

4Q25 Business Results

2026.02.06 Investor Relations

이 겨울, 가장 꿈꿔왔던 프리미엄 디저트

PREMIUM Ghana



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This document was prepared prior to completion of the external auditor's review, and therefore some of its contents may be subject to change during the external auditor's review process.

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This document includes the Company's subjective judgments regarding recent business conditions and future outlook.

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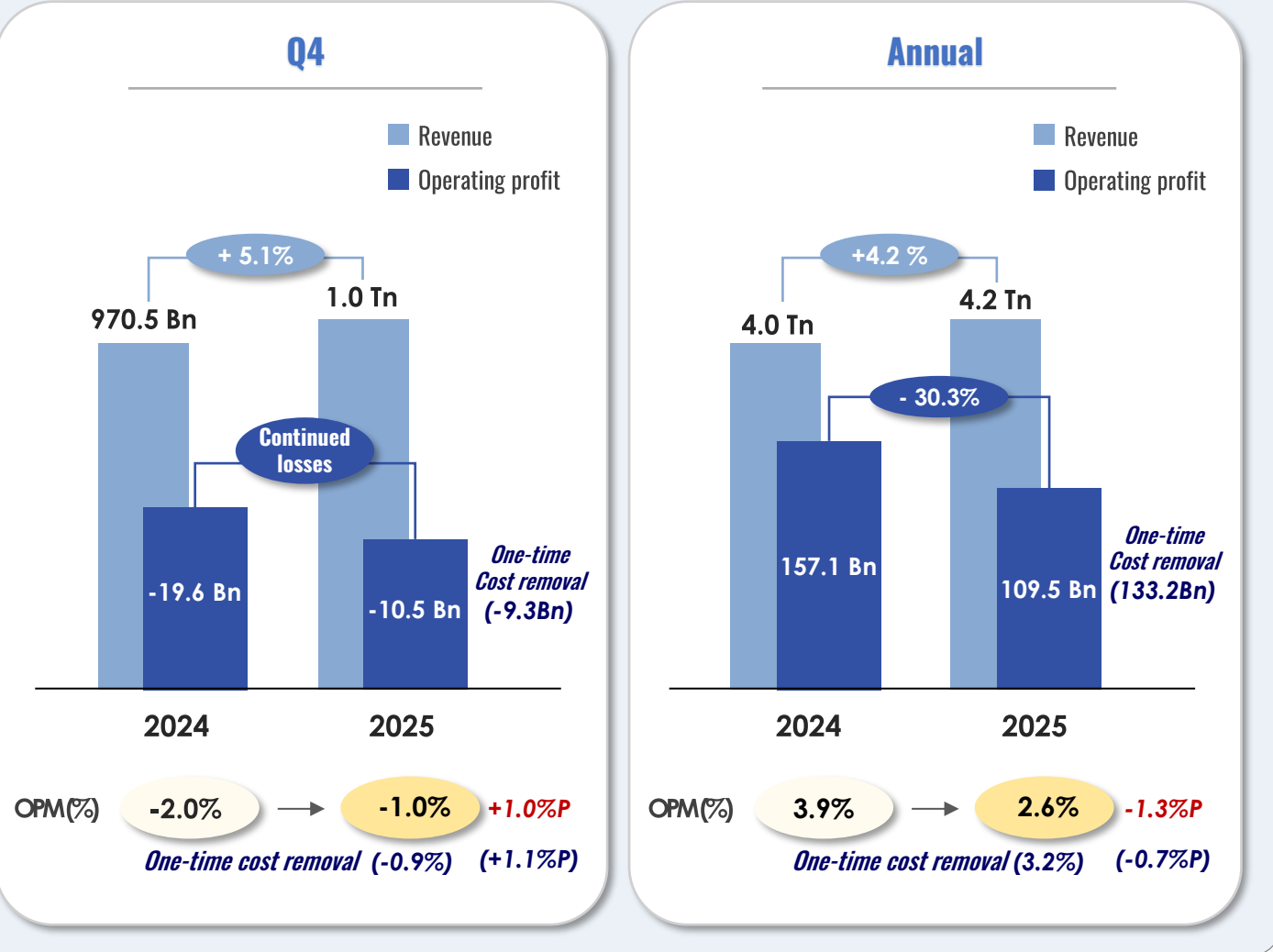
Q425 Performance



4Q25 Performance

Consolidate Basis

(Unit: 100 million KRW)



(unit: 100 million KRW)

Category	Q4			Annual		
	Amount	YoY		Amount	YoY	
		Increase/decrease amount	%		Increase/decrease amount	%
Revenue	10,198	492	5.1	42,160	1,717	4.2
Operating Profit	-105	91	Continued losses	1,095	-476	-30.3
One-time removal	-93	103	-	1,332	-239	-15.2
Ordinary profit	-180	237	Continued losses	1,001	-77	-7.2
Net income	-170	80	Continued losses	714	-106	-12.9

Key Highlights

- Domestic consumption slowed, but sales increased due to growth at major overseas subsidiaries
- Profit declined despite price hikes due to the burden of raw material costs and one-off item expenses
 - Raw material cost burden: 4Q KRW 38.3 Bn / Full year KRW 164.1 Bn
- Unusual cost burden issues
 - [One-time] Costs incurred for personnel and organizational efficiency initiatives (4Q: KRW 1.1 Bn / Full year: KRW 23.7 Bn)
 - [Long-term employee benefits] Increased cost burden due to rising gold prices (Full year: KRW 7.2 Bn)

Note. The performance of each business segment is on a standalone basis, while the overall company totals are on a standard that reflects consolidation adjustments, etc.

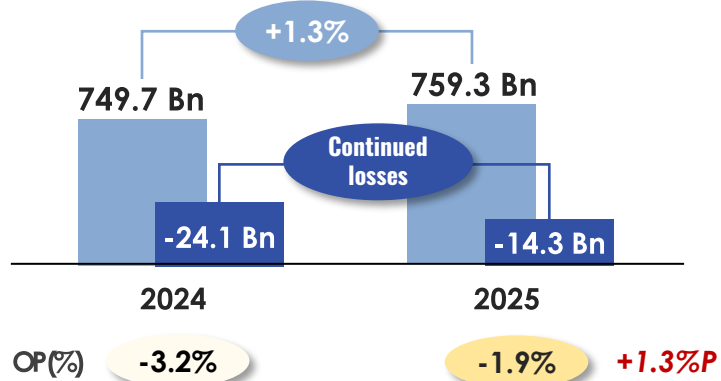
Domestic Business

Business Performance

(Unit: 100 million KRW)

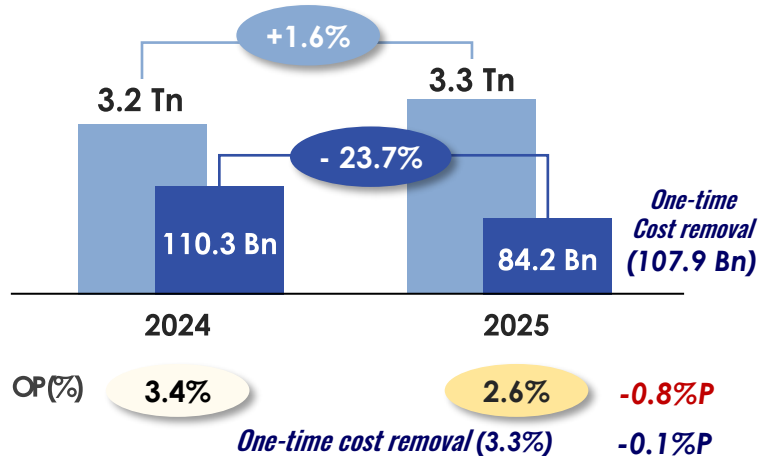
Q4

■ Revenue
■ Operating profit



Annual

■ Revenue
■ Operating profit



Key Details

Sales status per major business

(Unit: 100 million KRW)

Category	Q4			Annual		
	Revenue	YoY		Revenue	YoY	
		Amount	%		Amount	%
Confectionery	3,022	134	4.6	11,328	284	2.6
Ice cream	815	- 30	- 3.5	6,071	- 29	- 0.5
Fats & Oils	1,224	85	7.5	4,908	388	8.6
Food materials, etc. ¹	558	24	4.5	2,267	137	6.4
Domestic total	7,593	96	1.3	32,829	527	1.6
Export	547	30	5.8	2,396	345	16.8

Revenue

- Slight decline in ice cream sales due to weakened consumer sentiment and unfavorable weather in the first half; domestic sales increased through trend-based marketing for Kancho(confectionery), and higher pricing of fats and oils
- Export sales expanded, including PEPERO in North America and processed meat canned ham in Southeast Asia

Operating Profit

- Despite management improvements and price increases, operating profit declined due to higher raw material prices(cocoa, dairy products), and the occurrence of one-off expenses.

Note1. Food materials, etc.: Food materials, ingredients, coffee, catering.

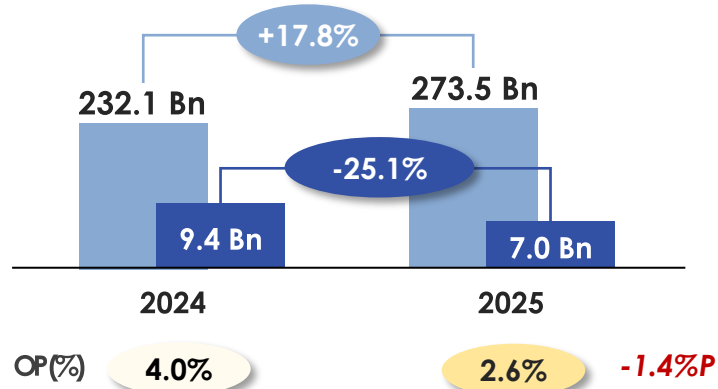
Global Business

Business Performance

(Unit: 100 million KRW)

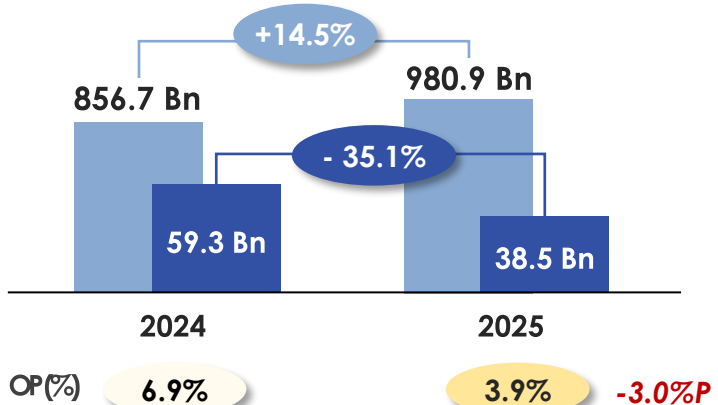
Q4

■ Revenue
■ Operating profit



Annual

■ Revenue
■ Operating profit



Key Details

Sales Status per Corporation

(Unit: 100 million KRW)

Category	Q4			Annual		
	Revenue	YoY		Revenue	YoY	
		Amount	%		Amount	%
Ice cream	335	24	7.7	1,966	237	13.7
Confectionery	343	47	16.0	1,296	120	10.2
India Total	678	71	11.7	3,262	356	12.3
Kazakhstan	979	144	17.3	2,906	260	9.8
KF RUS	319	105	48.7	1,102	254	29.9
Global Total	2,735	414	17.8	9,809	1,241	14.5

Local (+17.7%)
Local (+17.0%)
Local (+13.9%)
Local (+12.1%)

Revenue

- Sales continued to grow despite unfavorable weather conditions in India and delays in stabilizing production at the Pune factory, driven by expanded sales of LOTTE brand products
- Sales increased in the CIS region due to the appreciation of the ruble and expanded regional coverage

Operating Profit

- Operating profit decreased due to higher raw material costs for cocoa and dairy products

Key Business Strategies and Outlook



Business Strategy - Domestic

Market Trends and Conditions

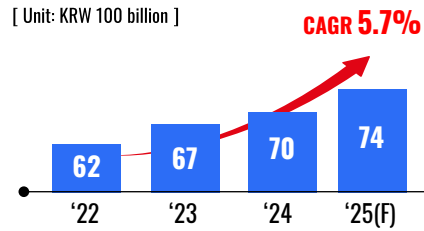
"A slowdown in the effects of price increases and constraints on consumption recovery are expected"

Strategic Direction

"Focus on high-margin/high-value product categories driven by premiumization"
"Identify volume growth capabilities to respond to new growth channels"

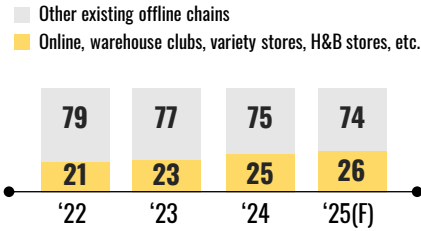
Confectionery

Market size (sales value)



✓ Confectionery (bars), jelly, candy, snacks recorded growth in both volume and value

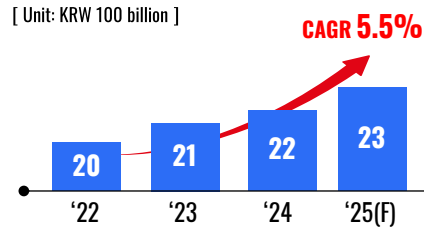
Sales mix by channel (%)



✓ Online, emerging offline channels are showing strong growth momentum

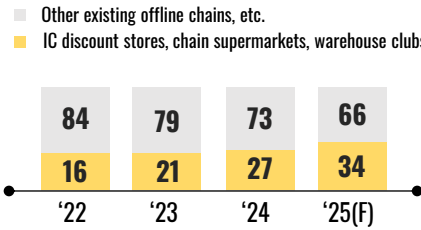
Ice cream

Market size (sales value)



✓ Milk (bar), cup (shaved ice) products recorded significant growth

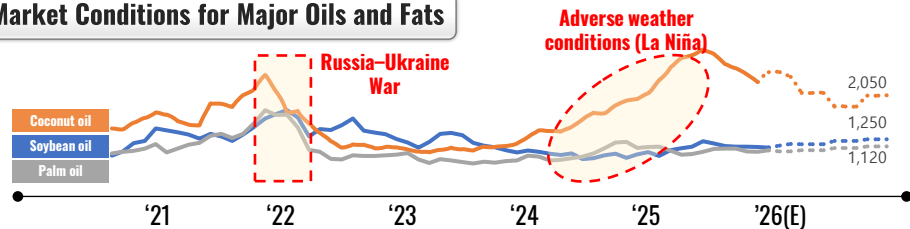
Sales mix by channel (%)



✓ IC discount stores, chain supermarkets, and warehouse clubs show strong growth momentum

Fats & Oils

Market Conditions for Major Oils and Fats



✓ Price increases driven by supply shortages in 2025
 → Trend toward supply normalization and price stabilization

✓ Focused development of growth categories and enhancement of competitiveness

- Chocolate : Fostering Premium / Mix Lineups (Ghana, Binch, Crunky, etc.)
- Jelly : Strengthening the Company's market position through expansion of product formats (Malang Cow, Sour Master etc.)
- Snacks : Strengthening the profitability of cash cow brands (Kokal Kon, Cheetos, etc.)

✓ Restoring core brand competitiveness and reinforcing growth through premiumization and a shift toward high value-added offerings

- Enhancing product quality and renewing product design / Strengthening IMG activities / Strengthening the premium portfolio

✓ Diversification of packaging formats to address emerging growth channels (e.g., PEPERO for Daiso, bulk packaging for warehouse clubs)

✓ Improvement of market share (MS) in competitively disadvantaged categories, such as milk (bar)

- Expanding market share through customized portfolios tailored to each segment (Dweji Bar, Okdongja, etc.)

✓ Revenue growth and seasonal volatility mitigation through focused expansion of growth channels

- Expanding CVS volume through the introduction of chain-exclusive products for differentiated chains
- Expanding exports through the development of global core brands

✓ Pursuit of cost improvements through a shift in sourcing structure, changes in procurement methods, and diversification of supply sources

- Leveraging trading companies & MOUs, strengthening the bidding process, and sole-sourced raw materials (expansion of suppliers and countries of origins)

✓ Focus on price management and a reduction in sales through low-efficiency and low-value channels

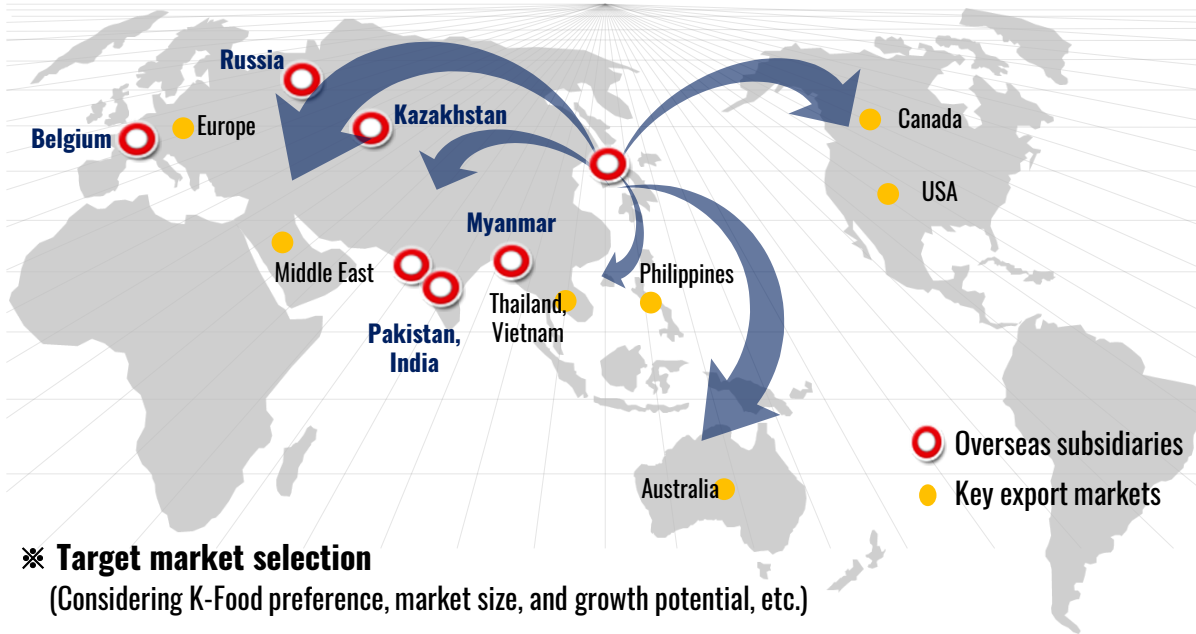
✓ Strengthening the high-margin portfolio through expansion of the processed oils and fats lineup

- Diversification of natural butter origins, customization for end-user needs, and launch of value-for-money products, etc.

Business Strategy _ Global

Global Expansion Strategy

Expansion of sales in strategic countries



“Differentiated execution strategy”

- ✓ Global fostering of core brands through locally tailored formulations and flavors
- ✓ Culturally linked campaigns and continuous expansion into new countries

Key Initiatives

Export

Expanding direct sales and listings with mainstream retail channels in core export countries

- Expansion of listings with major MT accounts through country-specific market structure analysis - United States (Costco), Europe (REWE), Thailand (CP), Philippines, etc.
- Expansion of the LOTTE brand, taking local preferences into consideration (PEPERO, Ssalobyul, Zero, Tico, etc.)

India

Sustained sales growth and profit generation as a Cash Cow

- Launch of the 4th production line for Choco Pie in July 2026 and expansion of TT channel coverage
- Stabilization of supply through the new ice cream factory in Pune and expansion of business in the southern region

Russia

Expansion of Choco Pie sales and fostering of a second brand

- Expansion of listings in the MT main channel through new Choco Pie products (e.g., ZERO Choco Pie)
- Fostering PEPERO, leveraging the K-Wave and strengthening category competitiveness, including candy

Kazakhstan

Sustained Revenue growth and recovery of profitability

- Enhancing market competitiveness through the launch of locally tailored new products (Kazakhstanski, ZERO Jelly, etc.)
- Earnings management through the use of CBE substitutes in response to cocoa cost pressures, along with cost reduction initiatives

Overseas subsidiaries

2026 Outlook

Mid-to-Long-Term Strategic Direction

1 | Normalize Structural Margins

Ensuring the sustainability of performance improvement and building trust through a fundamental improvement of the overall cost structure

2 | Accelerate Global Growth

Strengthening growth drivers through differentiated strategies optimized for each country's consumption characteristics, channel structure, and price points

3 | Strengthen Lotte Brand Recognition

Full-scale rollout of the global core brand fostering strategy based on locally tailored formulations and flavors

2026 Execution Strategy

1 | Improvement of the Profit Structure

- Portfolio restructuring through premiumization
- Personnel and organizational rationalization
- Optimizing purchasing efficiency and improvement of the raw material sourcing structure

2 | Focused Fostering of Core Regions

- India Confectionery : Expansion of Choco Pie CAPA and fostering PEPPER
- India Ice Cream: Expansion of coverage in the southern region
- Russia/Kazakhstan: Expansion of the LOTTE brand

3 | Expansion of Global Seeding

- PEPPER : Growth into a global No.1 brand (First single-brand to surpass KRW 100 billion)
- Fostering a global ice cream brand
- Successful launch and early market establishment of the LOTTE snack brand

Revenue growth rate expected to increase by around 4–5% / operating profit margin projected at 4–6%

(2026 is expected to be a turning point in which structural margins gradually normalize)

※ This represents a reasonable range of expectation based on key business assumptions, and actual performance may vary depending on the intensity of execution and external conditions

① Base scenario: Gradual recovery of domestic and international demand / Execution within the scope of CAPA and brand strategies ② Upside/Downside scenario: Pace of domestic and international demand recovery / Stability of raw material prices and exchange rates

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Conclusion

If you have any questions about this document, please contact us
and we will explain in detail under compliance regulations.

Thank you!

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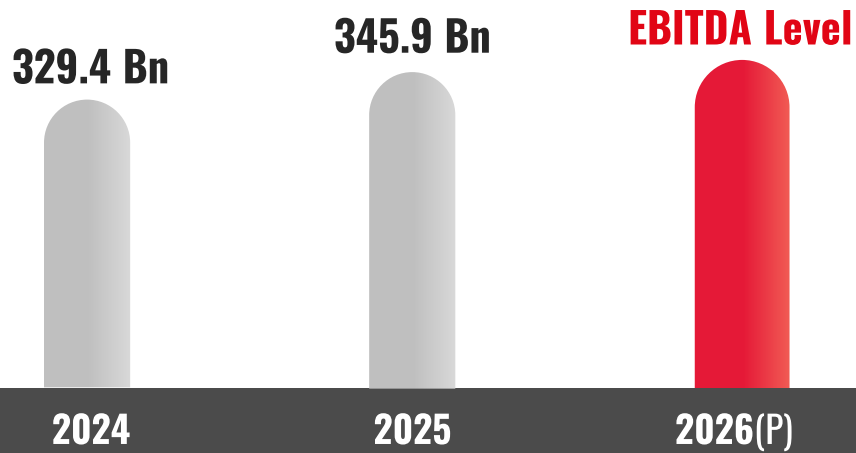
Appendix



Capex / Financial status

Capex plan (Consolidated)

(Unit: 100 million KRW)



- 1 Focus on mid-to-long term investments to maximize the efficiency of production and logistics infrastructure**
- 2 Planned execution of stable investments, taking into account operating cash flow**
 - Establishment of scenario-based response strategies in response to increased volatility in the financial markets

Financial Status

(Unit: 100 million KRW)

Credit Rating

Long-term

AA
Stable

Short-term

A¹

Category	December 2024	December 2025
Assets	4.3 trillion	4.6 trillion
Equity	2.2 trillion	2.3 trillion
Liabilities	2.1 trillion	2.3 trillion
Total borrowings	1.3 trillion	1.5 trillion
Sales	4.0 trillion	4.2 trillion
Operating profit	157 billion	109 billion
(Operating profit margin)	3.9%	2.6%
Net income	82 billion	71 billion
(Net income margin)	2.0%	1.7%
EBITDA	361 billion	321 billion

Sustainability

Actively implementing ESG activities by setting **Wellness for Earth, Society, and Company** as the company's core values to create sustainable value

Recognition of Major ESG Activities

- Achieved an 'A' rating in the 2024, 2025 ESG Assessment Korea Institute of Corporate Governance and Sustainability (KCGS)
- Joined the global RE100 and declared the promotion of using 100% renewable energy by 2040
- Supply of Biodiesel feedstock through waste resource recycling
 - Collecting and integrating waste cooking oil from domestic sources and supply to oil refining companies and biodiesel producers.
 - Acquired and operating under ISCC EU* certification to facilitate entry into the global market.
 - * ISCC (International Sustainability and Carbon Certification): Certification for sustainable bioenergy and biofuels.
- Signed MOU for the Opening of Happy Home No.13 Child Center (with Save the Children, Jeongseon County)
- Upgraded “Doctor Xylitol Bus” equipped with advanced equipment (with Korean dental association)
- Awarded “Top Performer” in the Fair Trade Agreement Implementation Evaluation by the Fair Trade Commission



April, 2025



May, 2025



November, 2025

Recent Achievements by Sector

- E**
 - Expansion of Eco-Friendly plastic packaging materials
 - Applied recycled PET (rPET) to all 750ml “Pasteur” products.
 - For six of these products, 25% of the container material has been switched to chemical recycled PET (C-rPET *)
 - Reduction of ink and organic solvent use through Eco-Friendly Flexo printing
 - Reduction in plastic usage by applying special trays without removal of FSC-certified paper
- S**
 - Award for excellence in the safety management campaign (Ministry of Employment and Labor)
 - “Social contribution” Award – recognized as an excellent company in the Give Green environmental sharing campaign
 - Selected as an excellent work–life balance company in Korea (Ministry of Employment and Labor)
 - Presidential commendation for outstanding contribution to regional investment attraction (Ministry of the Interior and Safety)
 - Awarded the Highest Commendation for Fair Trade Agreement Implementation (Fair Trade Commission)
- G**
 - Obtained ISO37301 (ISO certification for standard compliance management system) for the first time
 - Established a solid compliance management system with ISO37001 acquired in 2019
 - Exerted efforts, including declaring anti-corruption policies, fostering internal auditors, and building a management system

*C-rPET: Chemically recycled PET with superior quality and wide applicability for recycling purposes.

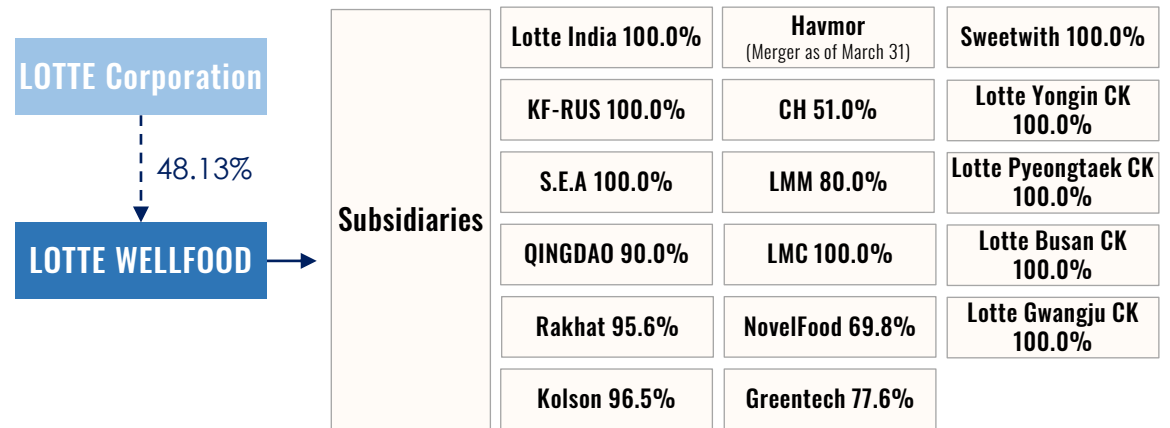
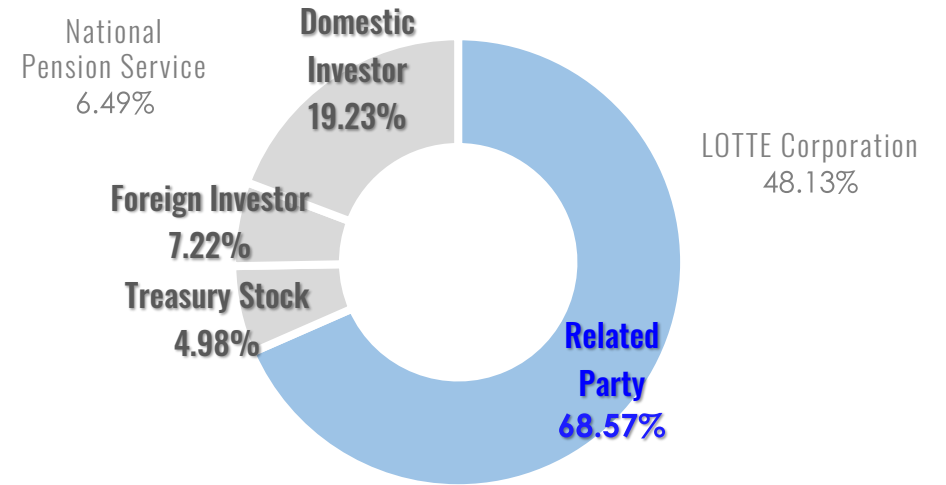
Appendix _Company Overview

General Information

- Established : Mar 24, 1967
- Main Business : Total Food Company
- Production : Domestic 15 / Overseas 21
- Credit Ratings : AA/Stable, A1
- Homepage : <https://www.lottewellfood.com>
- Shareholders : As of December 31, 2025

Name	No. of Shares	Ownership (%)
LOTTE Corporation	4,478,208	48.13%
LOTTE Aluminum Co., Ltd.	643,381	6.91%
LOTTE Scholarship Foundation	496,144	5.33%
LOTTE Holdings Co., Ltd.	416,338	4.47%
SHIN, Dong bin	182,117	1.96%
L2 Investment Company	137,722	1.48%
Jang, Jeong an	12,964	0.14%
Shin, You mi	10,623	0.11%
Lee, Chang yeop	1,100	0.01%
Hotel LOTTE	500	0.01%
Others	857	0.00%
Related Party Total	6,379,954	68.57%
Treasury stock	463,307	4.98%
Others	2,461,313	26.45%
Total	9,304,574	100.0%

Shareholding Structure



※ To enhance shareholder value, 1.38% of treasury stock was retired as of April 29, 2025

Appendix_Dividends

	2019		2020		2021		2022	2023	2024	2025	Remarks
	Confectionery	Foods	Confectionery	Foods	Confectionery	Foods	Wellfood	Wellfood	Wellfood	Wellfood	
Par Value (KRW)	500	5,000	500	5,000	500	5,000	500	500	500	500	
Price (KRW)	149,500	413,000	102,000	331,500	120,500	344,500	122,500	123,800	111,600	114,600	· Closing Price
Net income (100 million KRW)	381	375	410	702	349	- 10	616	705	846	723	· Domination shares
Cash Dividends (100 million KRW)	83	109	103	109	103	99	203	265	292	292	· DPS x number of shares
DPS (KRW)	1,300	12,000	1,600	12,000	1,600	10,000	2,300	3,000	3,300	3,300	
Dividend Rate	260%	240%	320%	240%	320%	200%	460%	600%	660%	660%	· $DPS \div \text{Par Value}$
Dividend Yield	0.9%	2.9%	1.6%	3.5%	1.3%	2.8%	1.8%	2.4%	3.0%	2.9%	· $DPS \div \text{Price}$
Dividend Rate	21.90%	29.10%	25.03%	15.55%	29.40%	-	33.05%	37.60%	34.48%	40.36%	· $\text{Cash Dividends} \div \text{Net income}$

Dividends paid to shareholders are determined by comprehensive consideration of increasing shareholder dividends and increasing corporate value through the mid to long term investments.

Additionally, to improve shareholder returns, we aim to maintain an average dividend payout ratio of 35% level the next five years

Appendix _4Q25 Consolidated Financial Statements

Income Statement

(Unit : 100 million KRW, %)

	Q4						Jan - Dec					
	2024		2025		YoY		2024		2025		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	9,705	100.0	10,198	100.0	492	5.1	40,443	100.0	42,160	100.0	1,717	4.2
Gross Profit	2,551	26.3	2,443	24.0	- 108	- 4.2	11,955	29.6	11,434	27.1	- 521	- 4.4
SG&A	2,746	28.3	2,548	25.0	- 199	- 7.2	10,384	25.7	10,339	24.5	- 45	- 0.4
Operating Profit	- 196	- 2.0	- 105	- 1.0	91	- 46.5	1,571	3.9	1,095	2.6	- 476	- 30.3
Ordinary Profit	- 416	- 4.3	- 180	- 1.8	237	- 56.8	1,078	2.7	1,001	2.4	- 77	- 7.2
Net Profit	- 250	- 2.6	- 170	- 1.7	80	- 32.0	820	2.0	714	1.7	- 106	- 12.9

Balance Sheet

(Unit : 100 million KRW, %)

	2024.12.31	2025.12.31	QoQ
Current assets	14,287	15,738	1,450
Non current assets	29,130	30,002	872
Total assets	43,417	45,740	2,323
Current liabilities	10,561	10,028	- 533
Non current liabilities	10,593	12,844	2,252
Borrowings (a)	13,185	14,670	1,485
Total liabilities (b)	21,153	22,873	1,719
Share capital	47.2	46.5	- 0.7
Total equity (c)	22,264	22,867	603
Debt to equity ratio (b/c)	95.0	100.0	5.0

Appendix _ 4Q25 Separate Financial Statements

Income Statement

(Unit : 100 million KRW, %)

	Q4						Jan - Dec					
	2024		2025		YoY		2024		2025		YoY	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales	7,497	100.0	7,593	100.0	95	1.3	32,302	100.0	32,829	100.0	527	1.6
Gross Profit	1,982	26.4	1,869	24.6	- 113	- 5.7	9,691	30.0	9,156	27.9	- 535	- 5.5
SG&A	2,223	29.7	2,012	26.5	- 211	- 9.5	8,588	26.6	8,314	25.3	- 274	- 3.2
Operating Profit	- 241	- 3.2	- 143	- 1.9	98	- 40.5	1,103	3.4	842	2.6	- 261	- 23.7
Ordinary Profit	- 201	- 2.7	- 10	- 0.1	191	- 94.8	932	2.9	819	2.5	- 113	- 12.2
Net Profit	- 62	- 0.8	- 5	- 0.1	57	- 91.5	807	2.5	662	2.0	- 146	- 18.1

Balance Sheet

(Unit : 100 million KRW, %)

	2024.12.31	2025.12.31	QoQ
Current assets	10,186	11,259	1,073
Non current assets	28,949	29,909	960
Total assets	39,136	41,169	2,033
Current liabilities	8,633	8,048	- 585
Non current liabilities	9,728	11,872	2,144
Borrowings (a)	12,460	13,924	1,464
Total liabilities (b)	18,361	19,920	1,559
Share capital	47.2	46.5	- 0.7
Total equity (c)	20,775	21,249	474
Debt to equity ratio (b/c)	88.4	93.7	5.4

Appendix_Sales Breakdown

(Unit : 100 million KRW)

구분	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Sales	9,684	10,492	10,948	9,889	9,612	10,560	10,879	9,819	9,873	10,759	11,677	10,328
Domestic	7,775	8,415	8,955	7,863	7,640	8,366	8,798	7,497	7,574	8,320	9,342	7,593
Confectionery	2,656	2,504	2,713	3,002	2,814	2,611	2,731	2,888	2,846	2,623	2,837	3,022
Ice cream	1,068	1,854	2,235	931	1,066	1,965	2,224	845	1,006	1,818	2,432	815
Bakery	302	305	297	316	305	307	284	338	312	356	332	336
Fats & Oils	1,178	1,142	1,100	1,294	1,104	1,152	1,126	1,139	1,137	1,237	1,310	1,224
Food Materials	702	755	664	530	518	545	533	533	534	563	613	558
Dairy	444	459	460	438	424	428	449	404	405	409	428	391
Processed Meats	682	613	707	586	643	587	642	567	640	588	678	594
HMR	647	698	694	695	667	684	693	694	609	631	626	573
Global	1,909	2,077	1,993	2,027	1,972	2,194	2,080	2,321	2,300	2,439	2,335	2,735
Kazakhstan	656	669	638	734	663	567	582	834	676	607	645	979
Pakistan	158	158	138	138	171	181	158	153	196	188	176	169
Belgium	191	89	207	269	171	144	246	316	213	159	305	364
India(Conf)	255	224	289	267	303	262	316	296	341	278	334	343
India(Ice)	351	637	390	278	343	696	379	311	461	765	404	335
China	8	0	0	0	0	0	0	0	0	0	0	0
Russia	193	187	196	201	199	213	222	215	243	271	268	319
Singapore	31	34	35	38	34	34	38	40	34	39	41	44
Myanmar	66	79	100	102	87	97	139	156	130	132	161	182

Note1. The combined performance of the business sector differs from the overall consolidated performance (Excluding consolidation adjustment between subsidiaries)

Appendix _Average Exchange Rate

(Unit : KRW / Local currency)

Country	Jan-Mar				Jan-Jun				Jan-Sep				Jan-Dec			
	2023	2024	2025	YoY(%)	2023	2024	2025	YoY(%)	2023	2024	2025	YoY(%)	2023	2024	2025	YoY(%)
Kazakhstan (KZT)	2.80	2.95	2.85	- 3.4	2.86	3.00	2.79	- 7.0	2.87	2.95	2.72	- 7.8	2.86	2.91	2.73	- 6.2
Pakistan (PKR)	4.92	4.76	5.20	9.2	4.77	4.84	5.09	5.2	4.68	4.85	5.02	3.5	4.68	4.90	5.05	3.1
Belgium (EUR)	1,368.51	1,443.10	1,529.33	6.0	1,399.88	1,459.35	1,559.87	6.9	1,409.37	1,470.30	1,580.96	7.5	1,412.36	1,475.05	1,607.46	9.0
India (INR)	15.51	16.00	16.78	4.9	15.75	16.21	16.59	2.3	15.79	16.22	16.33	0.7	15.81	16.30	16.32	0.1
China (CNY)	186.18	184.56	199.33	8.0	186.80	186.73	196.61	5.3	184.79	187.57	195.52	4.2	184.22	189.20	197.78	4.5
Russia (RUB)	17.43	14.64	15.58	6.4	16.83	14.87	16.47	10.8	15.86	15.02	16.73	11.4	15.46	14.74	17.09	15.9
Singapore (SGD)	956.81	991.51	1,077.59	8.7	969.23	1,002.20	1,077.67	7.5	970.13	1,010.99	1,078.25	6.7	972.16	1,020.35	1,088.34	6.7
Myanmar (MMK)	0.61	0.63	0.69	9.5	0.62	0.64	0.68	6.3	0.62	0.64	0.67	4.7	0.62	0.65	0.68	4.6

Note1. Base exchange rate : 1/1- June-to-date average exchange rate

Appendix _Current Exchange Rate

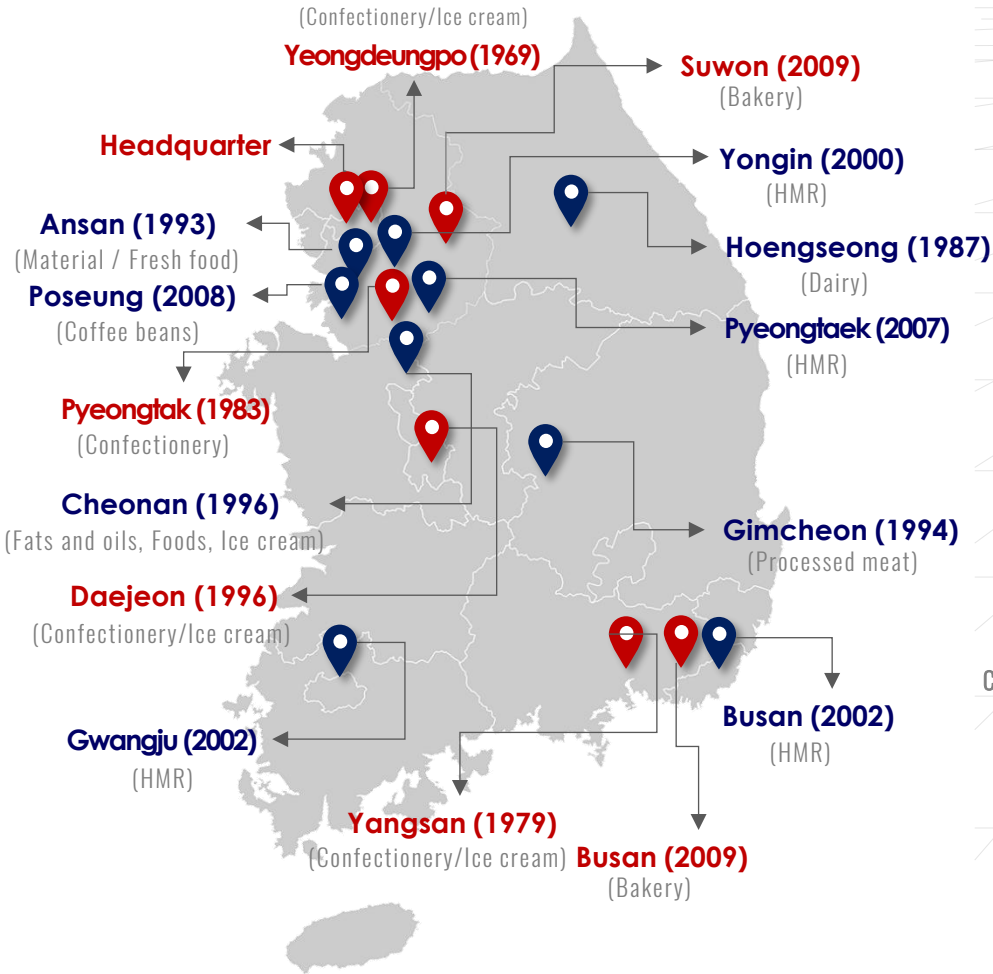
(Unit : KRW / Local currency)

Country	End of Dec.2023	End of Dec.2024	End of Mar.2025	End of Jun.2025	End of Sep.2025	End of Dec.2025	YoY(%)
Kazakhstan (KZT)	2.84	2.80	2.91	2.61	2.56	2.86	2.1
Pakistan (PKR)	4.57	5.28	5.23	4.78	4.95	5.12	- 3.0
Belgium (EUR)	1,426.59	1,528.73	1,587.85	1,591.80	1,644.50	1,685.72	10.3
India (INR)	15.50	17.19	17.14	15.87	15.81	15.98	- 7.0
China (CNY)	180.84	201.27	201.68	189.16	196.82	204.76	1.7
Russia (RUB)	14.57	13.30	17.26	17.28	16.88	18.05	35.7
Singapore (SGD)	976.86	1,081.08	1,092.32	1,063.34	1,087.10	1,117.52	3.4
Myanmar (MMK)	0.61	0.70	0.70	0.65	0.67	0.68	- 2.9

Appendix Locations

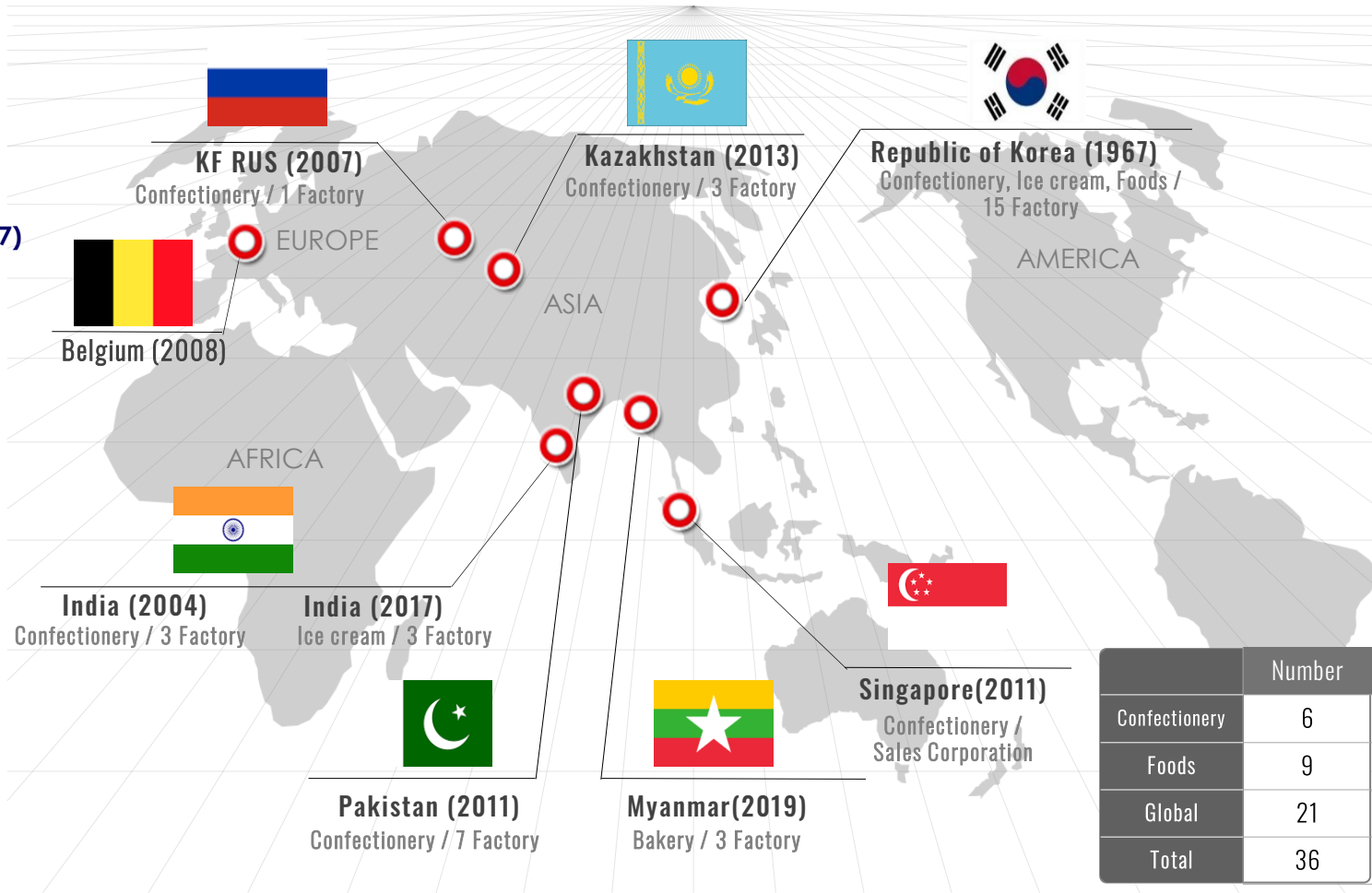
Domestic (Number of Employees : 7,447)

Headquarter : 10, Yangpyeong-ro 21-gil, Yeongdeungpo-gu, Seoul
 Factory : Confectionery 6 (Yeongdeungpo, Daejeon, Yangsan, etc.)
 Foods 9 (Cheonan, Hoengseong, etc.)



Overseas (Number of Employees : 8,225)

Overseas : 7 Nations (Kazakhstan, Pakistan, Belgium, India, Russia, Myanmar, Singapore)
 Factory : 21 (Kazakhstan 3, Pakistan 7, Belgium 1, India(Conf) 3, India(Ice) 3, Russia 1, Myanmar 3)

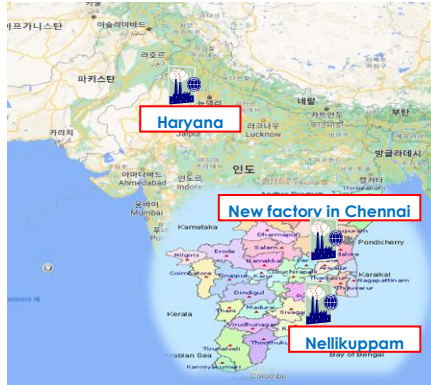


Appendix _Status of Major Overseas Subsidiaries

Market Status

Key Points

LOTTE INDIA (Confectionery) First Overseas Confectionery Subsidiary



Acquisition date: May '04

Establishment Type : M&A

Ownership: 100%

Number of Employees: 681

Number of factories: 3

- ✓ Future economy power recording the world's 1st largest population of 1.4 Bn and 5th highest GDP (\$3.4 tn)
- ✓ Joined the global top 5 economies, improved productivity and consumption power
- ✓ Expected to record around 10% CAGR sustained by continuously growing domestic market
- ✓ Expand the market position of the LOTTE brand and strengthen the competitiveness of the core channel (TT)

- Acquired Parry's Confectionery ('04)
- Operated mainly in Chennai (South) and Haryana (North)
- Selling existing candy products and Choco Pie and Spout (chewing gum) nationwide
- Ranked No. 1 in Choco Pie Market Share, Introduced 3rd Choco Pie line (Oct. '23)
- Consolidated market leading position and sustained growth expansion

HAVMOR (Frozen Confectionery) First Overseas Frozen Confectionery Subsidiary



Acquisition date: Dec. '17

Establishment Type : M&A

Ownership: 100%

Number of Employees: 1,023

Number of factories: 3

- ✓ Forecast to rise as the world's 3rd largest economy by 2027
- ✓ Category-wide growth derived from population growth and income improvement
- ✓ Rising consumption trend with less seasonal influence, stronger purchasing power
- ✓ High potential for the expansion of the ice cream market
→ Nationwide expansion in the mid-to-long-term

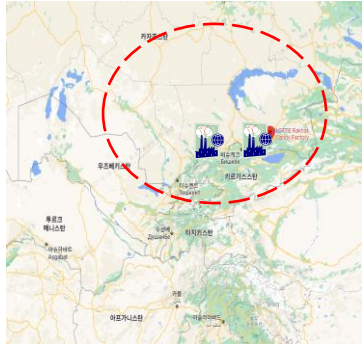
- Acquisition of Havmor ('17)
- A major production area for raw dairy products adjacent to the consumption area
- Selling ice cream products across the country mainly in Western Gujarat
- Plan to boost productivity and sales through the construction of a new factory in Pune (June. '24)

Appendix _Status of Major Overseas Subsidiaries

Market Status
Key Points

LOTTE RAKHAT JSC

Overseas subsidiary recording highest sales



Acquisition date: Nov. '13
Establishment Type : M&A
Ownership: 95.6%
Number of Employees: 3,387
Number of factories: 3

- ✓ An economy with a population of about 20M people and a GDP of about \$220.6 bn.
- ✓ Growing backed by the development of natural resources, enlarging consumer market
- ✓ Attracting a large number of companies by actively unfolding investment inducement policies due to the Russia and Ukraine dispute → High potential domestic market expansion and market growth

- Acquired Rakhat, No . 1 chocolate company in sales ('13)
- Selling chocolates, biscuits, and candies in the southeast of Kazak
- Expand exports and e-commerce targeting CIS countries such as Russia beyond the domestic market
- Endeavor to expand mid- to long-term MT market (Domestic / Russia)

KF RUS

The first subsidiary entered into the CIS region



Established: Mar. '07
Establishment Type : Newly established
Ownership: 100%
Number of Employees: 254
Number of factories: 1

- ✓ A country recording the world's 9th largest population (140M), and 8th largest GDP (\$2.24 Tn).
- ✓ Hight market potential in the CIS region (Kazakhstan / Russia)
- ✓ Favorable response to K-Food products (sweets, drinks, ramen, etc.)
- ✓ Choco Pie Market Position Securing growth engines through self-flux and productivity improvement

- Established sales corporation ('07), established production corporation ('08) → Integrated corporation ('12)
- Crunchy candy, Choco Pie, etc.
- Expanded CAPA with the addition of 3rd Choco Pie's production line (Nov.'21)
- Growing fueled by continuous sales expansion, stabilizing raw material prices, and improving product productivity

GUYLIAN

The first overseas subsidiary in Western Europe



Acquisition date : Jul. '08
Establishment Type : M&A
Ownership: 51.0%
Number of Employees: 180
Number of factories: 1

- ✓ A country with a population of 11.69 M and a GDP of \$578.6 Bn, located in the heart of Europe.
- ✓ Sales targeting duty-free channels around the world with Europe as the focal point
- ✓ Unique brand value facilitates category expansion and access to potential markets

- Operating a sales subsidiary in Europe (UK, Germany) other than Belgian HQ
- Brand : mainly chocolate products such as Seashell, Seahorse, etc.
- Expand channels through premium brand differentiation and brand realignment
- Secure profitability by discontinuing low-profit PB products and improving sales by channel

Appendix _Status of Major Overseas Subsidiaries

Market
Status
Key
Points

Kolson Pakistan Food Subsidiary

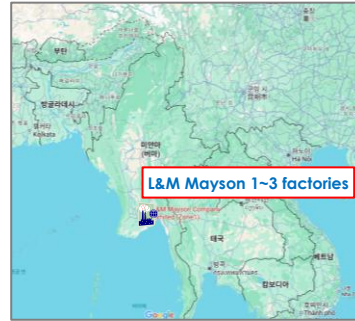


Acquisition date: Nov. '11
Establishment Type: M&A
Ownership: 96.5%
Number of Employees: 1,385
Number of factories: 7

- ✓ Fifth-largest population globally (approx. 240M), GDP of around \$400.1 bn.
- ✓ Export opportunities to countries in the Middle East and Central Asia with labor shortages
- ✓ High consumption growth potential driven by a young population with a median age in the 20s

- Acquisition of local subsidiary Kolson ('11)
- Product operations, including pasta, noodles, and snacks, etc.
- Completion of new Choco Pie factory in Lahore (April 2018)

L&M Mayson Myanmar Bakery Subsidiary



Acquisition date: Jan. '19
Establishment Type: M&A
Ownership: 80.0%
Number of Employees : 1,292
Number of factories : 3

- ✓ An economy with a population of about 54M people and a GDP of about \$71.5 bn.
- ✓ Untapped growth potential from urbanization with a median age in the early 20s
- ✓ Emergence as a low-cost manufacturing base within ASEAN upon the end of military rule

- Acquisition of MMI ('19)
- Production and sales of mass-produced bread and various bakery products
- Achieved CAGR of 18.4% in sales from 2020 to 2024 (KRW 36.4B → 48.0B)
 → Capable of stable food production and supply even under military control

LOTTE Confectionery (S.E.A) Sales Subsidiary



Acquisition date : May. '11
Establishment Type: M&A
Ownership: 100%
Number of Employees: 23
Number of factories: -

- ✓ An economy with a population of about 5.6M people and a GDP of about \$383.0 bn.
- ✓ Potential to utilize as an export base, serving as a global logistics hub
- ✓ Growth acceleration anticipated due to the influence of the Korean Wave and the popularity of K-Food

- Established sales corporation ('11)
- Imports and sells domestic products such as PEPERO and Choco Pie
- Export and Market Expansion in Southeast Asia (Singapore, Indonesia, Malaysia, Brunei, etc.)

Appendix _Overview of Main Products

	Line-up	Brand / Product				Note
Confectionery	Gum, Candy	Xylitol	Zorum Bunchuk	Herb Candy	Malang Cow	
	Chocolate, Biscuit	Pepero	Ghana	Lotte Sand	Magaret	
	Pie, Snack	Choco pie	Mon cher	Kokal kon	Seafood	
Ice Cream	Bar, Pencil	Dweji Bar	Screw Bar	Snow Ice	Papico	
	Cone, Cup	Worldcone	GooGoocone	Fanfare	Double Bianco	
	Home	Goo Goo	Selection	Prime	Joanna	
Bakery	Mass produced, Bread, Pastry, etc	Character	Castella	Bread	Pastry	

	Line-up	Brand / Product				Note
Fats&Oils	Processed oil, Shortening, Margarine, Butter, etc	Falm oil	Shortening	Margarine	Butter	
Food Materials	Roasted coffee, RTD(Ready to drink), Set, etc	Coffee beans	Drip coffee	Set	Can	
	Additives, Chocolate, Processed food materials	Additives	Chocolate	Whipped Cream	Nuts	
	Seasoning food, Agricultural products, Food ingredients, etc	Ketchup	Mayonnaise	Sauce	Food ingredients	
Dairy	Milk, Dairy products, Baby food, etc	Milk	Easy Protein	Yogurt	Vegetable juice	
Processed Meats	Ham, Sausage, Fish and meat, Set, etc	Ham	Ham	Sausage	Canned ham	
HMR	Frozen food, Dumpling	Pork Cutlet	Mandu	Tteokgalbi	Curry	

Appendix _Overview of Main Products

		Line-up	Brand / Product				Note
	Kazakhstan (Rakhat)	Choco, Biscuit, Candy	Kazakhstanski	Tomyris	Yablachiko	ZERO jelly	
	Pakistan (Kolson)	Snack, Pasta, Biscuit, Gum	Slanty	Pasta	Choco Pie	Rice chips	
	Belgium (Guylian)	Chocolate (Guylian brand, Private brand)	Guylian Seashell	Master's Selection	Opus	Guylian Bar	
	India Conf.	Pie, Candy, Gum	Choco Pie	Pepero	Coffee Bite	Fruto Pie	
	India Ice.	Ice Cream (Bulk, Bar, Cone, Cup, etc.)	Vanilla	Zulubar	World Corn	Lotte Krunch	
	Russia (KF-RUS)	Pie, Candy, Pepero	Choco Pie	Cacao Pie	Banana Pie	Strawberry Pie	
	Myanmar (L&MM)	Bakery (Mass-produced bread, Artisan bread)	Sponge Cake	Cup Cake	Pound Cake	Square Bread	
	Singapore (S.E.A)	Sales Corporation (Import and sales of domestic product)	Pepero	Choco Pie	Custard	Chic-choc	