



No.1 Worldwide
K-Beauty
Platform
SILICON2



Silicon2

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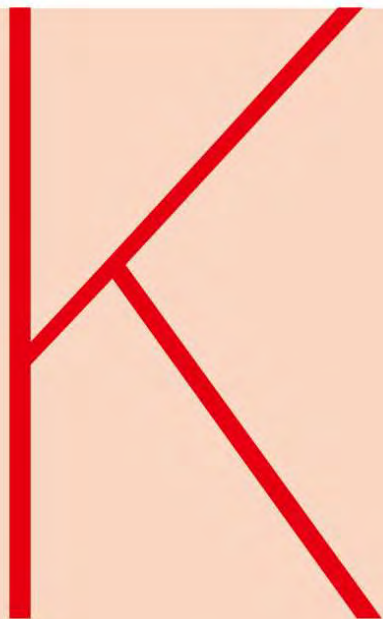


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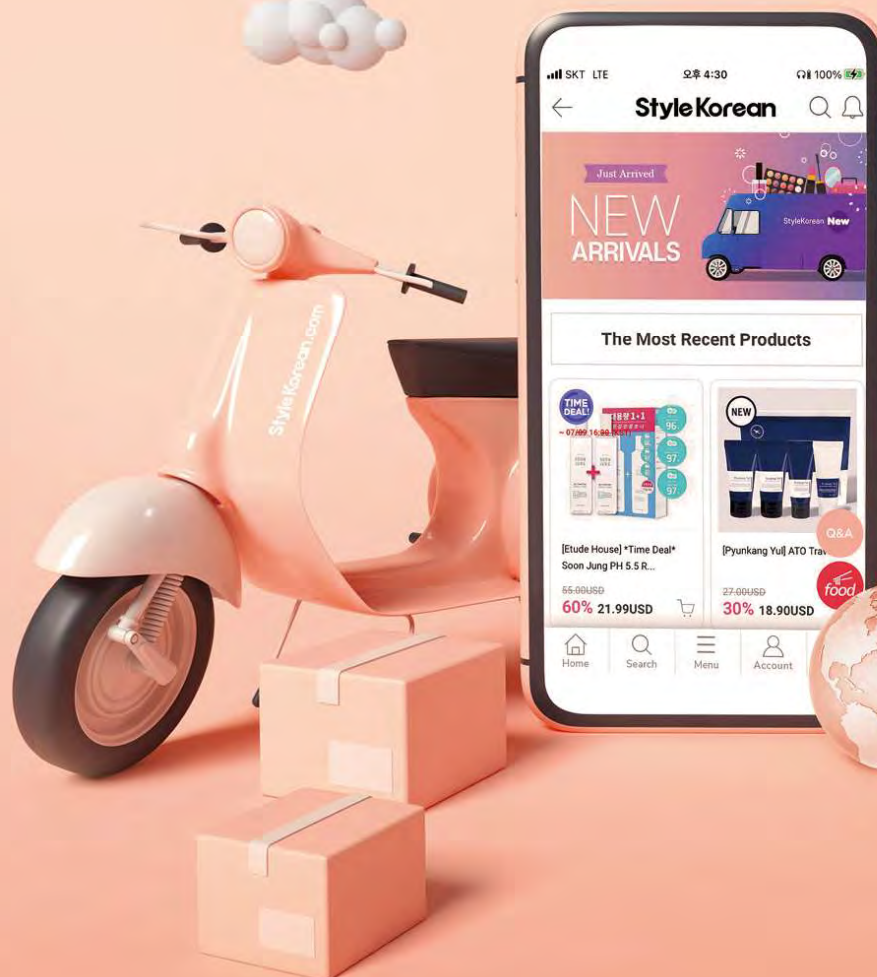
Chapter 02_ SILICON2, E-Commerce Platform

Connecting K-Beauty to the World

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Appendix



StyleKorean.com,
the largest global
platform in Korea

Silicon2

Rise of K-Culture and SILICON2

K-Game



Ranked 1st 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

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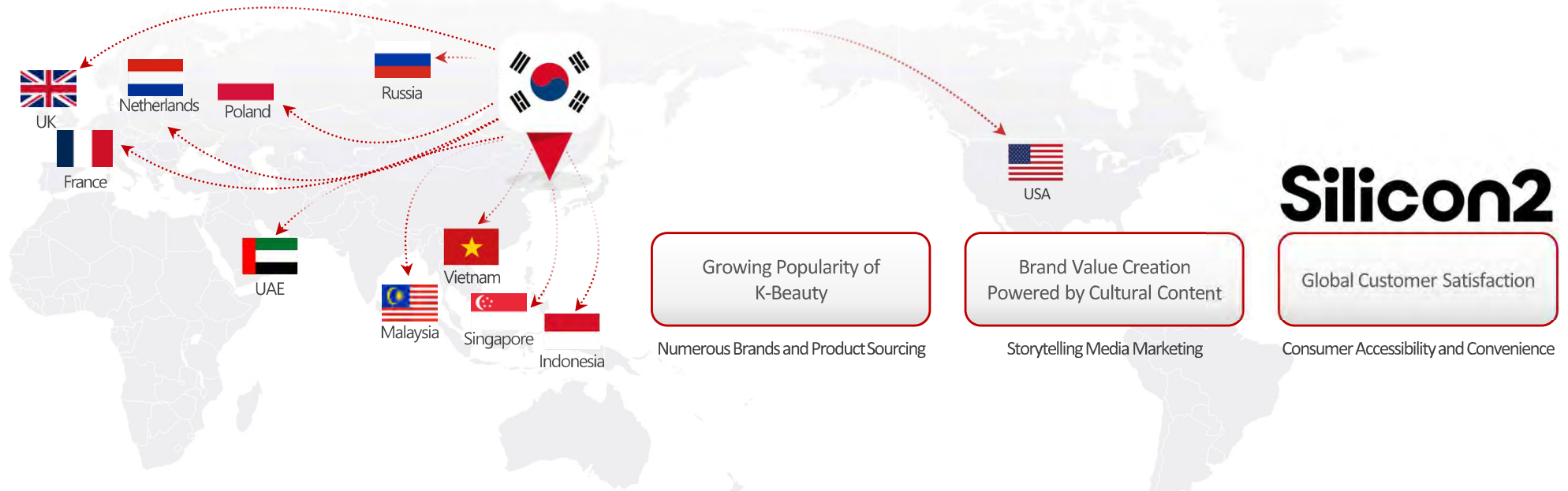


Design, Distribute and Promote K-Beauty by **Silicon2**

→ 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
(Brand Investment)





Chapter 01

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 a Sustainable and Solid Management Performance

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 30.5billion (Approx. \$22M USD)
No. of Employees	250 (excluding overseas personnel in USA, Indonesia and others)
Business Area	K-Beauty 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



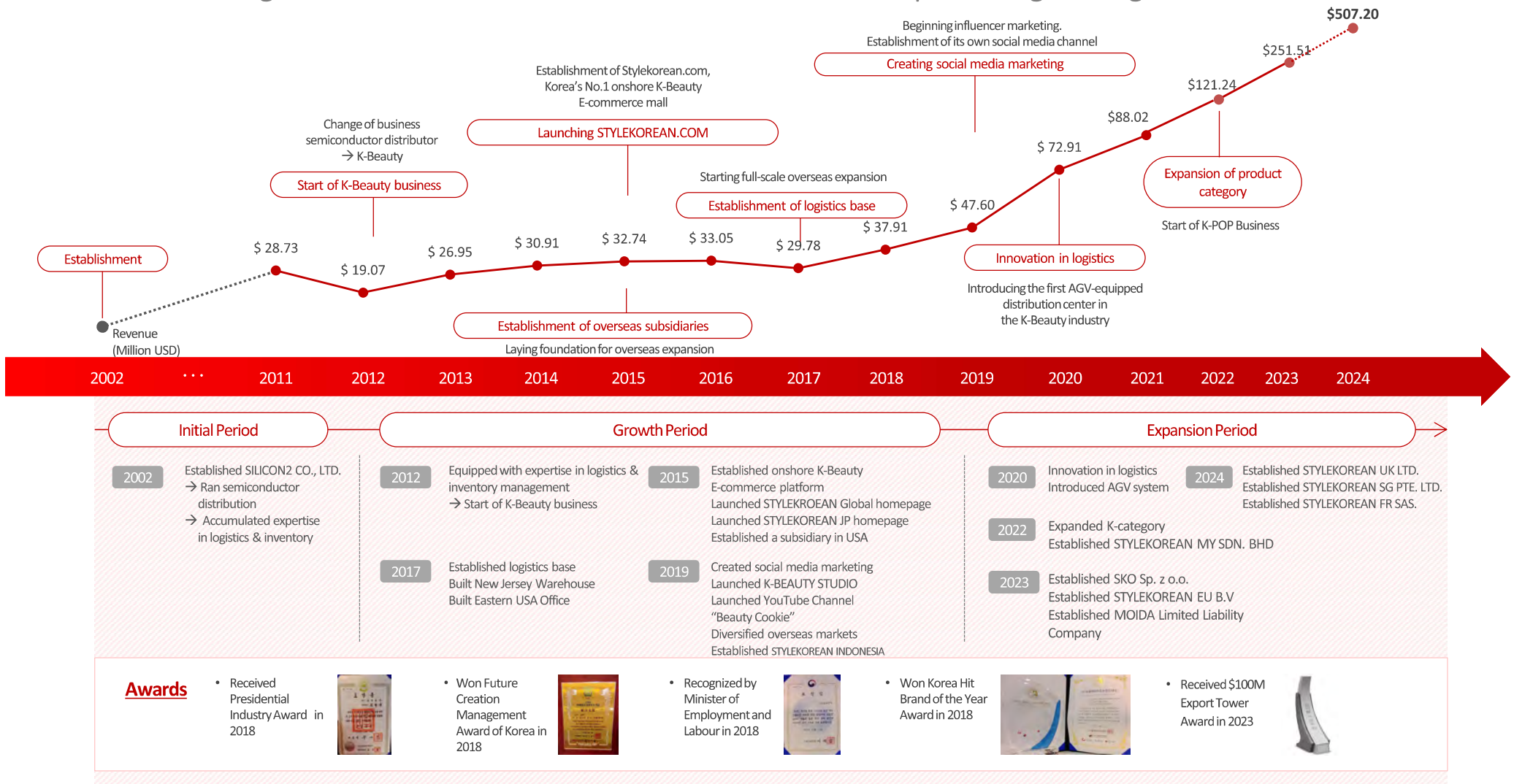
Kim, Sung Woon Chairman & Founder

- **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

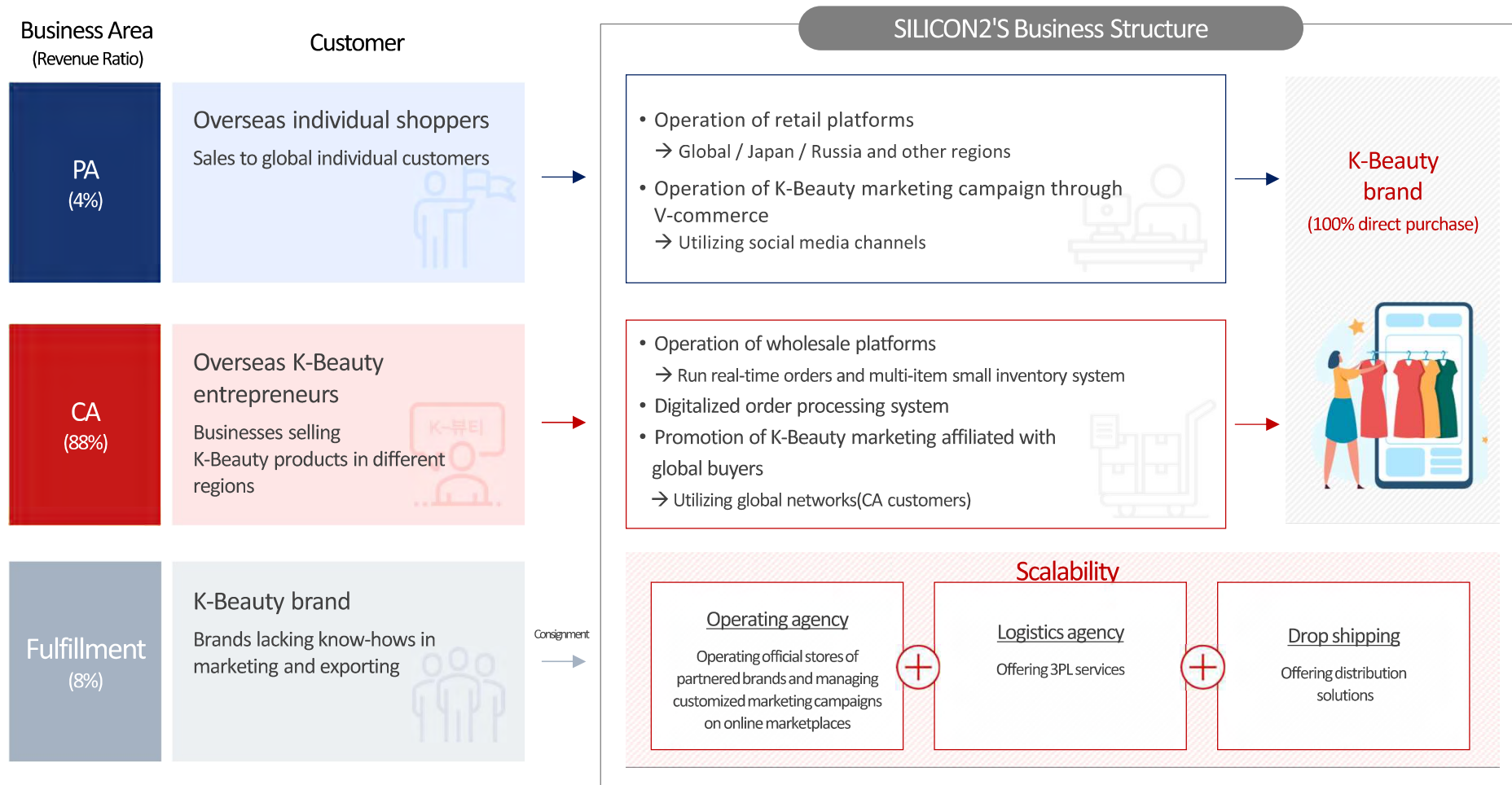
Name	Title	Role	Career and Work Experiences
Son, In Ho	Vice President	CFO	<ul style="list-style-type: none"> • 2016 ~ Present : SILICON2 CO., LTD. • 2009 ~ 2014 : Stonebridge Capital Inc.(CFO) • 2007 ~ 2009 : Goldman Sachs Asset Management Korea (CMO) • 2000 ~ 2007 : Macquarie IMM Asset Management(CFO) • 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.

Successful Growth Driven by Change and Innovation

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



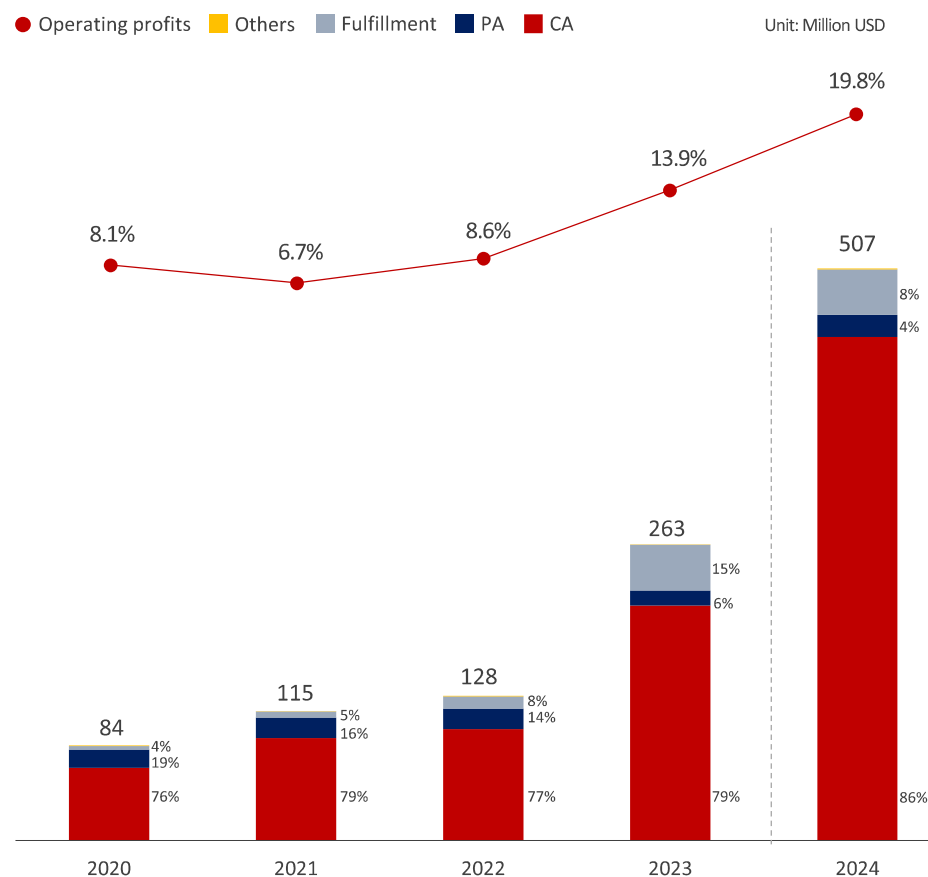
Creating Value through the E-commerce platform that best fulfils customer needs



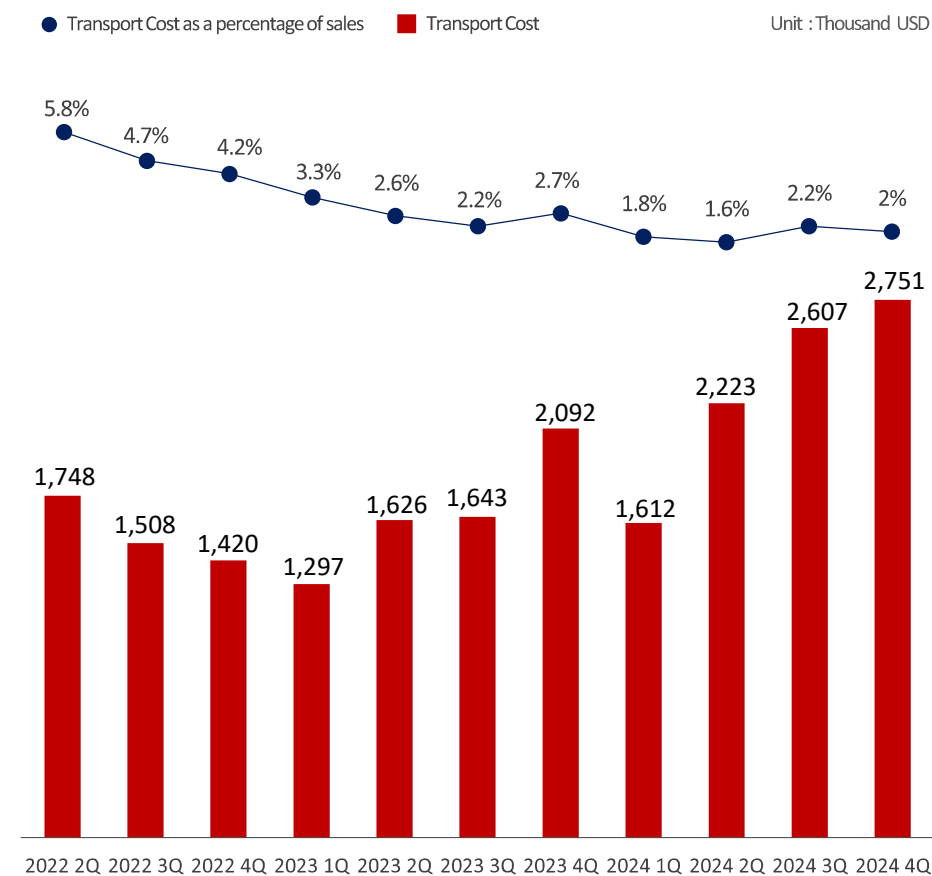
Achieving a Solid and Sustainable Business Performance (1)

Achieving robust performance driven by synergy between business units

Revenue Trends by Business Unit



Transportation Cost Trends



Source: K-IFRS

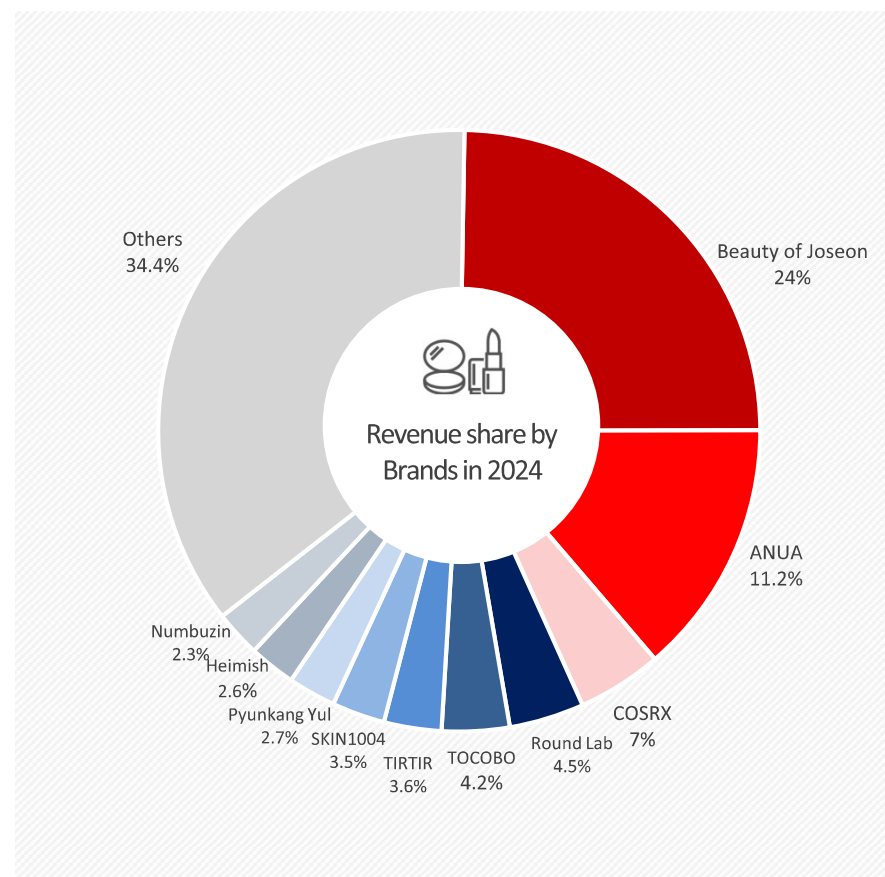
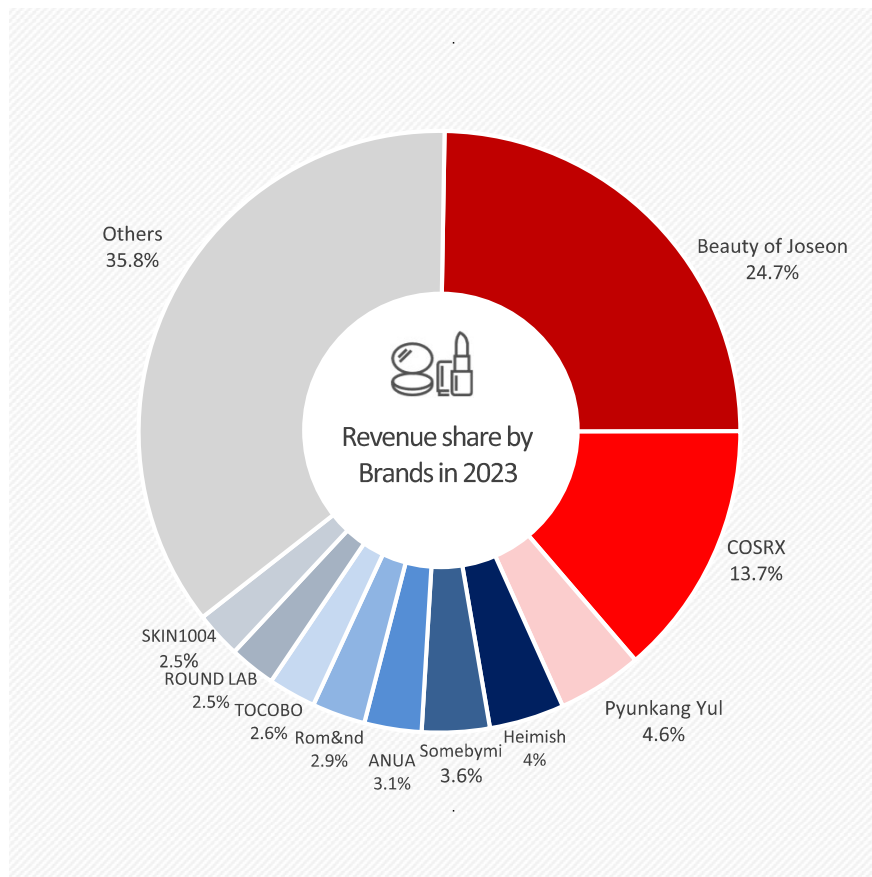
*The currency conversion from Korean Won (KRW) to U.S. Dollar (USD) was applied in the English version of this report, using the average annual exchange rate.

This adjustment may result in minor discrepancies in the revenue growth rate compared to the Korean version of the IR book.

Achieving a Solid and Sustainable Business Performance (2)

Minimizing risks by diversifying brands → Achieve robust business performance

Revenue Share by Top 10 Brands

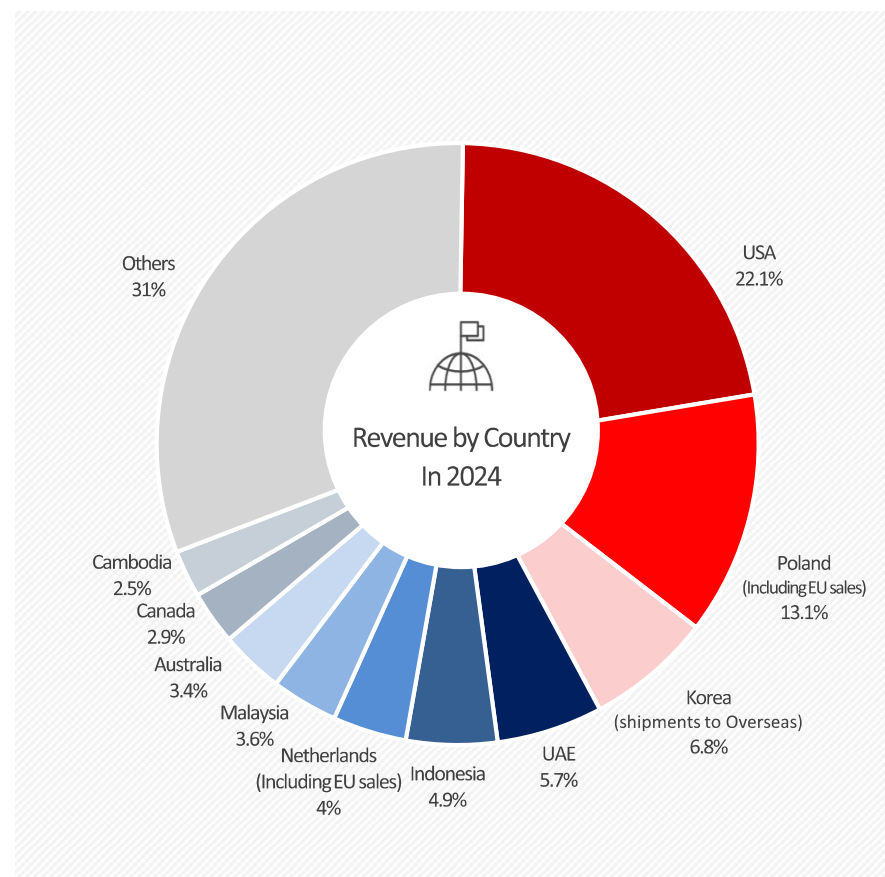
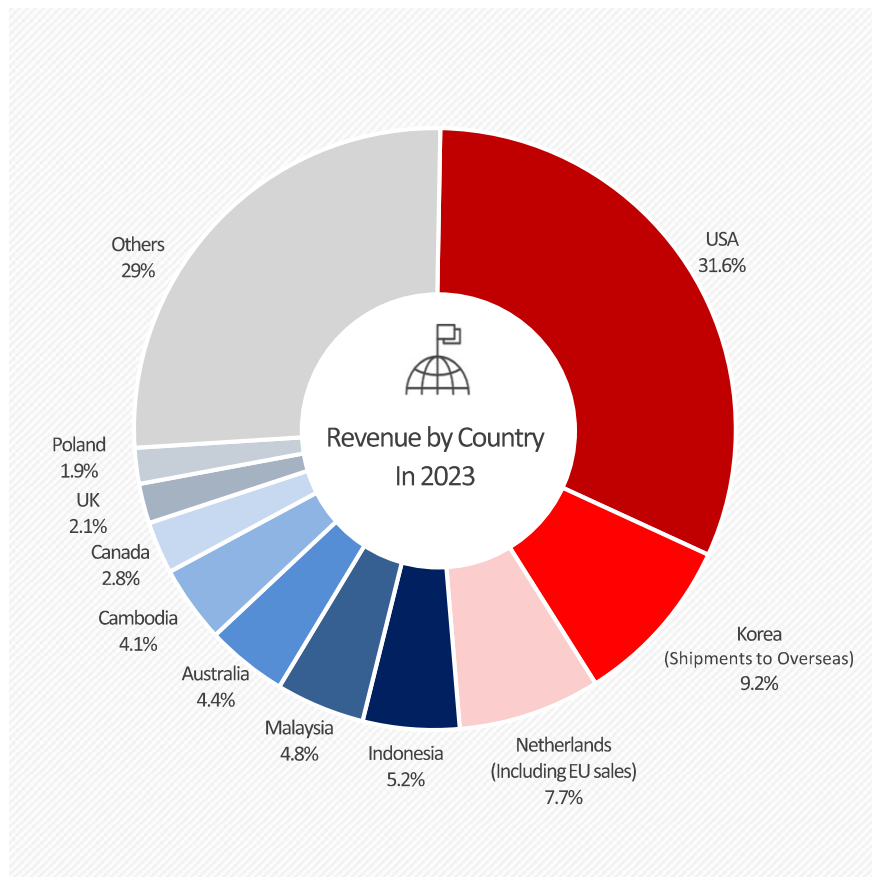


Source : Cumulative Annual Sales of Our Entire Business Based on Fulfilled Orders from Our Internal ERP System

Achieving a Solid and Sustainable Business Performance (2)

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

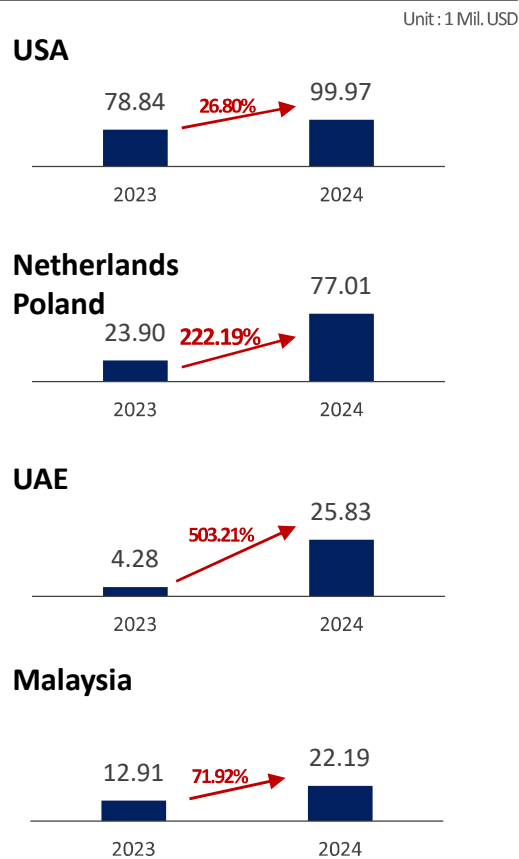
Revenue Share by Country



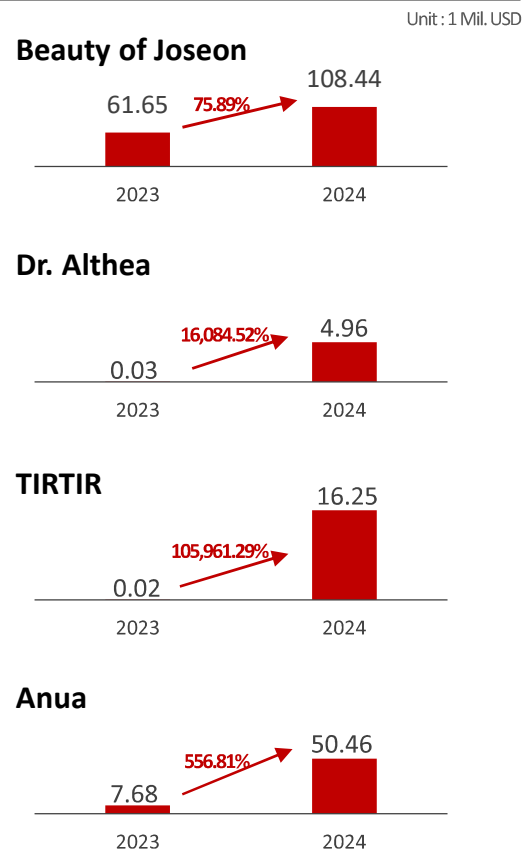
Source : Cumulative Annual Sales of Our Entire Business Based on Fulfilled Orders from Our Internal ERP System

Solid sales growth by country and brand

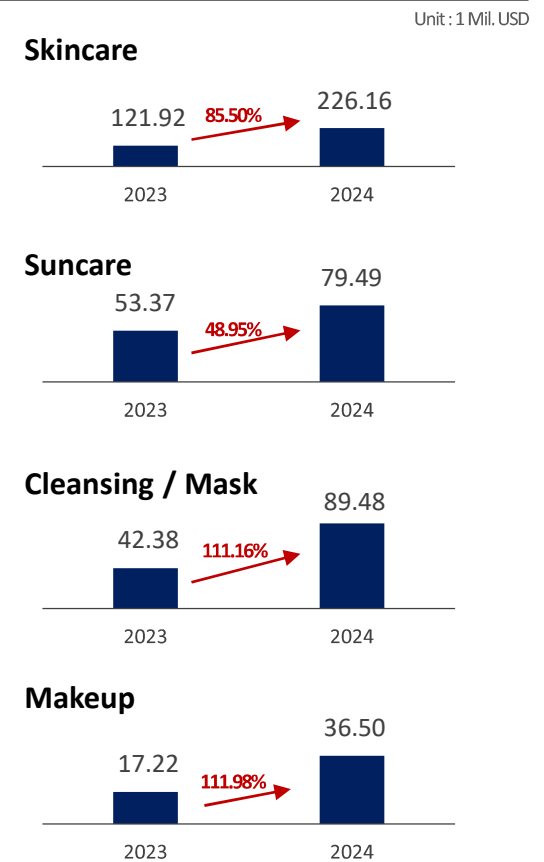
Sales Growth by Major Country



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

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Chapter 02

K-Beauty & E-Commerce

01_ Global Marketing, Branding through Social Media

02_ Global Fulfillment & Cross-Border Logistics

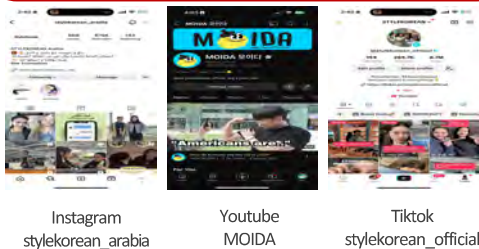
03_ 3 Keys of Success for K-Beauty

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 Self-Owned Media

6M+ 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

30,000+ 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

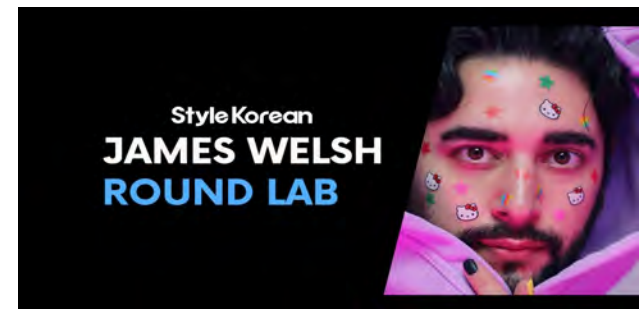
Running brand /product seeding marketing

- 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)

Promotional Box Marketing



Collaboration with Influencers



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

What is Fulfillment?

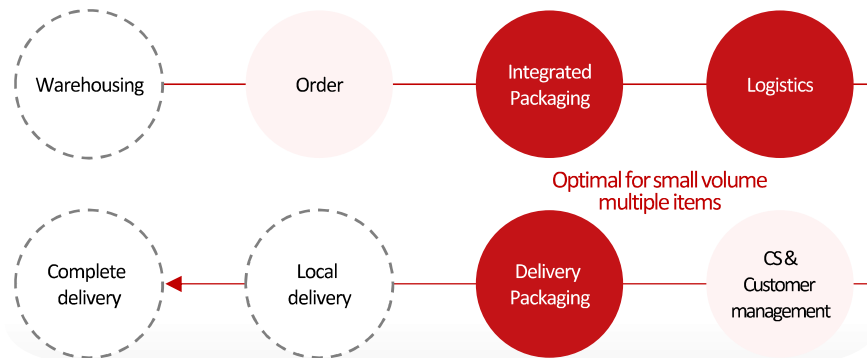
A comprehensive process that handles services ranging from warehousing to inventory management, sorting, delivery as well as follow-up services



*AGV : Automated Guided Vehicle

SILICON2'S Automatic Logistics System

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



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



Product Power, Marketing and Distribution Leading to the Success of K-Beauty

Product

Strong Up-Stream Ecosystem of the Cosmetics Industry

Numerous OEM·ODM companies



R&D of Various Different Raw Materials and Ingredients



Over 20,000 Cosmetics Brands

Manufacturing Infrastructure →
Launch of Unique and Innovative Products

Marketing

Leading Global Beauty Trends through Marketing

Utilizing Social Media and Influencers



Viral Marketing, Creating Fads



Brand Storytelling

Facilitating Local Integration of K-Beauty

Distribution

Creating a Connection with Global Consumers

Establishing Local Distribution Network



Several Channels



Expertise in Customs from Accumulated Experience

Increasing Global Exposure



Source : Ministry of Food and Drug Safety

Three Key Factors for K-Beauty's Success –
Leading the Way in Distribution

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No.1 Worldwide K-Beauty Platform

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Chapter 03

SILICON2's Grounded Confidence

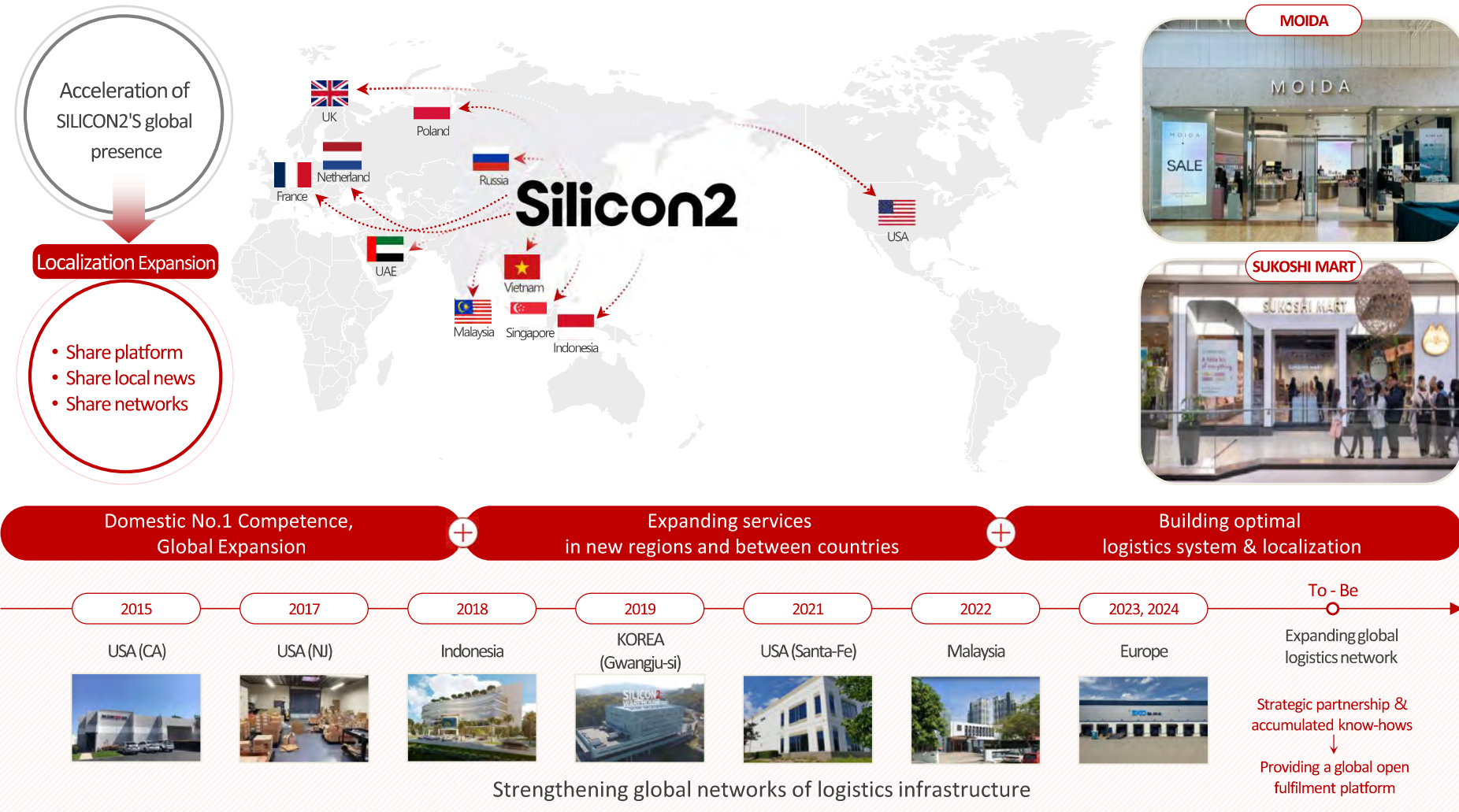
01_ Global Marketing, Branding
through Social Media

02_ Global Fulfillment & Cross-border Logistics

03

Expanding Localization through Accelerating Global Bases

Sharing an End-to-End Service Worldwide → Boosting Growth through Localization



Expansion of Category to K-POP, K-Food, 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-POP

Various K-Brand Line-ups Launching in 2024

K-Food

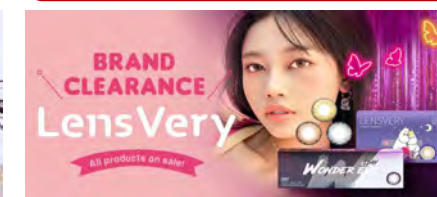
Health Functional
Foods

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



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

Unit: Thousand USD

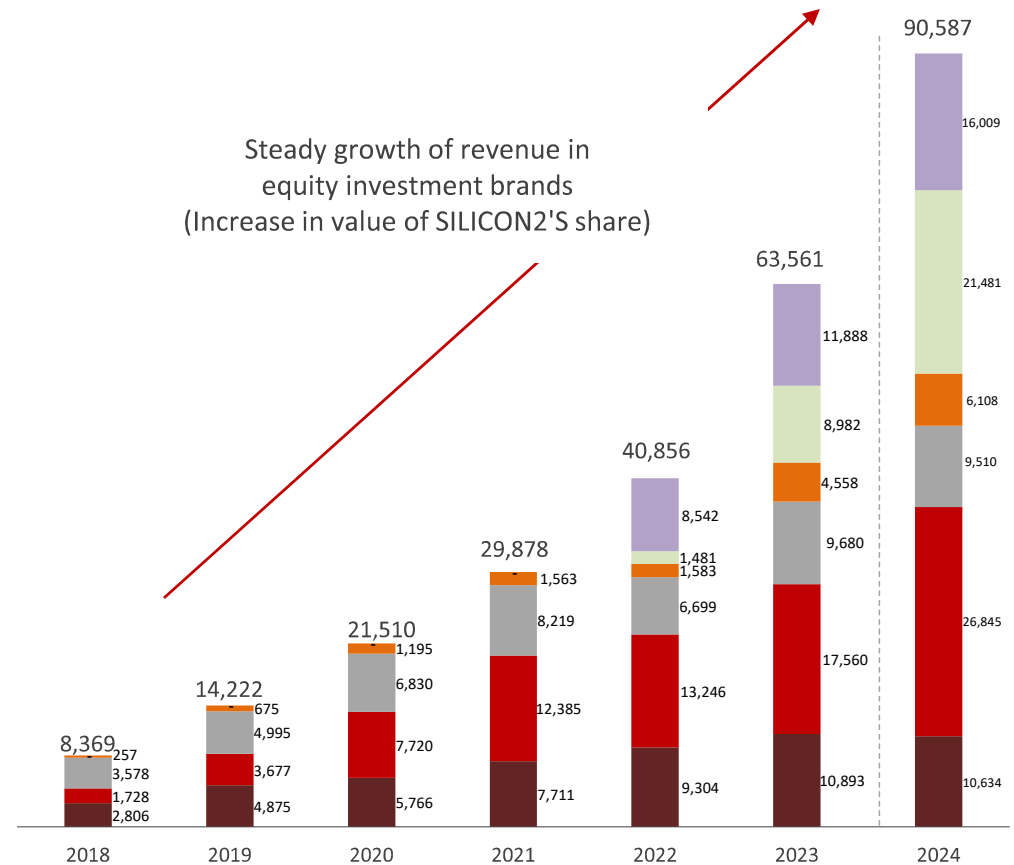
Category	ONEAND	Benton	Pyunkang Yul	Hello Skin	Picton	Aid Korea Company
						
Initial Investment Date	2016.03	2016.11	2017.12	2018.02	2021.05	2021.10
Investment Amount (Share ratio)	293 (23.4%)	220 (25%)	220 (10%)	366 (25%)	220 (30%)	953 (31.25%)
Revenue CAGR ('20~'23)	20.23%	11.9%	12.79%	35.06%	454.18%	14.17%

Investment of Additional Brands

(JCN Company, BE THE SKIN, The Plant Base, Hyaah)

Revenue Trends of Equity Investment Brands

ONEAND Pyunkang Yul Benton Hello Skin Picton Aid Korea Company Unit : Thousand USD



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Chapter 04

SILICON2, Leading K-Beauty Worldwide

01_ Growth Factor of K-Beauty

02_ Sustainability of K-Beauty (1), (2), (3)

Fulfillment of various trends and global demand through online channel expansion and overwhelming K-Beauty infrastructure

Optimized Production Infrastructure for the growth of the Beauty industry

Strong Up-Stream Ecosystem of the Cosmetics Industry



Increase in exports to China



Increase of Cosmetics-OEM-ODM firms



Increase in suppliers · accessory firms



Over 20k Cosmetics brands

Expansion of production infrastructure → Streamlining the creation of one-person brands

Growth of K-Brands

Cultural Powerhouse

BTS, BLACKPINK
SuperM, Stray Kids

Technological Powerhouse

Samsung Electronics,
Hyundai Motor

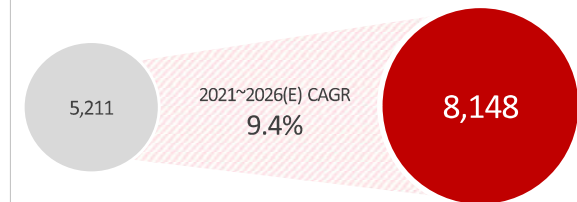


Increase of K-Brand's tech and cultural competitiveness

Growth of E-Commerce Market

Global Retail E-Commerce Market Size

Unit : Trillion USD



Growth of Online Channels
→ Easier access to online channels for brands with limited capital



'Made in Korea' equipped with K-content and technological expertise →
Co-growth of K-Beauty, K-Pop, K-Food, K-Fashion

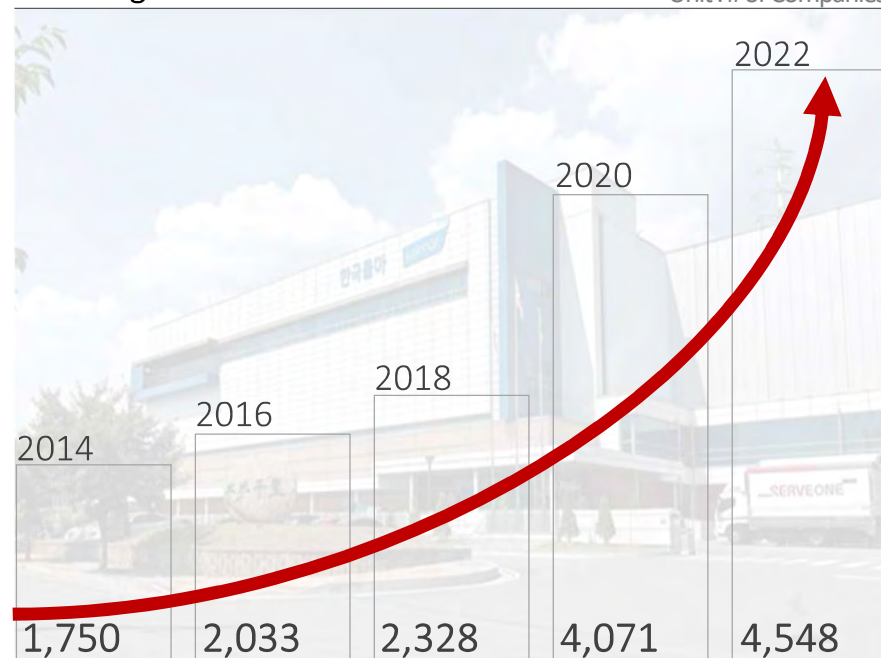
주: eMarketer, 식품의약품안전처

Sustainability of K-Beauty (1)

Growing number of beauty companies shaping consumer decisions in the K-Beauty industry through their diverse product offerings

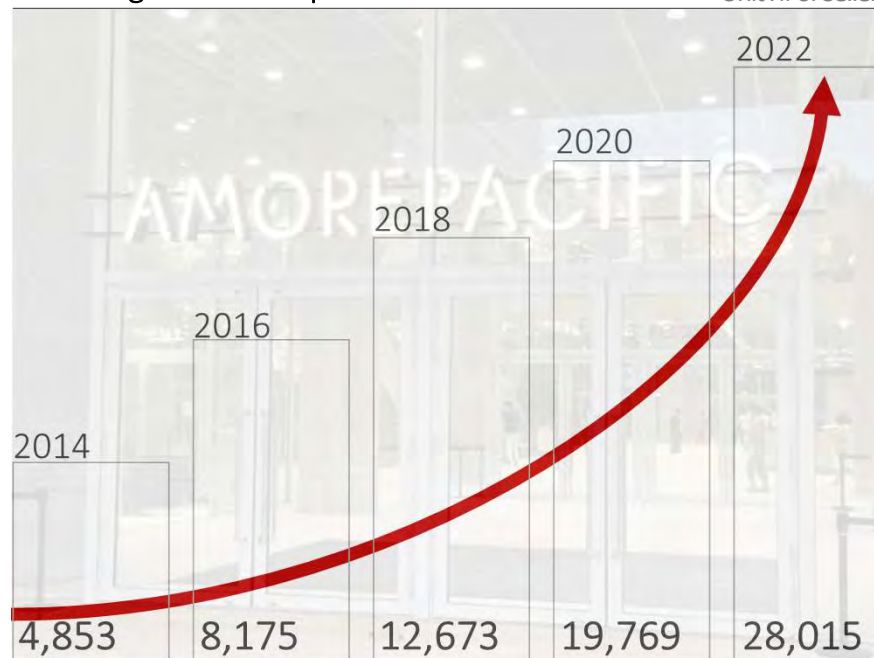
Increasing Trend of Manufacturers

Unit : # of Companies



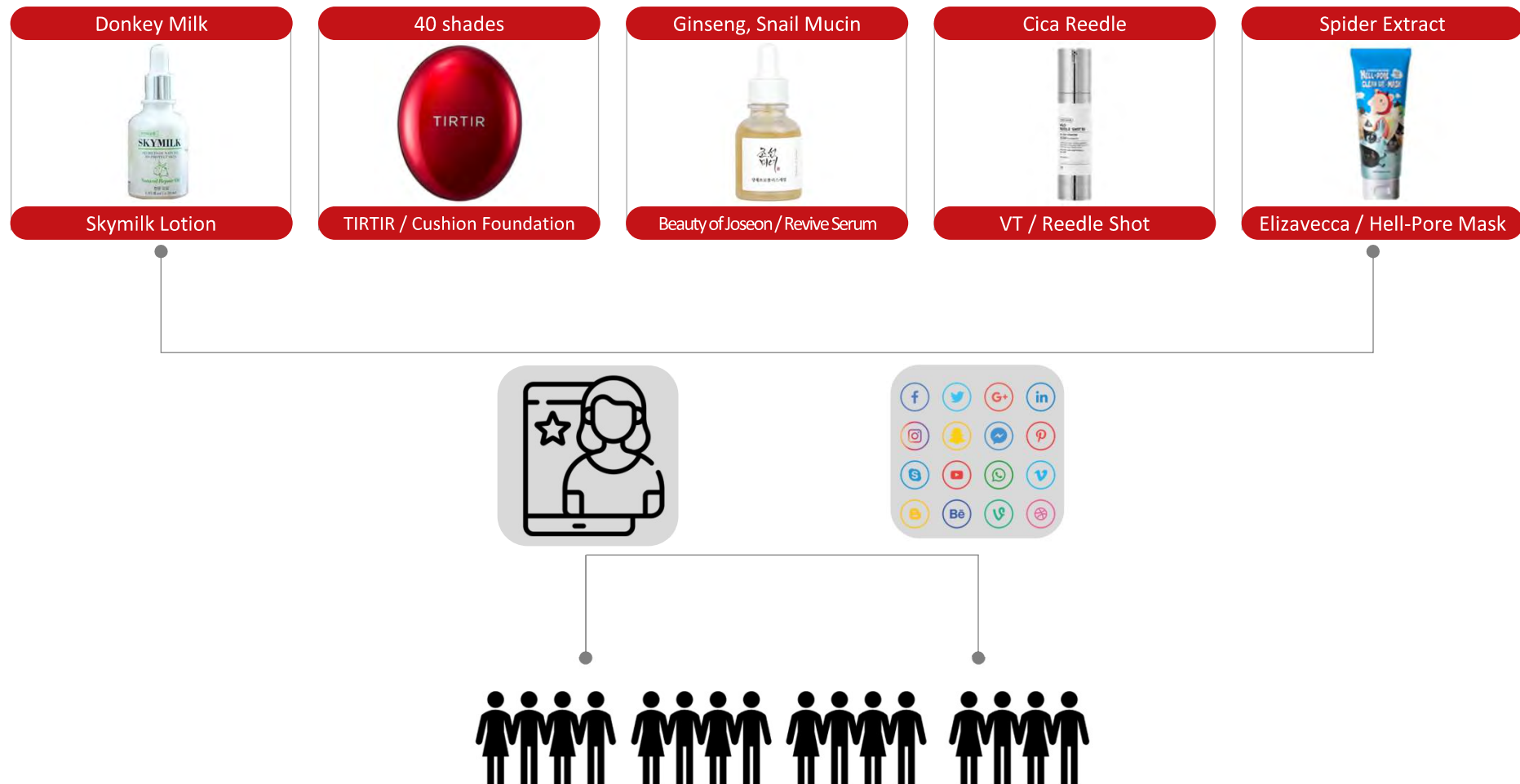
Increasing Trend of Responsible Sellers

Unit : # of Sellers



Delivering a wide range of products through production infrastructure →
drives consumer decisions

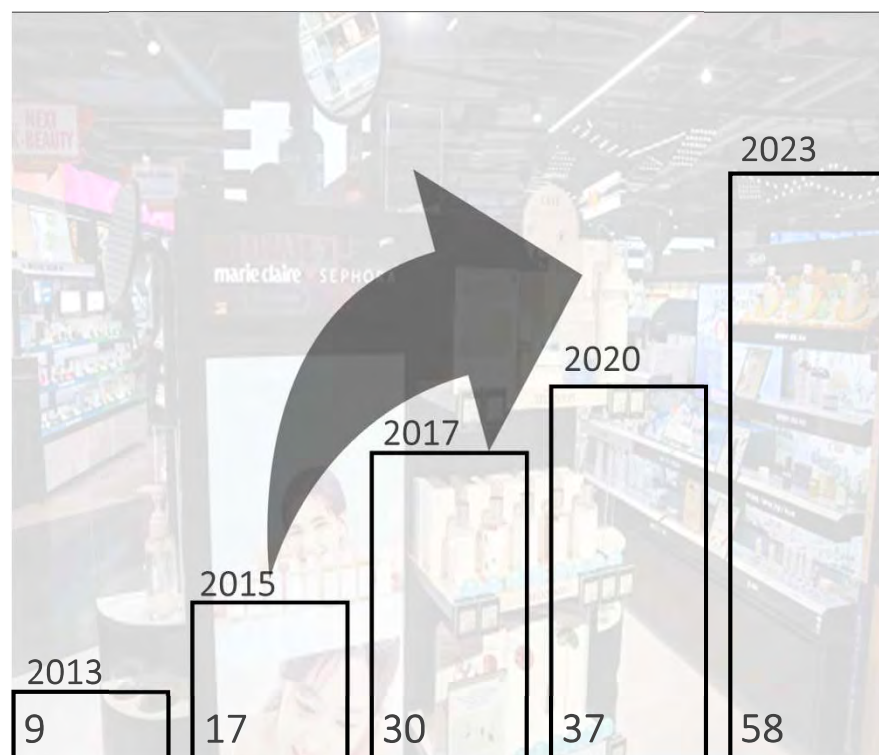
Expanding the consumer base through unique products from various brands, early adopters and influencers



Second Renaissance, Change for a Sustainable Future

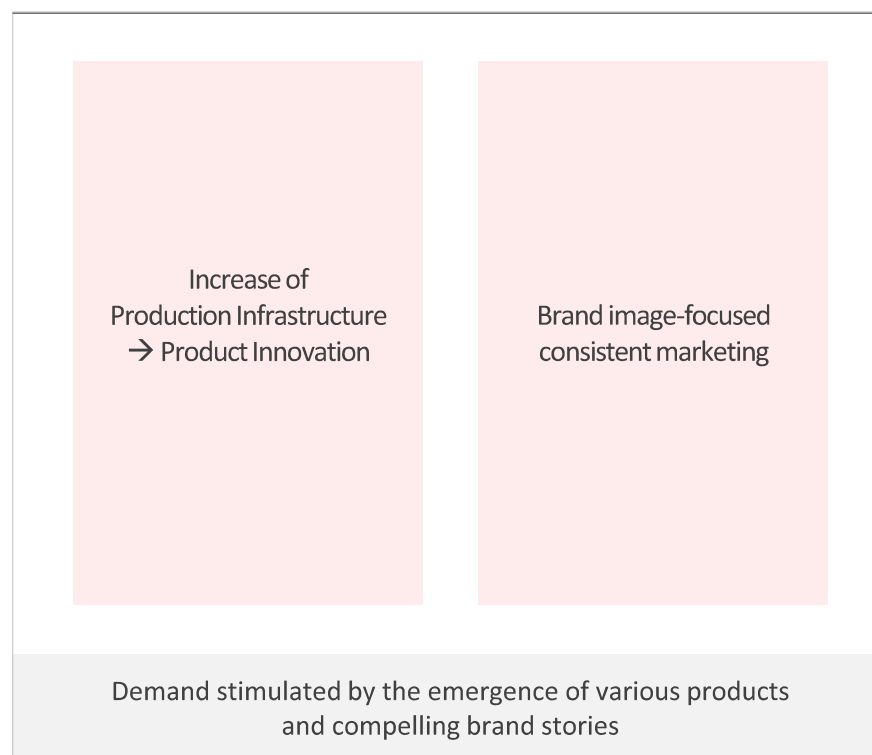
Global Market Sales Trend (Excluding China)

Unit : 100 Mil USD

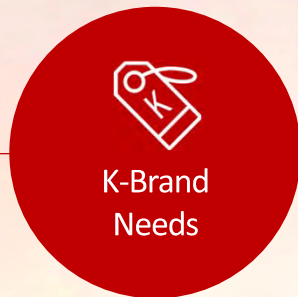


Source : Korea Cosmetic Industry Institute

Market Driven by Supply



VISION



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



- Swift logistics value chain
- Easy access to K-Brand with diverse networks
- Advanced and convenient 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]

Unit : Mil USD

	2024	2023	2022
	2024. 1. 1. ~	2023. 1. 1. ~	2022. 1. 1. ~
	2024. 12. 31.	2023. 12. 31.	2022. 12. 31.
Revenue	507.21	263	1.28
Gross profit	170.77	88.15	0.41
% Margin	33.67%	33.60%	31.90%
Operating income	100.91	36.61	0.11
% Margin	19.89%	13.90%	8.60%
Profit before tax	109.07	36.84	0.11
% Margin	21.50%	14.00%	8.60%
Profit	88.56	29.10	0.09
% Margin	17.46%	11.10%	6.80%

Source : Silicon2 Financial Statements (Comprehensive)

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Statement of Financial Position [Abstract]

Unit : Mil USD

	2024	2023	2022
	2024. 12. 31.	2023. 12. 31.	2022. 12. 31.
[Current assets]	217.91	104.46	56.704
• Quick assets	110.88	44.31	34.558
• Current inventories	107.04	60.15	22.146
[Non-current assets]	117.84	60.41	43.354
• Investment assets	29.08	12.43	8.014
• Property, plant and equipment	84.73	45.35	34.155
• Intangible assets	1.21	0.51	0.070
• Other non-current assets	2.82	2.13	1.107
Total assets	335.75	164.87	100.058
[Current liabilities]	138.88	56.81	22.153
[Non-current liabilities]	5.01	4.70	3.268
Total liabilities	143.89	61.52	25.421
[Issued capital]	22.40	23.21	23.377
[Capital surplus]	22.59	23.11	22.943
[Other Comprehensive income/loss accumulated amount]	6.15	2.18	2.098
[Elements of other stockholder's equity]	0.23	0.64	0.829
[Retained earnings]	140.49	54.23	25.390
Total equity	191.87	103.36	74.637