

CLASSYS

ANNUAL

REPORT

2023

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DISCLAIMER

This is Classys's annual report for fiscal year 2023, aimed at updating the company's investors and stakeholders on its yearly performance. The report's scope covers Classys's business performance from January 1 to December 31, 2023, and includes pertinent information up to the publication date in April 2024, where applicable.

This report contains forward-looking statements regarding Classys's anticipated financial positions, operational and business performance, and management's plans and objectives. These are based on the company's historical performance and the current state of the business. It is crucial to understand that these forward-looking statements might not fully align with the actual outcomes due to various unforeseeable factors, such as fluctuations in domestic and international economic conditions and uncertainties in the business environment. Accordingly, Classys's employees are not liable for any damages incurred from third-party investment or business decisions made in reliance on the information provided in this report. We earnestly advise readers to consider this disclaimer carefully.

Furthermore, the report includes information and medically related content concerning medical devices to enhance the readers' understanding. For further details, we encourage consulting the relevant product manuals and regulatory approvals issued by the Ministry of Food and Drug Safety (MFDS) of the Republic of Korea (ROK).

ANNUAL REPORT 2023

A Global Aesthetics Business Leader

Aspiring to become a 'global aesthetic business leader,'
we are committed to fostering continuous customer-oriented
innovation to deliver top-notch aesthetic products and solutions,
enabling customers to pursue a beautiful and fulfilling life.



CEO Message



Respected shareholders and stakeholders of Classys,

I extend my heartfelt gratitude for your steadfast support, which has propelled Classys towards sustained growth.

In 2023, Classys proudly demonstrated yet another year of record-high performance results, underscored by our dedication to customer-oriented innovative products. This unparalleled achievement was driven by our flagship high-intensity focused ultrasound (HIFU) devices, Ultraformer III (Shurink) and Ultraformer MPT (Shurink Universe), which catered to surging global demand in the skin beauty medical market. With a worldwide presence in over 70 countries, we witnessed a sharp rise in demand for our equipment and consumables in key markets, including Korea, Brazil, and Thailand. In 2023, this led to outstanding overseas sales, which exceeded KRW 100 billion for the first time in our history.

The global adoption of the Shurink series has now surpassed 15,000 units, with procedures exceeding four million annually. In addition, sales have passed 3,000 units in Brazil and 1,000 units in Thailand. These figures highlight our significant compound annual growth rate (CAGR) in these countries, reaching 71% and 63%, respectively. In Korea, Shurink Universe continues to see growing demand, propping up a significant rise in market demand for consumables.

Introduced in late 2022, the 6.78MHz Monopolar RF, Volnewmer, was successfully launched in Korea, Japan, and Hong Kong, reaching a milestone of 500 units in cumulative sales globally in 2023.

Classys is spearheading the growth of the global energy-based devices (EBD) market by expanding country-specific licenses for each product. Notably, we have obtained permits for Ultraformer MPT in the CIS, Australia, and Taiwan, as well as for Volnewmer in Thailand and Indonesia, along with U.S. FDA approval for Scizer.

These milestones reflect our relentless pursuit of excellence through customer-centric innovation and our commitment to investing in research and development and quality control.

Beyond financial performance, our efforts in environmental protection and governance transparency have been recognized,

resulting in a two-notch rise from the previous year to a BBB overall grade by MSCI ESG Rating and a one-notch rise compared to last year to a AA grade by Sustainvest ESG Rating.

At the same time, our consistent growth, mainly facilitated by Shurink Universe and Volnewmer, has bolstered confidence in our long-term growth strategy among domestic and international investors. Indeed, we have diligently developed our business plans, setting reasonable goals and consistently outperforming our guidance for the past two years. Still, we anticipate a continued upward trajectory in 2024, aiming for a sales growth rate of over 25% from the previous year.

To that end, we are committed to expanding the global skin beauty medical market by leading the HIFU treatment trend through market share expansion in key countries and rapid penetration into newly launched markets, focusing on Latin America and Asia, specifically in Brazil, Thailand, and Japan. Furthermore, we will expand into larger markets such as the U.S., China, and Europe to become the leading global medical aesthetics company.

Leveraging Volnewmer's superior technology, we are set to capture a global audience and pioneer new markets. We will also secure academic backing and clinical data to prove the safety and efficacy of our products through rigorous scientific validation, reinforcing our standing as a top-tier global medical aesthetics brand.

Today, the entire Classys team is dedicated to enhancing the quality and value of our brand. We aim to lead the global beauty medical industry by offering consumer-oriented and innovative products and services. As we journey towards establishing the global benchmark in our field through the widespread adoption of our products, we eagerly anticipate your continued support and encouragement. Thank you once again for your unwavering faith in us.

Sincerely,

Seung-Han Baek
CEO, Classys Inc.

Company Overview



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Corporate Profile

Founded in 2007, Classys went public on the KOSDAQ market in 2017. The company is at the forefront of developing and manufacturing medical devices tailored for both medical procedures and aesthetic applications. At the heart of its innovations is an in-house technology research lab where Classys not only meticulously plans and designs its products to meet specific technological requirements but also oversees the procurement of materials and the production of high-quality equipment and consumables. This process is supported by state-of-the-art facilities and a rigorous quality control system. Classys boasts a robust sales network, encompassing distributors in over 70 countries, domestic hospitals and clinics, and direct end users. To further elevate its brand presence, Classys is committed to continuous product enhancement, the introduction of new offerings, and the execution of diverse marketing strategies.

A significant milestone in Classys' journey came when BCPE Centur Investments, LP, an investment consortium under Bain Capital, acquired a 60.8% stake in Classys, becoming the largest shareholder. This move, driven by Bain Capital's recognition of Classys' innovative edge and potential for global expansion, was solidified through a stock purchase agreement with Classys' founder, a dermatologist by profession, in April 2022. Following the agreement, the founder and affiliated person have retained a 12.9% stake, ensuring their ongoing support as shareholders. This partnership with Bain Capital, which brings its global capabilities, has further propelled Classys into the spotlight, reinforcing the company's credibility and the competitive edge of its products. As a result, Classys is swiftly advancing as a leading platform company in the global medical aesthetic device market, setting new benchmarks for innovation and quality.

ESG Ratings

(As of the end of December 2023)

BBB

MSCI

B+

KCGS

AA

SUSTINVEST

Company Overview

(As of the end of December 2023)

Company Name	Classys Inc.
CEO	Seung Han Baek
Incorporated/ Listed Date	January 10, 2007/December 28, 2017
Headcount	383 employees
Business Areas	Manufacturing medical aesthetic products/ Sales of cosmetics
Headquarters	Classys, 208 Teheran-ro, Gangnam-gu, Seoul, Korea
Website	https://classys.com/
Contacts	+82-1544-3481
Brands	Cluederm SKEDERM

Financial Highlights

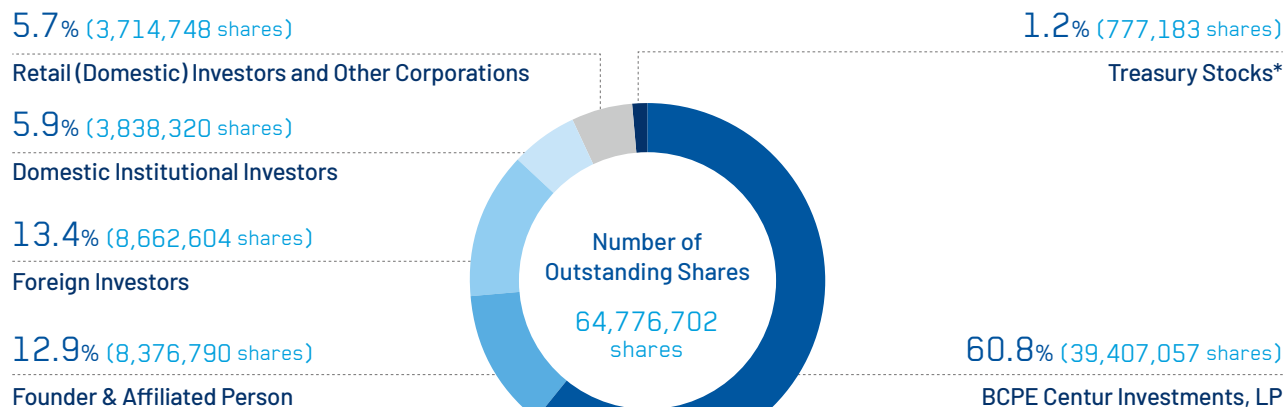
(As of the end of December 2023)

(Unit: KRW million)

Total Assets	375,443	Revenue	180,123
Total Liabilities	91,943	Operating Profit	89,622 (49.8%)
Capital Stock	6,478	Net Income	74,255 (41.2%)
Total Equity	283,500		

Shareholder Structure

(As of the end of December 2023)



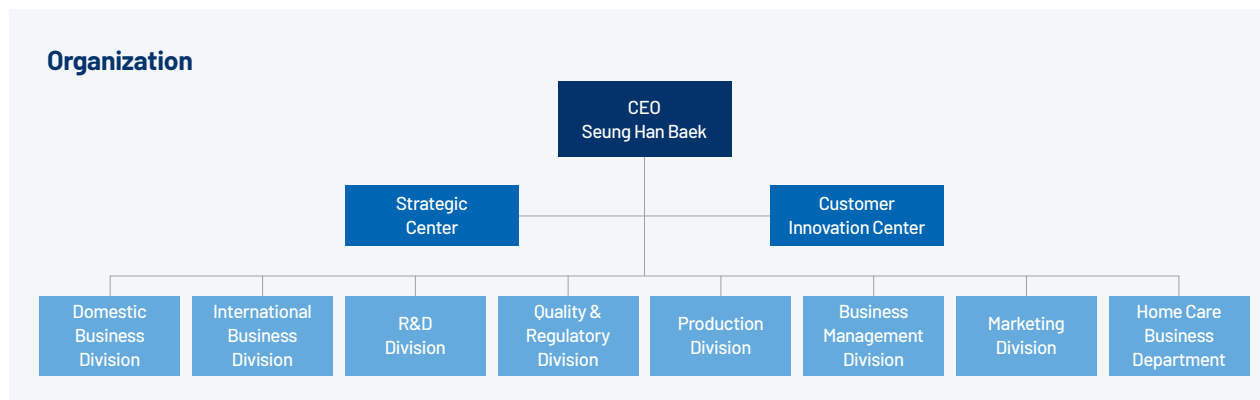
* From September 2022 to November 2023, treasury stocks amounting to KRW 20 billion (777,183 shares) were acquired to enhance shareholder value and stabilize stock prices.

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

Management Team

Today, Classys is busy ramping up its sales and marketing initiatives, aiming to boost global brand recognition and accelerate the adoption of its main products, Ultraformer MPT (Shurink Universe) and Volnewmer. Alongside these efforts, the company is also focused on establishing an efficient production system for its medical devices to support its rapid growth trajectory. To maximize corporate value, Classys is strategically enhancing its team by bringing in external experts, adopting a comprehensive strategy that includes increasing sales and marketing both domestically and internationally, improving quality control and production management, ensuring cost competitiveness, driving innovation in products and technologies through customer insights, and expanding its licensing capabilities. The management team at Classys was significantly strengthened in 2022 with the appointment of CEO Seung Han Baek, who brings over two decades of management and global business development experience within the healthcare sector. This appointment underscores Classys' dedication to forming a top-tier management team with a worldwide perspective, thereby fortifying its professional management structure. The organizational framework has also been streamlined for efficiency and now consists of 2 centers under direct control of the CEO, 7 divisions, and department, all of which are aimed at optimizing operations.

On the domestic front, Shurink and Shurink Universe products have established a strong market presence, as indicated by the rising use of consumables per device. Internationally, Classys continues to experience robust growth, notably with the Ultraformer MPT's successful market debut and an upsurge in consumable sales across key markets. The Shurink series now boasts cumulative sales exceeding 5,300 units in Korea and 9,900 units worldwide. Additionally, our advances in technology, production, quality assurance, have culminated in FDA approval for our HIFU device, SCIZER, for the first time in our history. In a strategic maneuver to diversify our products and markets in the global medical aesthetic device market, we have decided to make an equity investment in Ilooda to establish a strategic partnership with the KOSDAQ-listed company.



Department	Name	Position	Key Experience/Capabilities	Career Highlights
CEO	Seung-Han Baek	CEO	<ul style="list-style-type: none"> Over 25 years of management and global business development experience in numerous domestic and international healthcare companies 	<ul style="list-style-type: none"> CEO of Abbott Korea/CEO of Beckman Coulter Korea/ Board Director of Danaher Korea Chairman of the In Vitro Diagnostics Committee (IVD), Korea Medical Devices Industry Association
R&D Division	Soo-man Park	Senior Executive Director	<ul style="list-style-type: none"> Authority in ultrasound medical device technology development, with 35 years of industry experience 	<ul style="list-style-type: none"> Samsung GE CTO, Ultrasound Division, Siemens Healthineers
Production Division	Tae-soo Yoon	Senior Executive Director	<ul style="list-style-type: none"> An expert in factory innovation, with working experience as the Director of Lean APAC Group at a leading global motion/control technology company with 300 factories worldwide 	<ul style="list-style-type: none"> P&G/Bosch/Brady Corporation Director, Lean APAC Group, Parker Hannifin Korea
Business Management Division	Yoon-seok Choi	Senior Executive Director	<ul style="list-style-type: none"> Expert in management planning, M&A, and accounting, served as CFO for several consumer goods companies 	<ul style="list-style-type: none"> CFO, Management Planning, Gong Cha Korea CFO, Strategic Planning, ESG
Quality & Regulatory Division	Ki-ho Kang	Executive Director	<ul style="list-style-type: none"> Quality licensing expert for medical devices, experienced in the U.S. FDA approval process 	<ul style="list-style-type: none"> Samsung Electronics (Health & Medical Equipment Business)/RecensMedical Head of Quality Risk Assessment (QRA), Siemens Healthineers
International Business Division	Young-jin Park	Executive Director	<ul style="list-style-type: none"> Expert in APAC, and SEA regions, with capabilities in establishing new sales channels and advancing sales networks 	<ul style="list-style-type: none"> SEA Manager, Bio-Rad Laboratories
Domestic Business Division	Seung-woo Han	Executive Director	<ul style="list-style-type: none"> Core sales personnel in aesthetic medical devices, with over 15 years of advanced sales system experience in leading domestic and international companies 	<ul style="list-style-type: none"> Korea Johnson & Johnson Medical/GE Healthcare Korea/Philips Korea Hironic/Viol/Huons Medical
Strategic Center	Gyeong-yoon Beom	Executive Director	<ul style="list-style-type: none"> Business development/strategic planning expert, with diverse business strategy-building experience at a global consulting firm 	<ul style="list-style-type: none"> Engagement Manager, McKinsey & Company Head of Business Development, LG Electronics H&A Division
Marketing Division	Min-jung Shin	Director	<ul style="list-style-type: none"> Former head of marketing at a leading global company in medical aesthetics and luxury cosmetics 	<ul style="list-style-type: none"> L'Oreal Korea/Coty Korea, Head of Luxury Business Marketing Bausch Health Korea, Head of Solta Medical Marketing
Customer Innovation Center	Hye-jin Kim	Director	<ul style="list-style-type: none"> EBD market expert, with over eight years of experience in the skin beauty medical device industry 	<ul style="list-style-type: none"> 2014–present, Classys

(As of April 30, 2023)

History

2007 - 2013



Foundation

- Jan. 2007 • Establishment of Classys
- May 2011 • Launch of Cryolipo
- Feb. 2012 • Ultraformer approved by MFDS and kGMP

2014 - 2016



Product/Regional Diversification

- Aug. 2014 • Release of Ultraformer III (Shurink)
- Mar. 2015 • Ultraformer III obtained CE certification in Europe
- June 2015 • Clatuu obtained CE certification in Europe
- Nov. 2015 • Awarded the ROK \$5 Million Export Tower
- Apr. 2016 • Scizer approved by MFDS and kGMP

2017 - 2021



Infrastructure Expansion

- Dec. 2017 • Listed on KOSDAQ/Headquarters relocated to Classys Tower
- Oct. 2018 • Acquisition of Munjeong-dong Plant 1
- June 2019 • Completion of Misa Plant 2
- Oct. 2021 • Ultraformer MPT (Shurink Universe) approved by MFDS and kGMP
- Dec. 2021 • Awarded the ROK \$50 Million Export Tower

2022 ~



Global Expansion

- Feb. 2022 • Headquarters relocated to the new Classys Tower at 208 Teheran-ro, Seoul
- Apr. 2022 • Largest shareholder changed to BCPE Centur Investments, LP (a Bain Capital fund)
- Apr. 2022 • Inauguration of the new CEO, Seung Han Baek
- Aug. 2022 • Volnewmer approved by the MFDS
- Nov. 2022 • Included in the KOSDAQ Global Segment
- July 2023 • 2023 KOSDAQ Rising Star
- Oct. 2023 • Awarded the Grand Prize in the KOSDAQ category at the Korea IR Awards
- Nov. 2023 • Awarded the Minister of SMEs and Startups Prize at the 15th Korea KOSDAQ Awards
 - Scizer approved by the U.S.FDA
- Dec. 2023 • Awarded the ROK \$70 million Export Tower

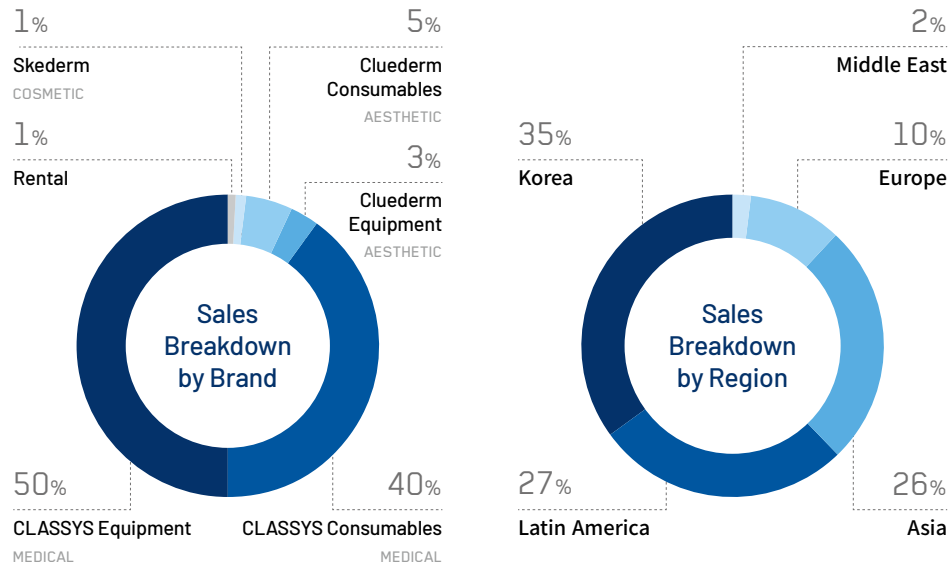


Business Portfolio

Classys has strategically positioned itself across three brands, catering to diverse market needs. CLASSYS is the flagship brand, targeting the medical device market with innovative solutions. Cluederm specializes in the distribution of beauty devices in international markets. Skederm (Shurink RX) is a home care devices and cosmetics brand that is available in the retail market. Classys supplies differentiated products to the medical, aesthetic, and retail consumer markets through these brands, with consumables (cartridges, tips, gel pads) serving as a standalone revenue source. This is particularly significant because sales of our flagship equipment have soared and diversified into new devices.

The CLASSYS brand, contributing to 50% of our total sales, specializes in beauty medical devices that leverage advanced technologies, such as HIFU1), RF2), and cooling. These products, which are distributed to hospitals with the requisite medical device approvals across various countries, have positioned us as a market leader in the HIFU and RF procedure sectors in over 70 countries. Our growth rates are a testament to our expanding influence, with a remarkable three-year CAGR of 64% in Latin America, 38% in Asia, 22% in Korea, and 17% in Europe and the Middle East, underscoring our expanding footprint and leadership in the global beauty medical device market.

1) HIFU: high-intensity focused ultrasound
2) RF: radio frequency



* Based on 2023 Sales

CLASSYS Medical devices for clinics and hospitals

Ultraformer MPT
Shurink Universe

+ 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
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Volnewmer

+ 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)
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Ultraformer III
Shurink

+ Cartridges

1.5mm	2.0mm	3.0mm	4.5mm	6.0mm	9.0mm
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Scizer

+ Cartridges

9.0mm	13.0mm
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Alpha
Clatuu

+ Gel Pads

ALPHA

Cluederm Beauty devices for aesthetic shops

Ulfit

+ Cartridges

6mm	9mm	13mm
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Aquapure

+ Solution

PEEL+	SEBD+
REJUVE+	CLEANSYS

Refit

+ RF Lotion

RF Lotion

SKEDERM Home care beauty devices and cosmetics

Volium

Collagen Shot Volume Reboot Gel Cream

Lifting Patch

Shiftage High Intense Anti-aging Cream Duo

Product Portfolio

ULTRA FORMER MPT



- Switchable between two essential functions (MP & Normal [Dots]) without any cartridge replacement
- Faster operation speed with a bidirectional scanning method
- 4 exclusive cartridges for ULTRA F
- 3 exclusive cartridges for ULTRA Booster
- User-friendly ergonomic design

Ultraformer MPT (Shurink Universe)

Focused Ultrasound Therapeutic Equipment

Ultraformer MPT (Shurink Universe) is designed for eyebrow lifting by coagulating skin tissue with a focused ultrasound stimulation system.

Equipped with MPT (Micro Pulsed Technology)
Two modes: MP & Normal (Dots)



MP mode & Normal (Dot) mode interchangeable without any cartridge replacement

ULTRA F Cartridge

MP mode & Dot mode interchangeable with the same cartridge

ULTRA BOOSTER Cartridge

Circular MP mode and circular Dot mode interchangeable with the same cartridge

Items	Description
Energy Type	HIFU (High Intensity Focused Ultrasound)
Cartridge types	ULTRA F Type ULTRA FORMER MPT 1.5, ULTRA FORMER MPT 2.0, ULTRA FORMER MPT 3.0, ULTRA FORMER MPT 4.5, ULTRA FORMER MPT 6.0, ULTRA FORMER MPT 9.0, ULTRA FORMER MPT 13.0 ULTRA BOOSTER Type DERMA Booster 1.5mm, CELLUP Booster 3.0mm, LINEUP Booster 4.5mm
Power	Normal (Dot) Mode 0.1 ~ 1.0 J *Indicate the minimum and maximum values for each cartridges.
Length	5 - 25mm
Electrical Requirements	100-240 V~, 50/60 Hz
Dimensions	570(L) x 620(W) x 1330(H)mm
Weight	37kg

Ultraformer MPT

Advertising Review Number: 12021-ET1-22-0249
(Valid until December 27, 2024)

As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is used for eyebrow lifting by coagulating skin tissue with a high-intensity focused ultrasound stimulation system. Focused ultrasound stimulation system.

Product Portfolio

ULTRAFORMER III



- User-friendly dual handpieces
- Six cartridges for various indications
- Design based on the applied area
- Fast speed and uniform output
- Stable technology performance proven by clinical results

Clinically proven efficacy through clinical research



B.J.Kim et al. Efficacy and safety of non-invasive body tightening with high-intensity focused ultrasound (HIFU). [Skin Research and Technology 2017; 1-5]



Ultraformer III (Shurink)

Focused Ultrasound Therapeutic Equipment

A high-intensity focused ultrasound surgical device used for tissue coagulation in eyelid lifting. It is also employed for skin tightening and improving subcutaneous tissue elasticity in the face (cheeks), abdomen, and thighs, as well as for addressing crow's feet, laugh lines, and neck wrinkles.

Six Color Cartridges

Six cartridges can be applied differently to the depths and conditions of each skin layer.



The procedure involves the delivery of HIFU to a specific depth under the skin in a non-invasive method. Various cartridges apply to different thicknesses and conditions of a person's skin.

Items	Description
Energy Type	HIFU(High Intensity Focused Ultrasound)
Catridge types	L4-4.5, L7-3.0, L7-1.5, MF2, MF6, MF9, MF13
Power	Max. 3J
Length	5 - 25mm
Electrical Requirements	100-240 V~, 50/60 Hz
Dimensions	500(W) x 515(D) x 1310(H)mm
Weight	35kg

Ultraformer III

Advertising Review Number: 12021-ET1-05-0057 (Valid until September 2, 2024)
 As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is used for eyebrow lifting (cartridge models: L4-4.5, L7-3.0, DERMA SHRINK L7-1.5, L2-3.0W, L7-3.0W, L7-1.5W, J SHRINK MF5, I SHRINK MF2) by coagulating skin tissue with a high-intensity focused ultrasound surgical instrument, and for improving the elasticity of the skin and subcutaneous tissue on the face(cheeks)(cartridge models: A SHRINK MF1, Y SHRINK MF3, K SHRINK MF4), abdomen, and thighs (cartridge models: A SHRINK MF1, Y SHRINK MF3, K SHRINK MF4, V SHRINK MF6, S SHRINK MF9). This instrument improves skin and subcutaneous tissue elasticity through a focused ultrasound stimulation system.

Product Portfolio



- Four tip sizes available for use according to the treatment area
- Tilt and cushion tip designs for effective delivery of energy
- Six cooling levels and five vibration levels to reduce pain
- Automatic detection of impedance for safe energy delivery
- Dual handpieces for user convenience



Volnewmer

Monopolar Radiofrequency Therapeutic Equipment

Volnewmer is a medical device used to coagulate skin tissue as a general electro-surgical instrument.

6.78MHz monopolar RF

Four color-coded VOLNEWMER tips

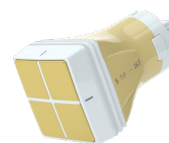
VOLNEWMER provides four tip sizes that can be used according to the applied area.



V Tip
4.0 cm²



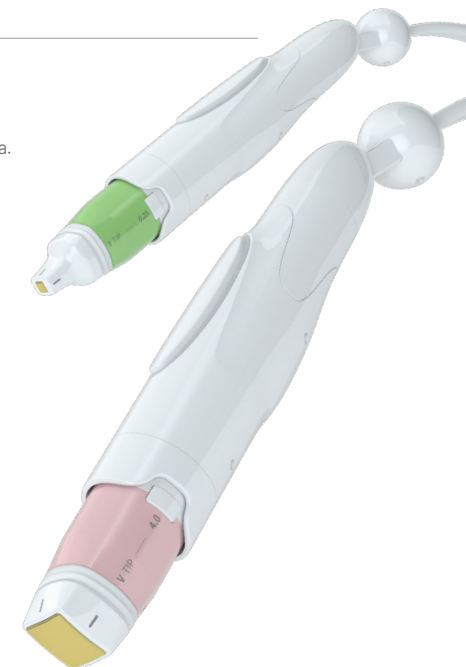
I Tip
0.25 cm²



S Tip
16.0 cm²



F Tip
3.0 cm²



VOLNEWMER offers various features, such as six cooling levels, five vibration levels, and automatic impedance detection, allowing for more customized patient procedures.

Performance	Specification
RF Frequency	6.78MHz
Treatment Range	Max, 16cm ²
Display	10.1 Inch LCD touch screen
Voltage, Frequency	220~240V, 50/60Hz
Power Consumption a Maximum Output	1,200VA

Volnewmer

Advertising Review Requirement: Confirmation Number Combination-2022-33-015 (Valid until September 1, 2025)

As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is an instrument used for tissue coagulation using a high-frequency current.

Product Portfolio



SCIZER CLASSYS

- An MDFS-certified focused ultrasound stimulation system
- An average reduction of approximately 2 cm
- Added cooling system
- Dual handpieces allow for simultaneous procedures for user convenience

Non-invasive Subcutaneous Fat Reduction

SCIZER can help reduce an average of approximately 2 cm in waist circumference for people with a BMI index of 30kg/m² or less and abdominal fat thickness of 2.5cm or more.



Items	Description
Energy Types	HIFU (High Intensity Focused Ultrasound)
Cartridge Types	13mm
Treatment Area	Max, 46 x 46mm (24 lines)
Electrical Requirements	220-240V~, 50/60Hz
Dimensions	60(W) x 463(D) x 1,207(H)mm
Weight	50kg

Scizer

Advertising Review Number: Confirmation Number 12021-ET1-06-0075 (Valid until September 1, 2024)
 As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is a device used for tissue coagulation using a high-frequency current. Focused ultrasound stimulation system.



CLATUU α CLASSYS

- Convenient attachment of applicator
- Portable body and unique design for easy movement
- Applicators deliberately designed with ergonomic depth and curvature
- Dual handpieces available

Non-invasive Subcutaneous Fat Reduction

CLATUU Alpha is a medical device that gradually reduces subcutaneous fat layers, particularly in areas with excessive fat accumulation, using low-temperature energy and negative pressure.



Items	Description
Energy Types	Cooling System
Cup Type	Alpha Wing V, Alpha Queen, Alpha Wing
Power Consumption	1600VA
Electrical Requirements	220-240V~, 50/60Hz
Dimensions	558(W) x 483(D) x 1505(H)mm
Weight	90kg

Clatuu Alpha

Advertising Review Number: Confirmation Number 12021-ET1-06-0087 (Valid until September 3, 2024)
 As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is a device used for maintaining the area at a low temperature to relieve pain, reduce swelling, and non-invasively reduce subcutaneous fat layers. Medical low-temperature device.



Ulfit Cluederm

- Non-invasive HIFU method
- Improves elasticity in the abdomen and thighs
- B2-6.0, B2-9.0 cartridges
- Dual handpieces for user convenience
- Ulfit cartridges for the abdomen and thighs

Focused Ultrasound Stimulation System

Ulfit is a medical device used to improve skin elasticity and subcutaneous tissue in the abdomen and thighs by delivering HIFU energy.



Items	Description
Energy Types	HIFU (High Intensity Focused Ultrasound)
Cartridge Types	B2-6.0, B2-9.0
Power	Max. 3J
Length	67mm
Electrical Requirements	100-240 V~, 50/60 Hz
Dimensions	500(W) x 450(D) x 270(H)mm
Weight	8.24kg

Ulfit

Advertising Review Number: Confirmation Number 12021-ET1-05-0056 (Valid until August 26, 2024)
 As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is used for tissue coagulation using a focused ultrasound stimulation system to achieve eyebrow lifting (cartridge models: F7-1.5, F7-3.0, F4-4.5) and improve skin and subcutaneous tissue elasticity on the face (cheeks) (cartridge models: LMF1, LMF3, LMF4), abdomen, and thighs (cartridge models: B2-3.0, B2-4.5, B2-6.0, B2-9.0). Focused ultrasound stimulation system.
 *Confirming the treatment area is mandated before applying this device with an ultrasound diagnostic device certified by Korea's Ministry of Food and Drug Safety (License No. 11-1051, 14-515, 14-288, etc.).



Refit. Cluederm

- Three types of handpieces
- Four types of pulses
- Easy operation with a GUI
- MFDS-certified device

Radiofrequency (RF) Energy

Refit is a medical device that uses RF and negative pressure to increase tissue temperature and blood flow, relieving pain in the treated area.



Items	Description
Hand-piece Types	Large, Medium, Small
Vacuum	Max.282mmHg
Radio Frequency	780kHz
Power Consumption	160VA
Electrical Requirements	100-240 V~, 50/60 Hz
Dimensions	377.92(W) x 404.96(D) x 155.50(H)mm
Weight	6.71kg

Refit

Advertising Review Number: Confirmation Number 12021-ET1-22-0250 (Valid until December 28, 2024)
 As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is a device that uses 780 kHz high-frequency energy to generate deep heat in the human body for pain relief.

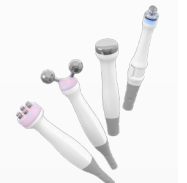


AQUAPURE Cluederm

- User-friendly GUI
- Handpiece auto-activation
- Four different handpieces
- Various functions for customized use
- Utilizes suction pressure generated by a vacuum pump

Four Handpieces

The combination of four handpieces are respectively applied for acne suction, muscle pain relief, and other pain relief.



Items	Description
Hand-piece Types	Aquapeel, Electro , Cooling & Heating, Micro-current Rolling Y
Vacuum	Max.650mmHg
Water flow rate	Max.60ml/min
Output Frequency	Electroporation (0.33Hz), Microcurrent - Y (1.03 kHz)
Electrical Requirements	100-240 V~, 50/60 Hz
Dimensions	523(W) x 365(D) x 455(H)mm
Weight	14kg

Aquapure

Advertising Review Number: Confirmation Number 12021-ET1-06-0080 (Valid until September 10, 2024)
 As this product is a medical device, please carefully read the Precautions for Use and Instructions for Use. This is a combination device consisting of an electric suction device for suctioning blood, bodily fluids, and acne, a low-frequency stimulator for pain relief, and a medical low-temperature device for maintaining the area at a low temperature for pain relief and reduced swelling.

Research & Development

Classys lays the foundation for growth underpinned by its commitment to innovative technology R&D efforts. This commitment is evidenced by the continuous upgrades to our HIFU, RF, and cooling devices, coupled with the pursuit of efficient and effective technological advancements, which draw on our extensive experience with global enterprises. Our R&D endeavors begin by pinpointing the unmet needs within the beauty medical device sector, which is increasingly moving towards non-invasive and minimally invasive procedures that promise less pain and more natural results. Recognizing the diverse beauty aspirations varying by region and country, as well as the trend of combining treatments for optimal outcomes, Classys is dedicated to innovating devices that meet the expectations of both users and patients.

To support this innovation, Classys invests in cultivating industry experts, thereby accelerating new product development and broadening our global licensing reach. Since 2021, our R&D team has expanded by 52% and now boasts 64 members, with R&D staff occupying roughly 30% of our managerial positions. Our recent efforts have focused on enhancing our existing product line and introducing new energy-based medical devices. At the same time, our R&D is actively exploring groundbreaking technologies for HIFU and RF devices, alongside consumable innovations, to widen their indications and applications.

Classys also prioritizes protecting its technological advances through patents, which create significant barriers to entry and secure our technological leadership. Innovations such as the Shurink Universe's booster cartridge, which projects ultrasound energy in a unique circular pattern, and our tilting technology that is designed to tilt in all directions, allowing it to move according to the curvature of treatment area are just two examples of our patented technologies. As of the end of 2023, Classys had amassed 902 intellectual property (IP) rights, including 122 registered patents (100 domestic and 22 international).

Furthermore, Classys is accumulating expertise and data to navigate the regulatory landscapes of global markets, facilitating the timely introduction of our innovative products. In addition, we are steadily expanding the licensing territories for main products like Shurink Universe and Volnewmer, enhancing our portfolio and Classys' brand value. As our licensed products and countries of operation grow, so too does our available product lineup, further elevating Classys' position in the market.

R&D Expenditures

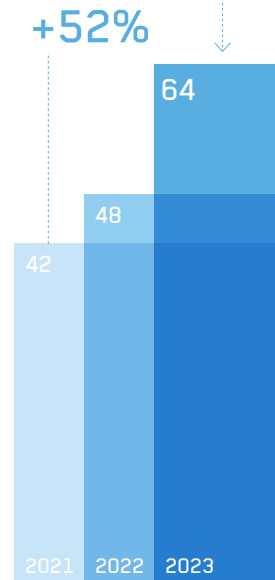
(Unit: KRW billion)

Category	2021	2022	2023
Sales Revenue	100.6	141.8	180.1
R&D Expenditures*	6.0	6.3	10.3
R&D to Sales Ratio	6.0%	4.4%	5.7%

(*) Including licensing expenses

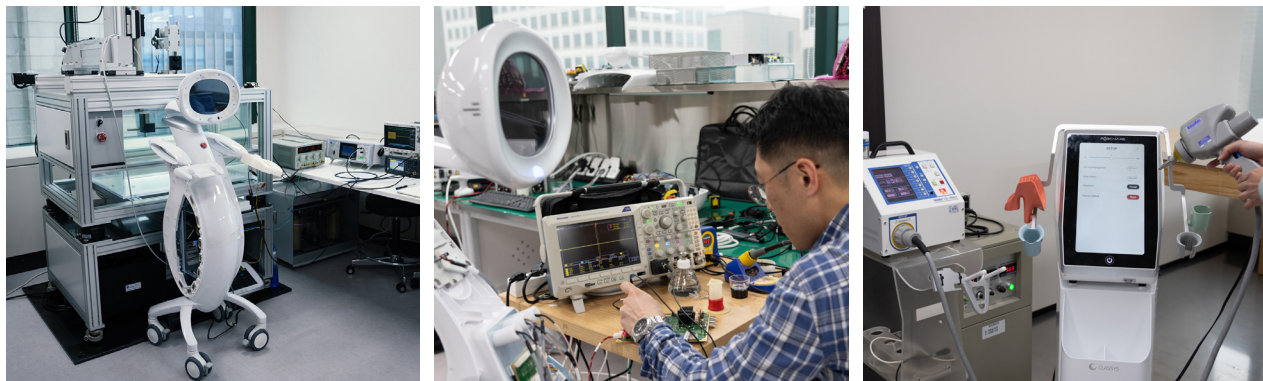
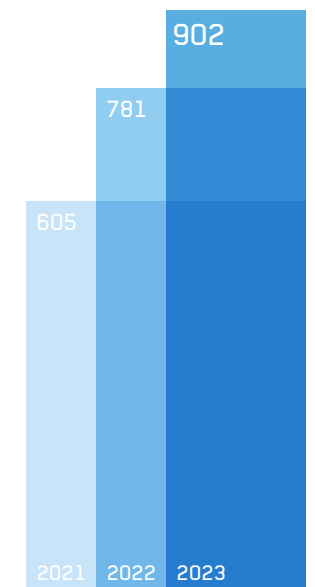
R&D Personnel

(Unit: persons)



Registered IP Cases

(Unit: cases)



A scene from the Classys R&D Center

Production

Headquartered in Yeoksam-dong, the bustling business hub of Seoul, Classys stands out for its self-manufacture of medical devices, aesthetic equipment, and related consumables within its Munjeong-dong Plant 1 and Misa Plant 2. After expanding its plant capacity from 2018 to 2021, Classys has now turned its focus towards improving production efficiency and quality. The adoption of lean production methods has been central to this shift, enhancing efficiency, reducing costs, and strengthening the competitiveness of its production and quality.

By aligning its lean process with its sales strategy, Classys has adeptly maintained its inventory at an optimally low level. This approach has not only steadily reduced inventories amid rising sales but also curtailed one-time costs related to raw materials management. Thanks to this heightened production efficiency, increased per-employee productivity, and the integration of an automated production line, the addition of just one staff member to the production team has boosted production capacity by 18% over the previous year.

Furthermore, our commitment to productivity extends to our all-encompassing adoption of the flow manufacturing process. With raw materials for production meticulously planned and stocked, real-time monitoring ensures an uninterrupted and efficient production cycle. Despite a temporary inventory spike in the run-up to the 2022 launch of new products such as Shurink Universe and Volnewmer, from 2023 forward Classys has focused on refining production efficiency and setting appropriate inventory standards to minimize surplus stock and strengthen market responsiveness.

Innovation extends to our production methods, where the introduction of cobots (collaborative robots) has automated repetitive and risky tasks. On top of facilitating precise management and monitoring, with all data securely archived on a dedicated database server, these new production methods also promise quality enhancement without significantly expanding the workforce. In addition, these process innovations are projected to greatly increase Classys' annual production capacity further without additional capital expenditures.

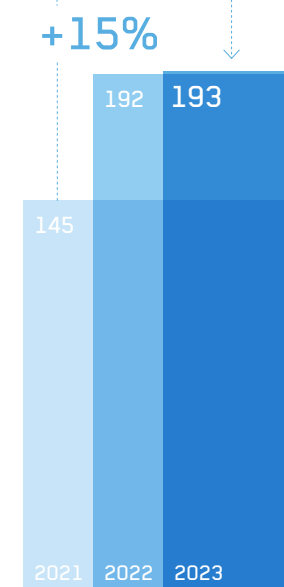
Production Key Indicators

(Unit: KRW billion)

Category	2021	2022	2023
Sales Revenue	100.6	141.8	180.1
Cost of Goods Sold	22.7	33.6	39.7
Cost of Goods Sold Ratio	22.6%	23.7%	22.0%
Inventories	16.5	23.4	19.4
Finished Goods & Work in Process	6.5	8.8	8.5
Raw Materials	10.0	14.6	10.9

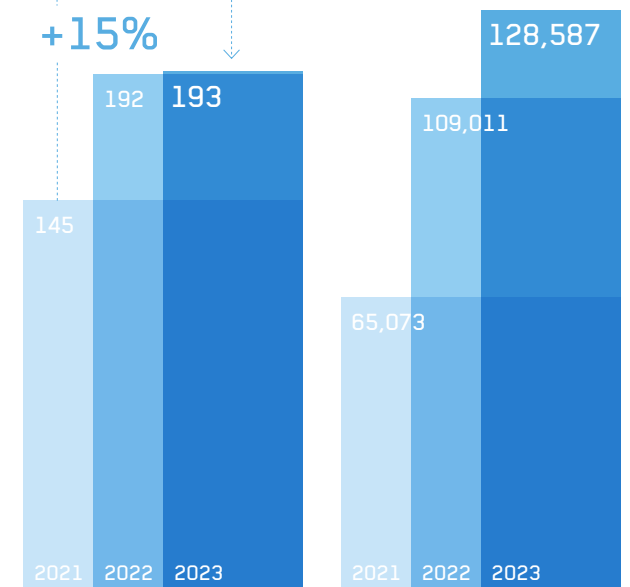
Production Staff

(Unit: persons)



Production Capacity

(Unit: EA)



A scene from the Classys Production site

* Production quantity is the sum of the quantities of both equipment and consumables.

Key Achievements in 2023

17 Business Performance

23 Financial Performance



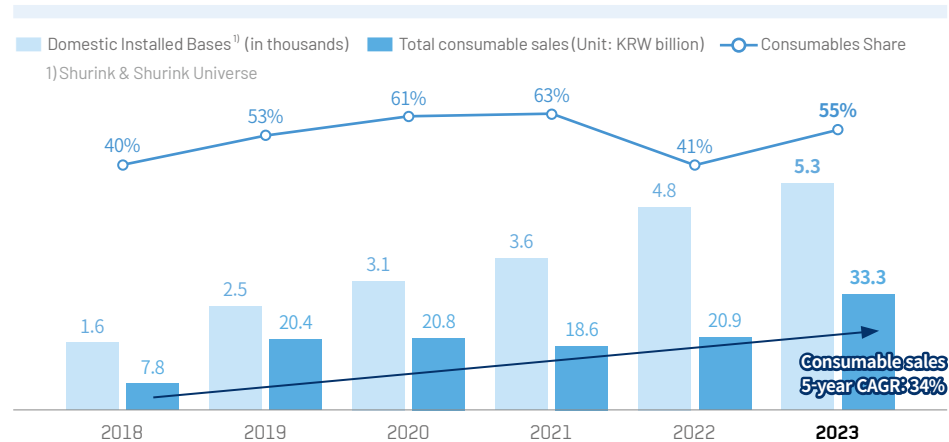
Business Performance

1 Solidifying Shurink Universe Brand Reputation in the Domestic HIFU Market

- Shurink Universe has sold over 1,600 units in just two years on the market.
- The Shurink series is in 3,000 out of the 5,500 medical facilities equipped with HIFU devices.

Shurink Universe (Ultraformer MPT), an upgraded version of the widely acclaimed Shurink (Ultraformer III), has seen rapid adoption by medical professionals, indicating high satisfaction levels. Its purchase has proliferated across large network clinics as well as among small- to medium-sized private practices. Additionally, the Shurink line has not only become a staple equipment that dermatologists and plastic surgeons must acquire when opening a clinic, but even those facilities that initially opted for competitors' equipment are now replacing them with Shurink Universe. This trend signifies Shurink's growing dominance in the HIFU market.

Shurink Universe sets itself apart by enabling treatments that are 2.5 times faster than its predecessor and delivering high-intensity focused ultrasound (HIFU) energy into the skin with minimal discomfort. Its innovative Ultra Booster pen-type handpiece, designed for circular HIFU energy delivery, allows for precise and easy application on contoured areas. These technological advancements have sustained the demand for Shurink Universe treatments, leading to a significant consumable sales milestone of KRW 30 billion in 2023.



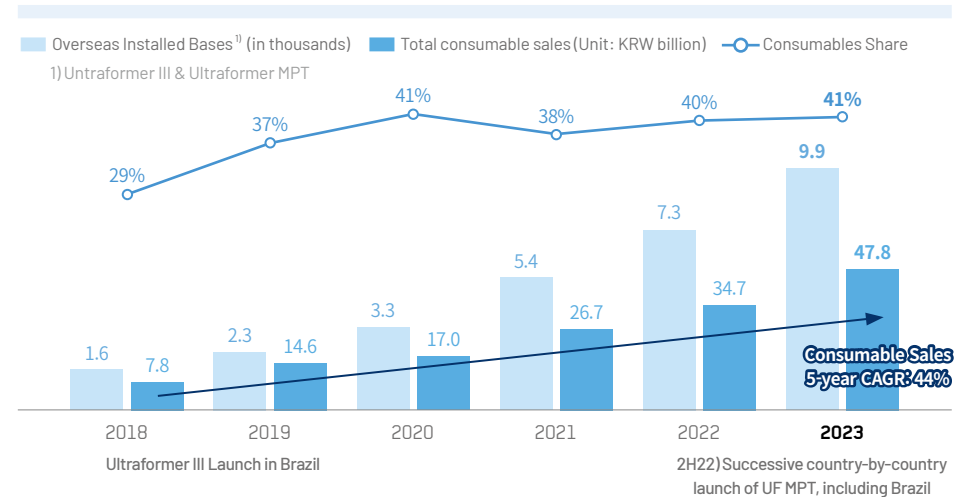
2 Successful International Launch of Ultraformer MPT

- Overseas sales exceeded KRW 100 billion in 2023, marking a 2.8-fold increase since 2020
- Top 10 sales countries account for 84% of overseas sales, with a three-year average growth rate of 54%
- Boosted by sales of Ultraformer III and Ultraformer MPT, the cumulative number of devices sold internationally has surpassed 9,900 units

Since 2016, Classys has successively launched Ultraformer III (Shurink) in various countries, entering into and expanding throughout the global HIFU market. From the second half of 2022, the upgraded Ultraformer MPT (Shurink Universe) began receiving regulatory approval in a phased manner, leading the way in the global HIFU treatment trend. Internationally, Ultraformer MPT is positioned as the definitive premium procedure, while the previous Ultraformer III remains a fundamental treatment, driving mass adoption with a two-track strategy.

Focusing on the top 10* countries with substantial sales, Classys is leading the HIFU treatment trend and broadening the base of the medical aesthetic device market. Notably, 2023 saw Brazil and Thailand each surpass 3,000 and 1,000 units in cumulative sales, respectively, indicating a trend of market expansion and increasing consumable sales. This success serves as a stepping stone for further expansion into other countries and acceleration in major markets like the U.S., Europe, and China.

(* Top 10 countries: Brazil, Thailand, the CIS, Japan, Hong Kong, Australia, Taiwan, Indonesia, Spain, and Mexico)



Business Performance

3 Successful Launch of Volnewmer in Korea

- 2023 annual sales surpassing 300 units in Korea
- Global installed base now exceeding 500 units

Volnewmer delivers monopolar radiofrequency thermal energy at 6.78MHz to the target dermis layer, coagulating tissue while generating a suitable temperature for the necessary areas with reduced pain, thanks to its innovative Continuous Hydra Contact Cooling mechanism. It also features improved technologies such as Hidden Edge Technology, Curved Surface Processing Technology, and Tilting & Cushion Technology, which minimize skin contact edges and efficiently deliver energy. Additionally, the device includes a Repeat Mode that significantly reduces treatment duration. Feedback from doctors who have used Volnewmer directly highlights its effectiveness:



"Its versatility allows the customization of treatments according to patient needs, effectively reducing discomfort and alleviating patient apprehension," Says one physician. Another notes, "It meets the high standards of demanding Korean consumers, enhancing brand awareness and promising a bright, long-term outlook."

Classys has committed to expanding various clinical research and development for Volnewmer, enriching the pool of objective data with clinical papers and articles suitable for medical professionals. This has spurred a growing series of lectures on Volnewmer's clinical outcomes. In Korea, Netflix stars Lim Ji-yeon and Cha Joo-Young, serving as Volnewmer ambassadors, have significantly boosted public interest through the "Deep in the Skin, Volnewmer Campaign." This campaign promotes the gentle and delicate yet powerful radiofrequency energy of the New 6.78MHz Monopolar RF, contributing to over 300 unit sales in Korea in 2023—a highly successful launch year.

Expanding beyond Korea, we have initiated sales in Japan and Hong Kong, enhancing Classys' global presence through educational lectures and discussions on HIFU and RF equipment. This strategic initiative has propelled global cumulative sales beyond 500 units. Following the successful launches of Ultraformer MPT (Shurink Universe) in other Asian countries, we are poised to aggressively introduce Volnewmer in additional markets and enhance Volnewmer's local brand recognition.

4 Accelerating Global Approvals

- Ultraformer MPT: Licensed in the CIS, Australia, Taiwan, and other countries
- Volnewmer: Licensed in Thailand and Indonesia
- Scizer: FDA-approved

Classys is intensifying its penetration into high-potential global markets by successively securing licenses in country after country. Following the launch of Ultraformer MPT (Shurink Universe) in 8 countries, including Brazil and Thailand in 2022, we obtained licenses for Ultraformer MPT in the CIS, Australia, and Taiwan in 2023.

After being licensed in each specific country, Classys makes it a point to launch Ultraformer MPT through professionally organized symposiums, driving significant sales expansion in international markets. In Brazil, one of our key markets, we saw a sales explosion from 250 units in the four months following Ultraformer MPT's initial approval in 2022 to 650 units in 2023—a 2.5-fold increase that signifies rapid market growth.



The expansion continues with our latest RF device, Volnewmer, as we gradually enter new overseas markets. By 2023, Volnewmer had already received product certifications in Thailand and Indonesia, with plans to broaden our reach to more countries in 2024. Through engaging discussions and high-level presentations on our HIFU and RF equipment, we aim to reinforce Classys' market position and enhance awareness of our newest product, Volnewmer.

Moreover, securing FDA approval in the U.S. for Scizer, our medical aesthetic device, marks a momentous milestone. This is the first instance of Classys' HIFU technology and quality being recognized in the U.S. market, setting an optimistic precedent for future product approvals. Increasing our portfolio of licensed products not only expands our product offerings but is also expected to elevate Classys' brand value significantly.

Business Performance

5 Backed by Scientific Evidence

● Expanding expert feedback and securing reliability

Classsys conducts clinical trials to license its medical devices and expand the indications for its marketed devices. As a result, proof of Classsys' medical devices' safety and efficacy is only increasing, a fact that is reflected in the rising number of publications about these same devices in prestigious journals and their prominence in clinical presentations. To date, 17 Science Citation Index Expanded (SCIE)-level papers on clinical trials involving Classsys-developed equipment have been published.

At the same time, we directly engage with local markets through exhibitions and user meetings to bolster our brand recognition and promote new products, both domestically and internationally, in addition to marketing efforts in which academic content is shared with users. In particular, academic sharing among key users of diverse applications of HIFU and RF treatments contribute to our high competitiveness in the global energy-based device (EBD) market.

Up to now, Classsys has hosted a total of 89 academic and clinical sessions worldwide, including the exclusive Classsys Insight Symposia in Brazil, Thailand, Taiwan, and Hong Kong. We have also participated in major events like IMCAS, the largest global conference on dermatology and plastic surgery trends and innovations, and KIMES, Korea's biggest medical device exhibition.

Looking forward, in collaboration with our global ambassadors, we plan to ramp up our investment in diverse clinical research and development. This will increase the production of clinical papers and articles about Classsys' innovative products like Shurink Universe and Volnewmer, providing objective data that aligns with the rigorous standards of medical professionals.

Symposia/Conferences

Major Global Conferences

- Attendance at 19 Annual Conferences

- Jan. 2023 • IMCAS (International Master Course on Aging Science), Paris
- Mar. 2023 • Dubai Derma (international dermatology and beauty exhibition)
 - 43rd Spring International Conference of the Korean Association of Laser, Dermatology, Trichology (KALDAT)
- Apr. 2023 • AMWC (Aesthetic & Anti-Aging Medicine World Congress), Monaco
- June 2023 • IMCAS (International Master Course on Aging Science), Asia
 - KOREADERMA 2023
- July 2023 • AMSC (Aesthetic Medicine & Surgery Conference)
- Sep. 2023 • Autumn Academic Conference of the Korean Aesthetic Surgery & Laser Society
- Nov. 2023 • 26th Autumn Academic Conference of the Association of Korean Dermatologists
- Dec. 2023 • International Seminar and Workshop in Aesthetic Medicine (I-SWAM) (International Scientific Meeting)
 - 45th Autumn International Conference of the KALDAT

Meetings/Events

Major Classsys User Meetings

- 89 Annual Meetings Held (Including Webinars)

- Jan. 2023 • CLASSSYS Industry Symposium **Paris**
- Apr. 2023 • CLASSSYS Insight Symposia in Sao Paulo, **Brazil**
- May 2023 • CLASSSYS User Night - The Ultimate Synergy **Korea**
- June 2023 • CLASSSYS Insight Symposia in Asia - **Bangkok**
- Aug. 2023 • Ultraformer MPT Launching Symposium **Taiwan**
- Sep. 2023 • Ultraformer MPT **Australia** Launching
 - CLASSSYS Insight Forum **Osaka** (Ultraformer MPT & Volnewmer)
- Nov. 2023 • CLASSSYS Insight Symposium **HongKong** (Ultraformer MPT & Volnewmer)
- Dec. 2023 • CLASSSYS Insight Symposia **Indonesia** (Ultraformer MPT & Volnewmer)

Participating in IMCAS Paris and Hosting the CLASSSYS Industry Symposium



- Participated in IMCAS Paris, the largest global dermatology conference in Europe, to strengthen the branding of Ultraformer III
- Presented clinical data and conducted presentations at prestigious conferences for the expansion of indications to differentiate Ultraformer III

CLASSSYS User Night - The Ultimate Synergy Korea



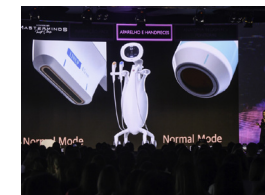
- Attended by more than 500 Classsys users and medical industry insiders
- Far-sighted sharing of Classsys' R&D capabilities under the theme "The Ultimate Synergy"

Ultraformer MPT Launching Symposium in Taiwan



- Attended by more than 150 users and industry insiders
- Global ambassador Go Min-si interviewed by local media, sharing her skincare routines and impressions of visiting Taiwan, and expressing her congratulations on the launch of Ultraformer MPT

CLASSSYS Insight Symposia in Sao Paulo, Brazil



- Attended by over 1,000 Ultraformer MPT users and medical facility personnel, both online and offline
- Introduced clinical adaptation cases and academic content for Ultraformer MPT at a dedicated booth for the product
- Delivered 10 lectures on clinical adaptations, along with panel discussions and Q&A sessions

CLASSSYS Insight Symposia in Asia - Bangkok



- Attended by more than 300 participants from Thailand and other Asian countries, including users and medical industry insiders
- Participated in IMCAS Asia 2023 and hosted an exclusive Insight Symposium for Shurink Universe users in Asia

CLASSSYS Insight Symposium Hong Kong (Ultraformer MPT & Volnewmer)



- Attended by more than 250 local medical industry insiders
- Participated in Cosmoprof Asia 2023 in Hong Kong and hosted an exclusive Classsys symposium
- Shared experiences about Shurink Universe and Volnewmer technology, as well as their combination treatment, the aptly named "Volformer"

Business Performance

6 Enhancing Brand Awareness

- Elevating brand awareness through TV commercials and digital marketing campaigns

Classys is effectively leveraging TV campaigns and digital ads with trusted, well-known celebrities, as well as participating in numerous academic conferences, all while receiving positive feedback from consumers and users. In 2023, Classys appointed Lim Ji-yeon and Cha Joo-young from the Netflix hit series *The Glory* to serve as Volnewmer brand ambassadors, and rising movie star Go Min-si to serve as the Shurink Universe brand ambassador.

Additionally, we have expanded our marketing efforts in Asia with Go Min-si to boost Shurink Universe's visibility in the global market. In Korea, Go delivered the brand message "Lift As You Wish with Shurink Universe" to consumers and spearheaded marketing initiatives that promote K-beauty trends in key Asian markets, namely Thailand, Taiwan, Japan, Hong Kong, and Indonesia. Her participation in the Ultraformer MPT (Shurink Universe) launch event in Taiwan in August 2023 garnered a particularly enthusiastic response from Asian users and local industry insiders.

Looking ahead, Classys is committed to expanding our consumer engagement through diverse marketing channels, with the aim of strengthening our brand recognition and stimulating consumption. The increased awareness from TV commercials and digital marketing has already resulted in a higher number of HIFU and RF treatments worldwide, as well as a corresponding rise in the use of consumables.



7 Equity Investment decision in Ilooda

- Expanding the product portfolio to include a micro fractional needle RF system (Secret RF) and a new energy model laser (reepot)
- Anticipating additional synergies from overseas key opinion leaders (KOLs) and an extensive distribution network

Classys has entered into an agreement to acquire an 18% stake in Ilooda (CEO: Yonghan Kim), poised to become the second-largest shareholder in the dermatological medical device specialist company. This strategic partnership promises mutual synergies and an enhanced global market presence, as the two companies do not overlap in product lineups and have complementary strengths in different markets. This alignment is particularly strategic and will maximize synergies, given the varied demands of the energy-based devices (EBD) market across different regions.



Technologically, Classys excels with HIFU and monopolar RF technologies, while Ilooda leads in micro fractional needle RF system (MNRF) and laser products. This technological synergy complements our overall product portfolio. Geographically, Classys commands strong sales networks in Brazil, Thailand, Russia, Japan, and Australia, whereas Ilooda has a significant presence in the U.S., the Middle East, Europe, Turkey, and India. This equity investment is expected to immediately boost our sales capabilities in these markets, and in the medium term, we are also planning to take advantage of sales opportunities in the U.S., which hosts the largest market for dermatological beauty products and services.

Furthermore, Classys holds the option to increase its stake up to 36% by exercising a call option that will be available until March 2025. This flexibility works in our favor for further strategic decisions to maximize synergies as market dynamics evolve.

Moving forward, we are excited to rapidly grow our range of innovative products, including MNRF, lasers, and IPL technologies, thus accelerating the launch of groundbreaking products in the EBD market.

Business Performance

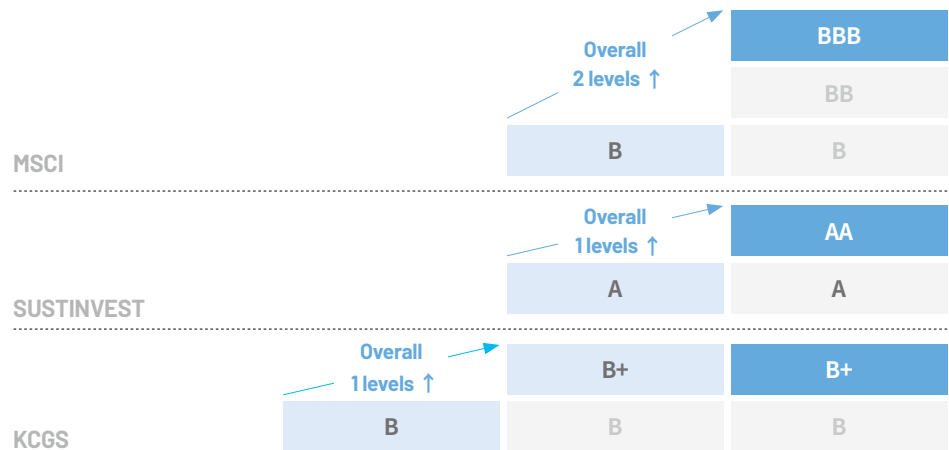
Progressive ESG Rating Upgrade

Classys has achieved rapid growth by expanding its market to over 70 countries. This success has been primarily driven by a robust ESG management philosophy that guides every aspect of our operations, from product development to consumer experience. Highlighting our dedication to environmental protection and governance transparency, the publication of our first ESG report in 2023 underscores this commitment, further driving value creation beyond financial metrics.

In fact, our product line reflects this deep commitment to ESG principles. Our newest product, Volnewmer, is a perfect case in point. By employing the innovative Continuous Hydra Contact Cooling System, which replaces refrigerant gases as the RF energy vehicle, it enhances safety, effectiveness, and environmental sustainability. In addition, our adoption of a lean production system not only cuts costs and boosts efficiency but also significantly reduces greenhouse gas emissions and energy consumption.

In recognition of our ESG-driven efforts, Classys received a BBB rating from Morgan Stanley Capital International (MSCI) in 2023, marking a significant two-grade improvement from the previous year's B rating. This achievement notably distinguishes us in the Korean healthcare equipment sector.

Moreover, we have been recognized by major Korean ESG rating agencies like SUSTINVEST, which awarded Classys a AA rating, indicating "Best in ESG Assessment," a prestigious recognition for the top 9.2% of all companies it evaluates. Additionally, the Korean Institute for Corporate Governance and Sustainability (KCGS) gave us a B+ rating, further affirming our ESG commitment.



External Recognition as an Outstanding Enterprise

Classys is at the forefront of globalizing the K-beauty boom through its main brands, Shurink Universe and Volnewmer. We are continually expanding our consumer engagement and enhancing brand recognition. Indeed, Classys has been highly commended for its strategic product management, brand value, vision, competitiveness, consumer preference, usage experience, innovation, and cost-effectiveness (psychological satisfaction versus price), earning accolades from a wide array of prestigious external organizations.

Notably, Shurink Universe has gained significant popularity due in part to its enhanced treatment speed and effectiveness, securing first place in the laser lifting medical device category at the 2023 Consumer Choice No. 1 Brand Awards. Furthermore, Classys has been designated as one of KOSDAQ's Rising Stars by the Korea Exchange for two consecutive years, and received the Minister of SMEs and Startups Award from the KOSDAQ Listed Companies Association. Classys was awarded a two-grade higher recognition after rigorous assessment by the Association, which conducted in-depth CEO interviews and carried out its due diligence on Classys. At the same time, the higher recognition came as a result of Classys' excellent business performance, market contribution, technological innovation, ESG management, and job creation.

May
Ultraformer MPT (Shurink Universe) named a Consumer Choice No. 1 Brand



- No. 1 in the laser lifting medical device category, an event supported by the Ministry of Trade, Industry and Energy
- Based on assessments of the brand strategy and value, vision, competitiveness, consumer picks and experience, innovativeness, and cost-effectiveness (psychological satisfaction relative to price)

July
Named a 2023 KOSDAQ Rising Star



- Recognized as a KOSDAQ Rising Star for the fifth consecutive year since 2019
- Showcased outstanding technological prowess for growth among KOSDAQ-listed companies

October
Awarded top honor in the KOSDAQ portion of the Korea IR Awards



- Particularly praised for the CEO's proactive involvement in regular domestic and international IR sessions
- Grand Prize winner just three years after being designated an Excellent Enterprise at the Korea IR Awards in 2020

November
Recipient of the Minister of SMEs and Startups Award at the 15th Annual Korea KOSDAQ Company



- Awards (the second-highest prize after the Prime Minister's Award)
- A notably higher achievement from the Financial Supervisory Service Director's Award received in 2022

Business Performance

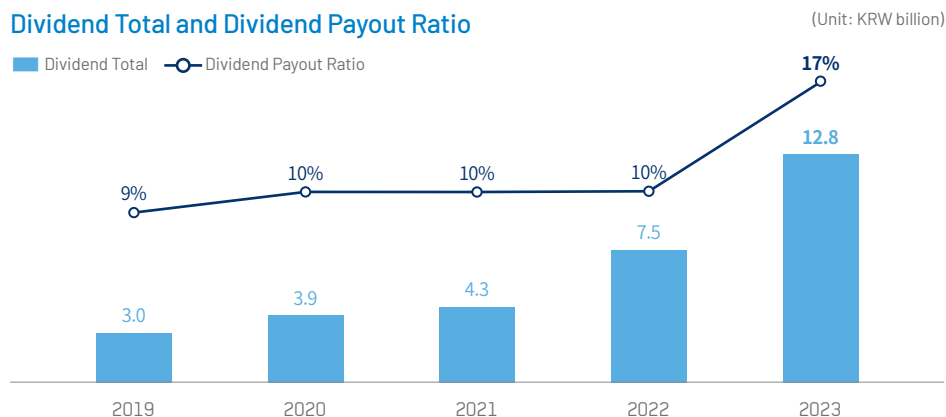
Shareholder Return Policy

Classys has progressively enhanced its dividend payouts in line with annual profit growth, reflecting our commitment to a shareholder-friendly policy. In fact, the company has never missed an annual dividend payment for seven consecutive years, since going public in 2017. Its dividends per share (DPS) have progressively risen from KRW 60 in 2020 to KRW 66 in 2021, and up to KRW 116 in 2022. This progression led to total cash dividends of approximately KRW 3.9 billion in 2020, KRW 4.3 billion in 2021, and KRW 7.5 billion in 2022. In 2023, the DPS was set at KRW 200, totaling KRW 12.8 billion.

In addition to this dividend increase, Classys made a strategic decision in 2023 to retire its treasury stocks to further enhance shareholder value, completing the retirement process by March 2024. This decision followed the company's actions in 2022 when management, recognizing an undervaluation in the market, purchased 777,183 treasury stocks for KRW 20 billion from September 2022 to November 2023, thereby underscoring its strong dedication to shareholder-friendly policies and responsible governance.

Going forward, Classys remains dedicated to driving corporate value through innovative product development and expanding its presence in global markets. Aligned with the goals of the government's Value-Up Program, the company is actively exploring various strategies to strengthen corporate value and better serve its shareholders.

Dividend Total and Dividend Payout Ratio



* Note: The 2023 dividend was approved at the 9th Annual General Meeting of Shareholders on March 28, 2024.

Today, Classys maintains a robust investor relations (IR) strategy, conducting between five to ten IR meetings weekly and engaging with over 250 institutions annually, all while fully respecting blackout periods. Through these meetings, Classys provides essential insights into the company's technology, growth trajectory, and investment potential, thereby expanding its investor base.

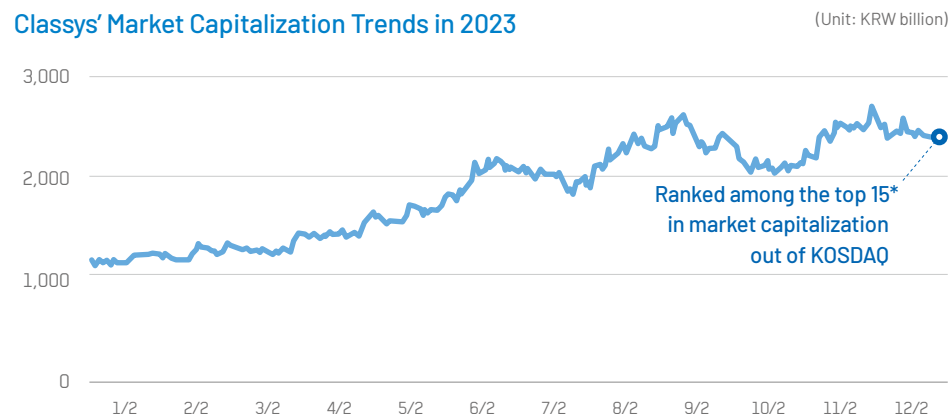
In addition, Classys' CEO and CFO actively engage in earnings announcements and investor relations (IR) activities, effectively communicating our strategic vision on a regular basis. The Korea Exchange acknowledged these efforts by awarding Classys the Grand Prize in the KOSDAQ portion of the 2023 Korea IR Awards. In fact, our IR activities, particularly noted for their face-to-face interactions both domestically and internationally, have received high praise from a number of respected organizations.

Investors at the 2023 IR meetings expressed strong approval of the success strategy developed by Shurink Universe, showing keen interest in whether Volnewmer, our newest product, would sustain this momentum. In response, we detailed our short- and mid-term growth strategies, emphasizing the growing recognition of Volnewmer for its technological advancements in the 6.78MHz RF equipment category and, highlighted by its unique Continuous Hydra Contact Cooling system and four technological innovations. Throughout 2023, Classys' market capitalization more than doubled, rising from KRW 1.1 trillion at the start of the year to KRW 2.4 trillion by year's end. Furthermore, the proportion of our shares held by foreign investors, excluding those held by major shareholders and related parties, increased from 30.7% at the end of 2022 to 47.3% by mid-2023, reaching 51.0% by the end of the year.

Key Conferences Attended in 2023

- June**
 - Nomura Investment Forum Asia (NIFA)
 - NH Investment Securities The C-Forum 2023
- September**
 - NHIS Korea Corporate Day 2023
- October**
 - Nonura Asia Medical Beauty Corporate Day
- November**
 - J.P Morgan 11th Global TMT Conference in Asia
 - Morgan Stanley 22nd Annual Asia Pacific Summit
 - Goldman Sachs APAC Healthcare Corporate Day

Classys' Market Capitalization Trends in 2023

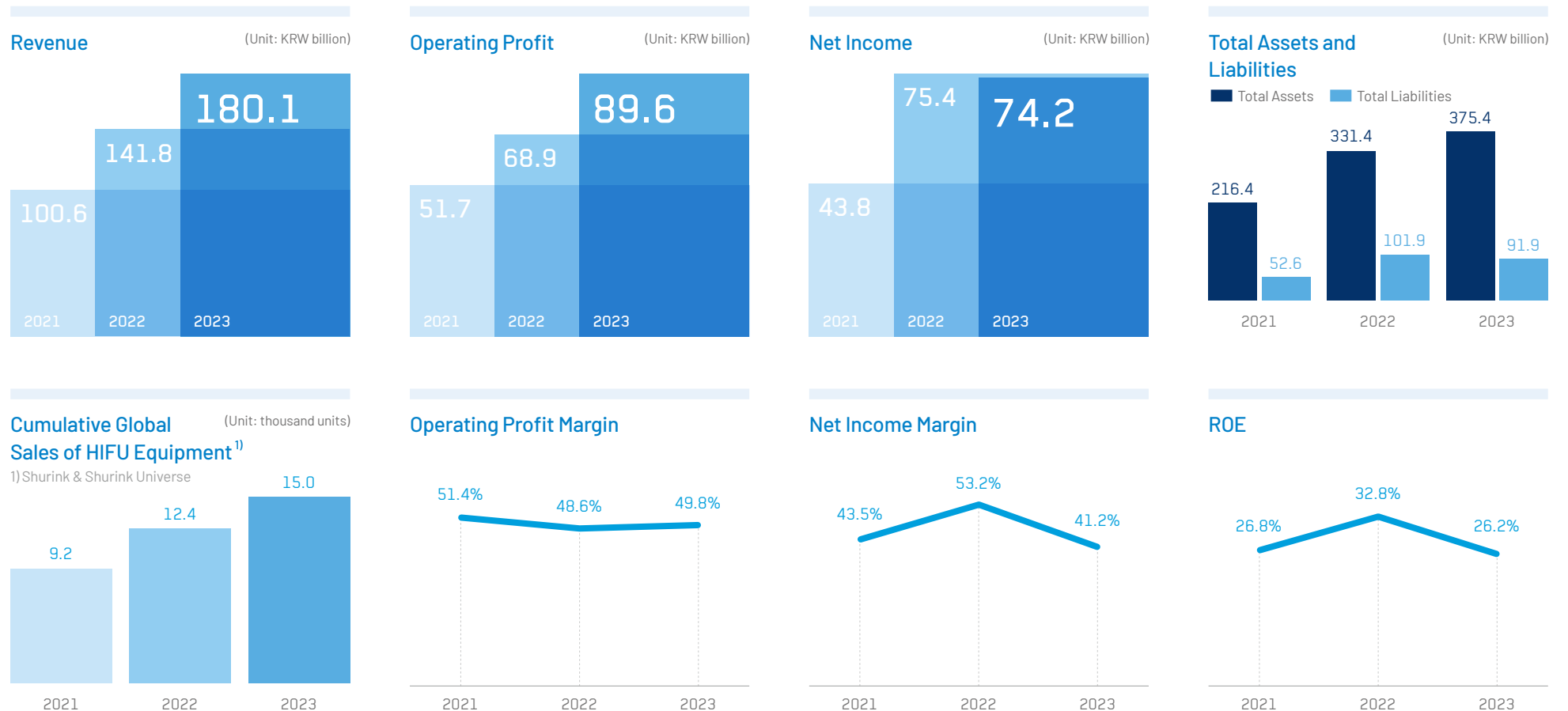


*1,705 KOSDAQ-listed companies

Financial Performance

Classys recorded its highest annual revenue to date in 2023, reaching KRW 180.1 billion—a 27% increase from the previous year. This growth was propelled by heightened global recognition of the Ultraformer III (Shurink) and Ultraformer MPT (Shurink Universe) devices, leading to a rise in equipment and consumables sales. The company's revenue exceeded the 2023 sales expectations of KRW 170 billion by 5.9%. Profitability also improved, with operating profit surging to KRW 89.6 billion, a 30% increase from the previous year, and the operating profit margin climbing 1.2%p to 49.8%. The increase in global

equipment sales and our leadership in treatment trends significantly boosted consumables sales, which surged by 46% year on year. As a result, consumables' share of total sales grew from 39% in 2022 to 45% in 2023. Although net profit slightly decreased compared to the previous year, this was primarily due to a one-time gain from the sale of the former head office building in the fourth quarter of 2022.



Financial Performance

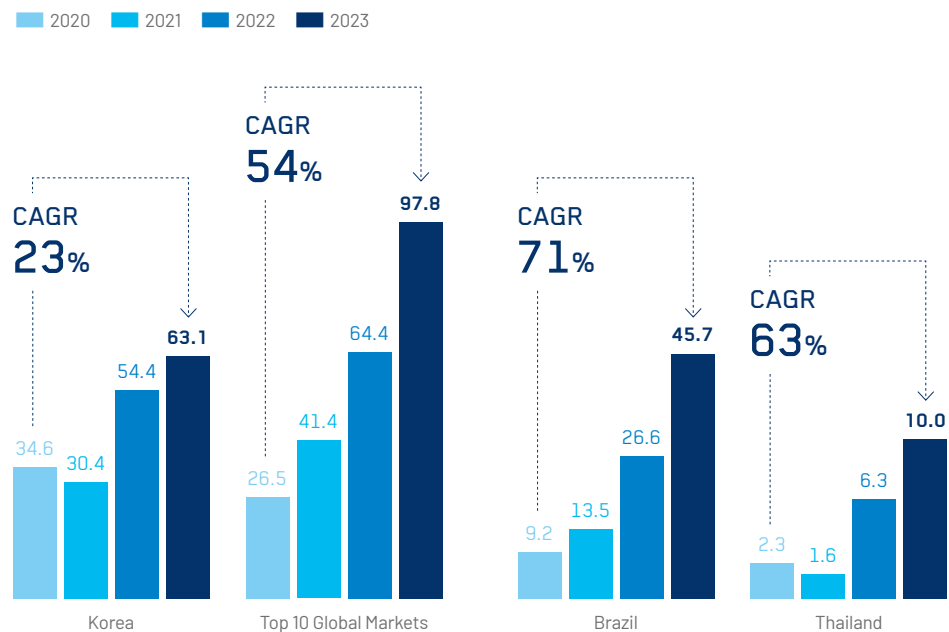
1 Sales by Market

Classys is currently selling medical aesthetic devices in over 70 countries worldwide. Notably, Brazil and Thailand have continued to demonstrate strong demand for HIFU devices, specifically the Ultraformer III (known domestically as Shurink) and Ultraformer MPT (Shurink Universe). In these key markets, sales of such equipment significantly contributed to an unprecedented increase in last year's overseas sales, surpassing KRW 100 billion for the first time. Particularly in the top 10 global markets, which are leading many of the trends in skin beauty treatments, sales have been robust due to the stable performance of Ultraformer III and the rapid market adoption of the newly launched Ultraformer MPT. In 2023, these top 10 countries generated KRW 97.8 billion in sales for Classys, a 52% increase over the previous year, and accounted for 84% of the total export revenue of KRW 116.3 billion. Also, the average annual growth rate over the last three years for these top 10 countries reached 54%.

In Brazil, our biggest overseas market, the expansion in sales of Shurink and Shurink Universe has been remarkable, achieving annual sales exceeding KRW 40 billion. The three-year average sales growth rate in Brazil alone stood at 71%, with cumulative sales of the Ultraformer series surpassing 3,000 units. Similarly, Thailand has maintained a high growth trajectory, with a three-year average growth rate of 63%. In fact, Thailand has now ascended to become one of our top three markets, with cumulative sales now exceeding 1,000 units.

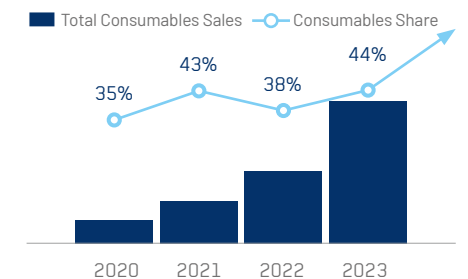
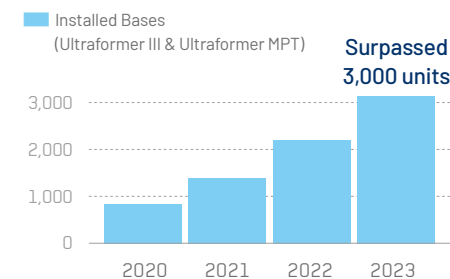
Sales Trends by Region

(Unit: KRW billion)

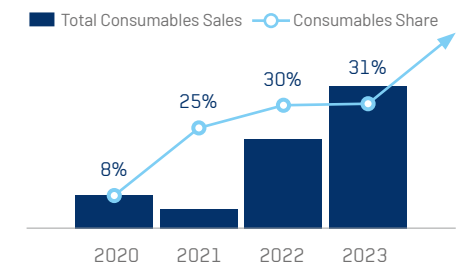
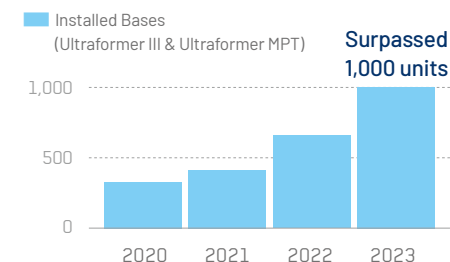


* Top 10 countries: Brazil, Thailand, the CIS, Japan, Hong Kong, Australia, Taiwan, Indonesia, Spain, and Mexico

Sales Trends in Brazil



Sales Trends in Thailand

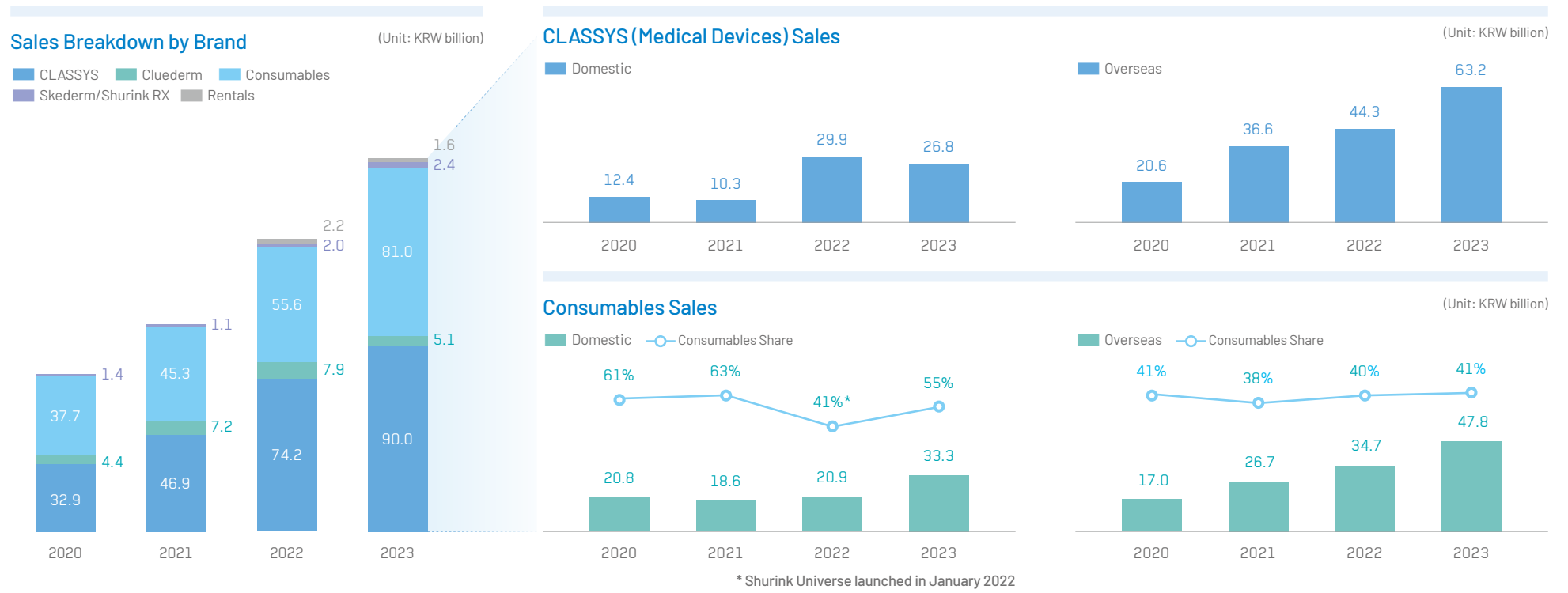


Financial Performance

Sales by Brand

In 2023, sales of CLASSYS, our medical device brand, reached KRW 90 billion, a 21% increase from the previous year. Both domestically and internationally, annual equipment sales targets were exceeded. The strategic launch of Ultraformer MPT (Shurink Universe) in key markets such as Brazil, Thailand, and the CIS significantly drove this growth. Consequently, the annual exports of equipment increased by over 40% year on year. Despite a 10% decline in domestic equipment sales compared to the previous year, the stable performance of Shurink Universe and increased sales of our newest product, Volnewmer, resulted in the domestic market selling over 500 units of Shurink Universe and 300 units of Volnewmer, surpassing all sales targets.

Consumables revenue reached KRW 81 billion in 2023, marking a 45% increase from the previous year, with the sales proportion of consumables rising from 39% in 2022 to 45% in 2023. Ongoing local HIFU treatments and an increase in global cumulative sales have continuously driven up export sales of consumables. By the end of 2023, the cumulative global sales of the HIFU Shurink series reached an impressive 15,000 units. Following a spike in equipment sales in 2022, paid consumable orders in Korea have gradually expanded, resulting in a significant growth in domestic consumables sales. Notably, the treatment time for 300 shots takes about 8-10 minutes for Shurink, compared to just 2 minutes and 30 seconds for Shurink Universe, facilitating a generational shift to the faster Shurink Universe and increasing the turnover rate of consumables per device.



Growth Strategy

3

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Vision & Strategy

Guided by a mission of contributing to a beautiful and happy life for all by providing the finest aesthetic products and solutions through tireless customer-oriented innovation, our vision is to become a Global Aesthetics Business Leader.

To achieve this vision and mission, we have come up with diversified growth strategies, and these strategies can be summarized into four key areas as follows:

- 
Domestic Market Strategy:
 Establishing a dominant position in the domestic market

- 
Overseas Market Strategy:
 Aggressive expansion and entry into overseas markets

- 
Product/Quality Strategy :
 Securing world-class production/quality capabilities

- 
R&D Strategy:
 Early launch of customer-centric innovative products

As demonstrated by the success of ULTRAFORMER III (Shurink) (*), Classys has developed a self-perpetuating cycle of growth that is as follows: ① Launch of an innovative product → ② Aggressive expansion of installations based on product competitiveness → ③ Increased sales of consumables in tandem with the use of the installed devices → ④ Market expansion and the introduction of new innovative products. This invaluable experience of success feeds our aspiration and business know-how as a key strategy for sustainable growth in all aspects of our dealings.

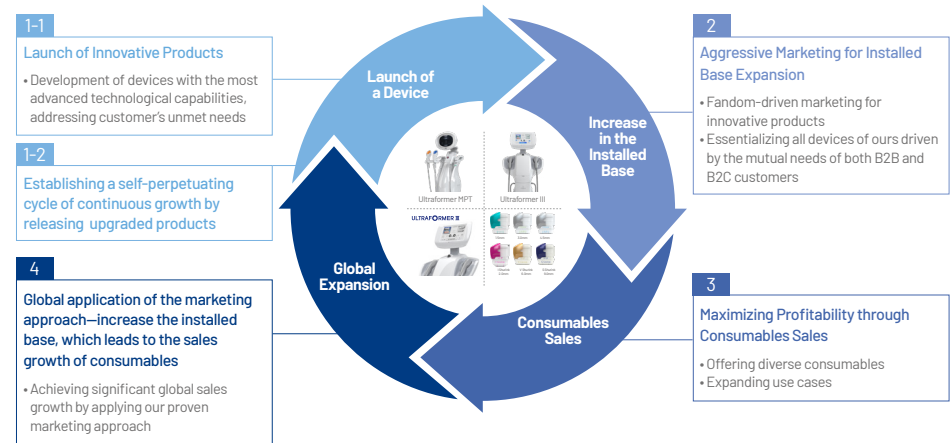


Classys' Success Formula

Classys is playing a leading role in popularizing energy-based medical aesthetic procedures through its innovative, customer-centric products that meet the needs of the medical aesthetic device market.

HIFU Success Formula

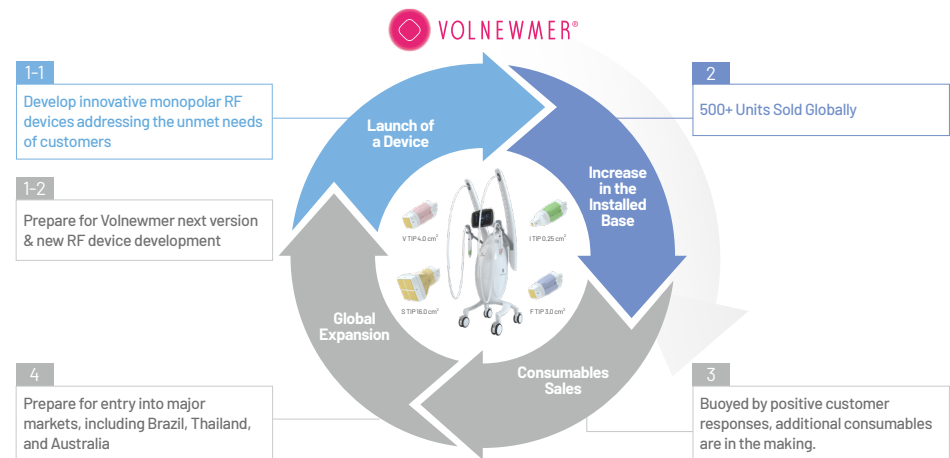
In the HIFU market, Classys has addressed unmet customer needs with one of its newest innovative products, Shurink, whose innovative technology has enhanced the safety and effectiveness of medical devices for patients, as well as increased convenience for users. Since its launch, Shurink has built a high level of credibility among users, especially key opinion leaders, and has expanded communication with consumers through various marketing channels. This has facilitated the expansion of the installed base and boosted demand for procedures. In turn, the growing consumer demand for Shurink drove up the purchase of related equipment and consumables (cartridges) at hospitals. The sales growth of consumables, which have a relatively lower cost ratio than the devices, is now contributing to high profit margins. We applied this marketing approach—**increase the installed base, which leads to the sales growth of consumables**—internationally by launching Shurink under the name Ultraformer III in the global market. More recently, we released an upgraded version, thus establishing a continuous cycle of innovation. Our launch of the upgraded Ultraformer MPT has further propelled our pace of leading HIFU procedure trends in each country, with our current global installed base equipment count having reached an extraordinary 15,000 units around the world.



RF Market Expansion

In the RF market, Classys launched the monopolar RF device Volnewmer, which features differentiated technology that reflects user and consumer needs. Building on our successful global market penetration with the Shurink series, Classys is drawing on our know-how, distinct technology, and vast network to globally apply our proven approach—**increasing the installed base, which leads to the sales growth of consumables**. The device's hidden-edge tip design and Continuous Hydra Contact Cooling technology not only safely deliver energy but also maximize the effects of RF energy.

After its launch in Korea and Japan in 2022, sales began in Hong Kong in 2023, and licenses were obtained in Indonesia and Thailand. Volnewmer is also gradually expanding its international presence, leading the expansion of RF treatment trends and simultaneously creating combined treatment trends with HIFU. The global installed base count of Volnewmer has now surpassed 500 units, and this number continues to increase.



Domestic Market Strategies

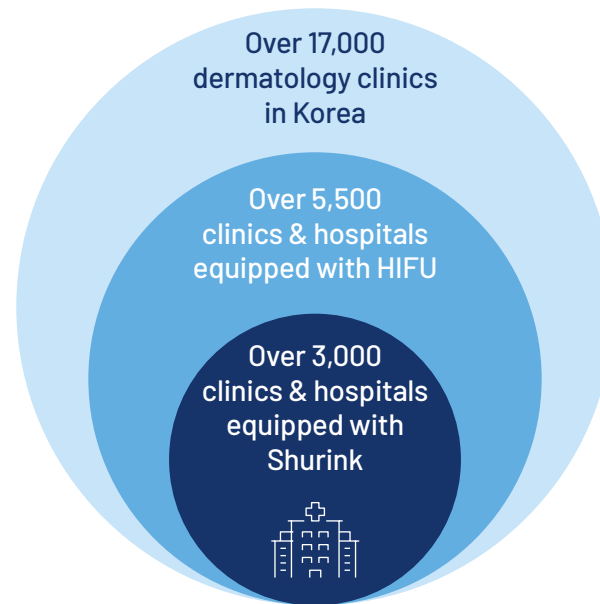
● Spreading trends from large network clinics to premium specialty dermatology

Classys has led the popularization of Shurink lifting procedures in the HIFU market through customer-centric technology that precisely appeals to customer needs, maintaining a dominant position in the domestic HIFU market. This leadership is evidenced by the fact that of the 5,500 dermatology clinics and hospitals registered in Korea with HIFU medical aesthetic devices, more than 3,000 use Shurink, accounting for over 55% market share in this sector.

Additionally, most of the 600 large network clinics in Korea, who are leaders in skin cosmetic procedure trends, use both Shurink and Shurink Universe, making Shurink an essential device for any dermatology or plastic surgery clinic specializing in aesthetics. Many Shurink users also voluntarily share their post-procedure experiences online, increasing the viral spread of Shurink. In 2023 alone, more than 1.2 million medical procedures were performed in Korea using Shurink, making it the most digitally mentioned brand among medical aesthetic device brands.

By leveraging the differentiated technology and networks established through Shurink, Classys is also expanding the market base for Volnewmer. Sales contracts targeted at network clinics began in earnest in the fourth quarter of 2023, marking the start of "VOLINK"—a combined procedure using both Shurink and Volnewmer—which is expected to lead future medical aesthetic procedure trends. Going forward, Classys plans to accelerate treatment trends as energy-based medical aesthetic procedures become normalized and widespread, with a focus on accessibility to skin beauty based on data accumulated from users.

55% M/S in Domestic HIFU Market



- Shurink's accumulated sales: 3,700+ units
- Shurink Universe's accumulated sales: 1,600+ units

* Shurink launched in 2014 and Shurink Universe in 2022

B2B Customers

+3,000 Shurink series equipped clinics in Korea

- **Over 90%** of 600 large-network clinics **using Shurink series**
- **User-generated marketing content promotion** of the procedures (doctors' YouTube channels, blogs)
- **Most preferred device** by doctors newly entering the medical aesthetics sector
- An **"Essential" device** for the dermatology/plastic surgery clinics and aesthetics-specialized clinics

B2B Customers

Domestically **1.2M** Shurink Procedures cases **per year (E)**

- An overwhelming volume of **viral review postings** by end users
- **Digital buzz No. 1** among medical aesthetics device brands (social media, blogs, beauty apps)
- **#Shurink over 146K** vs. #foreign brand A 99K, #local brand B 5K, %local brand C 6K

Overseas Market Strategies

● Classys "Tier-Up" Strategy Anchored in Key Markets

Aggressive Overseas Market Expansion

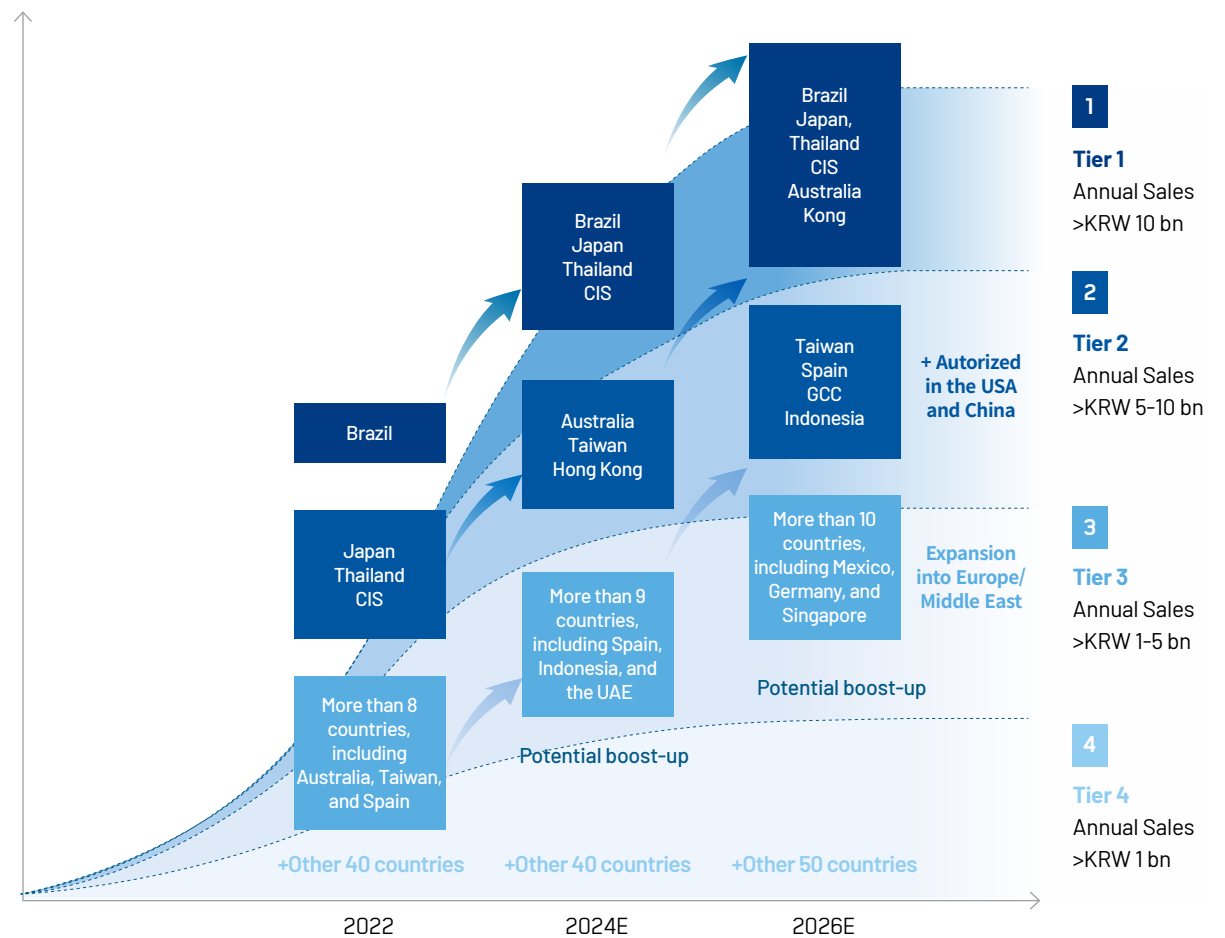
After dominating the domestic market, Classys is now making strides as a global blockbuster brand. In Brazil, our major overseas revenue source, the Ultraformer MPT sold 250 units in just the first four months after it attained local approval in September 2022 until the end of the year. In 2023, sales soared by 2.5-fold to 650 units, establishing itself in the local market at a remarkable speed. This success story of Brazil, which has now become our biggest market, is set to continue in the markets of Thailand, Japan, the CIS, and Australia, where we are busy setting trends related to HIFU procedures. Additionally, we are currently expanding our presence in each of these markets, with the number of countries where we achieve over KRW 10 billion in sales anticipated to increase in 2024.

To that end, we plan to boost sales through the strategic launches and localized B2B marketing of Ultraformer MPT. We are taking a two-track approach to expedite global HIFU market growth. This two-track approach is where the existing Ultraformer III is already positioned as an excellent first stepping stone treatment that targets the mid- to low-end market, while the upgraded Ultraformer MPT version is positioning itself as the definitive procedure in the premium market.

By strategically prioritizing the core countries for initial targeting, we plan to launch not only Ultraformer MPT but also Volnewmer in these markets to further penetrate local RF markets. As for Tier 2 countries, where we generate annual sales between KRW 5 and 10 billion, we will benchmark Tier 1 countries to increase sales by aggressively expanding the medical aesthetic procedure market.

Lastly, to broaden our market reach, we will bolster the already launched Ultraformer MPT in other countries and expand into European and Middle Eastern markets. In addition to localized B2B marketing, such as assigning ambassadors for each country and hosting local conferences, we will also engage in B2C target marketing campaigns. Furthermore, we are examining sales and marketing strategies to increase our presence in countries with a high potential for growth.

Country Outlook By Tier



Global Approval Strategies

- Targeting high growth potential in global markets and major markets like Europe, the U.S., and China

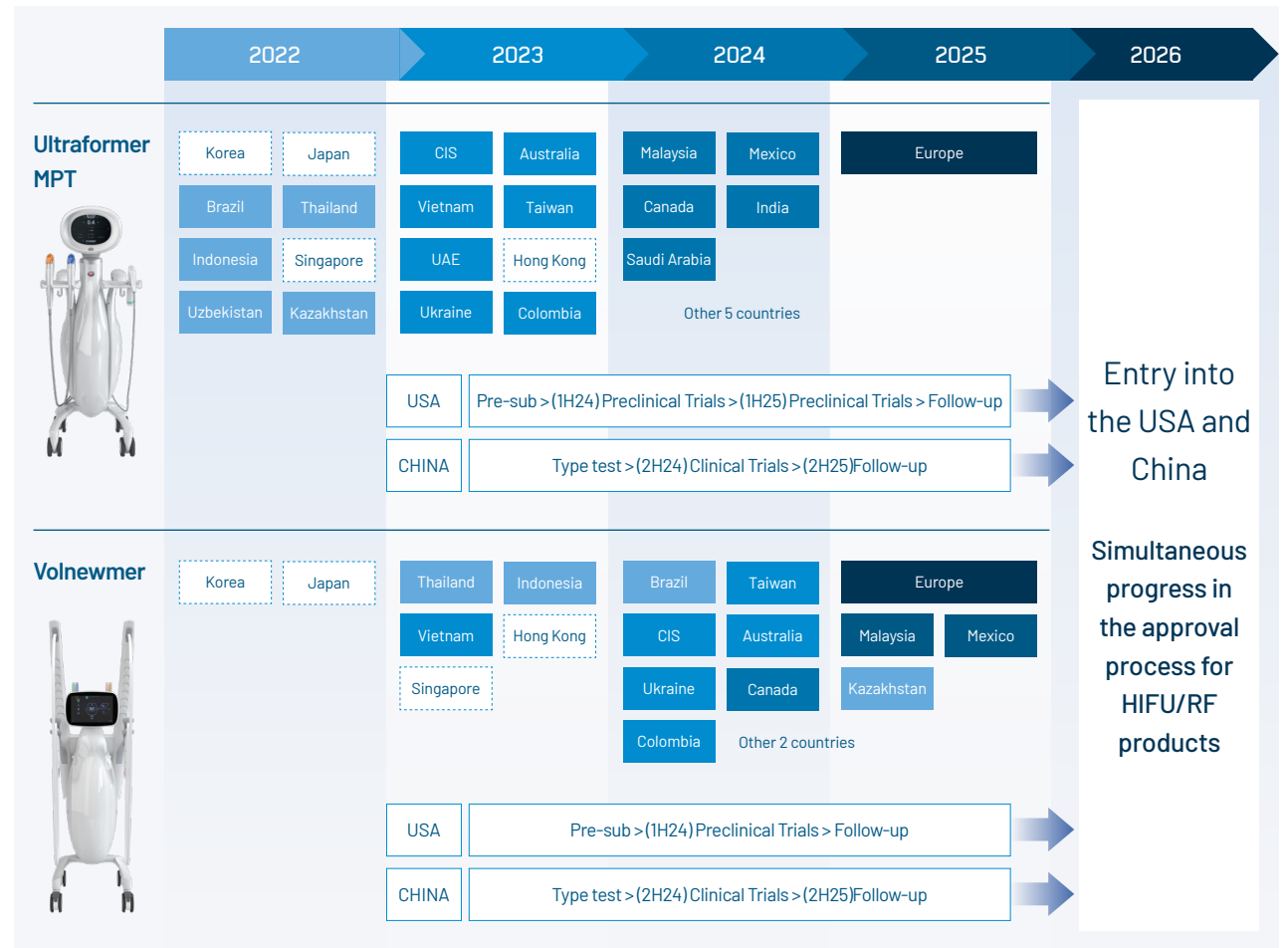
Market expansion following the additional launch of new products: Ultraformer MPT and Volnewmer

Classys has developed a product-specific global expansion roadmap to accelerate our penetration of the global energy-based devices (EBD) market. Accordingly, we are expanding product launches in existing markets and actively exploring new markets.

Today, Ultraformer III (Shurink) is present in 70 countries, with plans in place to gradually increase the number of countries that carry Ultraformer MPT (Shurink Universe) and Volnewmer. In 2022, Ultraformer MPT first debuted in eight strategic countries, including Brazil, Japan, and Thailand. In 2023, it obtained approval and launched in countries with high sales growth potential like the CIS, Taiwan, and Australia, leading the local HIFU market trend.

As for Volnewmer, Classys' first monopolar RF device, it is currently marketed in Korea, Japan, and Hong Kong, and plans are underway to officially enter overseas markets, starting with Indonesia and Thailand, where we obtained approval for its use in 2023. Strategic preparations are also being made for regulatory approval in key countries where the HIFU market is expanding, with approval anticipated and launches planned in Brazil within the first half of 2024.

Additionally, we plan to tap into new markets in Europe and the Middle East. Approval for Ultraformer MPT in the European market is expected by early 2025. Furthermore, for HIFU/RF devices, pre-submission and type testing have been completed in the U.S. and China, and clinical procedures are currently being expedited to speed up approval in these markets. The introduction of Ultraformer MPT into Europe, the U.S., and China is expected to lead the HIFU market trend and accelerate the popularization of EBD treatments more rapidly.



R&D Strategies

● Launch of Customer-Centric Innovative Products

Classys has established a detailed roadmap for technology R&D, with the goal of developing innovative products—through differentiated technological superiority—that reflect customer needs. Progress is today being made in three aspects: R&D for the release of next-generation HIFU/RF products; increasing the efficacy of the installed base through the development of consumables; and expanding the medical aesthetic brand through new product launches.

1) R&D for the Release of Next-Gen HIFU/RF Products

To strengthen our dominance in the medical aesthetic market, Classys is conducting R&D for the release of upgraded versions of our main HIFU and RF devices, a reflection of the additional customer needs and treatment trends we have taken note of. By understanding customer needs and presenting corresponding products and solutions, we can increase the satisfaction of users and consumers while generating replacement products and new demand faster than before.

2) Expanding the Application of the Installed Base through the Development of Consumables

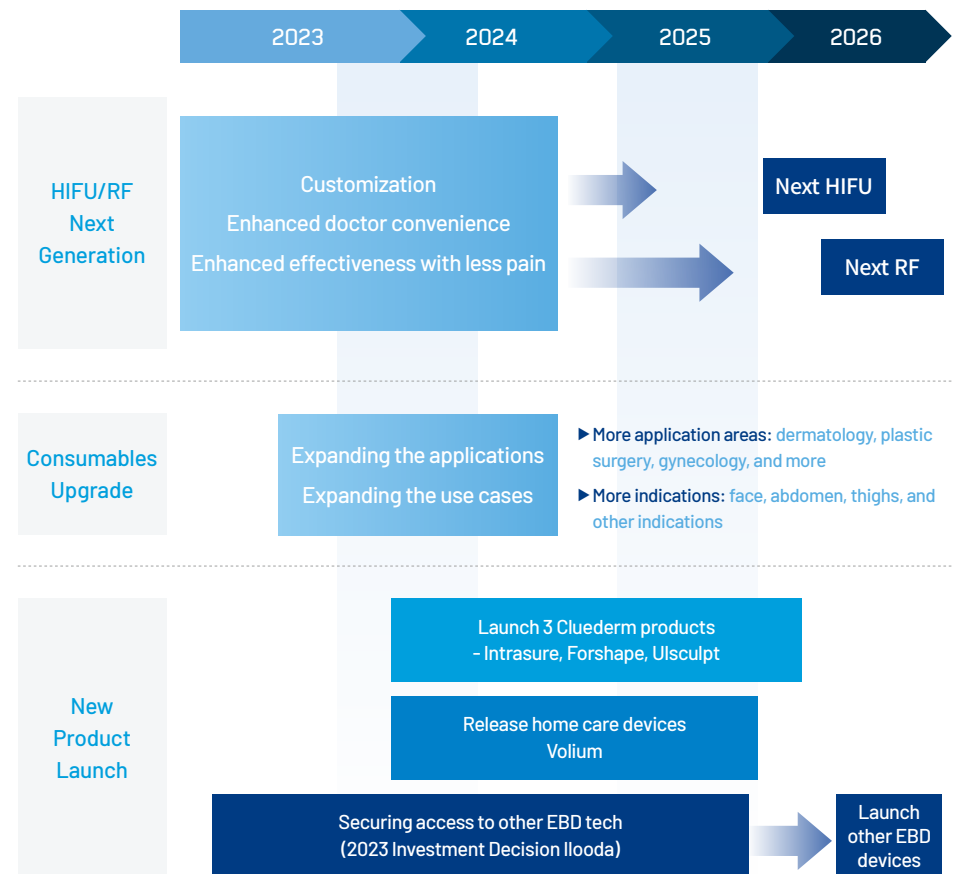
Initially started for curative purposes in the beauty industry, medical skincare has evolved into a total anti-aging concept that aims to restore signs of skin aging, such as removing wrinkles, elasticity enhancement, and pore reduction to a youthful state. As a result, the business models at dermatology clinics are also evolving. Continued research and development of consumables will boost indications (face, abdomen, thighs, and other skin areas) and applications (dermatology, plastic surgery, gynecology, and more) in response to the diversifying needs of customers and specialized business models of clinics and hospitals.

3) Expanding the Medical Aesthetic Brand by Launching New Technology-Based Products

Finally, as trends and needs vary by country in the EBD market, Classys plans to launch products using other EBD technologies—beyond HIFU and RF—to meet diverse customer needs with a varied product portfolio. For this, strategic collaboration and close partnership with Ilooda, which has industry-leading strengths in micro fractional needle RF (MNRF) and laser product lines, will further enhance our global capabilities. In addition, future opportunities for joint new product development and cross-licensing are expected by combining the IP and R&D capabilities of both companies.

Using core technologies, new products for aesthetic shops and home care devices will also be launched, aiming to bolster the scale of the CLUEDERM and Shurink RX brands.

Detailed Technology Roadmap Encompassing the Entire Spectrum of EBD Technology



Scientific Evidence

TESTIMONIALS by Medical Professionals




Dr Klaus Fritz
MD, Plastic Surgeon

"SCIZER is a unique device with macro-focused ultrasound that allows for easy fat reduction and effective tightening of body tissue. This new technology allows for painless treatment with high efficacy with little to no side effects. I do a lot of aesthetic treatment and body contouring, my patients and I are really happy."

"Ultraformer III brings immediate tightening effects with different cartridges for the face. Surgery was the normal option for skin lifting procedures but now we can achieve equal results using Ultraformer III non-invasively. My patients are always surprised about their remarkable clinical outcomes."




Dr Benjamin Ascher
MD, Plastic Surgeon

"I was deeply impressed by the skin-lifting results after experiencing Ultraformer III for the first time. It shows significant scientific improvements of HIFU technology to develop great results. I believe CLASSYS will be one of the leading global companies to come based on their outstanding technology."




Dr Jean Louis Sebah
MD, Plastic Surgeon

"I've been using the Ultraformer III for more than a year now and I am very satisfied with its clinical results. I believe the Ultraformer III is a game changer for skin lifting. Injections and surgery were our only options for skin lifting prior to HIFU, but now, the Ultraformer III reflects better as a non-surgical treatment."




Dr Villy Rodopoulou
MD, Plastic Surgeon

"I was lucky to have a chance to get my hands on CLATUU Alpha. It has an upgraded 360° surround cooling system and suction, I've seen the fat reduction results that are statistically significant, and our patients are really happy with that."



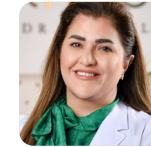

Dr Michael H. Gold
MD, Dermatologist

"For those who have never tried the Ultraformer III with Hifu technology, I'd like to say that this is an outstanding tightening procedure device. We prefer to use it for tightening from the eyes down to the neck. Patients are so satisfied as reflecting great results."




Dr Jonathan Te-Peng Tseng
MD, Dermatologist

"I'm serving a variety of treatments using Ultraformer III. It is so satisfying and interesting for me."




Dr Nedhal Khalifa
MD.


"It's an amazing fact for me that Ultraformer III provides unique control that allows the user to match patient tolerance and treat small areas precisely."




Dr Bertrand Pusel
MD, Dermatologist


"The treatment indication is for fat burning. Stubborn fat at different levels such as in the abdomen, flanks, and love handles, with one session, can yield improved results. This device requires no preparation, no anesthetic, or incisions, which makes the SCIZER an effective device for fat reduction."




Dr Nobuhiro Suetake
MD, Plastic Surgeon

"SCIZER really is an innovative addition to HIFU treatments for body contouring. With multiple cartridges, you are able to customize treatments based on the patient's body shape and fat layer. SCIZER is so precise and brings immediate and gradual results. It's very impressive."



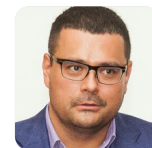

Dr Kim Jong-Seo
MD, Plastic Surgeon

"I am very impressed with Ultraformer III in which there is a high rate of patient satisfaction. HIFU devices have replaced the trend of RF devices recently because these devices, like ULTRAFORMER, are more effective and less painful. It helps with blood circulation and remodels collagen effectively."




Dr Katia Paskova
MD, Dermatologist

"The effect of Ultraformer III is instantaneous. This is because we work on the tissues and various layers of the skin. With age, skincare products and cosmetics are just not enough. ULTRAFORMER is suitable for patients who do not want surgical facelift procedures."




Dr Marcin Ambroziak
MD, Dermatologist

"I have been using Ultraformer III for more than 6 months now. This is a very versatile device because there are cartridges ranging from 1.5mm up to 9.0mm. So, we can use the device not only to treat sagging skin on the face, but we are able to treat other areas of the body as well."




Dr Franco Lauro
MD, Plastic Surgeon

"The Ultraformer III's skin tightening effects are amazing. Laser technology has limitations in terms of clinical results and side effects. The Ultraformer III presents excellent skin tightening using HIFU that delivers energy, especially to the SMAS layer. The HIFU energy by Ultraformer III takes apart old collagen and induces the formation of new collagen effectively."

Scientific Evidence

TESTIMONIALS by Medical Professionals



 **Dr GerdG. Cauglitz**
MD, Dermatologist

"I have had the CLATUU for more than 1 year now and we are actually very satisfied with the results. Every single patient that we have treated so far was more than convinced from the results. I think it is a unique combination of efficacy but it is also a near painless treatment of localized fatty deposits."


"We have had the Ultraformer III now for quite a while. We are impressed by the results and have satisfied patients. From my point of view, it is an impressive and effective treatment, approaching a phase in a multi-layer way, and involves having no downtime with results surfacing surprisingly quickly after the first procedure."



 **Dr Adrian Lim**
MD, Dermatologist

"I'm Adrian Lim. I'm a dermatologist from Sydney. I've been in the body contouring sphere for some time. I'd really like to recommend the new SCIZER. It's a new HIFU device that's best in its class. It's well tolerated, patients love it, it delivers results, and I recommend that you try it!"



 **Dr Kim Bong-Chul**
MD.

"I am very impressed with the SCIZER as the results far outweigh the pain factor per each procedure. My patients are also impressed and they say that this treatment yields minimal pain because of the cooling effect of the cartridges when applied onto the skin surface."



 **Dr Chew Khek Kah**
MD, Plastic Surgeon

"I especially like the SCIZER for its contact cooling which enhances patient comfort. In addition, the flexibility of two different hand-pieces of 9mm and 13mm enables me to have greater contouring capabilities. My patients have liked the results."



 **Dr Pedro Alberto Santos**
MD, Plastic Surgeon


"I'm sure that the Ultraformer III is the best device for providing the highest rate of satisfaction to both doctors and patients among other HIFU devices in the world. It's lucky for me to have a chance to use Ultraformer III."



 **Dr Atchima Suwanchinda**
MD.

"I'm sure that, no doubt, the Ultraformer III is the best device for providing the happiest and most satisfying treatment results for a couple of years, even without any break-down. It is a great experience for me to have such an outstanding result."



 **Dr Dany Touma**
MD.

"Definitely, Ultraformer III differentiates itself from other HIFUs by its quickly noticeable results, its tolerable sessions, and having no adverse reactions."



 **Dr Yamashita Rie**
MD.

"I've been studying the latest RF treatment using VOLNEWMER. And through that research, I just figured out why other doctors say VOLNEWMER is the future of RF treatment in this field."



 **Dr Ishikawa Hirokazu**
MD.

"I've utilized many of the HIFU products available from all over the world. However, I can say that the Ultraformer III is the best given its superior and more satisfying treatment capabilities over any other device."



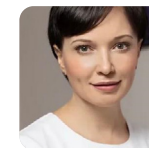
 **Dr Felix Kusmana**
MD, Biomed(AAM)

"CLATUU ALPHA is, without a doubt, the best Cryolipolysis machine. With a 360° cooling system and various cup forms, patients can achieve the best result almost all over their body. And also we all know ULTRAFOMER III is the best HIFU machine that we must have in the clinic."



 **Dr Rungsima Wanitphakdeedecha**
MD, Plastic Surgeon

"I serve customized treatments for both the face and the body with the various Ultraformer III cartridges. Customers are so happily satisfied with immediate results. The Ultraformer III is the most satisfying and best device for me."



 **Dr Irina Rakhova**
MD.

"I gave 2 nicknames to Ultraformer III: Michelangelo's knife and a Time Machine. Ultraformer III brings back youth rather than creating a new face with surgery. Each layer of skin regenerates collagen and gives your face a fantastic rejuvenation without any surgery or recovery time. Ultraformer III makes my patients and me very very happy."

Scientific Evidence

Clinical/Academic Papers

Technology	Title	Author	Published Year
HIFU	Vulvar Transformation with Ultraformer III Micro- and Macrofocused Ultrasound	Giovanna Ignacio, MD	2023
HIFU	Safety and efficacy of high-intensity focused ultrasound for treatment of periorbital, perioral, and neck wrinkles: Prospective open single-center single-arm confirmatory clinical trial	Hye Sung Han, et al.	2022
HIFU	Vulvar Rejuvenation Using High-Intensity Focused Ultrasound (HIFU): Fundamentals and Technique	F.S. Borges, et al.	2022
HIFU	Quantified Facial Rejuvenation Utilizing High Intense Focus Ultrasound with Multiple Penetrative Depths	Man-Lok Lio, et al.	2022
HIFU	The Efficacy of High-Intensity Focused Ultrasound Treatment for Sagging Upper and Lower Eyelids	Yusun Hwang, et al.	2022
HIFU	Tightening and Reduction of Unwanted Submental Fat Using Triple-Layer High-Intensity Focused Ultrasound Clinical and 3-Dimensional Imaging Analysis	Hyuck Hoon Kwon, et al.	2021
HIFU	A new treatment protocol of microfocused ultrasound for lower eyelid fat bulging	Hye Chan Jeon, et al.	2021
HIFU	The efficacy of macro-focused ultrasound in the treatment of upper facial laxity: A pilot study	Rungsima Wanitphakdeedecha, et al.	2020
HIFU	Simultaneous Combination Treatment Using High-Intensity Focused Ultrasound and Fractional Carbon Dioxide Laser Resurfacing for Facial Rejuvenation	Hee Young Kang, et al.	2019
HIFU	High-Intensity Focused Ultrasound: A Satisfactory, Non-invasive Procedure for Crow's Feet Wrinkles	Gyu Sik Jung, et al.	2019
HIFU	A study of efficacy and safety of high-intensity focused ultrasound for the treatment of melasma in Asians: A single-blinded, randomized, split-face, pilot study	Vasanop Vachiramon, et al.	2019
HIFU	Effect of High-Intensity Focused Ultrasound on Eyebrow Lifting in Asians	Won jong Oh, et al.	2019
HIFU	Non-Invasive Arm Fat Reduction	Logan William Thomas, et al.	2018
HIFU	Efficacy and Safety of Non-invasive Body Tightening with High Intensity Focused Ultrasound (HIFU)	E.J.Ko, et al.	2017
HIFU	High Speed Low-pain Micro Focused Ultrasound Tightening of the Lower Face and Neck	Adrian Lim, MD	2017
HIFU	Tightening Effects of High Intensity Focused Ultrasound on Body Skin and Subdermal Tissue: A Pilot Study	S.Y.Choi, et al.	2016
HIFU	Evaluation of Micro Focused Ultrasound for Lifting and Tightening the Face	In Ho Lee, et al.	2015
RF	Japanese Market Beauty Trends	Kenta Fujio, MD	2024
RF	Efficacy and Safety of a Novel Monopolar Radiofrequency Device with a Continuous Water-Cooling System in Patients with Age-Related Facial Volume Loss	Bon cheol Goo, et al.	2024
RF	A Split-Face Study On Rejuvenation Efficacy According To Monopolar Radiofrequency Tip Size	Yun Seok Yang, et al.	2024
RF	Subjective evaluation of monopolar radiofrequency treatment by patients in aesthetic rejuvenation	Yusun Hwang, et al.	2024
RF	Evaluating the Efficacy of Continuous Water-Cooling 115-Watt 6.78-MHz Monopolar RF Therapy for Fine Wrinkle Reduction	JongSeo Kim, MD	2024
RF	VOLNEWMER: Advanced Monopolar RF with Water Cooling System	Ji Won Gye, MD	2023
RF	The present and the future of aesthetics in Japan Story behind the interest in Korean RF devices	Hara Kaya, MD	2023
RF	The present and the future of aesthetics in Japan Continuously growing RF markets and devices to watch	Hara Kaya, MD	2023
RF	Objective Review of Monopolar Radio Frequency Device: Continuous Water Cooling and Single Radio Frequency Pulse I	Sang Hyeok Park, MD	2023
RF	Objective Review of Monopolar Radio Frequency Device: Continuous Water Cooling and Single Radio Frequency Pulse II	Sang Hyeok Park, MD	2023
RF	Objective Review of Monopolar Radio Frequency Device: Continuous Water Cooling and Single Radio Frequency Pulse III	Sang Hyeok Park, MD	2023
Cooling	Efficacy and Safety of Cold-Induced Noninvasive Targeted Fat Reduction in Pseudogynecomastia	Ji Yeon Hong, et al.	2022
Cooling	Cryolipolysis for abdominal subcutaneous fat reduction: A prospective, multicenter, single arm, clinical study	Sun Young Choi, et al.	2022
Cooling	Three-dimensional Cryolipolysis for Submental and Lateral Neck Fat Reduction	Stavroula Rodopoulou, et al.	2020
Cooling	Specific Indications for Clatuu: Combinations of HIFU and Cryolipolysis for the Body	Gerd Gauglitz, MD	2019
Cooling	Body Contouring: Improved Body Contour by Combination Treatment	Gerd Gauglitz, MD	2017
Cooling	High-Intensity Focused Ultrasound Treatment after Cryolipolysis may be Used to Reduce Pain: Two case report	Eun Jung Ko, et al.	2017
Cooling	Non-Invasive Tumescent Cryolipolysis Using a New 4D Handpiece: a comparative Study with a Porcine Model	S.Y. Jeong, et al.	2016
Cooling	Improved Methods for Selective Cryolipolysis Results in Subcutaneous Fat Layer Reduction in a Porcine Model	T-R. Kwon, et al.	2014

* The bold text indicates papers listed in SCIE (Science Citation Index Expanded).



Financial Statements

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Consolidated Balance Sheet

(Unit: KRW)

	2023	2022	2021
Assets			
Current Assets	185,737,483,070	147,788,690,727	73,140,020,626
Cash & Cash Equivalents	18,336,205,417	26,004,485,440	42,788,254,096
Short-Term Financial Instruments	90,365,422,000	65,377,445,900	-
Fair Value Through Profit or Loss	28,155,177,631	20,198,635,245	5,125,081,461
Accounts Receivable and Other Receivables	17,710,839,993	8,003,983,210	2,115,901,774
Inventories	19,434,327,936	23,397,666,986	16,465,363,683
Other Financial Assets	1,432,729,934	2,076,639,142	905,863,455
Other Current Assets	10,277,253,770	2,705,307,480	5,715,120,631
Current Income Tax Assets	25,526,389	24,527,324	24,435,526
Non-Current Assets	189,705,538,684	183,622,417,572	143,239,184,710
Long-Term Investments	107,422,000	331,655,306	297,207,558
Fair Value Through Profit or Loss	2,999,958,567	-	-
Property, plant, and equipment	138,988,714,882	104,241,594,590	80,704,632,923
Intangible Assets	2,822,296,858	1,478,369,574	1,123,998,104
Investment Property	41,087,737,052	74,654,142,444	58,418,164,117
Other Non-Current Financial Assets	1,100,274,880	1,038,003,840	1,894,438,860
Right-of-Use Assets	1,217,303,762	1,090,644,081	800,743,148
Deferred Income Tax Assets	1,381,830,683	788,007,737	-
Total Assets	375,443,021,754	331,411,108,299	216,379,205,336

	2023	2022	2021
Liabilities			
Current liabilities	29,246,386,638	36,225,225,302	16,793,038,427
Accounts Payable and Other Liabilities	2,374,590,309	2,124,969,047	1,762,682,479
Current Portion of Long-Term Borrowings	2,400,000,000	2,400,000,000	-
Current Income Tax Liabilities	10,482,475,131	18,158,545,452	5,965,653,812
Other Financial Liabilities	6,794,965,310	5,465,274,676	980,208,015
Other Current Liabilities	5,072,165,961	6,293,182,762	6,742,818,342
Current Provision for Liabilities	1,382,820,538	1,225,950,125	827,521,251
Lease	739,369,389	557,303,240	514,154,528
Non-Current Liabilities	62,696,135,453	65,632,025,837	35,841,735,557
Long-Term Debt	62,000,000,000	64,400,000,000	35,000,000,000
Other Non-Current Financial Liabilities	207,422,000	690,712,000	178,000,000
Non-Current Lease	488,713,453	541,313,837	291,450,457
Deferred Income Tax Liabilities	-	-	372,285,100
Total Liabilities	91,942,522,091	101,857,251,139	52,634,773,984
Equity			
Equity Attributable to Owners of the Parent Company	283,500,499,663	229,553,857,160	163,744,431,352
Capital Stock	6,477,670,200	6,477,670,200	6,471,686,400
Capital Surplus	24,229,755,029	24,229,755,029	24,122,104,354
Capital Adjustments	-18,253,885,541	-5,421,976,100	4,789,153
Other Comprehensive Income Accumulated	62,881,941	38,081,537	22,859,175
Retained Earnings	270,984,078,034	204,230,326,494	133,122,992,270
Total Equity	283,500,499,663	229,553,857,160	163,744,431,352
Total Liabilities and Equity	375,443,021,754	331,411,108,299	216,379,205,336

Consolidated Income Statement

(Unit: KRW)

	2023	2022	2021
Revenue	180,122,798,016	141,803,242,402	100,596,935,574
COGS	39,673,733,669	33,636,218,547	22,744,271,711
Gross Profit	140,449,064,347	108,167,023,855	77,852,663,863
Selling General & Administrative Expenses	50,826,682,284	39,290,816,397	26,139,943,465
Operating Profit	89,622,382,063	68,876,207,458	51,712,720,398
Financial Income	8,660,313,809	2,584,120,029	4,211,433,763
Financial Expenses	3,594,757,133	4,675,705,739	367,148,616
Other Income	49,689,454	30,374,149,233	214,610,833
Other Expenses	895,783,805	400,334,309	147,027,685
Net Income Before Income Tax	93,841,844,388	96,758,436,672	55,624,588,693
Income Tax Expenses	19,616,641,192	21,379,789,424	11,819,912,311
Net Income	74,225,203,196	75,378,647,248	43,804,676,382
Other Comprehensive Income	24,800,404	15,222,362	51,426,381
Items that may be reclassified subsequently to profit or loss	24,800,404	15,222,362	51,426,381
Derivative Valuation Gain (Loss)	-	-	-
Foreign Currency Translation Gain (Loss)	24,800,404	15,222,362	51,426,381
Total Comprehensive Income	74,250,003,600	75,393,869,610	43,856,102,763
Net Profit Attributable to	74,225,203,196	75,378,647,248	43,804,676,382
Owners of the Parent Company	74,225,203,196	75,378,647,248	43,804,676,382
Non-controlling interests	-	-	-

	2023	2022	2021
Total Comprehensive Income Attributable to	74,250,003,600	75,393,869,610	43,856,102,763
Owners of the Parent Company	74,250,003,600	75,393,869,610	43,856,102,763
Non-controlling interests	-	-	-
Earnings per Share			
Basic Earnings per Share	1,155	1,165	677
Diluted Earnings per Share	1,152	1,165	676

Consolidated Cash Flow Statement

(Unit: KRW)

	2023	2022	2021
Cash Flows from Operating Activities	64,631,971,915	54,754,505,368	36,367,042,257
Net Profit (Loss)	74,225,203,196	75,378,647,248	43,804,676,382
Adjustments to Reconcile Net Profit	23,719,615,358	-1,673,811,565	11,048,673,401
Changes in assets and liabilities from operating activities	-8,502,882,871	-6,422,117,947	-9,613,329,388
Payment of Income Taxes	-27,648,572,141	-10,340,797,227	-8,821,975,758
Interest Received	4,609,835,540	386,339,364	42,052,051
Interest Paid	-1,771,227,167	-2,573,754,505	-93,054,431
Cash Flows from Investing Activities	-48,157,757,772	-91,994,852,657	-92,466,134,619
Decrease in Fair Value Through Profit or Loss	-	5,076,295,107	-
Decrease in Long-Term Borrowings	-	-	500,000,000
Decrease in Short-Term Borrowings	-	5,421,976,100	3,240,706,464
Decrease in Short-Term Financial Instruments	14,578,023,900	-	-
Disposal of PPE	120,775,455	60,027,636,362	61,551,000
Decrease in Lease Deposits	770,000,000	158,000,000	735,000,000
Decrease in Other Deposits	13,348,001	1,500,000	300,000
Decrease in Long-Term Financial Instruments	224,233,306	105,970,452	-
Increase in Fair Value Through Profit or Loss	-9,999,958,567	-20,000,000,000	-4,960,317,460
Increase in Short-Term Financial Instruments	-39,566,000,000	-70,906,844,000	-
Increase in Long-Term Financial Instruments	-	-32,996,200	-21,464,117
Acquisition of PPE	-4,474,211,858	-27,481,361,335	-32,627,973,312
Acquisition of Intangible Assets	-1,638,310,349	-517,334,887	-409,686,546
Increase in Advances Paid	8,000,000,000	-	-
Acquisition of Investment Property	-	-43,759,576,256	-58,278,608,648
Increase in Lease Deposits	-126,060,000	-80,000,000	-681,000,000
Increase in Other Deposits	-59,597,660	-8,118,000	-24,642,000

	2023	2022	2021
Cash Flows from Financing Activities	-25,643,961,606	21,055,238,698	30,719,729,449
Increase in Long-Term Borrowings	-	69,000,000,000	35,000,000,000
Exercise of Stock Purchase Options	-	108,845,322	13,999,024
Increase in Lease Deposits	117,000,000	85,000,000	-
Dividends Paid	-7,471,451,656	-4,271,313,024	-3,882,550,080
Acquisition of Treasury Stocks	-14,578,008,850	-5,421,976,100	-
Repayment of Short-Term Borrowings	-2,400,000,000	-37,200,000,000	-
Repayment of Lease Liabilities	-876,501,100	-618,723,000	-411,719,495
Decrease in Lease Deposits	-435,000,000	-626,594,500	-
Increase (Decrease) in Cash and Cash Equivalents	-9,169,747,463	-16,185,108,591	-25,379,362,913
Cash and Cash Equivalents, Beginning of Year	26,004,485,440	42,788,254,096	64,383,495,928
Effects of Exchange Rate Changes on Cash and Cash Equivalents	1,501,467,440	598,660,065	3,784,121,081
Cash, End of Year	18,336,205,417	26,004,485,440	42,788,254,096





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