



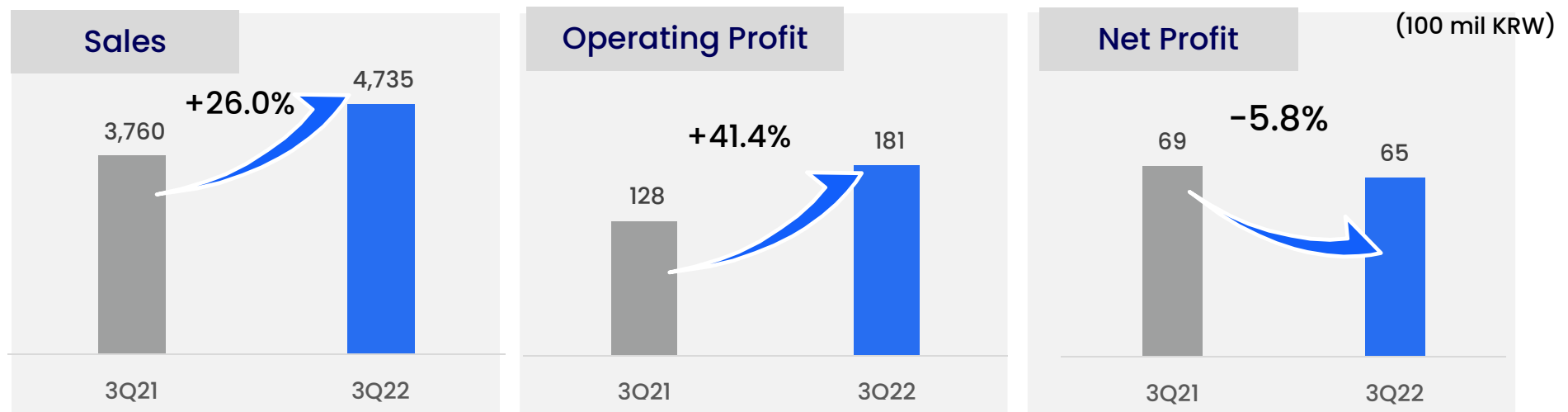
2022 3Q Earnings Release



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» Kolmar Korea (Consolidated)

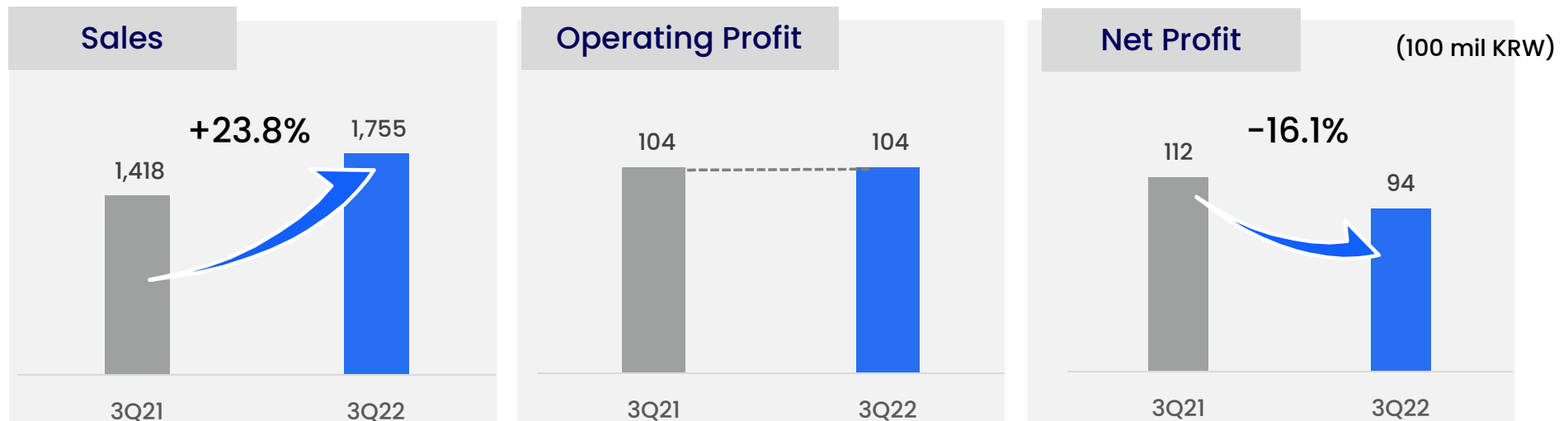
- **Domestic** – Steady sales of top customers in the cosmetics sector
Diversification of customers such as Korea's leading H&B stores, etc
- **Overseas** – Frequent partial blockages in China increase customer inventory and delay orders
The economic recession is affected by inflation and interest rate hikes in North America.
Incremental expansion of plant operations dedicated to Canadian customers
Spread of color cosmetic trends in the U.S. and related customers
- **HK Inno N** – Sales have steadily increased after the launch of K-CAB Oral Disintegrating tablet in May
Milestone recognition according to entry into phase 3 clinical trials of K-CAB in the U.S
- **Yonwoo** – Became a subsidiary of Kolmar Korea in 22.3Q. One-time labor costs



※ 1 USD = 3Q21 1,184.90 KRW ▷ 3Q22 1,434.80 KRW, 21% yoy, 1 CNY = 3Q21 183.03 KRW ▷ 3Q22 199.66 KRW, 9% yoy

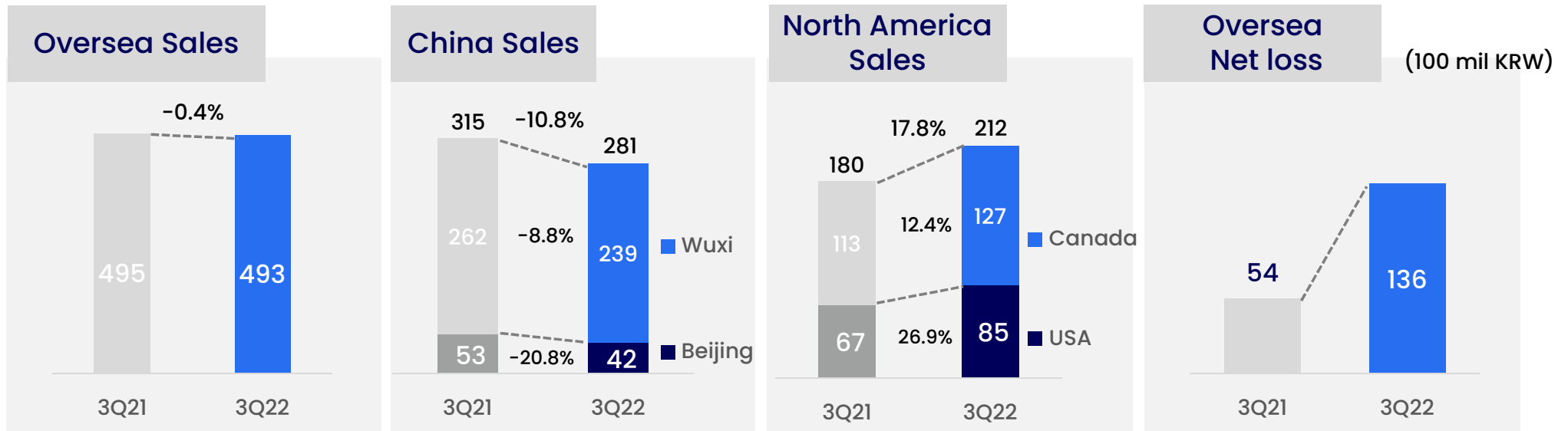
» Kolmar Korea

- Steady sales of top customers, Diversification of customers such as Korea's leading H&B stores, etc
- Increasing number of hit products in TV home shopping.
- New orders from overseas such as the U.S., Japan, and China increase.
- Decrease the percentage of sales of top high-end customers (yoy 2~3%p).
- One-time advisory fee related to the acquisition of Yonwoo.
- Perceived impairment of long-term bonds of overseas subsidiaries and the effect of exchange rate increase.



» Oversea

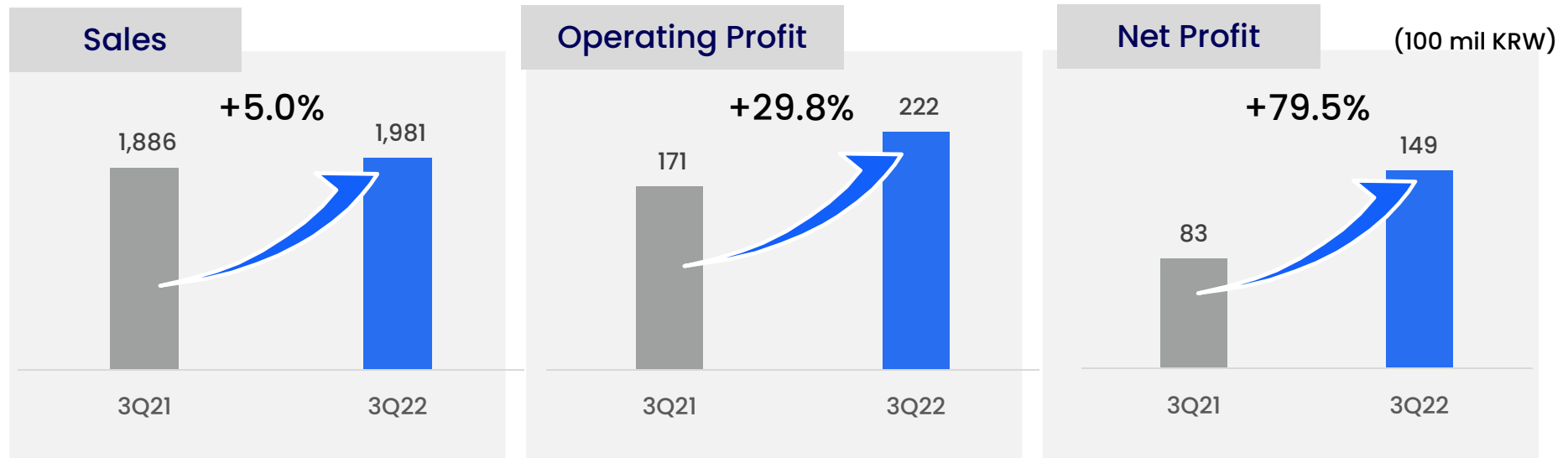
- CHINA
 - Frequent partial shutdown until the 3Q22, delaying the benefits of the Chinese Single's Day
 - Improve operating conditions if one-time bond amortization is assumed to be elimination
 - Chinese subsidiaries' performance has been affected by the postponement of new product development plans and worsening financial conditions by customers in Shanghai
- North America
 - Since COVID-19, the trend of US color products has been activated, eye makeup consumption has been strong, and lipstick usage has increased by 48% compared to the previous year
 - Strengthen customer communication to respond to inflation in North America



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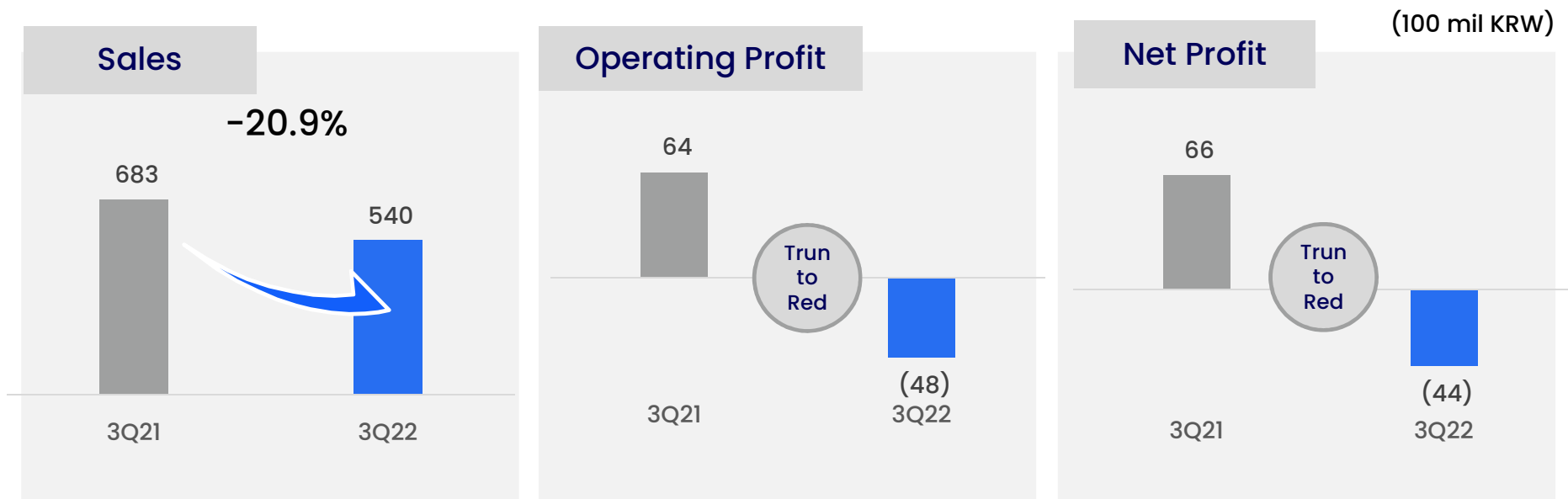
» HK Inno. N

- Sales have steadily increased after the launch of K-CAB Oral Disintegrating tablet in May
- Milestone recognition according to entry into phase 3 clinical trials of K-CAB in the U.S
- Covering the fixed cost of the new plant due to the expansion of operating hours and business activities of the IV Fluid plant
- After the re-opening, high-yield 'Condition' products and HB&B businesses' profit margin improvement continue to grow until the 3Q22



» Yonwoo

- Decrease in sales and profitability due to decrease in sales of large customers
- Local partners' performance declined due to the economic recession in North America
- Strong sales in Asia (Indonesia and China) and Europe
- 1.6 billion won in regular bonuses and 4.4 billion won in one-time acquisition consolation bonuses are reflected



» Appendix (Consolidated Financial Statement)

· Income Statement

(100 mil KRW)

	3Q21	3Q22	YoY
Sales	3,760	4,735	25.9%
Cost of sales	2,735	3,529	29.0%
Gross Profit	1,025	1,207	17.8%
SG&A Expenses	896	1,027	14.6%
Operating Profit	128	181	41.4%
Non-operating Profit/Expense	(2)	29	1,550.0%
Profit Before Tax	126	210	66.7%
Net Profit	69	65	-5.8%
Controlling Shareholder NP	64	8	-87.5%

· Financial Statement

(100 mil KRW)

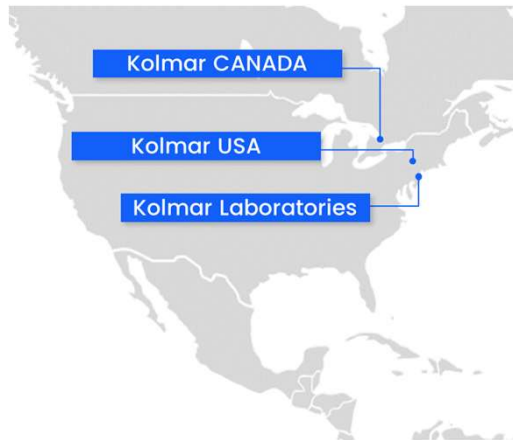
	2Q22	3Q22
Asset	26,492	29,708
Current Assets	9,240	8,641
Non-current Assets	17,251	21,067
Liabilities	12,896	14,611
Current Liabilities	7,901	7,869
Non-current Liabilities	4,995	6,743
Shareholder's Equity	13,596	15,096
Capital	114	114
Capital Reserve	2,640	2,640

» Appendix – Oversea Strategy



CHINA

- Utilization of technological competitiveness accumulated over a long period of time(R&D, quality control, manufacturing production)
- Focus on MASS&PRESTIGE markets
- Profitability improvement



NORTH AMERICA

- Establishment of Value Chain for Cosmetics Platform Business in North America
- Localization strategy

» Appendix – YONWOO CO., LTD



Financial Statements of Yonwoo (100 mil KRW)

	2019	2020	2021
Sales	2,946	2,511	2,870
OP	225	160	299
Net income	168	114	264
Total Assets	2,959	2,888	3,002

Company	YONWOO CO., LTD
Main Business	Manufacturing of plastic molding Containers for packaging
Representative	Joong-hyun Ki
Location of head office	Seo-gu, Incheon, Korea
Capital stock	6,199 mil KRW
Seller	Joong-hyun Ki and related persons
Number of shares to be acquired	6,818,900
Acquisition price	281,400 mil KRW
Purpose of acquisition	Expansion of the value chain of the cosmetic business and creation of synergy
Decision date	2022.04.13
Acquisition date	2022.07.01

» Appendix – ESG



Environment

- Acquired ISO14001 (international Certification standard for environment management) in 2010
- Development a cosmetic paper tube that reduced the use of plastic by 80% for the first time in Korea
- Creating an eco-friendly working environment by signing up for K-RE100 「100% Renewable Energy」



Social

- Declaration of Social Contribution in 2022 ▶ 「Connect For Better Future」
- Support for cooperation with local communities located in Sejong and Bucheon
- Support ESG activities by signing MOUs to support ESG management of subcontractors for the first time in cosmetic ODM

WE SUPPORT



Governance

- Join the UN Global Compact and Early Adopter Declaration and Certification
- Improving governance transparency through disclosure of the Corporate Governance Charter
- Improvement of Compliance-Ethical Management System through ISO37001 · ISO37301 Certification