

IR BOOK

THE INVESTOR RELATIONS OF CLASSYS 2024

08 AUG 2024

Disclaimer



This material has been prepared by Classys (the “Company”) for the purpose of providing information in a Presentation that will be made for investors. Please be informed that transferring, copying, or re-distributing this document to others is prohibited.

Attendance at this presentation is considered as your agreement to comply with the above-mentioned restrictions, and violation of these restrictions may be regarded as a violation of the Financial Investment Services and Capital Markets Act of Korea.

The forward-looking statements included herein are unverified and pertains to future events related to the Company’s expected future financial performance, and are expressed with words such as ‘forecast,’ ‘prospect,’ ‘expectation,’ ‘outlook’ and ‘(E).’

Despite being made in good faith based on reasonable grounds or assumptions by management, such “forward-looking statements” are subject to various influences, including changes in future business environments, and inherently contain uncertainties. As a result, actual future performance may significantly differ from the information stated or implied in the forward-looking statements.

Additionally, the future outlook is based on the information available at the time of the presentation and is subject to change based on future market developments and changes in the Company’s strategic direction without separate notice.

The Company and its executives do not assume any responsibility for losses incurred through the use of this document (including negligence and other cases).

This document does not constitute a solicitation for placement, sales, trading or subscription of stocks. No part of this document should be considered as a basis or ground for related contracts, agreements, or investment decisions. All investment decisions related to stock purchases should be made solely based on investors’ reasonable judgment.

Contents

I. Basic Understanding of Classys

1. Business Background
2. Competitive Differentiation
3. Main Product_Ultraformer MPT
4. Main Product_Volnewmer

II. Company Overview

1. Key Figures
2. Corporate Information
3. Product Portfolio
4. Market Portfolio

III. Business Highlights

1. Increased Installed Base and Consumable Sales
2. Unrivaled Domestic HIFU Market Share
3. Strong Global Presence
4. Accelerated Sales of Volnewmer, Monopolar RF

IV. Growth Strategy

1. EBD, Growth Engine for Medical Aesthetic Market
2. Global Approval Expansion
3. Customized Tier-Up Strategy
4. Innovative Product Development
5. Enhancement of B2B & B2C Marketing
6. Quality / Production Advancement

V. Merger Highlights

1. Strategic Rationale & Shareholder Value Creation
2. Vision & Goal (2030)

Basic Understanding of Classys

CLASSYS

Cluederm

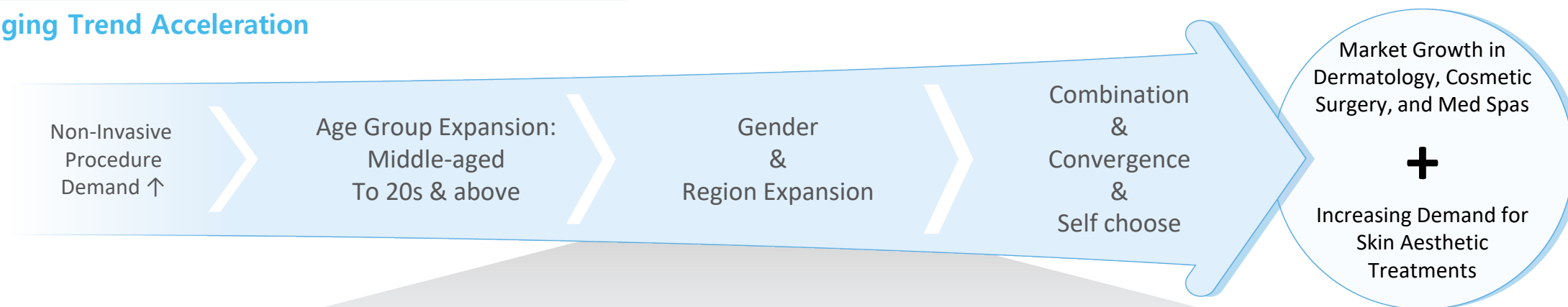
shurink® / SKEDERM

1. Business Background
2. Competitive Differentiation
3. Main Product_Ultraformer MPT
4. Main Product_Volnewmer

1. Business Background

Innovative products to address unmet needs and pain points for customers' healthy and natural beauty

Well-aging Trend Acceleration

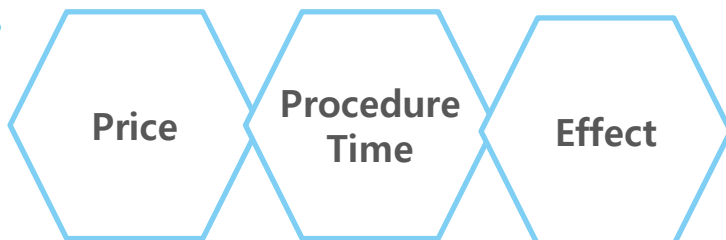


Classys' innovative and accessible products accelerate market expansion.

- User/Patient-oriented product development by a dermatologist Founder
- Customer-centric system innovation by a professional CEO and management team(ex. CIC & VoC)

*CIC: Customer Innovation Center

Unmet needs



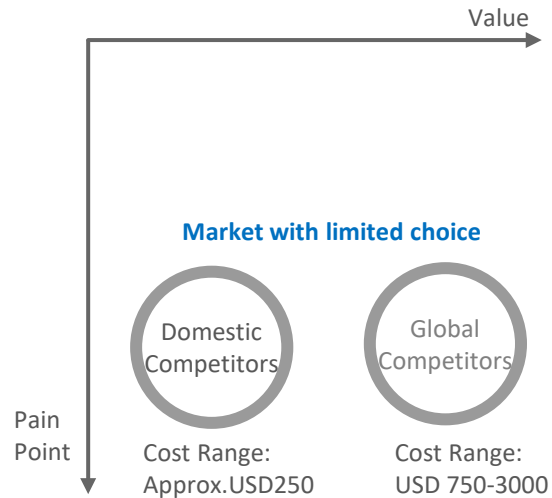
Pain points



2. Competitive Differentiation

Global aesthetic business leader with sustainable business model

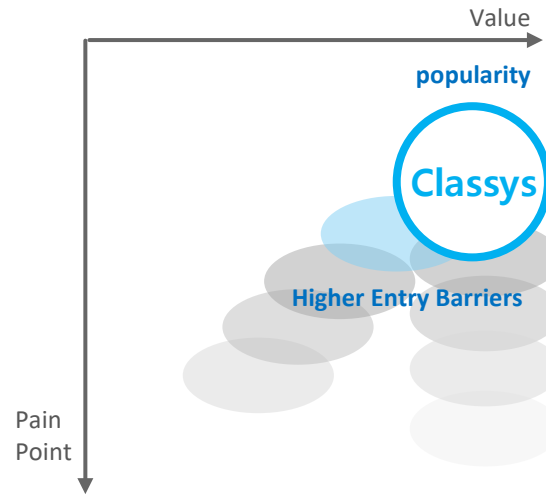
As-is



High efficacy with extreme pain and long duration at a very expensive price

Low-effectiveness at a low price

Classys

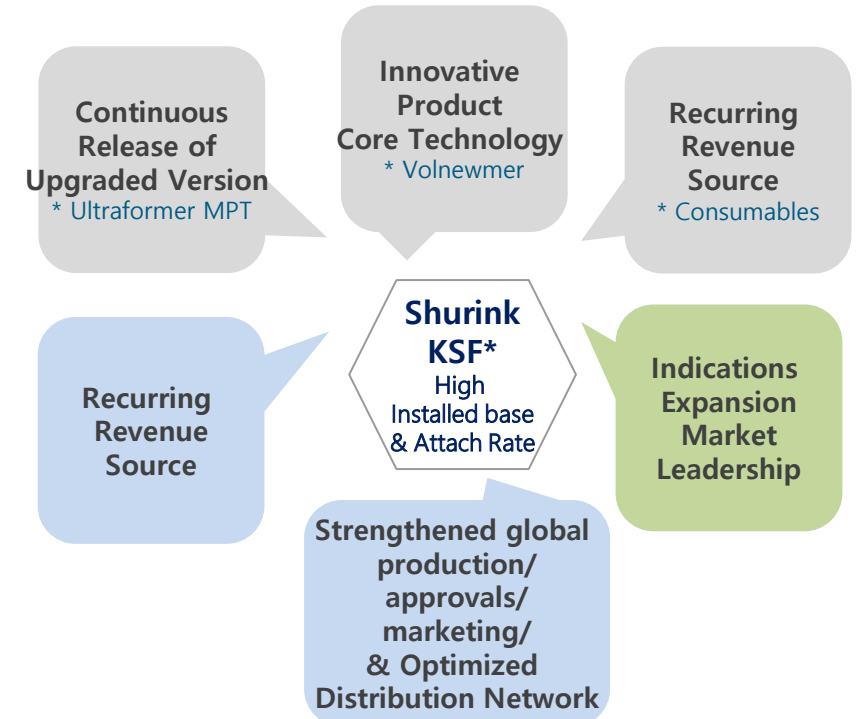


High efficacy with no pain at an affordable price, countless customer testimonials and views

Profit uplift for distributors, users, and practitioners

Sustainable Business Model

Global presence in 70 countries + expecting Europe, the U.S., and China



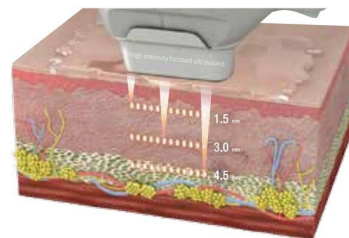
ULTRAFORMER MPT



3. Ultraformer MPT (Shurink Universe) | HIFU

* HIFU(High Intensity Focused Ultrasound): Eyebrow lifting, facial/abdominal/thigh lifting, abdominal circumference reduction

Mechanism of Action



Upper dermis (1.5mm)
Lower dermis (3.0mm)
SMAS layer (4.5mm)

Delivering ultrasound energy non-invasively to target skin layers

Heating the focal skin tissues to the optimal temperature for collagen contraction and denaturation

Heating the focal skin tissues to the optimal temperature for collagen contraction and denaturation

Feature

7 Cartridges for Different Depths

4 cartridges exclusive for ULTRA F handpiece



DERMA 1.5mm I 2.0mm CELUP 3.0mm LINUP 4.5mm

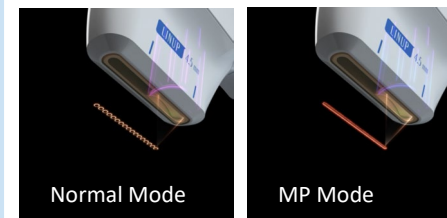
4 cartridges exclusive for ULTRA F handpiece



DERMA 1.5mm CELUP 3.0mm LINUP 4.5mm

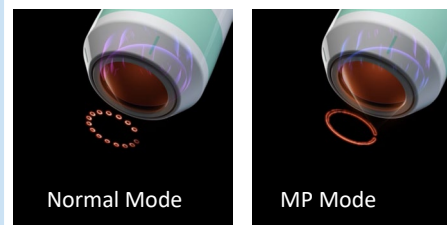
Cartridge tips can easily follow skin curves, enabling delicate procedures

MP & Normal (Dot)



Normal Mode

MP Mode



Normal Mode

MP Mode

Less Pain, Faster Results



One-way energy irradiation

New Two-way energy irradiation

Procedure Durations (for 300 shots)

About 8~10 min.

About 2~3 min.

Normal mode
Ultraformer III

MP mode
Ultraformer MPT

* This slide is prepared to assist the understanding of investors, and for further details, please refer to the MFDS approval requirements and product description.



6.78MHz Monopolar RF

VOLNEWMER®



4. Volnewmer | 6.78MHz Monopolar RF

* RF(Radio Frequency): Induces tightening of dermis & production of collagen

Mechanism of Action



Tissue coagulation with Monopolar RF

6.78MHz RF current is converted into thermal energy when applied to the target skin surface.

Thermal damage causes skin tissue coagulation.

As the coagulated tissue recovers, the result can be immediately achieved and sustained.

Feature

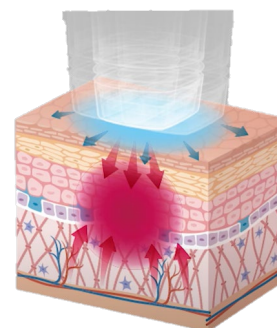
4 tips of different sizes

Four different tip shapes applicable according to the target area



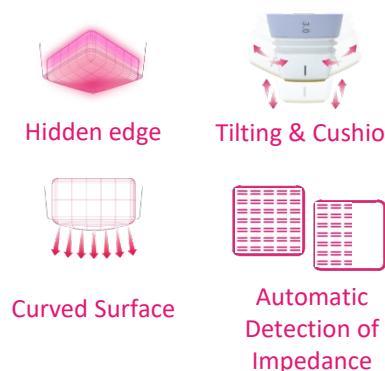
Continuous Water Cooling

Continuous water cooling protects skin surface while transferring more intense thermal energy.



Strong & Safe Energy Transfer

Tiltable & cushion-equipped hidden edge tip design effectively transfers RF energy



* This slide is prepared to assist the understanding of investors, and for further details, please refer to the MFDS approval requirements and product description.

Company Overview

CLASSYS

Cluederm

shurink[®] / SKEDERM

1. Key Figures
2. Corporate Information
3. Product Portfolio
4. Market Portfolio

1. Key Figures

Sales Growth

5Y CAGR **31%**

(as of 2023 KRW 180.2bn, YoY +27%)

Consumables Sales Growth

5Y CAGR **39%**

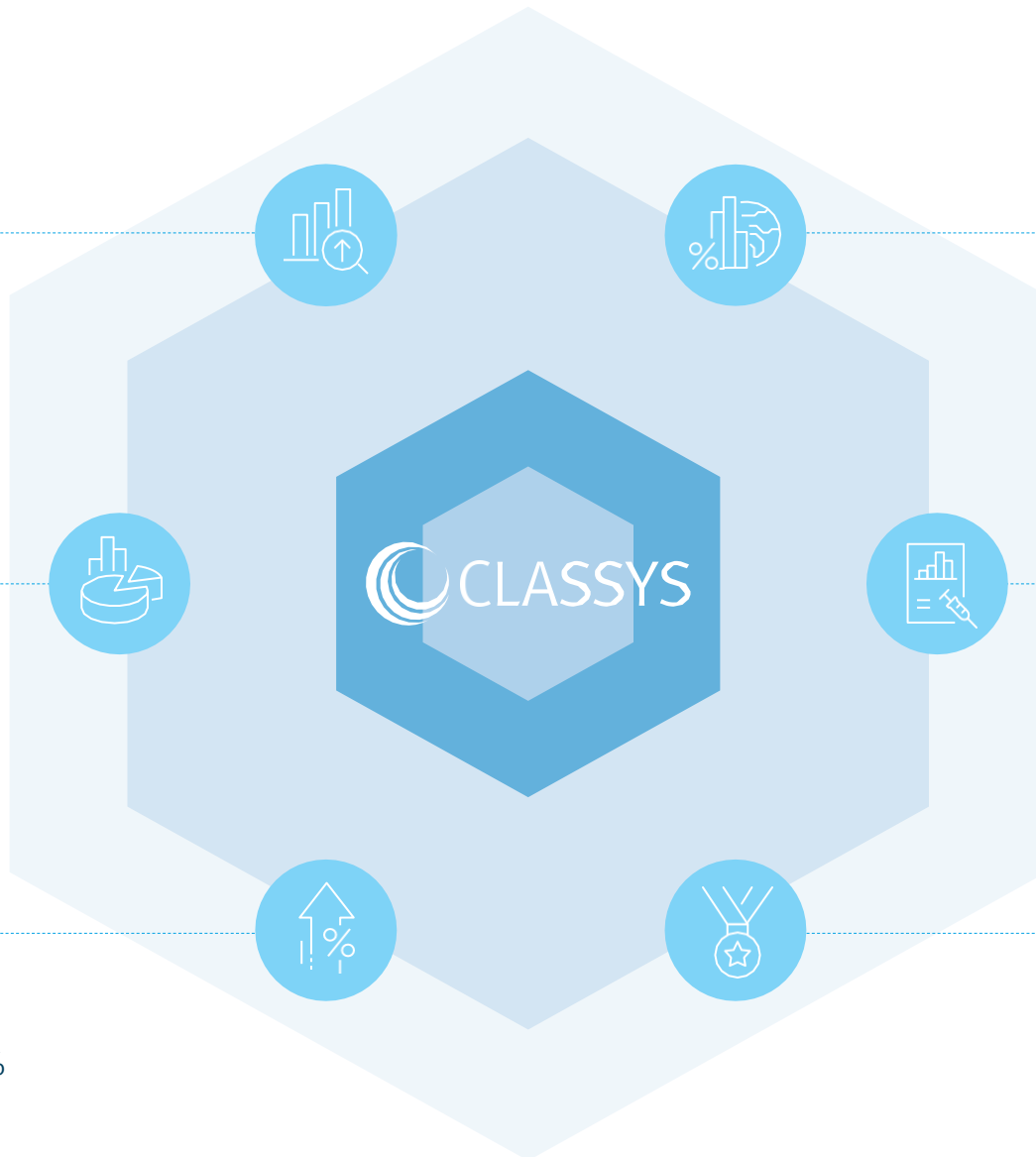
(as of 2023 KRW 81.0bn, YoY +46%
consumables portion 45%)

EBITDA Growth

5Y CAGR **39%**

(as of 2023 EBITDA KRW 93.6bn, YoY +29%
EBITDA Margin 52%)

* 5Y = 2018~2023



Overseas Sales

65% (as of 2023)

Export to 70 countries /
Secured approvals in 29 countries

Global Installed Base / annual cases of procedures

Over **15K** units
4M cases

* Based on Global Ultraformer Series

Valuation

Market cap
KRW 3+ tril

Listed on KOSDAQ's Global Segment
ESG Rating A (by MSCI)

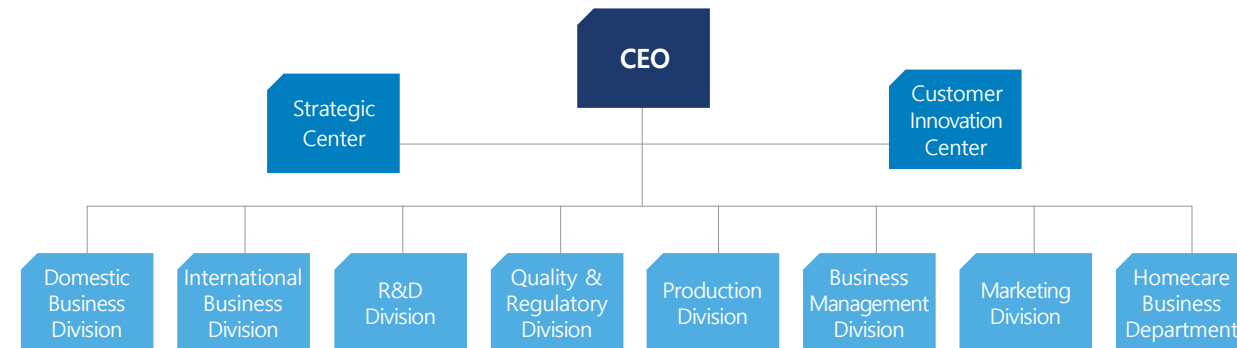
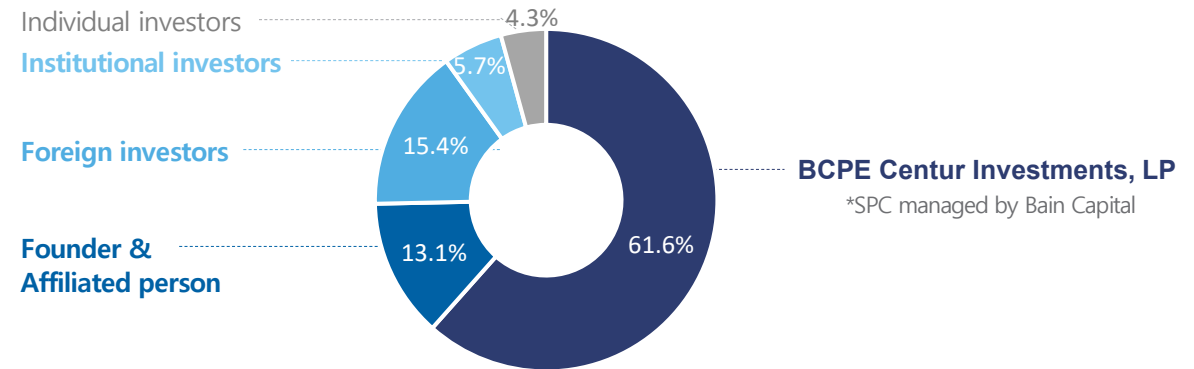
2. Corporate Information

Under the leadership of CEO and 10 executives in management team since 2022, Classys has established a new organization structure of 2 centers/7 divisions/1 dept. to pave the foundation for the higher growth.

Company Overview

Company name	CLASSYS Inc.
CEO	Baek, Seung-han
Date incorporated	10 January 2007
Date listed	28 December 2017
Equity capital	KRW 6,477 M (as of the end of June 2024)
Headcount	399 persons (as of the end of June 2024)
Business area	Manufacturing of medical aesthetics devices & distribution of cosmetics
Brands	 Cluederm  
HO address	CLASSYS, 208, Teheran-ro, Gangnam-gu, Seoul, Korea
Website/e-mail.	http://www.classys.com / ir@classys.com

Shareholder & Organization Chart



* As of the end of March 2024

* In March 2024, all held treasury stocks were retired; the current total issued shares are 63,999,519.

3. Product Portfolio



Cluederm

Ulfit
Eyebrow lifting, Tightening of face, abdomen, thigh HIFU

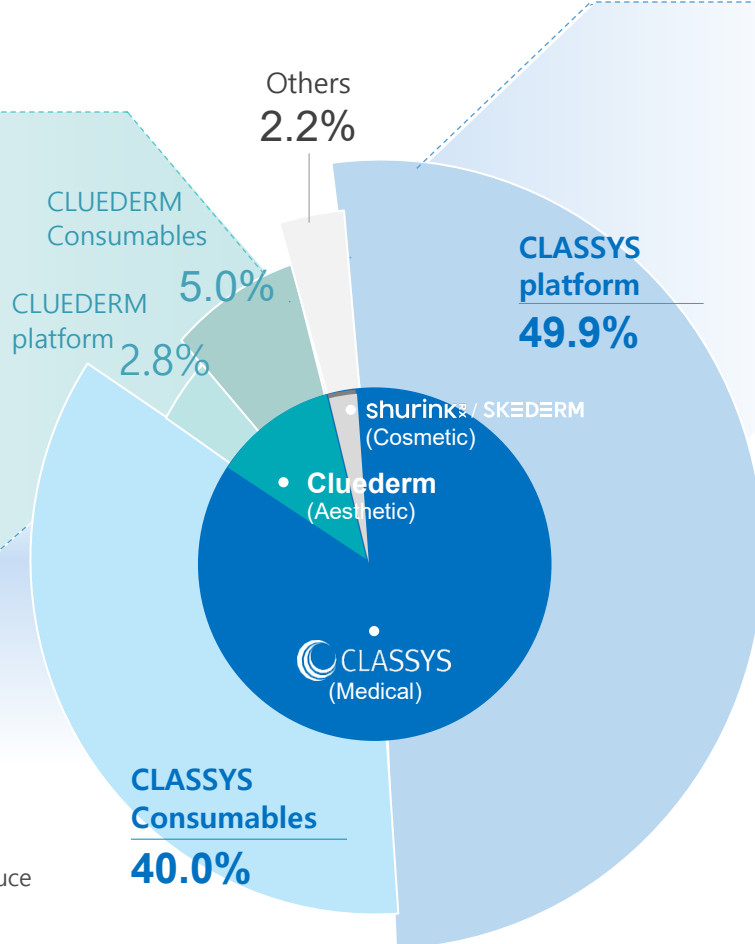
+ Cartridge

Aquapure
Absorption of blood, sebum, dead skin to help nutrients supply

+ Solution

Refit
Pain-relieving RF

+ RF Lotion



Scizer
Reduce abdominal circumference HIFU

+ Cartridges

Clatuu Alpha
Cooling control technology for reduce subcutaneous layer

+ Zel-pad

Ultraformer III (Shurink)
Eyebrow lifting, Tightening of face, abdomen, thigh and wrinkle removal HIFU¹⁾

+ Cartridges

1.5mm	2.0mm	3.0mm	4.5mm	6.0mm	9.0mm
-------	-------	-------	-------	-------	-------

Ultraformer MPT (Shurink Universe)
Gen. 2 Shurink
- MP & Normal modes
- Additional Ultra Booster cartridge

+ Cartridges

DERMA Shurink 1.5mm	I Shurink 2.0mm	CELUP Shurink 3.0mm	LINUP Shurink 4.5mm	DERMA Booster 1.5mm	CELUP Booster 3.0mm	LINUP Booster 4.5mm
---------------------	-----------------	---------------------	---------------------	---------------------	---------------------	---------------------

Volnewmer
6.78MHz monopolar RF²⁾ inducing tissue coagulation

+ Tips

Eye Area I Tip (0.25cm ²)	Face F Tip (3.0cm ²)	Multi V Tip (4.0cm ²)	Body S Tip (16.0cm ²)
---------------------------------------	----------------------------------	-----------------------------------	-----------------------------------

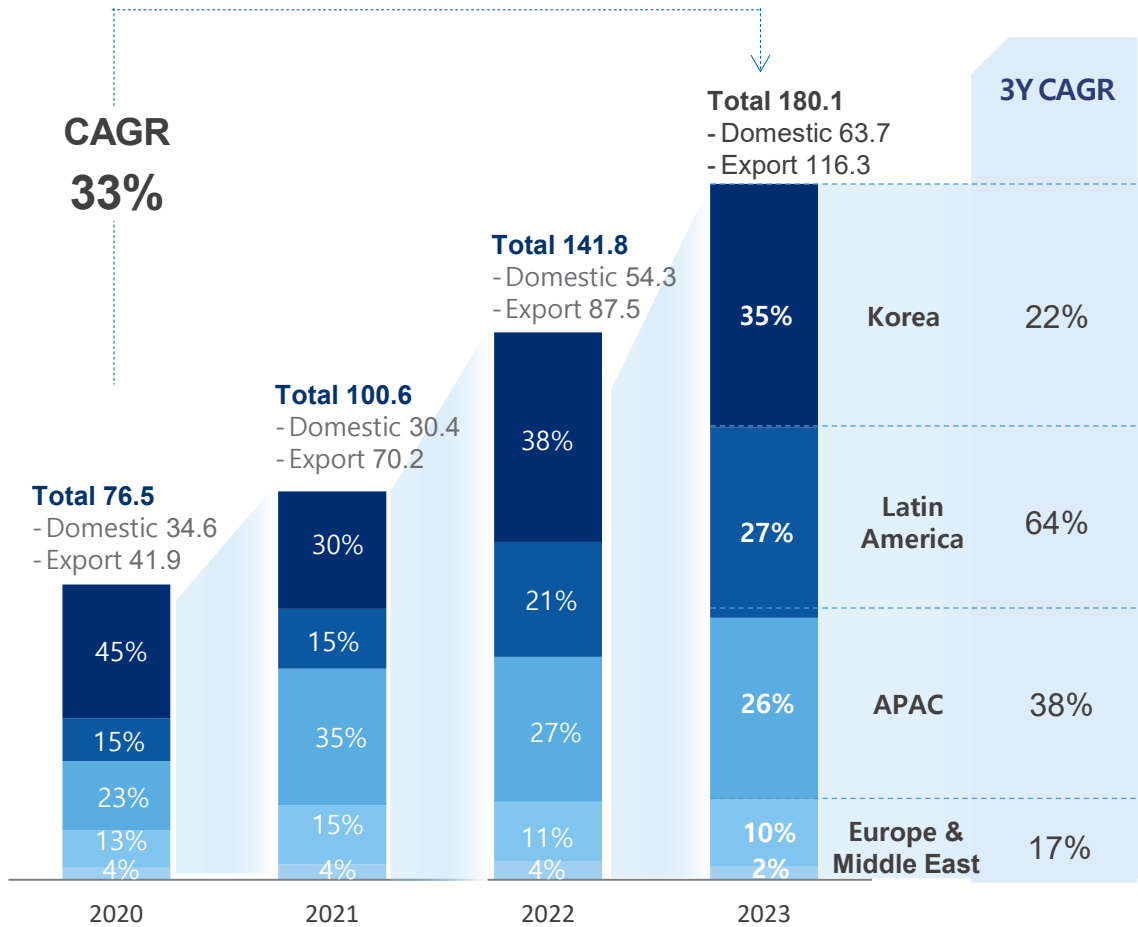
1. HIFU (High Intensity Focused Ultrasound);
2. RF (Radio Frequency)

* As of 2023

4. Market Portfolio

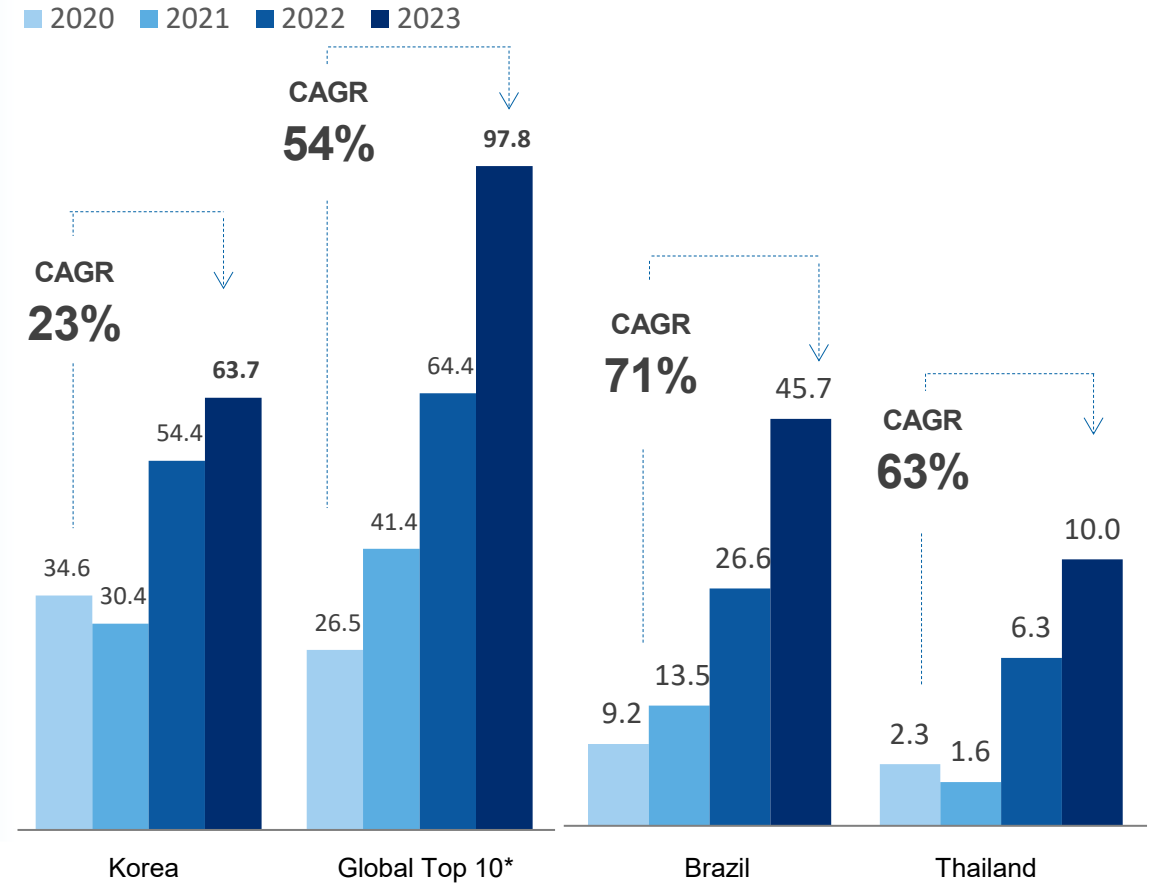
Sales by Region

(Unit: KRW Billion)



Sales by Country

(Unit: KRW Billion)



* Brazil, Thailand, CIS, Japan, HongKong, Australia, Taiwan, Indonesia, Spain, Mexico

Business Highlights



Cluederm

shurink[®] / SKEDERM

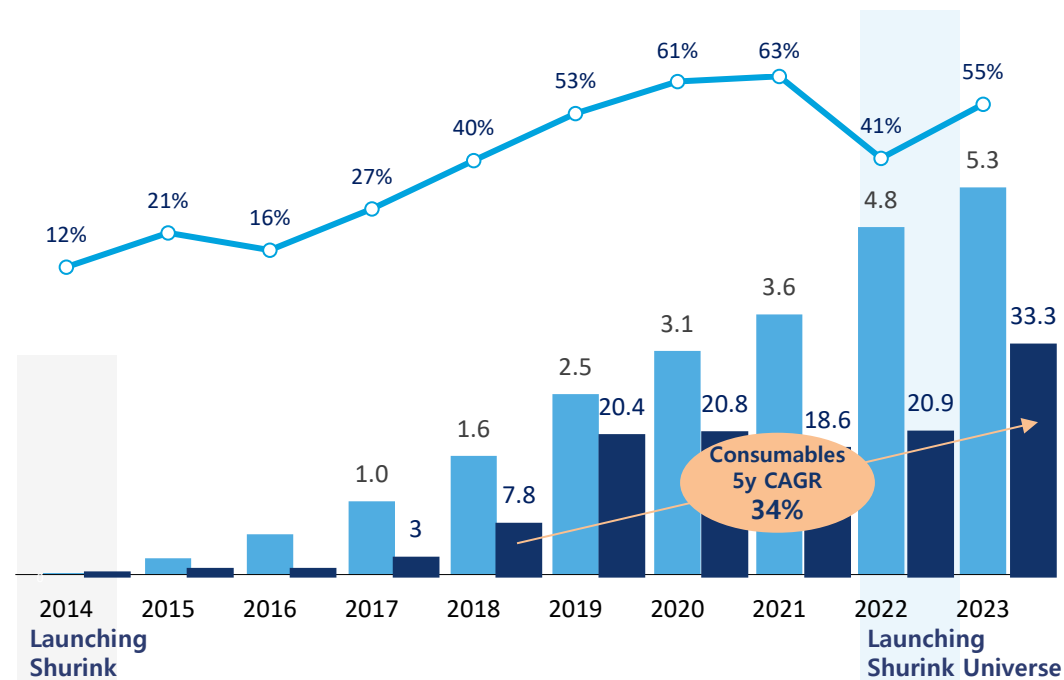
1. Increased Installed Base and Consumable Sales
2. Unrivalled HIFU Domestic Market Share
3. Strong Global Presence in Major Countries
4. Accelerated Sales of Volnewmer, Monopolar RF

1. Increased Installed Base and Consumable Sales

Accelerate growth by scaling up domestic Ultraformer III(Shurink) success to the global market

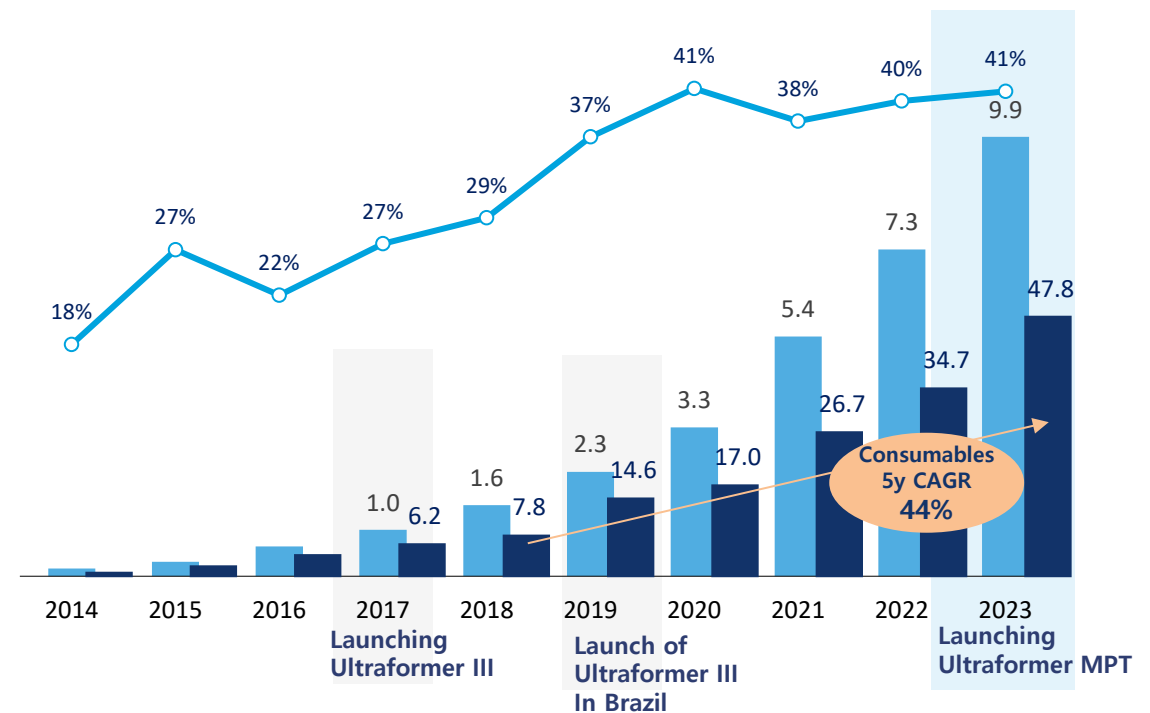
Domestic Installed Base and Consumable Sales

■ Installed Base
 ■ Consumables Sales
 ○ Consumables Share
 (Shurink & Shurink Universe) (1K units, KRW billion, %)



Global Installed Base and Consumable Sales

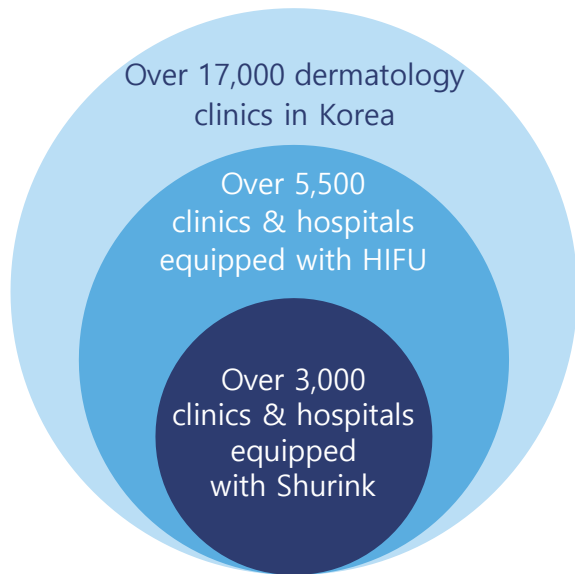
■ Installed Base
 ■ Consumables Sales
 ○ Consumables Share
 (Shurink & Shurink Universe) (1K units, KRW billion, %)



2. Unrivaled HIFU Domestic Market Share

Unrivaled No.1 in domestic HIFU market with 5,300+ installed base

55% M/S in Domestic HIFU Market



- Shurink Installed Base: 3,700+ units
- Shurink Universe Installed Base: 1,600+ units

• Shurink launched in 2014 and Shurink Universe in 2022

B2B Customers

+3,000 Shurink-equipped clinics in Korea

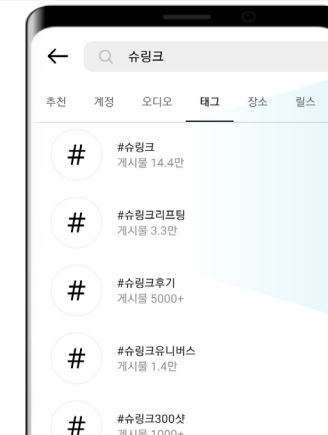
- **Over 90%** of 600 large-network clinics using Shurink
- **User-generated marketing content** promotion of the procedures (doctors' YouTube, blog.)
- **Most preferred device** by doctors when entering the medical aesthetics for the first time
- **A "must" platform** for aesthetics-specialized clinics such as dermatology and plastic surgery clinics



B2C Customers

Domestically 1.2M Shurink procedure cases per year(E)

- An overwhelming volume of **viral review postings** by end users
- **Digital buzz No.1** among medical aesthetics device brands (SNS, blog, beauty app.)
- **#Shurink over 146K vs.** #foreign brand A 99K, #local brand B 9K, #local brand C 6K

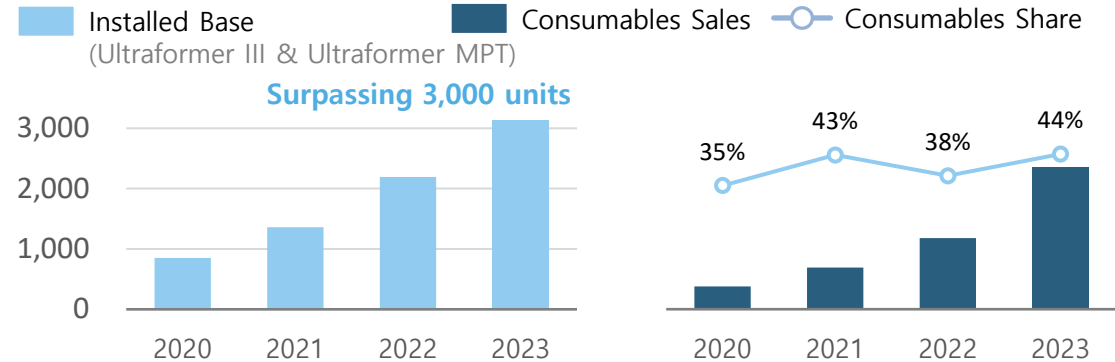


- #슈링크 146,000 posts
- #슈링크리프팅 33,000 posts
- #슈링크후기 9,678 posts

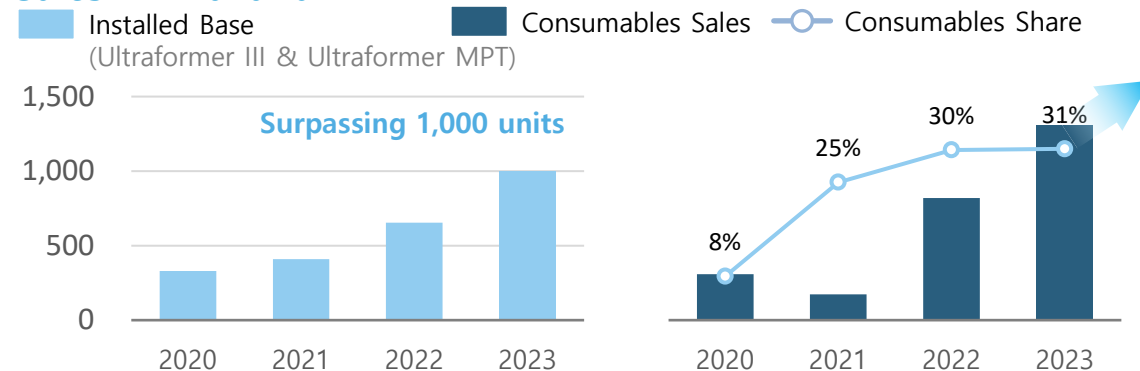
3. Strong Global Presence in Major Countries

Expand market and Consumable Sales with increased installed base in Brazil and Thailand

Sales in Brazil



Sales in Thailand



Two-track Approach



Ultraformer MPT

- Targets to secure the premium market position by being renowned as **the most reliable procedure**

Ultraformer III

- Target opening dermatologists, positioning as **the most accessible basic procedure** in private practice



Marketing Campaigns

B2B Marketing

- Trainings on platform and procedures for distributors and Assistance of Ultraformer-specialized clinical teams for doctors

- Evidence-based user meetings and product launch symposiums

B2C Marketing

- SNS promotion to raise Classys/Ultraformer brand awareness

Market with High Growth Potential

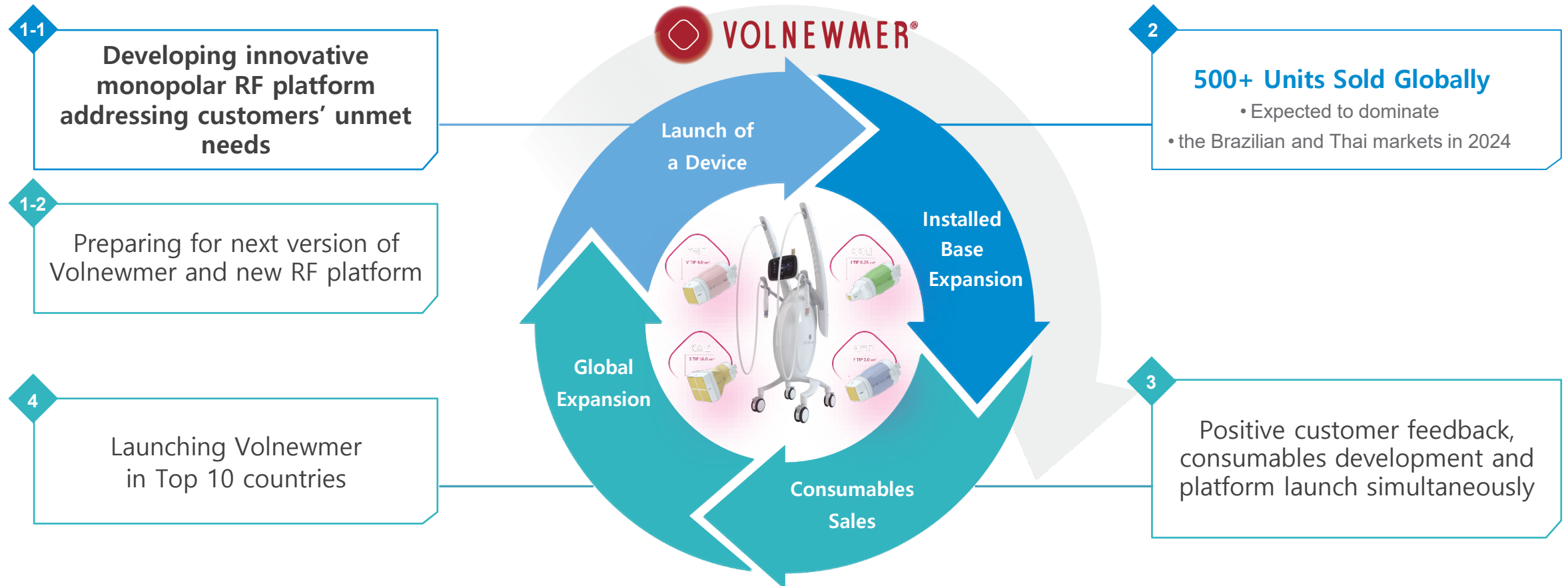
• **Unmatched market size** compared to the domestic market (# of clinics, doctors, and end users)

• **Increasing customer base** as more and more young and male patients use cosmetic products

• **Proactive Volformer marketing activities** after launching Volnewmer

4. Accelerate the Sales of Monopolar RF, Volnewmer

Creating a virtuous cycle of innovative new RF device, Volnewmer



Growth Strategy

CLASSYS

Cluederm

shurink[®] / SKEDERM

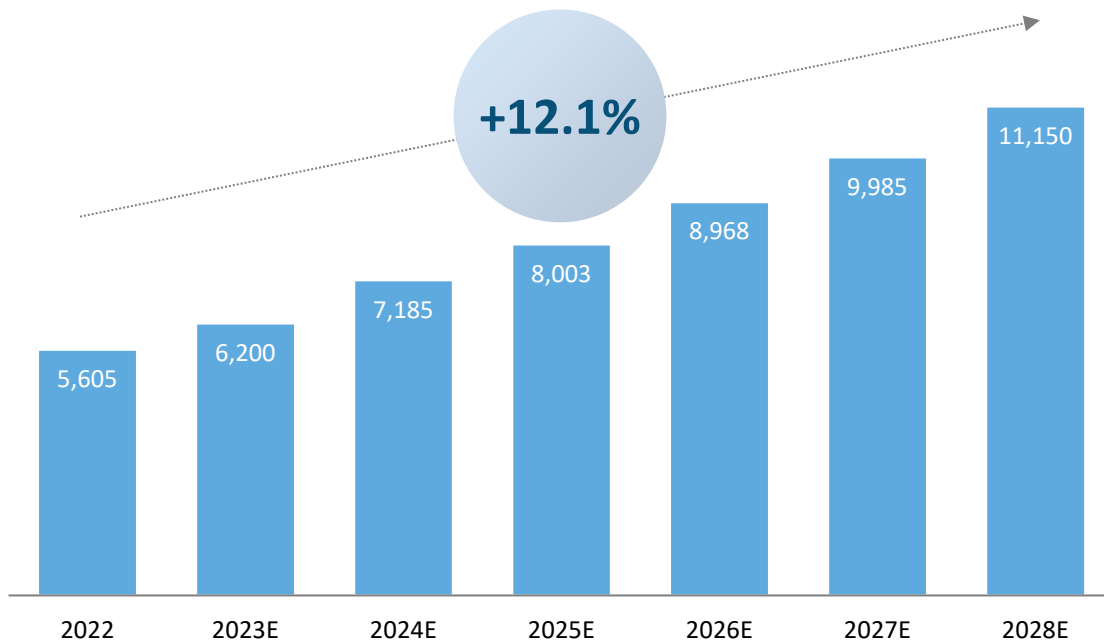
1. EBD, Growth Engine for Medical Aesthetic Market
2. Global Approval Expansion
3. Customized Tier-Up Strategy
4. Innovative Product Development
5. Specialized B2B & B2C Marketing
6. Quality / Production Advancement

1. EBD, Growth Engine for Medical Aesthetic Market

Accelerate trend of EBD procedures in daily life with Classys platforms

Global EBD Market Growth Outlook

(Unit: USD Million)

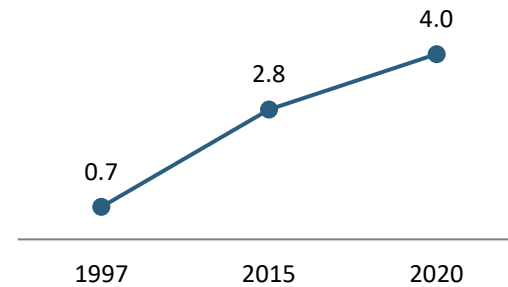


* EBD (Energy Based Device): a device for skin regeneration and rejuvenation using non-invasive energy stimulation

* Sources: ASAPS, Gallup Korea, Markets and markets, Mordor Intelligence

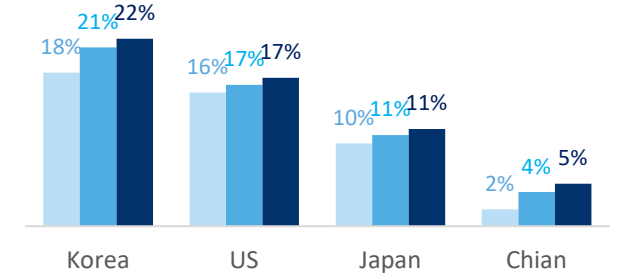
Annual Non-invasive aesthetics procedure in USA

(Unit: 1M cases)



Aesthetic medical procedure penetration rate

Legend: 2014 (light blue), 2019 (medium blue), 2022 (dark blue)



Acceptable

- **Aesthetic procedures in daily life occasions** such as job interviews and weddings.
- **Preference for non-invasive procedures (EBD)** to recover immediately and prevent scar formation

Accessible

- **High retention rate** as customers are satisfied with effectiveness
- **Becoming a universal self-grooming procedure as opposed to a luxurious treatment only for high income class**
- **Preference for affordable and accessible** aesthetic procedures

2. Global Approval Expansion

Ultraformer MPT/Volnewmer expanding into major markets (Europe, the US, China)

Global Expansion Roadmap



11,000+
Units Sold
Globally

Export to 70 countries
(approvals from 29 countries)

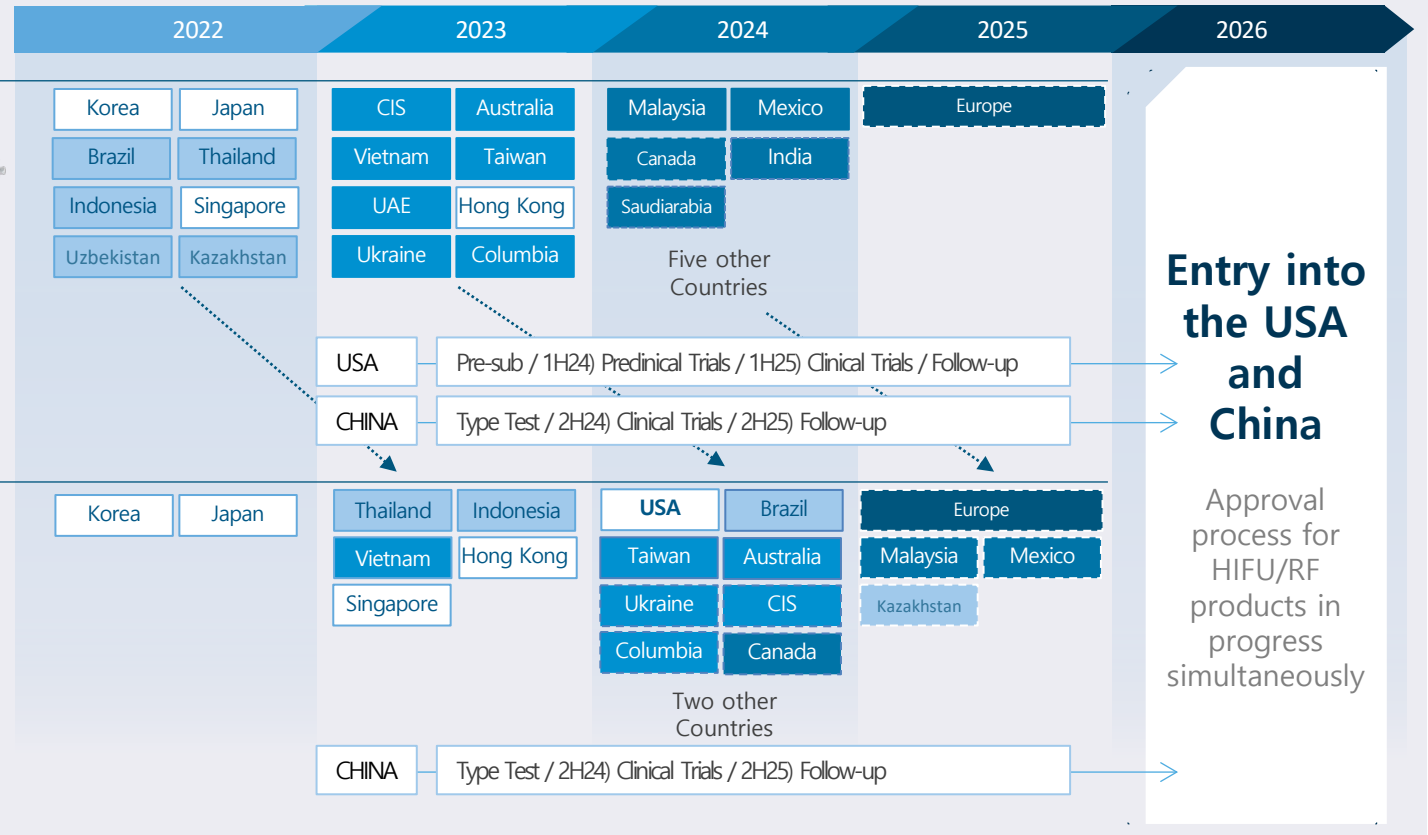
TOP 10 best-selling countries

- Brazil
- Australia
- Thailand
- Taiwan
- CIS
- Indonesia
- Japan
- Spain
- Hong Kong
- Mexico

Ultraformer MPT

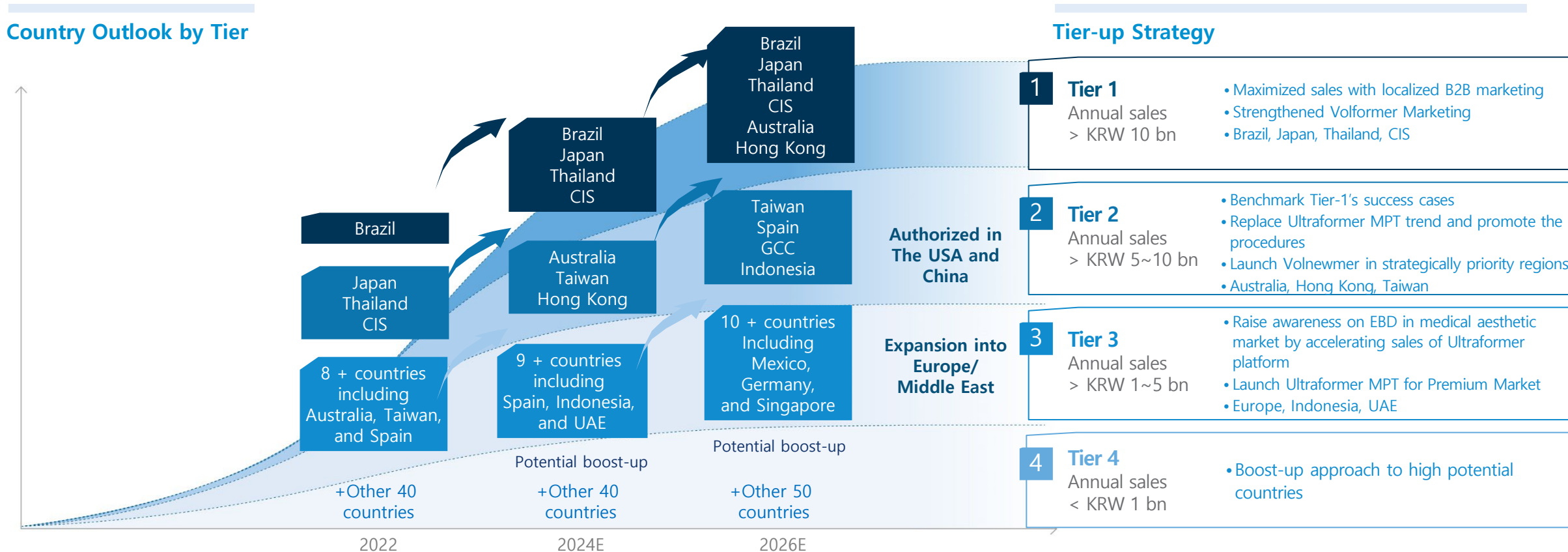


Volnewmer



3. Customized Tier-up Strategy

Proactively support key markets with customized Tier-up strategies

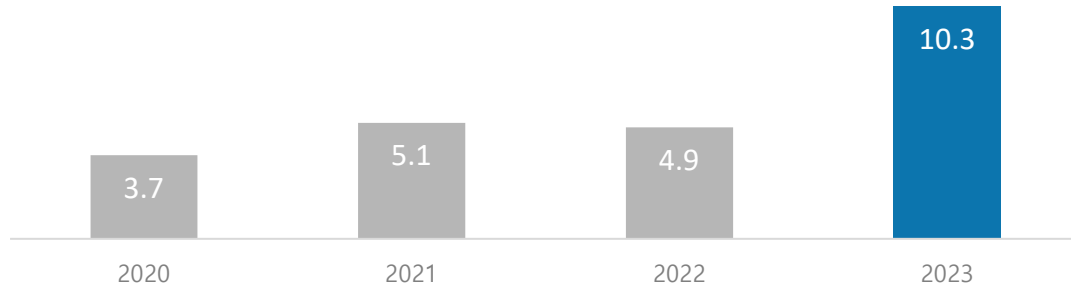


4. Innovative Technology Diversification

Drive innovative product development with differentiated R&D capability

R&D Expenses

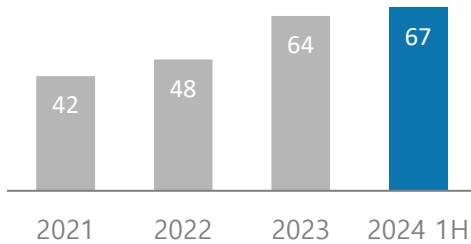
(unit : billion KRW)



* incl. capitalization of approval process cost in the US(Ultraformer) and China(Ultraformer, Volnewmer) *

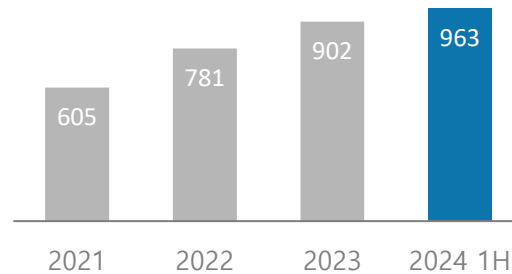
R&D Experts

(Unit: persons)



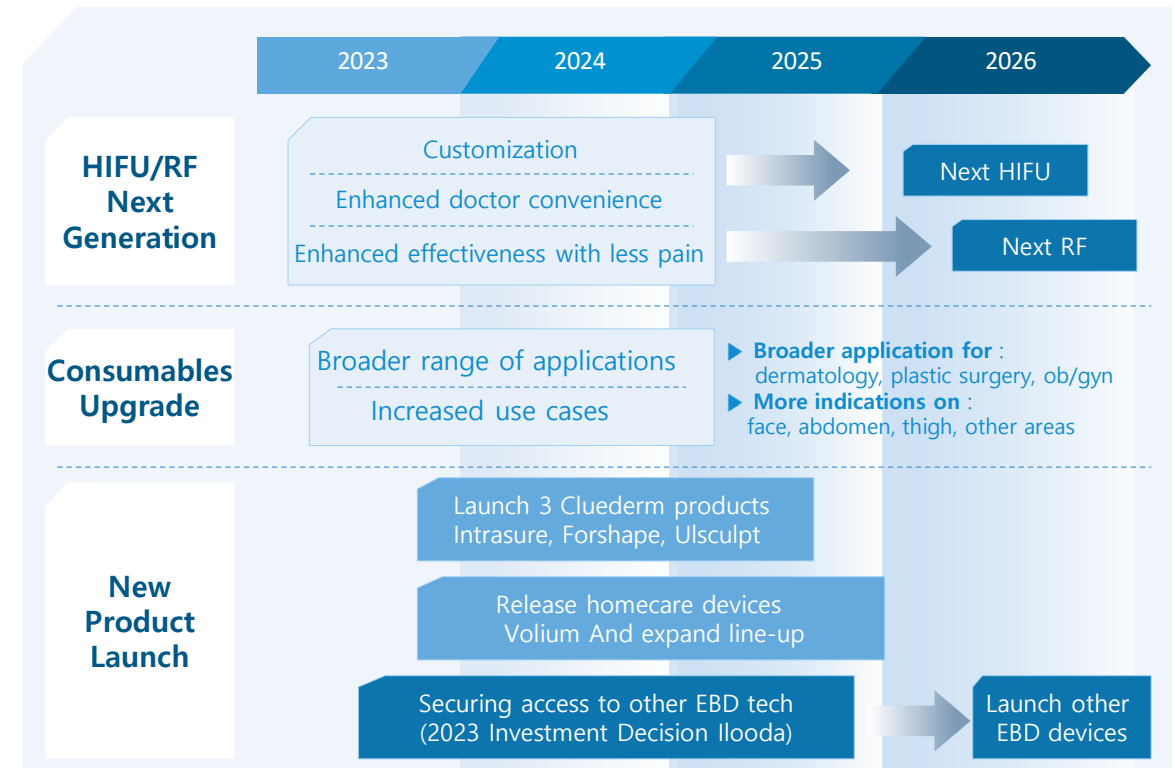
Number of IPs Registered

(Unit: Cases)



33% of management staff are part of the R&D division (as of the end of June 2024)

Segmented technology roadmap for entire spectrum of EBD



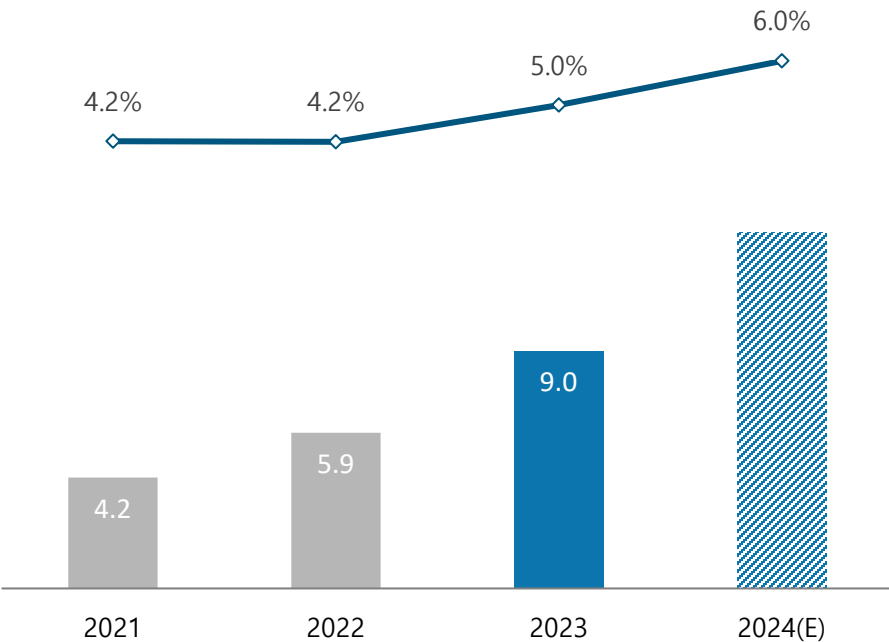
5. Specialized B2B & B2C Marketing

Marketing virtuous cycle process with experts and the public to maximize treatment of HIFU and RF

Marketing expense

(Unit: KRW billion)

■ Annual marketing expense ○ Marketing to Revenue Ratio



B2B Marketing : Various Face-to-Face Contact at home and abroad

Scientific Evidence

50 + incl. SCI(E) level

User meeting /Symposium

30+ times in 10+ countries

B2C Marketing : Powerful brand exposure by choosing popular celebrities

Ultraformer MPT

Ambassador Activities in Korea

Actress Minsi Go ('23.05~)

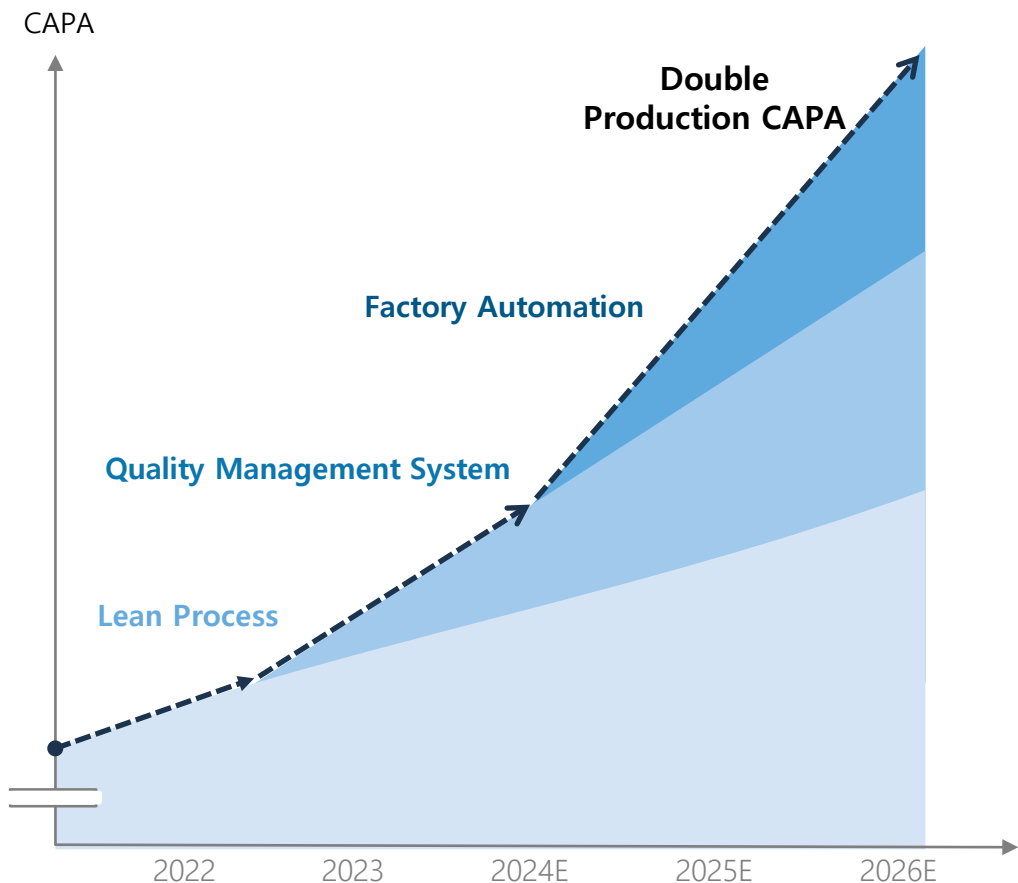
Vplnewmer

Ambassador Activities in Korea, Thailand

Actor Soohyun Kim ('24.06~)

6. Quality / Production Advancement

World-class production and quality through process/system innovation



Production Planning

- Demand forecasting-based production processes through **S&OP meetings** (Sales and Operations Plan)
- **On-time delivery and minimized inactive inventory** through accurate sales forecasting
- **Optimal inventory level** to minimize excess inventory and to meet the market demand



Production Efficiency

- **'Lean' production system & continuous-flow processes**
- Improved productivity through key indicator visualization
- **Automated robots** to improve labor-intensive processes (higher efficiency)



Quality Management

- Global quality competitiveness by improving QMS
- **P-FMEA** (Process-Failure Mode Effect Analysis) to reduce defects in manufacturing processes and minimize quality issues
- **Corrective Action/Preventive Action activities** to address quality non-conformances

• S&OP: Sales and Operations Plan, P-FMEA: Process-Failure Mode Effect Analysis

Merger Highlights



Cluederm

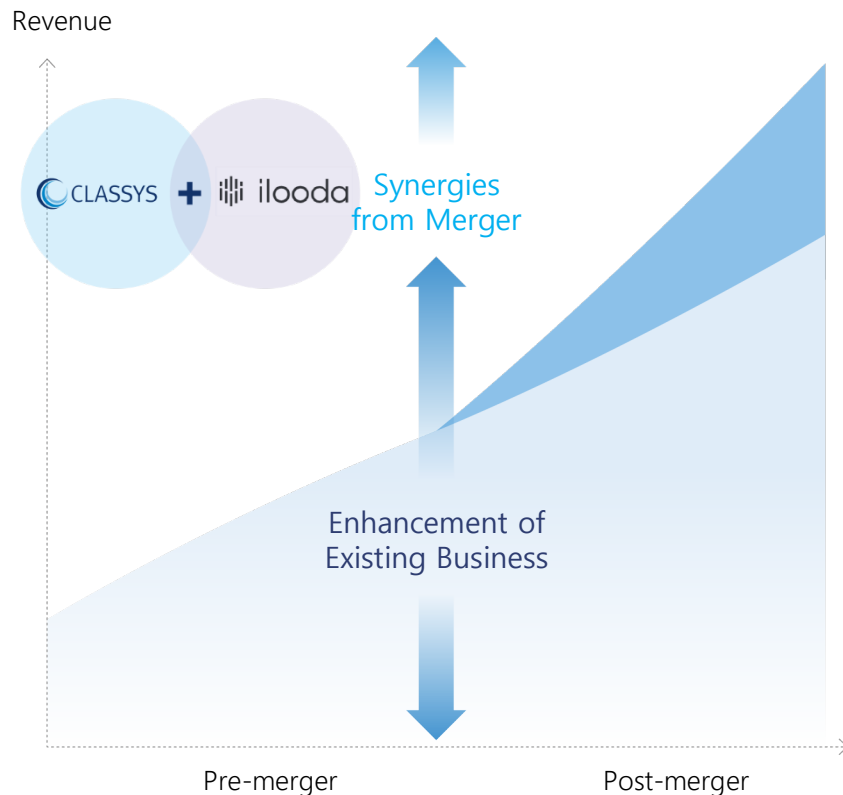
shurink[®] / SKEDERM

1. Strategic Rationale & Shareholder Value Creation
2. Post-Merger Vision & Goal (2030)

1. Strategic Rationale & Shareholder Value Creation

Create synergy effect in sales/marketing/cost and develop innovative platforms by converging technologies of Classys and Ilooda

Expected Areas of Shareholder Value Creation



Area of Contribution

Revenue	EBITDA
---------	--------

- | | | | |
|---|---|----|---|
| 1 | Unparalleled competitiveness across all EBD technologies <ul style="list-style-type: none"> Launch next-generation blockbuster platform based on MNRF technology, following prior successes in HIFU and MRF platforms* Accelerate development of innovative platform and special cartridges/tips by converging R&D capabilities | ✓✓ | ✓ |
| 2 | Strong market dominance by leading the trend of combined procedures <ul style="list-style-type: none"> Develop combined treatment protocols by converging Classys and Ilooda's portfolios for diversified indications across skin layers Deliver optimal efficacy and enhance market leadership through bundle sales of complementary products | ✓ | ✓ |
| 3 | Accelerated penetration of global markets <ul style="list-style-type: none"> Optimize global distributor network with complementary sales channels Enhance marketing efficiency by integrating global KOL networks and B2B & B2C marketing capabilities | ✓✓ | ✓ |
| 4 | Upgraded quality management and cost competitiveness <ul style="list-style-type: none"> Integrate Classys' world-class quality/production management system Strengthen cost competitiveness through upgraded management and economies of scale | ✓ | ✓ |

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

2. 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 Goal →



<p>1</p> <p>Expand Suite of Blockbuster Platforms</p> <hr/> <p>Increase number of blockbuster platforms from 1 to 5</p>	<p>2</p> <p>Grow Number of Procedures per Platform</p> <hr/> <p>Drive >5% annual growth in the number of procedures per platform in global markets</p>	<p>3</p> <p>Establish market leadership early in major markets</p> <hr/> <p>Achieve #1 installed base in US & China lifting and tightening markets</p>	<p>4</p> <p>Optimize global distribution network</p> <hr/> <p>Identify key strategic markets and establish direct GTM (5+ countries)</p>	<p>5</p> <p>Deliver industry leading cost competitiveness</p> <hr/> <p>Realize cost efficiencies across platform devices and cartridges/tips (~20% cost reduction)</p>
---	---	--	--	--



CLASSYS, 208, Teheran-ro Gangnam-gu, Seoul,
Republic of Korea #06220

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

email: ir@classys.com