

# AhnLab

# INVESTOR RELATIONS

June 17, 2019

AhnLab

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# Forward Looking Statements

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This presentation contains statements regarding our projected financial and business results, which may be considered forward looking including statements regarding our financial guidance and goals.

These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this presentation.

Such risk factors include those related to; the ability of AhnLab to achieve its cost and operating efficiency goals; general economic conditions; fluctuations and volatility in AhnLab stock price; the ability of AhnLab to successfully execute its strategic plans. Actual results may differ materially from those contained in the forward-looking statements in this presentation.

Any information regarding pre-release of AhnLab offerings, future updates or other planned modifications is subject to ongoing evaluation by AhnLab and therefore subject to change. This information is provided without warranty of any kind, express or implied. Customers who purchase AhnLab offerings should make their purchase decision based upon features that are currently available.

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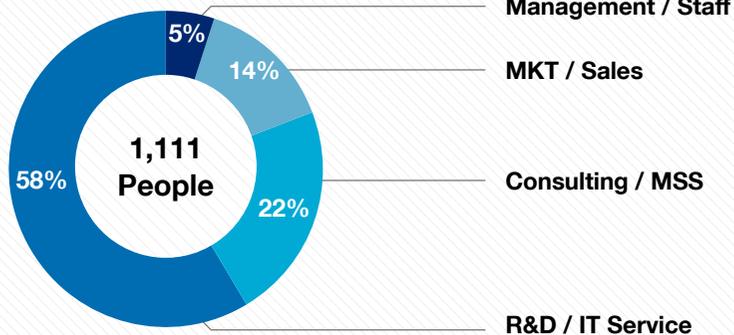
**3. FINANCIAL INFORMATION**

# COMPANY OVERVIEW

## Corporate Status

Company Name	<b>AhnLab, Inc.</b>	Revenue	<b>KRW 156.6 Billion (USD 142 Million)</b>
CEO	<b>Chijung Kwon</b>	Total Capital	<b>KRW 193.2 Billion (USD 173 Million)</b>
Business Portfolio	<b>Endpoint Security Solutions for Enterprises and Consumers Network Appliance Solutions Managed Security Services and Security Consulting Services</b>	Total Asset	<b>KRW 242.1 Billion (USD 216 Million)</b>
Foundation	<b>March 15, 1995</b>	KOSDAQ-listed	<b>September 13, 2001</b>

## Employees Composition



(As of Mar 31, 2019)

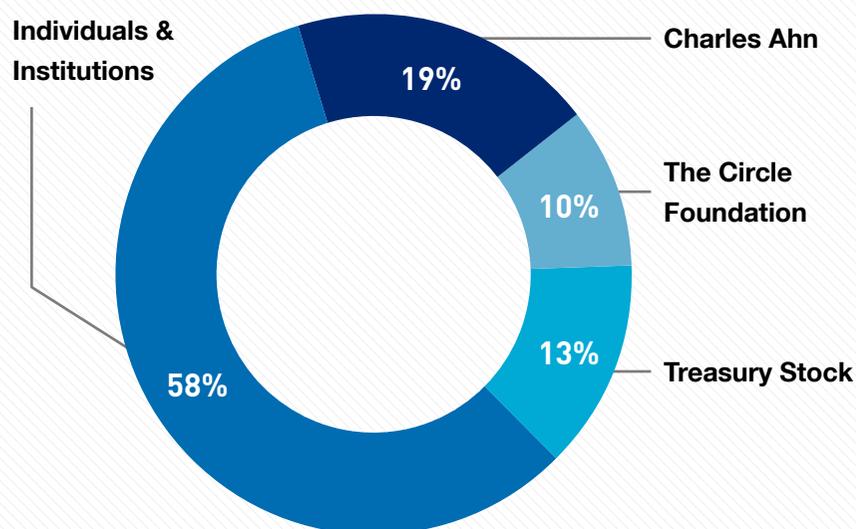
Management / Staff	<b>64</b>
MKT / Sales	<b>154</b>
Consulting / MSS	<b>246</b>
R&D / IT Service	<b>647</b>
<b>Total</b>	<b>1,111</b>

# Shareholders & Governance

## Shareholders

(As of Mar.2019)

	No. of shares hold	Ownership
Charles Ahn	1,860,000	18.6%
The Circle Foundation	1,000,000	10.0%
Treasury stock	1,328,072	13.3%
Individuals & Institutions	5,825,783	58.2%
	10,013,855	100.0%



## Governance

<b>Board Members</b>	Outside director 60% Separation of CEO and Chairman
<b>Independence of Board</b>	Audit committee / Evaluation & Compensation Committee are all outside directors
<b>Performance Evaluation</b>	The evaluation committee conducts annual performance
<b>Compensation</b>	CEO Salary determined by business performance

<b>Board Members</b>	
Seokgyun Kwon	Outside Director (Chairman of the board / Chairman of the evaluation & compensation committee)
Namseob Seo	Outside Director (Chairman of the audit committee)
Yeonsoo Yoon	Outside Director
Chijung Kwon	CEO
Kiin Kim	CFO

<b>Committee</b>	
<b>Audit Committee</b>	Performing audits of the company's accounting and business operations
<b>Evaluation &amp; Compensation Committee</b>	Evaluation of CEO performance Resolutions for employee compensation

## 2013 - Current

- 2018 Launched AhnLab EPP and AhnLab EDR  
Released V3 Security and AhnLab Prima in Japan  
Launched AhnLab TMS, AhnLab vTrusGuard for AWS  
Launched the managed security service for virtualized IPS
- 2017 AhnLab EPP, AhnLab TrusGuard, and AhnLab IPX listed in Gartner Magic Quadrant
- 2016 Launched the managed security service for cloud service-based systems
- 2015 Released V3 Mobile Security in US
- 2014 AhnLab TrusGuard listed in Gartner Magic Quadrant
- 2013 Released the new V3 products

## 2004 - 2012

- 2012 Launched AhnLab MDS, an APT protection solution, in the US
- 2011 Released V3 Mobile in Japan
- 2010 Launched AhnLab DPX, a DDoS attack mitigation solution  
Released V3 mobile, AV for smartphones
- 2009 Opened SOC in AhnLab Japan
- 2007 Acquired a managed security services company
- 2006 Acquired a network security company

## 1995 - 2003

- 2003 Opened AhnLab China
- 2002 Opened AhnLab Japan
- 2001 Listed on KOSDAQ
- 1999 Established affiliate AhnLab Coconut, a managed security services company
- 1995 Founded AhnLab, Inc.

## Management (Integrity, Financial Soundness)

### Best Corporate Governance Award

Korea Corporate Governance Service (KOSDAQ)

### Ethical Management Award: Grand Prize for Transparent Management

Ministry of Knowledge Economy

### Best Reputable Corporation in Korea

Economist, Kbizweek

### Korea Great Work Place Index Award

Korea Management Association Consultant

### Best Financial Transparency Award

Korea CFOs Association

### Top 30 Respected Companies in Korea

IBM BCS & Dong-A Ilbo

## Technology

### V3 recognized as the Top Product for 12th time

AV-TEST

### V3 acquired Certification for 29th consecutive time in 6 years

AV-TEST

### 2018 South Korea MSS Provider of the Year

Frost & Sullivan

### Technology Innovation Award in APT Solutions

Frost & Sullivan

### Technology Innovation Award in ICS Security

Frost & Sullivan

### AhnLab EPP, TG and TG IPX listed in

Gartner Magic Quadrant Reports

### IT Digital Awards

Minister of Information and Communication

## ENDPOINT SECURITY

Anti-malware  
**V3 & V3 Mobile**

Endpoint Detection & Response  
**EDR**

APT Protection  
**MDS**

Endpoint Security Management  
**EPP**

Fixed Function System Protection  
**EPS**

## NETWORK SECURITY

Next Generation Firewall  
**TrusGuard**

DDoS Attack Mitigation  
**TrusGuard DPX**

Intrusion Prevention System  
**TrusGuard IPX**

Network Security Management  
**TMS**

## SECURITY SERVICE

Security Compliance  
**Consulting**

Security Engineering Methodology  
**ASEM**

Managed Security Services  
**Sefinity**

MSS for Cloud Services  
**SECaaS**

## INFRASTRUCTURES & TECHNOLOGIES

### ASEC & CERT

In-depth Malware Analysis &  
Security Incident Response

### ASD

Cloud-computing based  
threat analysis system

### Multi-Dimensional Analysis

### Machine Learning

# Business Portfolio - Endpoint Security

Including V3 which is a proven, world-class anti-malware product, AhnLab provides a full line-up of endpoint protection with our analysis technologies.



## Anti-Malware

For B2B

**V3 Internet Security**  
**V3 Endpoint Security**

For Servers

**V3 Net for Windows Server**  
**V3 Net for Unix/Linux Server**

For Home users

**V3 365 Clinic**



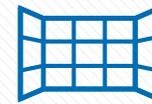
## Mobile Protection

Mobile AV

**V3 Mobile Security**

Mobile Transaction Protection

**V3 Mobile Plus**



## Endpoint Management

Patch Management

**AhnLab Patch Management**

Vulnerable Asset Management

**AhnLab ESA**

Central Management

**AhnLab EMS**  
**AhnLab Policy Center**



## Advanced Protection

Endpoint Detection & Response

**AhnLab EDR**

Endpoint Protection Platform

**AhnLab EPP**

Advanced Persistent Threats Protection

**AhnLab MDS**

Fixed Function System Protection

**AhnLab EPS**

# Business Portfolio - Network Security

AhnLab's network security solutions provide a full range of protection from small and medium businesses to enterprise.



## Next Generation Firewall

TrusGuard 40A /50B /70B

TrusGuard 100B /400B /500B

TrusGuard 1000A /5000A

TrusGuard 10000A

vTrusGuard for AWS



## Intrusion Prevention System

TrusGuard IPX 2000A

TrusGuard IPX 4000A

TrusGuard IPX 10000A

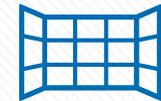
AIPS (Advanced IPS)



## DDoS Attack Mitigation

TrusGuard DPX 6000A

TrusGuard DPX 10000A



## Network Management

TMS 2000A

TMS 5000A

TMS 10000A

## ASEM

AhnLab Security Engineering Methodology

### Technical Consulting

ICS security consulting

System/Web vulnerability test

Penetration test consulting

Mobile app security test

Pen test for  
email-based APT & DDoS

### Certification Support Consulting

PIA

PIMS

KISA-ISMS

ISO/IEC 27001

### Finance/General Consulting

Financial vulnerability analysis/  
evaluation

Information security consulting

IT infrastructure protection

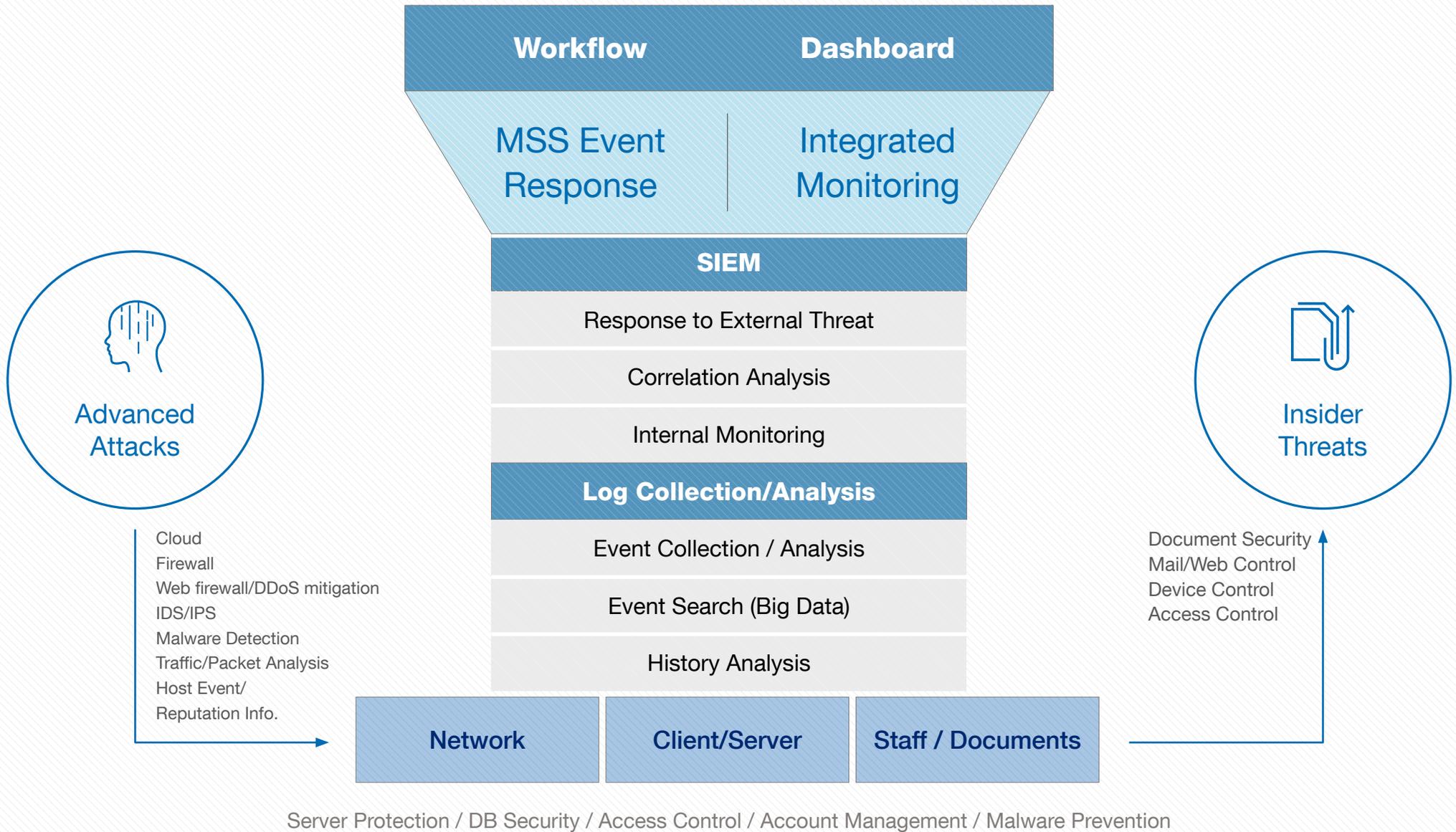
### Privacy Protection

Privacy protection consulting

Privacy information leakage  
investigation and forensic

Security analysis for third-party  
repository

# Business Portfolio - Managed Security Services





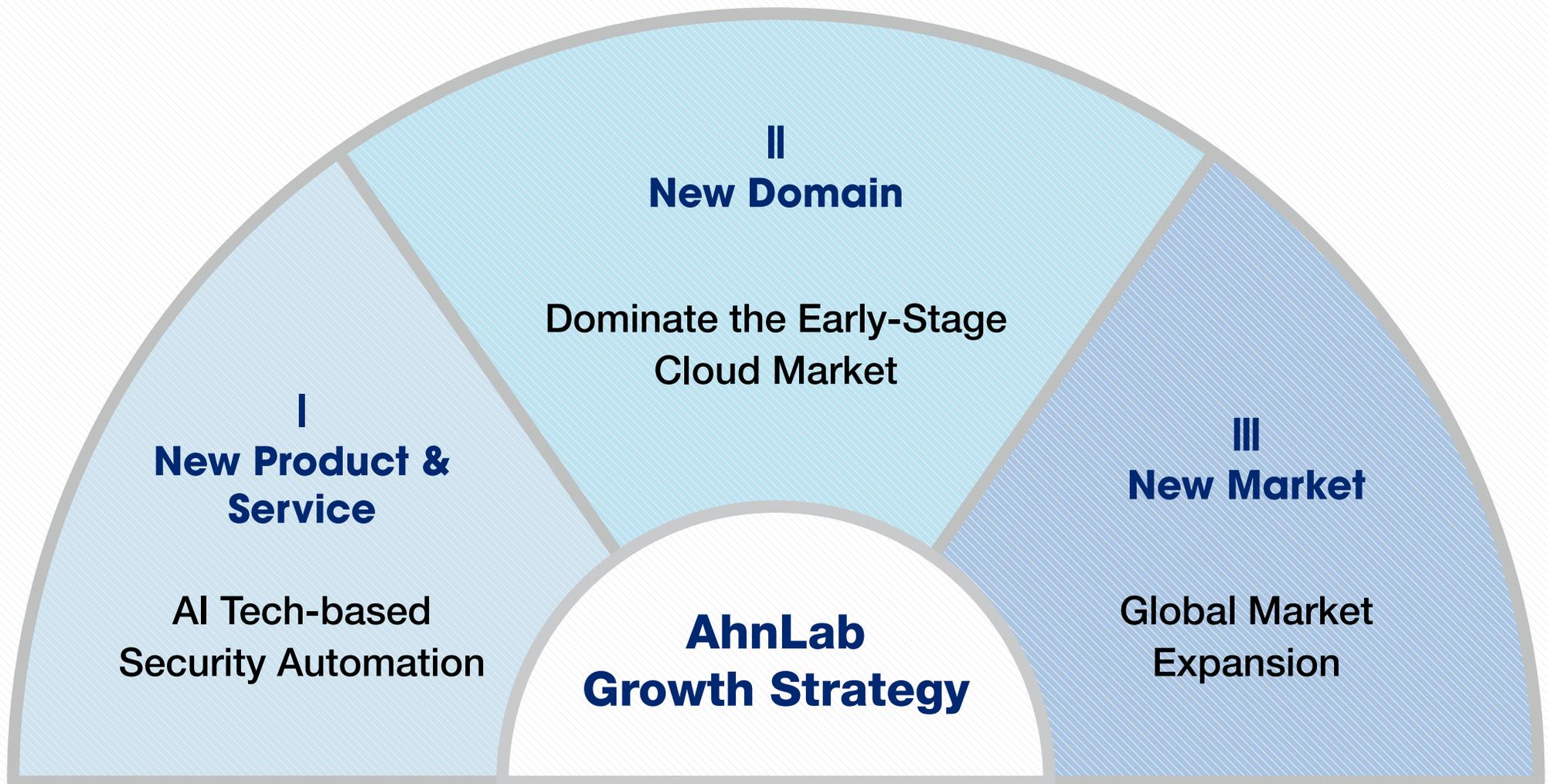
# COMPANY STRATEGY

**1. Growth Strategy**

**2. Roadmap**

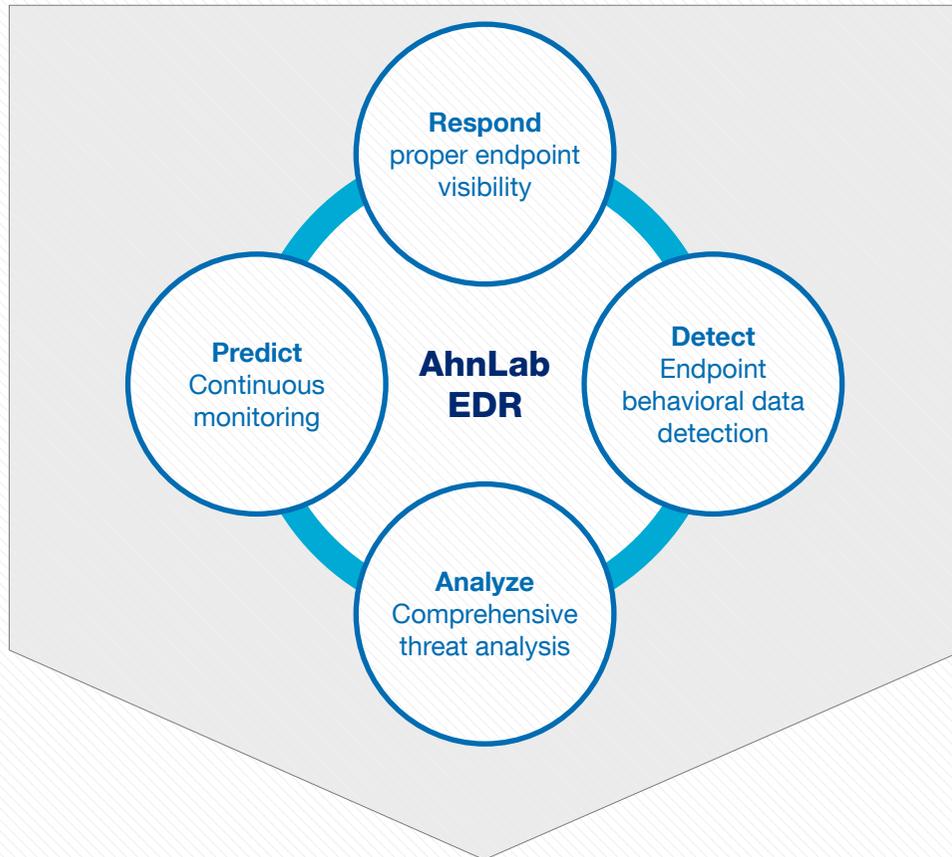
# Growth Strategy - Overview

AhnLab has set up three growth strategies to make a leap forward by launching new products, exploring new domains and entering new markets.



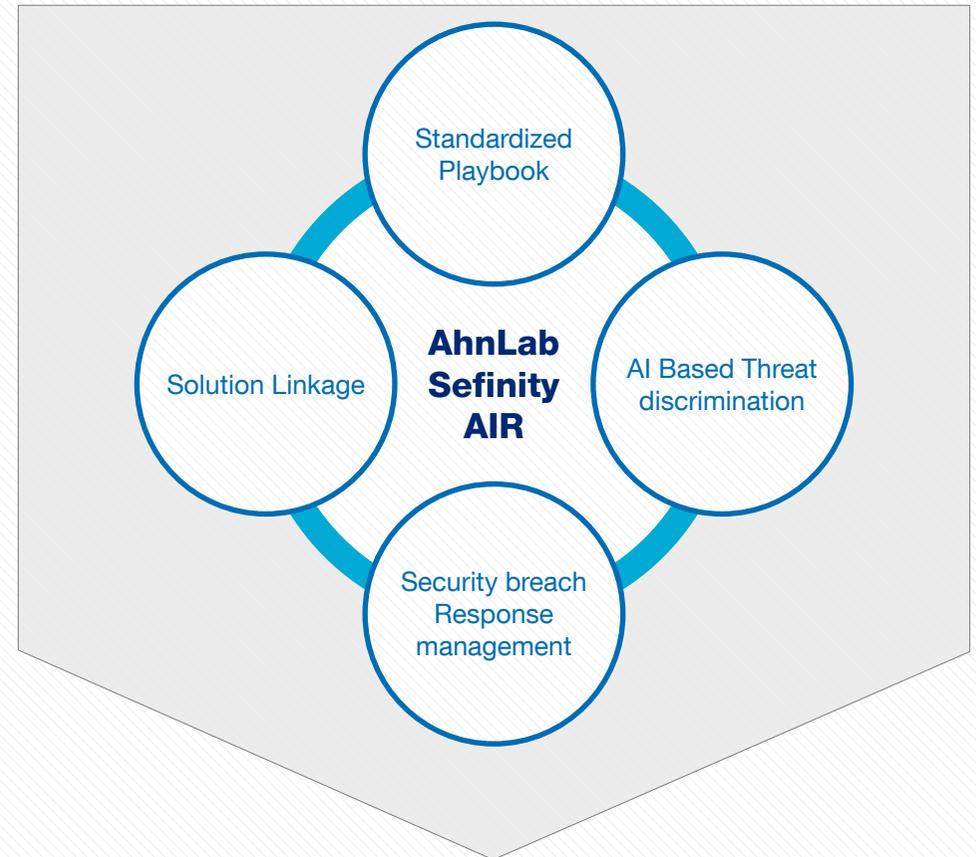
# Growth Strategy I - AI Tech-based Security Automation

New product EDR<sup>1)</sup> / SOAR<sup>2)</sup> has launched with 30 years experienced malware analysis competence and managed security service know-how.



Detect and respond to endpoint threats with proper threat visibility and optimized response

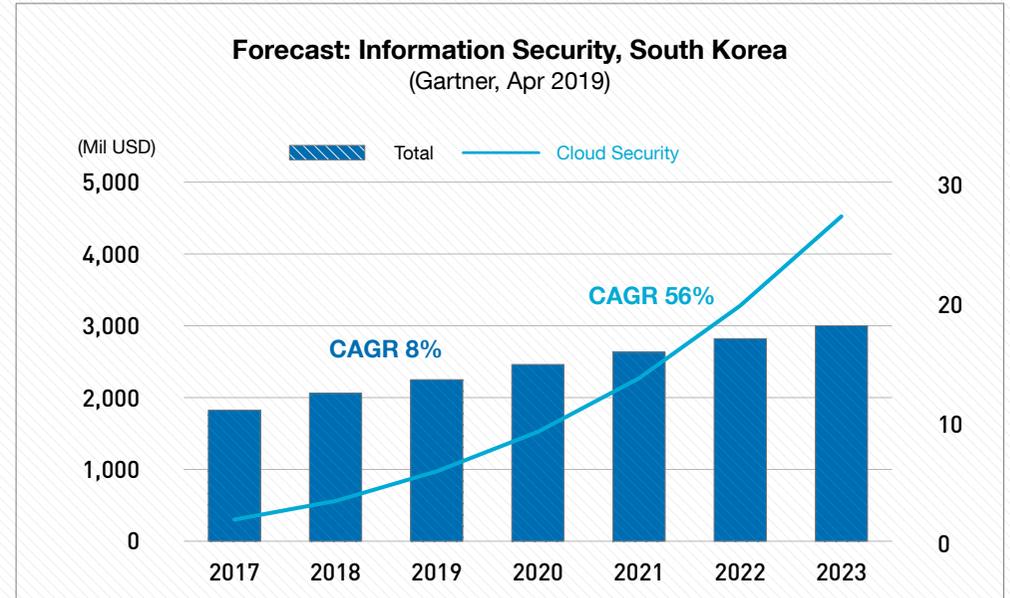
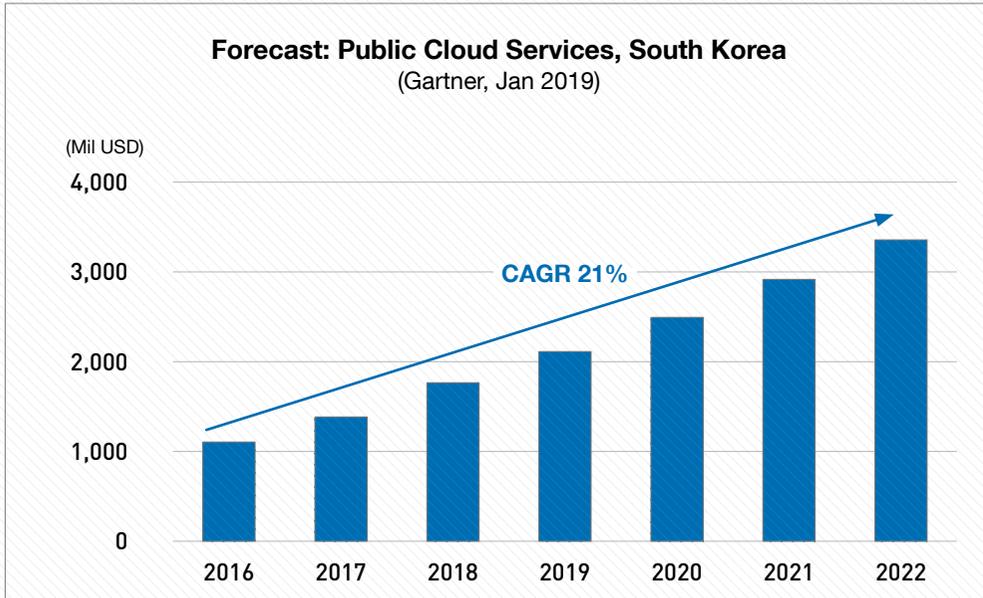
1) EDR: Endpoint Detection and Response



Efficient response with AI based analysis and process automation

2) SOAR: Security Orchestration, Automation and Response

# Growth Strategy II - Dominate the Early-Stage Cloud Market



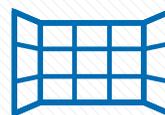
## On-premise



## Cloud

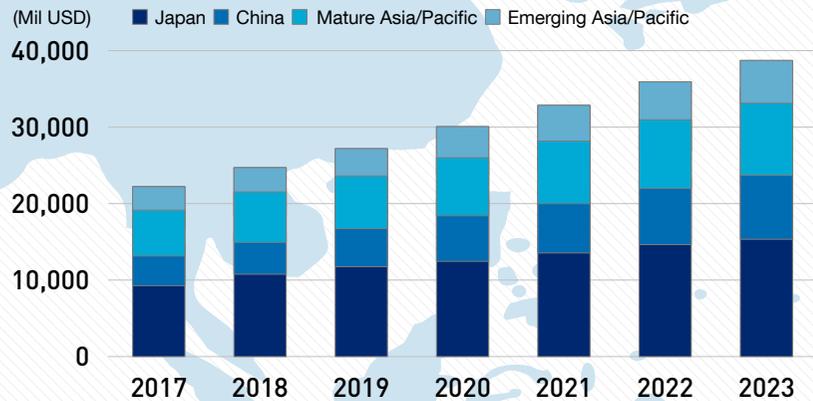


### Hybrid Cloud Security Management



# Growth Strategy III - Global Market Expansion

**Forecast: Information Security, Asia/Pacific**  
(Gartner, Apr 2019)



## AhnLab Japan

- B2C Mobile Security Solution
- Business with local partner including telecommunication company

## AhnLab China

- Industrial system security solution
- APT Solution by compliance issue
- ODM business with local partner

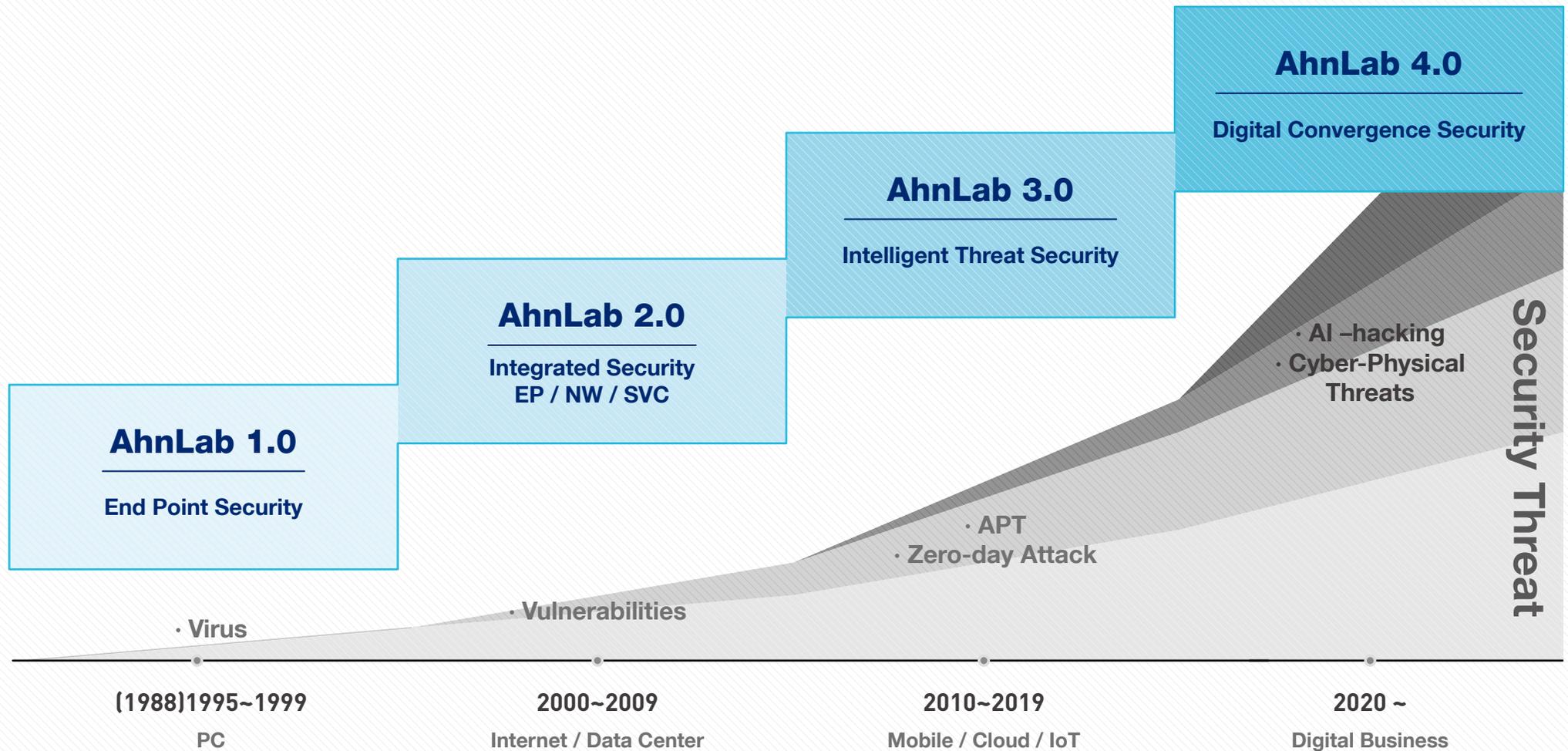
## AhnLab ASEAN

- New business opportunities with emerging Asia market
- Targeting EP/Cloud security market

**2015-2019 Overseas revenue  
CAGR 31%**

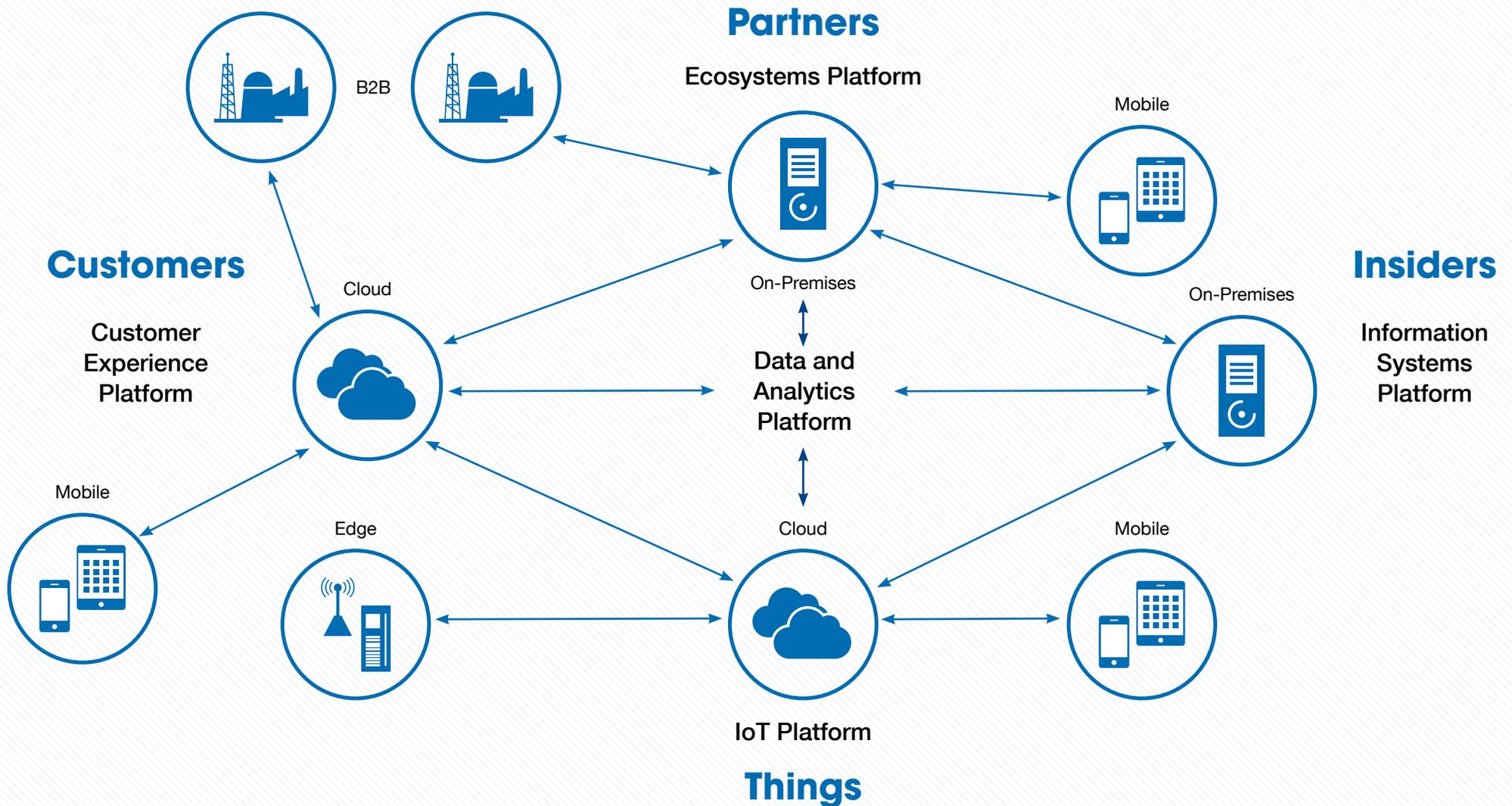
# AhnLab Roadmap

AhnLab is moving toward becoming a digital converged security solution vendor to support our customer's digital transformation. Since 1988, we expanded business starting from anti-virus solution to threat intelligence platform. Our technical capabilities have created a roadmap that not only defeats current attacks, but also creates a secure environment to defend against future security threats.



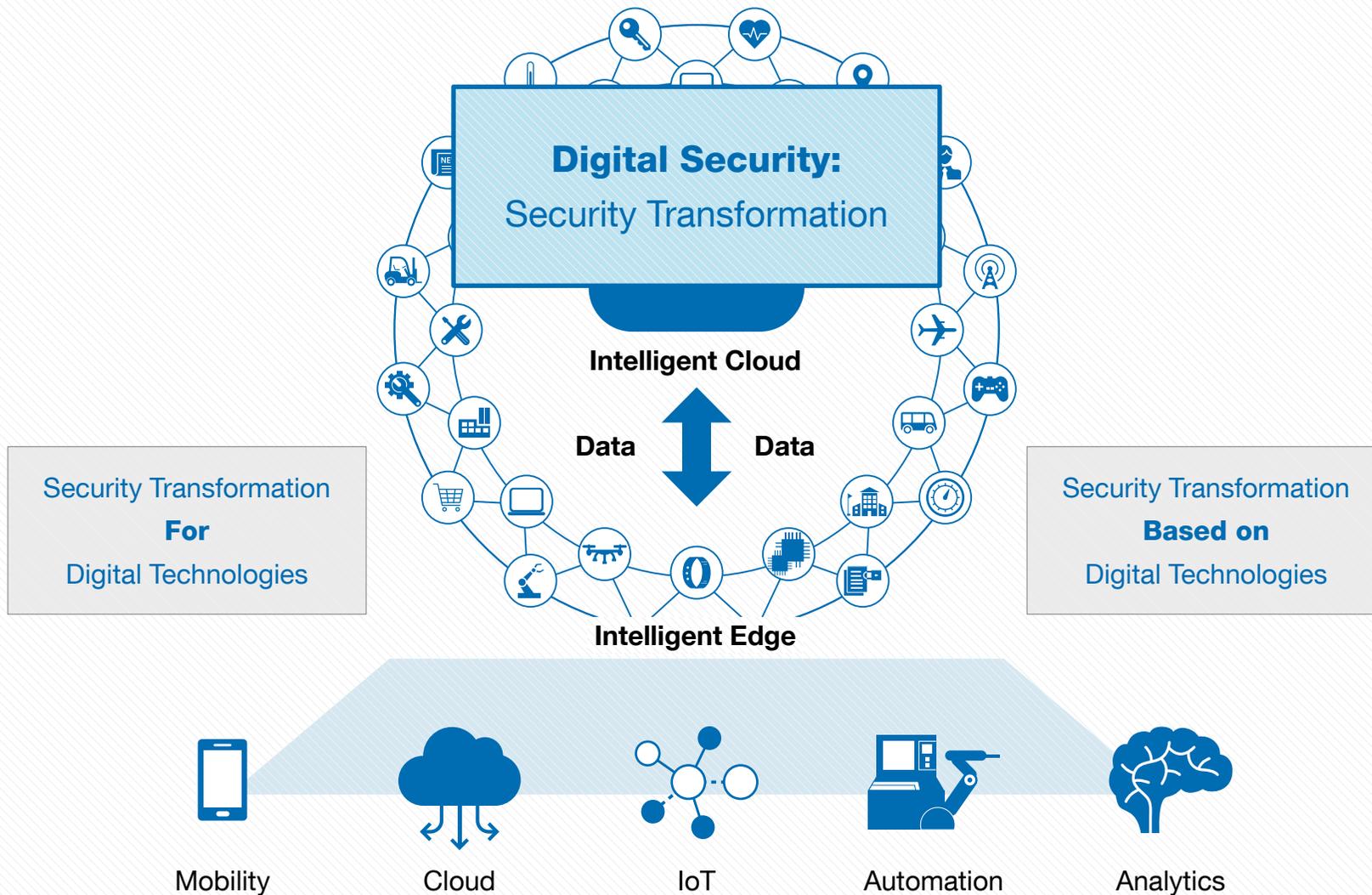
# AhnLab Roadmap - Digital Transformation & Security

Security threat level and aspect are fundamentally changing because of the digital transformation which has led to organic integration between customers, partners, things and companies.

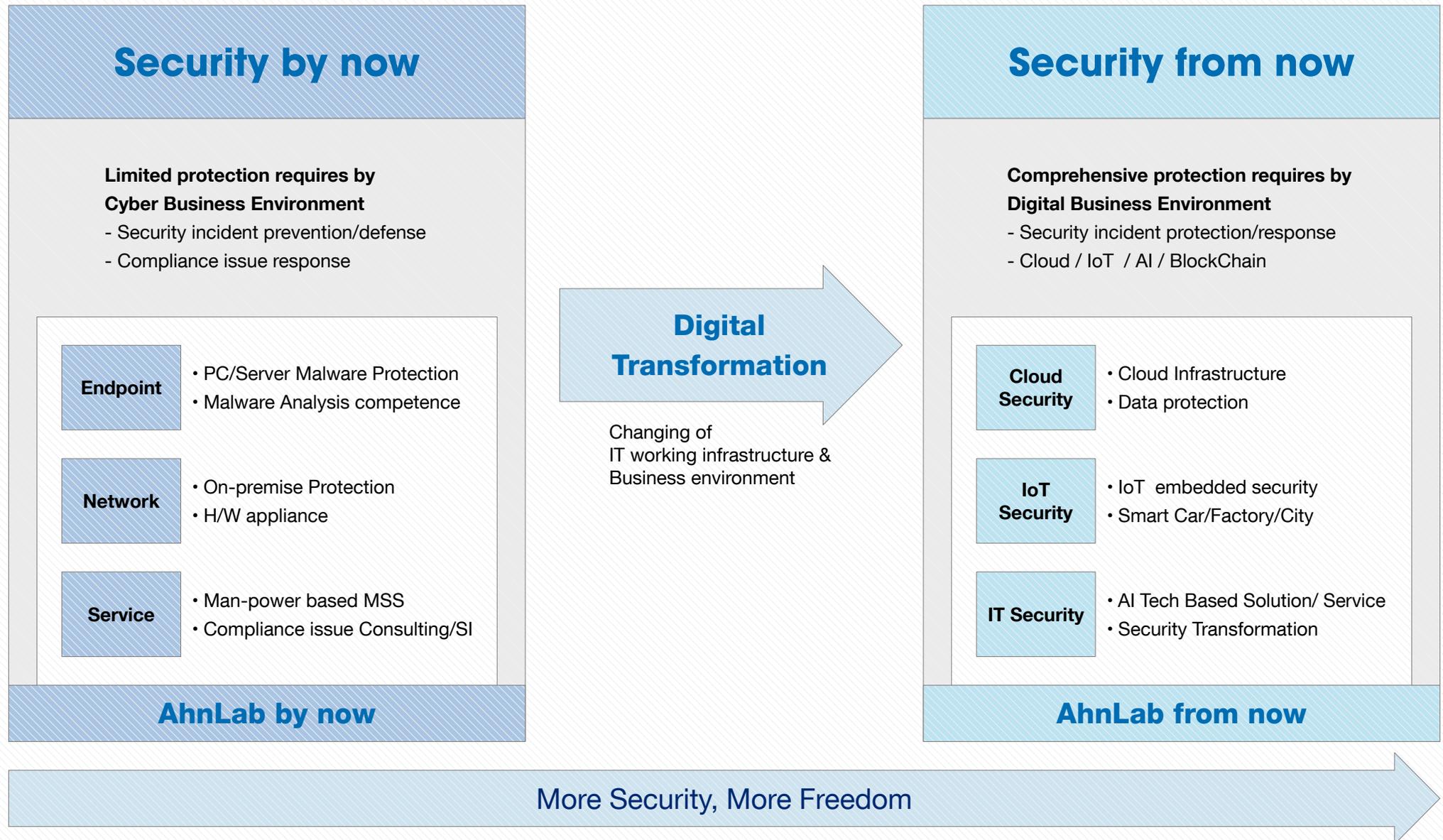


# AhnLab Roadmap - Digital Security Requirement

Requirements of comprehensive protection for digital business environment such as cloud, IoT, mobile, social network and big data are expanding.



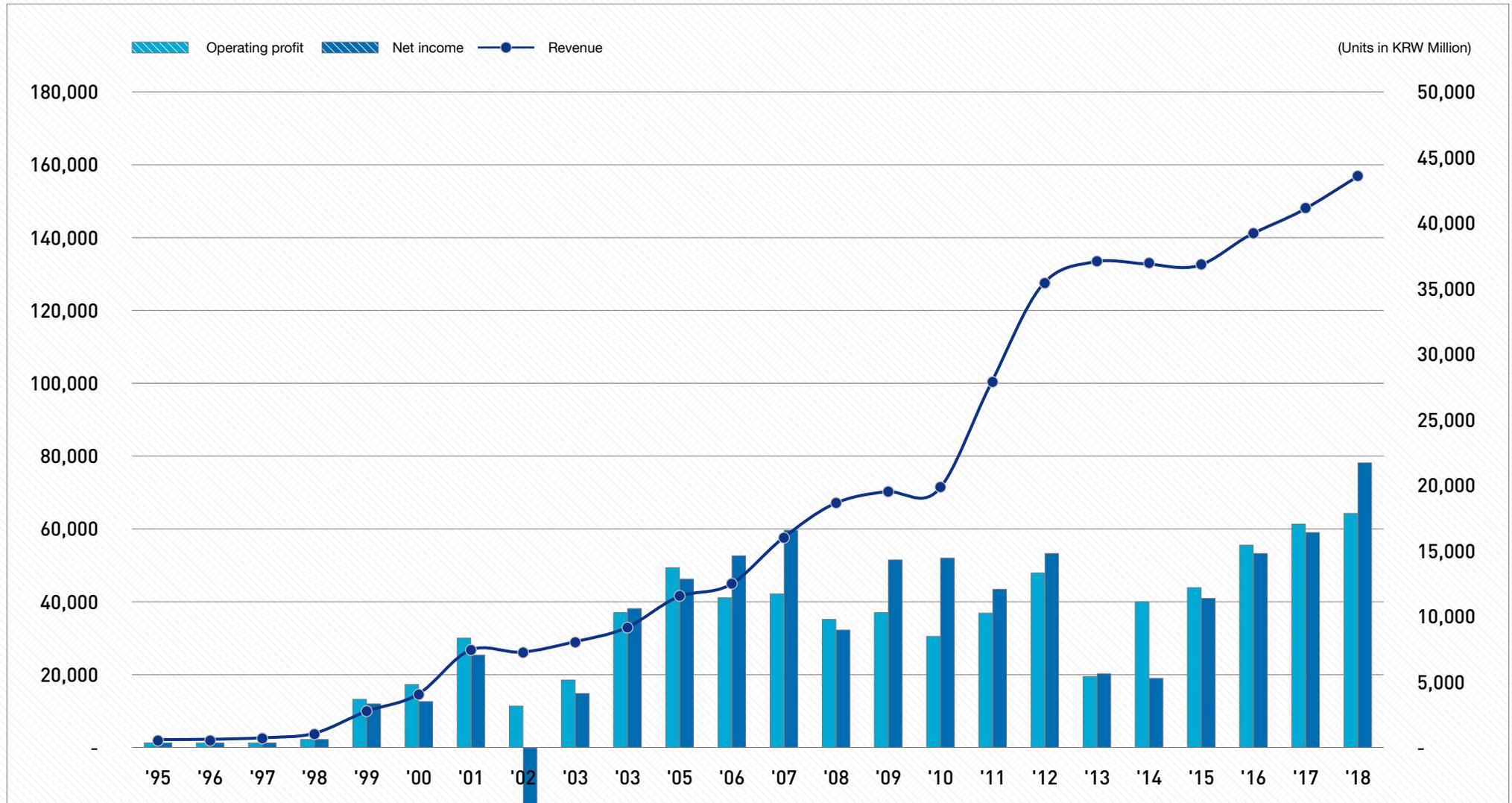
# AhnLab Roadmap - Long-term Direction



# FINANCIAL INFORMATION

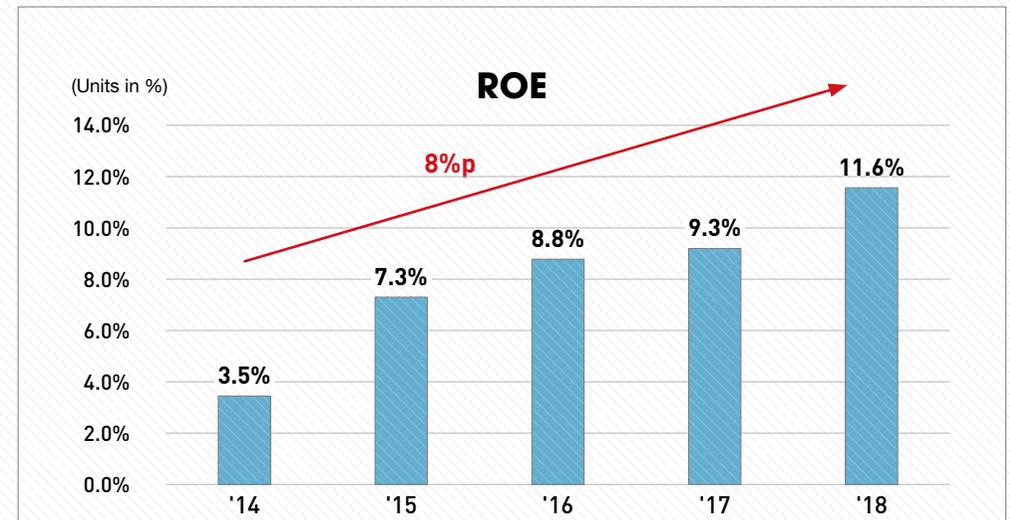
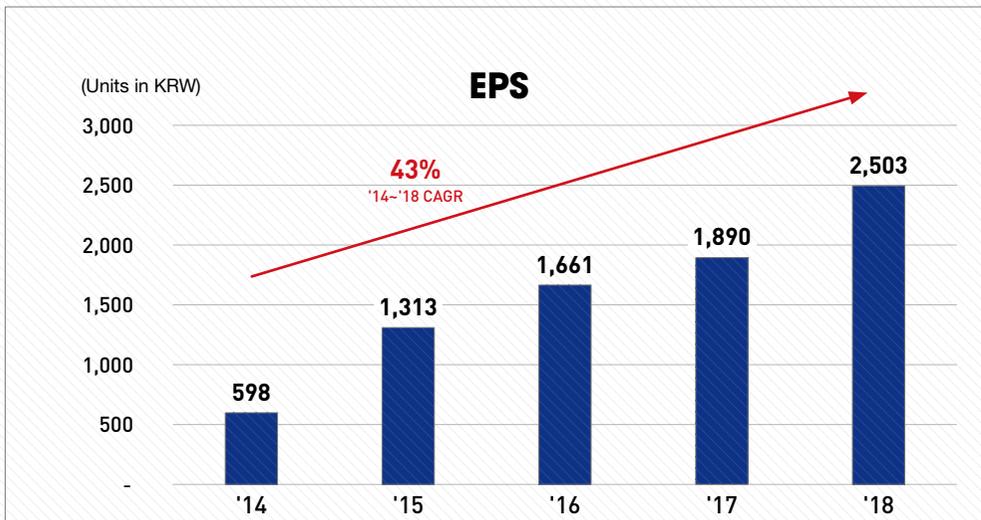
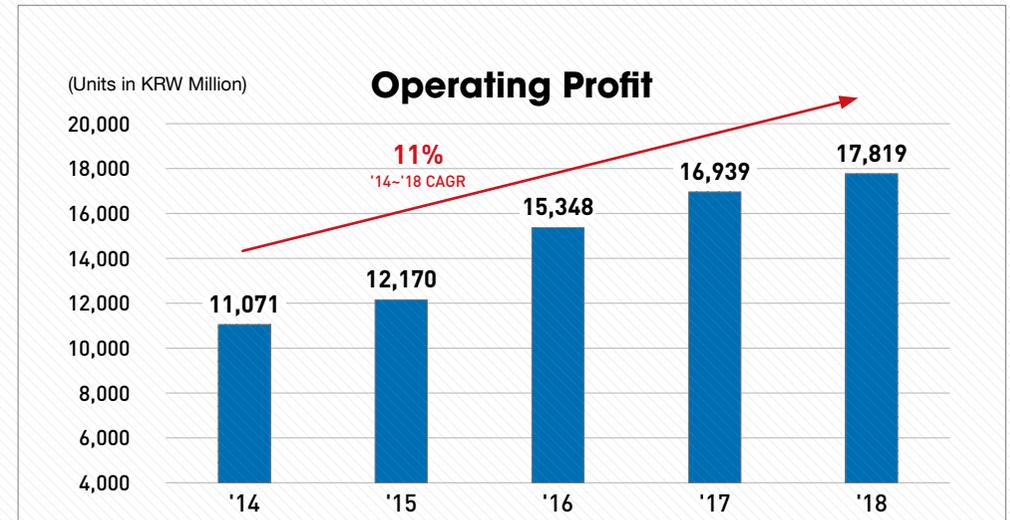
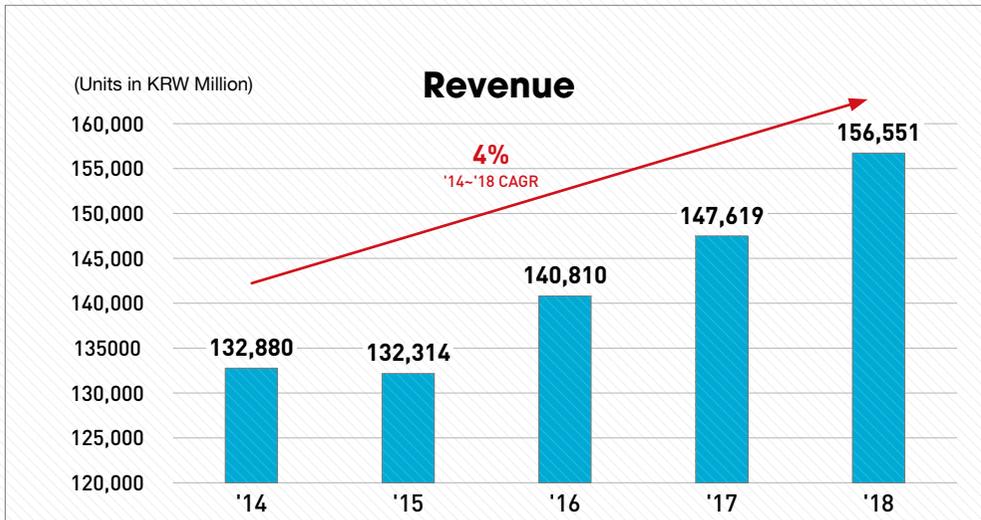
# Revenue / Profit History

AhnLab has achieved continuous sales growth with steady operating profit and net income.



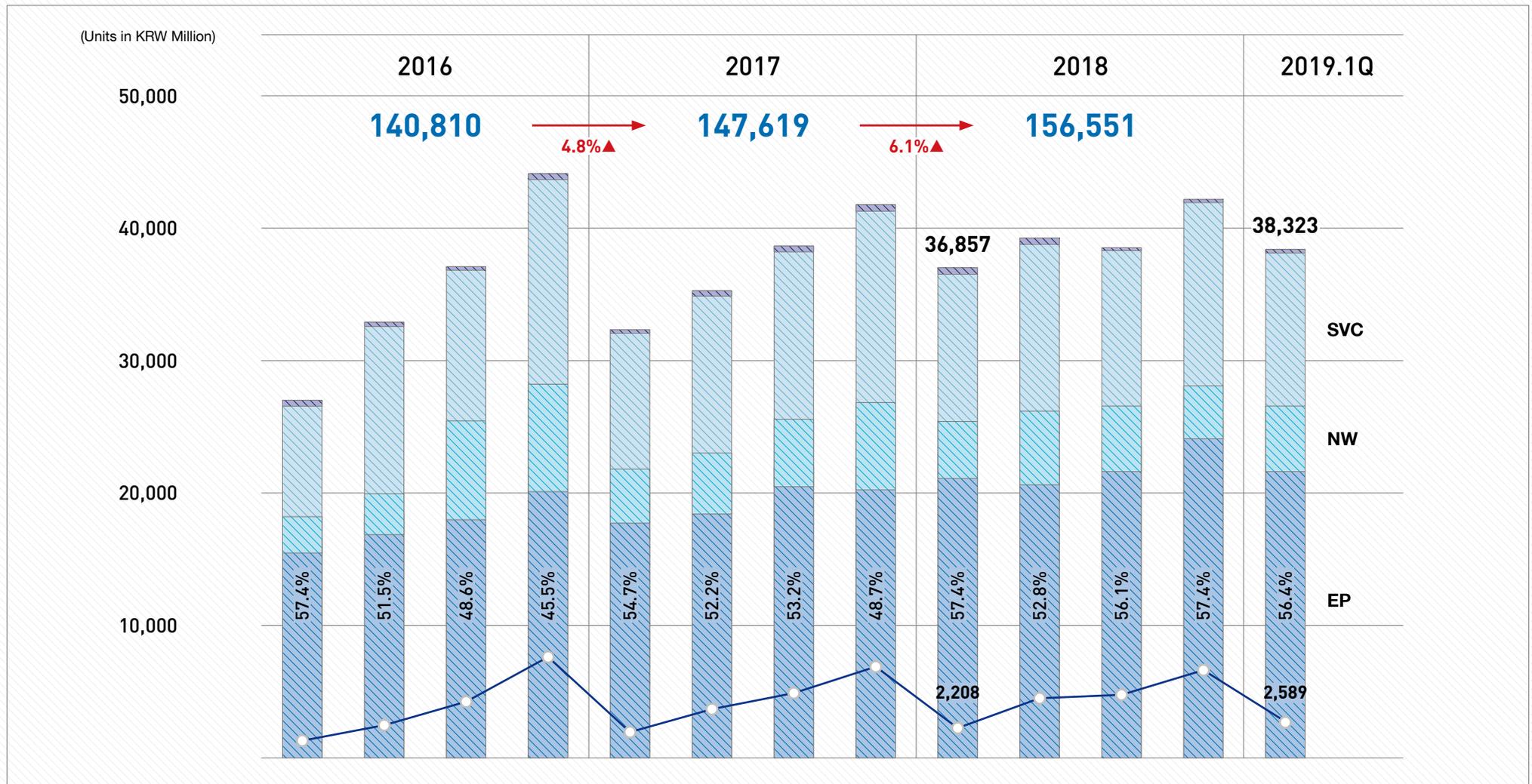
# Revenue / Profit History

Recent 5-year revenue and operating profit both grow.

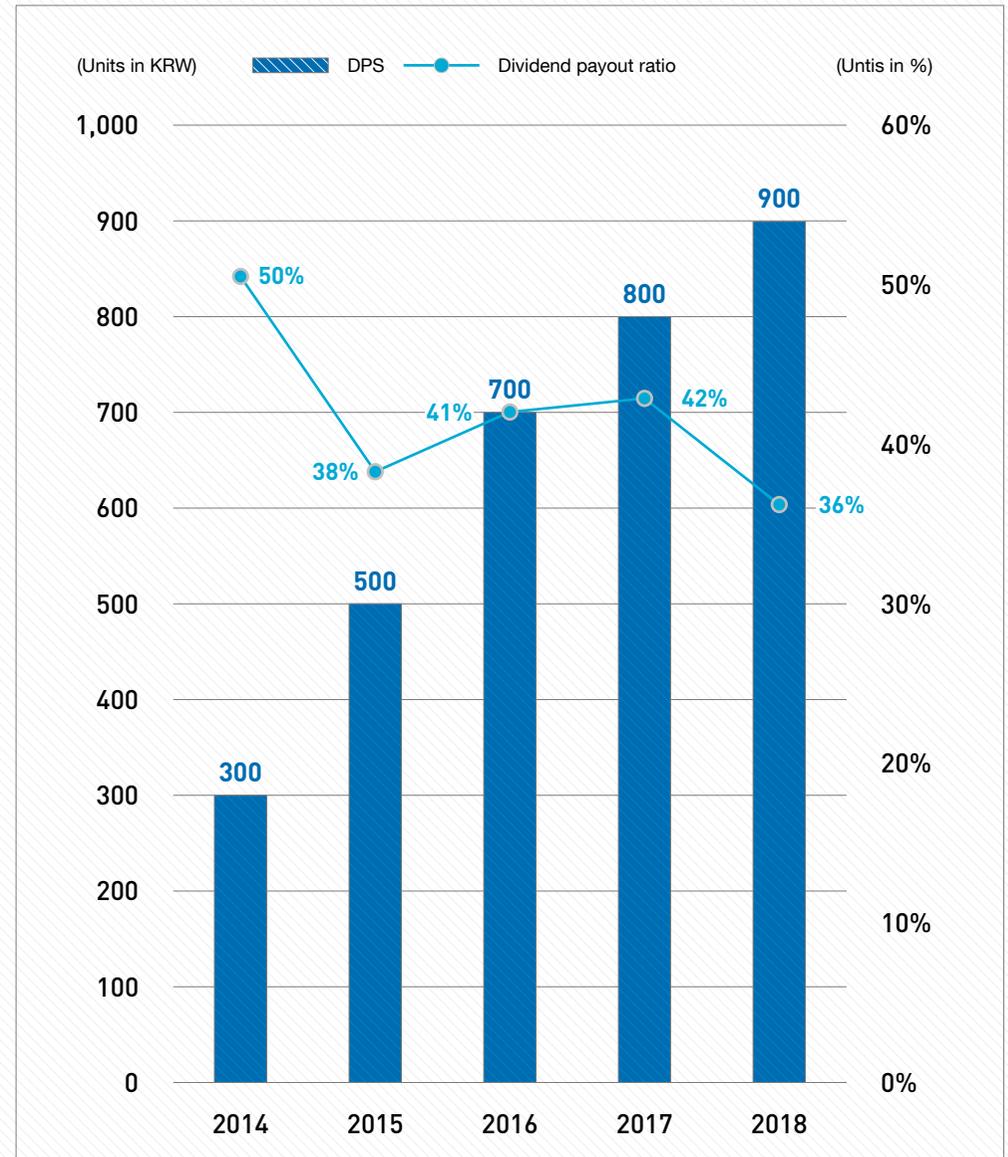
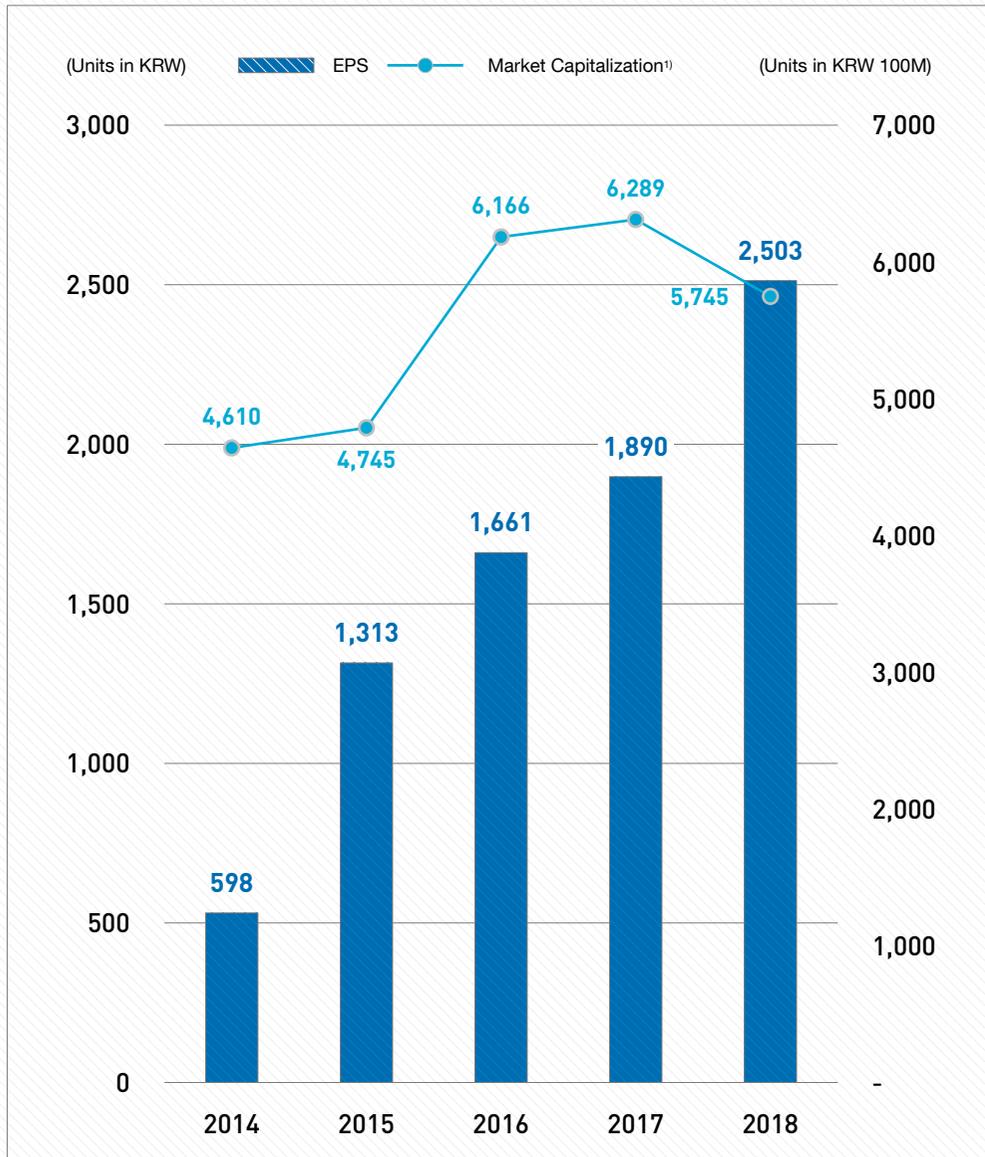


# Revenue / Profit History - Quarterly

Sales and profit growth maintained in 1<sup>st</sup> quarter, 2019 (YoY Revenue 4%, Profit 17% ▲)



# Shareholder policy



1) Annual average of market Capitalization

# Statement of Financial Position (Consolidated)

INVESTOR  
RELATIONS

(Units in KRW Million)

	2019.03.31	2018.12.31
<b>Assets</b>	<b>248,130</b>	<b>244,774</b>
Current Assets	167,412	152,582
Non-Current Assets	80,718	92,192
Total Assets	248,130	244,774
<b>Liabilities</b>	<b>57,467</b>	<b>50,375</b>
Current-Liabilities	56,493	49,429
Non-Current-Liabilities	974	946
<b>Equity</b>	<b>190,663</b>	<b>194,399</b>
Capital stock	5,183	5,183
Capital reserve	68,207	68,207
Capital adjustments	-21,152	-21,152
Accumulated other comprehensive income(loss)	-338	-337
Retained earnings	138,762	142,498
<b>Total Equity and liabilities</b>	<b>248,130</b>	<b>244,774</b>

# Income Statement (Consolidated)

INVESTOR  
RELATIONS

(Units in KRW Million)

	19.01.01~ 03.31	18.01.01~ 03.31	18.01.01 ~ 12.31
<b>Revenue</b>	<b>39,402</b>	<b>37,602</b>	<b>159,815</b>
Cost	6,817	7,054	30,547
<b>Gross profit</b>	<b>32,584</b>	<b>30,547</b>	<b>129,268</b>
Selling and administrative expenses	29,662	28,235	111,567
<b>Operating income</b>	<b>2,922</b>	<b>2,313</b>	<b>17,701</b>
Other income	76	107	396
Other expense	33	38	559
Interest income	1,412	1,170	7,998
Interest expense	0	0	175
<b>Net income before income tax expenses</b>	<b>4,377</b>	<b>3,552</b>	<b>25,362</b>
Income taxes	301	388	2,517
<b>Net income</b>	<b>4,077</b>	<b>3,164</b>	<b>22,846</b>

# Statement of Financial Position

INVESTOR  
RELATIONS

(Units in KRW Million)

	2019.03.31	2018.12.31
<b>Assets</b>	<b>245,091</b>	<b>242,052</b>
Current Assets	164,983	150,430
Non-Current Assets	80,108	91,622
Total Assets	245,091	242,052
<b>Liabilities</b>	<b>55,989</b>	<b>48,900</b>
Current-Liabilities	55,268	48,198
Non-Current-Liabilities	721	702
<b>Equity</b>	<b>189,102</b>	<b>193,152</b>
Capital stock	5,183	5,183
Capital reserve	68,207	68,207
Capital adjustments	-21,152	-21,152
Accumulated other comprehensive income(loss)	0	0
Retained earnings	136,864	140,914
<b>Total Equity and liabilities</b>	<b>245,091</b>	<b>242,052</b>

# Income Statement

INVESTOR  
RELATIONS

(Units in KRW Million)

	19.01.01~ 3.31	18.01.01~ 03.31	18.01.01 ~ 12.31
<b>Revenue</b>	<b>38,323</b>	<b>36,856</b>	<b>156,551</b>
Cost	6,740	6,948	29,852
<b>Gross profit</b>	<b>31,583</b>	<b>29,908</b>	<b>126,699</b>
Selling and administrative expenses	28,994	27,700	108,880
<b>Operating income</b>	<b>2,589</b>	<b>2,208</b>	<b>17,819</b>
Other income	76	71	203
Other expense	31	38	1,763
Interest income	1,411	1,170	7,996
Interest expense	0	0	175
<b>Net income before income tax expenses</b>	<b>4,045</b>	<b>3,411</b>	<b>24,080</b>
Income taxes	278	343	2,341
<b>Net income</b>	<b>3,767</b>	<b>3,068</b>	<b>21,739</b>