

Galaxy Software Services Corporation

Investor Conference 2022 Q4

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GSS 觀揚資訊股份有限公司
Galaxy Software Services



Leading company of enterprise application software development Since 1987



CMMI DEV /3



Disclaimer

- › The predictive information mentioned in this presentation, including business outlook, financial conditions, and business forecasts, is based on the company's information base obtained from internal and external sources, which may differ from future actual results. The causes may include (but not limited to) market risk, market demand, company's ability of the company to continue to launch high-quality products, and other factors or risks beyond the company's control.
- › Forward-looking statements contained in this presentation are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and this are subject to change thereafter. The company disclaims any intention or obligation to update or revise any forward-looking statement.

2022 Highlights

highest group revenue

997,523千元

highest group ESP

3.89元

new product

Vital NetZero

- › **Company Profile**
- › Operation Overview
- › Research Development
& Future Prospects

Company Profile

Founded : 1987.03.16

Officially Listed : 2020.12.10

Chairman : Pei-Yung, Chang

General Manager : Shih-An, Chen

Capital : NT\$ 300,001,200

Address : 5F., No.9, Dehui St., Zhongshan District, Taipei

Total Employee : 600+



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Milestones

- 2022  Passed **ISO 27701 Certification**
Around 550 people passed **ISO27001 Certification**
Cloud Services passed **ISO 27018 Certification**
- 2021  All engineering departments (around 400 people) passed **ISO27001 Certification**
Cloud Services passed **ISO 27018 Certification**
- 2020  **Officially listed on the TPEX**
- 2017  Awarded **The 5th National Industrial Innovation Award** from Ministry of Economic Affairs
- 2015  Awarded **Taiwan Excellence Award** from Ministry of Economic Affairs
- 2013  Acquired **ISO27001 Certification** still effective today
Passed CNS 15190
- 2007  Passed **CMMI-DEV V1.2 Maturity Level 3** still effective today
- 2005  Received The13th Industrial Technology Advancement Award – Outstanding Award
- 2002  Received The10th Industrial Technology Advancement Award – Outstanding Award
- 1998  Passed **ISO9001 Certification** still effective today
- 1987  Galaxy Software Services Corporation was founded



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35 Years of Experience in Software Developed Capability in Various Fields

Satisfy customer needs, with application and system development



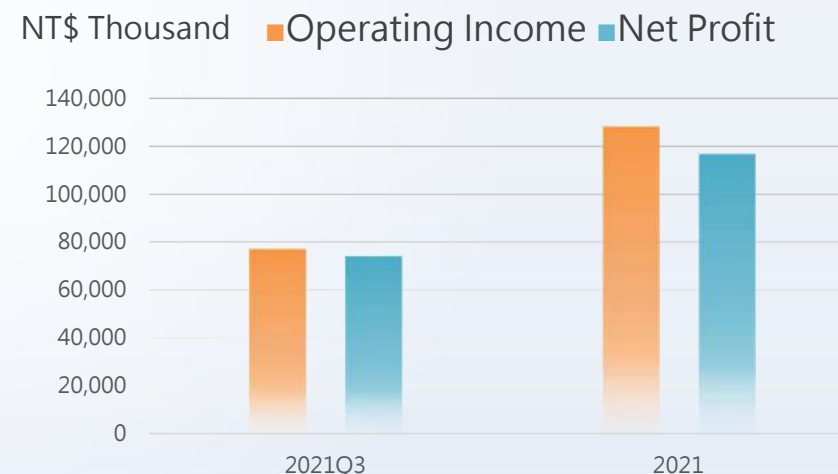
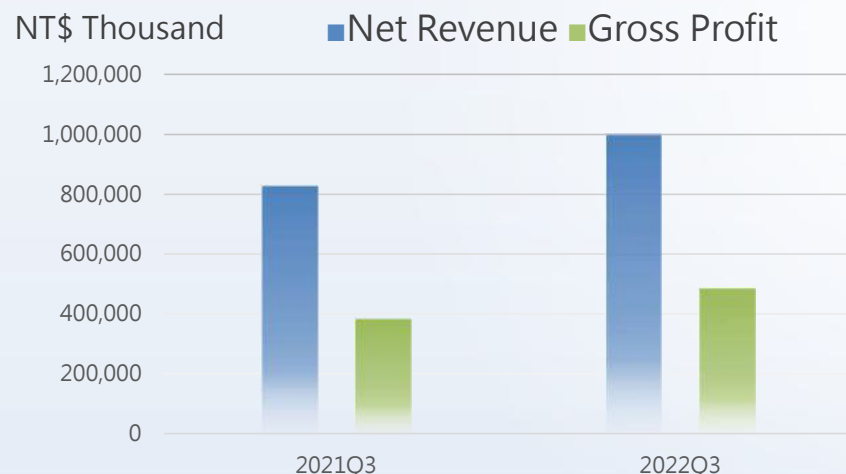
- › Company Profile
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Financial Results for Last 2 Years (Quarterly)

(Unit: NT\$ Thousand)

	Net Revenue	Gross Profit	Operating Income	Net Profit	EPS (Dollars)
2022Q3	997,523	486,277	128,122	116,779	3.89
2021Q3	827,084	383,606	76,943	73,946	2.46 (Note)
YoY	20.61%	26.76%	66.52%	57.92%	58.13%

Note: due to Capital surplus transferred to common stock on 2022Q3, 2020Q3 EPS adopts retrospective adjustment.



Financial Results for Last 2 Years (3 Margin Analysis)

	Gross Margin	Operating Margin	Net Profit Margin
2022Q3	48.75%	12.84%	11.71%
2021Q3	46.38%	9.30%	8.94%

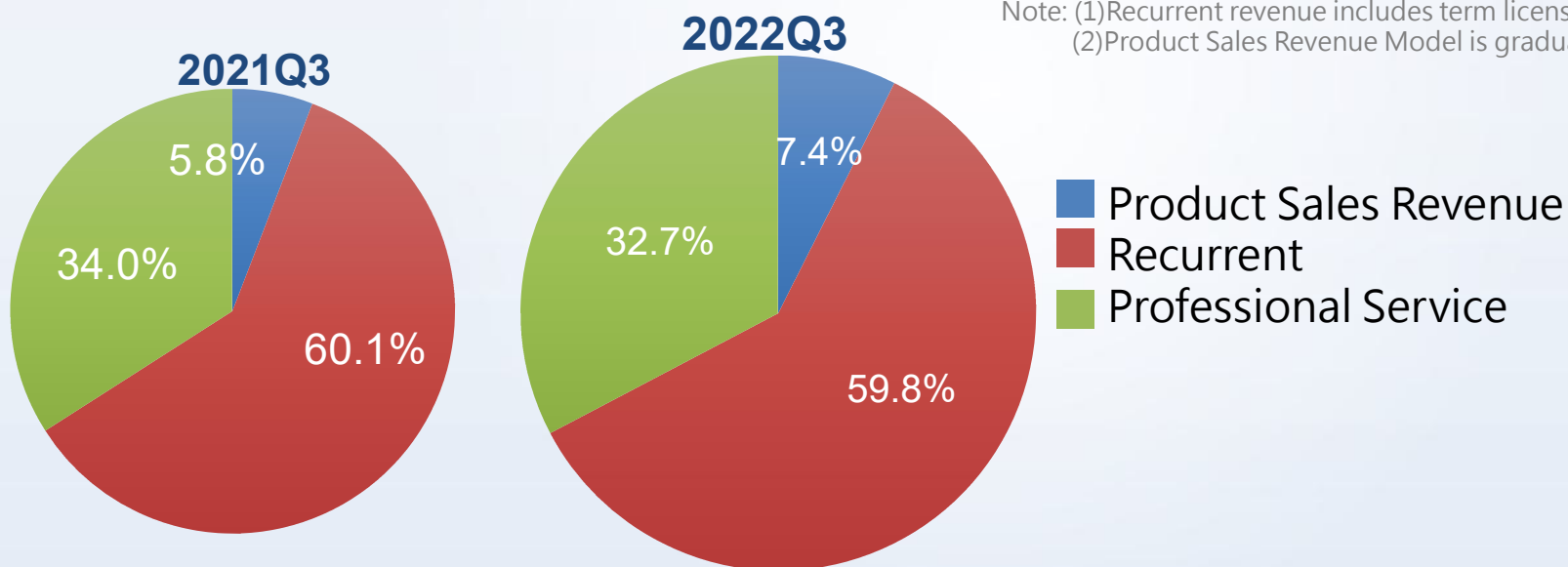


Financial Results for Last 2 Years (Revenue Analysis)

(Unit: NT\$ Thousand)

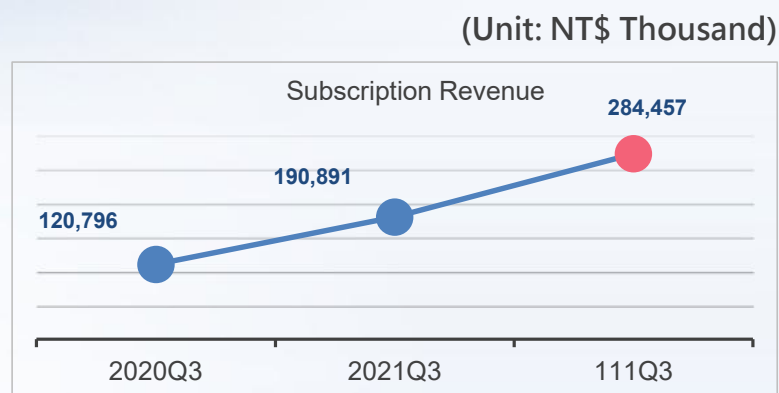
	Product Sales Revenue (Perpetual License)	Technical Service Revenue		Total
		Recurrent	Professional Service	
2022Q3	74,198	596,900	326,425	997,523
2021Q3	48,360	497,122	281,602	827,084

Note: (1) Recurrent revenue includes term license, maintenance, and outsourcing
 (2) Product Sales Revenue Model is gradually converting into Term License



Growth Momentum Under Subscription Economy

	Subscription Revenue	Subscription Revenue Percentage
2022Q3	284,457	28.52%
2021Q3	190,891	23.08%
2020Q3	120,796	15.98%

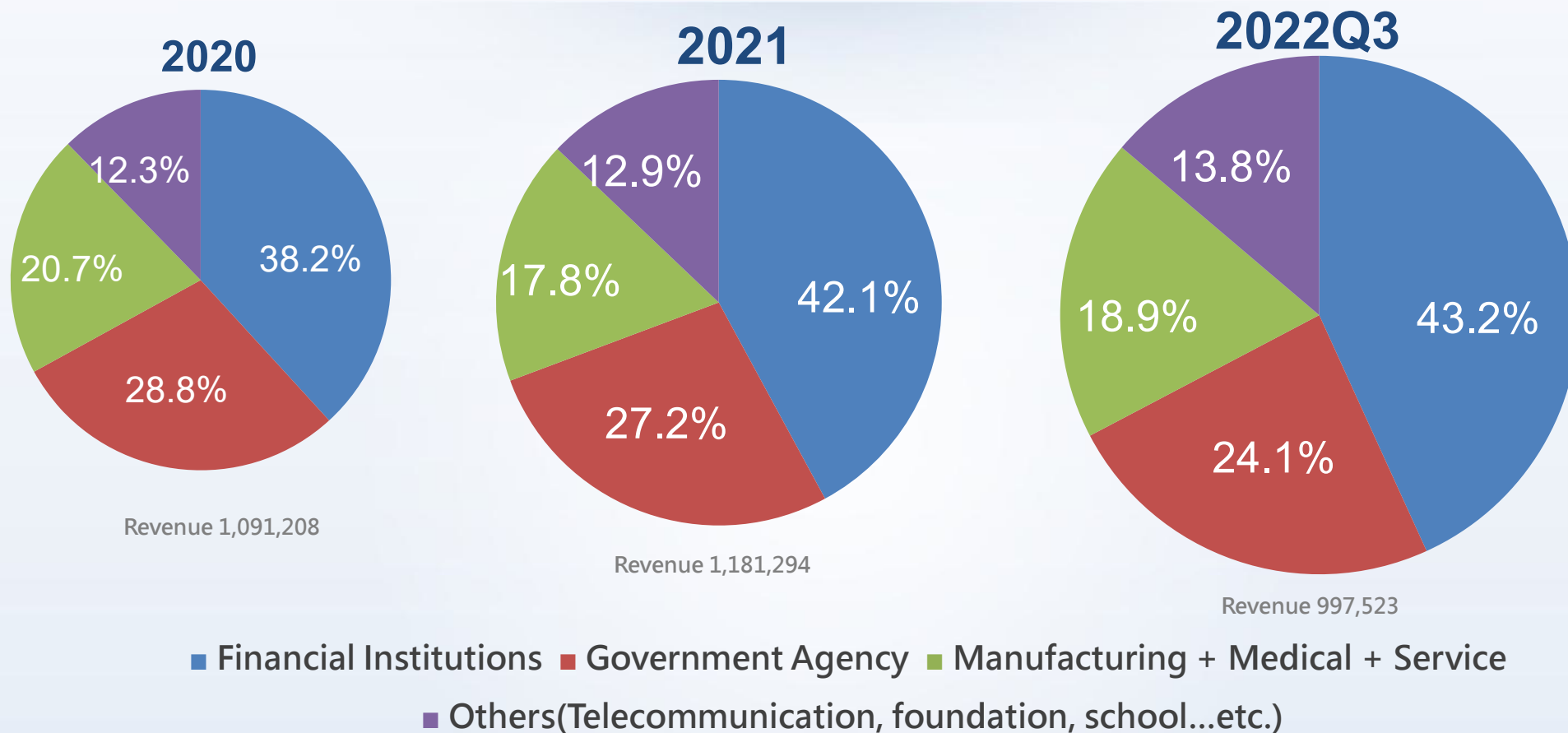


Subscription model has become one of the most important business trends, subscription service can create stable and predictable income, and plan for future R&D investment

Information governance and security tools greatly improved

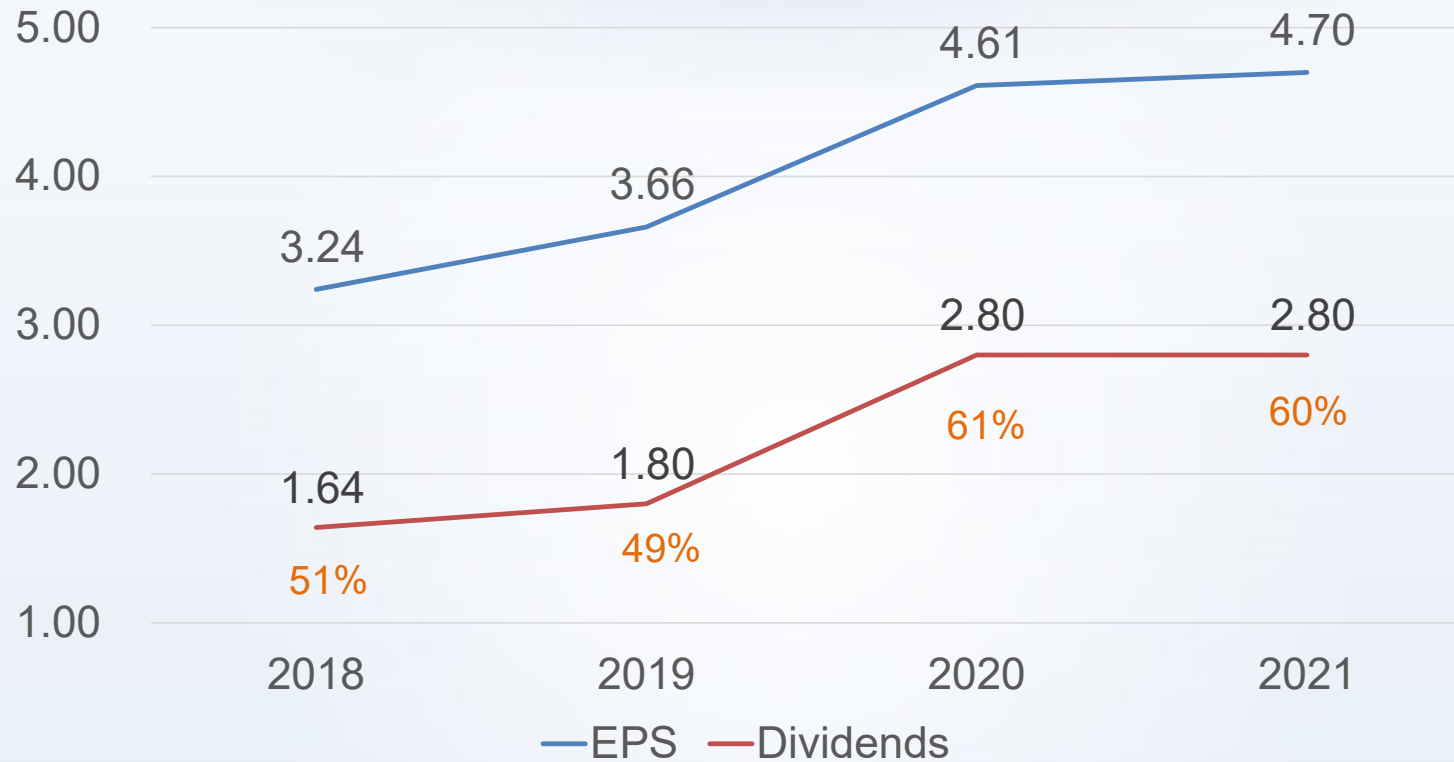
Cloud services continue to expand SME customer base

Analysis of Revenue – by Industry of Customer



(Unit: NT\$ Thousand)

EPS&Dividends



註：The stock dividend per share are 0.6 in 2020 and 2021.

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- › **Research Development
& Future Prospects**

Results of Research & Development

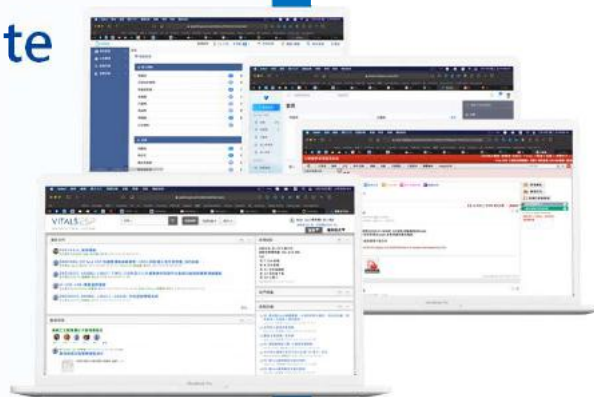
Continue to Innovate

Official Correspondence Management

Human Resource System

Credit Risk and IFRS Asset Impairment Assessment

Enterprise Social Platform



vital

Cloud Platform & Service

New Technology



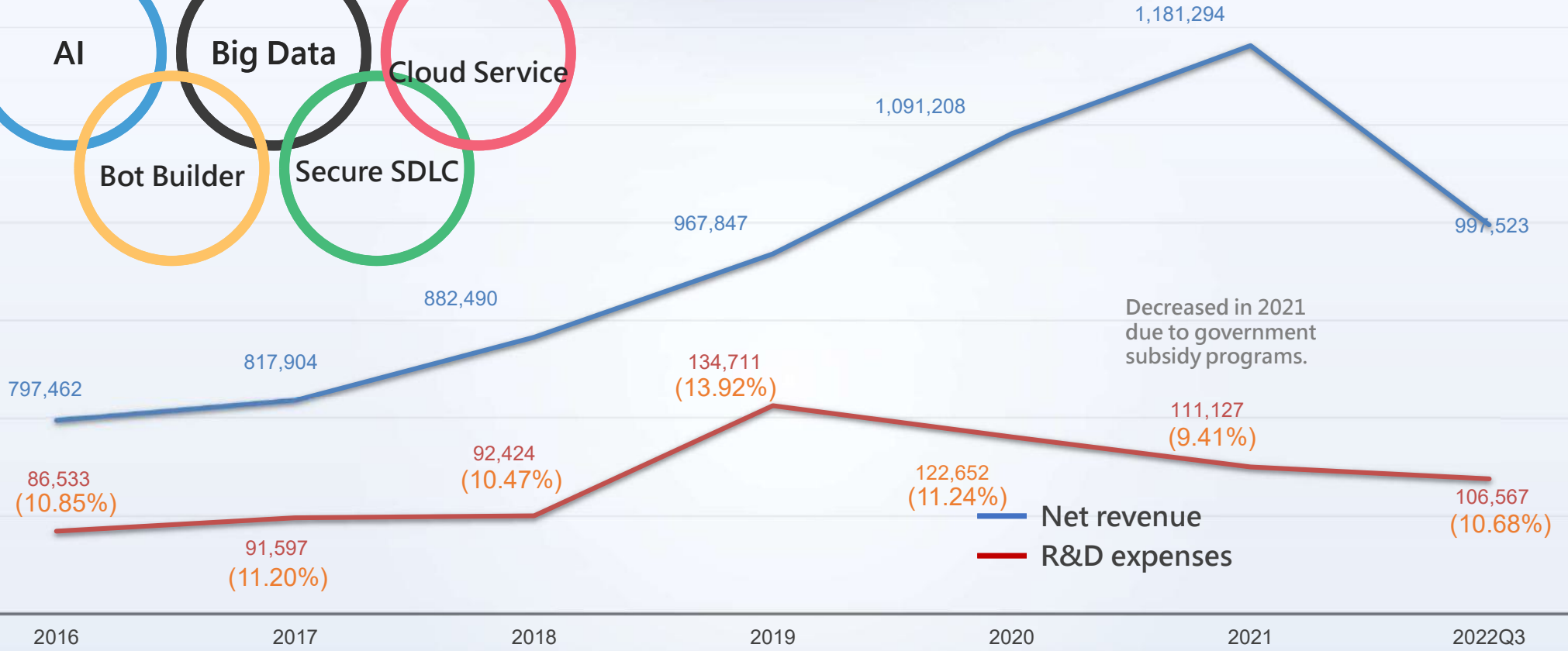
Chatbot

AI & Deep Learning
Enterprise Instant Messaging
Chatbot, Bot builder
Smart dyeing & finishing,
system change management tool

Continue to refine, deepen, and expand the effectiveness

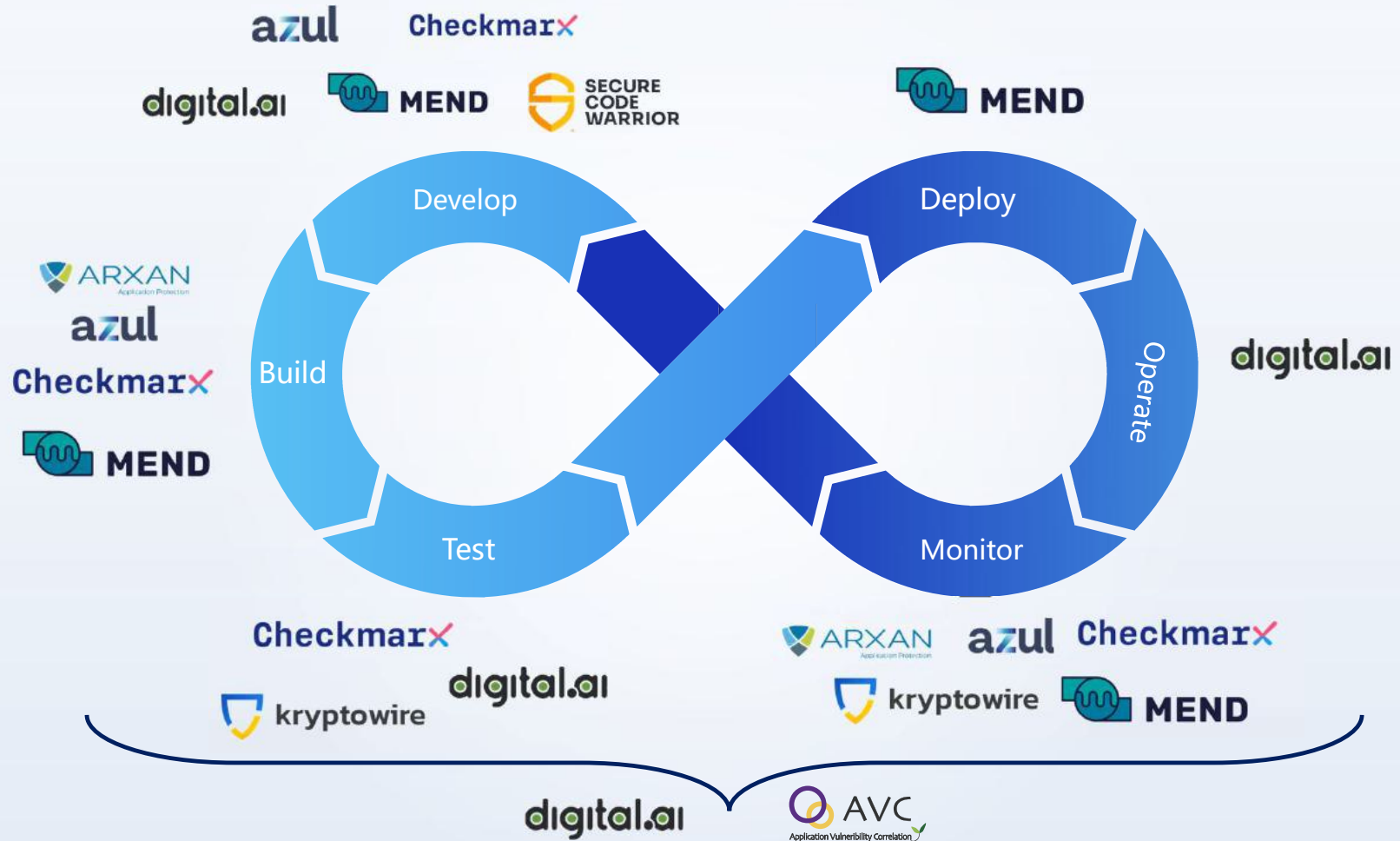
R&D Investments Trend and Benefit

R&D Expenditure and Revenue Percentage



Information Security Solutions

Protect SSDLC



SaaS Cloud Services

From Small-Medium to Medium-Large, Hybrid Cloud that combines enterprise information



Impact of Net Zero Emissions on Taiwan's SMEs/manufacturing industry

› Facing the trend of NetZero emissions by 2050, companies are like joining a limited-time race, and they will be eliminated if they fail to catch up with regulations or supply chain's requirements. The investigation report by Ministry of Economic Affairs, R.O.C. pointed out that there are about **190,000** SMEs in Taiwan are urgent to establish GHG inventory and carbon reduction to response the requirements from supply chain clients and the CBAM.

- <https://news.ltn.com.tw/news/life/paper/1510032> (Liberty Times 2022/04/06)
- <https://technews.tw/2022/10/27/gss-vital-netzero-smb/> (Tech News 2022/10/27)
- <https://technews.tw/2022/10/24/everbiz-gss-vital-net-zero/> (Tech News 2022/10/24)
- <https://www.gss.com.tw/focus/news-center/3231-ai-6> (DIGITIMES 2022/9/27)

NetZero

2023

EU CBAM

2024

USA CCA

2027

All listed

companies in

Taiwan completed
the GHG inventory



數位 X 零碳 雙軸轉型

運用雲端數位工具，加速淨零碳排，提升企業競爭力

能盤、溫盤、碳盤 三效合一

碳盤查國際認證標準



ISO 50001
能源管理系統

ISO 14064
溫室氣體排放標準

ISO 14067
碳足跡

KPIM-N 淨零指標管理 (數據管理服務模組)

- 盤查** 能源類別 (電 / 油 / 氣 / 等)
能源別 / 區域別 / 設備別 / 產品別 / 客戶別 / 等
- 洞察** 鑑別重大能源使用 SEU
基線迴歸模型分析
- 管控** 節能源碳指標管理

CMP-N 合規管理協作 (文件管理服務模組)

- 合規** ISO 50001 (能盤)
ISO 14064 (溫盤)
ISO 14067 (碳盤)
- 管理** P 規劃 / D 執行 / C 查核 / A 行動 + R 紀錄
- 協作** 人 / 事 / 時 / 地 / 物 管理與稽核

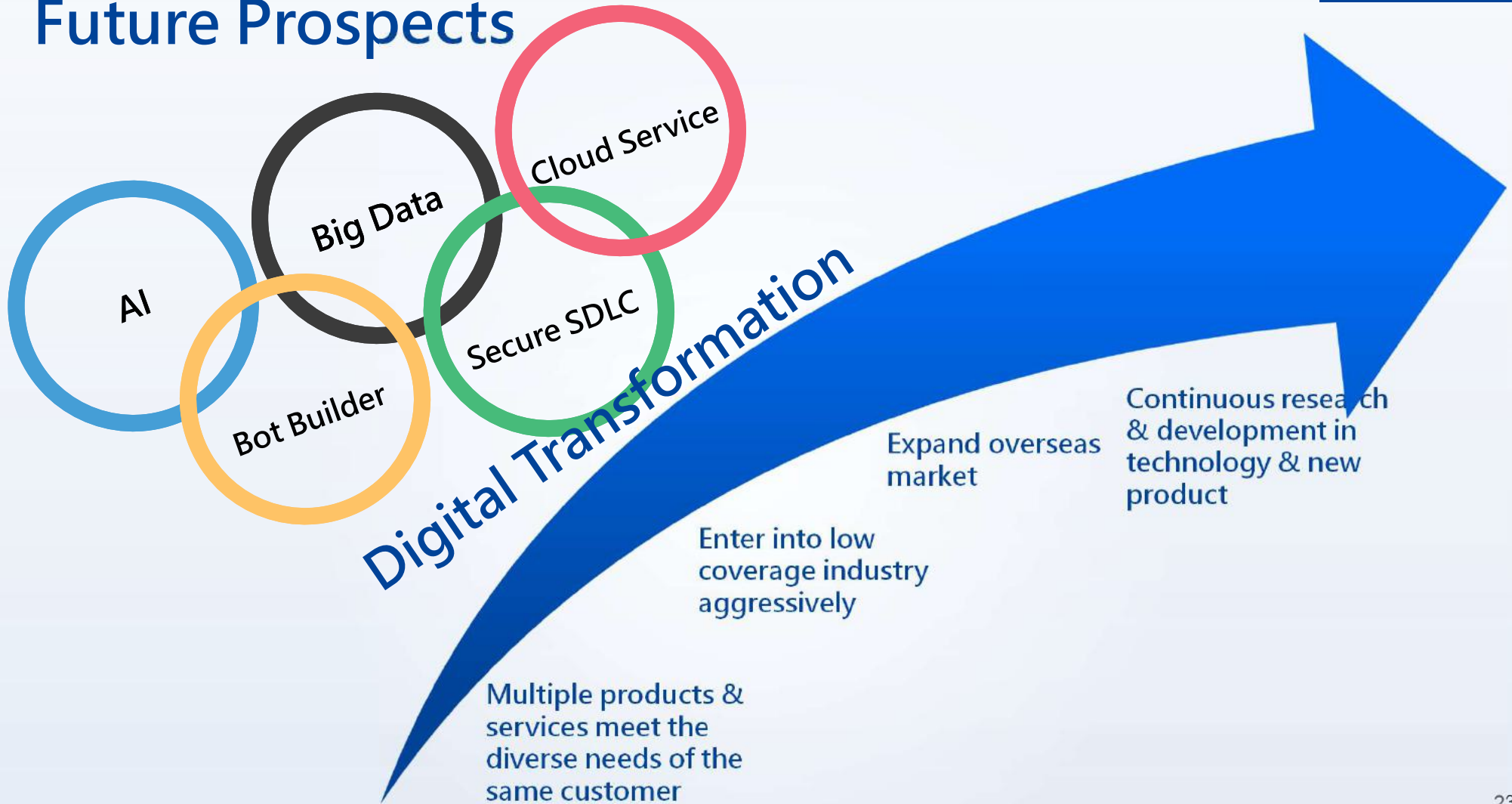


Vital NetZero 零碳雲是協助企業建立 ISO 合規的文件管理、淨零指標數據管理的雲端服務。

Competitive Advantages



Future Prospects



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Thank You!



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Vital 雲端服務家族

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