

No.1 Worldwide
K-Beauty
Platform
SILICON2



SILICON 

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TABLE OF CONTENTS

Prologue

Chapter 01_ K-Beauty & E-Commerce

Chapter 02_ SILICON2, E-Commerce Platform

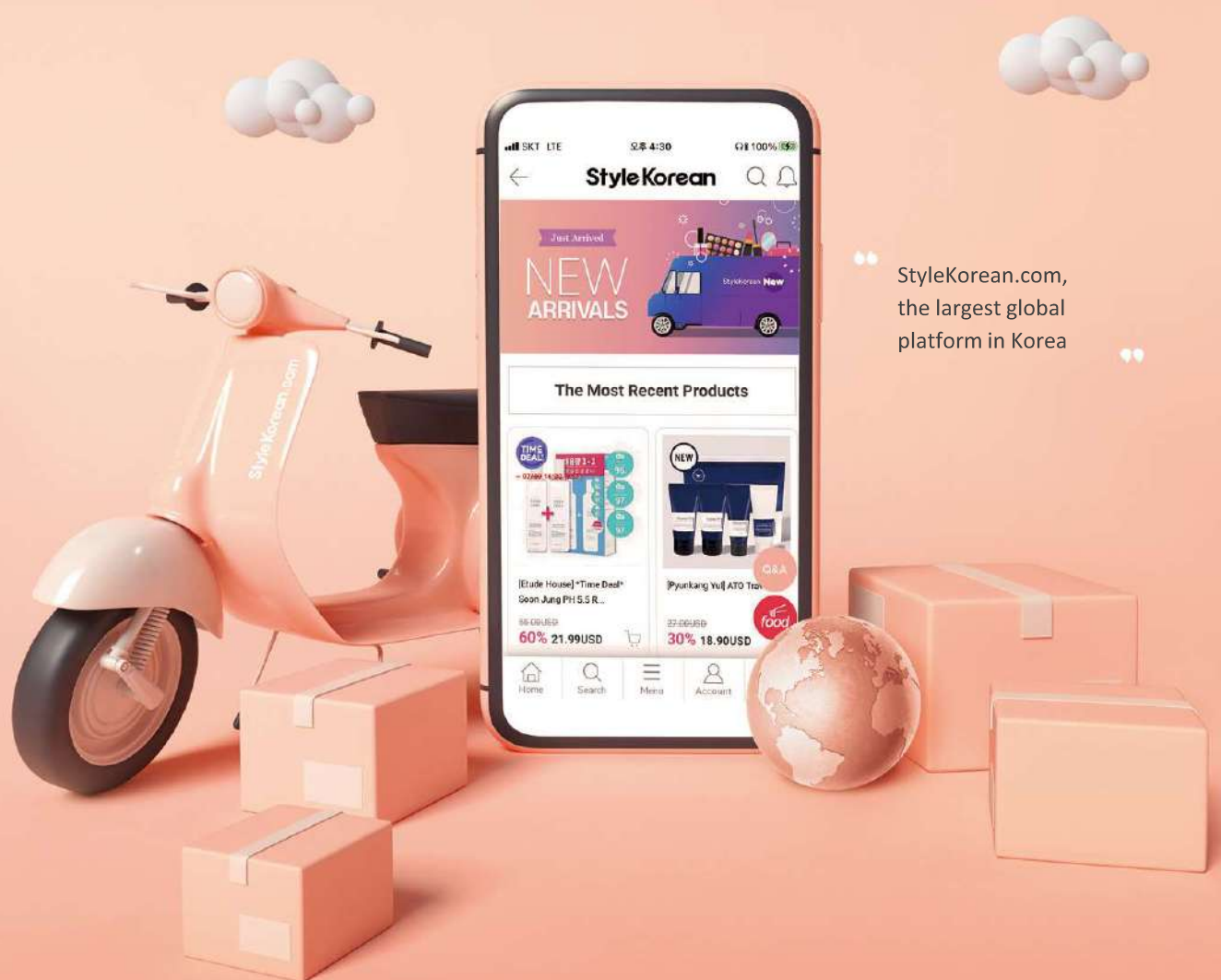
Connecting K-Beauty to the World

Chapter 03_ SILICON2's Grounded Confidence

Chapter 04_ SILICON2 Leading K-Beauty

Worldwide

Appendix



StyleKorean.com,
the largest global
platform in Korea

Rise of K-Culture and SILICON2

K-Game



Ranked 1st in global annual revenues and entry into Indian market

K-Movie



'Decision to Leave' won at Cannes

K-Drama



'Bargain' won at Canne Series

K-Pop



BTS, Super M, Stray kids won four Billboard Music Awards

K-Beauty



Hidden heroes behind great success

Publisher



Distributor



Entertainment Agency



SILICON2



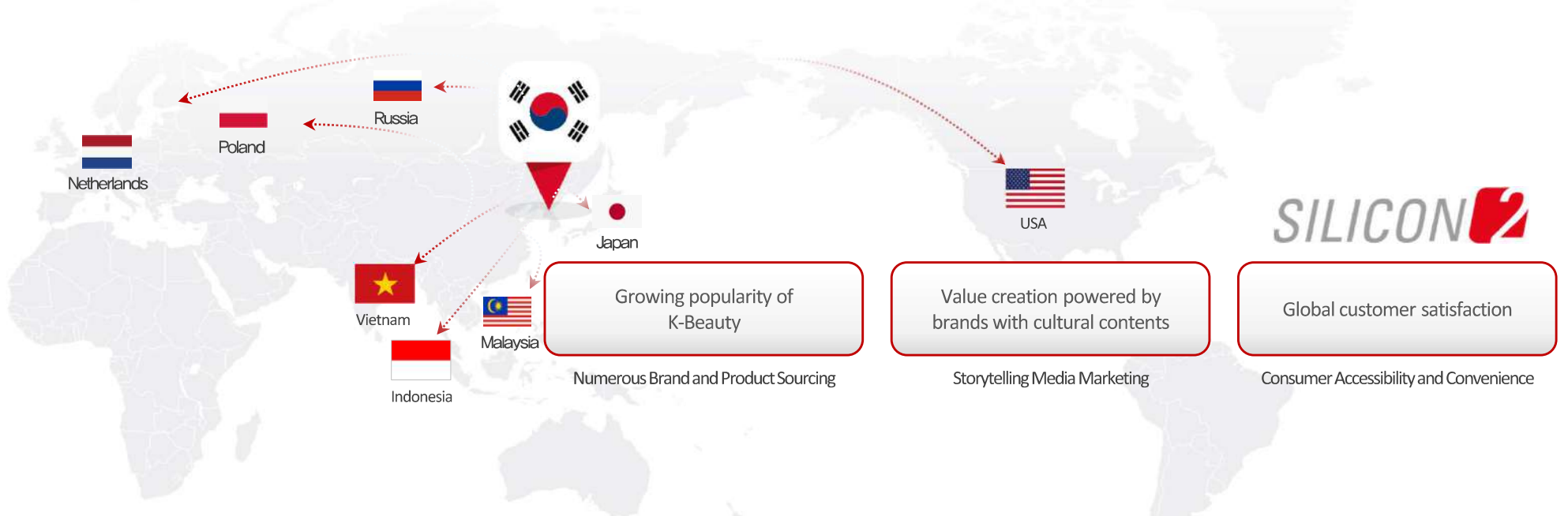
Design, Distribute and Promote K-Beauty by



→ SILICON2 is a global E-Commerce platform for K-Beauty

Value Creator Beyond E-Commerce, SILICON2

Silicon2 is expanding overseas with diverse K-Beauty brands and products continuously emerging.



PUBLISHER

Supply of K-Beauty products
(+430 brands)



LOCALIZATION

Share know-hows in licensing and locally specialized expertise & marketing



INCUBATION

Mutual growth with emerging brands
(Investment in 9 brands)





Chapter 01

K-Beauty & E-Commerce

01_ Growth Factors of K-Beauty

02_ Crisis of K-Beauty

Satisfying various trends and global demands through online channel expansion and K-Beauty's massive infrastructure

Optimized production infrastructure for growing beauty industry

Strong Upstream Environment in Cosmetics Industry

Increase in exports to China

↓

- Increase in OEM · ODM cosmetics manufacturers
- Increase in container · subsidiary material manufacturers
- +20,000 cosmetic brands

Expansion of production infrastructure
→ Easier to create one-person brand

K-Brand Growth

Entertainment Powerhouse

BTS, BLACKPINK
Super M, Stray kids

Technology Powerhouse

Samsung Electronics, Hyundai Motors

Growing K-Brand competitiveness in technological and cultural entertainment

E-Commerce Growth

Global E-Commerce Market Size

Unit: USD trillion

5,211 → 8,148 (2021~2026(E) CAGR 9.4%)

Online channel growth
→ Improved accessibility for small business brands

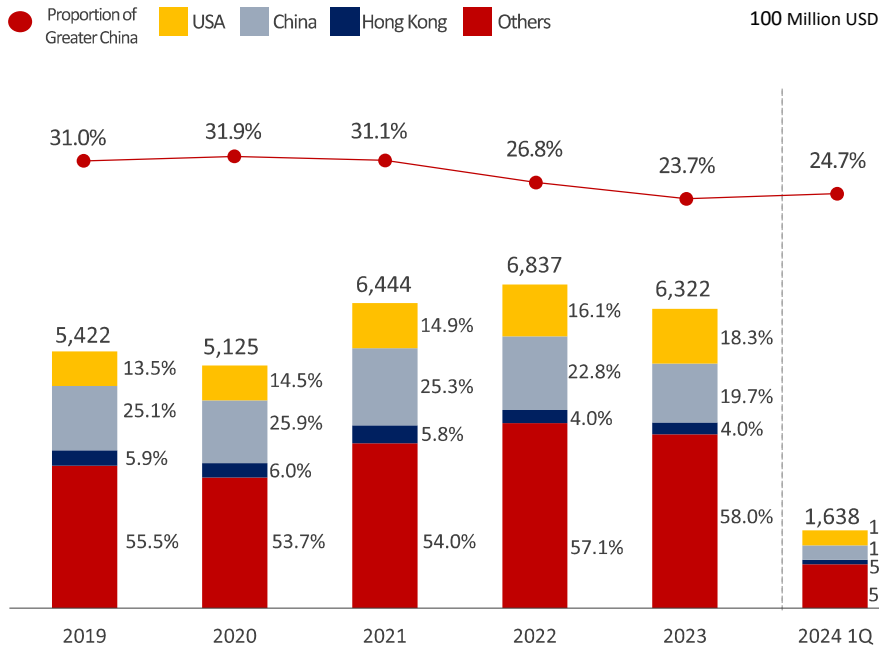


'Made in Korea' with K-content and technology
→ Shared growth with K-Beauty, K-POP, K-Food, K-Fashion

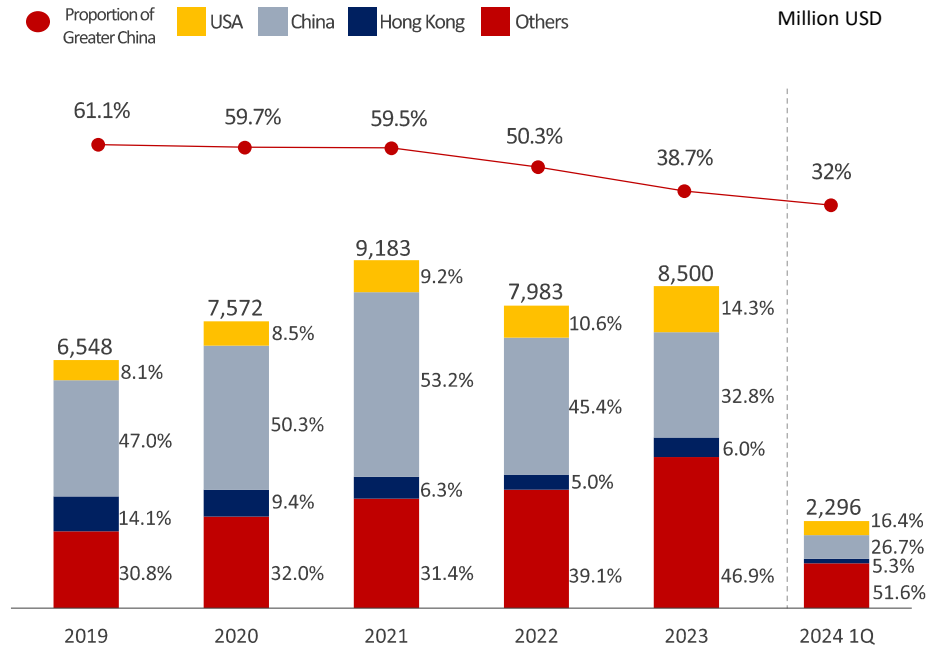
Source: eMarketer, Ministry of Food and Drug Safety

Korea's share of total exports and cosmetics exports (by country)

U.S.A and Greater China exports as a share of total exports



U.S.A and Greater China as a share of cosmetics exports



Logistics threat + Guo Chao craze ⇒
Decline in China market exports = Decline in China market cosmetics export

Source : KCI, Unipass Import/Export Trade Statistics

Guo Chao Craze : Rising incomes and patriotic education drive the Chinese MZ generation to use domestic products



Chapter 02

SILICON², E-Commerce
Platform Connecting
K-Beauty with the World

- 01_ No.1 K-Beauty E-Commerce Platform Company
- 02_ Successful Growth Driven by Change and Innovation
- 03_ Differentiated Business Model
- 04_ Achieving Solid and Sustainable Business Performance (1), (2), (3), (4)

SILICON2, the largest K-Beauty e-commerce platform business in Korea

Company Overview

Company Name	SILICON2 CO., LTD.
CEO	Kim, Sung Woon
Establishment	Jan 19, 2002
Capital Stock	KRW 30.3 billion
No. of Employees	222 (excluding overseas personnel in USA, Indonesia and others)
Business Area	K-Beauty Wholesale, Retail, V-Commerce
Head Quarter	#907, Phase S, H-SQUARE, 680 Sampyeong-Dong, Bundang-Gu, Seongnam-City, Gyeonggi-Do, Korea
Website	www.siliconii.com

Senior Management

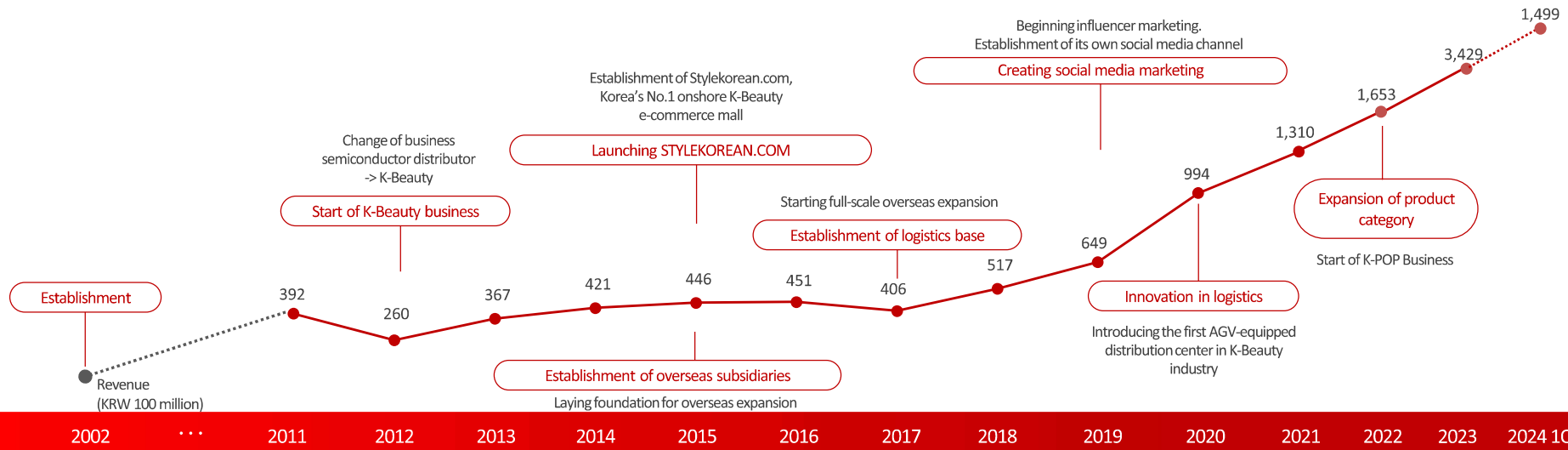


Kim, Sung Woon Chairman & Founder

- 2002~ present
SILICON2 CO., LTD. Chairman & Founder
- 2018
 - Recognized by Minister of Trade, Industry and Energy at E-commerce Export Market on Trade Day
 - Recognized by Minister of Employment and Labour
 - Won 2018 Future Creation Management Award of Korea
- 2019
 - Won 2018 Korea Superb Brand Awards

Name	Title	Role	Career and Work Experiences
Son, In Ho	Vice President	CFO	<ul style="list-style-type: none"> • 2016 ~ Present : SILICON2 CO., LTD. • 2009 ~ 2014 : Stonebridge Capital Inc.(CFO) • 2007 ~ 2009 : Goldman sachs Asset Management Korea (CMO) • 2000 ~ 2007 : Macquarie IMM Asset Management(CFO) • 1998 ~ 2000 : IMM Investment (Co-founder)
Choi, Jin Ho	Vice President	COO	<ul style="list-style-type: none"> • 2012 ~ Present : SILICON2 CO., LTD. • 1998 ~ 2011 : Dong-woon International Inc. • 1996 ~ 1998 : YOUNG POONG Precision Inc.

Leading the e-commerce onshore market for K-Brands with global logistics expertise



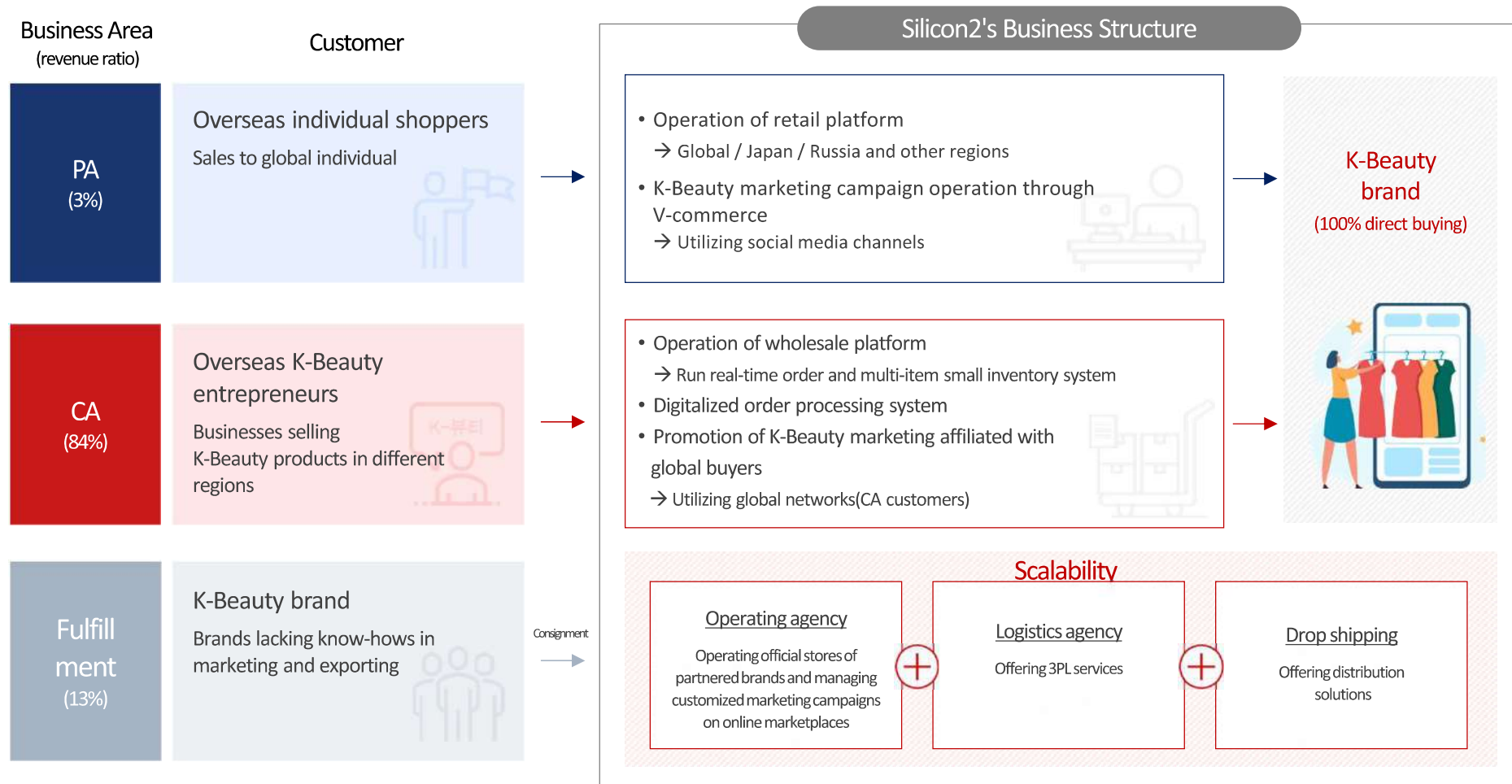
Early Days Period Growth Period Expansion Period

- | | | | |
|---|---|--|--|
| <p>2002 Established SILICON2 CO., LTD.
→ Ran semiconductor distribution
→ Accumulated expertise in logistics & inventory</p> | <p>2012 Equipped with expertise in logistics & inventory management
→ Start of K-Beauty business</p> <p>2017 Established logistics base
Built New Jersey Warehouse
Built Eastern USA Office</p> | <p>2015 Established onshore K-Beauty e-commerce platform
Launched STYLEKROEAN Global homepage
Launched STYLEKOREAN JP homepage
Established a subsidiary in USA</p> <p>2019 Created social media marketing
Launched K-BEAUTY STUDIO
Launched YouTube Channel "Beauty Cookie"
Diversified overseas markets
Established STYLEKOREAN INDONESIA</p> | <p>2020 Innovation in logistics
Introduced AGV system</p> <p>2022 Expanded K-category
Established STYLEKOREAN MY SDN. BHD</p> <p>2023 Established SKO Sp. z o.o.
Established STYLEKOREAN EU B.V
Established MOIDA Limited Liability Company</p> |
|---|---|--|--|

Awards

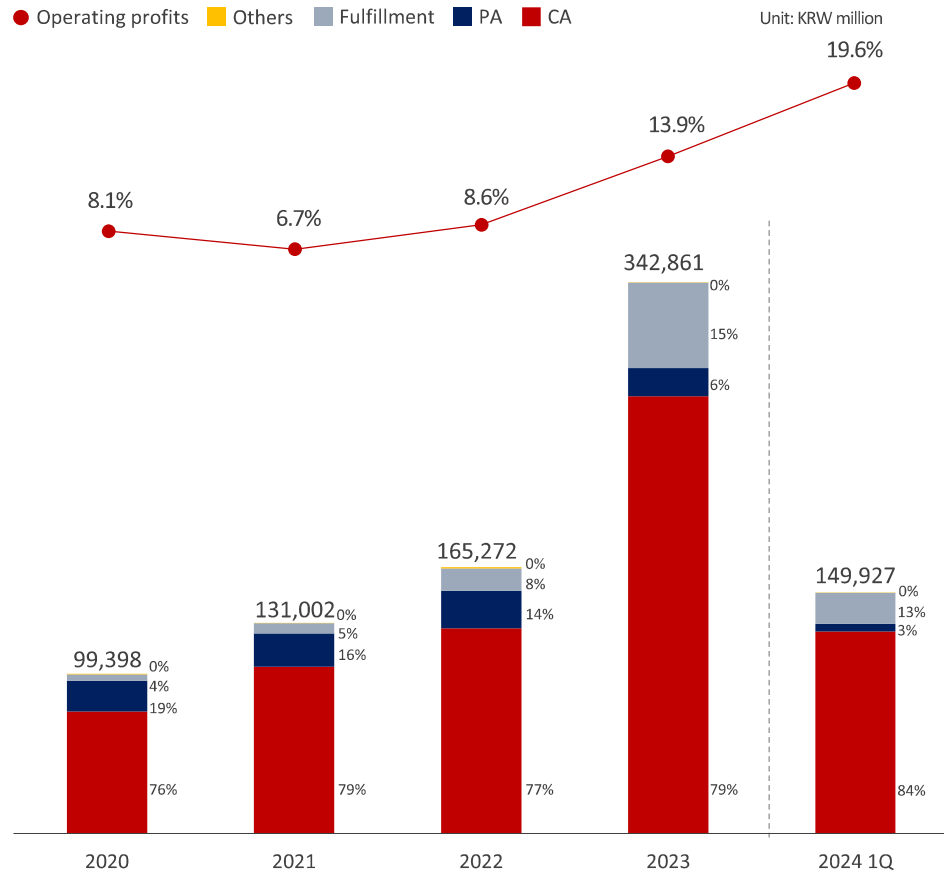
- Received Presidential Industry Award in 2018
- Won Future Creation Management Award of Korea in 2018
- Recognized by Minister of Employment and Labour in 2018
- Won Korea Hit Brand of the Year Award in 2018
- Received \$100M Export Tower Award in 2023

Creating Value through e-commerce platform that best fulfils customer needs



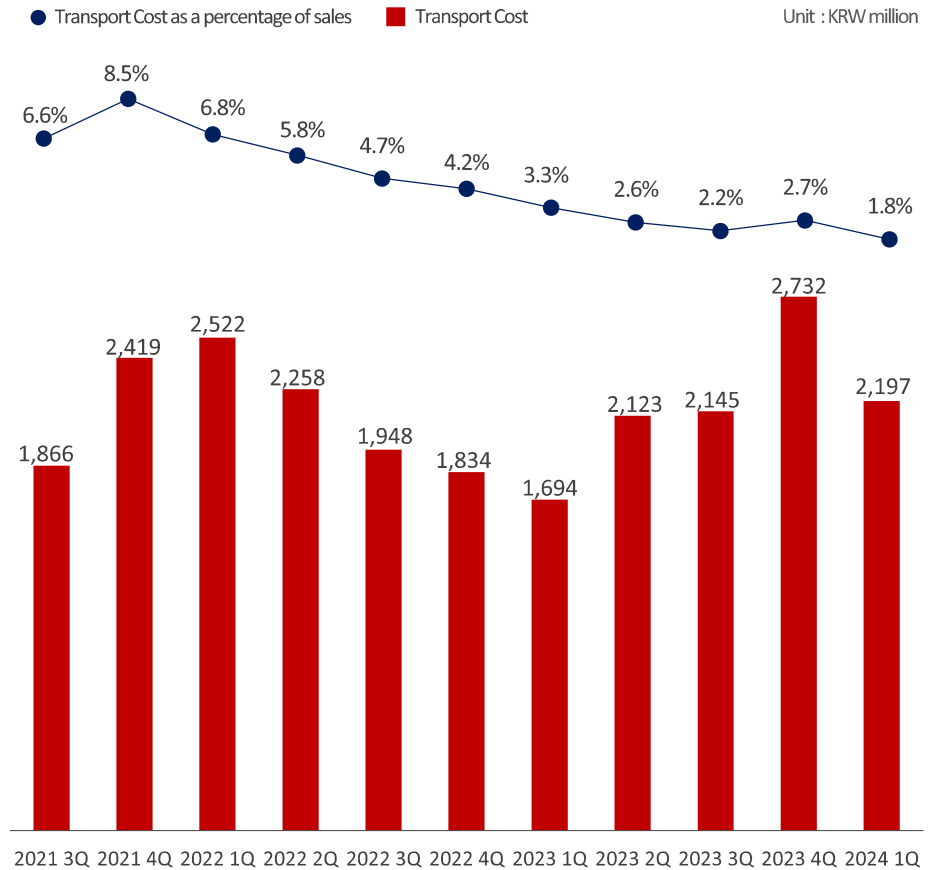
Achieving robust performance driven by the synergy between business units

Revenue Trend by Business Unit



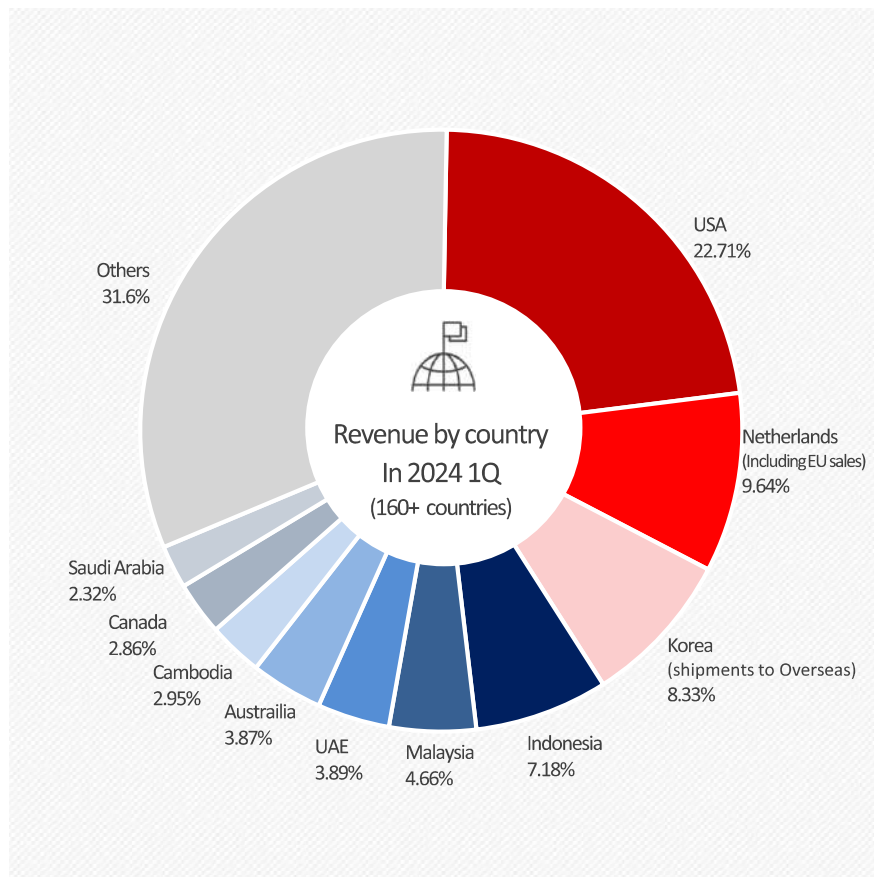
Source: K-IFRS

Transportation Cost Trend



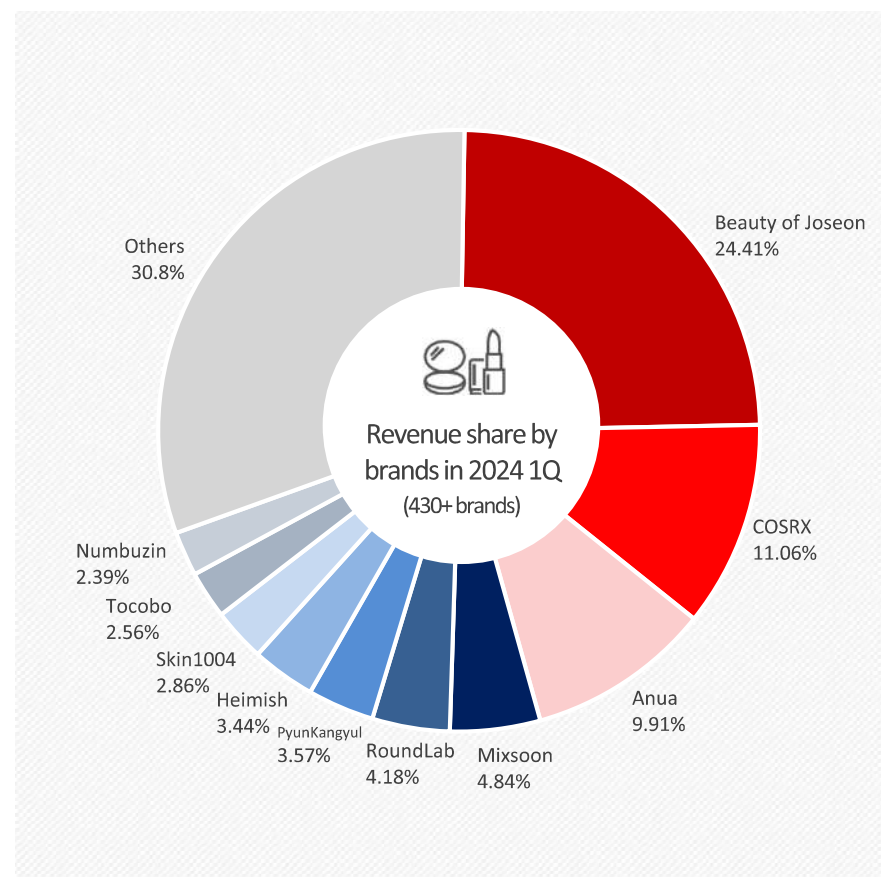
Diversifying export markets(0% export to China) minimizing risks → Achieving robust business performance

Revenue Share by country



Source: K-IFRS

Revenue Share by Top 10 brands

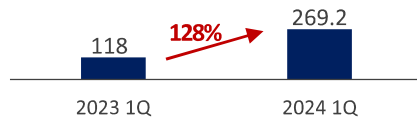


Solid sales growth per country and brand

Sales Growth by Major Country

Unit : KRW 100 million

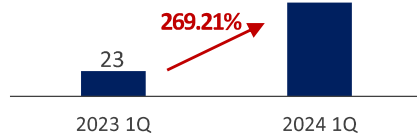
USA



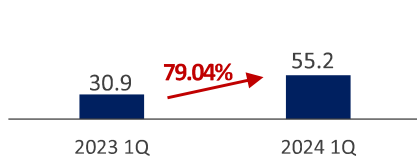
Netherlands



Indonesia



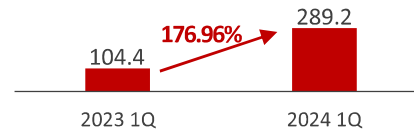
Malaysia



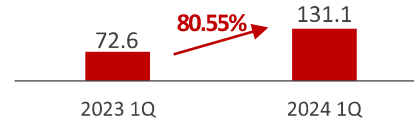
Sales Growth by Major Brand

Unit : KRW 100 million

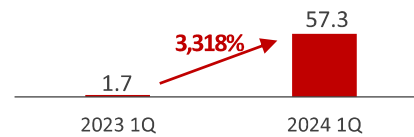
Beauty of Joseon



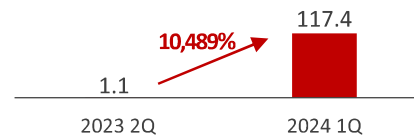
COSRX



Mixsoon



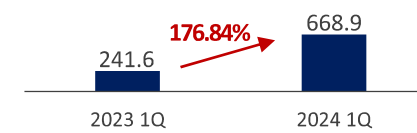
Anua



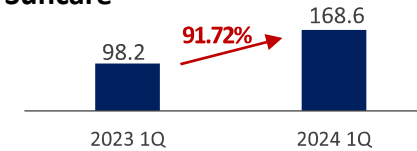
Sales Growth by Types of Cosmetics

Unit : KRW 100 million

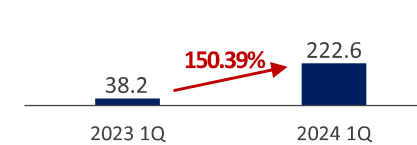
Skincare



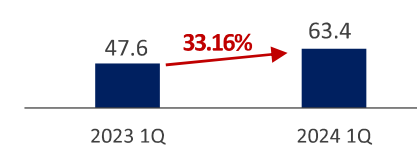
Suncare



Cleansing / Mask



Makeup

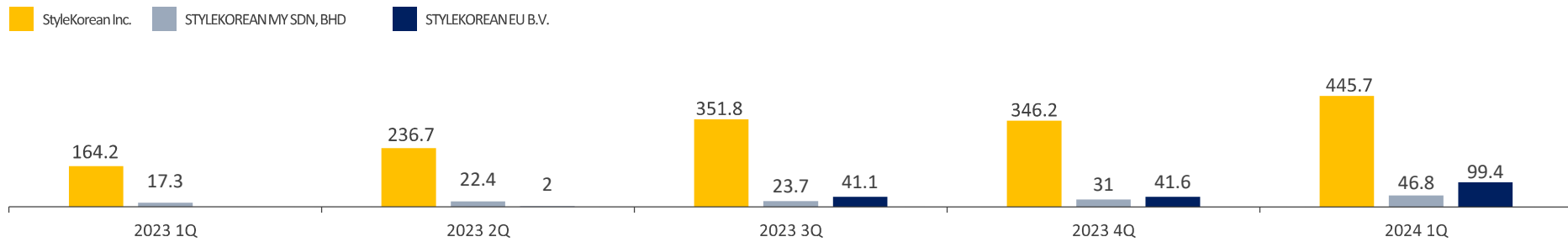


Source : Cumulative Annual Sales of Our Entire Business Based on Fulfilled Orders from Our Internal ERP System

Continuous growth of overseas branch

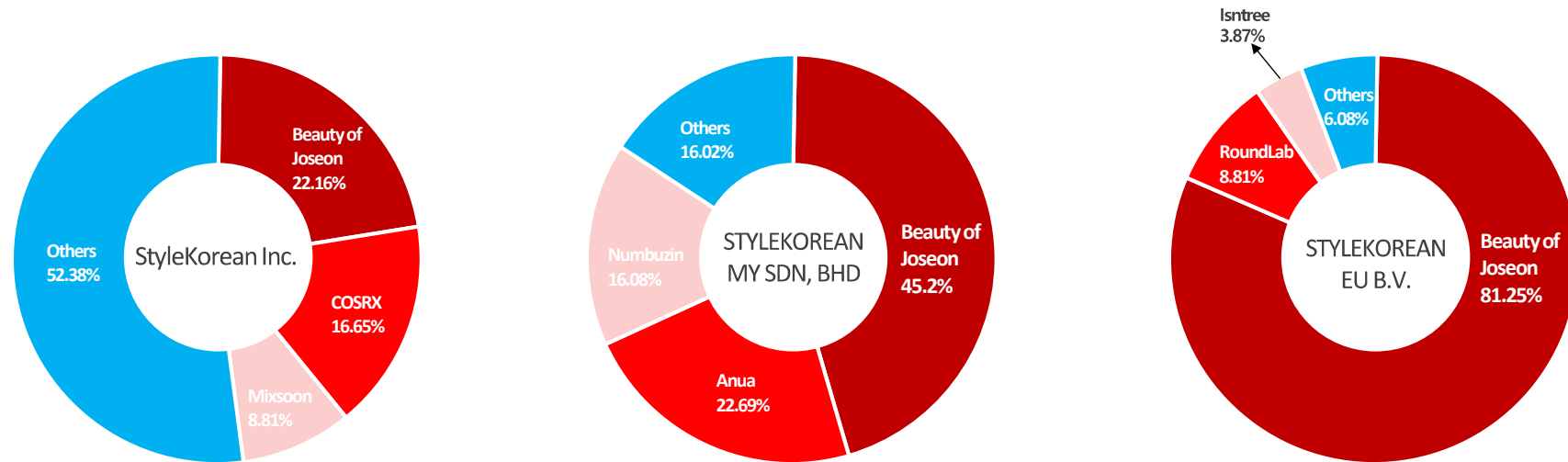
Sales Trends by Branch

Unit : KRW 100 Million



Top 3 Brand Sales by Branch

Based on 2023



Source : Cumulative Annual Sales of Our Entire Business Based on Fulfilled Orders from Our Internal ERP System



Chapter 03

SILICON2's Substantiated
Confidence

01_ Global Marketing, Branding
through Social Media

02_ Global Fulfillment & Cross-border Logistics

03_ Localization



Raising brand awareness and boosting growth for small and medium-sized brands through contents planning optimal for global marketing

SILICON2's Owned Media

4M+ followers through diverse social media channels



Instagram: stylekorean_arabia
Youtube: Beauty Cookie
Tiktok: stylekorean_official

Effective marketing with various channels, 'One source multi-use'

- Securing diverse channels such as YouTube, Instagram, Facebook, Tiktok, Twitter and others
- Producing and distributing contents through two owned studios

Influencer Pool

25,000+ influencers in 68 countries



Leading trends of K-culture, K-pop culture & K-Beauty

- Planning and producing K-Beauty & entertainment contents with famous beauty influencers in every country
- Organizing local influencer fan meetings
- Effective exposure through partnership with leading influencers

V-Commerce

Running live-commerce and home shopping shows through partnership with influencers



Influencer promotion (LUCKY BOX)



Influencer Live Stream

Brand exposure through diverse promotions

Running brand /product seeding marketing

- Attracting customers through free product promotions around the world such as Try Me Review Me or Giveaways.
- Organizing viral marketing with video contests joined by foreign influencers (GURUS)

Unit: KRW billion

Top 3 Most Profitable Brands in SILICON2

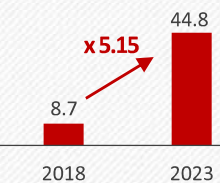
1st

조선미역
Beauty of Joseon



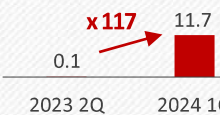
2nd

COSRX



3rd

Anua



Source: Separate sales of CA, PA, fulfillment

Laying the foundation for LaaS business(Logistics-as-a Service) by strengthening end-to-end service capacity

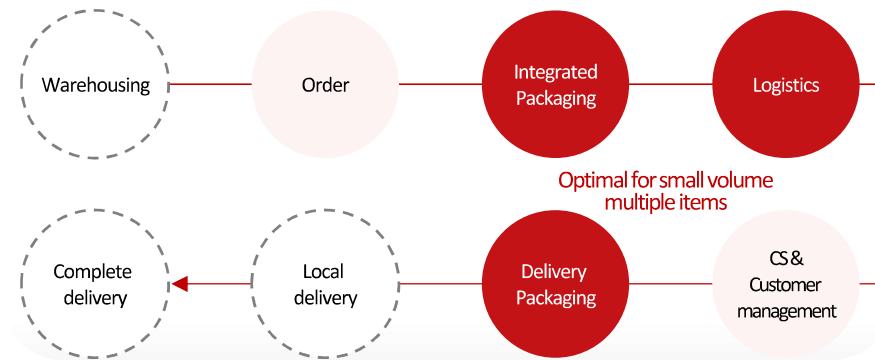
What is Our Fulfillment?

A comprehensive process that handles services ranging from warehousing to inventory management, sorting, delivery as well as follow-up



Silicon2's Automatic Logistics System

Self-development of optimal solution → Establishment of automatic logistics system → Expansion of Fulfillment



Expected Benefits

- 01_ Systematic inventory management and fast delivery
- 02_ Digitalized platform for order, payment and delivery
- 03_ Labor cost reduction and improved efficiency by AGV



SILICON2, leading the global market trends with its localization strategy

Localized Logistics



Logistics center for each location



Localized Marketing



Marketing campaigns for local communities



Strengthening Localization



Localization per language, payment and numerous certifications



Providing better service to customers through localization



Chapter 04

SILICON2, Leading K-Beauty Worldwide

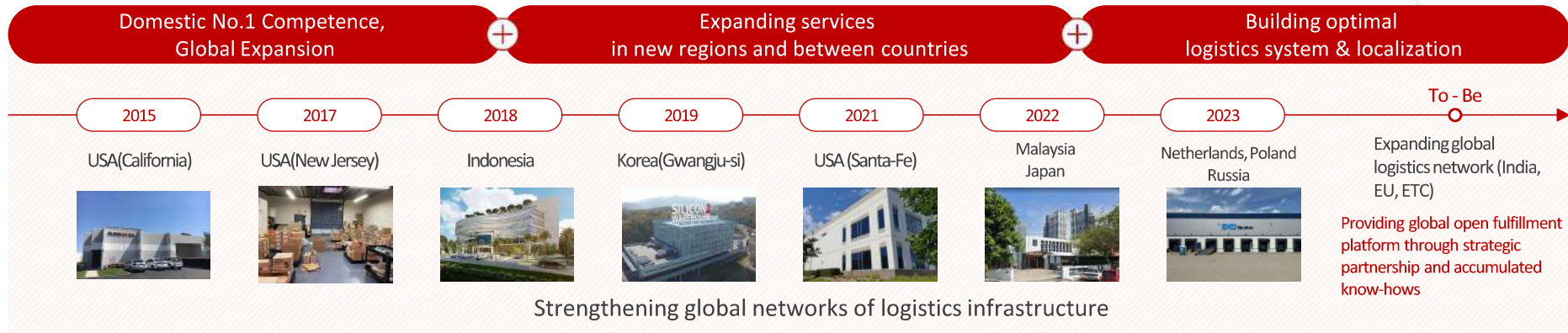
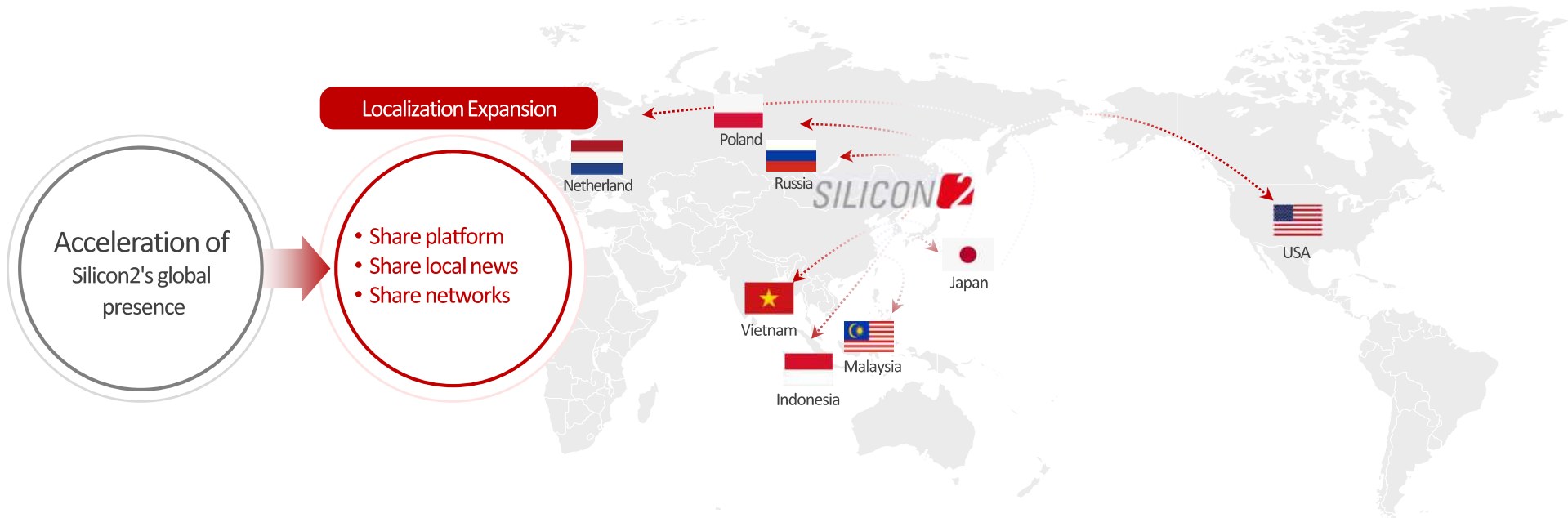
- 01_ Expanding Localization through Accelerating Global Bases
- 02_ Expansion of Category to K-Food, K-Fashion and K-Style
- 03_ Mutual Growth through Equity Investment in K-Brand Shares



Expanding Localization through Accelerating Global Bases



Sharing an end-to-end service worldwide → Boosting growth through localization



Utilizing success of K-Beauty to diversify product line ups through supplying various K-Brands

Expansion of K-Brand Line Ups

- Accumulating data on sales and global/local customers highly interested in K-Brand
- Utilizing SILICON2's know-hows in global marketing and exports
- Developing competitive domestic small and medium-sized brands



High Scalability empowered by platform

StyleKorean.com

Diversification of product line ups by expanding K-Brand category



Continuous Demand Increase Since K-Food Launch in 2023

K-Food	Health Functional Foods
K-POP	
K-Fashion	K-Style

Source: Company internal data

Seeking to grow together with major K-Brand by equity investment and partnership

Synergy Effects from Partnership with K-Beauty Brands



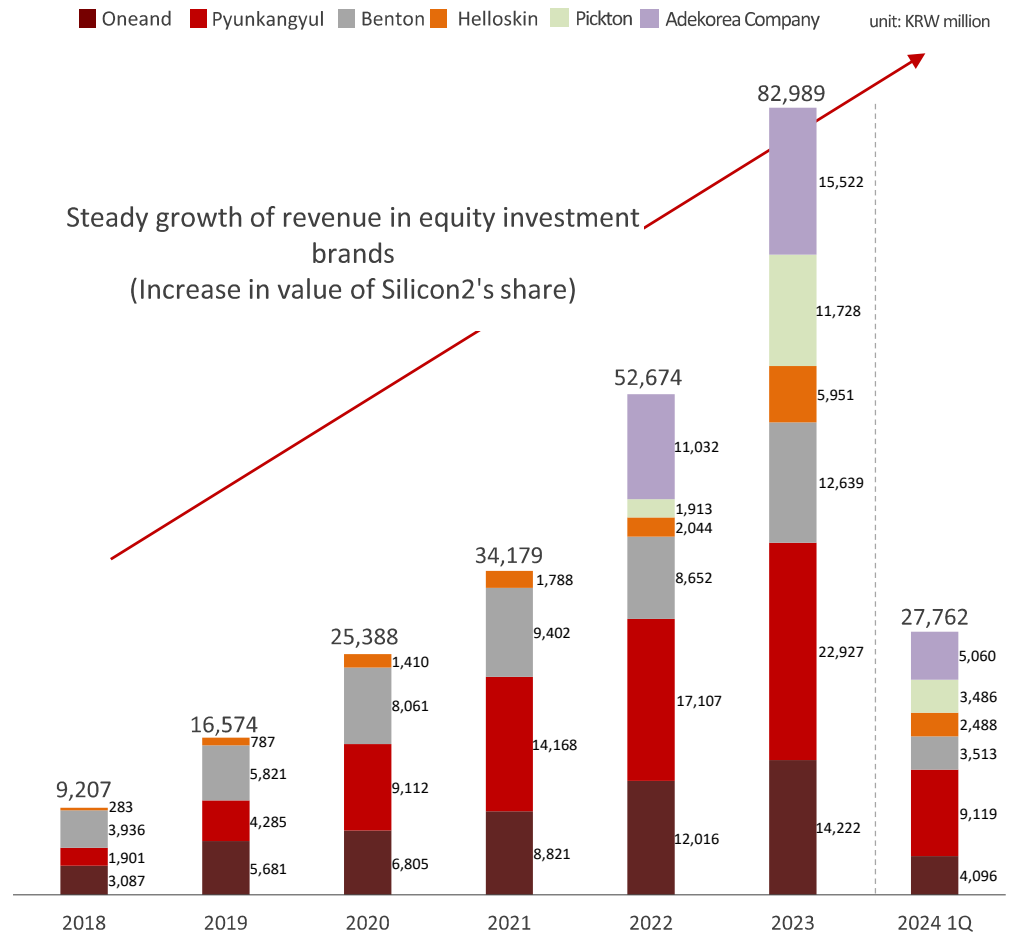
Nurturing K-Brand with high potential for success in global expansion

unit: KRW million

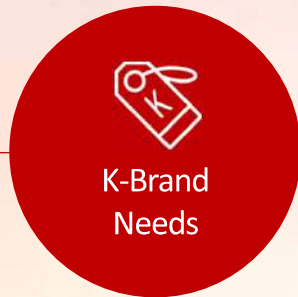
Category	Oneand	Benton	Pyunkang Yul	Hello skin	Pickton	Adekorea Company
Investment Time	2016.03	2016.11	2017.12	2018.02	2021.05	2021.10
Investment Amount (share ratio)	400 (23.4%)	300 (25%)	300 (10%)	50 (25%)	300 (30%)	1,200 (31.25%)
Revenue CAGR ('20~'23)	20.23%	11.9%	12.79%	35.06%	454.18%	14.17%

Add to 3 Brands
(JCN Compony, Be the skin, The plantbase)

Revenue Trends of Equity Investment Brands



VISION



- Systematic global distribution system
- Customized overseas customer connection
- Local office networks
- Best global marketing strategy



- Swift logistics value chain
- Easier access to K-Brand with diverse networks
- Advanced and easier system for order/payment/delivery/logistics
- Keeping up-to-date with the latest K-trends

Sharing Platform to Best Meet the Needs of Suppliers and Customers

Business Scale-up with Localization in Countries/Regions



APPENDIX

Statement of comprehensive income [abstract]

100M Won

	2024 1Q	2023	2022
	2024. 1. 1. ~	2023. 1. 1. ~	2022. 1. 1. ~
	2024. 3. 31.	2023. 12. 31.	2022. 12. 31.
Revenue	1,499.3	3,429	1,652.7
Gross profit	506	1,151	527.6
% Margin	33.7	33.6	31.9
Operating income	294.5	478	142.4
% Margin	19.6	13.9	8.6
Profit before tax	318	481	142.7
% Margin	21.2	14.0	8.6
Profit	255.4	380	111.6
% Margin	17	11.1	6.8

Statement of financial position [abstract]

100M Won

	2024 1Q	2023	2022
	2024. 3. 31.	2023. 12. 31.	2022. 12. 31.
	[Current assets]	2,293.2	1,363.9
• Quick assets	1253	578.6	446.3
• Current inventories	1,040.3	785.4	286.0
[Non-current assets]	817.8	788.8	559.9
• investment assets	159.6	162.3	103.5
• Property, plant and equipment	620.6	592.1	441.1
• Intangible assets	7	0.7	0.9
• Other non-current assets	30.6	27.8	14.3
Total assets	3,111	2,152.7	1,292.2
[Current liabilities]	1,417.2	741.8	286.1
[Non-current liabilities]	79.1	61.4	42.2
Total liabilities	1,496.2	803.2	328.3
[Issued capital]	303	303.0	301.9
[Capital surplus]	301.8	301.8	296.3
[Other Comprehensive income/loss accumulated amount]	38.3	28.4	27.1
[Elements of other stockholder's equity]	8.4	8.4	10.7
[Retained earnings]	963.4	708.1	327.9
Total equity	1,614.8	1,349.5	963.9