

KOREACENTER

INVESTOR
RELATIONS
2020

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01 Prologue

02 Overview

03 Main Business Divisions

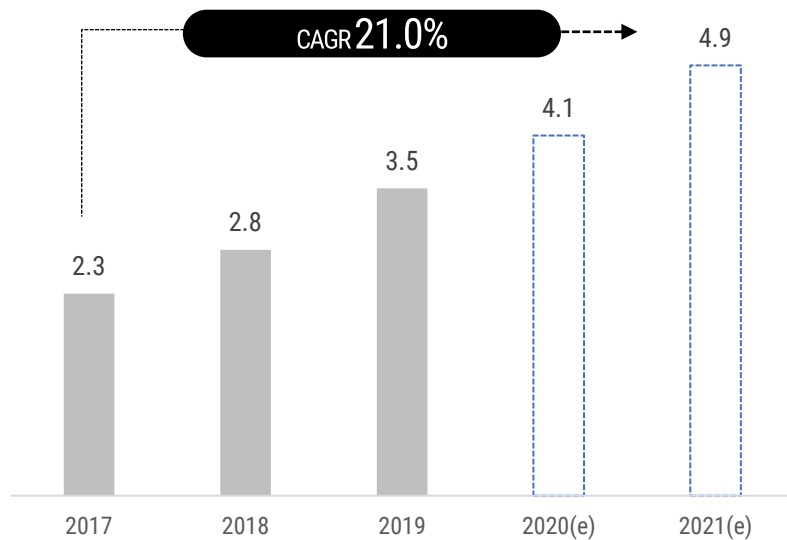
04 Business Performance

Expansion of e-commerce market accelerated by contact-free trend

Global e-commerce market outlook

Continuous high growth through logistics innovation and contact-free trend

Unit: USD T

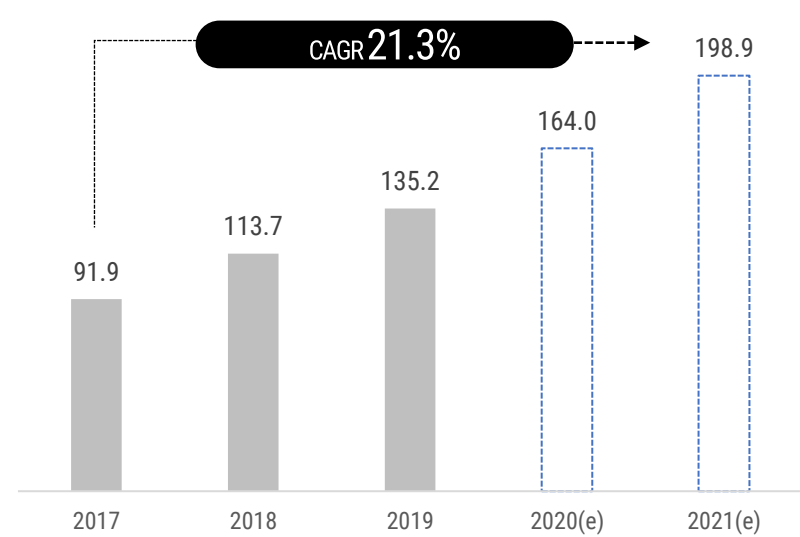


Reference: www.statista.com

Korean e-commerce market outlook

High growth through mobile shopping trend and overseas direct purchases and sales

Unit: KRW T

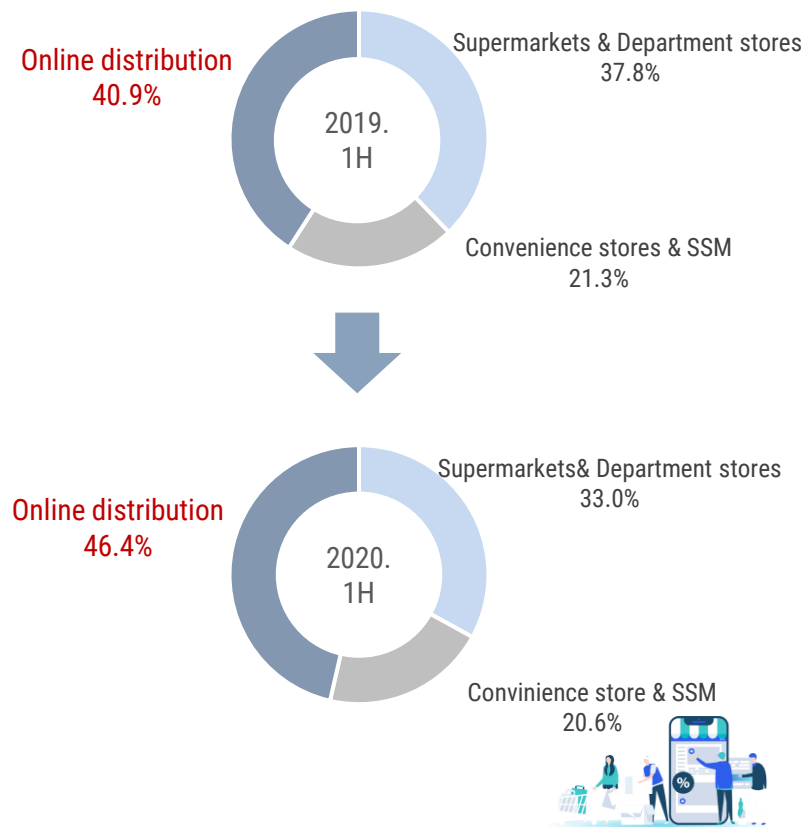


Reference: Statistics Korea, KYOBO Securities

Increasing number of online sellers due to the contact-free trend

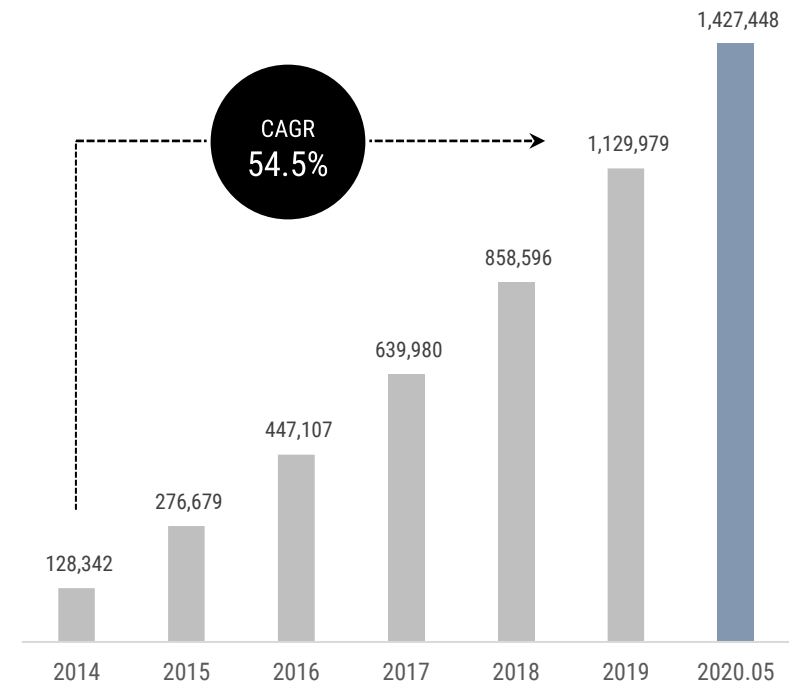
Significant changes have been observed in e-commerce field, such as offline sellers entering online, and the rapid growth of the social media commerce, due to the contact-free trend.

Sales ratio by business type
2019.1H, 2020.1H



Reference: Ministry of Trade, Industry and Energy

Number of registered online sellers in Korea



Reference: National tax service, Statistics Korea



Goods Move Through 'KOREACENTER' Network

Overview

Business name	Koreacenter Co.,Ltd
CEO	Kim Ki Rock
Date of establishment	January 12, 2000
Number of employees	524(May, 2020)
Address	14th FL, Building A, 168 Gasan Digital 1-ro, Geumcheon-gu, Seoul (Gasan-dong, Woorim Lions Valley)
Main business divisions	Integrated e-commerce platform Global e-commerce fulfillment Shopping big data platform
Website	www.koreacenter.com

Founder

Kim Ki Rock CEO

- 2000 ~ CEO of Koreacenter
- 1995 ~ 1999 Corporate finance team of Samsung card
- 1995 BA from Sungkyunkwan University

Main award history

- 2005. 12 Korea e-commerce grand prize (2 years)
- 2008. 11 Korea Internet Promotion Agency Award
- 2015. 04 Grand prize of Korea Representative Brand Award in the shopping mall solution category (Makeshop)
- 2018. 03 Korea-China Promising Brand Grand Prize, e-commerce category (Makeshop)
- 2019. 05 Plaque of Appreciation for "Activating E-commerce" from Facebook

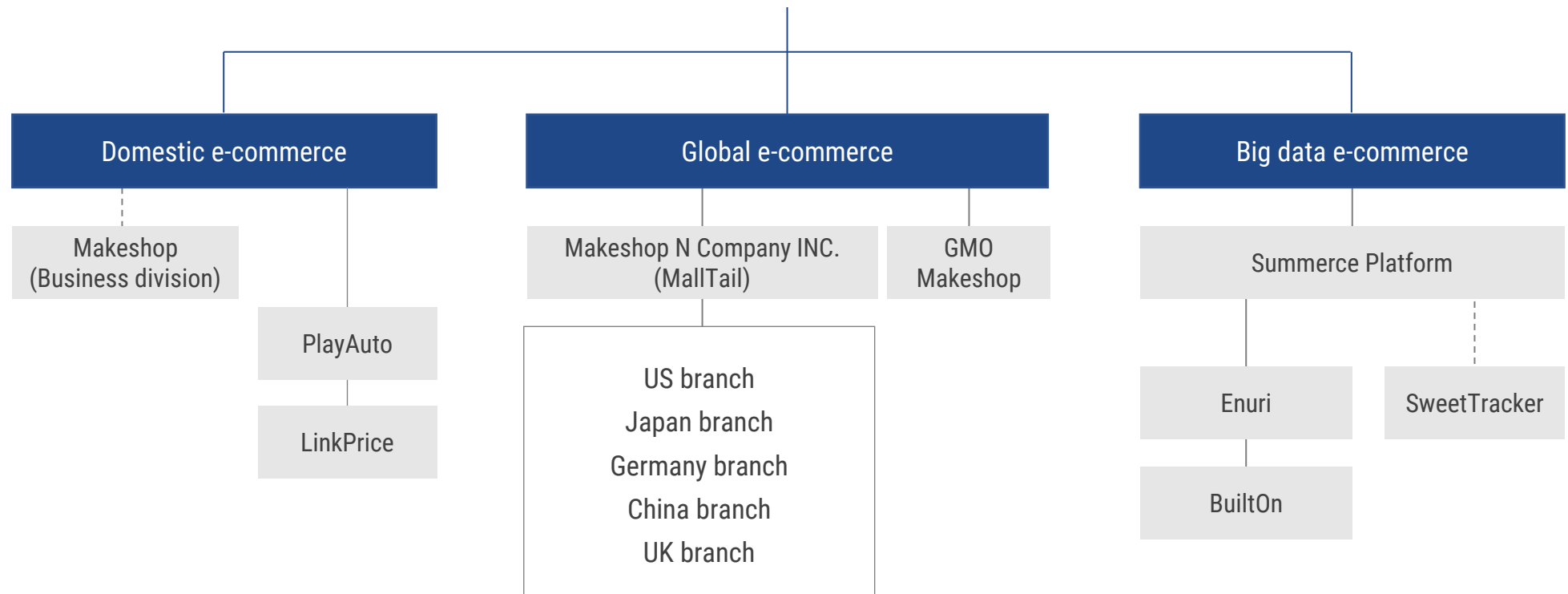


Corporate governance structure by business divisions

———— Separate corporation from parent unit

----- Business division
(not separated from parent unit)

KOREACENTER



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KOREACENTER operates e-commerce business in three major fields

Domestic e-commerce

MakeShop®

Integrated e-commerce platform

Global e-commerce

malltail
my post service

Global e-commerce fulfillment

Big data e-commerce

eNURI

Shopping big data platform

Platform



46,000
Registered
Sellers



6.57M
Members



₩5.3T
GMV



1.18B
Monthly
Traffic



1.2M
Fulfillment
Usage



19.6M
APP
Downloads

Database



15.5B
Shopping
Datasets



2.6M
Panels for
Shopping
Data



11M
Catalog
Datasets



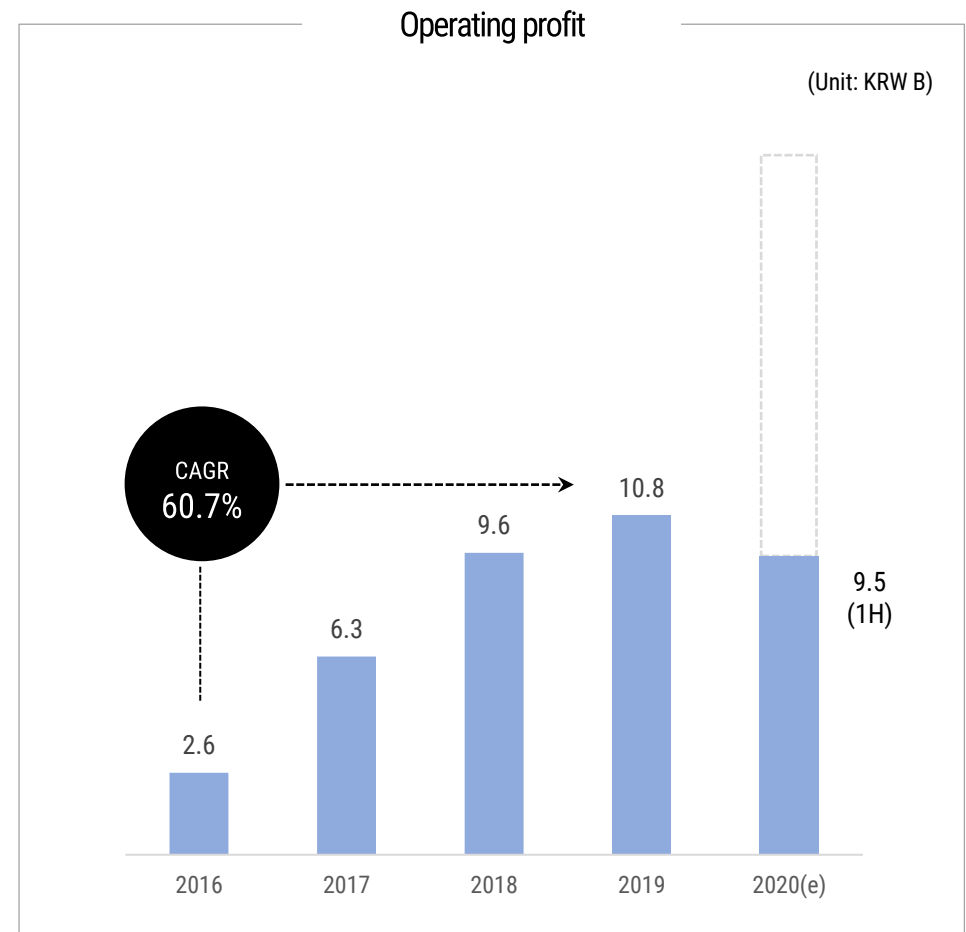
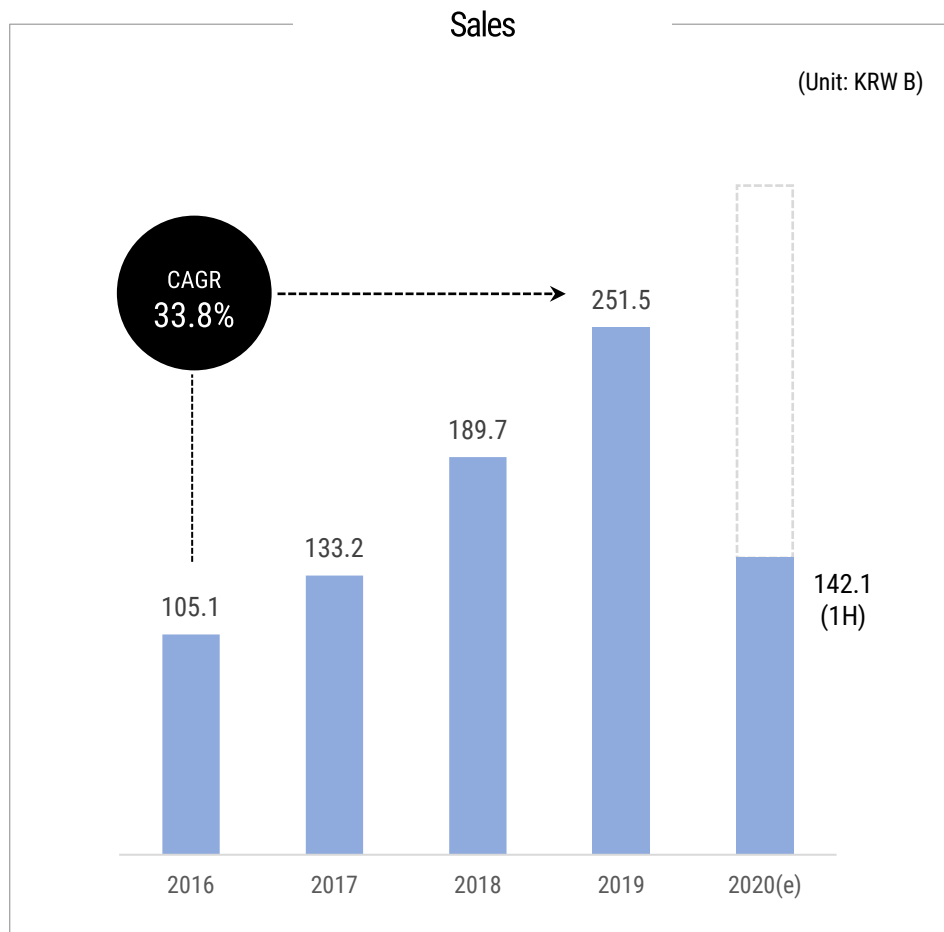
10M
Transaction
Datasets
(Monthly)



130M
Delivery
Datasets
(Monthly)

Performance indicators

Revenue and operating profit have continued to grow with double-digit increase.
Profitability improves as scale increases.



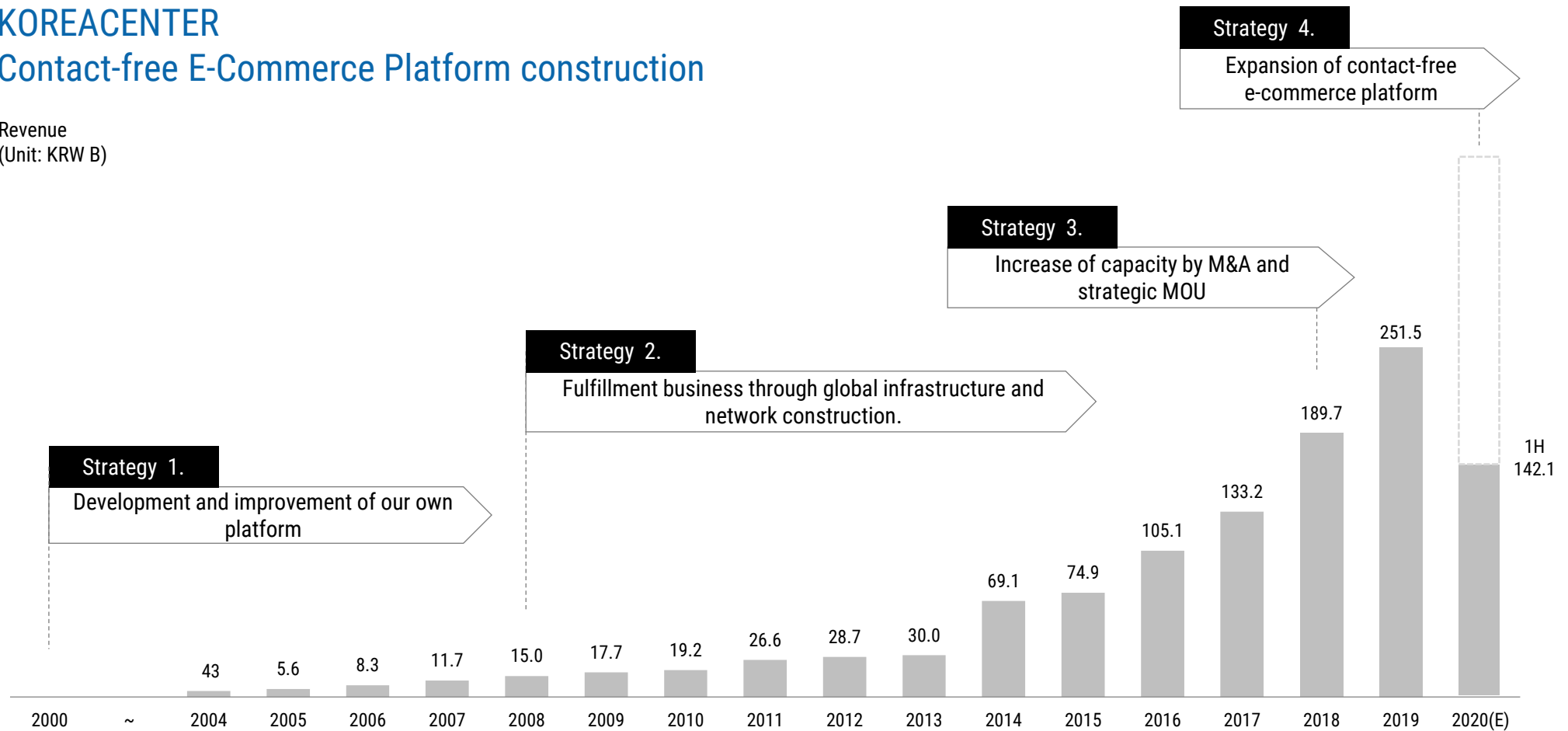
** In accordance with K-IFRS

Growth history and background

By investing in global infrastructure first and expanding e-commerce services,
We have diversified our service area and continued steady growth every year.

KOREACENTER Contact-free E-Commerce Platform construction

Revenue
(Unit: KRW B)



** Accounting standard: 2004-2013 (Separate accounting standard), 2014-2018 (Consolidated accounting standard), 2004-2015 (K-GAAP), 2016-2018 (K-IFRS)

**MNC: MAKESHOPNCOMPANY INC.

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01 Prologue

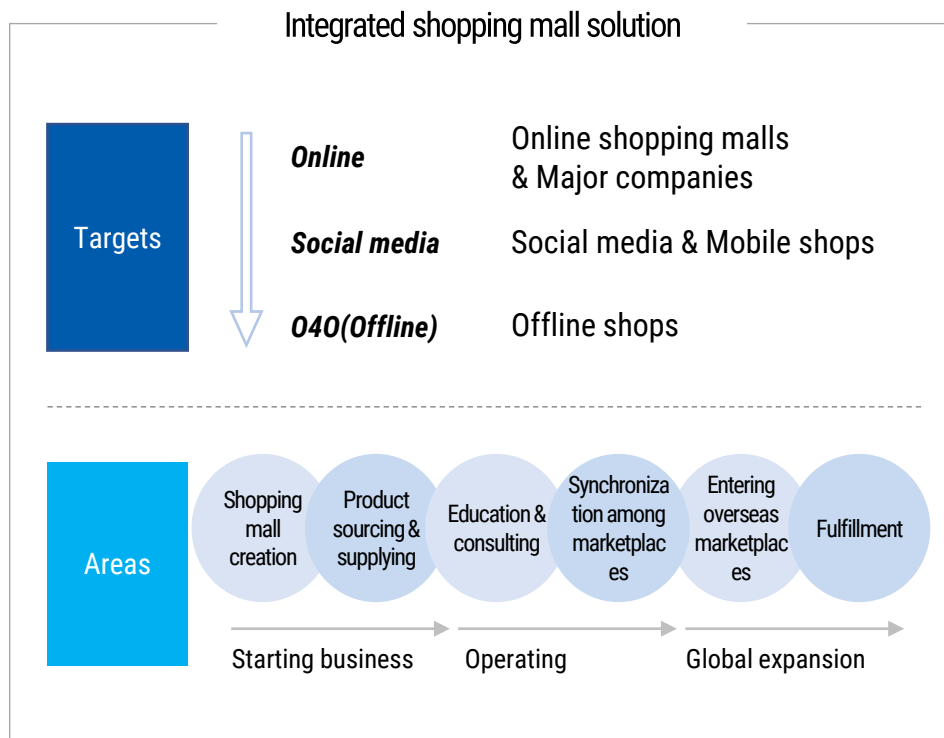
02 Overview

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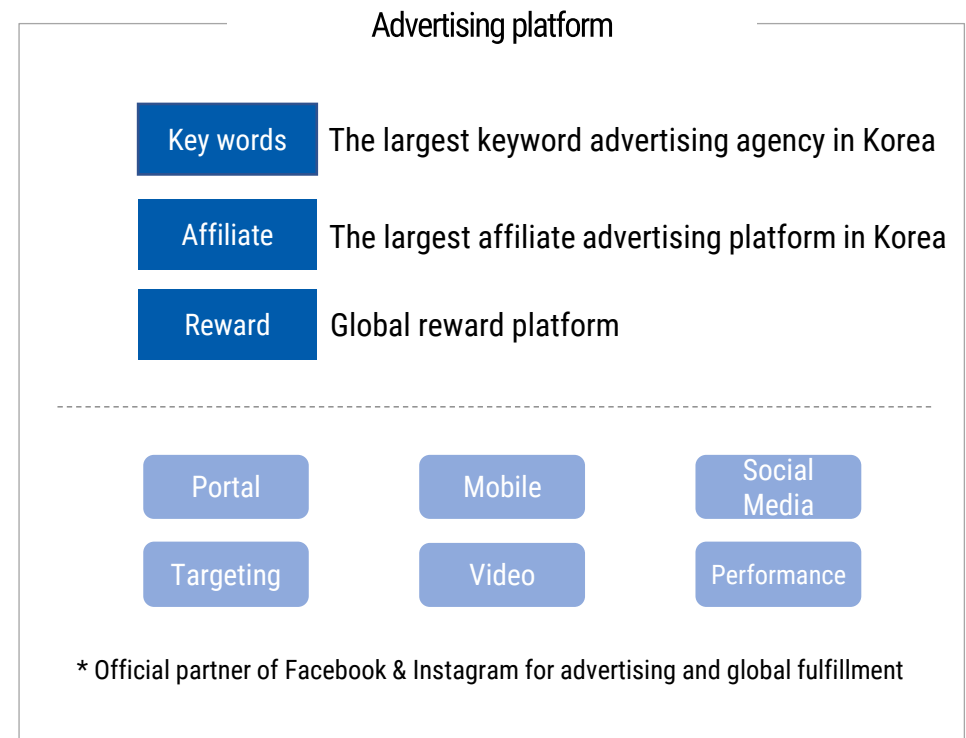
04 Business performance

01. Domestic e-commerce

From the first integrated shopping mall solution,
Our domestic business is expanding to all areas of e-commerce.



Global expandable platform:
Starting business solution that encompasses online and offline



Advertising platform based on data:
Diverse e-commerce advertisement and differentiated consulting

01. Domestic e-commerce : Key indicators

Transition into platform that encompasses online and offline, from an integrated online shopping mall solution.

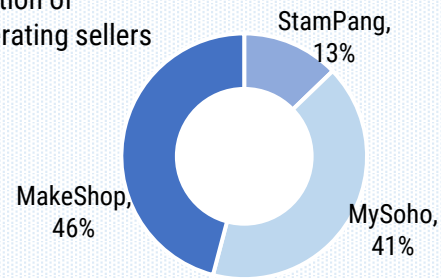
Key Indicators ※ 20.1H

Number of operating
sellers

36,536

Compared to the 1H of last year,
82% Increased

Portion of
operating sellers



Total transaction
amount

₩4.6T

Compared to the 1H of last year,
35% increased

[MakeShop]

Premium shopping mall creation service

- Providing creation and customization of shopping malls specialized for corporate customers

XEXYMIX



SAPPUN

PIGHIP

Welkeeps

유한킴벌리

[MySoho]

Shopping mall solution with social media

- Building shopping malls that enables product registration and sales easily with a smartphone



[StamPang]

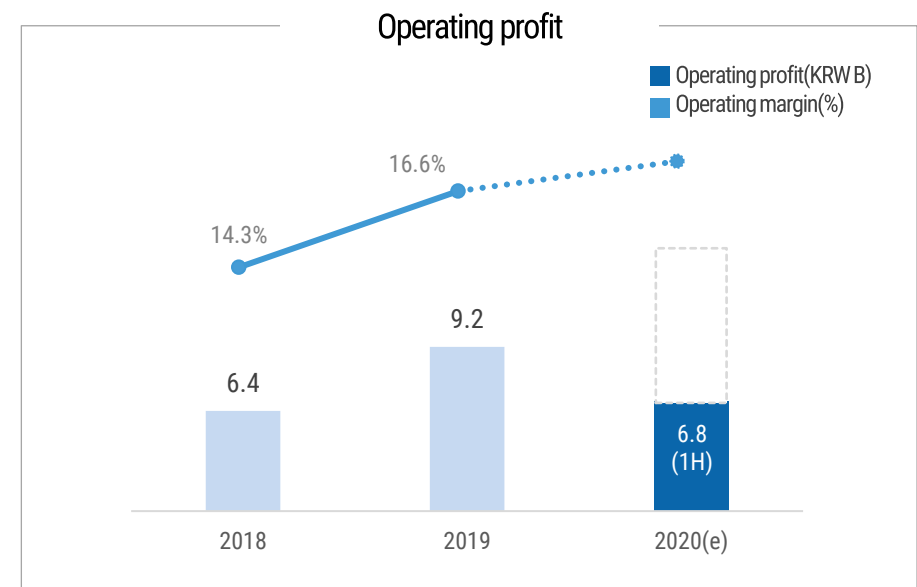
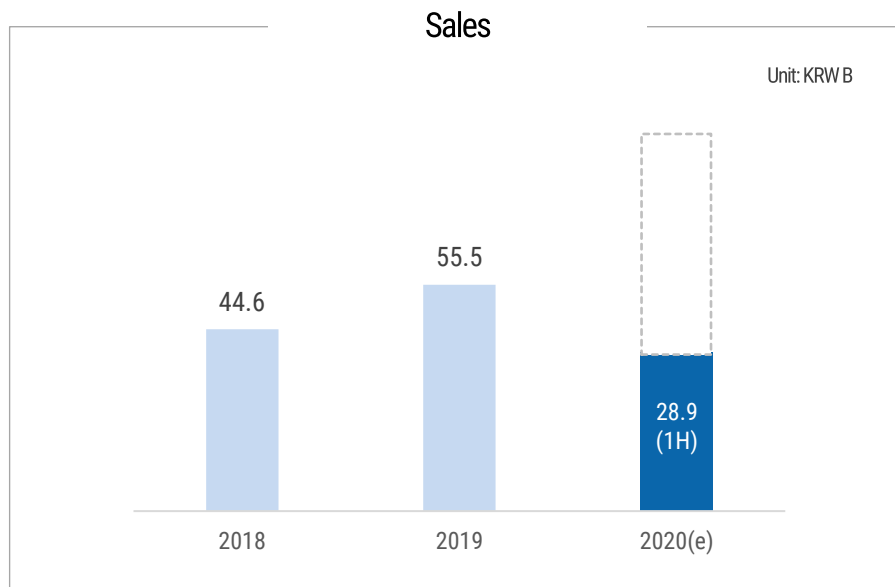
Smart solution for offline sellers

- Providing a solution to convert offline store customers into online members



01. Domestic e-commerce : Financial performance

As the number of stores increased, sales and operating profit grew by 52% and 74%, respectively, year-on-year.



- The increasing number of registered stores is accelerating due to the expansion of free services, and we are realizing both top-line growth and increased profitability through the 'additional revenue model establishment strategy'. (PG fees, advertising sales, etc.)
- The increase in advertising sales had a major impact on the surge in operating profit in 1H, and ad sales are expected to increase in 2H as stores continue to increase.
- The amount of advertising transactions increased by approximately 190% compared to the same period of previous year, and the share of total sales exceeded 40% for the first time.

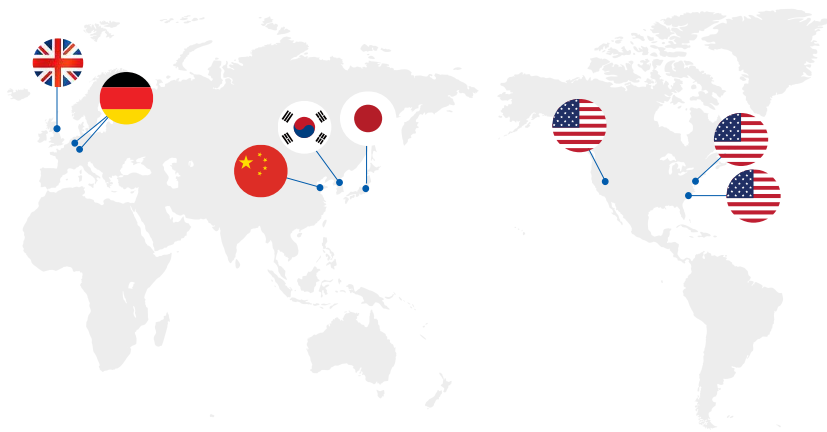
02. Global e-commerce

Business is growing into a global cross-border e-commerce platform based on 9 fulfillment centers in 6 countries.

Infrastructure for fulfillment

₩1.5T of annual transaction amount

9 fulfillment centers in 6 countries



- Grown into a cross-border transaction platform with stable infrastructures.
 - The global fulfillment center will be expanded with 'license fee model' through partnerships with local companies.
- (* A model charged for usage of MallTail brand and its system ex. UK Center)

Cross-border e-commerce platform

IT systems optimized for each country

Development and optimization of own automation system with fulfillment know-how



Multi-directional platform (Seller ↔ Buyer)

Fulfillment

Cross-Border Transaction

Drop Shipping Business

02. Global e-commerce : Key indicators

Cross-border platform has expanded for global customers based on shopping big data on e-commerce platform.

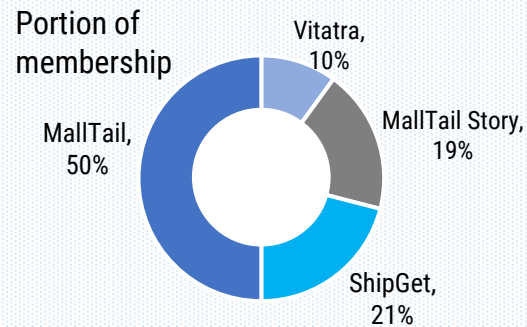
Key Indicators ※ 20.1H

Number of B2C membership

365M

Compared to 1H of last year
8% increased

*Members shopping globally in Korea



Number of direct purchase overseas

880k

Transaction amount
₩100B

Fulfillment platform for B2B businesses

- Fulfillment for whole global businesses
- Providing opportunities of expanding business areas to regional businesses in each country
- Support for global sellers to enter Korean market through infrastructure



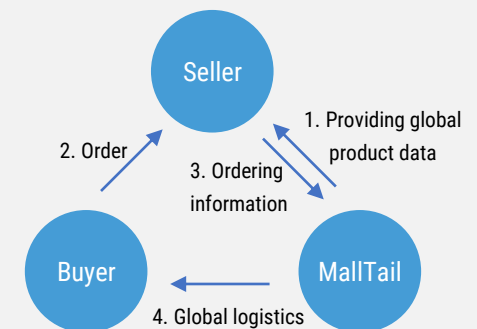
Expansion of cross-border transactions

- Fulfillment service for transactions between other countries not through Korea



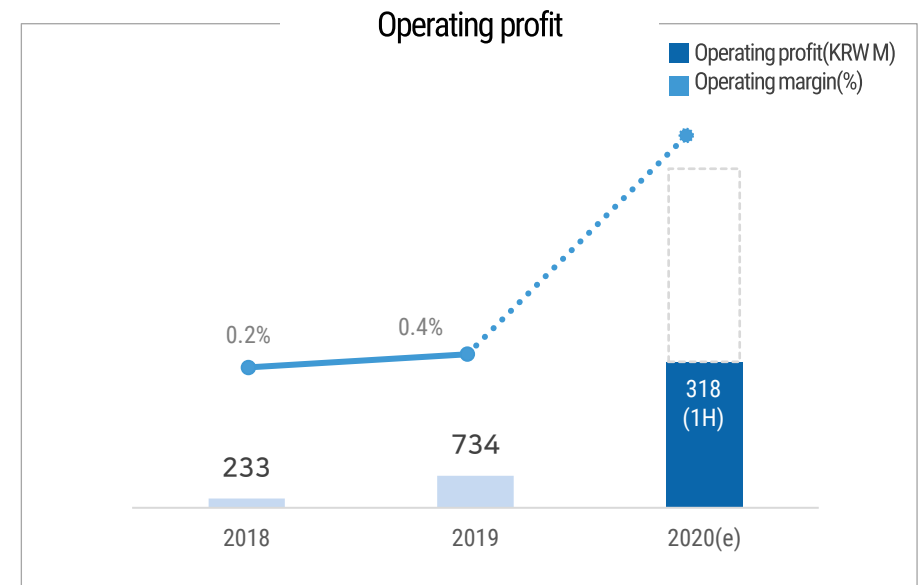
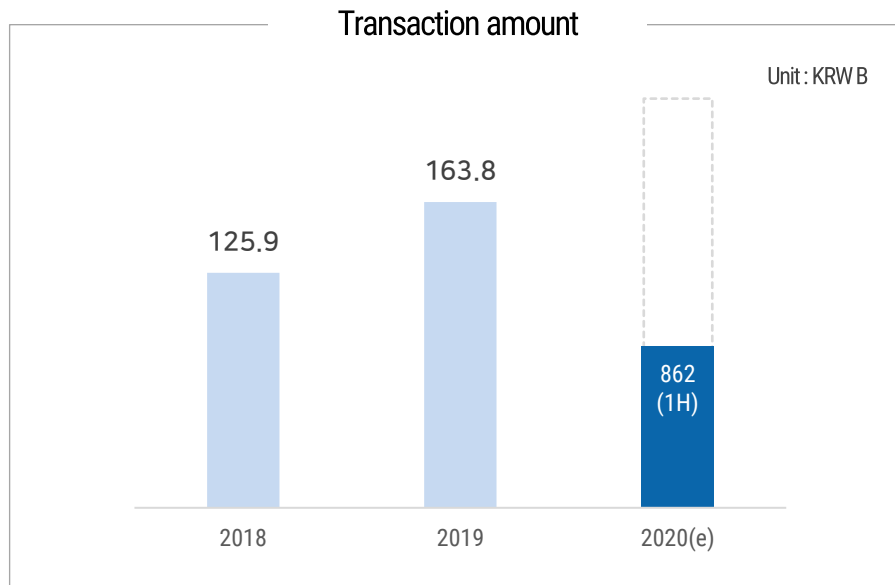
Providing drop shipping solutions

- Supplier expansion within the platform through system operation without stock



02. Global e-commerce : Financial performance

Sales has grown and profitability has improved responding to rapidly increasing global contact-free trend, based on the optimized global fulfillment system



- MallTail's operating profit has been concentrated in the second half of the year, but the operating profit of the first half of this year alone reached five times the annual operating profit of last year.

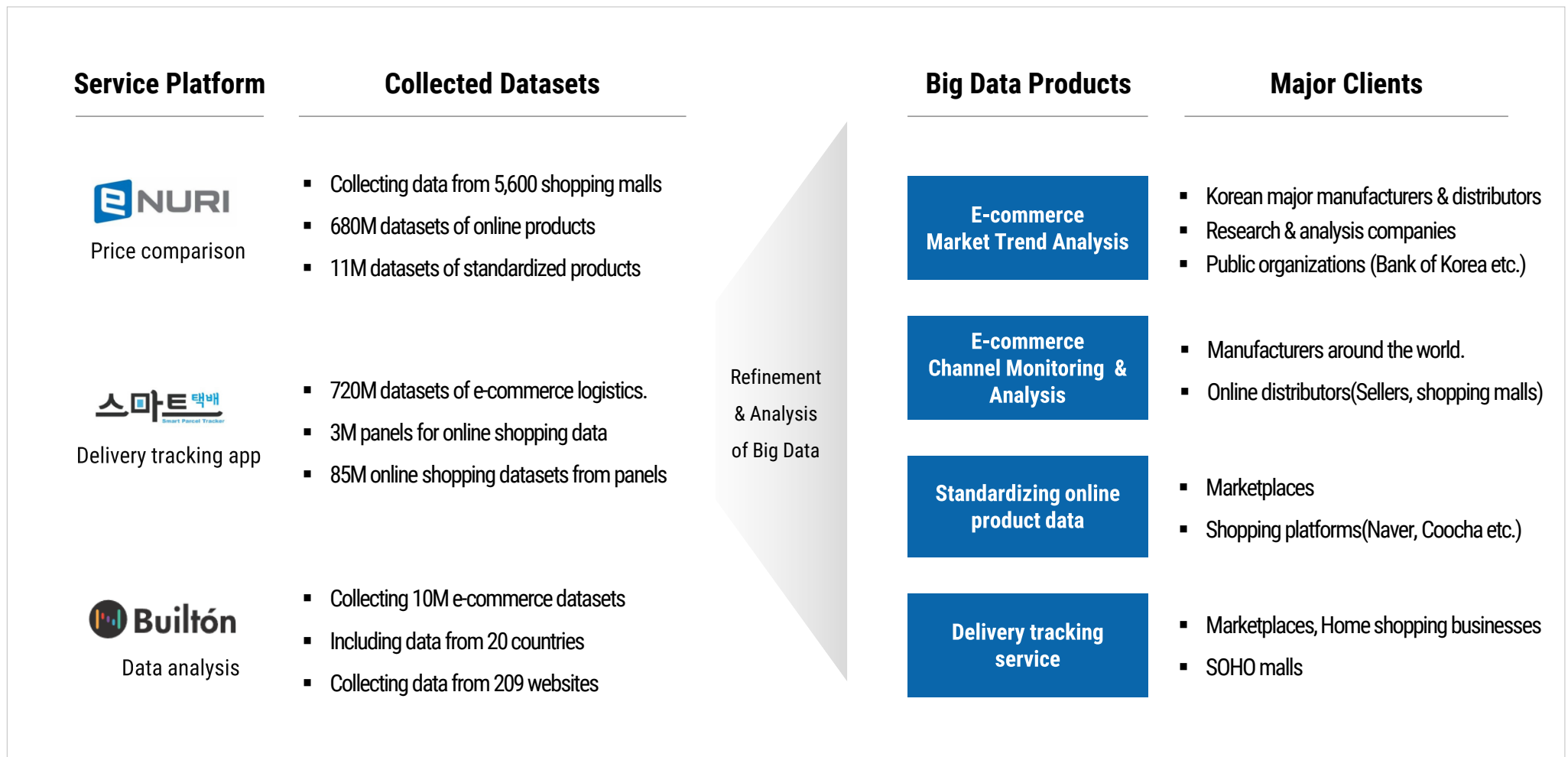
→ Due to the biggest event in the global commerce, "Black Friday" in the 2H, It is expected to achieve record sales and operating profit.

- The UK Center, which opened early this year, is showing operating profit from the first month with the "License fee model".

→ The "License fee model" will further enhance the system's superiority without large-scale capex to expand the center and increase competitiveness.

03. Big data e-commerce

No.1 in e-commerce big data business with the best refining and analytics technology,
Enuri has an incomparable amount of data through price comparison service & delivery tracking service.

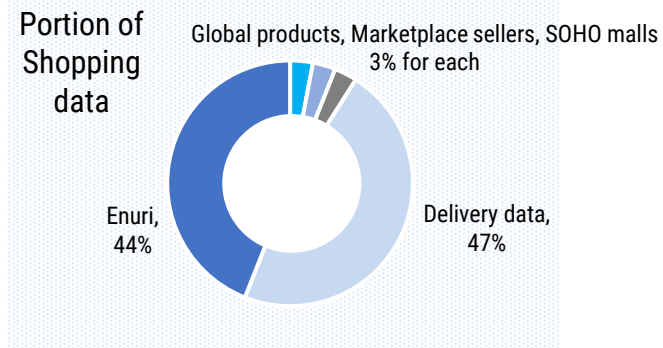


03. Big data e-commerce : Key indicators

The only big data platform for e-commerce with the value chain of the entire big data field

Key Indicators ※ 20.1H

Number of data sets
about shopping
1.6B

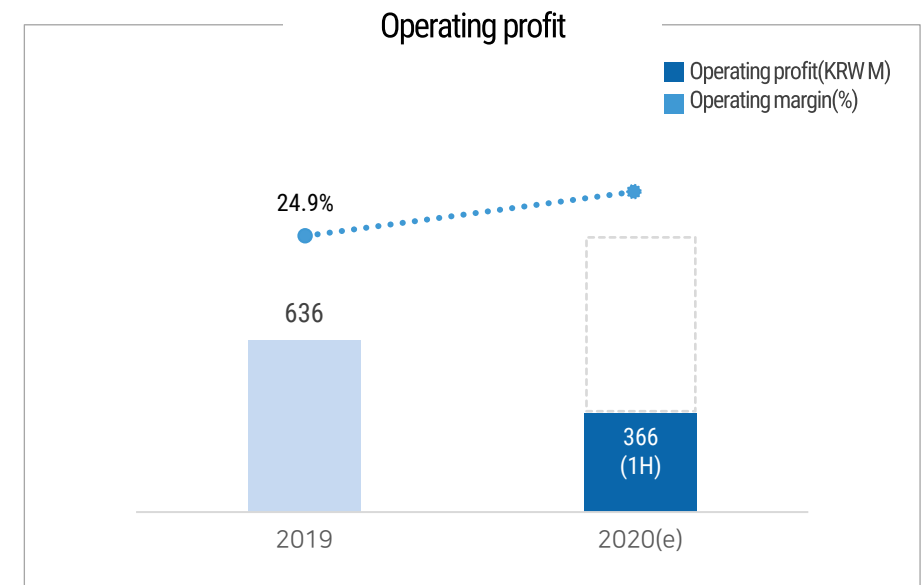
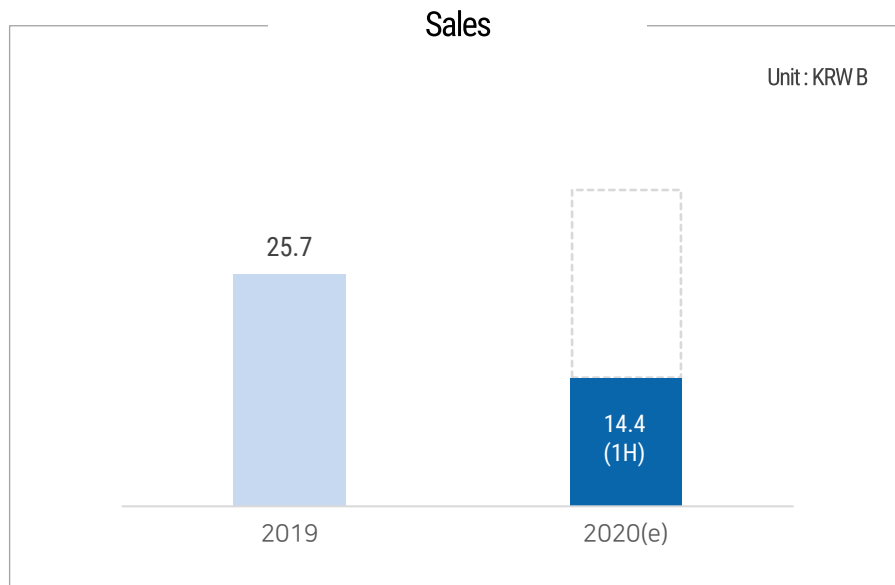


Transaction amount
through Enuri platform
₩5.5B

Colleting & Extracting data	Cleansing data	Analysis	Commercialization (Into Business Intelligence)	Sales
Data of direct purchasing from overseas(MallTail)				
Sales data from marketplace sellers (PlayAuto)				
Sales data form SOHO malls(MakeShop)				
Online purchase delivery data	DB refining expert teams			
Price data posted on shopping malls	DB refining AI engine		Trend View / Dashboard	KOREACENTER overseas base
Price data from actual transactions	Big data processing system	Analytic system	Analysis solution (Price-on etc.)	Major partner businesses
Data about purchasing from 300M panels	Standardized product data	Analysis & consulting	Marketing Tool / MIRS	Sales expert teams

03. Big data e-commerce : Financial performance

Seizing a rapid growth opportunity due to surge in big data demand,
With aggravating competition among marketplaces.



- Big data sales has grown 40% annually.
 - The value of Enuri is increasing as the only supplier of e-commerce big data in Korea.
 - In the second half, which includes the peak season of shopping, data sales growth is expected to increase significantly, leading to an increase in operating margin.
- GMV is expected to grow by more than 20% YoY due to the solid growth of hard goods such as home appliances and the mart products such as fresh foods.

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01. Overall management performance

Consolidated Summary Financial Statement

Statement of Financial Position

Unit: KRW M

	20Y 1H	2019	2018	2017
Current assets	121,178	123,354	73,048	32,934
Non-current assets	270,187	221,513	191,500	70,673
Total assets	391,365	344,867	264,548	103,607
Current liabilities	134,082	104,223	86,087	38,402
Non-current liabilities	49,490	42,500	43,716	22,034
Total liabilities	183,572	146,723	129,803	60,436
Capital stock	2,450	2,450	2,161	400
Capital contributions	124,082	127,854	73,731	-
Accumulated other comprehensive income	3,134	1,930	856	71
Other components of capital	5,690	8,466	7,992	-
Retained earnings	57,284	51,270	45,640	42,701
Minority interest	15,153	6,174	4,365	-
Total equity	207,793	198,144	134,745	43,171

Operating statement

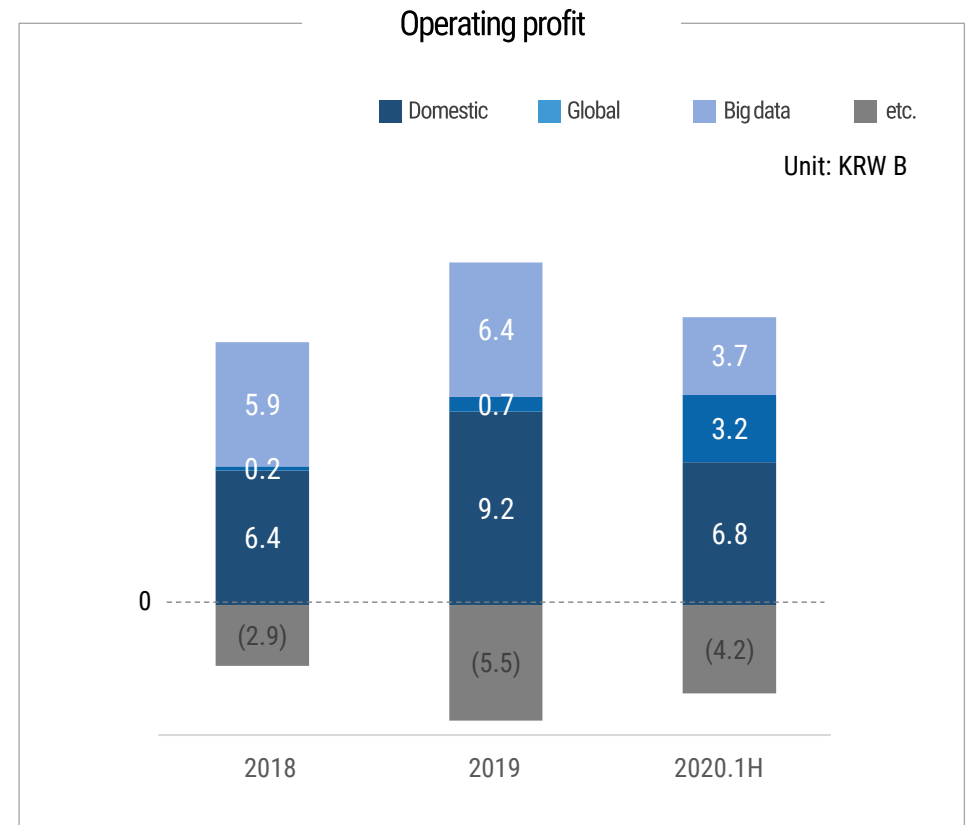
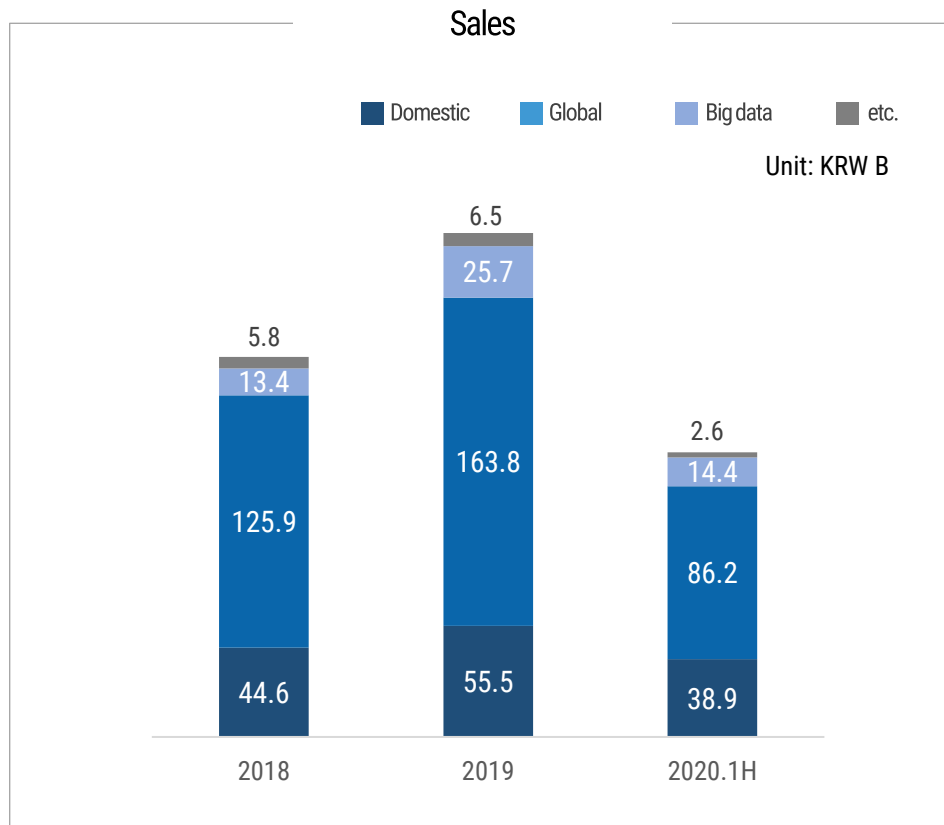
Unit: KRW M

	20Y 1H	2019	2018	2017
Operating revenue	142,137	251,498	189,670	133,160
Operating cost	132,599	240,728	180,028	126,868
Operating profit	9,538	10,770	9,642	6,292
Non-operating revenue	2,835	5,199	4,411	1,819
Non-operating cost	4,677	8,114	7,338	2,200
Earnings before tax	7,696	7,855	6,714	5,912
Corporation tax	965	837	1,841	1,259
Net profit	6,731	7,018	4,874	4,652
Comprehensive income	7,912	7,690	5,216	4,652

** Financial statements in accordance with K-IFRS

02. Sales performance by division

Domestic e-commerce division	The sales has increased due to it's expansion of business areas and the acceleration of online conversion with the contact-free trend.
Global e-commerce division	The profitability has grown due to increasing global product demand and efficient operation of the fulfillment.
Big data e-commerce division	The business has grown together with the market boom that includes increasing amount of product data and aggravating price competition.



※ etc. consists mostly of amortization costs for identifiable intangible assets