

Classsys and Ilooda Merger Announcement

INVESTOR PRESENTATION

25 June 2024

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Merger Overview

1. Transaction Summary
2. Post-Merger Share Ownership

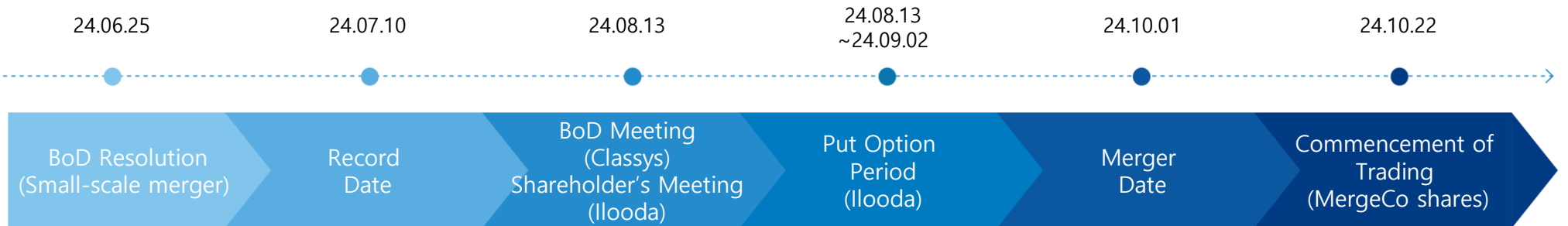
Transaction Summary

Key details

Category	Description	Remarks
Surviving Company	Classys Inc.	Total Assets: KRW 403 billion (1Q24) Revenue: KRW 50.4 billion (1Q24) / 180.1 billion (2023) Revenue Growth: CAGR 33.8% (Recent 3y) Main Products: Ultraformer MPT (HIFU), Volnewmer (Monopolar RF)
Merged Company	Ilooda CO., LTD .	Total Assets: KRW 101.9 billion (1Q24) Revenue: KRW 13.1 billion (1Q24) / KRW 56.2 billion (2023) Revenue Growth: CAGR 35.3% (Recent 3y) Main Products: Secret (Micro Needle RF), Curas (Laser)
Merger Ratio	1 : 0.1405237	- Reference Share Prices: Classys KRW 52,774, Ilooda KRW 7,416
New Shares Issued	2,430,035 shares	No new shares will be issued for the merger related to ILOODA shares held by Classys and Ilooda's treasury shares. 3.8% of the surviving company Classys' post-merger outstanding shares (66,429,554 shares)
Put Option Price	Ilooda Co., LTD.: KRW 7,293	As this merger follows small-scale merger procedures, no put option is applicable for Clasys under Article 527-3 of the Korean Commercial Act.

Note) Total assets, Revenue, and CAGR of both companies shown on a consolidated basis

Indicative Timeline



Post-Merger Share Ownership

Change in Share Ownership

Classification	Relationship	Pre-merger Classys		Pre-merger Ilooda ¹⁾		Post-merger Classys	
		Shares	Ratio	Shares	Ratio	Shares	Ratio
BCPE Centur Investments, LP	Controlling Shareholder (Classys)	39,407,057	61.57%	-	-	39,407,057	59.32%
Founder (Classys) & Affiliated person ²⁾	Affiliated person (Classys) ²⁾	8,376,790	13.09%	-	-	8,376,790	12.61%
Founder (Ilooda)	Largest Shareholder (Ilooda)	-	-	4,241,540	20.01%	596,036	0.90%
Classys	Major Shareholder (Ilooda)	-	-	3,680,918	17.36%	-	-
Executives	Affiliated persons (Ilooda)	-	-	196,372	0.93%	27,594	0.04%
Sub-total (Controlling Shareholder & Affiliated Persons)		47,783,847	74.66%	8,469,978	39.95%	48,407,477	72.87%
Others	-	16,215,672	25.34%	12,854,794	60.63%	18,022,077	27.13%
Treasury Stock	-	-	-	227,310	1.07%	-	-
Total		63,999,519	100.00%	21,200,934	100.00%	66,429,554	100.00%

(Note 1) Includes the exercise of conversion rights and warrant rights

(Note 2) Founder has 10% and his wife has 3% of Classys's stake

Merger Highlights: Shareholder Value Creation

1. Summary of Strategic Rationale
2. Unparalleled R&D foundation as a total provider across EBD technologies
3. Solidified market dominance as leader in combination treatment innovation
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Summary of Strategic Rationale

The merger of Classys and Ilooda cements our position as the global leader in medical aesthetics, fueled by substantial synergies in sales & marketing and cost efficiencies, and an unmatched foundation for product innovation combining technological capabilities of both companies across all major EBD technologies

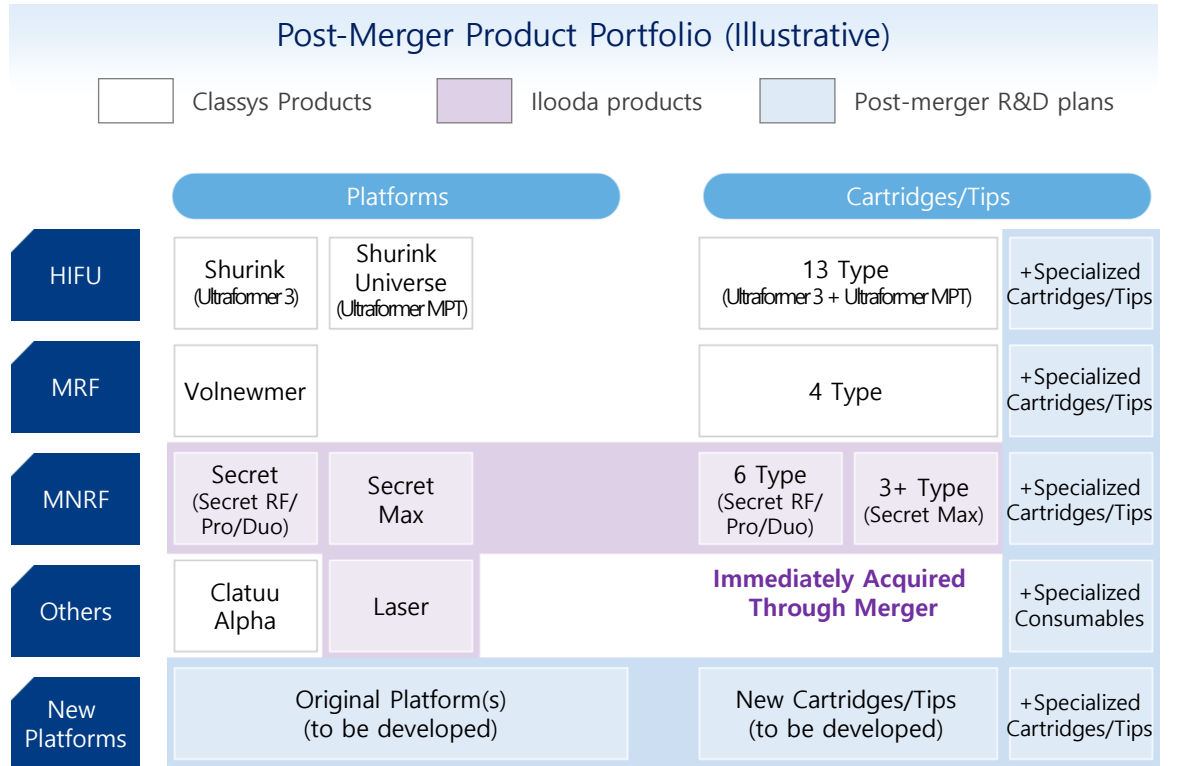
Expected Areas of Shareholder Value Creation



* MNRF: Micro needle RF. MRF: 6.78MHz Monopolar RF

Merger Highlights 1 Unparalleled R&D foundation across all EBD technologies

The combination of Classys and Ilooda's R&D assets paves the way for multiple blockbusters across major EBD technologies by securing capabilities in MNRF (the fastest growing EBD technology) and Laser (the largest EBD market), in addition to HIFU and MRF



Post-Merger Development Plans

Integrated business will leverage complementary technological capabilities to launch at least one new platform annually, and develop original, innovative platforms and cartridges/tips

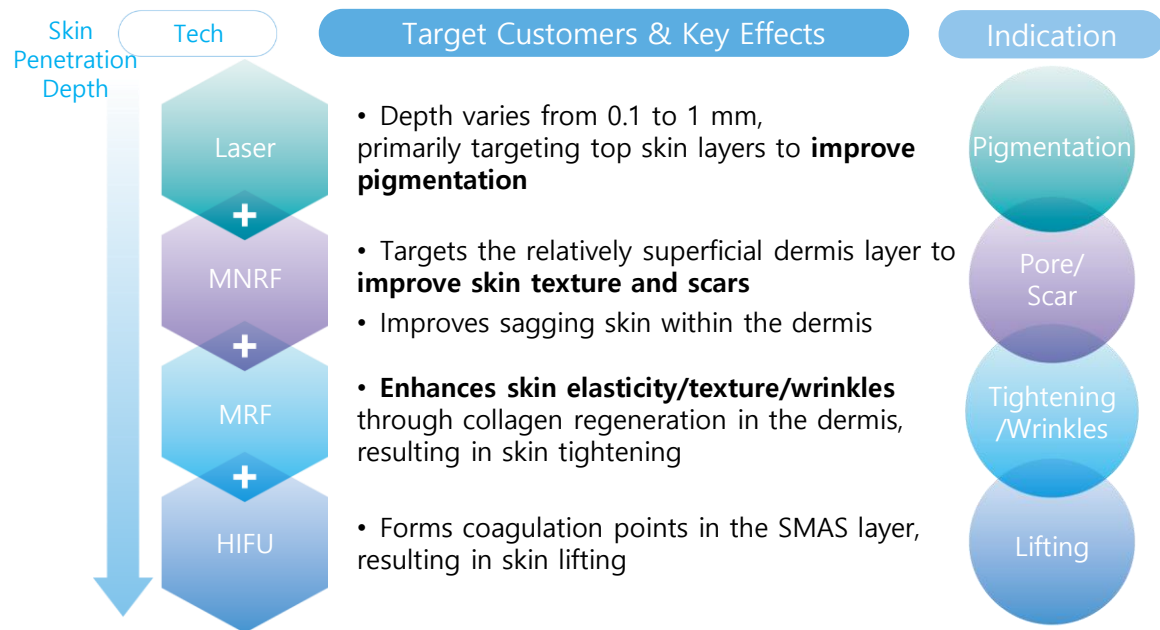
Expected Synergies from the Merger

- 1 Achieve blockbuster success of next-generation MNRF platform, following examples in HIFU and MRF
- 2 Accelerate product development for existing key platforms, including next-generation models and specialized cartridges/tips
- 3 Advance development of original platforms leveraging Classys and Ilooda's combined technological assets across EBD
- 4 Develop platform business model based on existing laser technology, drawing from customer-centric innovation
- 5 Secure industry-leading R&D talent, technical expertise, IPs, and approvals in MNRF and Laser

Merger Highlights 2 Solidified market dominance as leader in combination treatment innovation

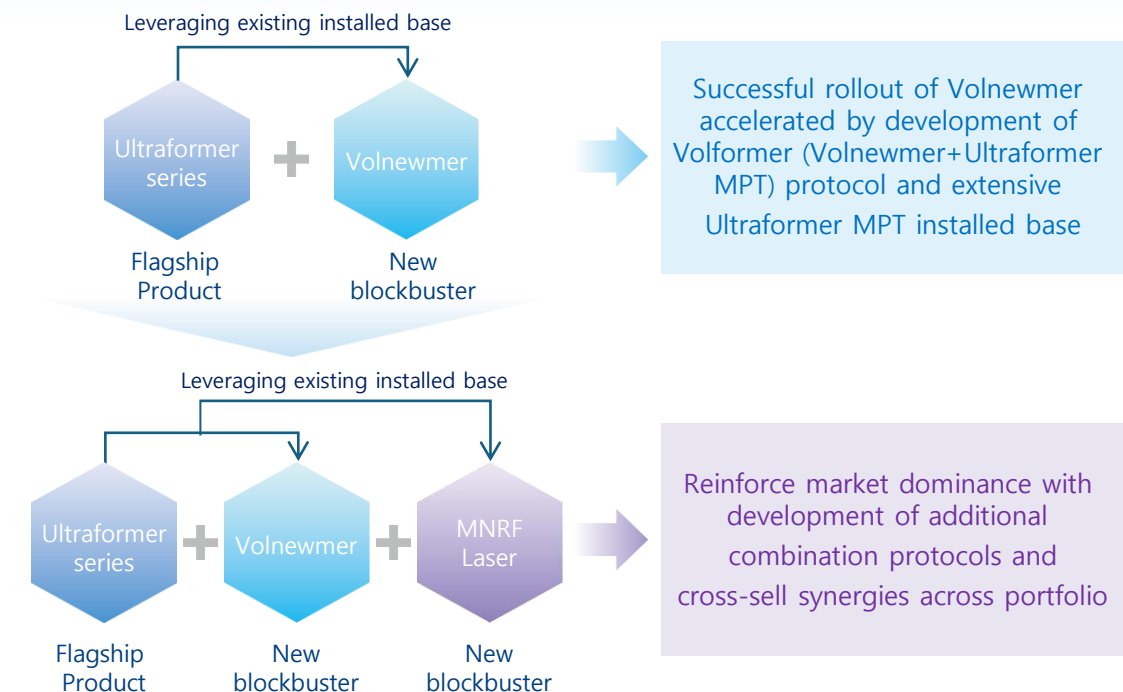
An expanded portfolio of technologies positions us as the industry leader in innovative combination treatments that serve to maximize synergies across various specialized skin layers and indications and reinforce our dominant position in the market

Combination Treatment Protocols using Classys & Ilooda Flagship Platforms



In addition to the existing 'Volformer (Volnewmer + Ultraformer MPT)' protocol, we offer a differentiated value proposition in delivering combination treatments that integrate an expanded suite of specialized indications from diverse technologies for maximum efficacy

Accelerated Expansion of Platform Installed Base with Combination Treatments



We are uniquely placed to offer package sales of synergistic products and accelerate rollout of next-generation platforms by leveraging the existing installed base of products in portfolio

Merger Highlights 3 Accelerated penetration of global markets

Our complementary global sales capabilities and presence support accelerated growth in international markets with an optimized global distribution network, and integrated marketing expertise and KOL relationships

Synergies from Complementary GTM* Capabilities

* GTM : Go To Market

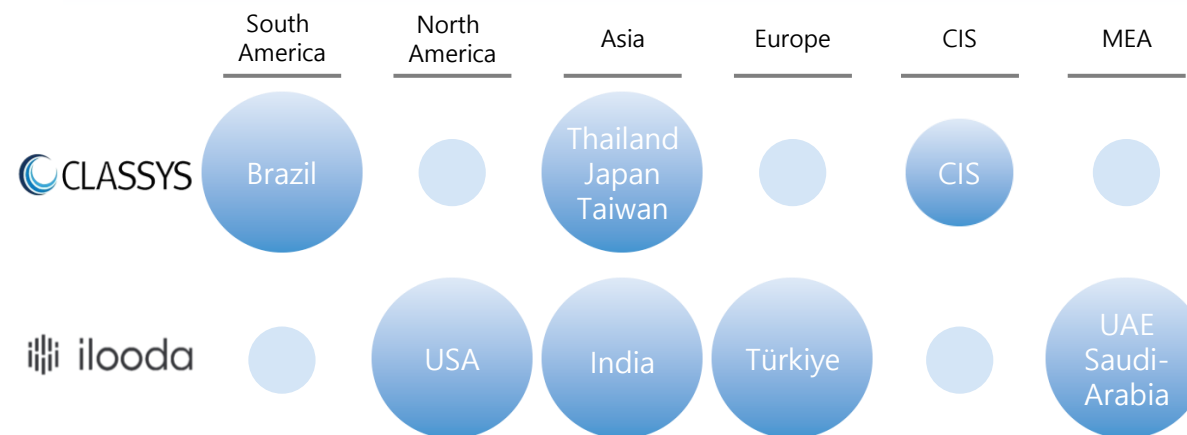
- 1 Optimize distributor network based on complementary global sales channels, e.g.:**

 - Launch Ultraformer MPT through new contracts with Ilooda's European distributors with strong marketing influence
 - Promote Secret (MNR) events and package sales with Classsys products to Classsys' distributors in Brazil and Japan with large base of captive customers
- 2 Enhance scientific influence with expanded global KOL network**

 - Combine Classsys and Ilooda's relationships within prestigious medical professional networks, and accumulated academic research
- 3 Simultaneously improve marketing efficacy and efficiency**

 - Integrate existing B2B and B2C marketing capabilities to enhance both effectiveness and efficiency (optimal resource management)

Classys/Ilooda Complementary Global Presence

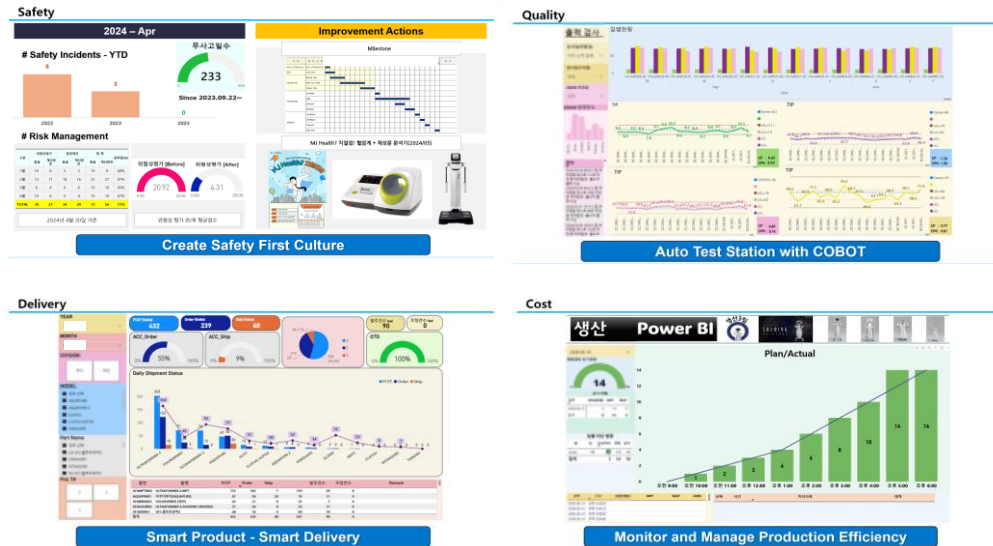


Accelerated global penetration of flagship products in integrated portfolio

Merger Highlights 4 Further enhancement of product quality and cost competitiveness

Substantial improvements in product quality and cost competitiveness expected from integrated implementation of Classys' world-class manufacturing & quality control system and scale efficiencies

Classys' Leading Manufacturing/Quality Control System



Classys has actively invested over the recent years to establish a smart factory with real-time monitoring and early warning systems (EWS) across key manufacturing processes. Expect continuous improvements across QDC (quality, delivery, cost) via immediate implementation to Ilooda's production sites.

Additional Value Creation Levers



Manufacturing Cost-Efficiencies

- Combined supplier base with increased negotiating power through scale
- Optimization of production schedules and resource allocation
- Expanded scope of process automation



Advanced Quality Control

- Integration of Classys' global standard quality control system
- Accelerated overseas licensing/approvals



Reinvestment in Core Competency-Building

- Reinvestment in production efficiencies
- Reinvestment in R&D



Increased Market Penetration/Share

- Increased market penetration driven by competitive pricing
- Market share expansion through enhanced customer satisfaction

Vision of the Integrated Company

1. Post-Merger Vision & Goal (2030)

Post-Merger Vision & Goal (2030)

Mission →



We empower the pursuit of natural beauty for everybody by making medical aesthetic treatments globally accessible through relentless customer-centric innovation

Vision →



“Global No.1 Medical Aesthetic Platform* Company”

(2030 Revenue \$1B+ | OPM 50+%)

* We define "platform" as a business model that generates sustainable growth through recurring revenue, differentiating itself from the traditional EBD business model that depends on one-time device revenue.

Strategic Objectives →



1

Expand Suite of Blockbuster Platforms

Increase number of blockbuster platforms from 1 to 5

2

Grow Number of Procedures per Platform

Drive >5% annual growth in the number of procedures per platform in global markets

3

Establish market leadership early in major markets

Achieve #1 position in US & China lifting and tightening markets by number of platform installations

4

Optimize global distribution network

Identify key strategic markets and establish direct GTM (5+ countries)

5

Deliver industry leading cost competitiveness

Realize cost efficiencies across platform devices and cartridges/tips (~20% cost reduction)

Appendix.

1. Summary Financial Statements

Summary Financial Statements

Summary Balance Sheet

Unit: KRW	Classys 1Q24 (separate)	Ilooda 1Q24 (separate)	Combined basis 1Q24 (separate)
Current assets	211,844,268,187	49,866,287,757	206,977,742,016
Cash & cash equivalents	156,625,626,570	9,544,339,573	119,437,152,215
Accounts receivables and Other Receivables	24,022,243,992	10,939,652,020	34,961,896,012
Inventories	19,353,218,472	21,223,119,608	40,576,338,080
Non-current assets	190,742,301,062	48,712,455,824	347,033,271,902
P.P.E.	143,523,975,228	34,810,109,993	178,334,085,221
Intangible Assets	4,575,237,549	6,208,814,104	118,362,566,669
Invested properties	36,270,455,334	-	36,270,455,334
Total Assets	402,586,569,249	98,578,743,581	554,011,013,918
Current liabilities	105,024,558,370	18,826,919,571	120,876,477,941
Accounts Payable and Other Liabilities	4,851,175,437	4,978,863,878	9,830,039,315
Short-Term Debt	63,800,000,000	6,475,000,000	67,300,000,000
Current Income Tax Liabilities	11,927,342,054	698,239,789	12,625,581,843
Other Financial Liabilities	16,438,418,118	303,106,344	16,741,524,462
Other Current Liabilities	6,001,752,209	4,818,201,820	10,819,954,029
Non-current liabilities	584,696,041	24,048,815,357	24,633,511,398
Long-Term Debt	-	23,737,116,800	23,737,116,800
Total Liabilities	105,609,254,411	42,875,734,928	145,509,989,339
Capital stock	6,477,670,200	10,306,206,500	6,695,354,700
Capital surplus	24,229,755,029	24,532,202,264	150,388,609,733
Retained earnings	264,103,395,676	22,153,930,467	264,810,143,719
Total Equity	296,977,314,838	55,703,008,653	408,501,024,579
Total Liabilities and Equity	402,586,569,249	98,578,743,581	554,011,013,918

Note 1) Cash & Cash Equivalents include short-term financial instruments and fair value through profit or loss (FV-PL) (current).

Note 2) The Combined bases balance sheet is an estimate and may differ from the actual post-merger balance sheet prepared as of the merger date.

Note 3) The merger ratio is used to calculate the capital stock and capital surplus in the post-merger balance sheet.

Summary Income Statement

Unit: KRW	Classys 1Q24 (separate)	Ilooda 1Q24 (separate)	Simple Sum 1Q24 (separate)
Revenue	50,344,138,465	12,754,343,690	63,098,482,155
CoGS	10,174,447,253	5,546,459,882	15,720,907,135
Gross Profit	40,169,691,212	7,207,883,808	47,377,575,020
SG&A	13,665,876,241	6,396,958,802	20,062,835,043
Operating Profit	26,503,814,971	810,925,006	27,314,739,977
Financial Income	6,484,196,264	454,744,639	6,938,940,903
Financial Expenses	(556,172,156)	(632,368,099)	(1,188,540,255)
Other Income	364,223	205,351,792	205,716,015
Other Expenses	(345,900,869)	(5,775,501)	(351,676,370)
Net Income before Income Tax	32,086,302,433	832,877,837	32,919,180,270
Income Tax	6,001,470,033	126,129,794	6,127,599,827
Net Income	26,084,832,400	706,748,043	26,791,580,443
Normalized Operating Profit¹	26,503,814,971	2,503,165,258	29,006,980,229

Note 1) In 1Q24, Ilooda incurred one-off expenses of KRW 1.7 billion for ITC(including legal fees & amortization expenses). We expect KRW 4.9 billion until 1H24. Since 1Q24, amortization expenses for ITC-related intangible assets have recognized KRW 173 million every quarter.



208, Teheran-ro, Gangnam-gu, Seoul, Korea

<http://www.classys.com> | +82-2-6313-2106

email: ir@classys.com