

Amorepacific Corp. & Cosvision Stock Swap

2021.6.21

CONTENTS

1

Executive Summary

2

Cosvision Company Overview

3

Cosvision Financial Summary

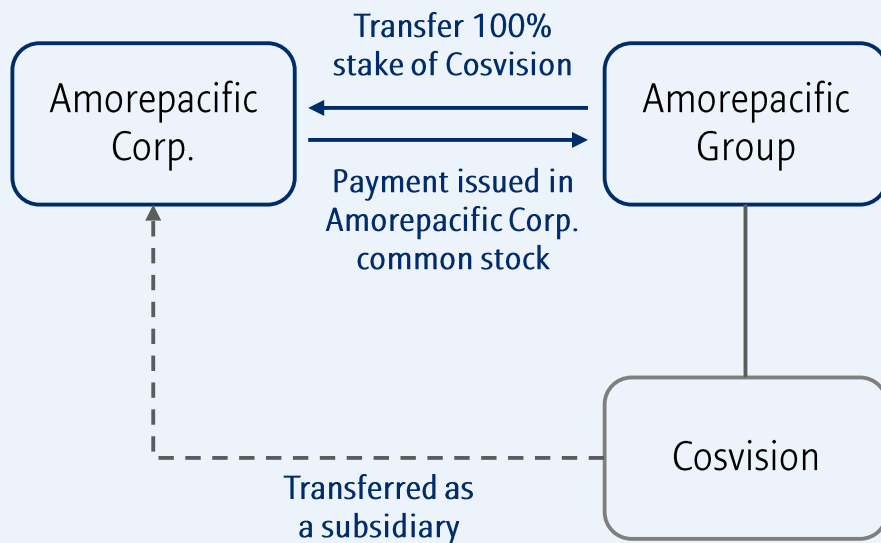


1. Executive Summary

Key objective is to enhance managerial effectiveness by restructuring organizational structure and to strengthen business synergies between the two companies

Business Deal Summary

- Amorepacific Corp. will own 100% stake of Cosvision through stock exchange transaction with Amorepacific Group
- Cosvision will be transferred as Amorepacific Corp.'s subsidiary



Exchange Ratio

- Executed in accordance with Korean Capital Market Act
 - Stock exchange ratio determination date: June 18th, 2021
- Amorepacific Corp. Stock Price: Common Stock 282,644 KRW
- Cosvision Value per Common Stock: 1,319 KRW

	Amorepacific Corp. Stock Exchange Ratio	Method of Payment
Cosvision Common Stock	Per Cosvision Common Stock, 0.0046683 Amorepacific Common Stock 1 : 0.0046683	129,543 shares of Amorepacific Common Stock

2. Cosvision Company Overview

Company Overview

Business

- Cosmetics Product Manufacturer
 - Develop and produce Amorepacific Group's brand products (OEM/ODM)
 - Sales portion by company (as of 2020): Innisfree 53.7%, Amorepacific Corp. 18.2%, Etude 15.2%, etc.

Address

- 80, Daehwa-ro, Daedeok-gu, Daejeon, Korea

Shareholder Status

- 100% owned by Amorepacific Group
 - Number of Common Stock: 27,750,000

Business History

Date	History
Aug. 2006	• Company founded as 'Cosvision'
Oct. 2011	• Designated as CGMP (Group 2) • Became subsidiary of Amorepacific Group
Jul. 2012	• Established ERP System • Designated as CGMP (Group 1,3,4)
Jan. 2013	• Achieved Organic Cosmetics Certification (ECOCRET, France)
Feb. 2017	• New Factory Relocation
Aug. 2018	• Built Make-up Color Lab
May. 2019	• Achieved HALAL Cosmetics Certification (Jakim, Malaysia)
Aug. 2019	• Achieved Vegan Cosmetics Certification (Eve Vegan, France)

3. Cosvision Financial Summary

Income Statement

Statement of Financial Position

(Unit: 1,000 KRW)

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	2018	2019	2020
Revenue	170,272,358	175,878,474	128,854,384
Cost of sales	169,710,817	171,818,289	128,921,834
Gross Profit	561,541	4,060,185	-67,450
SG&A Expenses	4,208,426	3,774,963	2,907,245
Operating Profit	-3,646,885	285,222	-2,974,695
Non-Operating Profit/Expense	-1,766,646	-1,255,713	-38,268,220
Profit Before Tax	-5,413,531	-970,491	-41,242,915
Consolidated Net Income	-5,952,653	-2,766,374	-41,154,612

	2018	2019	2020
Assets	149,766,419	153,605,621	104,518,934
Current Assets	33,107,098	36,681,725	28,984,787
Cash and Cash Equivalent	8,010,400	8,327,207	5,490,183
Trade receivables	14,650,761	17,088,291	13,822,934
Inventories	10,127,233	10,579,858	9,136,833
Non-current Assets	116,659,321	116,923,896	75,534,147
Property, Plant and Equipment	112,952,359	104,805,224	64,882,371
Intangible Assets	916,557	700,295	521,279
Liabilities	72,726,129	79,367,935	70,899,406
Current Liabilities	72,726,129	73,960,834	65,343,240
Non-current Liabilities	0	5,407,102	5,556,166
Shareholder's Equity	77,040,289	74,237,685	33,619,528
Capital Stock	13,875,000	13,875,000	13,875,000
Retained Earnings	3,507,979	705,375	-39,912,782