenue vs. Maintenance / Service Fee Revenue

[Unit : Million KRW]

Classification	2019		2020		2021		2022			
	Revenue	Portion(%)	Revenue	Portion(%)	Revenue	Portion(%)	Revenue	Portion(%)	Growth (YoY)	Growth Rate (YoY)
License	118,716	45%	133,291	43%	136,722	43%	114,221	38%	-22,501	-16%
Maintenance / Service Fee	143,948	55%	173,164	57%	182,025	57%	190,082	62%	8,057	4%
Total	262,664	100%	306,456	100%	318,747	100%	304,303	100%	-14,444	-5%



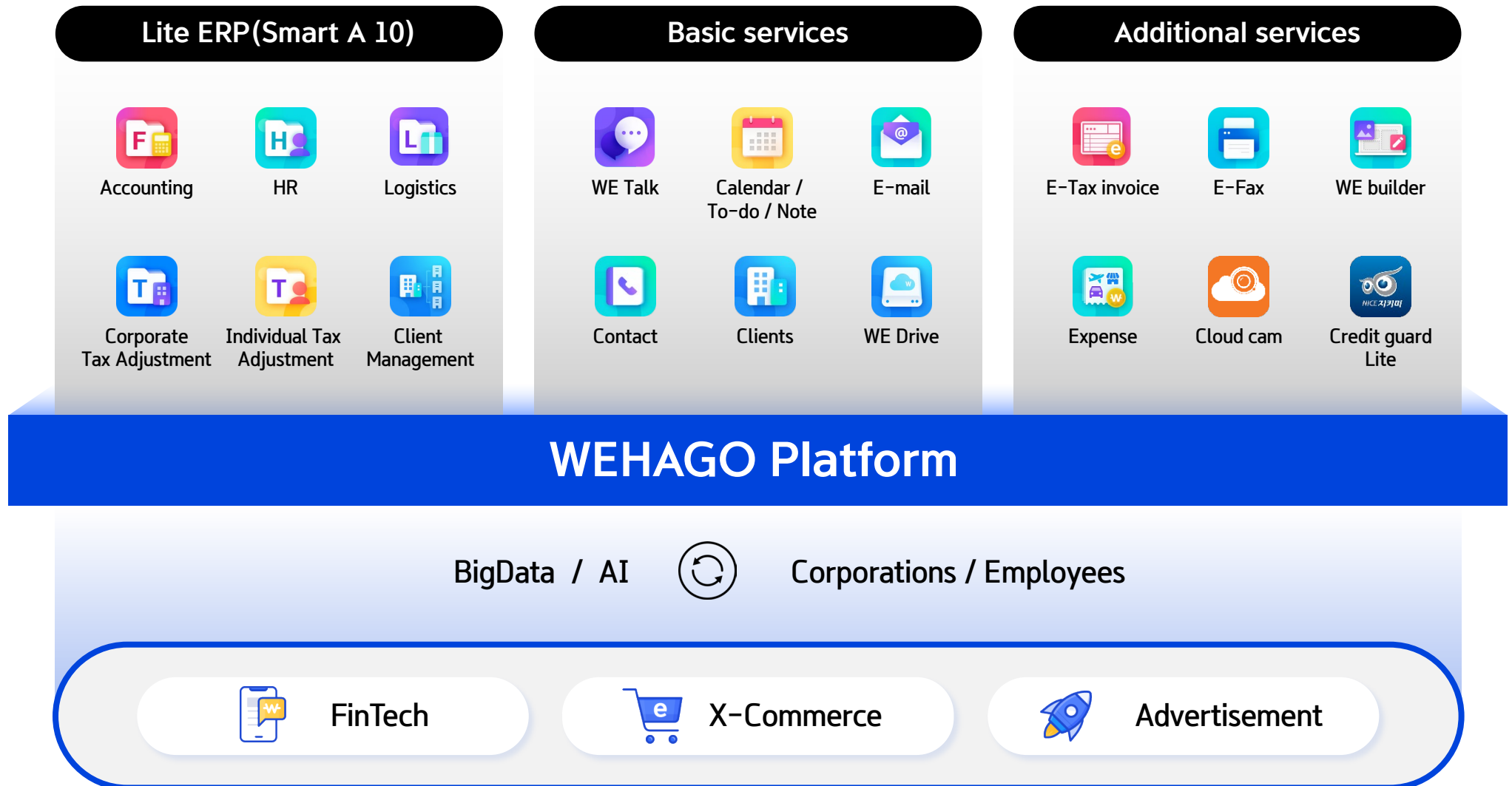
WEHAGO

1. WEHAGO Platform
2. NAHAGO : Applications that connect employees and businesses linked to WEHAGO
3. Lite ERP CE: Cloud/WEHAGO Sales and Conversion Status & Revenue Comparison



1. WEHAGO Platform

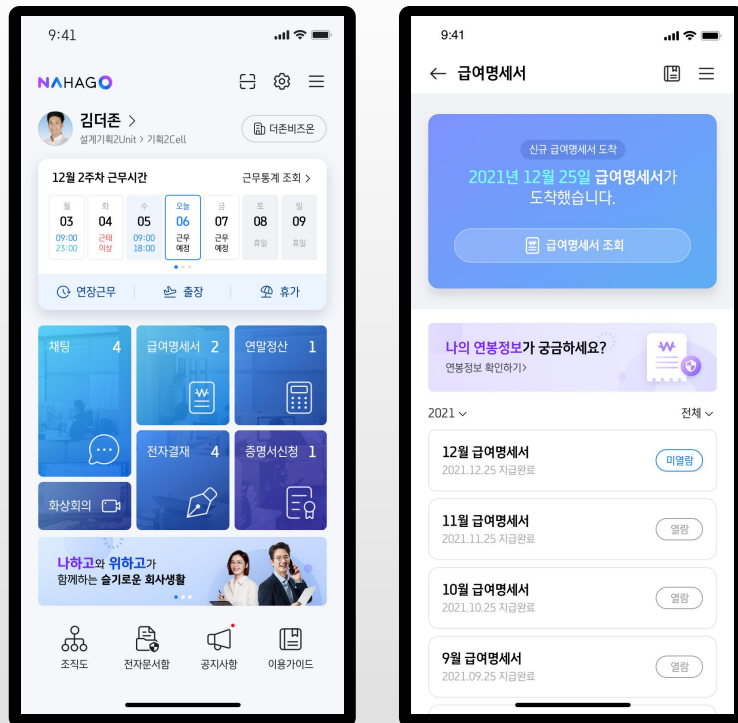
- **Online business platform service** that provides variety of business environment for the enterprise
- Accumulating Big Data through WEHAGO and analyzing / forecasting through AI technology to **create new business models** in FinTech, X-Commerce and Advertisement.



- Applications that connect employees and businesses [linked to WEHAGO](#)
- Systematic process automation with wage statements mandated by the Revised Labor Standards Act, working hours management, year-end settlement, electronic payment, messenger

“ Method to communicate with company and employees, ” Free mobile app NAHAGO

Provide Mobile – only service



Market Size


12 million scale


WEHAGO
Company in use


WEHAGO T
Tax accounting office

WEHAGO T edge
Small business owners

Main Functions

 Issuance of wage statements

 Working Hours Management

 Simplified year-end settlement

 Company Messenger

3. Lite ERP CE: Cloud/WEHAGO Sales and Conversion Status & Revenue Comparison Business | 13

- Intensive sales & marketing activities towards the **36,000 On-premise clients that have not yet switched to Cloud/WEHAGO.**

Cloud/WEHAGO to Total Sales Ratio among New Clients

Classification	2019		2020		2021		2022	
	Number of Sales	Share	Number of Sales	Share	Number of Sales	Share	Number of Sales	Share
On-premise	2,360	63%	1,944	43%	1,499	28%	1,478	33%
Cloud/WEHAGO	1,372	37%	2,586	57%	3,854	72%	3,064	67%
Total	3,732	100%	4,530	100%	5,353	100%	4,542	100%

Cloud/WEHAGO Conversion from On-Premise

Classification	Number of Converted			
	2019	2020	2021	2022
Clients who converted to cloud/WEHAGO format	3,187	6,542	6,377	2,924

Note) On-premise clients began converting to WEHAGO in FY19 4Q

On-Premise & Cloud/WEHAGO Client Status

Classification	Number of Clients	Share
On-premise Clients	36,282	59%
Cloud/WEHAGO Clients	25,034	41%
Total	61,316	100%

Note) As of Dec. 31, 2022

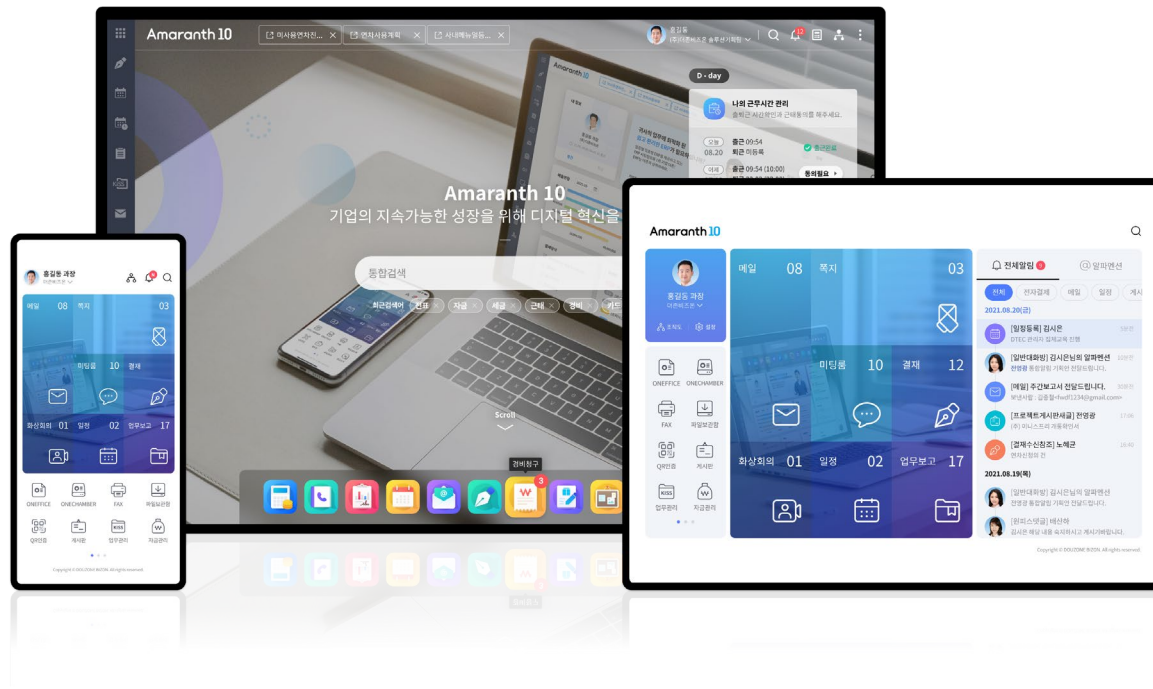
Amaranth10



Amaranth10

1. Amaranth 10 : Combination of ERP and UC
2. Amaranth 10 Overview and Target Market

- Combination of ERP and UC
- Amaranth 10 is a B2B Platform that create new value and innovate corporate productivity through convergence between core corporate solutions.

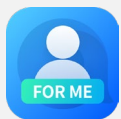


Combining the beginning and end of a task into one

Amaranth 10

From task management to decision making, from making to sharing and collaboration of the documents.

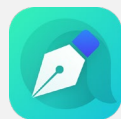
From enterprise resource management to sales process, all available in Amaranth 10.



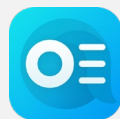
Management of Employee's affairs



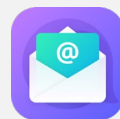
ERP



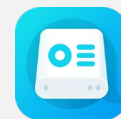
Electronic authorization



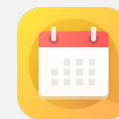
ONEFFICE



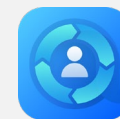
Mail



ONECHAMBER



Schedule

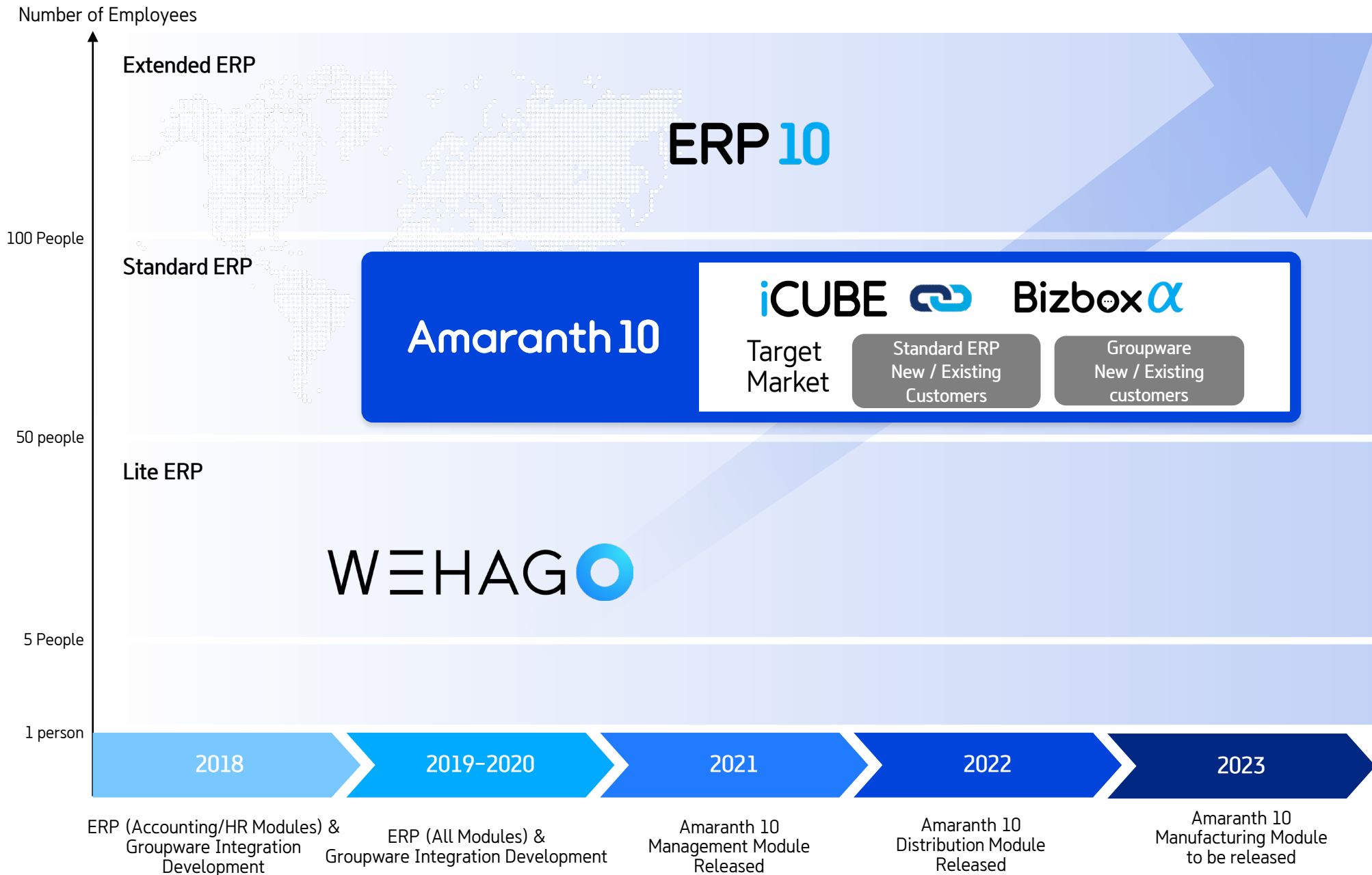


CRM

2. Amaranth 10 Overview and Target Market

- Transitioning Standard ERP products to launch

management modules in 2021, Distribution modules in 2022 and manufacturing Module will be released in 2023.

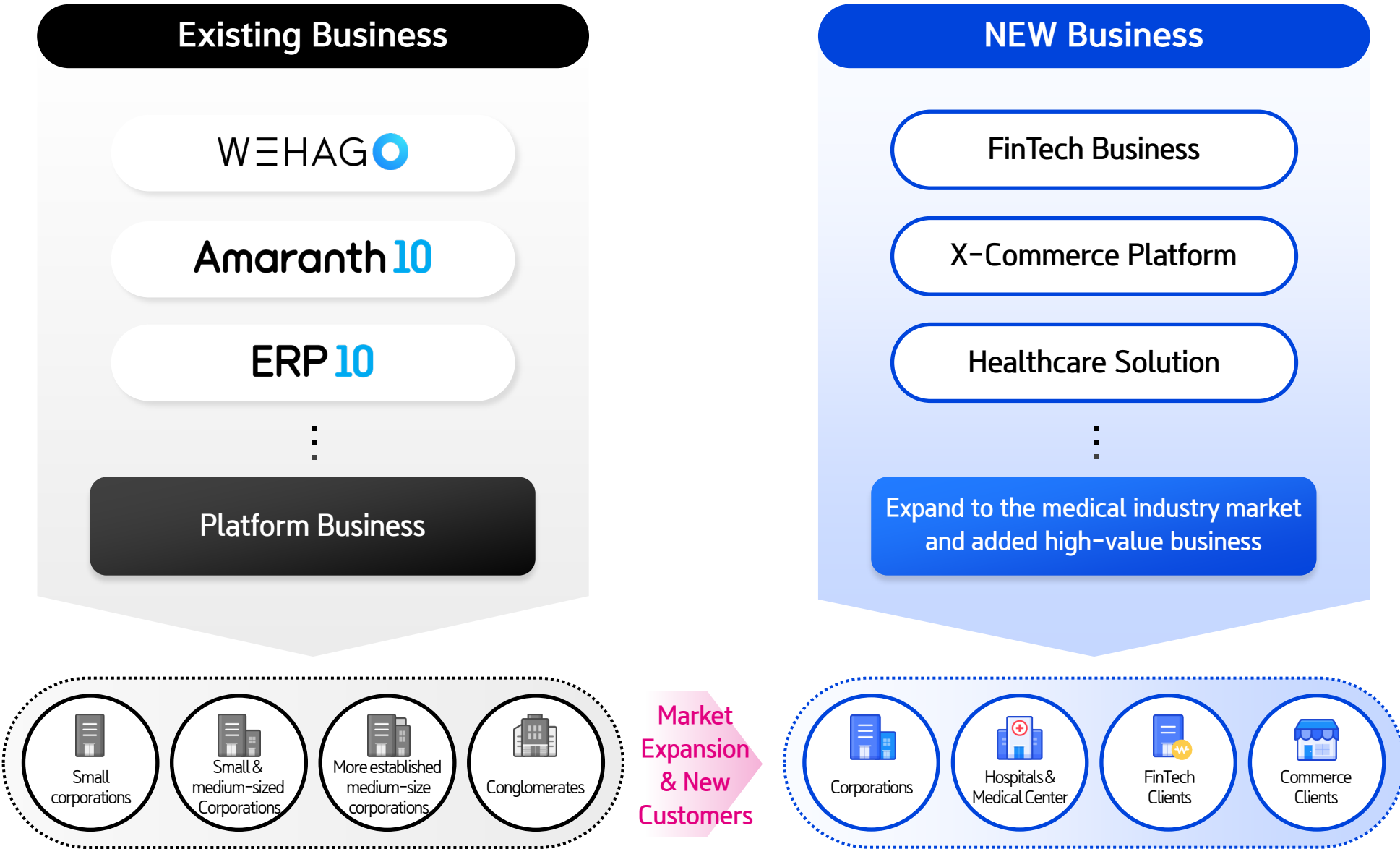


**FinTech
Business**

**Future
Growth
Strategy**

**X-Commerce
Platform**

**Healthcare
Solution**



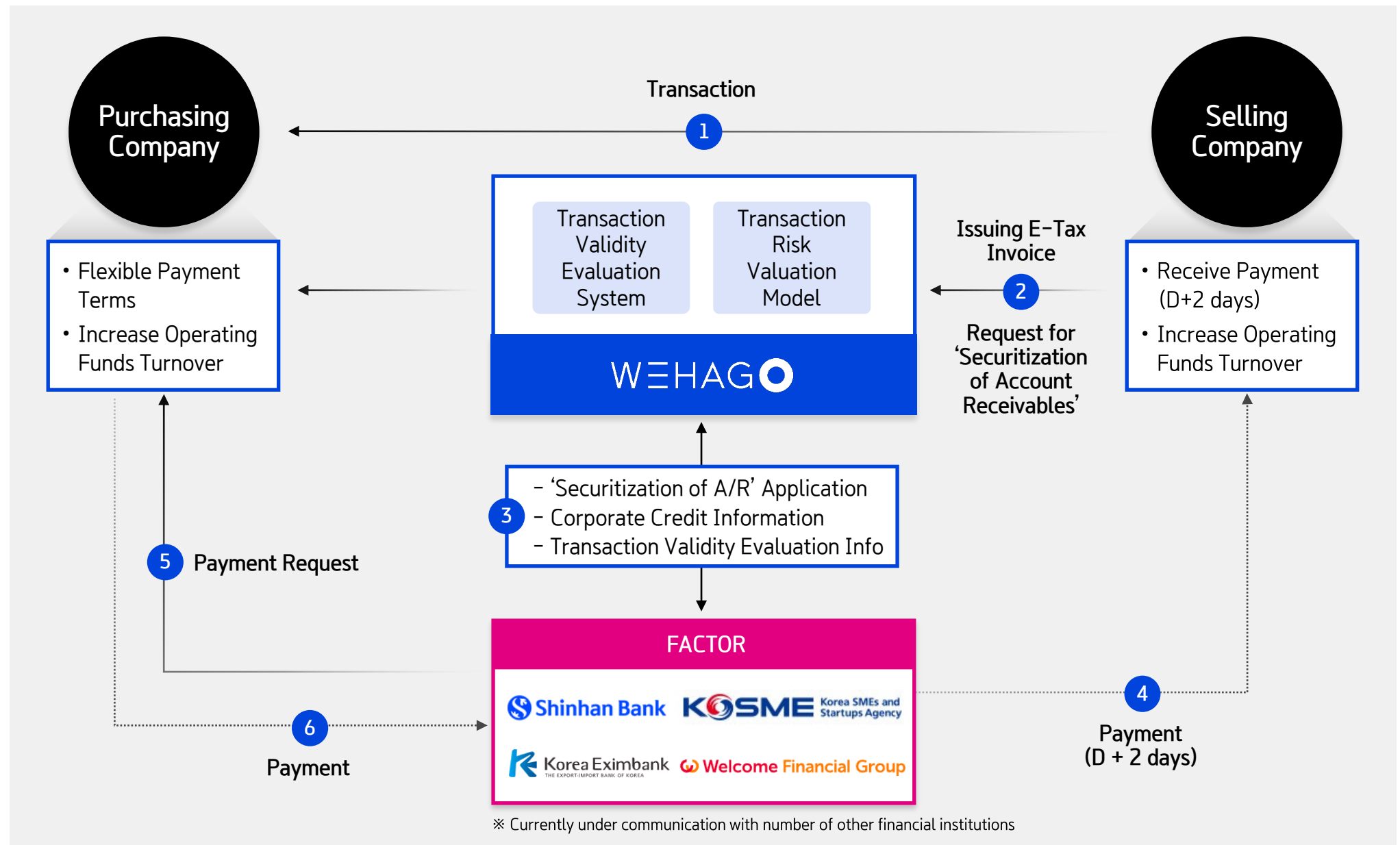


FinTech X-Commerce Healthcare

1. FinTech_Securitization of Accounts Receivables
2. Corporate Information Inquiry Business
3. X-Commerce Platform
4. Healthcare Solution

1. FinTech_Securitization of Accounts Receivables

- Artificial intelligence-based financial service using accounting big data. / **Service Name: Golden Toad**



- Comparison of similar services for Account Receivable Securitization

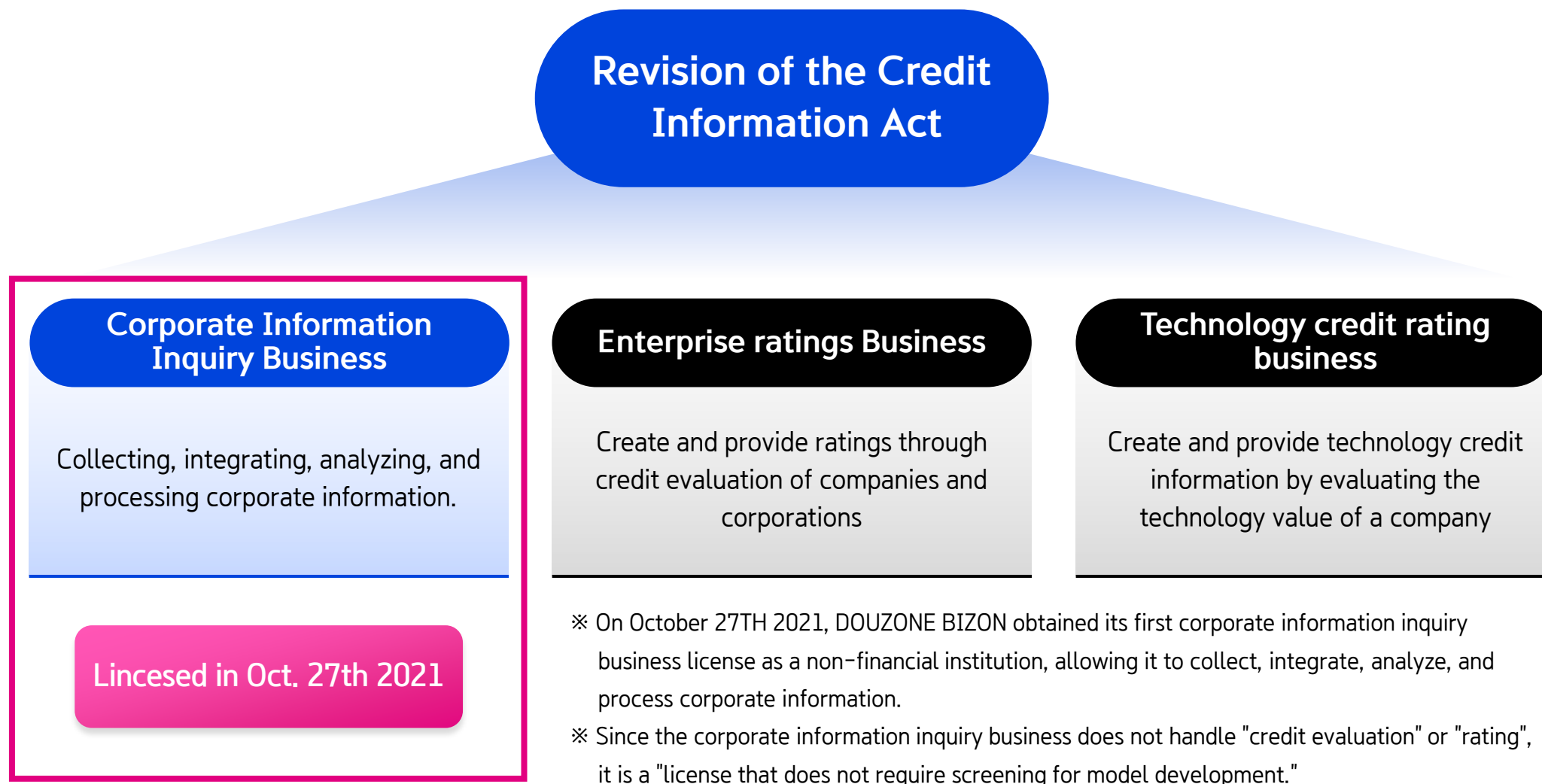
Account Receivable Mortgage	Electronic Bill	Pre-settlement service
<p>Service that applies for loan with Account Receivable as a collateral, and discount rate is low</p>	<p>Instead of paper promissory notes, electronic Securities circulated on the internet</p> <p>Low bankruptcy and high bond stability</p>	<p>Service that pays for the sales bond held by sellers in the open market on the same day or the next day</p> <p>Does not affect the credit rating, Solves the problem of delayed payment (up to 70days)</p>
<p>CONS</p> <ul style="list-style-type: none">• Existence of right to claim reimbursement for selling company (Causing serial corporate bankruptcy if purchasing company is bankrupt)• Issue can done only by corporates with Certain qualifications	<p>CONS</p> <ul style="list-style-type: none">• Existence of right to claim reimbursement for selling company (Causing serial corporate bankruptcy if purchasing company is bankrupt)• Credit limit reduced when electronic bills are discounted• Issue can done only by corporates with Certain qualifications	<p>CONS</p> <ul style="list-style-type: none">• Unable to support general inter-business commerce

WEHAG○ Account Receivable Securitization(Golden Toad)

No right to claim reimbursement for selling company	Utilization of real-time corporate data	Applicable to Account Receivables arising from commercial transactions between most companies	Does not have effect on credit rating
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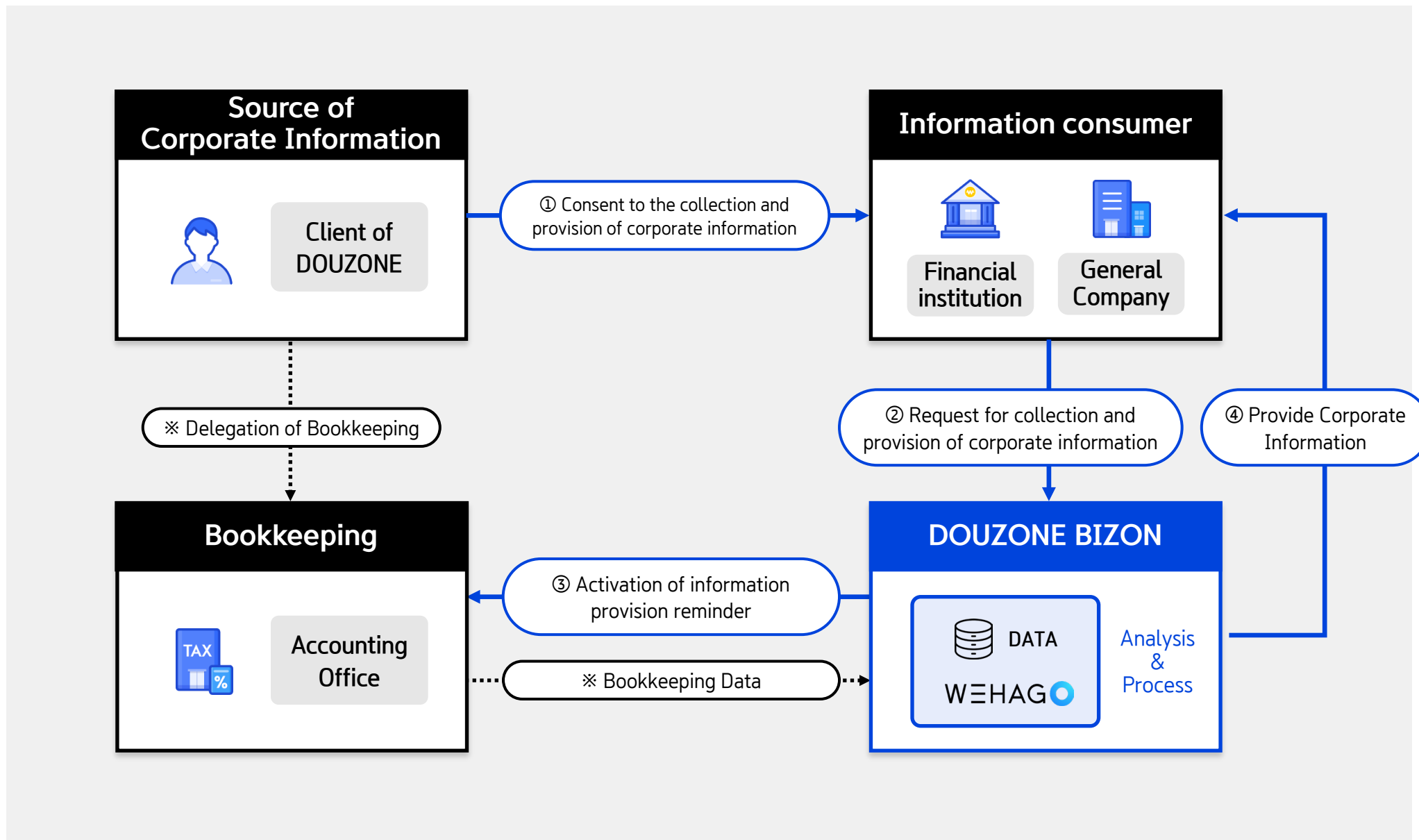
2. Corporate Information Inquiry Business : Service background

- Segmentation of the Credit Bureau business according to the revised Credit Information Act.

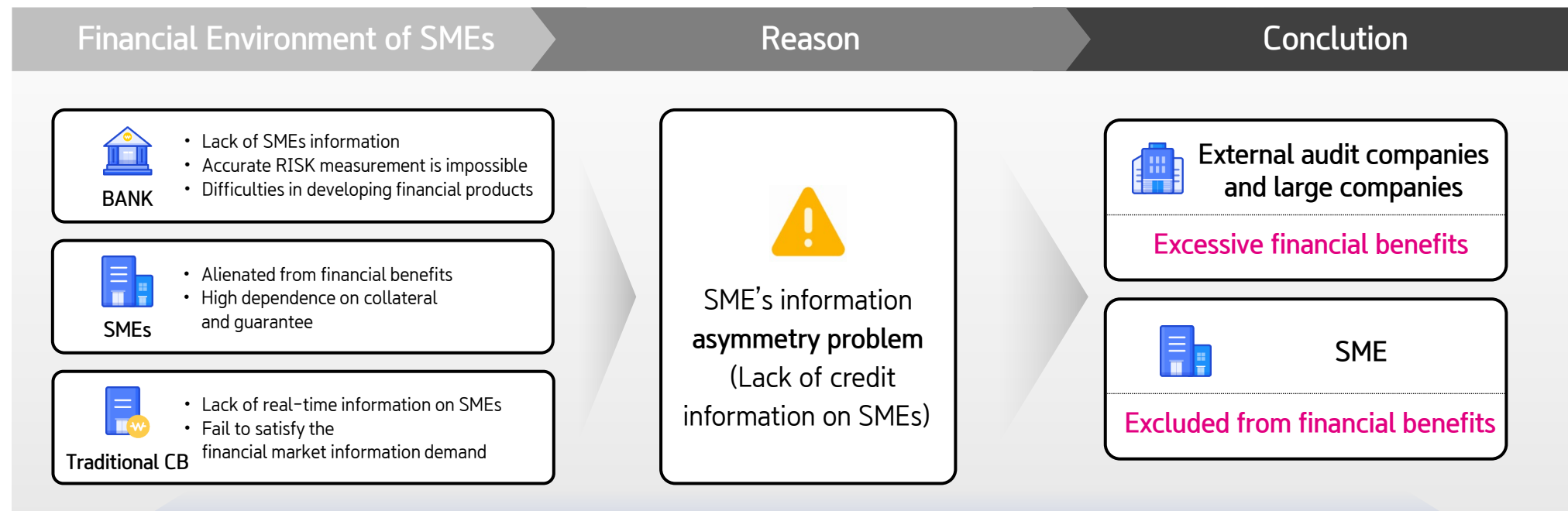


2. Corporate Information Inquiry Business : method

- Method of consent to the collection and provision of corporate information



- Current problems : External audit companies and large companies have excessive financial benefits, but SMEs are excluded.



DOUZONE BIZON obtained 'corporate information inquiry business license' allowing it to collect, integrate, analyze, and process corporate information.

**SMEs are lack information/reliability
Excluded from financial benefits**

- Alternatives to solve SME's information asymmetry problem
- Utilizing accounting data for credit evaluation

**Providing inclusive financial services
through accurate evaluation of SMEs**

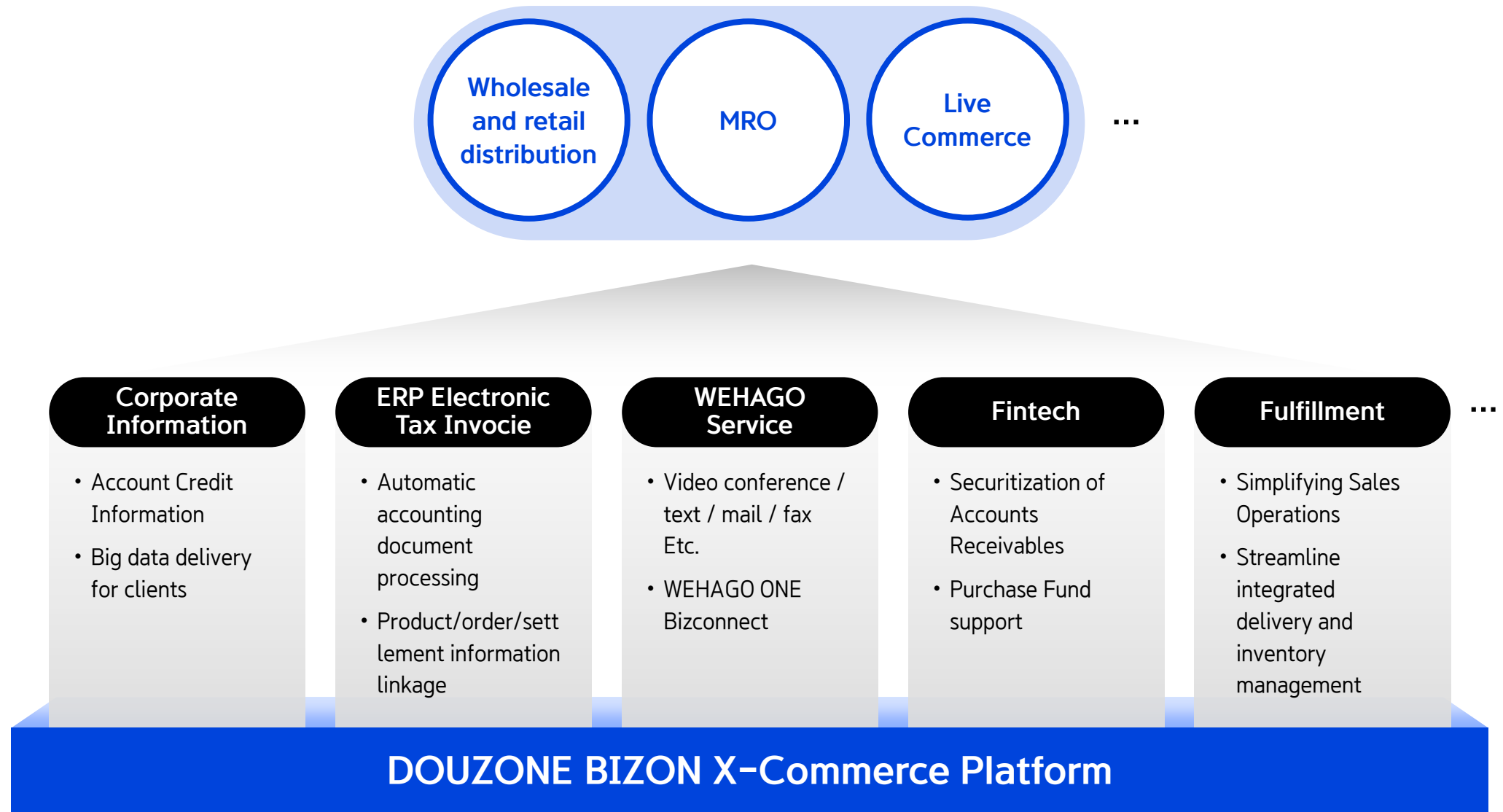
- able to measure accurate RISKS
- Inclusive finance through sophisticated risk measurement

**Strengthening the competitiveness of SMEs
by activating alternative credit information**

- Pioneering new business combining ICT and finance
- Productive financial support
→ Reinforcement of competitiveness

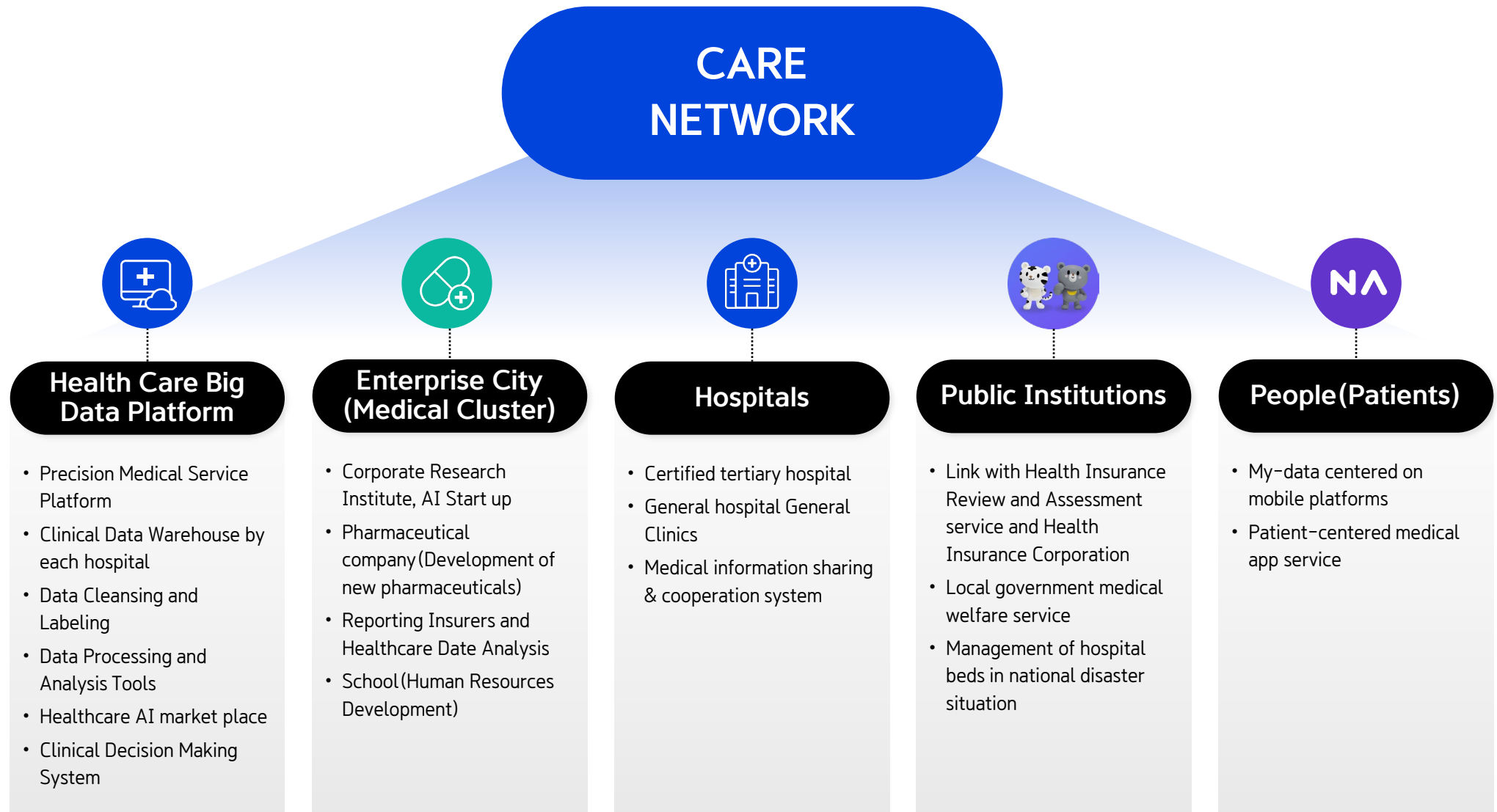
3. X-Commerce Platform Overview

- X-Commerce is a combination of various e-commerce types and various services from DOUZONE, such as wholesale and retail distribution + MRO marketplace + media commerce, Which can be used by many trading companies
- Provides One-stop total service for all transactions through X-commerce platforms and linked services



4. Healthcare Ecosystem (CareNetwork)

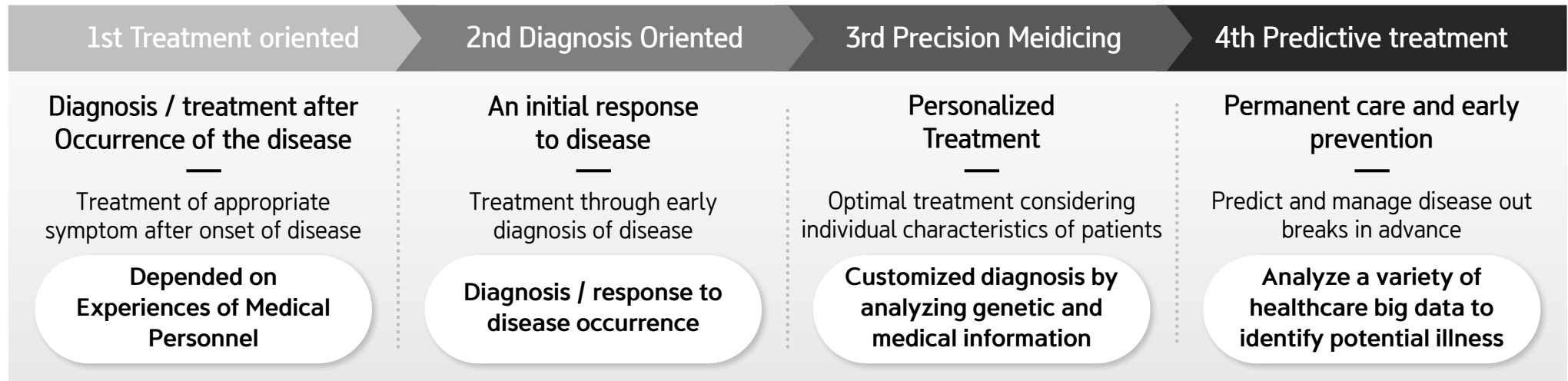
Leading the healthcare ecosystem by building various healthcare members into one integrated care network.



4-1. Precision Medicine Big Data Service Platform

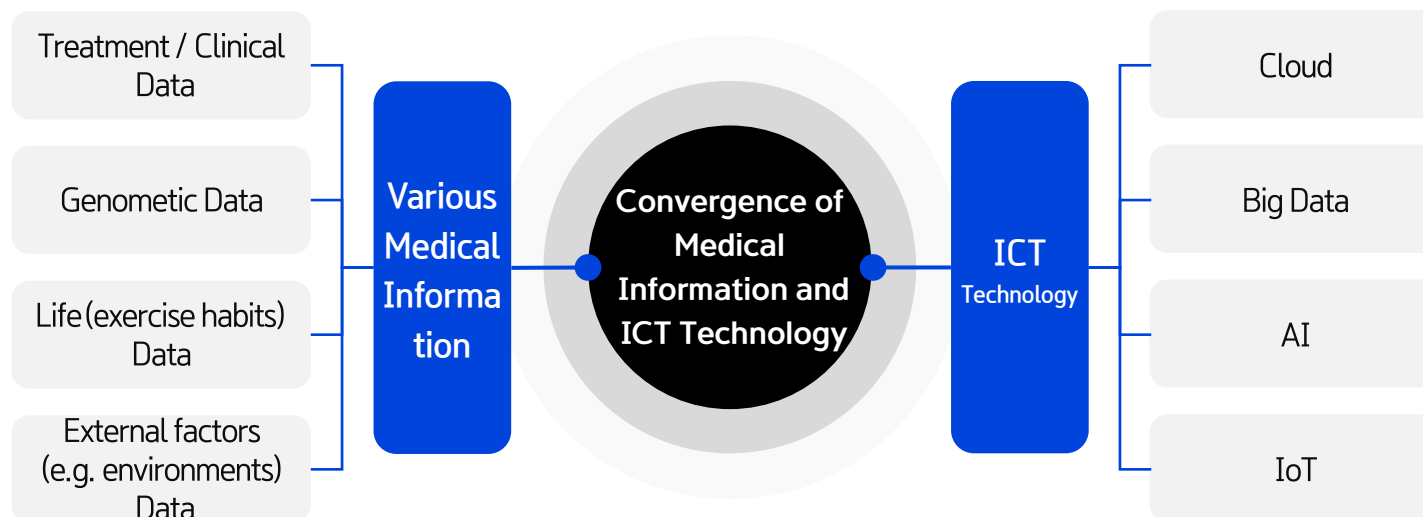
• Transformation of Medical Paradigm

The healthcare industry transforms its future medical paradigm with personalized diagnosis/treatment and prevention based on medical big data algorithms through convergence with ICT



• Convergence of Medical Data and ICT

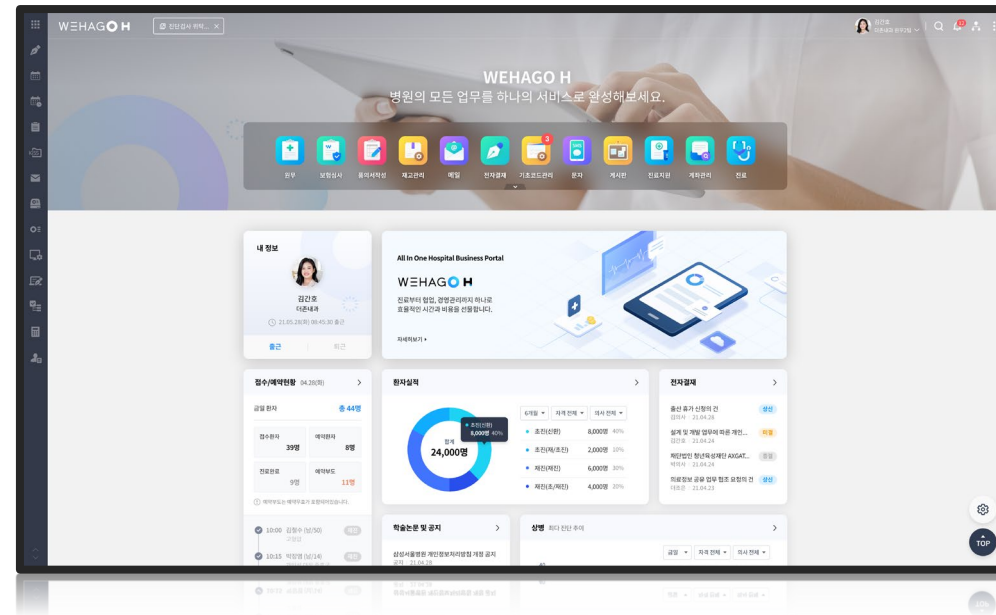
In the case of personalized and preventive treatment, convergence of various medical information and ICT technologies are necessary



Convergence of Healthcare (Medical Industry) and ICT industry

provides an environment that enables the analysis and utilization of a wide variety of information needed for healthcare and enables new health care to improve quality of life

An integrated platform dedicated to hospitals and clinics that connects strong security and various medical services
From treatment to efficient communication, Accounting, and business management, all of the clinic's duties are solved in one



Patience Care

- Individual disease tracking management service
- Providing Patient- centered treatment environment

Business Management

- Understanding detailed hospital management
- Conjugate Billing Data
- Improve profitability though cutback prevention

Electronic Chart

- Provide EMR with all data connected together, including reception, medical care, medical support, and billing

Communication Tool

- Smooth Communication within the hospital
- Efficient Work Management

External Linkage

- Link various test result (Self – integrated service)
- Able to make decisions quickly

Cloud Server Management

- Optimal user environment, strong security service provided.
- Reduce management costs with cloud computing service

A hand holding a pen writing on a document with financial charts in the background.

Appendix

(Financial Status)

1. Revenue Breakdown
2. Financial Result Overview

1. Revenue Breakdown(Consolidated Basis)

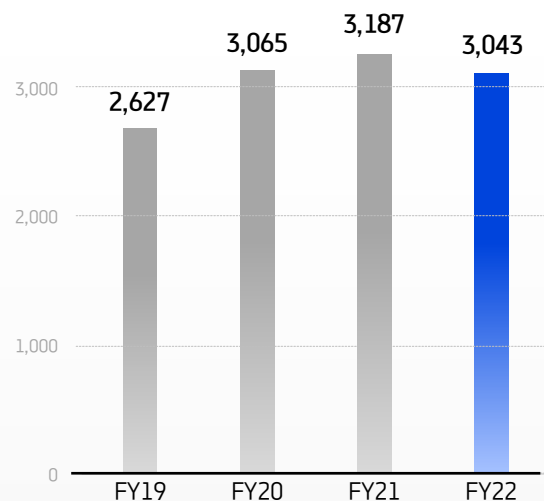
[Unit : Million KRW/ based on consolidated financial statements]

	Product	2019			2020			2021			2022		
		Amount	YoY(%)	Ratio(%)	Amount	YoY(%)	Ratio(%)	Amount	YoY(%)	Ratio(%)	Amount	YoY(%)	Ratio(%)
Extended ERP Business	Extended ERP	64,441	34.5%	24.5%	62,889	-2.4%	20.5%	71,240	13.3%	22.4%	65,116	-8.6%	21.4%
	-License	50,845	40.4%	19.4%	47,780	-6.0%	15.6%	53,482	11.9%	16.8%	45,100	-15.7%	14.8%
	-Maintenance	13,596	16.2%	5.2%	15,109	11.1%	4.9%	17,758	17.5%	5.6%	20,016	12.7%	6.6%
	Total	64,441	34.5%	24.5%	62,889	-2.4%	20.5%	71,240	13.3%	22.4%	65,116	-8.6%	21.4%
Lite ERP Business	Lite ERP	39,015	-1.0%	14.9%	34,720	-11.0%	11.3%	27,173	-21.7%	8.5%	28,115	3.5%	9.2%
	-License	9,584	-3.5%	3.6%	8,072	-15.8%	2.6%	5,477	-32.1%	1.7%	4,703	-14.1%	1.5%
	-Maintenance	29,431	-0.1%	11.2%	26,648	-9.5%	8.7%	21,696	-18.6%	6.8%	23,412	7.9%	7.7%
	CLOUD (Samrt A, Cloud Fax, Green Fax etc)	32,803	16.4%	12.5%	30,636	-6.6%	10.0%	27,170	-11.3%	8.5%	25,123	-7.5%	8.3%
	WEHAGO	880	1175.4%	0.3%	19,714	2140.2%	6.4%	34,060	72.8%	10.7%	26,806	-21.3%	8.8%
	E-tax Invoice	13,777	6.2%	5.2%	14,180	2.9%	4.6%	9,138	-35.6%	2.9%	7,600	-16.8%	2.5%
	Total	86,475	7.2%	32.9%	99,250	14.8%	32.4%	97,541	-1.7%	30.6%	87,644	-10.1%	28.8%
Standard ERP Business	Standard ERP	40,030	14.9%	15.2%	46,218	15.5%	15.1%	47,866	3.6%	15.0%	41,749	-12.8%	13.7%
	-License	22,103	20.1%	8.4%	26,976	22.0%	8.8%	27,458	1.8%	8.6%	19,323	-29.6%	6.3%
	-Maintenance	17,927	9.0%	6.8%	19,242	7.3%	6.3%	20,408	6.1%	6.4%	22,427	9.9%	7.4%
	CLOUD (Private Cloud, Icube cloud, IDC etc)	19,363	11.5%	7.4%	22,558	16.5%	7.4%	24,035	6.5%	7.5%	23,915	-0.5%	7.9%
	Amaranth10	-	-	-	-	-	-	1,940	-	0.6%	12,451	541.8%	4.1%
	Groupware / Security	39,369	4.2%	15.0%	43,142	9.6%	14.1%	50,033	16.0%	15.7%	49,469	-1.1%	16.3%
	-Groupware	27,631	4.8%	10.5%	31,946	15.6%	10.4%	40,166	25.7%	12.6%	40,311	0.4%	13.2%
	-Security	11,738	2.7%	4.5%	11,196	-4.6%	3.7%	9,867	-11.9%	3.1%	9,158	-7.2%	3.0%
	Total	98,762	9.7%	37.6%	111,918	13.3%	36.5%	123,874	10.7%	38.9%	127,584	3.0%	41.9%
Other	H/W, Mobile. ETC	5,967	48.1%	2.3%	17,538	193.9%	5.7%	11,391	-35.0%	3.6%	9,736	-14.5%	3.2%
	Overseas(Oman, Phillippine)	418	1166.7%	0.2%	1,570	275.6%	0.5%	1,396	-11.1%	0.4%	38	-97.3%	0.0%
	Rent	3,229	594.4%	1.2%	10,020	210.3%	3.3%	8,335	-16.8%	2.6%	7,562	-9.3%	2.5%
	Consolidated	3,371	-12.3%	1.3%	3,270	-3.0%	1.1%	4,970	52.0%	1.6%	6,623	33.3%	2.2%
	Total	12,985	55.1%	4.9%	32,398	149.5%	10.6%	26,092	-19.5%	8.2%	23,959	-8.2%	7.9%
Total		262,664	100%	100%	306,456	16.7%	100%	318,747	4.0%	100%	304,303	-5%	100%

2. Financial Result Overview (Consolidated Basis)

Revenue (YoY)

[Unit : 100 Million KRW]



FY19 Total sales of 262.7 billion won, due to steady growth in ERP and cloud business along with satisfactory results in overall business sectors

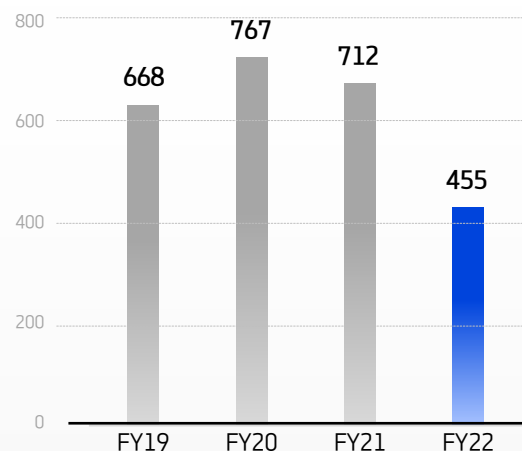
FY20 Total sales of 306.5 billion won. New and existing businesses create synergy, and the entire business field grows evenly. The first domestic software-based company to record about 300 billion Won (annual) sales, achieving the highest performance ever.

FY21 Total Sales of 318.7 billion won. Despite the delays in corporate investment on IT infrastructure due to the impact of Covid 19 and low-demand season, overcoming the situations and proved the stability and growth potential of the business.

FY22 Total sales of 304.3 billion won. Slight decline in sales due to market deterioration due to Covid-19 and delayed service provision due to manpower shortage in the IT industry

Operating Profit (YoY)

[Unit : 100 Million KRW]



FY19 Leverage effects and controllable costs led do continued growth in operating profit. Operating profit ratio 25.4%

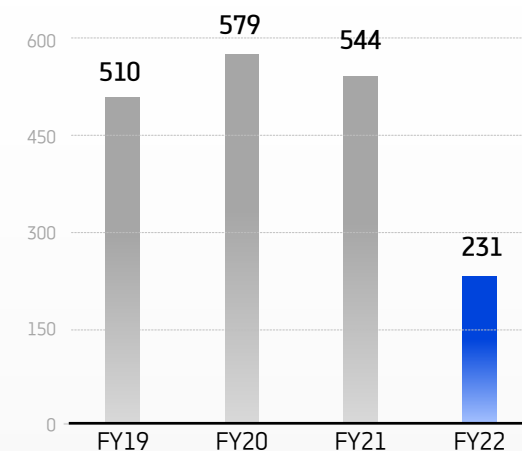
FY20 Operating profit 76.7 billion won. Leverage effects and controllable costs led do continued growth in operating profit.

FY21 Operating profit 71.2 billion won. Operating Profit ratio 22.3%. Although the operating profit ratio decreased due to one-off costs, it is expected to improve the operating profit ratio as it is effected in the normal cost structure.

FY22 Operating Profit 45.5 billion KRW. Operating Profit ratio 15.0%. Operating Profit declined due to increase in cost such as labor cost.

Net Profit (YoY)

[Unit : 100 Million KRW]



FY19 Annual corporate tax rate for FY19, 23.2% based on consolidated f/s. Net profit ratio, 19.4% and dividends were paid out at 470 Won per share.

FY20 Net profit ratio, 27.1%. Annual corporate tax rate for FY20, 20.6% based on consolidated f/s. Dividends were paid out at 450 Won per share.

FY21 Net profit ratio 17.7%. The annual corporate tax rate 24.2%. Dividends were paid out 450 Won per Share.

FY22 Net profit ratio 8.0%. Due to an increases in one time other expenses (Loss of equity method, Intangible asset impairment loss, Goodwill impairment loss) Continuing income and loss before income taxes and net profit continued to decrease

Thank you