

No.1  
Health & Beauty care  
Platform\_\_\_\_\_

CARELABS

2018.2Q

## Disclaimer

---

This report has been prepared by Carelabs ("the Company") to promote the understanding of the company's business activities. It is prohibited to export, copy or redistribute to others.

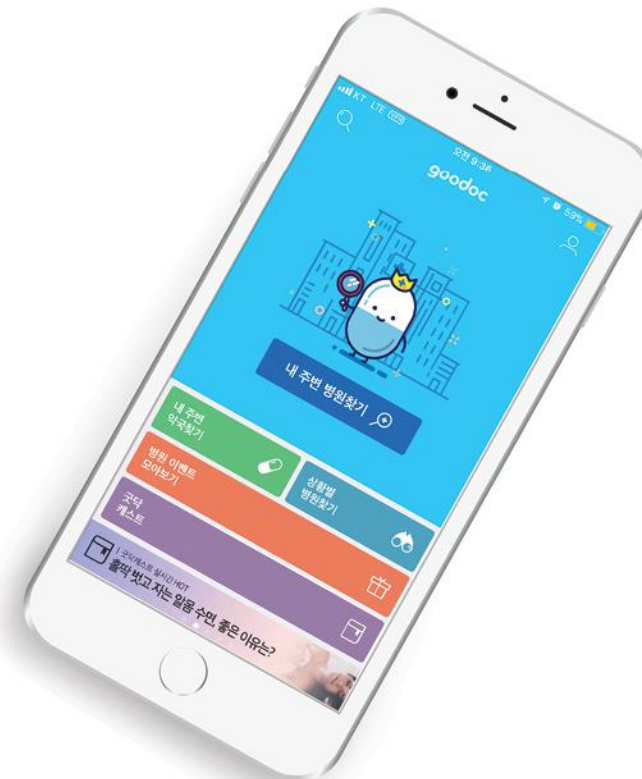
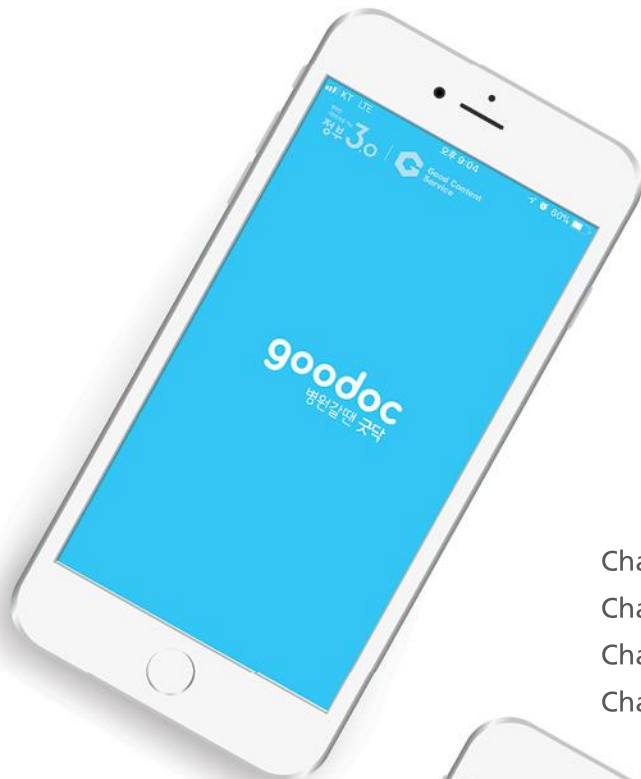
"Forecasts" included in this document have not been subjected to verification. This information is related to the future events, not the past. This refers to the company's future management status and financial performance in the future. In terms of expressions, such information may be indicated by the words 'forecasts', 'predictions', 'plan', 'expectations', and '(E)'

The above "forecast" is subject to uncertainties inherent in future changes in the business environment and, as a result of such uncertainties, actual future performance may differ materially from what is stated or implied in the "forecast information" .

Furthermore, the forecasts are based on current market conditions and the direction of the company management. Please be advised that changes may be made in the future due to market changes and/or strategies, which may be subject to change without notice.

Please note that the Company and its employees do not bear any responsibility for any loss from the use of this material.  
(Including negligence and others)

Please do not copy or distribute this report as it contains confidential information.



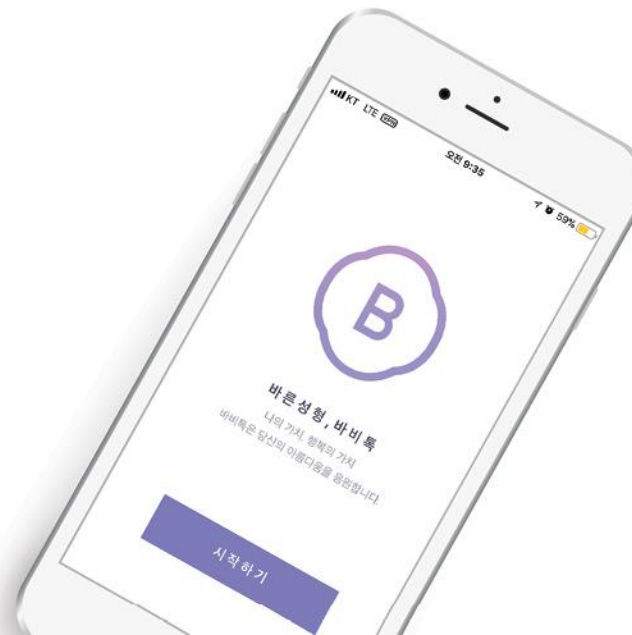
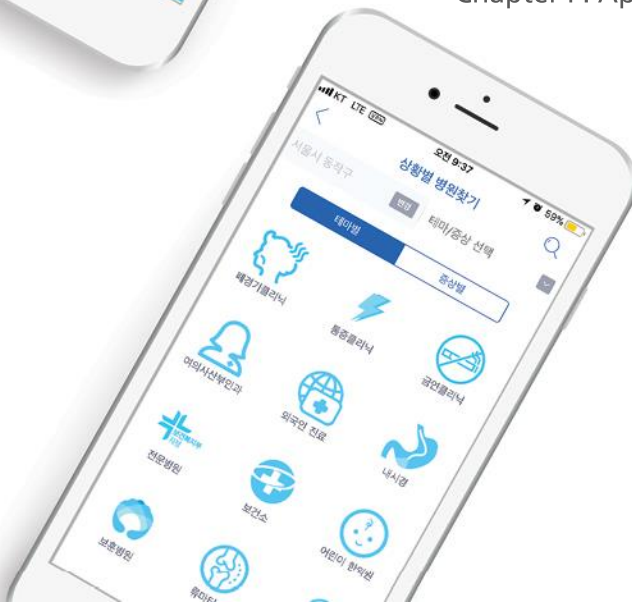
## CONTENTS

Chapter1 : No.1 Health & Beauty Care Platform, CARELABS

Chapter2 : Business Model

Chapter3 : Growth Strategies

Chapter4 : Appendix



CARELABS



## CHAPTER.1

# No.1 Health & Beauty Care Platform, CARELABS

1. Corporate Identity
2. Market Leader in Healthcare and Beauty Care Platform Business

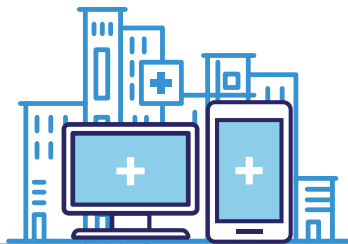
CARELABS

## 01. Corporate Identity

CARELABS

# No.1 Health & Beauty Care Platform

### HEALTHCARE



CARELABS

### BEAUTY CARE



No.1 in Korea  
Hospitals and Pharmacies  
searching Mobile App



No.1 in Korea  
Unpaid  
hospital/clinics  
CRM software



No.1 in Korea  
Pharmacy prescription  
Security system



No.1 in Korea  
Beauty care  
Information-sharing  
Mobile App



Korea's sole  
Total healthcare  
marketing  
solution company



No.1 in Korea  
Social Dating App  
Publisher

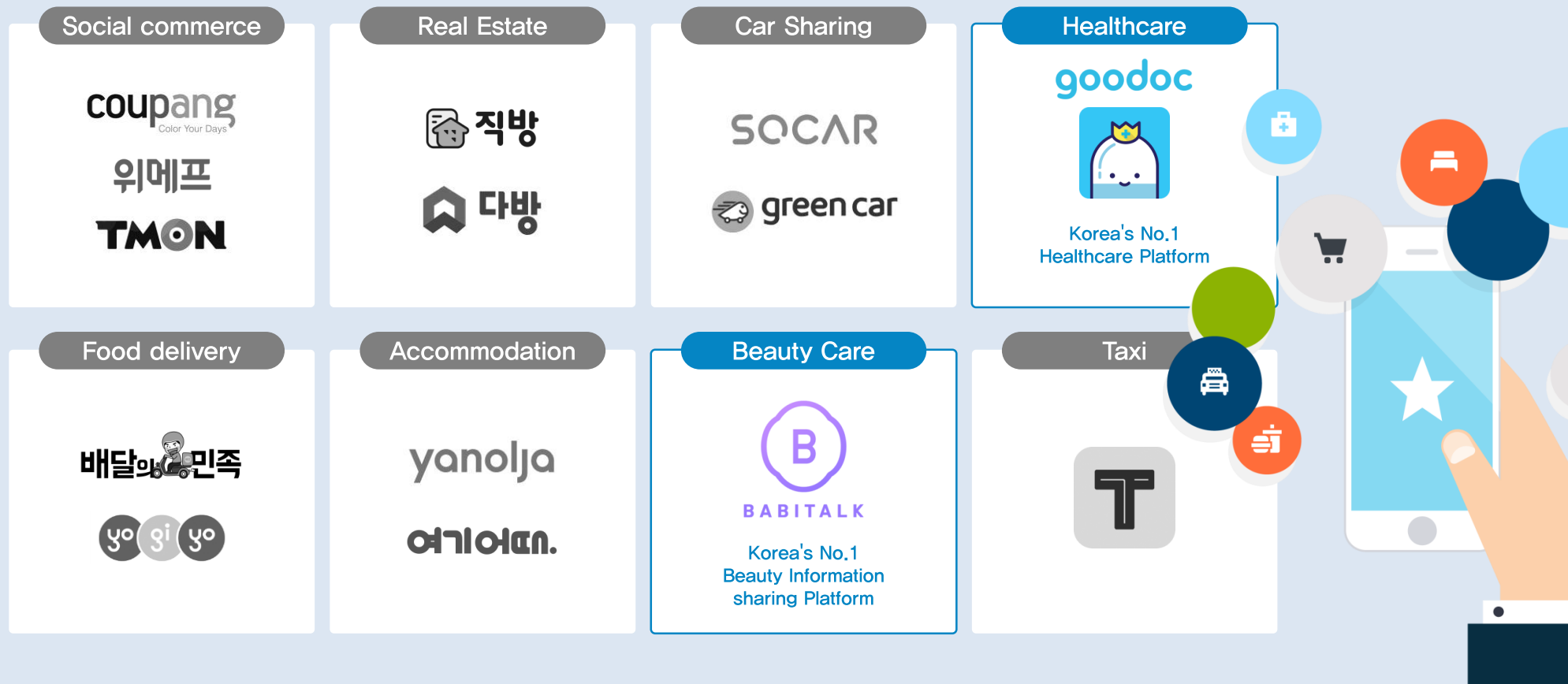


## 02. Market Leader in Healthcare and Beauty Care Platform Business CARELABS

The best healthcare platform in Korea – 'goodoc'

The best beauty care platform in Korea – 'Babitalk'

⊕ Representative platforms by sector





## CHAPTER.2

# Business Model

1 How to make Money

2 Platform

- 1) goodoc
- 2) Babitalik
- 3) Social dating
- 4) Key indices

3 Digital Marketing

4 Healthcare Solutions

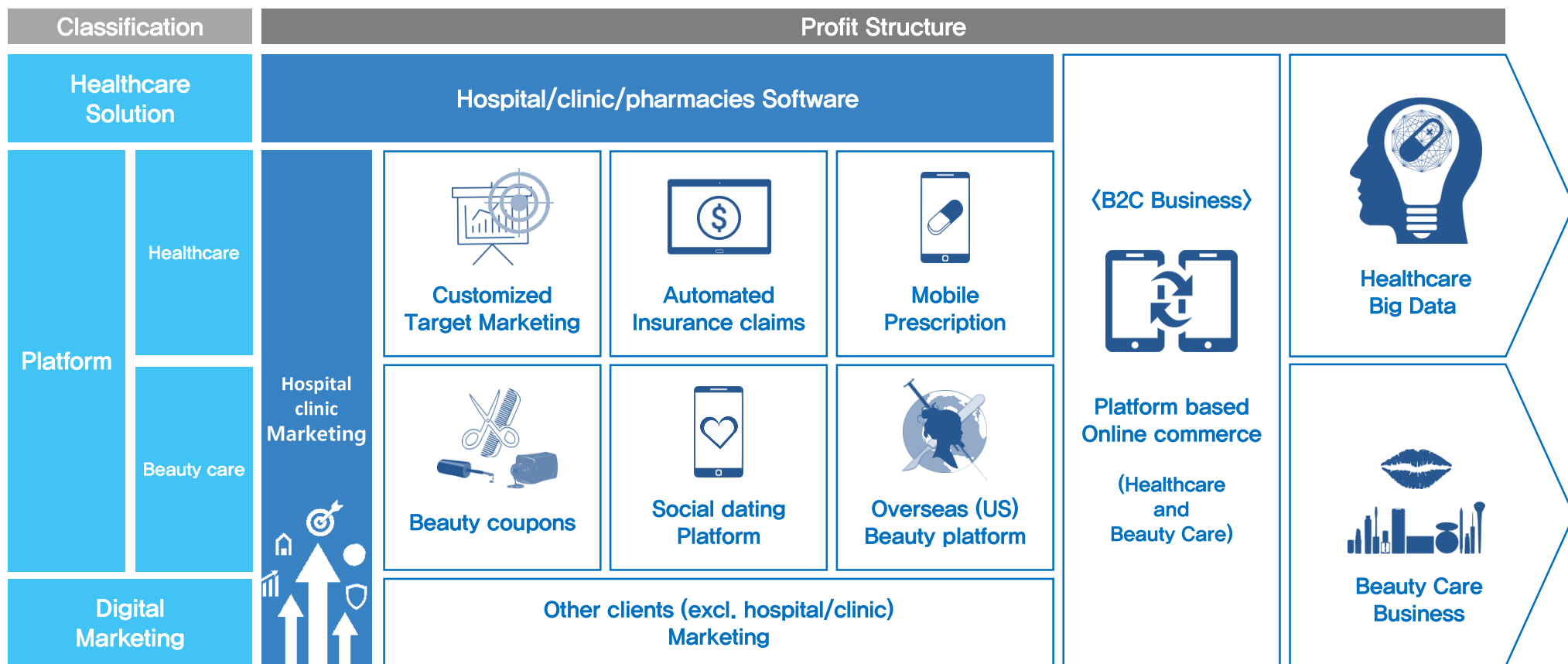
# 01. How to make Money

CARELABS

Diversification attempts in profit structure, based on competitiveness of Healthcare and beauty care platform

## + Revenue Generation Roadmap

CARELABS



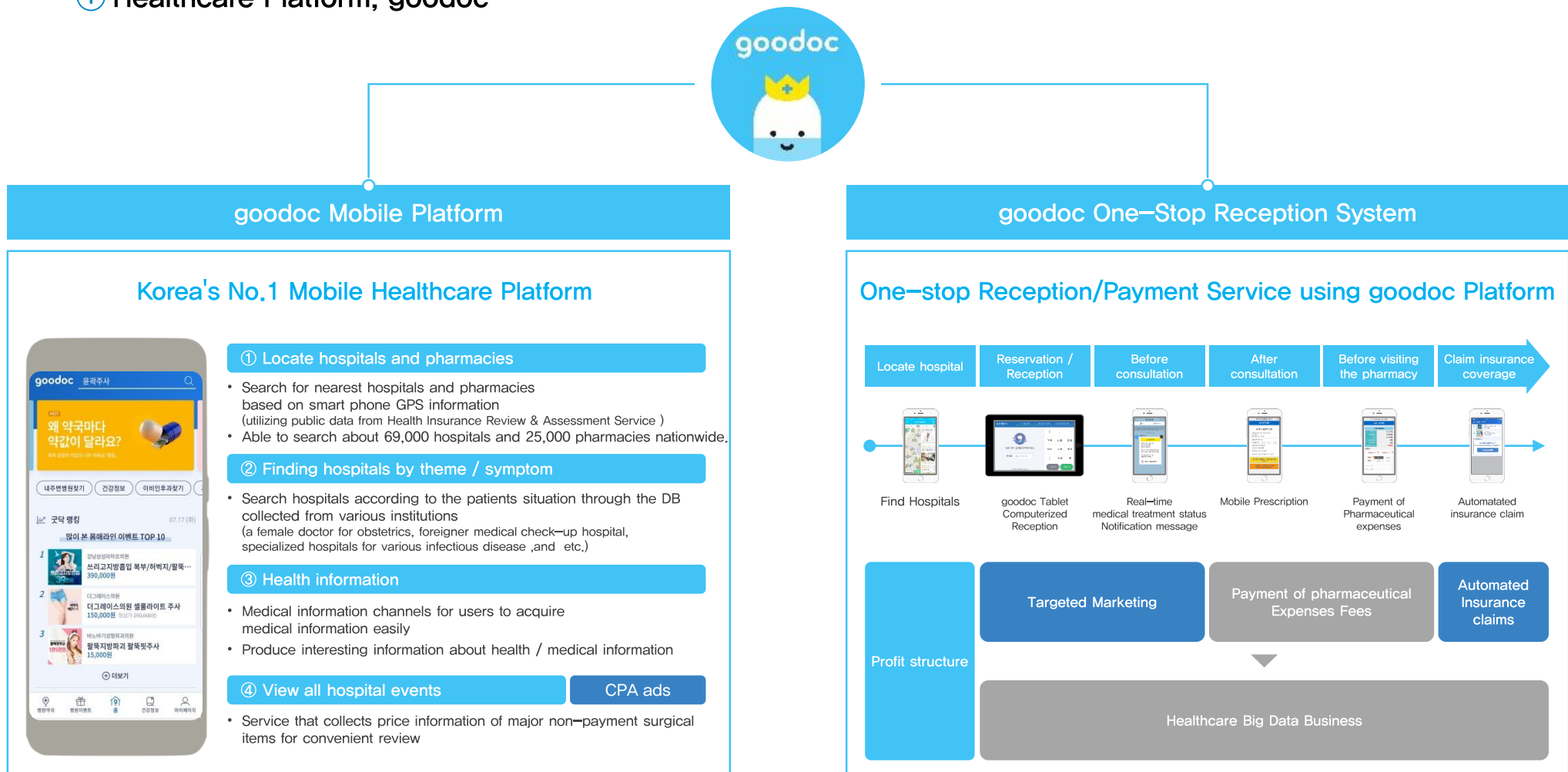


## 02. Platform \_ 1) goodoc

Korea's No.1 Mobile Healthcare Platform 'goodoc'

→ Established integrated on/offline platform through one-stop reception system

⊕ Healthcare Platform, goodoc



## 02. Platform \_ 2) Babitalk

Korea's No.1 Mobile Beauty care Platform 'Babitalk'

→ Expansion of the market by adding beauty coupon feature and acquisition of beauty social platform

⊕ Beauty Care Platform, Babitalk

### Babitalk Mobile Platform

#### Korea's No.1 Mobile Healthcare Platform Babitalk



##### ① Plastic Surgery Information Platform

CPA ads

- Korea's Representative Plastic Surgery information platform
- Cosmetic and beauty care information exchange among users
- High network effect and user retention secured by the community function
- Generate advertising revenue through hospital event, hospital information, and quotation function

##### ② Beauty Coupon

Sales brokerage fee

- Coupon sale for beauty care service with high frequencies, such as nail, aesthetic, and massage
- Increased traffic with high user accessibility compared to plastic surgery
- Rapid market share expansion via existing Babitalk user pool (women in 20s and 30s)
- Over 50 beauty shop (as of the end of 1H18)



### Beauty Social Platform (US)

#### Enter the US plastic surgery market Using Beauty Social platform



BEAUTY SOCIAL

Sales brokerage fee

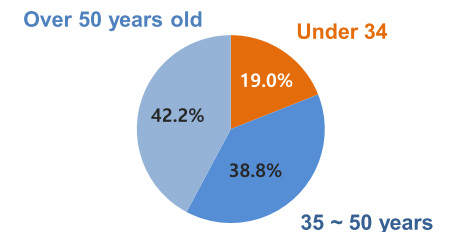
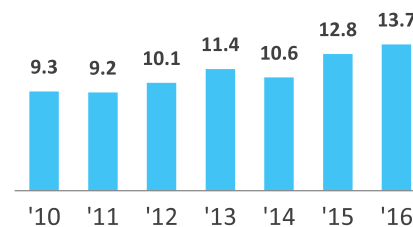
- US mobile-based patient-doctor mediation platform for Plastic Surgery
- Simultaneous charging system for both patient-hospital
- Renewal launched in the second half of 2018 based on the Babitalk interface

#### US Plastic Surgery Market

##### Number of plastic surgery per year

##### Age distribution of plastic surgery

Unit: million times



Source: American Society of Aesthetic Plastic Surgery (ASAPS, 2017)

## 02. Platform \_ 3) Social Dating

Enter the social dating platform market through the acquisition of the No.1 social dating company  
 → Self-growth and Creating synergy with beauty care · digital marketing business

### ⊕ Social Dating Platform



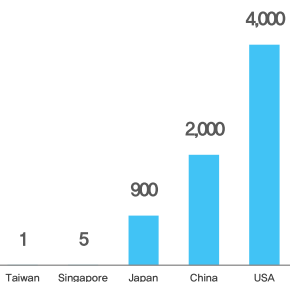
#### Social Dating Platform

##### Market Environment

##### Korean Social Dating Market enters a growth period

###### Overseas Social Dating Market

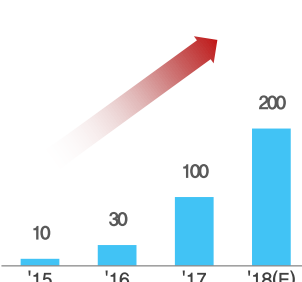
Unit: billion won



Source: Lit. Search (2015)

###### Korean Social Dating Market Size

Unit: billion won



Source: App Annie (2017)

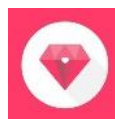
##### Competitiveness

##### Secure leading position in Korean Social Dating Market

###### Core competitiveness



DangYeonsi



SweetMe



SarangAe

Cumulative users

**Approx.  
3.5 million**

- Operates 6 platforms including 'DangYeonsi', 'SweetMe', and 'Sarangae'
- Multi-brand launching strategy targeting various demands
- Achieved sales of KRW 8.4 billion and operating profit of KRW 1 billion by 2017
- Based on March–April 2018 earnings, Korea's top-ranked dating app publisher

###### Point charging

##### Synergy effect

##### Generate continuous synergy between O2O platforms

###### Synergy effect between business divisions

###### Social Dating Platform

Secure 20s ~ 30s user base

Excellent app development workforce

High Platform Traffic

###### Beauty Care Platform

Cross-platform marketing

Platform co-development

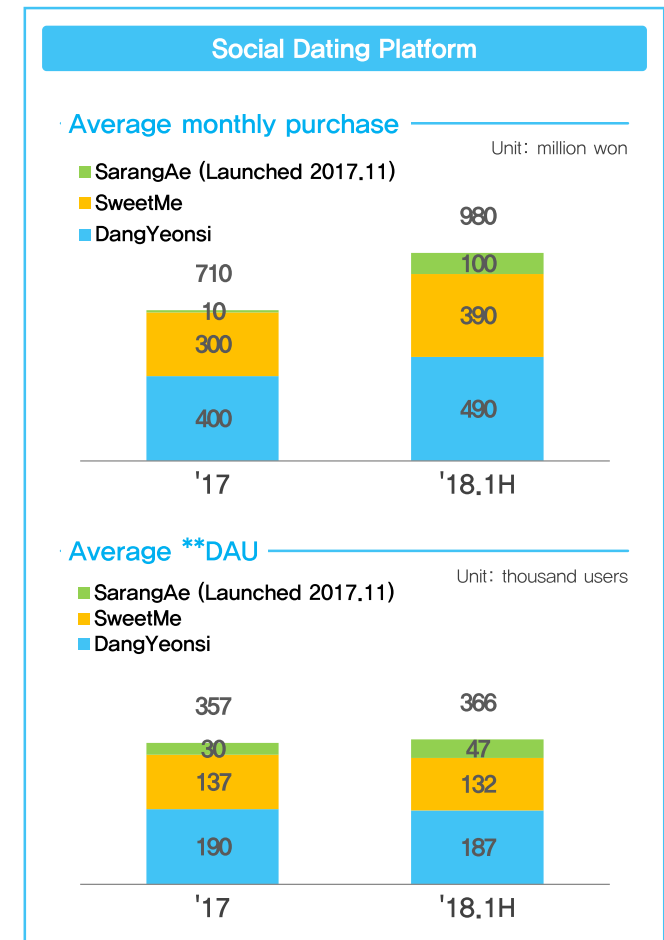
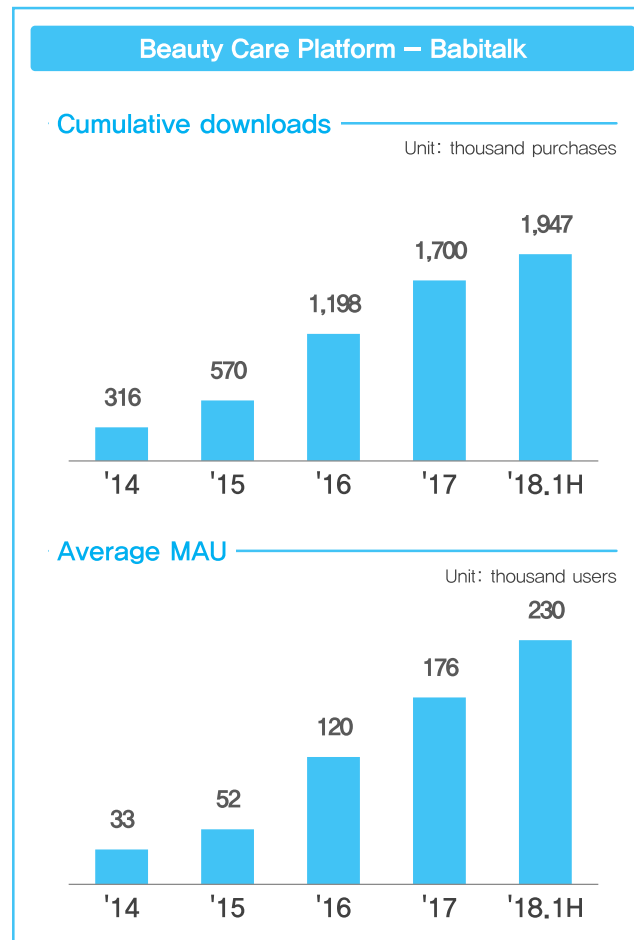
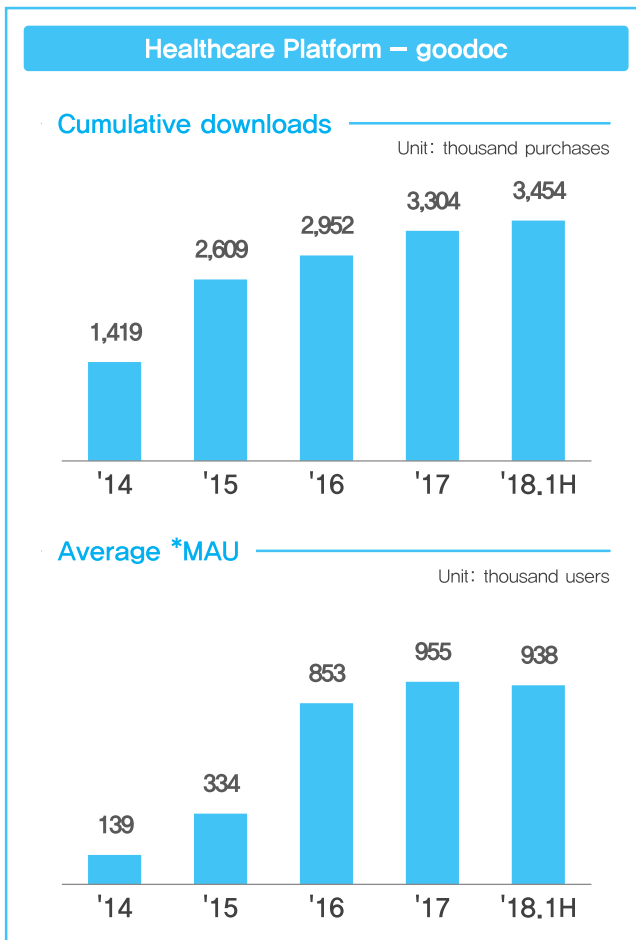
###### Digital Marketing

Secure marketing medium

## 02. Platform \_ 4) Key indices

All platforms maintain solid growth while strengthening market dominance and sustaining growth.

### + Platform traffic trend



\* Monthly Active Users (MAU): Number of monthly active users, number of pure users using the service for one month

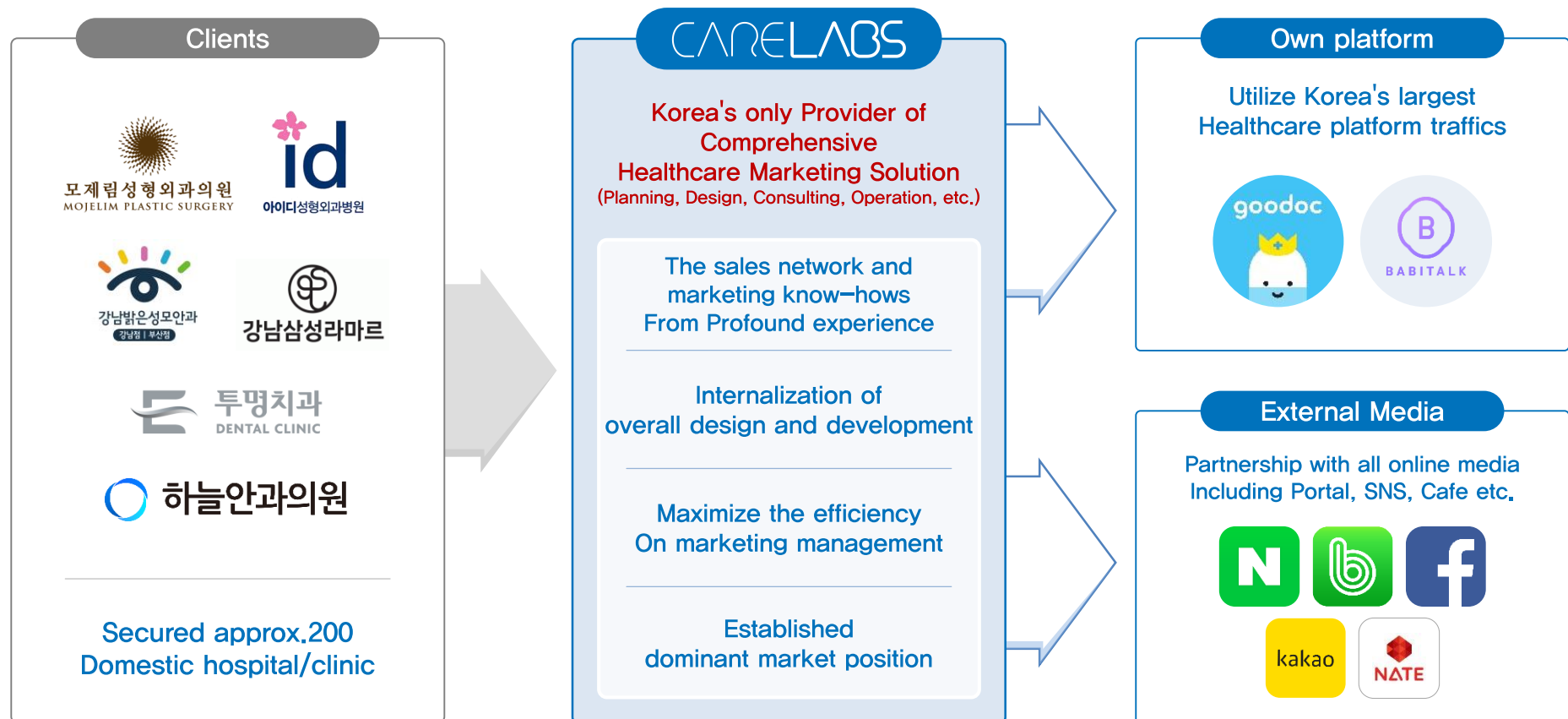
\*\* DAU (Daily Active Users): Number of active users per day, number of pure users using the service during one day

Source: Care Labs

### 03. Digital Marketing

Korea's only Healthcare marketing specialist, Digital Marketing Business Division

#### + Digital Marketing Business Structure

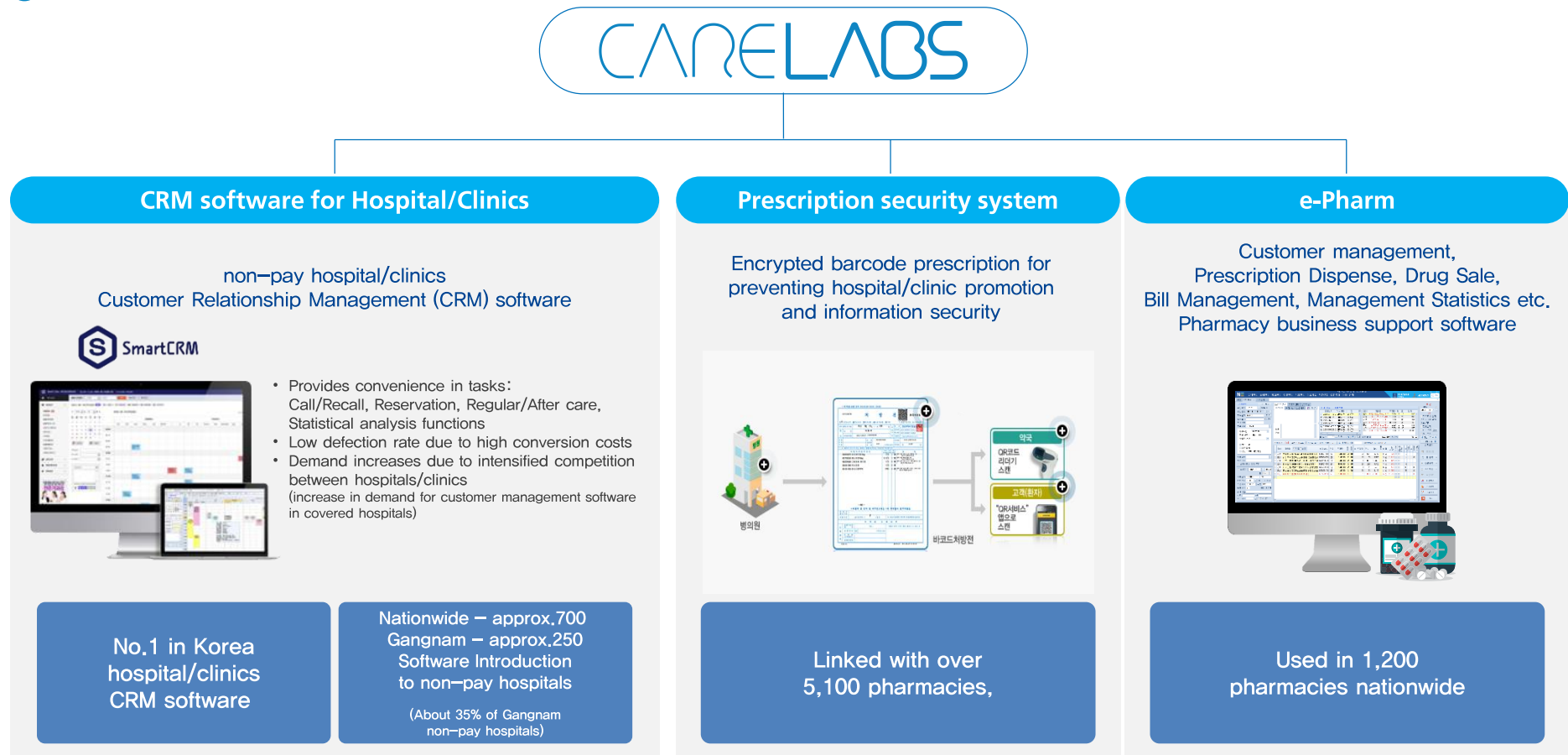


## 04. Healthcare Solutions

CARELABS

The Best Functional Healthcare Solution Software Recognized by the Industry

### + Healthcare Solution Software



Source: CareLabs





## CHAPTER.3

# Growth Strategies

1. 2018 Business Performance
2. Growth Strategies
  - 1) Overview
  - 2) Healthcare
  - 3) Beauty Care
  - 4) Target Market Size

## 01. 2018 Business Performance

Sales increased 30.8% YoY in 1H18  
OP margin of 14.4% and net profit margin of 10.9%

### + 2018 Business Performance

Unit: billion Won

Classification	2016	2017	2017.1H	2018.1H	YoY
<b>Sales</b>	<b>30.4</b>	<b>39.3</b>	<b>18.4</b>	<b>24.0</b>	<b>30.8%</b>
Platform	9.1	14.7	7.0	8.2	15.9%
Digital Marketing	19.2	18.9	10.2	11.0	7.8%
Healthcare Solutions	2.1	5.8	1.1	4.8	340.0%
<b>Operating Profit</b>	<b>4.9</b>	<b>6.3</b>	<b>3.4</b>	<b>3.5</b>	<b>1.5%</b>
<b>Net Profit</b>	<b>4.5</b>	<b>4.8</b>	<b>2.7</b>	<b>2.6</b>	<b>(2.6%)</b>
<b>Operating Profit Margin</b>	<b>16.0%</b>	<b>15.9%</b>	<b>18.6%</b>	<b>14.4%</b>	
<b>Net Profit Margin</b>	<b>14.7%</b>	<b>12.2%</b>	<b>14.7%</b>	<b>10.9%</b>	

Note 1: In 2016, assuming merger assumptions.

Note 2: Separate financial statements for 2016 and 2017, and consolidated financial statements for 2017 and 2018

Source: CareLabs

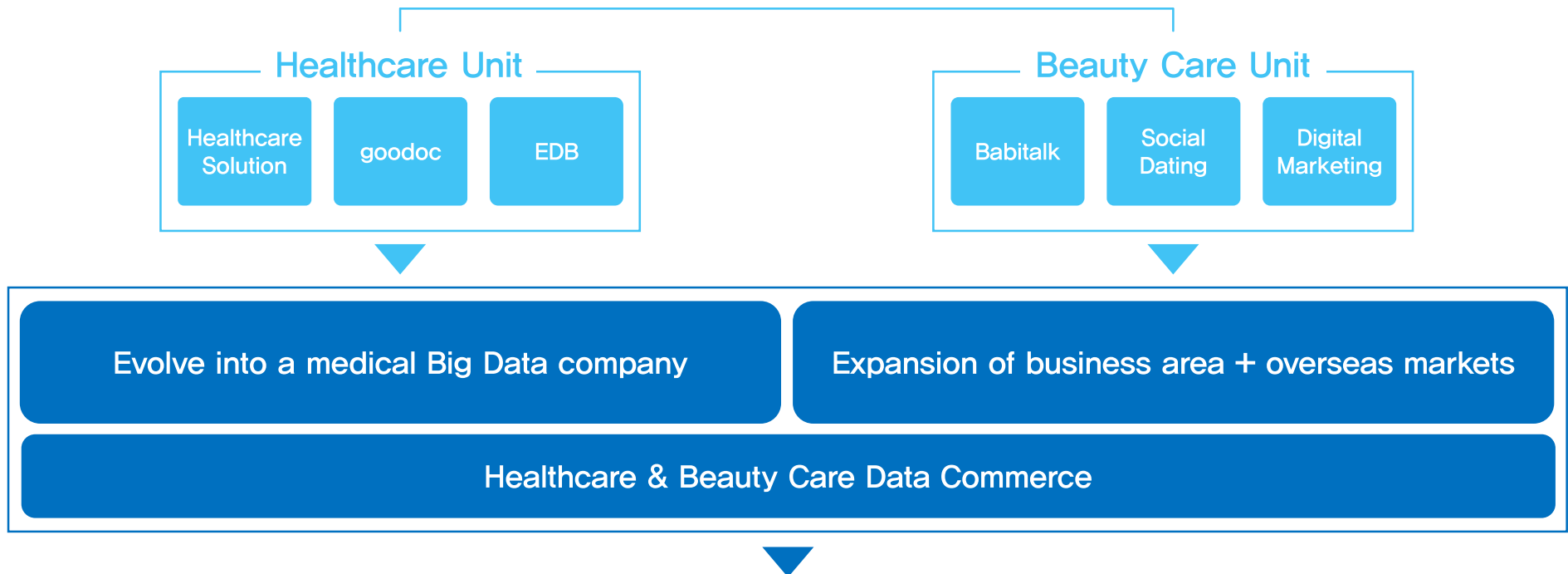
## 02. Growth Strategy\_ 1) Overview

## Grow up to be "Global Health & Beauty Care Platform"

## Growth Strategy Overview

## No.1 Health & Beauty Care Platform

CARELABS

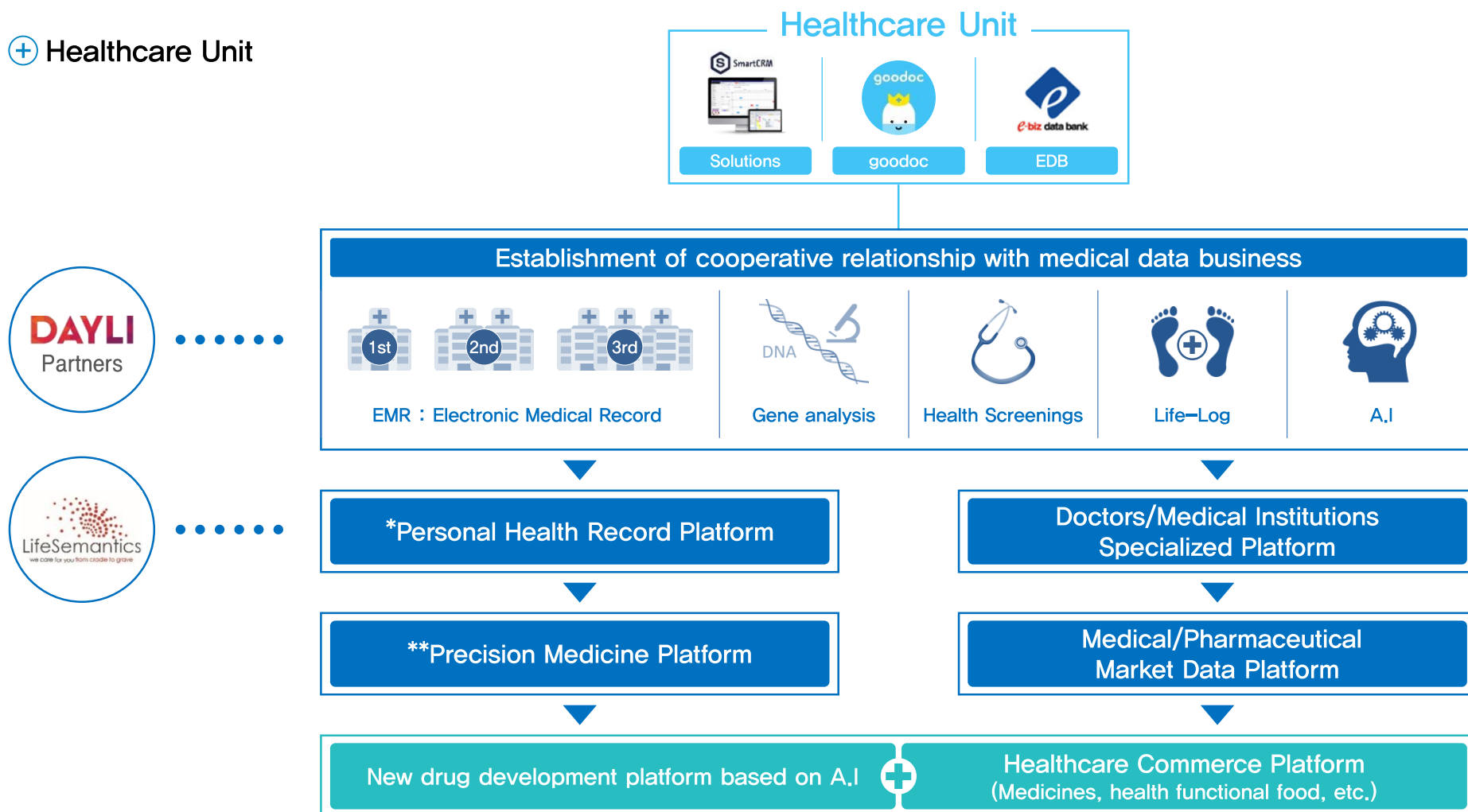


# Global Health & Beauty Care Platform

## 02. Growth Strategy \_ 2) Healthcare

Competitiveness advancement through medical big data-based business in Healthcare area.

### + Healthcare Unit



\* Personal Health Record (PHR): collects all health related data that individuals make in their lives

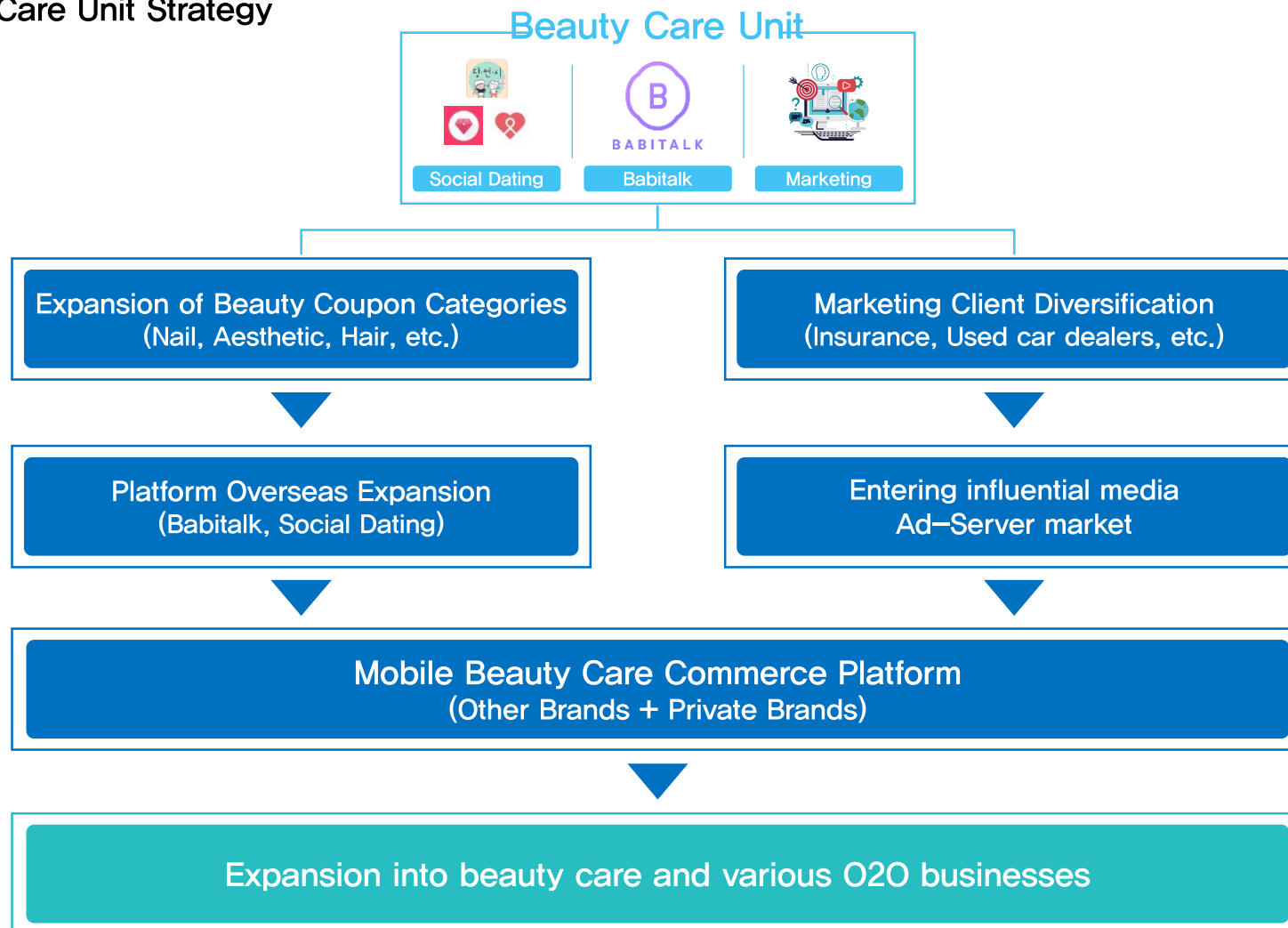
→ Biomedical information such as hospital medical records, medical examination records, genetic information, blood pressure and blood sugar measured by IoT devices, life logs collected by wearable devices (activity amount, calories, etc.)<sup>1)</sup>

\*\* Precision Medicine (PM): A field that provides customized care for patients by collecting various causes of diseases and integrating their prognosis

## 02. Growth Strategy \_ 3) Beauty care

The beauty care area continues to grow, expanding in both regions and categories

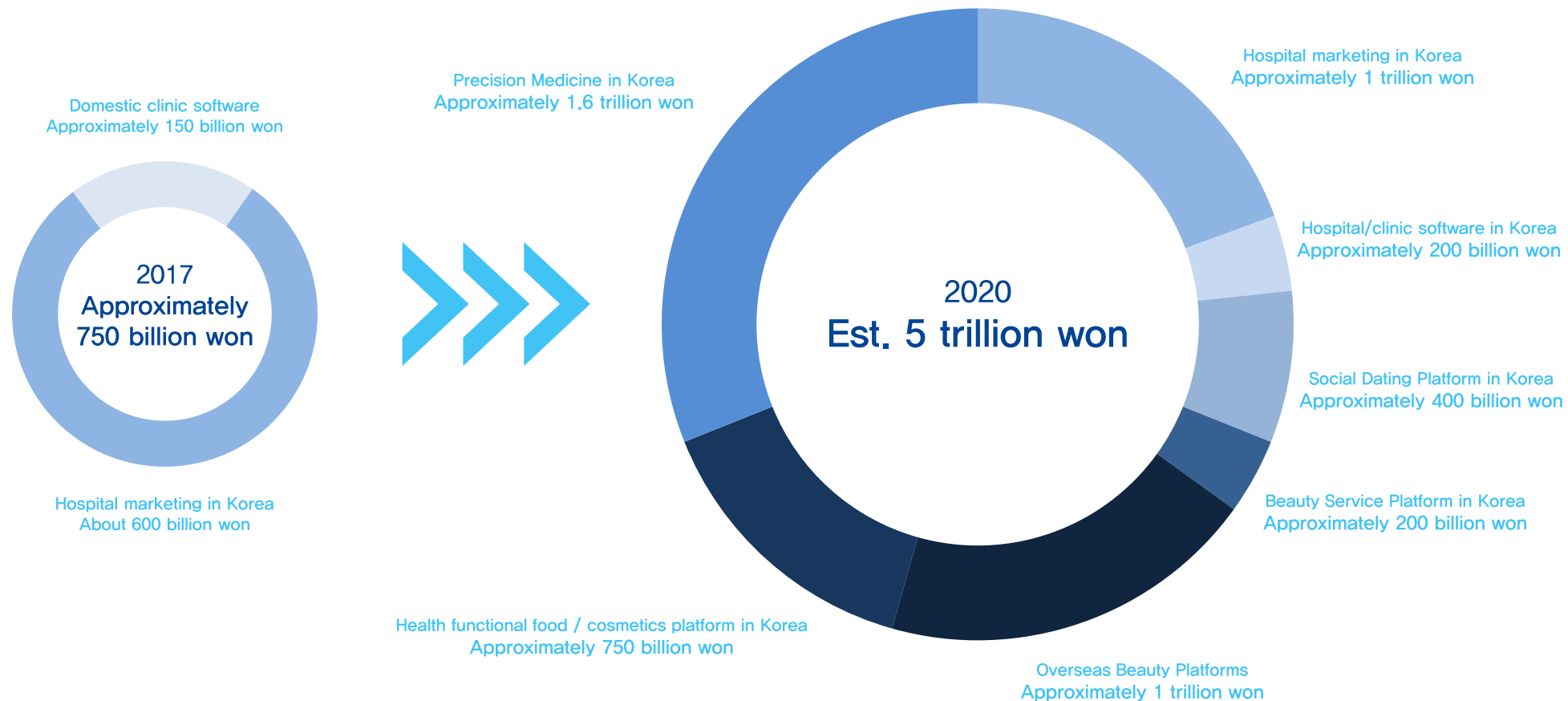
### ⊕ Beauty Care Unit Strategy



## 02. Growth Strategy\_ 4) Target Market Size

Market entry target of approximately 5 trillion won by 2020

### ⊕ Market Forecast and Market Size Estimation



Note: Estimates based on market data and industry averages

Source: Small and Medium Business Administration, Euromonitor, Korea Customs Service, Shinhan Investment, American Society of Plastic Surgery





#### CHAPTER.4

## Appendix

1. Company Overview
2. History
3. Related company introduction
4. Financial Statement

# 01. Company Overview

CARELABS

## CEO

### CEO Kim Dong-soo

- 2010 Inha University, International Commerce B.A
- 2010 ~ 2011 Pantos Logistics
- 2012 ~ 2016 Vibe RC CEO
- 2016 ~ CareLabs CEO



### CEO Lee Chang-ho

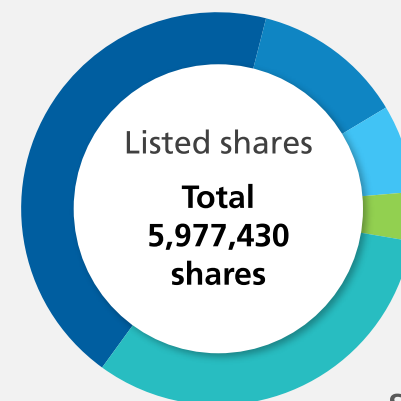
- 2004 Dankook University, Bachelor of Law
- 2006 ~ 2008 EC Edutainment
- 2008 ~ 2009 My Edu CEO
- 2009 ~ 2016 Weaversoft Division Manager
- 2016 ~ CareLabs CEO

## Company Overview

Company Name	CareLabs Co., Ltd.
Representative Director	Kim Dong-soo and Lee Chang-ho (Co-Representative)
Incorporation Date	April 10, 2012
Capital	3.0 billion won (as of the end of June 2018)
Number of employees	142 (as of the end of June 2018)
Main products	Hospital, pharmacy search app, CRM software, and etc.
Head office address	20, Banpo-daero 28-gil, Seocho-gu, Seoul, Republic of Korea (Second Fl, Doowon Building)
Webpage	<a href="https://www.carelabs.co.kr">https://www.carelabs.co.kr</a>

## Shareholder composition

Main  
Shareholder  
and Related  
Parties  
44.0%



Shareholders  
more than 5%  
12.4%

GC Holdings,  
GC WellBeing  
7.2%

ESOP  
4.0%

Other  
Shareholders  
32.3%

Note: As of the end of June 2018

## 02. History

CARELABS

### + History



## 03. Related company introduction

### + Subsidiary company

#### EDB



- Company Name: EDB
- CEO: Kim Dong-sun
- Main products  
: Prescription security system, Pharmacy ERP
- CareLabs's ownership ratio: 51% (acquired in July 2017)

#### Beauty Social



- Company: BeautySocial Inc. (US)
- CEO: Cho Hyun-young
- Main products  
: Mobile plastic surgery platform 'Beauty-Social'
- CareLabs's Ownership: 60% (acquired in May 2018)

#### BNK Lab

**BNKLAB**

- Company name: BNK Lab
- CEO: Lee Tae-hoon
- Main Products  
: Mobile Social Dating Apps
- CareLabs's Ownership: 100% (acquired in July 2018)

### + Affiliated / Investment Company

#### Daily Partners



- Company: Daily Partners
- Main products  
: VC for pharmaceuticals, bio-healthcare
- CareLabs's ownership: 45.5% (investment in May 2018)



#### CEO Lee Seung-ho

- Graduated from Seoul National University, Pharm.D. Ph.D.in Immunology
- Research Planning Team, Dong-A Pharmaceutical
- LIG Investment & Securities, Hi Investment & Securities
- NH Investment & Securities, Samsung Securities
- Best pharmaceutical / bio sector analyst selected for multiple years

#### Life Semantics



- Company Name: Life Semantics
- Main products  
: Personal medical records  
Personal health management platform
- CareLabs's Ownership: 18.4% (investment in June 2018)



#### CEO Song Seung-jae

- Seoul National University  
College of Dentistry Department of Medical Informatics
- National Standard Coordinator of the Agency for Technology and Standards
- Presidential Direct 4th Industrial Revolution Commission  
Industrial Economy Innovation Commission
- First President of Korea Digital Health Industry Association

## 04. Financial Statement

### + Balance Sheet

unit: million won

Classification	2015	2016	2017	2018.1H
Current assets	3,098	5,765	15,694	36,274
Non-current assets	376	10,094	24,126	35,692
<b>Total assets</b>	<b>3,474</b>	<b>15,859</b>	<b>39,820</b>	<b>71,965</b>
Current liabilities	1,418	5,455	7,597	8,573
Non-current liabilities	273	—	5,351	8,892
<b>Total liabilities</b>	<b>1,691</b>	<b>5,455</b>	<b>12,948</b>	<b>17,465</b>
Equity Attributable to Owners of Parent	1,782	10,404	23,467	50,788
Capital	100	217	2,319	2,989
Other paid-in capital	(1)	6,460	12,633	37,335
Earned Surplus	1,684	3,727	8,515	10,463
Non controlling interest	—	—	3,405	3,713
<b>Total Ownership Interest</b>	<b>1,782</b>	<b>10,404</b>	<b>26,872</b>	<b>54,500</b>
<b>Total Assets and Liability</b>	<b>3,474</b>	<b>15,859</b>	<b>39,820</b>	<b>71,965</b>

Note 1: Financial statements not audited for 2015

Note 2: Separate financial statements for K-IFRS from 2015 to 2016 and financial statements for K-IFRS consolidated financial statements for 2017~2018

### + Income Statement

unit: million won

Classification	2015	2016	2017	2018.1H
<b>Operating Revenue</b>	<b>11,443</b>	<b>18,597</b>	<b>39,336</b>	<b>24,044</b>
Operating Cost	10,126	16,522	33,081	20,588
<b>Operating Profit</b>	<b>1,317</b>	<b>2,075</b>	<b>6,255</b>	<b>3,456</b>
Financing Profit	19	83	73	140
Financing Cost	9	16	154	301
Other Profit	63	2	8	6
Other Cost	7	35	123	44
<b>Income before taxes</b>	<b>1,383</b>	<b>2,109</b>	<b>6,059</b>	<b>3,257</b>
Tax expense	106	174	931	628
<b>Net profit</b>	<b>1,277</b>	<b>1,935</b>	<b>5,128</b>	<b>2,629</b>
non controlling interest	—	—	340	255
<b>Equity Attributable to Owners of Parent</b>	<b>—</b>	<b>—</b>	<b>4,788</b>	<b>2,373</b>

Note 1: Financial statements not audited for 2015

Note 2: Separate financial statements for K-IFRS from 2015 to 2016 and financial statements for K-IFRS consolidated financial statements for 2017~2018