

IR BOOK(Overview)

THE INVESTOR RELATIONS OF CLASSYS 2024

07 Nov 2024

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Basic Understanding of Classys



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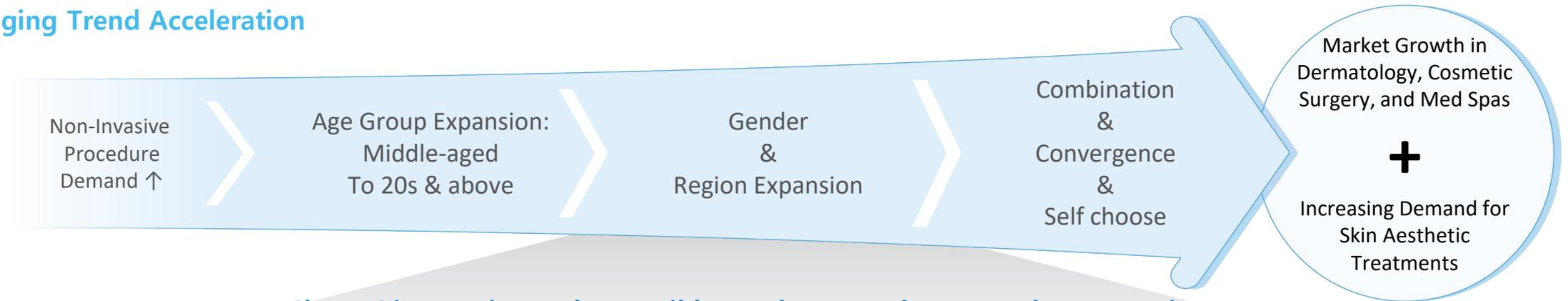
shurink[®] / SKEDERM

1. Unique Value Proposition
2. Main Product_Ultraformer MPT
3. Main Product_Volnewmer

1. Unique Value Proposition

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

Unmet needs



Pain points



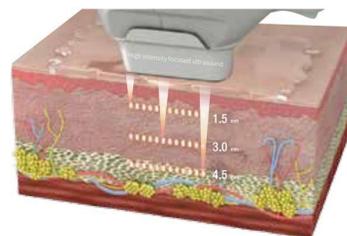
ULTRAFORMERMPT



2. 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

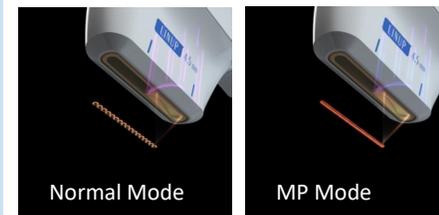
3 pen-type cartridges exclusive for ULTRA BOOSTER handpieces



DERMA 1.5mm CELUP 3.0mm LINUP 4.5mm

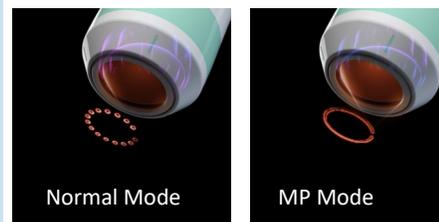
Cartridge tips can easily follow skin curves, enabling delicate procedures

MP & Normal (Dot)



Normal Mode

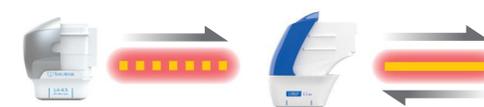
MP Mode



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.



Normal mode
Ultraformer III

About 4~5 min.
MP mode
Ultraformer MPT



6.78MHz Monopolar RF

VOLNEWMER®

3. 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

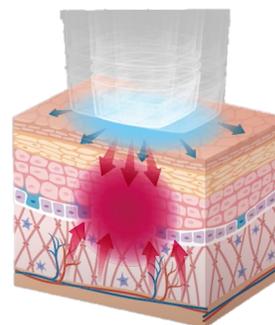
4 tips of different sizes

Four different tip shapes applicable according to the target area



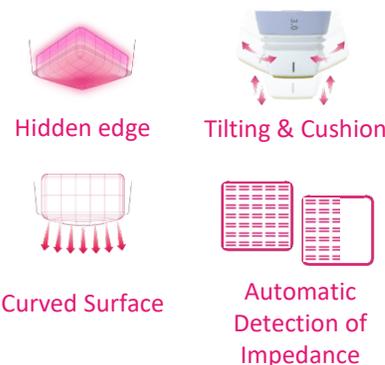
Continuous Water Cooling

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



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

1. Key Figures

* As of 2023

Sales Growth

5Y CAGR **31%**

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

Overseas Sales

65% (as of 2023)

Export to 70 countries /
Secured approvals in 29 countries

Consumables Sales Growth

5Y CAGR **39%**

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

Global Installed Base / annual cases of procedures

Over **15K** units
4M cases

* Based on Global Ultraformer Series

EBITDA Growth

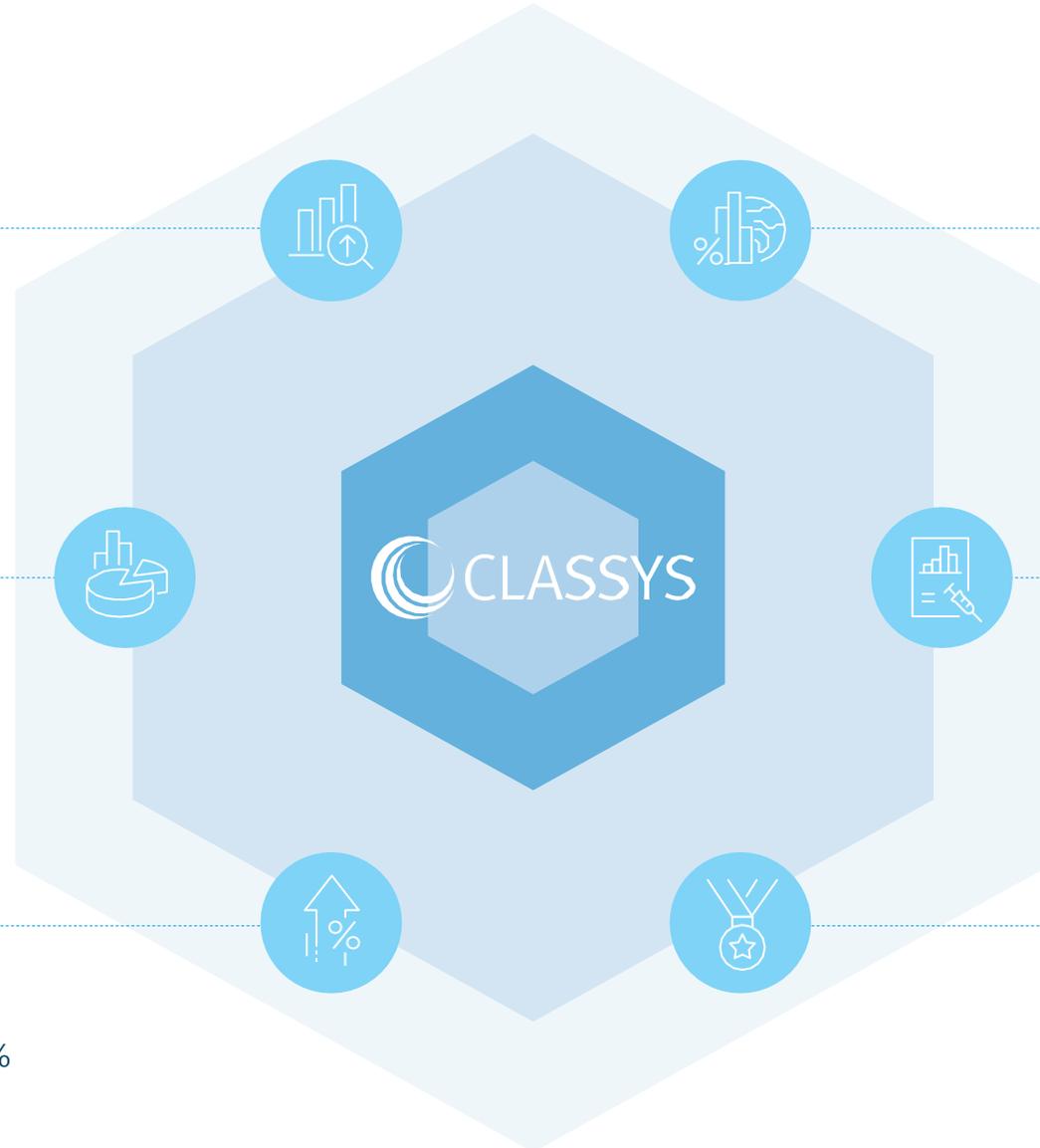
5Y CAGR **39%**

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

Valuation

Market cap
KRW 3+ tril

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



* 5Y = 2018~2023

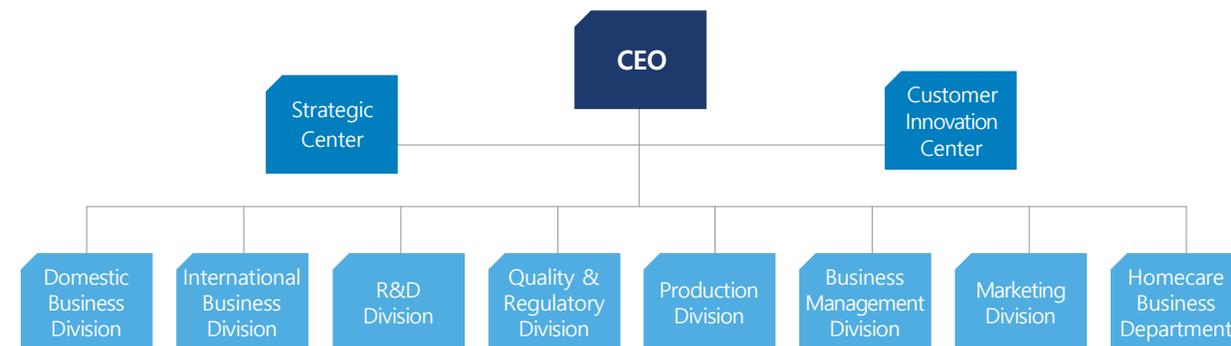
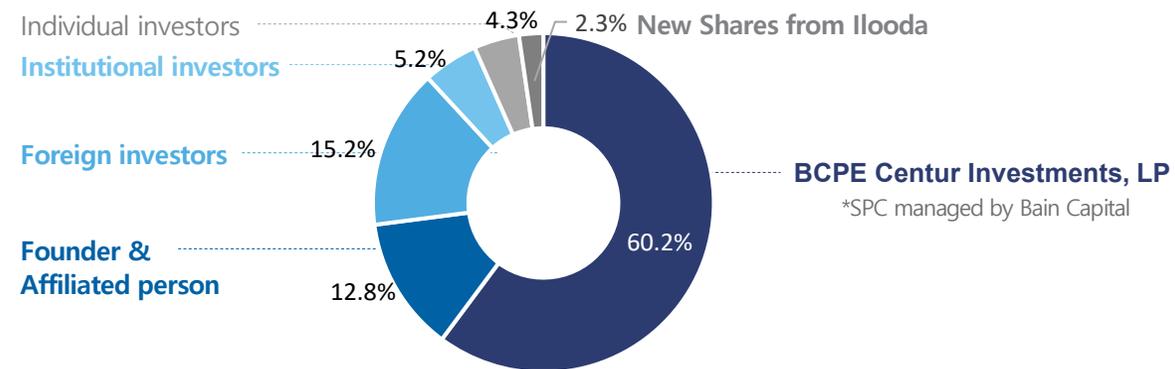
2. Corporate Information

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

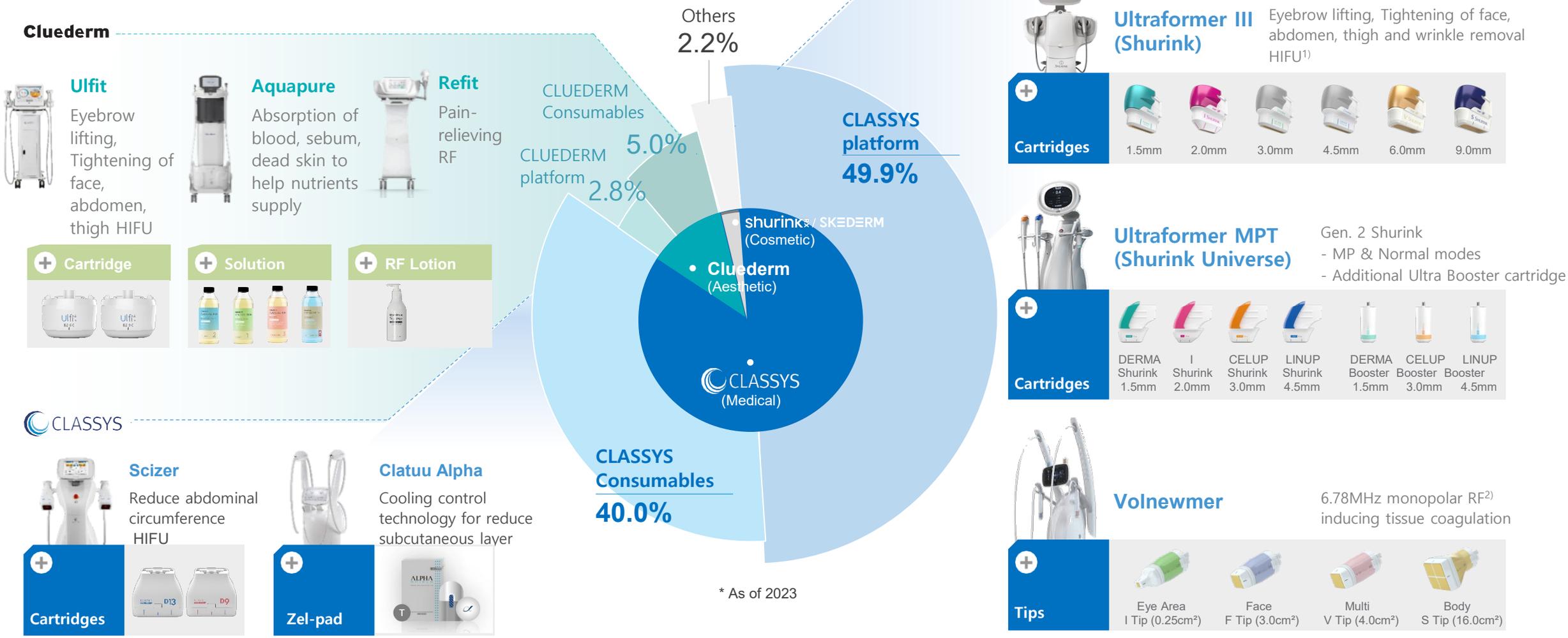
Company name	CLASSYS Inc.
CEO	Baek, Seung-han
Date incorporated	10 January 2007
Date listed	28 December 2017
Equity capital	KRW 6,477 M (as of the end of June 2024)
Headcount	420 persons (as of the end of September 2024)
Business area	Manufacturing of medical aesthetics devices & distribution of cosmetics
Brands	CLASSYS Cluederm shurink / SKEDERM
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 10th July 2024
- As of October 2024, 1,506,140 new shares issued post-merger, totaling 65,505,659 shares outstanding.

3. Product Portfolio_Classys

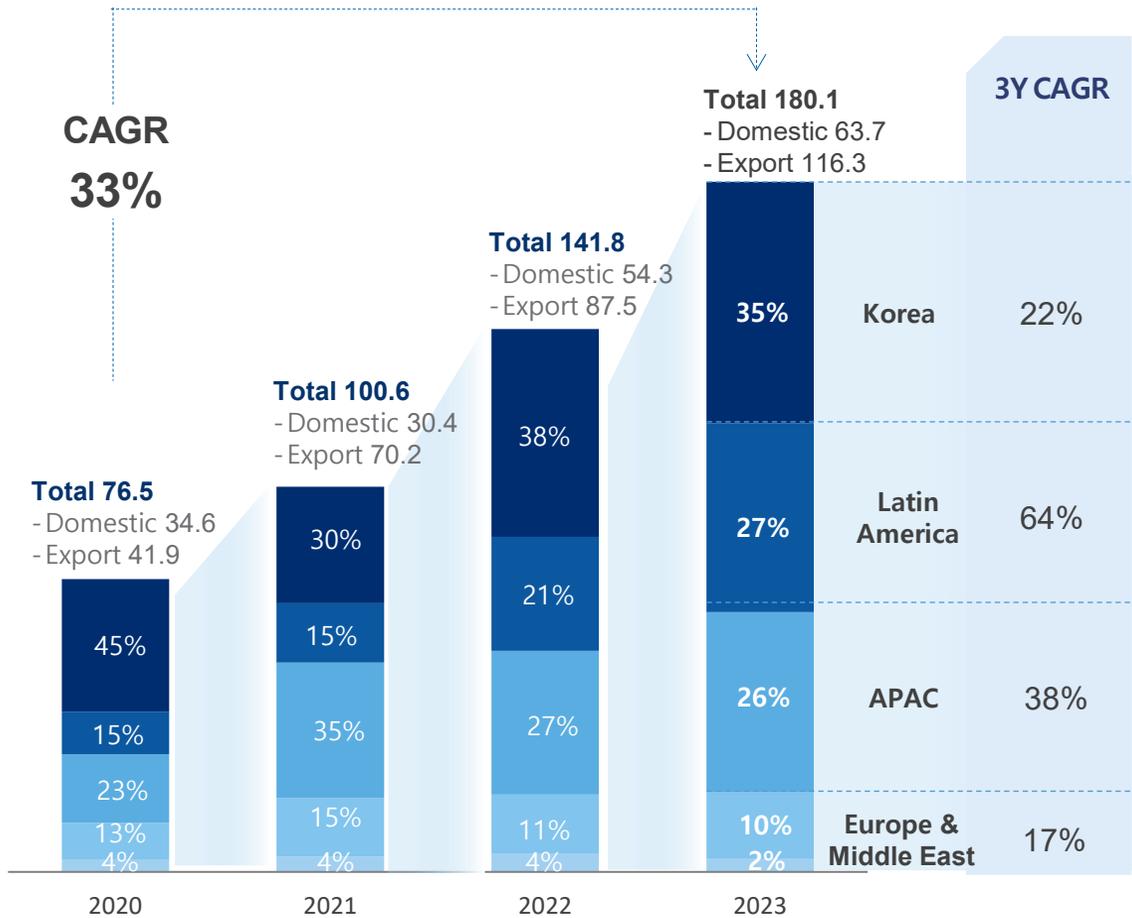


1. HIFU (High Intensity Focused Ultrasound):
 2. RF (Radio Frequency)

4. Market Portfolio

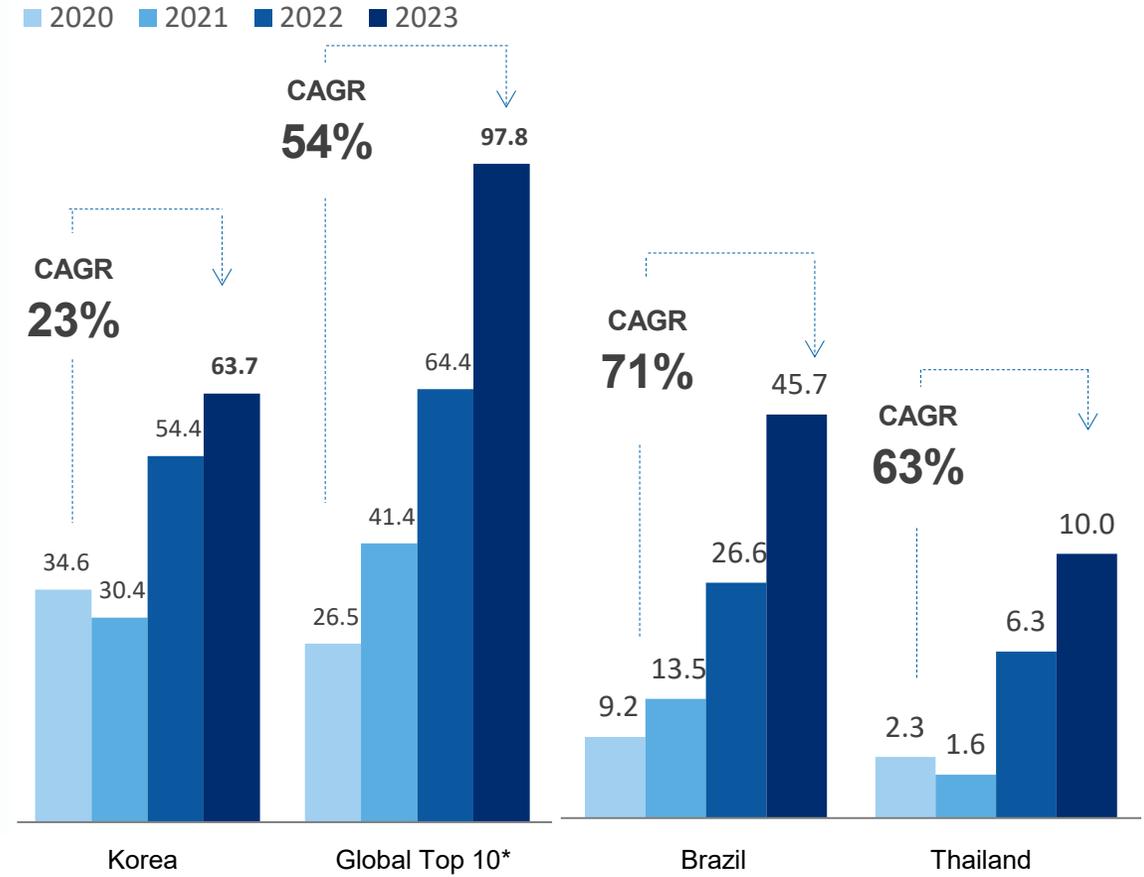
Sales by Region

(Unit: KRW Billion)



Sales by Country

(Unit: KRW Billion)



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

Business Highlights



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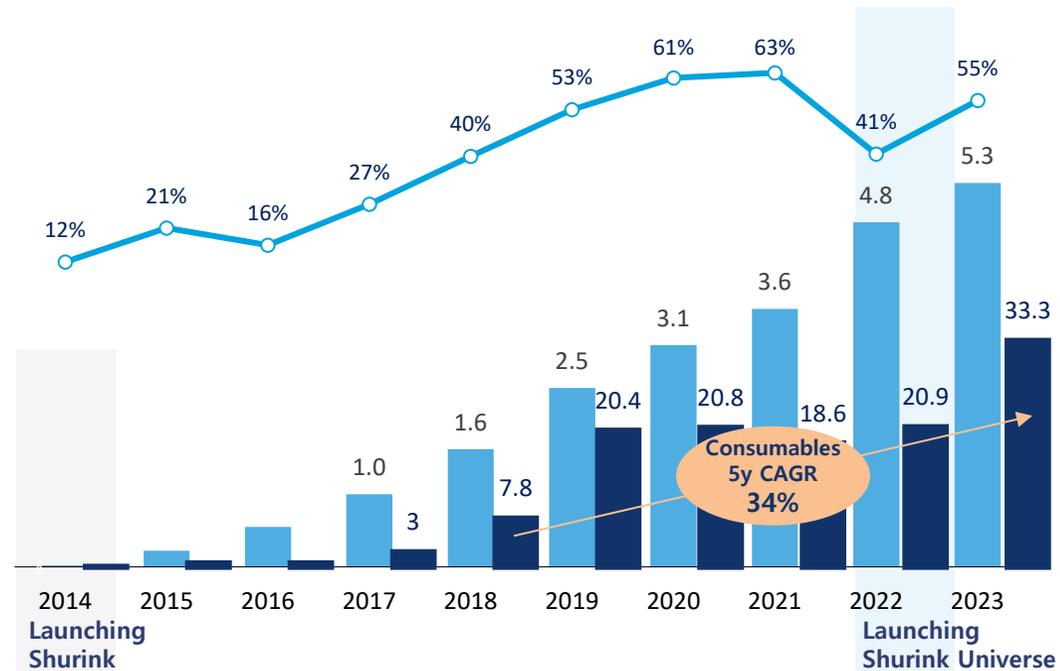
1. Increased Installed Base and Consumable Sales
2. Unrivalled HIFU Domestic Market Share
3. Strong Global Presence in Major Countries
4. Accelerated Sales of Volnewmer, Monopolar RF

1. Increased Installed Base and Consumable Sales

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

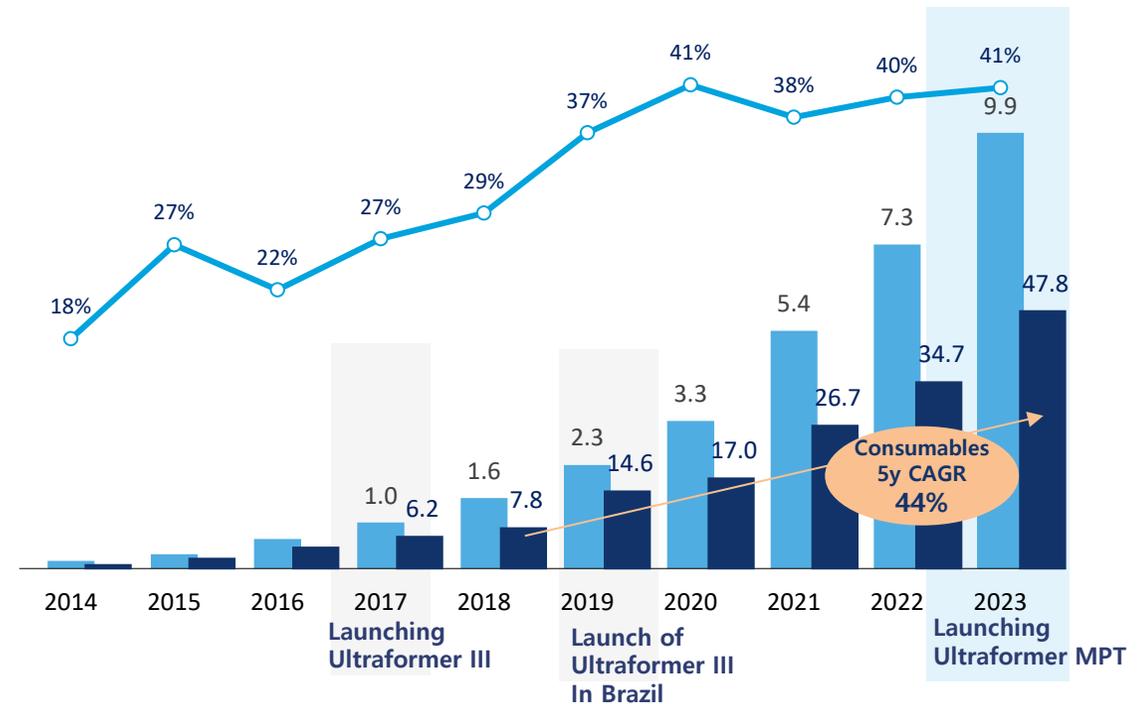
Domestic Installed Base and Consumable Sales

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



Global Installed Base and Consumable Sales

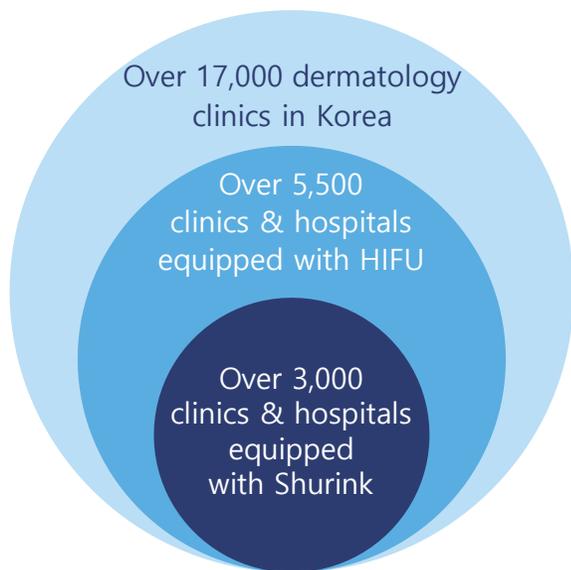
■ Installed Base
 ■ Consumables Sales
 ○ Consumables Share
 (Shurink & Shurink Universe) (1K units, KRW Billion, %)



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

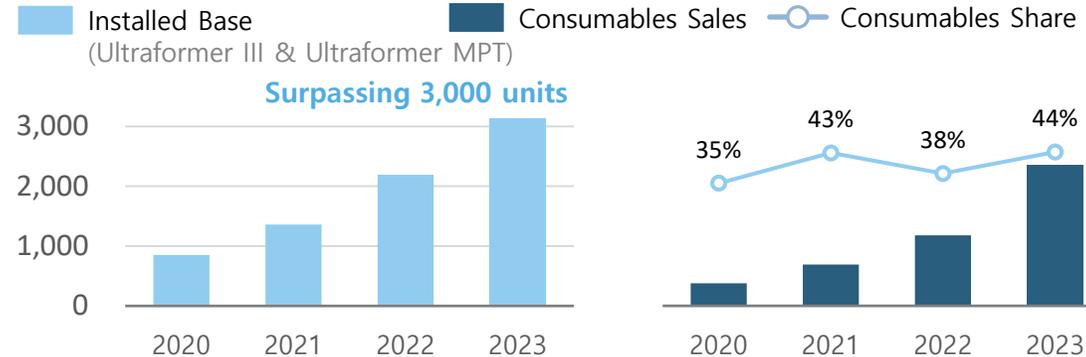


- #슈링크 146,000 posts
- #슈링크리프팅 33,000 posts
- #슈링크후기 9,678 posts

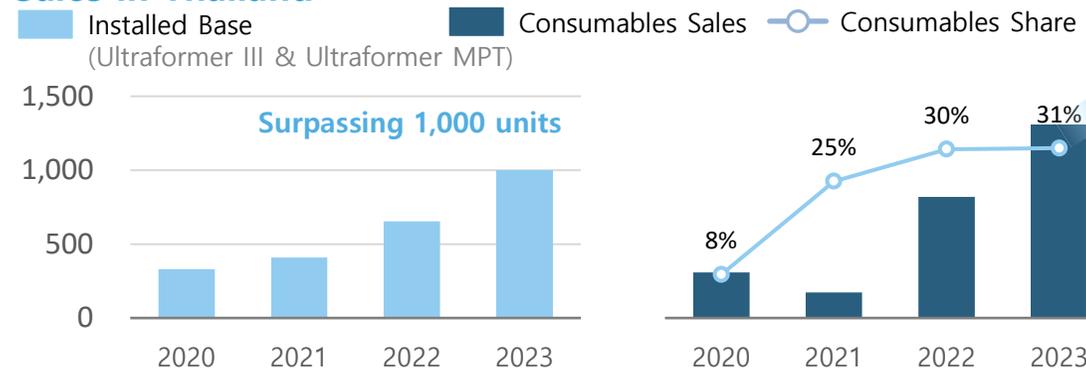
3. Strong Global Presence in Major Countries

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

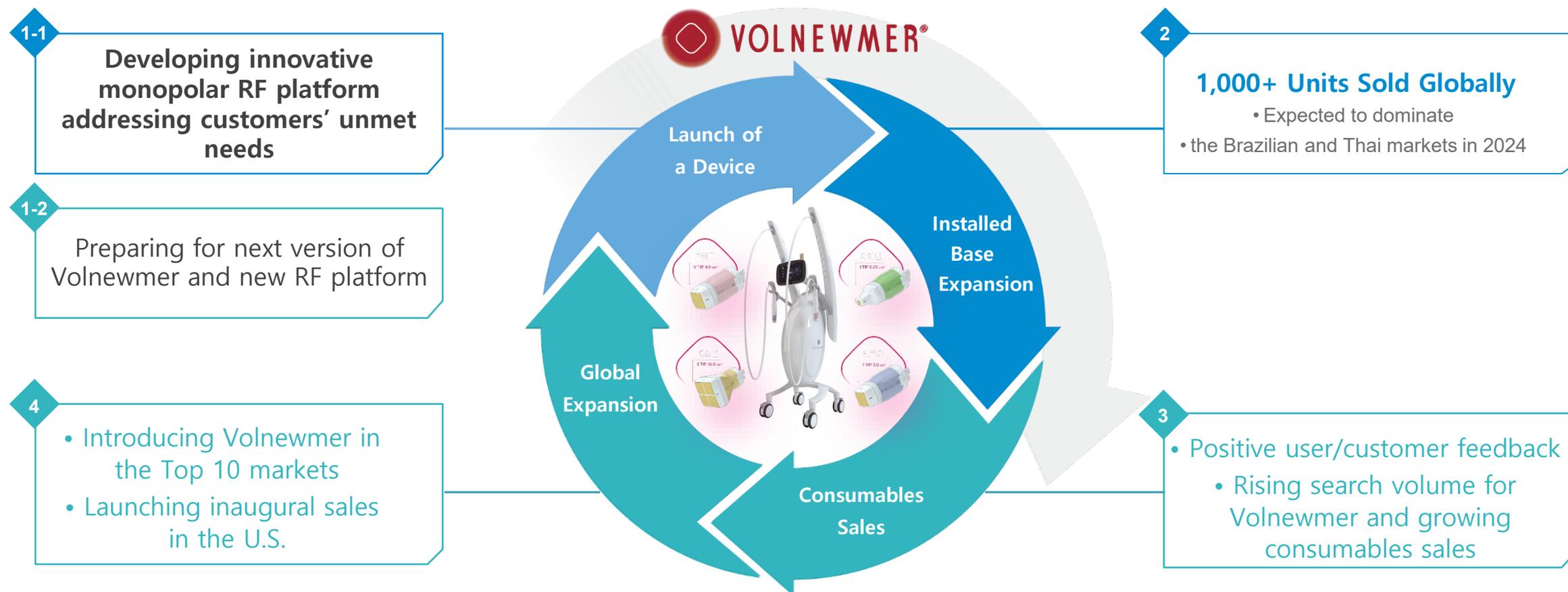
• **Unmatched market size** compared to the domestic market (# of clinics, doctors, and end users)

• **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



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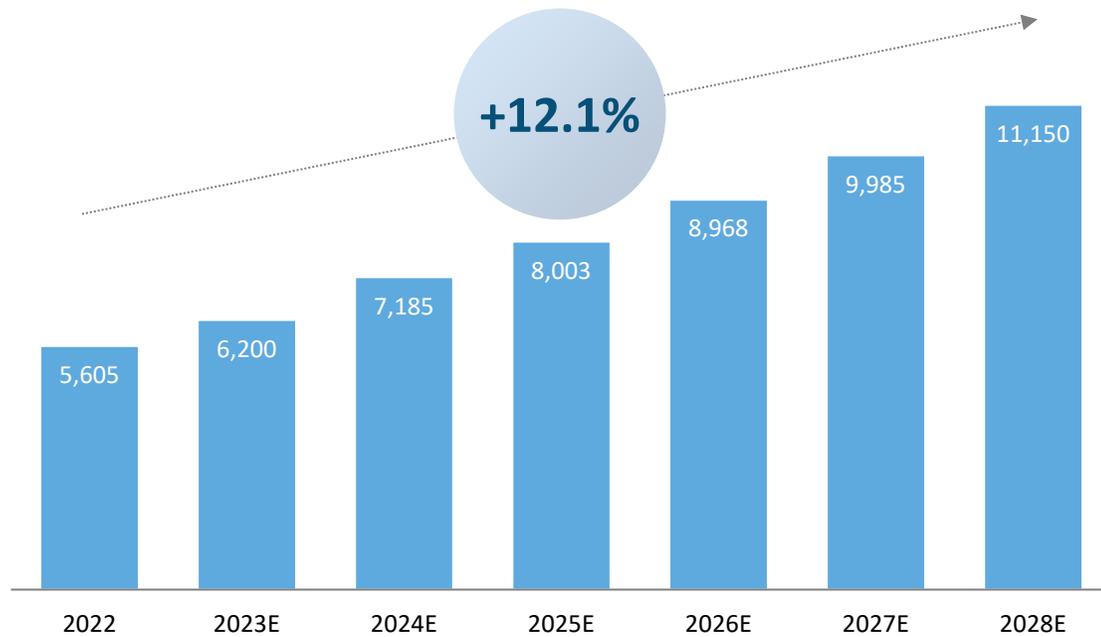
1. EBD, Growth Engine for Medical Aesthetic Market
2. Global Approval Expansion
3. Customized Tier-Up Strategy
4. Innovative Product Development
5. Specialized B2B & B2C Marketing
6. Quality / Production Advancement

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)

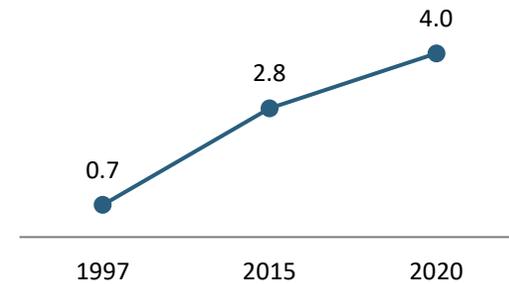


* EBD (Energy Based Device): a device for skin regeneration and rejuvenation using non-invasive energy stimulation

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

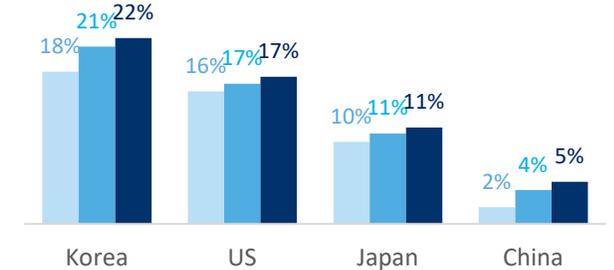
Annual Non-invasive aesthetics procedure in USA

(Unit: 1M cases)



Aesthetic medical procedure penetration rate

■ 2014 ■ 2019 ■ 2022



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



Ultraformer III

11,000+
Units Sold
Globally

Export to 70 countries
(approvals from 29 countries)

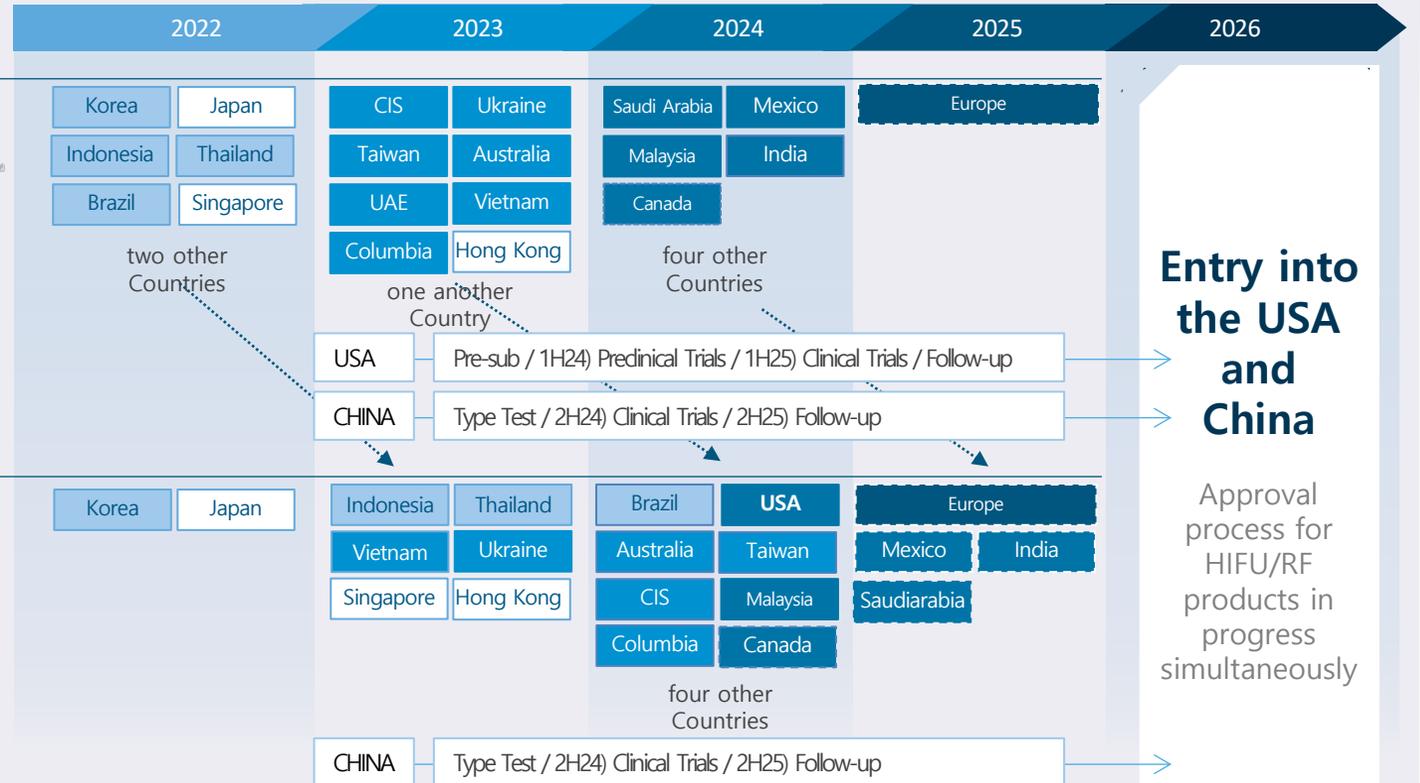
TOP 10 best-selling countries

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

Ultraformer MPT

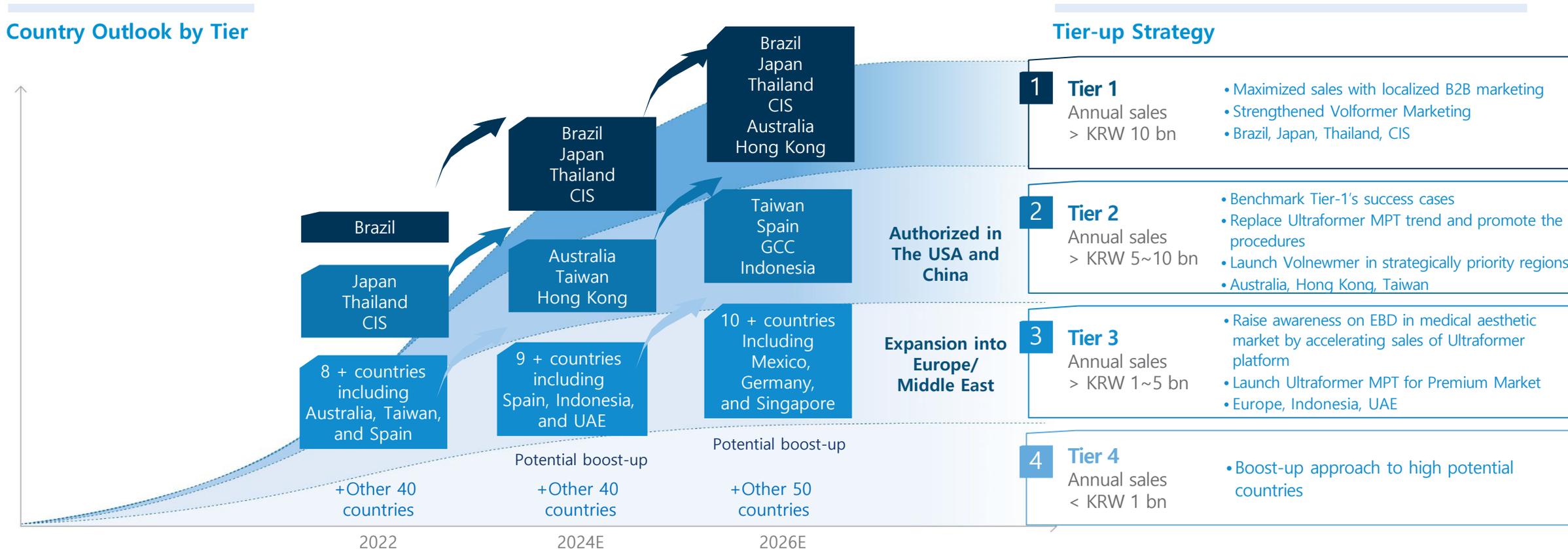


Volnewmer



3. Customized Tier-up Strategy

Proactively support key markets with customized Tier-up strategies

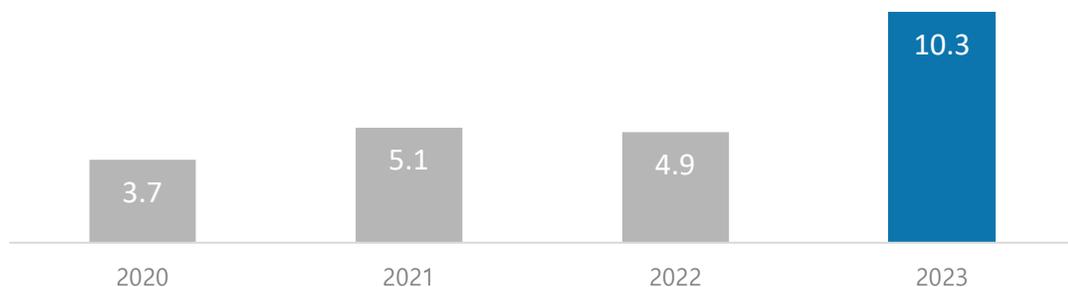


4. Innovative Technology Diversification

Drive innovative product development with differentiated R&D capability

R&D Expenses

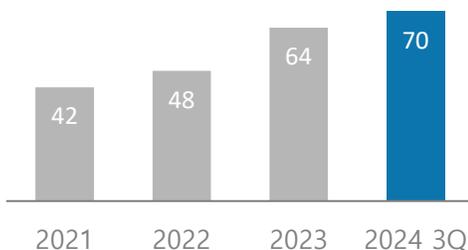
(unit : KRW Billion)



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

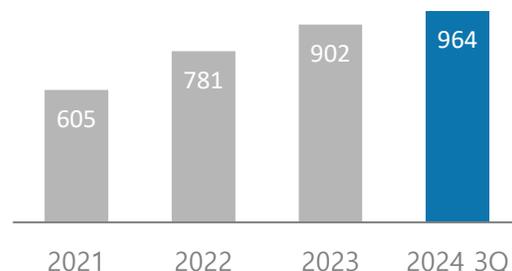
R&D Experts

(Unit: Persons)



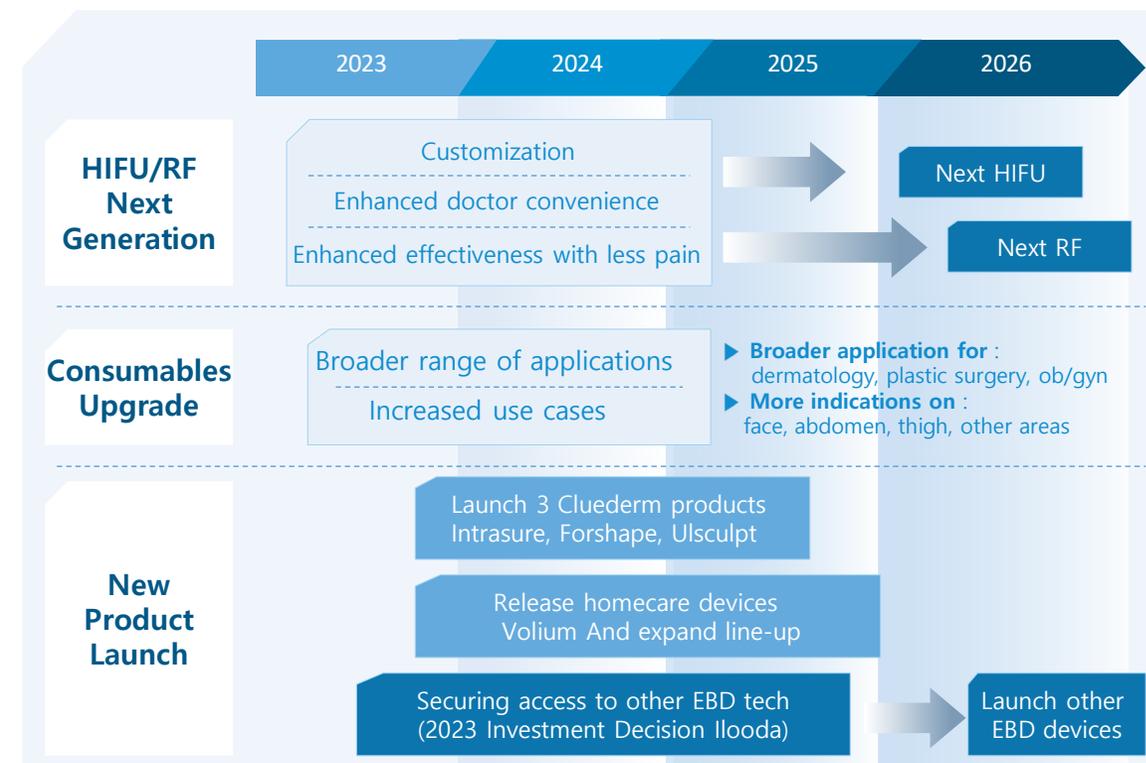
Number of IPs Registered

(Unit: Cases)



* 24% of management staff are part of the R&D division (as of the end of September 2024)

Segmented technology roadmap for entire spectrum of EBD



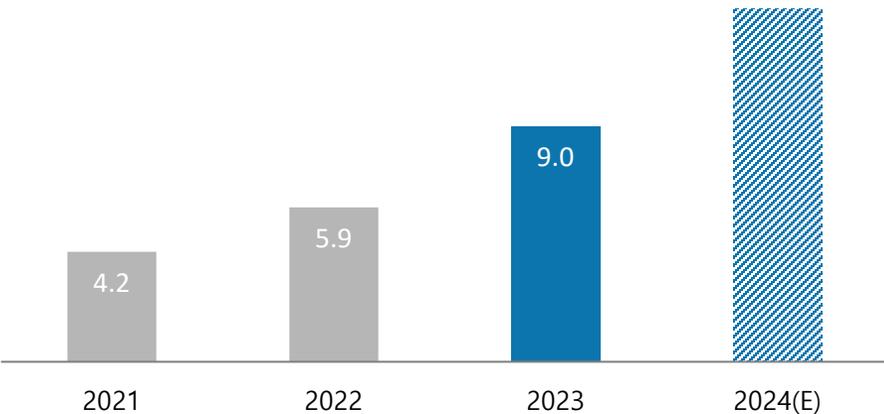
5. Specialized B2B & B2C Marketing

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~)

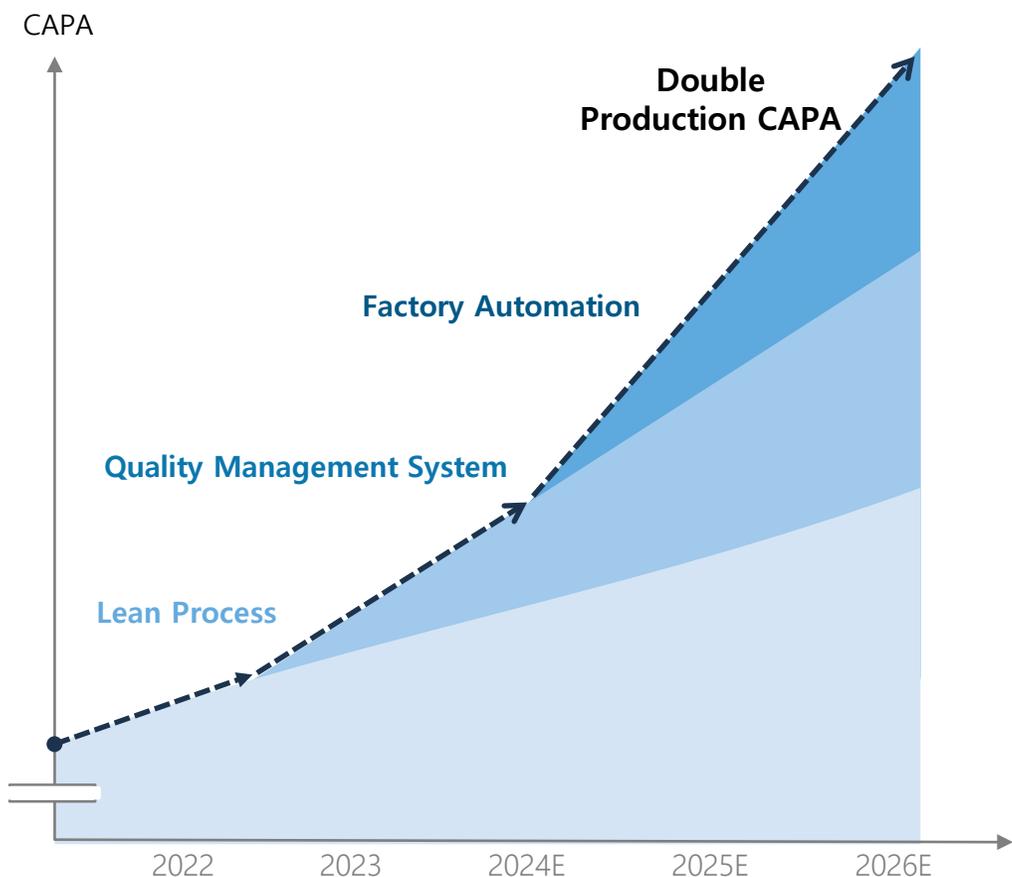
Volnewmer

Ambassador Activities in Korea, Thailand

Actor Soohyun Kim ('24.06~)

6. Quality / Production Advancement

World-class production and quality through process/system innovation



- 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



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



- 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



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1. 2030 Vision
2. Main Product_Secret
3. Main Product_reepot
4. Ilooda Growth Strategy

1. 2030 Vision

Mission →



To pioneer natural beauty accessible to all 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 →



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** installed base in US & China lifting and tightening markets

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)



2. Secret | MNRF

* MNRF (Microneedle Radiofrequency): Tissue coagulation and incision using high-frequency current

Mechanism of Action



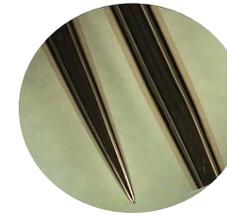
Feature

Needles Available in Options



Gold Plating Stepping motor

SECRET RF



- Gold-plated surface secures safe delivery of high energy
- Reduces pain and bleeding by minimizing unnecessary tissue damage during penetration

Launch of Combination Platforms



secret PRO

- CO2 Fractional Laser & Needle RF System



secret DUO

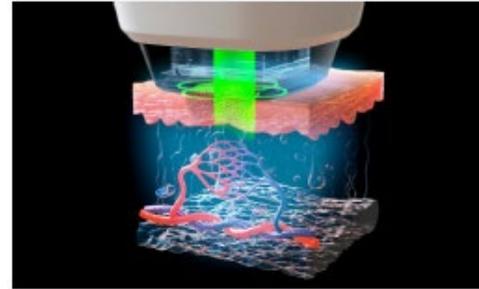
- 1540nm Erbium Laser & Needle RF delivers



3. reepot | Laser

*Laser Surgical Tool: A laser surgical tool using Nd:Yag for the purpose of tissue incision, destruction, and removal

Mechanism of Action



After targeting pigmented areas, it induces vasoconstriction, minimizing blood flow to the areas

Automatically identifying the shape and location of targets to determine the treatment areas

Delivering high energy precisely and quickly while minimizing side effects on healthy tissues

Feature

Consumables



TIP & Coupling Fluid

- Usable for 30 minutes after laser exposure, this tip protects the handpiece and sapphire lens, durability ↑.
- The coupling fluid prevents frost formation on the sapphire glass surface and ensures close contact between the skin and the laser application area, accuracy ↑

CPTL (CryoPhoto-ThermoLysis)



CPTL CryoPhoto-ThermoLysis

- Powerful cooling temporarily reduces blood flow to the skin to near zero, expediting vasoconstriction within 1-2 seconds
- This plays a crucial role in effectively implementing VSLS (Vasculature Salvage Laser Surgery), protecting the skin surface and helping to reduce pain.

AutoDerm (Targeting Algorithm)



AutoDerm

- Quickly identifies the shape and location of targets in real-time, determining the optimal treatment area and displaying the energy delivery range on the handpiece display.
- Delivers precise and comprehensive energy to the target area, enabling customized treatments with four different modes

4. Ilooda Growth Strategy





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