

No.1 Worldwide  
K-Beauty  
Platform  
SILICON2



SILICON 

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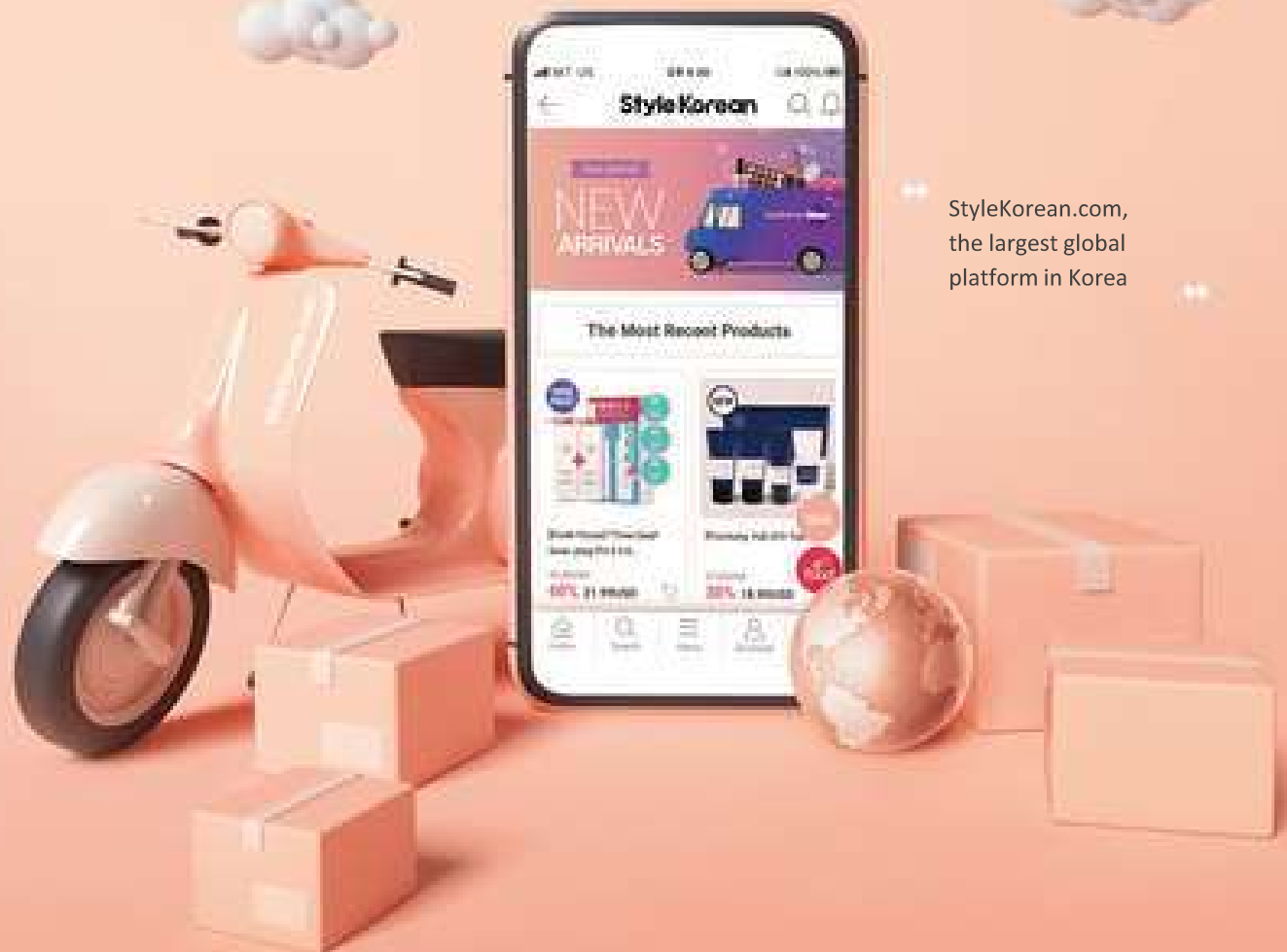
Connecting K-Beauty to the World

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 1<sup>st</sup> in global annual revenues and entry into the Indian market

## K-Movie



'Decision to Leave' won Best Director Award at Cannes

## K-Drama



'Bargain' won Best Screenplay Award at Canneseries

## K-Pop



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

## K-Beauty



Hidden heroes behind great success

## Publisher



## Distributor



## Entertainment Agency



## SILICON2



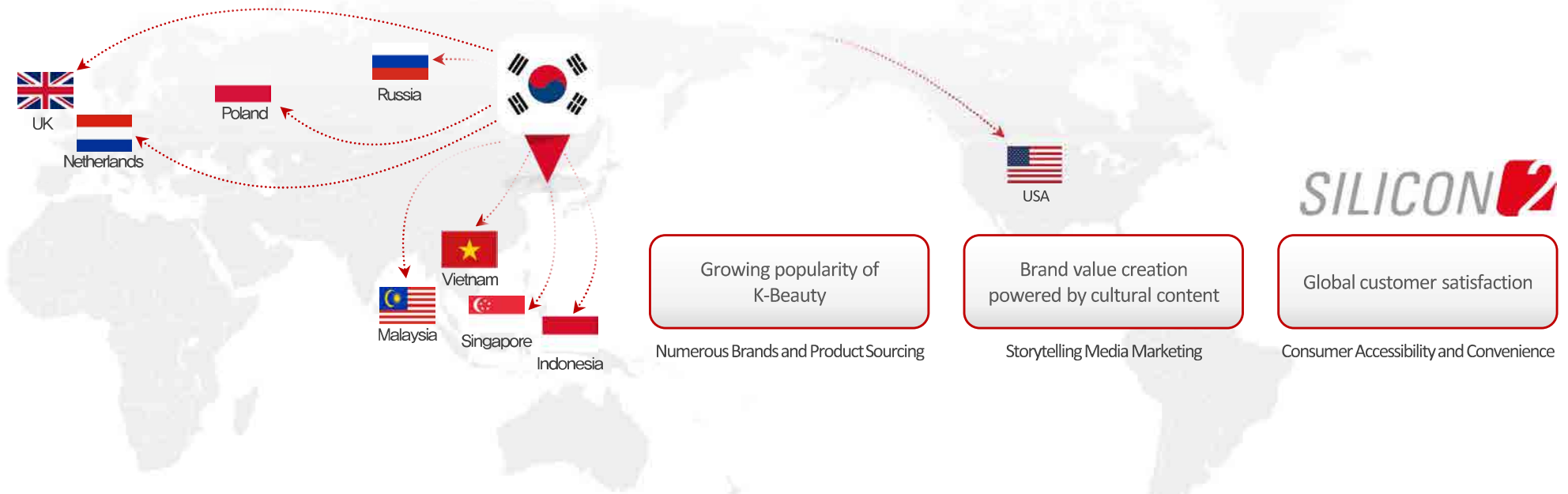
Design, Distribute and Promote K-Beauty by



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

# Value Creator Beyond E-Commerce, SILICON2

SILICON2 is expanding overseas with a constant and diverse stream of emerging K-Beauty brands and products



## PUBLISHER

Supply of K-Beauty products  
(+500 brands)



## LOCALIZATION

Provide expertise and experience in marketing and licensing  
specialized for each region



## INCUBATION

Mutual growth with emerging brands  
(Investment in 9 brands)





## Chapter 01

### K-Beauty & E-Commerce

01\_ Growth Factors of K-Beauty

02\_ Risks of K-Beauty

# Growth Factors of K-Beauty

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

Optimized production infrastructure for the growing beauty industry

Strong Upstream Environment  
in the 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

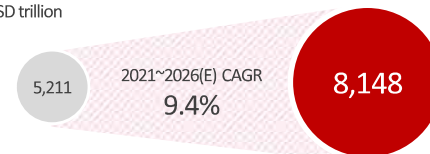


Growing K-Brand competitiveness in technology and cultural entertainment

E-Commerce Growth

Global E-Commerce Market Size

Unit: USD trillion



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

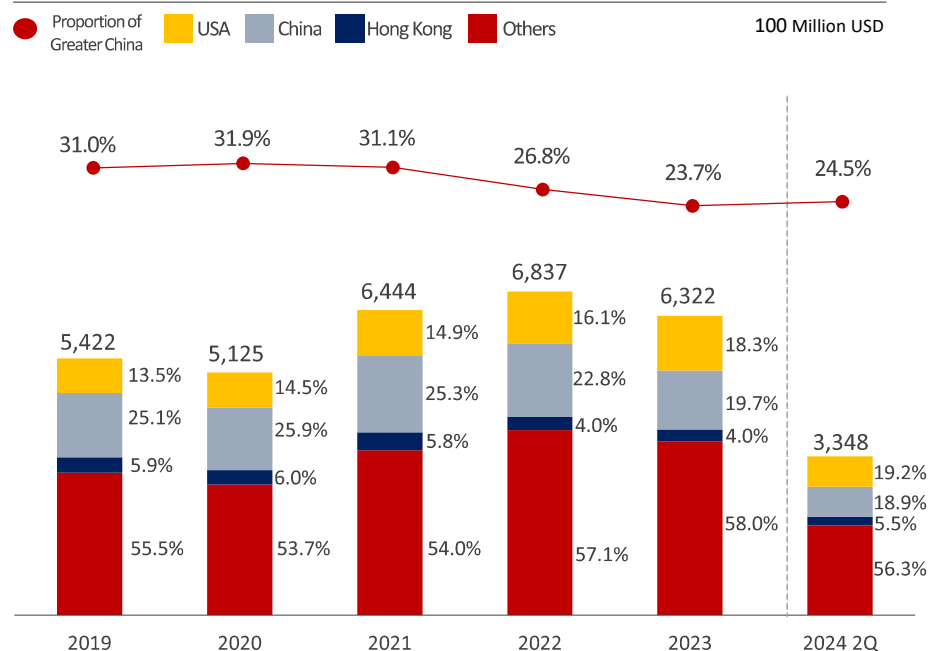
# 02 Risks of K-Beauty

Investor Relations 2024

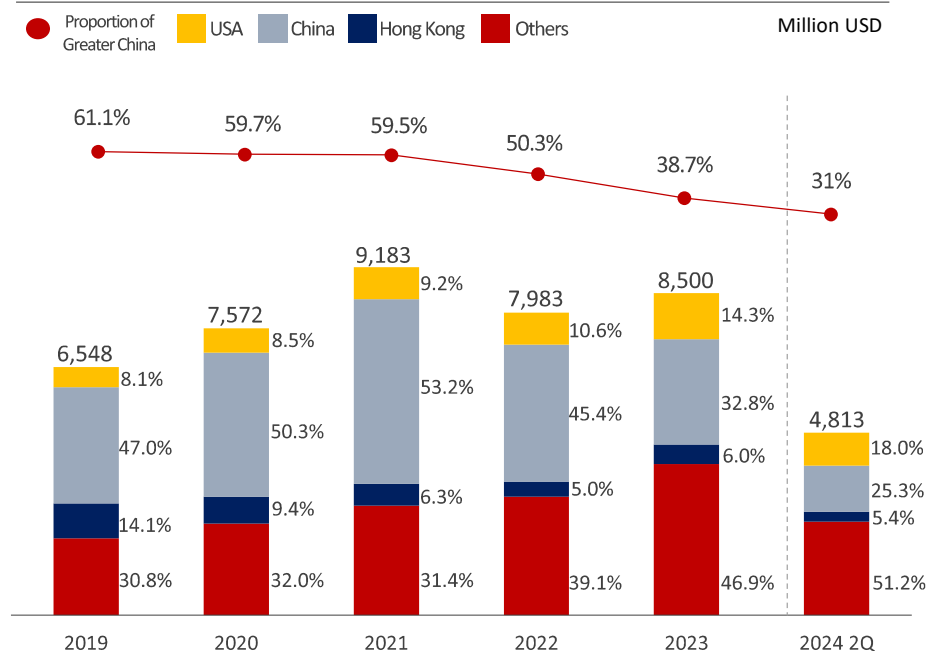


## Korea's share of total exports and cosmetics exports (by country)

Total export market share by USA and Greater China



Global cosmetics export market share by USA and Greater China



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\_ Business Model Differentiation
- 04\_ Achieving Solid and Sustainable  
Business Performance (1), (2), (3), (4)

# No.1 K-Bauty E-Commerce Platform Company



SILICON2, the largest K-Bauty E-commerce platform business in Korea

## Company Overview

Company Name	SILICON2 CO., LTD.
CEO	Kim, Sung Woon
Establishment	Jan 19, 2002
Capital Stock	KRW 30.5billion
No. of Employees	229 (excluding overseas personnel in USA, Indonesia and others)
Business Area	K-Bauty Wholesale, Retail, V-Commerce
Headquarters	S-907, H-SQUARE 231, Pangyoyeok St , Bundang-Gu, Seongnam-City, Gyeonggi-Do, Republic of Korea
Website	www.siliconii.com

## Senior Management



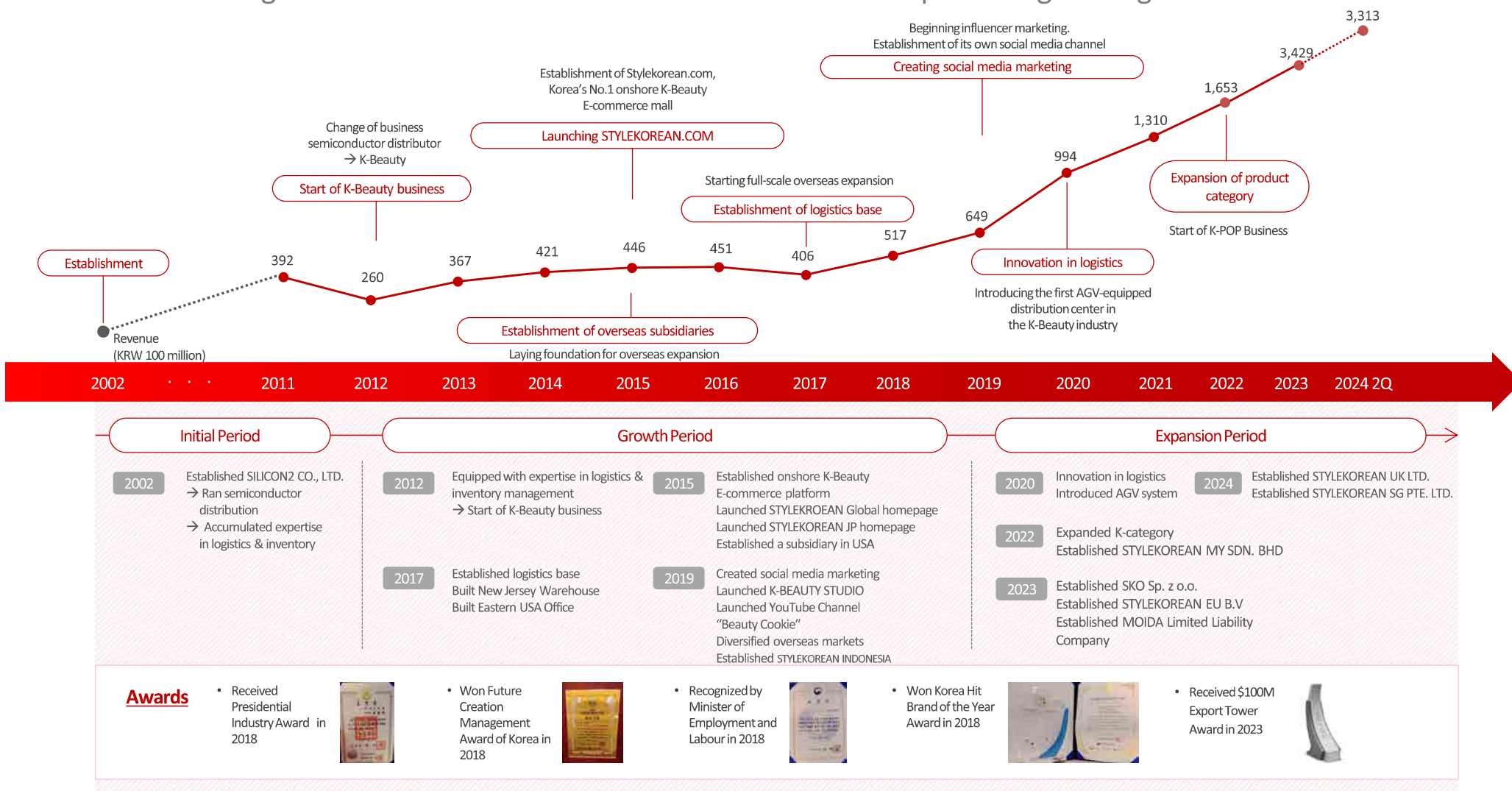
**Kim, Sung Woon** Chairman & Founder

- 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

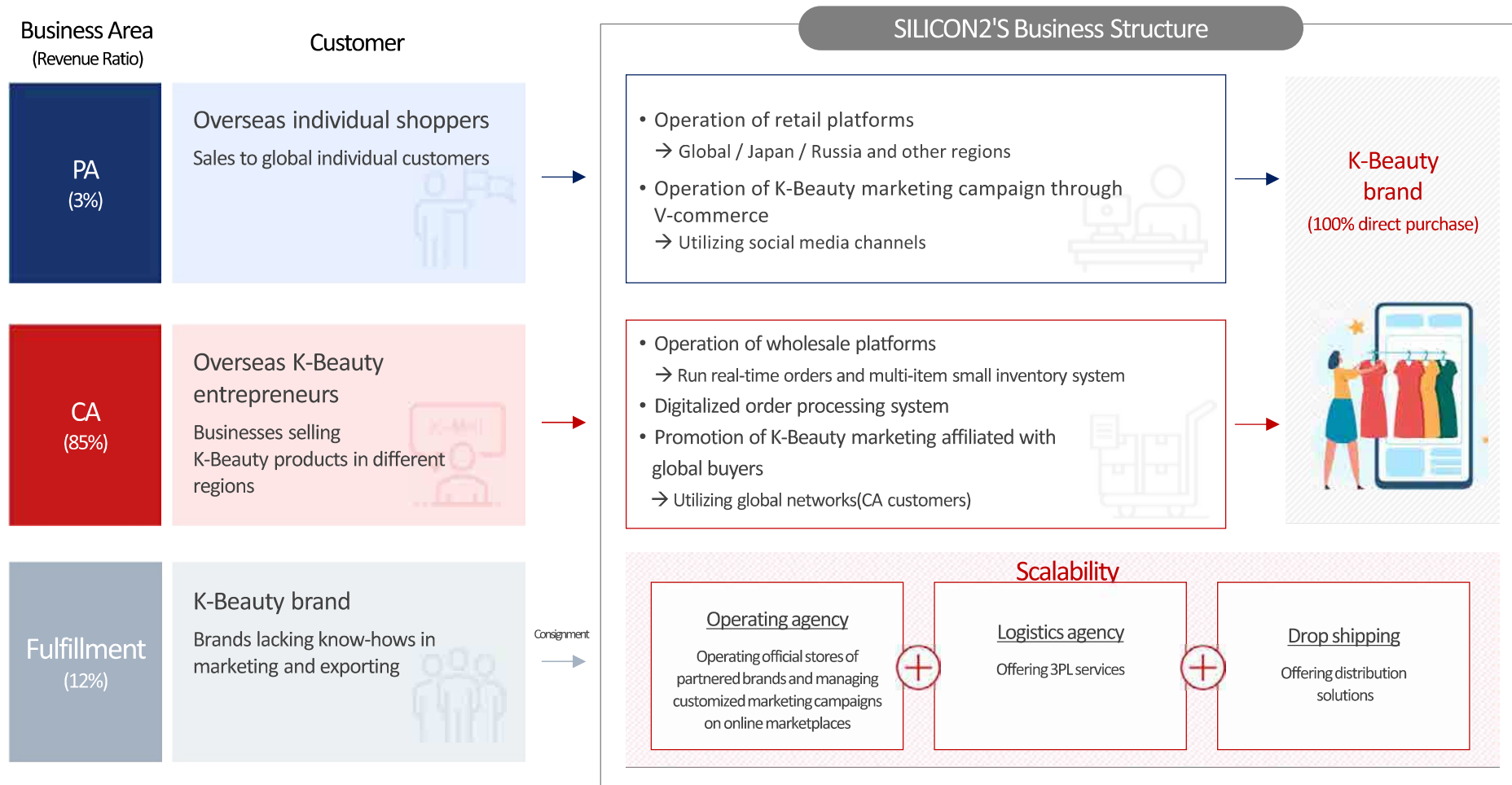
Name	Title	Role	Career and Work Experiences
Son, In Ho	Vice President	CFO	<ul style="list-style-type: none"> <li>• 2016 ~ Present : SILICON2 CO., LTD.</li> <li>• 2009 ~ 2014 : Stonebridge Capital Inc.(CFO)</li> <li>• 2007 ~ 2009 : Goldman Sachs Asset Management Korea (CMO)</li> <li>• 2000 ~ 2007 : Macquarie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

# Successful Growth Driven by Change and Innovation

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



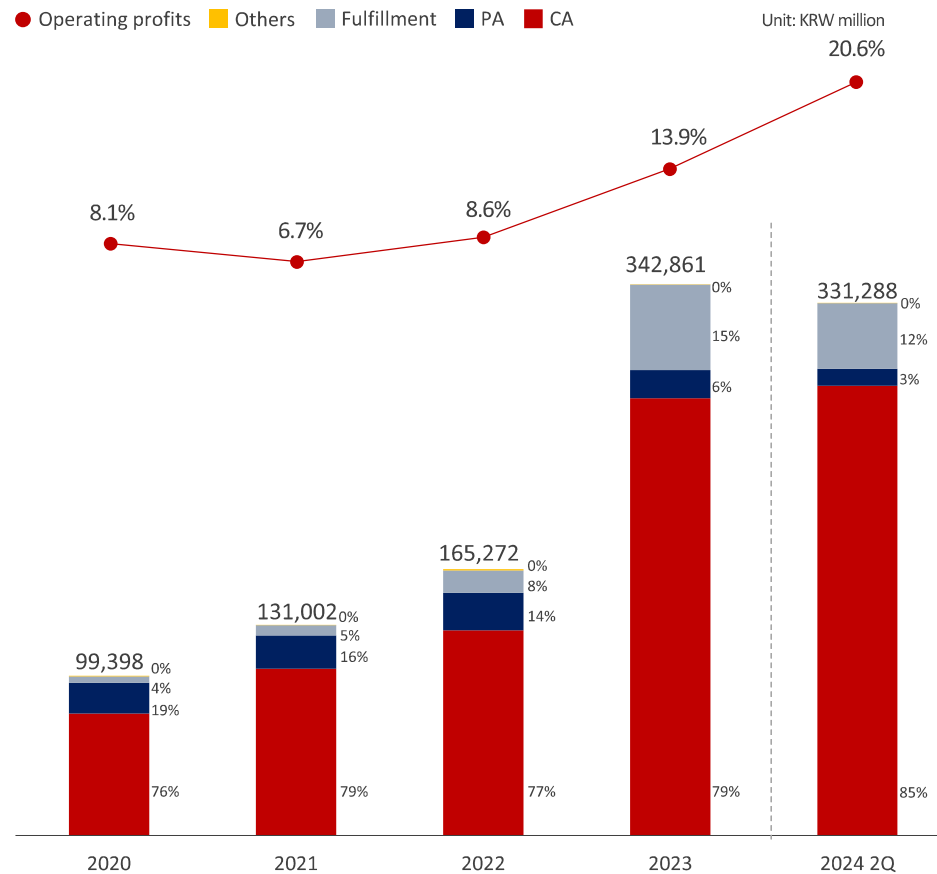
Creating Value through the E-commerce platform that best fulfils customer needs



# Achieving Solid and Sustainable Business Performance (1)

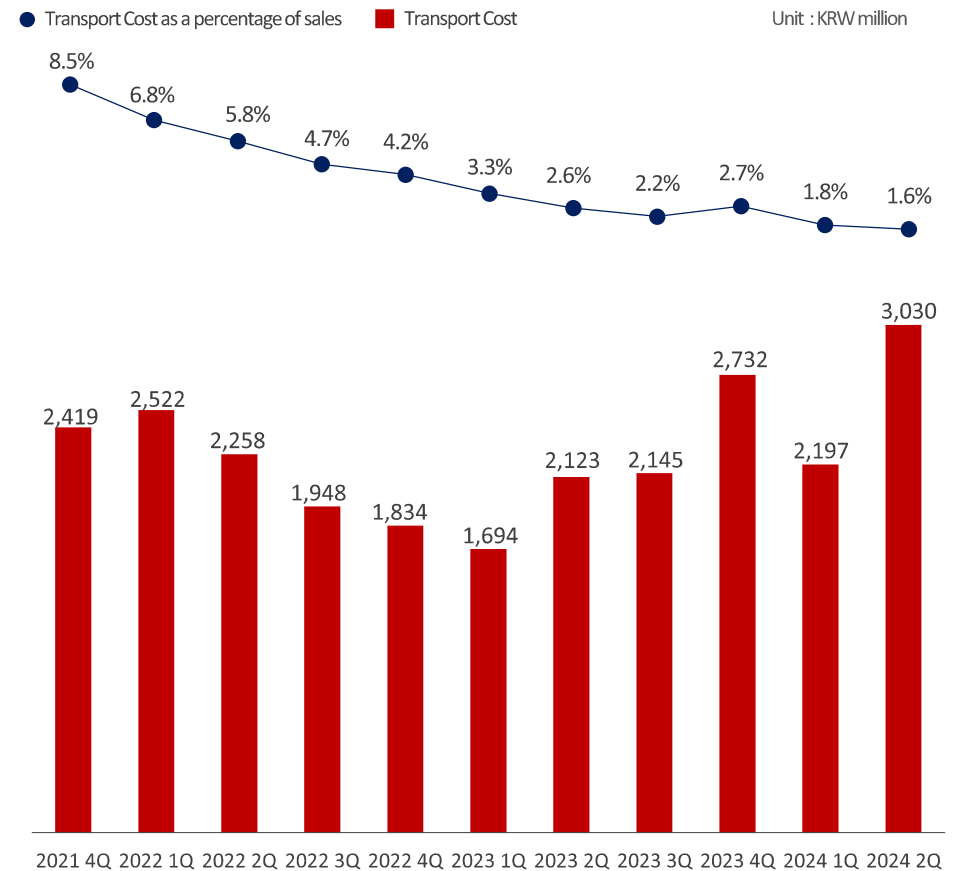
Achieving robust performance driven by synergy between business units

## Revenue Trends by Business Unit



Source: K-IFRS

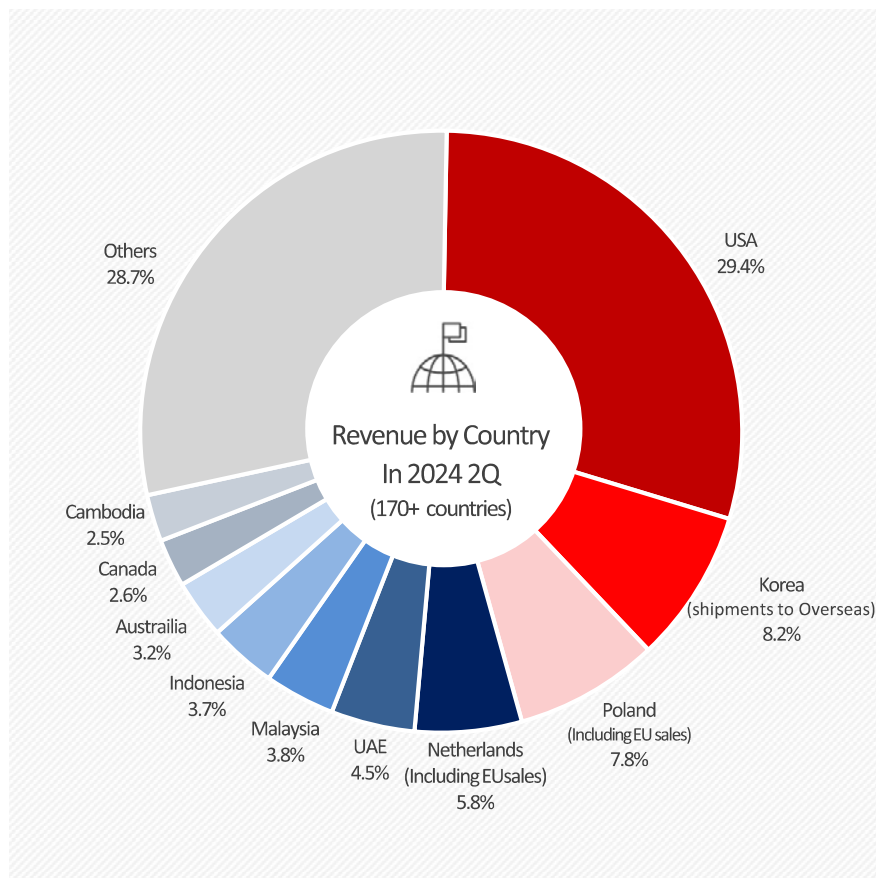
## Transportation Cost Trends



## Achieving Solid and Sustainable Business Performance (2)

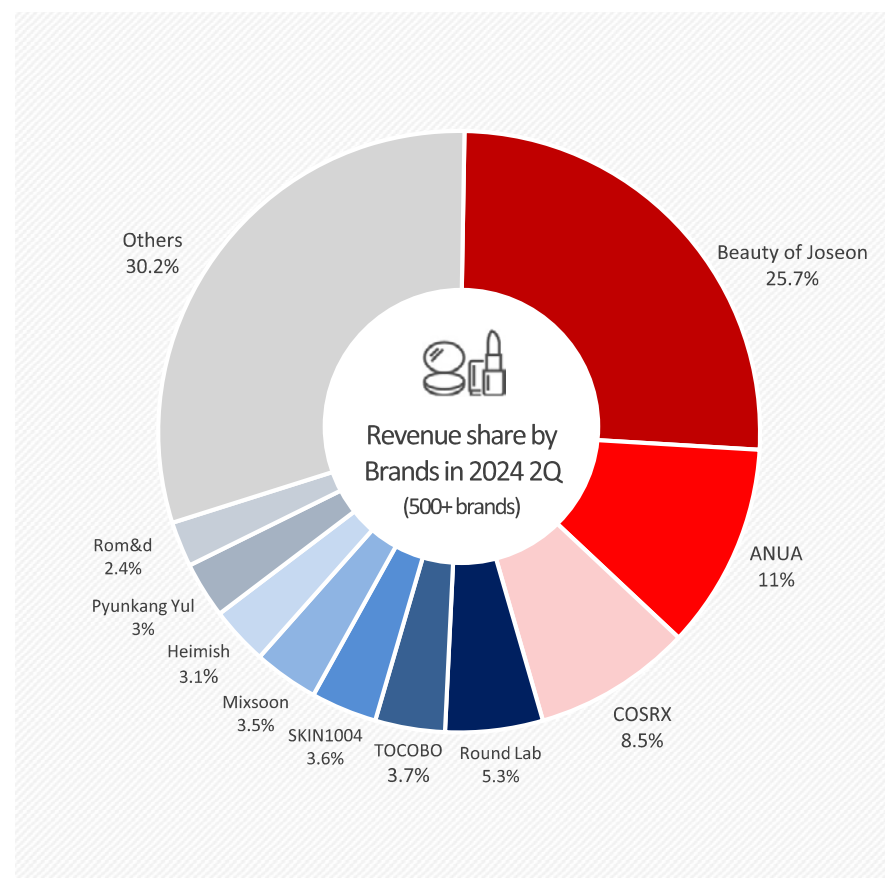
Minimizing risks by diversifying export markets (0% export to China) → Achieve robust business performance

Revenue Share by Country



Source: K-IFRS

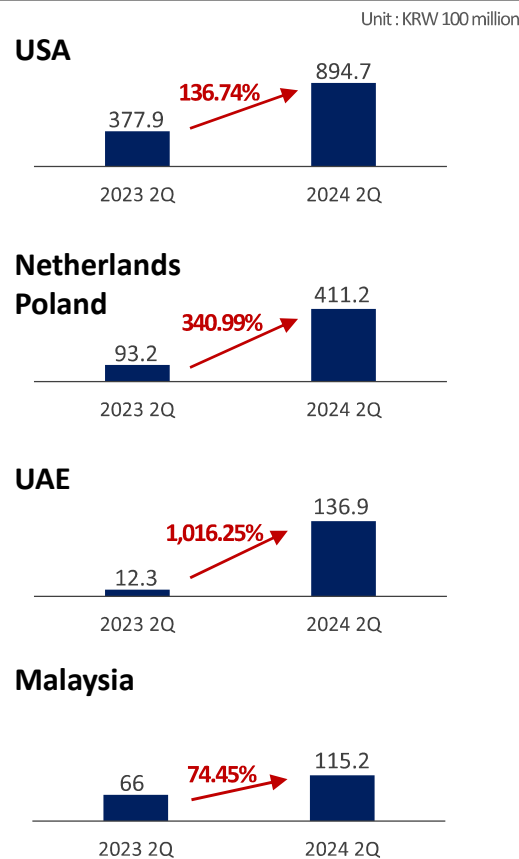
Revenue Share by Top 10 Brands



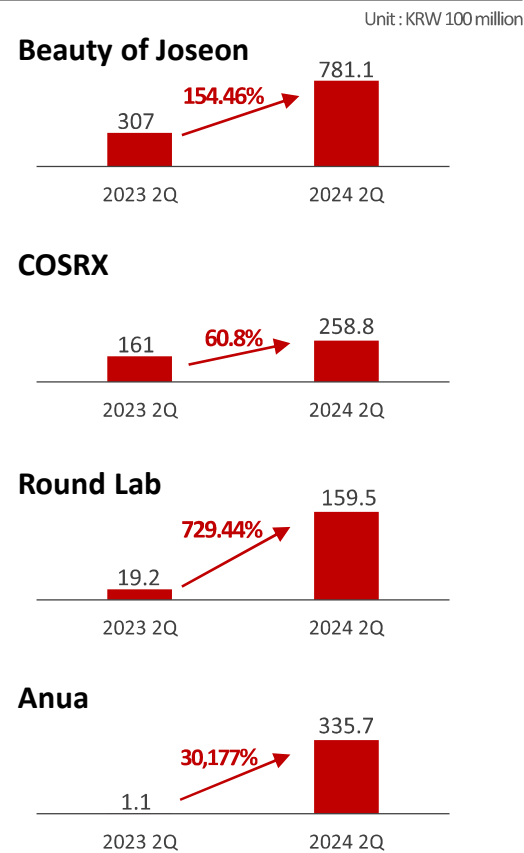
## Achieving Solid and Sustainable Business Performance (3)

## Solid sales growth by country and brand

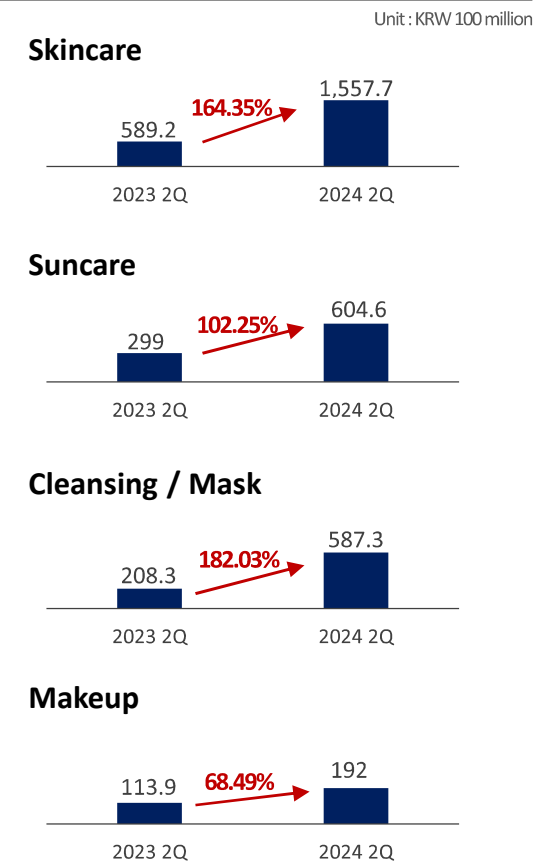
Sales Growth by Major Country



Sales Growth by Major Brand



Sales Growth by Types of Cosmetics



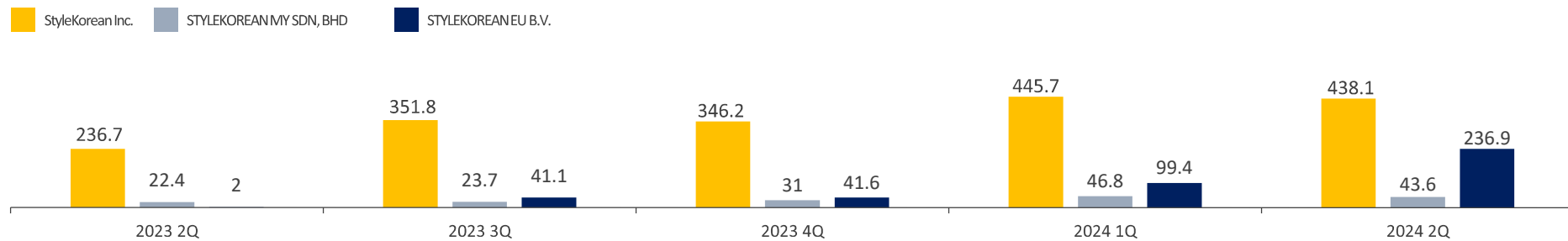
Source : Cumulative Annual Sales of Our Entire Business Based on Fulfilled Orders from Our Internal ERP System

## Achieving Solid and Sustainable Business Performance (4)

Continuous growth of branches overseas

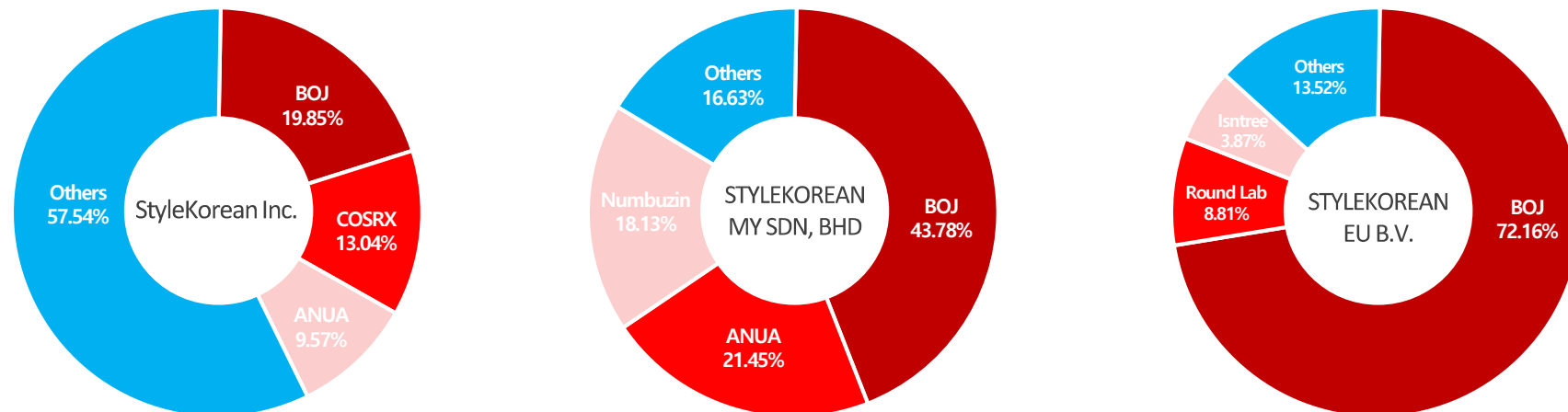
## Sales Trends by Branch

Unit : KRW 100 Million



## Top 3 Brand Sales by Branch

Based on 2024.2Q



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





### Chapter 03

## SILICON2's Grounded Confidence

01\_ Global Marketing, Branding  
through Social Media

02\_ Global Fulfillment & Cross-border Logistics

# Global Marketing, Branding through Social Media

Raising brand awareness and boosting growth for small and medium-sized brands through content creation optimized for global marketing

## SILICON2's Owned Media



Instagram  
stylekorean\_arabia

Youtube  
MOIDA

Tiktok  
stylekorean\_official

4M+ followers through diverse social media channels

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



Influencer promotion  
(LUCKY BOX)



Influencer Live Stream

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

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)

## Promotional Box Marketing



## Collaboration with an Influencer



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

## What is Fulfillment?

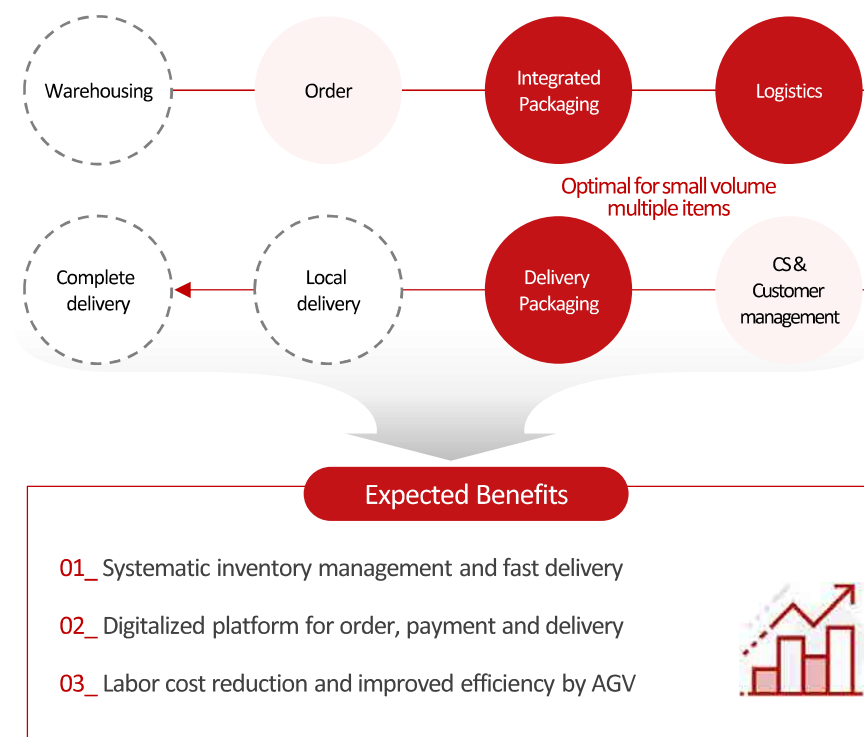
A comprehensive process that handles services ranging from warehousing to inventory management, sorting, delivery as well as follow-up services



\*AGV : Automated Guided Vehicle

## SILICON2'S Automatic Logistics System

Self-developed optimized solution → Establishment of automatic logistics system  
→ Enables expansion of Fulfillment





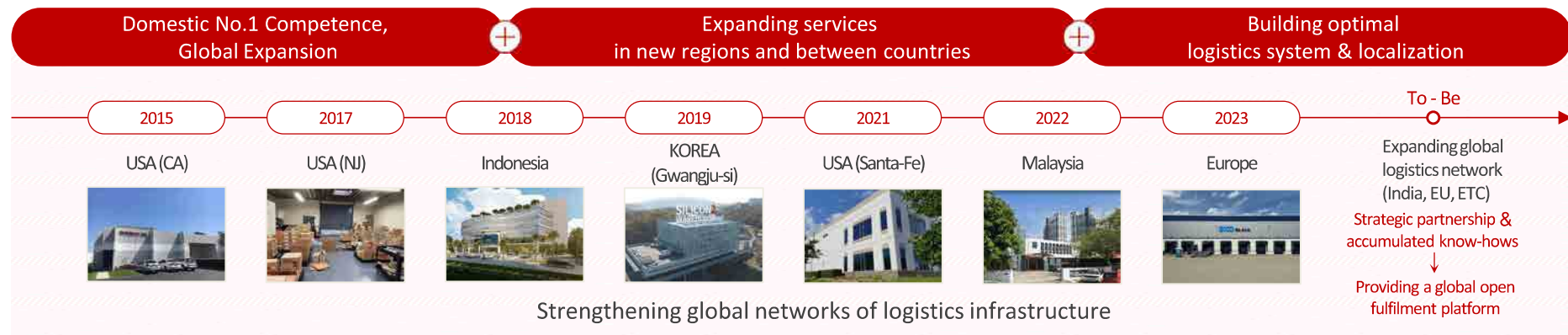
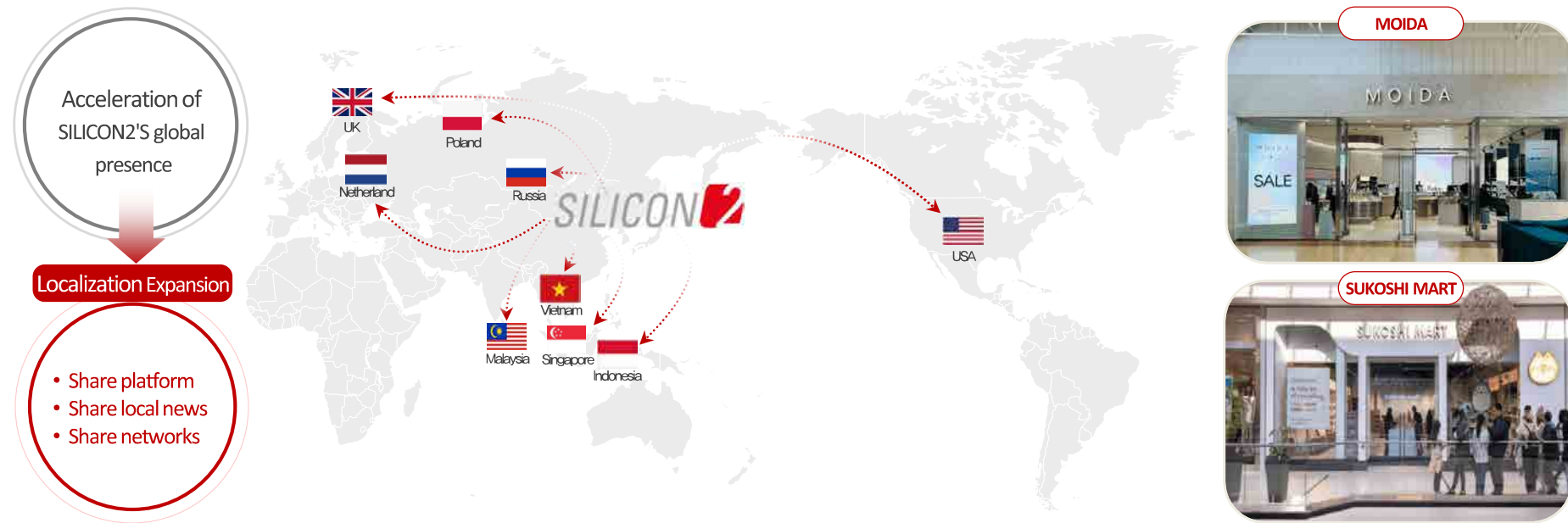
## Chapter 04

### 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





## Expansion of Category to K-Food, K-Fashion and K-Style

Utilizing the 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-Brands
- Utilizing SILICON2's experience 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

K-Beauty



K-Food

K-Fashion

K-Style

## Various K-Brand line-ups launching in 2024

K-Food



Health Functional  
Foods



K-POP



K-Fashion



K-Style



Source: Company internal data

# Mutual Growth through Equity Investment in K-Brands

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

## Synergy Effects from Partnership with K-Beauty Brands

### K-Beauty Brand

- Product Planning Capability
- Product Manufacturing Capability

### SILICON 2

- Marketing Capability
- Logistics Infrastructure
- Global Networks

**Nurturing K-Brands with high potential for success in global expansion**

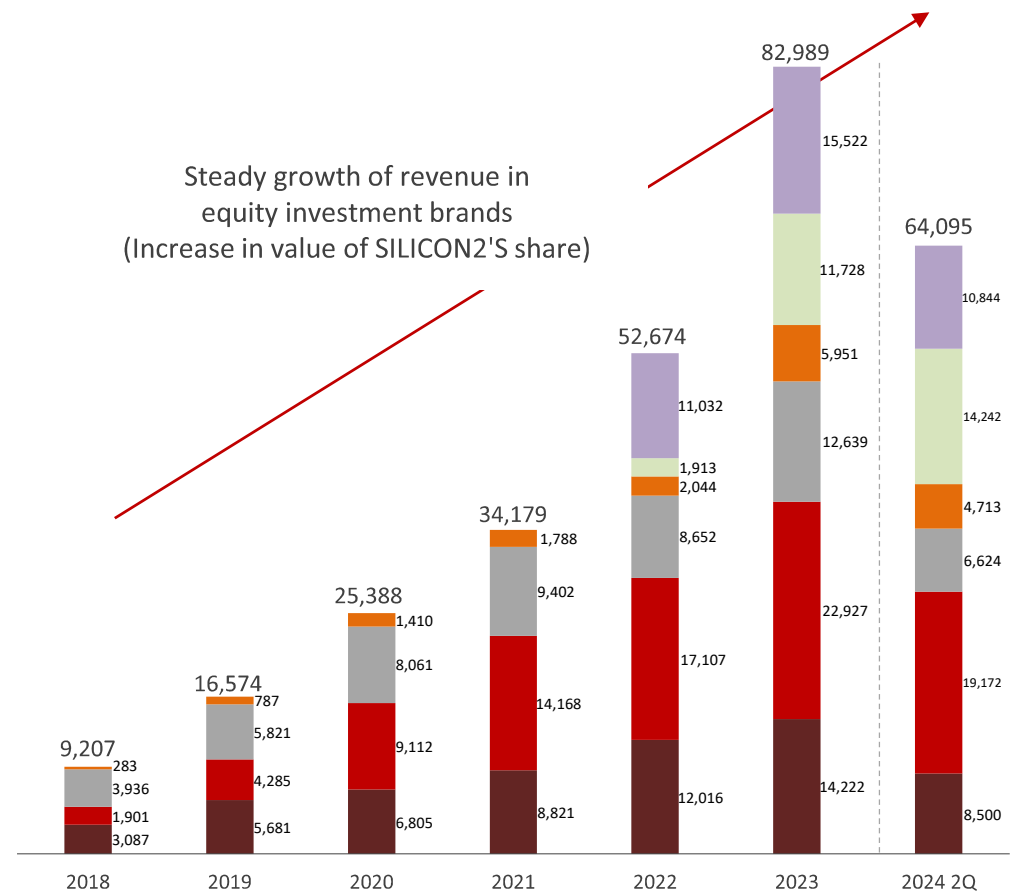
unit: KRW million

Category	ONEAND	Benton	Pyunkang Yul	Hello Skin	Picton	Aid Korea Company
Initial Investment Date	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%)	1,300 (31.25%)
Revenue CAGR ('20~'23)	20.23%	11.9%	12.79%	35.06%	454.18%	14.17%

Investment of Additional Brands  
(JCN Company, BE THE SKIN, The Plant Base)

## Revenue Trends of Equity Investment Brands

ONEAND Pyunkang Yul Benton Hello Skin Picton Aid Korea Company unit: KRW million



# VISION





# APPENDIX

## Statement of Comprehensive Income [Abstract]

Billion Won

	2024 2Q	2023	2022
	2024. 1. 1. ~	2023. 1. 1. ~	2022. 1. 1. ~
	2024. 6. 30.	2023. 12. 31.	2022. 12. 31.
Revenue	331.2	342.9	165.2
Gross profit	112.1	115.1	52.7
% Margin	33.9	33.6	31.9
Operating income	68.3	47.8	14.2
% Margin	20.6	13.9	8.6
Profit before tax	73	48.1	14.2
% Margin	22	14.0	8.6
Profit	58.8	38	11.1
% Margin	17.8	11.1	6.8

## Statement of Financial Position [Abstract]

Billion Won

	2024 2Q	2023	2022
	2024. 6. 30.	2023. 12. 31.	2022. 12. 31.
[Current assets]	303.3	1,36.3	73.2
• Quick assets	163.7	57.8	44.6
• Current inventories	139.5	78.5	28.6
[Non-current assets]	89.3	78.8	55.9
• Investment assets	20.7	16.2	10.3
• Property, plant and equipment	62.9	59.2	44.1
• Intangible assets	1.5	0.6	0.09
• Other non-current assets	4.06	2.7	1.4
Total assets	392.7	215.2	129.2
[Current liabilities]	187.3	74.1	28.6
[Non-current liabilities]	9.2	6.1	4.2
Total liabilities	196.5	80.3	32.8
[Issued capital]	30.5	30.3	30.1
[Capital surplus]	30.8	30.1	29.6
[Other Comprehensive income/loss accumulated amount]	4.8	2.8	2.7
[Elements of other stockholder's equity]	0.3	0.8	1.07
[Retained earnings]	129.6	70.8	32.7
Total equity	196.2	134.9	96.3