

# 1Q26 Earnings Release

2026.05.08 Investor Relations



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This document has been prepared and distributed to inform shareholders and investors, for their convenience and understanding, of the recent financial performance and business operations of the Company and its major subsidiaries.

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.

The financial information contained in this document has been prepared in accordance with Korean International Financial Reporting Standards (K-IFRS).

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

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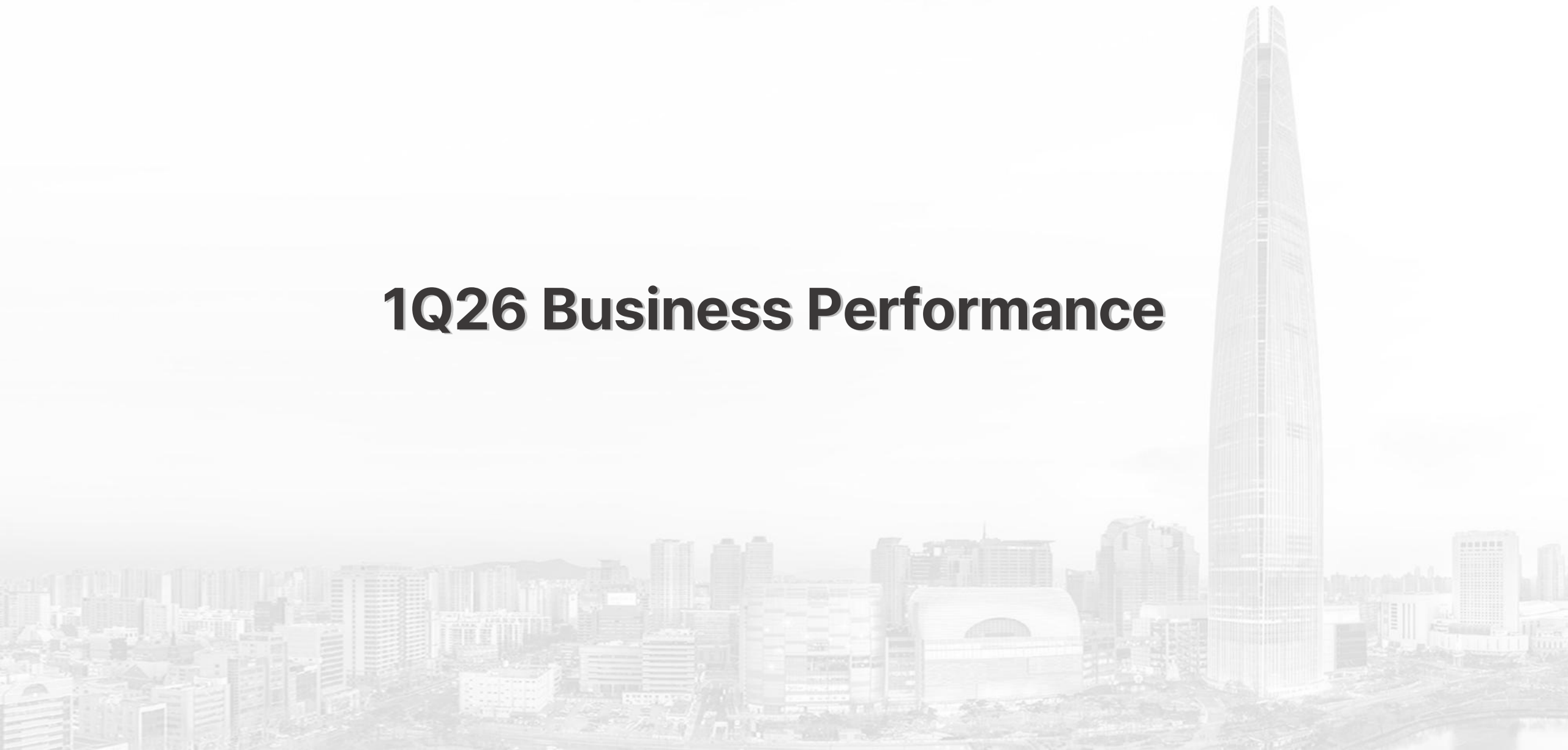
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# 1Q26 Business Performance

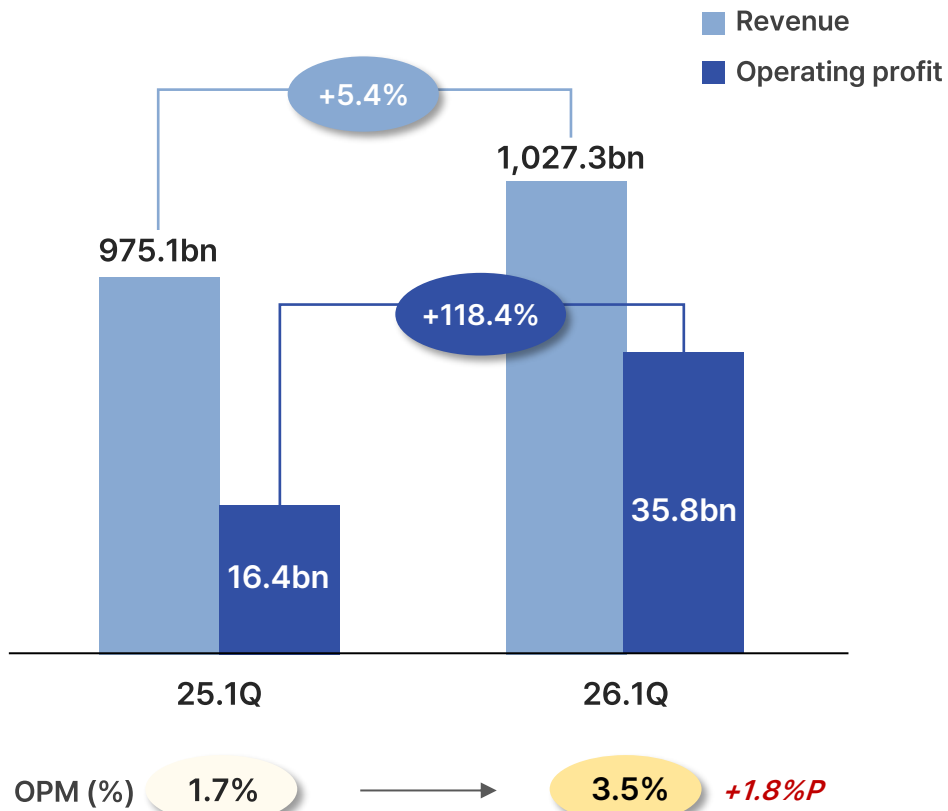


# 1Q26 Financial results

## Consolidated basis

1Q

(Unit: KRW bn)



(Unit: KRW bn)

Items	1Q					
	FY25		FY26		YoY	
	Amount	%	Amount	%	Amount	%(%p)
Revenue	975.1	-	1,027.3	-	52.2	5.4%
Operating Profit	16.4	1.7%	35.8	3.5%	19.4	1.8%p
Profit before Income Tax	31.2 <sup>1</sup>	3.2%	24.0	2.3%	-7.2	-0.9%p
Net Income	22.7	2.3%	16.7	1.6%	-6.1	-0.7%p

### Key Highlights

Revenue	Revenue growth driven by export expansion and growth of overseas subsidiaries despite the slowdown in domestic consumption
Operating Profit	Operating profit increased driven by profitability-focused management initiatives despite continued cost pressure from key raw materials, including cocoa, dairy products, and meat inputs.
One-off expenses	One-off expenses related to ERP(Early Retirement Program) efficiency initiatives implemented in 1Q are expected to be reflected in 2Q.

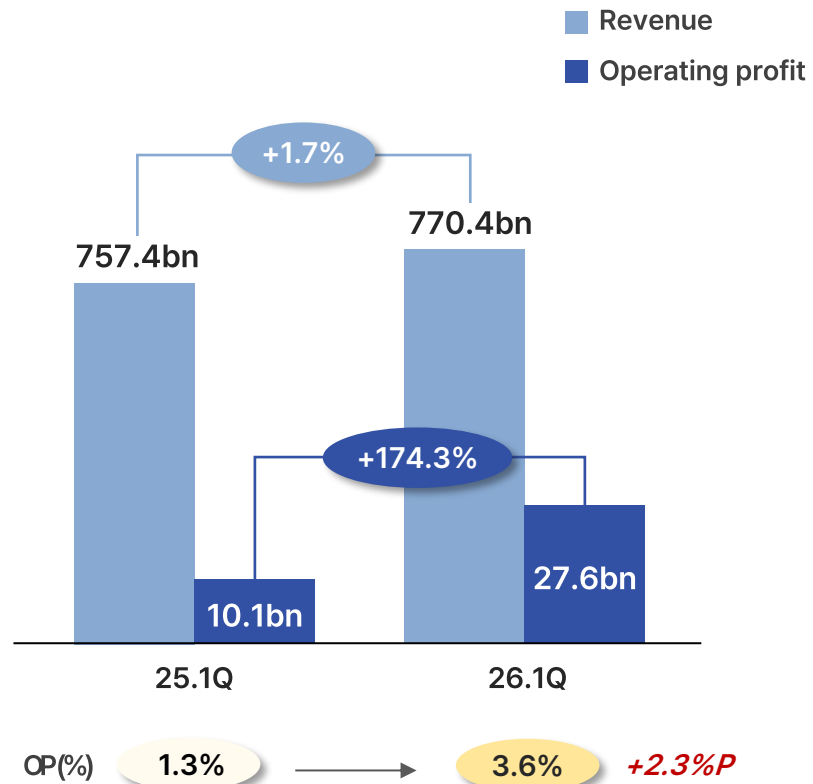
Note1. KRW 11.1bn in foreign exchange translation gains related to U.S. dollar-denominated liabilities at the Russia subsidiary was recognized in 1Q25.

# Domestic Business

## Parent basis

1Q

(Unit: KRW bn)



## Key Highlights

### Revenue by major business segment

(Unit: KRW bn)

Segment	1Q			
	FY25	FY26	YoY	
			Amount	%
Confectionery	284.6	292.2	7.6	2.7%
Ice Cream	100.6	103.3	2.6	2.6%
Fats & Oils	113.7	120.7	7.1	6.2%
Food materials, etc. <sup>1</sup>	53.4	55.5	2.1	3.9%
<b>Domestic total</b>	<b>759.3</b>	<b>770.4</b>	<b>13.0</b>	<b>1.7%</b>
Export	61.0	66.0	5.0	8.2%

#### Revenue

- **Confectionery/Ice Cream: Impact from trend driven marketing** (Chaltteok Pie) and **new product launches** (PEPERO, World Cone)
- **Fats & Oils : Increase in major fats & oils prices reflected in selling prices**
- **Exports: Impact from expansion of business partners in major export markets including the U.S. and China**

#### Operating Profit

- **Operating profit improved through profitability enhancement initiatives despite major raw material cost pressures, including cocoa and dairy products.** (adjustment of low-profit SKU and channel portfolio, purchasing efficiency enhancement, formulation optimization, and logistics improvement)

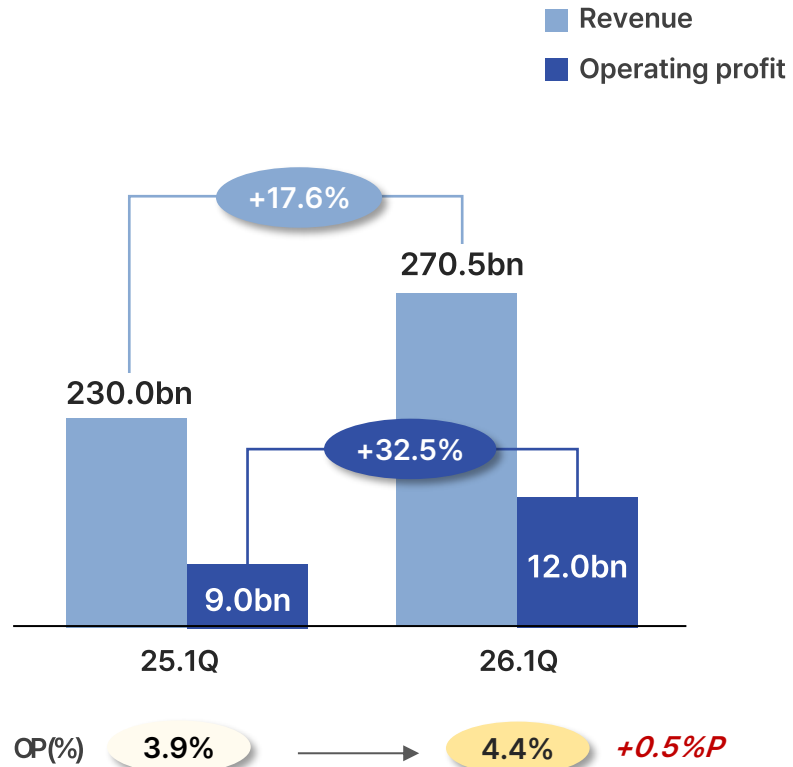
Note1. Food materials, etc.: Food materials, ingredients, coffee, catering.

# Global Business

## Overseas subsidiaries

1Q

(Unit: KRW bn)



## Key Highlights

### Revenue by major overseas subsidiaries

(Unit: KRW bn)

Segment	1Q			
	FY25	FY26	YoY	
			Amount	%
Ice Cream	46.1	54.3	8.2	17.7%
Confectionery	34.1	39.1	5.1	14.9%
India Total	80.2	93.4	13.2	16.5% <i>Local(+22.1%)</i>
Kazakhstan	67.6	83.0	15.4	22.8% <i>Local(+18.7%)</i>
KF RUS	24.3	29.2	4.8	19.9% <i>Local(+0.2%)</i>
<b>Global Total</b>	<b>230.0</b>	<b>270.5</b>	<b>40.5</b>	<b>17.6%</b>

#### Revenue

- India : Achieved high growth based on expanded channel coverage and strong sales of key products
- Kazakhstan : Revenue increased due to expansion in domestic sales and exports
- Russia : MT revenue increased, while TT revenue remained stagnant during changes in certain business partners

#### Operating Profit

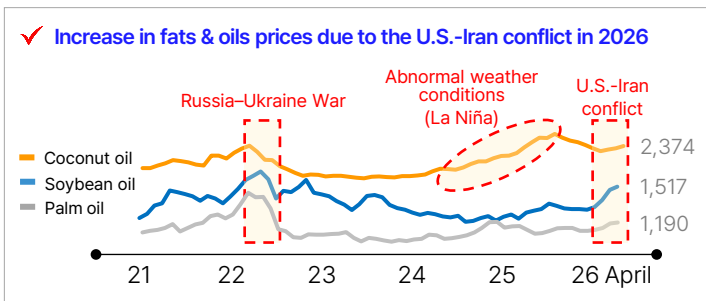
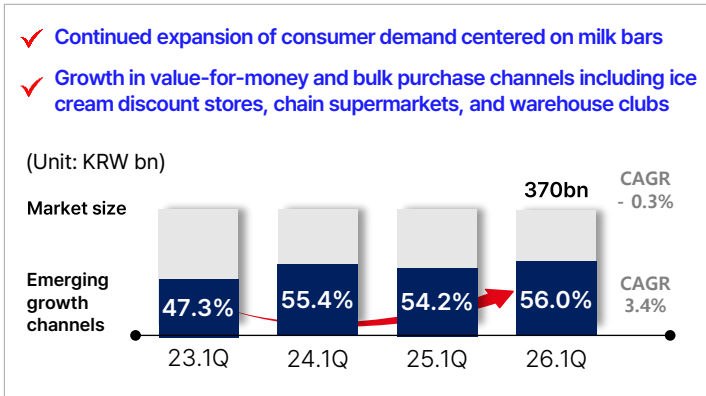
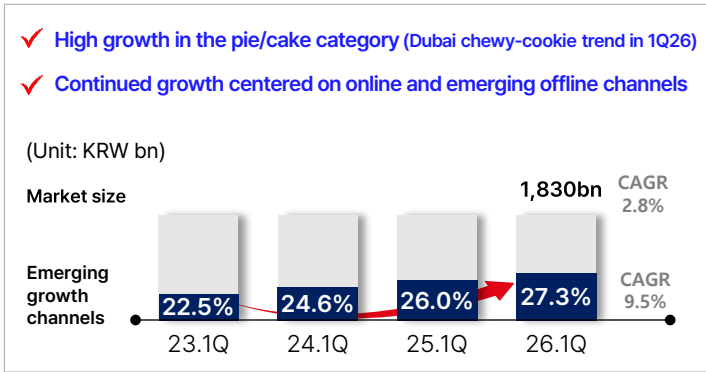
- Profitability improved despite raw material cost pressures, driven by sales growth at major subsidiaries and easing fixed cost burden

# Key Business Strategies and Outlook



# Business Strategy - Domestic

## Market Trends *"Slow demand recovery continued amid weakened consumer sentiment in the domestic market"*



## Key Achievements in 1Q

Category

- Driving growth in the pie/cake category through strengthened trend marketing  
Chaltteok Pie Original/Dubai Style, Custard / Mon Cher Premium, etc.
- Strengthening leadership in the gum market through expansion of the new product lineup  
Xylitol Watering, Zorum Gum Zero Zero

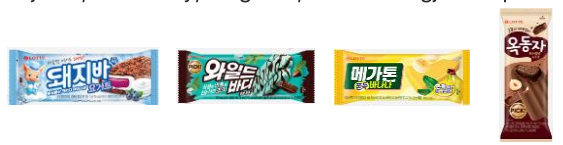
Channel

- Expansion of product placement and sales in emerging growth channels through customized packaging  
Costco (Chaltteok Pie/Crunky), Traders (PEPERO), etc.

## Future Strategic Direction

Category

- Revenue growth driven by the growth of the milk bar category  
Dweji Bar, Wild Body, Megaton, and Okdongja lineup



Channel

- Strengthening competitiveness of ice cream specialty stores based on key products

- Strengthening market leadership centered on core brands  
PEPERO / Xylitol KBO collaboration marketing and launch of Xylitol Oral Care products
- Demand creation through fun marketing activities  
Kanchu Name Marketing Season 2, large-scale IP collaboration marketing

- Continued channel expansion through increased placement of products tailored to emerging growth channels  
Margaret, Kanchu, Cereal, Vegetable Crackers, etc.

- Preemptive response to peak season demand through new product launches  
Bar: Renewal of Dweji Bar Nutty Choco and two zero-calorie ice bar products  
Cone: Expansion of Premium World Cone through World Cup promotions  
Snacks: Launch of Dweji Bar Bread and operation of pop-up stores  
Pencil: Expansion of the Seoleim Coolish lineup  
Home: Tico Family Month Edition and launch of Tico Mini

- Expanded targeting of growth channels including ice cream specialty stores and CVS  
Premium World Cone, Dweji Bar Bread, Seoleim, etc.

- Rationalization of sourcing structure  
Pursuing cost reduction through diversification of major fats & oils suppliers and optimization of product formulas\*



- Portfolio enhancement through expansion of processed butter lineup and others  
Development of customized products based on demand from major business partners and expansion of the value-for-money lineup



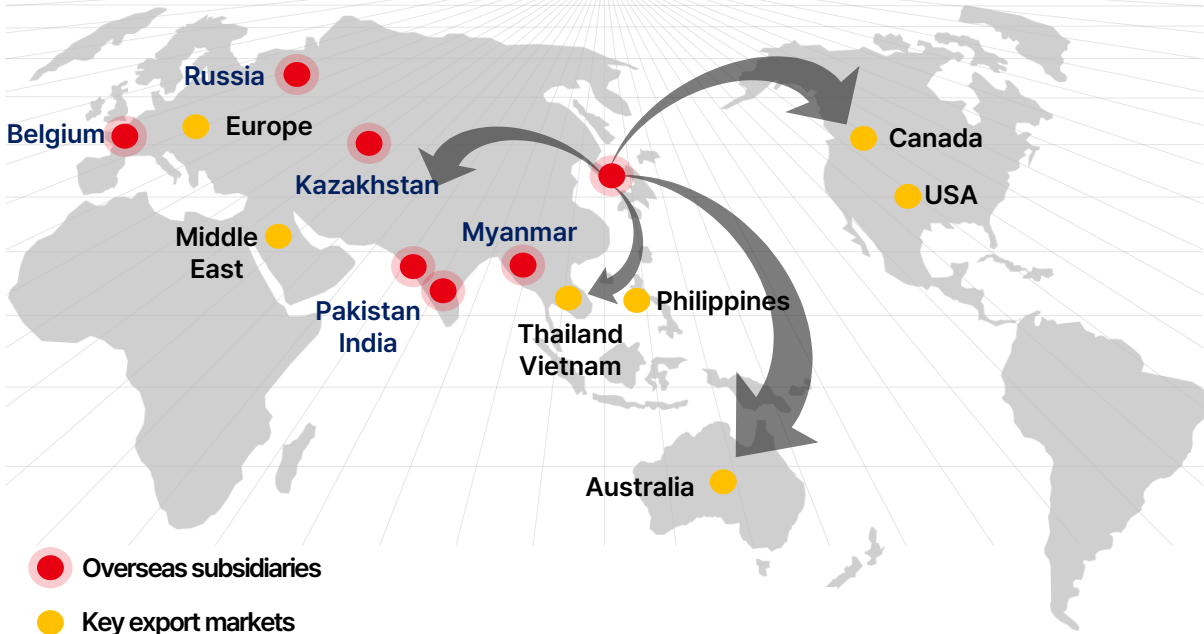
\* Source: Company estimates based on external data from Euromonitor, Nielsen, etc. (emerging growth channels: online, warehouse clubs, ice cream discount stores, household goods stores, H&B stores, etc.)

\* Formula: A method of calculating supply prices by reflecting raw material costs, exchange rates, oil prices, processing costs, etc.

# Business Strategy - Global

## Global Expansion Strategy

“ Investment focused on strategic growth markets and expansion of mainstream channels in export countries ”



## Differentiated Execution Strategy

Global development of core brands based on locally Customized formulations and flavors

K-culture linked campaigns and continuous expansion into new countries

## Key Achievements and Plans

### Exports

- [USA] • Stable expansion in Club Store (Costco)
- [USA] • Expanding PEPPERO distribution across mainstream channels
- [Europe] • PEPPERO launched at REWE in Germany (1Q)
- [Europe] • Expanded presence in major retail channels, including the UK
- [Thailand] • Strengthening collaboration with CP group (Ghana, Crunky, etc.)
- [Philippines] • Expanded major accounts (Robinson, S&R)

### Overseas subsidiaries

- India : Continued and strengthened role as a global key growth engine**
  - Sustained Choco Pie growth through expanded TT coverage and stronger MT shelf presence (1Q)
  - Expanded of the new PEPPERO line up and operation of the 4<sup>th</sup> Choco Pie production line
  - Sustained growth driven by Pune plant expansion and price increase (1Q)
  - Expanded distribution in southern regions and strengthened Lotte Brand awareness
- Kazakhstan : Continued revenue growth and recovery in profitability**
  - Expanded Lotte brand and local lineup with new products such as Kokalkon (March) and ZERO Jelly
  - Sustained sales growth through expansion into new export markets
- Russia : Expanded Choco pie sales and fostered secondary brands**
  - Sustained Choco Pie-led growth and expanded MT mainstream channels through strategic products such as ZERO Pie (1Q~)
  - Development of PEPPERO based on K-wave marketing

# 2026 Outlook

## Mid-to-Long-Term Strategic Direction

### 1 | Normalization of Structural Margins

Enhancing the sustainability and visibility of earnings through fundamental improvements in the overall cost structure

### 2 | Acceleration of Global Growth

Strengthening growth drivers through country-specific strategies tailored to local consumer preferences, channel structures, and price positioning

### 3 | Strengthening LOTTE Brand Recognition

Full-scale execution of global expansion strategies for core brands based on locally tailored formulations and flavors

## 2026 Performance and Outlook

1Q

- Expansion of the high value-added product lineup (Premium Ghana, Binch Matcha, etc.)
- Improved organizational efficiency through the transition from direct sales operations to an agency-based system.
- Cost optimization initiatives (including productivity enhancement and logistics efficiency improvements, etc.)

### • Continued growth centered on key regions

→ India 16.5% / Kazakhstan 21.8% / Russia 19.9% ↑

### • Strengthening brand awareness of core LOTTE brands and expanding exports

→ PEPERO exports grew by 33%, and ZERO recorded high growth

2Q

- Expansion of the high-margin ice cream lineup, including bars, monaka, and pencil-shaped products
- Workforce efficiency enhancement through ERP implementation and other initiatives
- Mitigation of foreign exchange volatility and packaging material cost pressures through profitability improvement initiatives

### • Expansion of southern India coverage supported by increased production capacity at the Pune plant

### • Accelerated growth in the CIS region and continued expansion of LOTTE brands

### • Strengthening global marketing and expansion of brand investments in major countries

- Renewal of the contract with PEPERO global ambassador Stray Kids and strengthening of marketing activities

### • Expanded operation of K-Edition targeting inbound tourists

**Revenue growth projected at approximately 4–5% / Operating margin projected at 4–6%**

*(1Q marked the beginning of earnings improvement, laying the foundation for achieving the full-year targets.)*

\* This guidance reflects a reasonable range of expectations based on key business assumptions, and actual results may vary depending on execution progress and external market conditions.

① Base Scenario: Gradual recovery in domestic and overseas demand / Execution of CAPA expansion and brand strategies as planned

② Upside/Downside Scenarios: Pace of recovery in domestic and overseas demand / Stability of raw material costs and foreign exchange rates



## 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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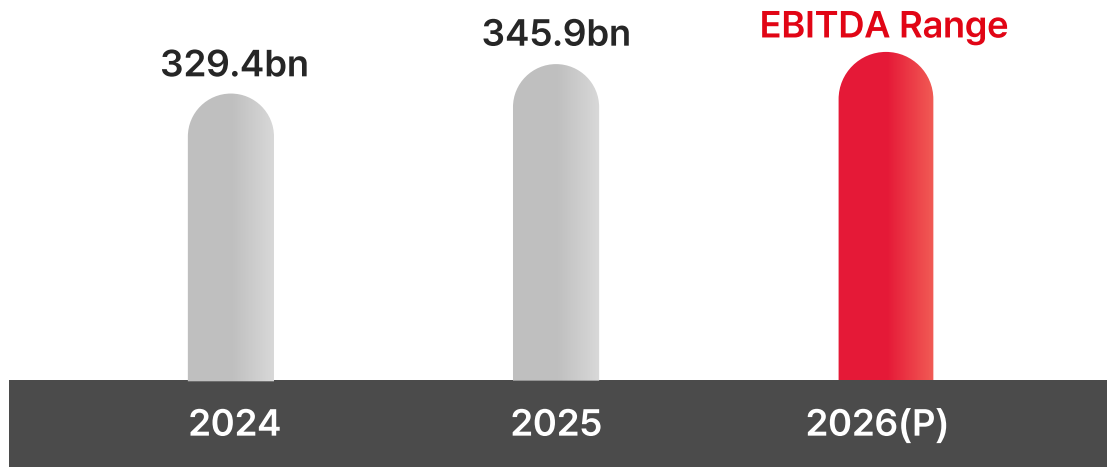
# Appendix



# Appendix \_Capex / Financial status

## Consolidated Capex Plan

(Unit: KRW bn)



**1** Focus on mid-to-long-term investments to maximize the efficiency of production and logistics infrastructure

**2** Planned Stable investment execution planned based on operating cash flow

- Establishment of scenario-based strategies to address increased financial market volatility

## Financial Status

(Unit: KRW bn)

### Credit Rating

Long-term

**AA**  
S t a b l e

Short-term

**A<sup>1</sup>**

Annualized Basis

Items	December 2025	March 2026
Assets	4,574.0bn	4,675.6bn
Equity	2,286.7bn	2,312.4bn
Liabilities	2,287.3bn	2,363.1bn
Total interest-bearing debt	1,467.0bn	1,462.7bn
Revenue	4,216.0bn	1,027.3bn
Operating Profit	109.5bn	35.8bn
(Operating margin)	2.6%	3.5%
Net Income	71.4bn	16.7bn
(Net margin)	1.7%	0.4%
EBITDA	321.5bn	343.0bn

# Appendix \_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

- Maintain ISO37301 certification (compliance management system) through renewal
  - conducted objective evaluations and continuous improvements of the compliance management system through this certification
  - Implemented measures including declaring compliance policies, fostering internal auditors, and establishing management systems.

\*C-rPET: Chemically recycled PET with superior quality and wide applicability for recycling purposes. 15

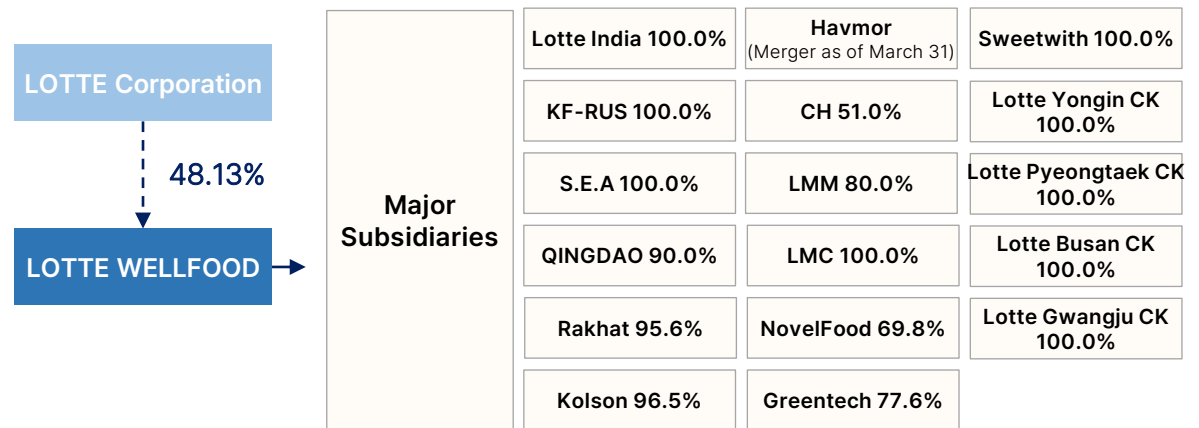
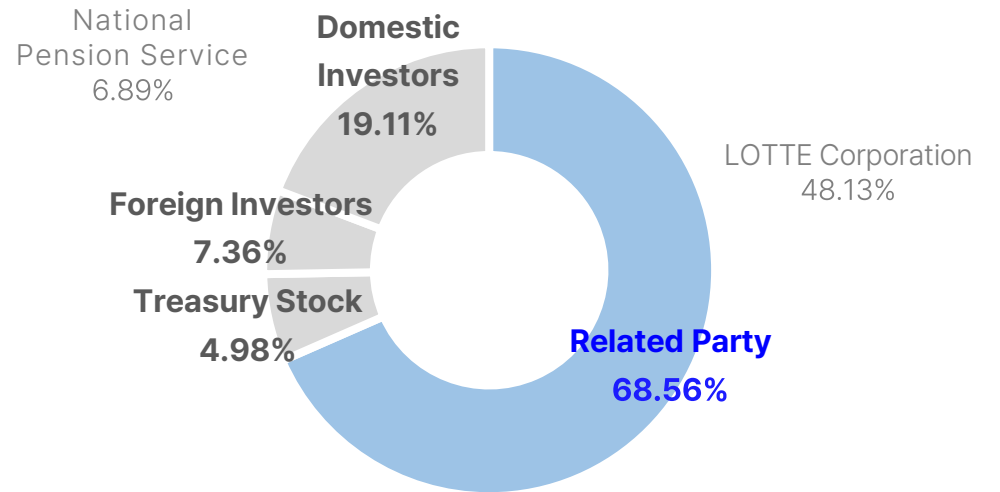
# Appendix \_Company Overview

## General Information

- Established : Mar 24, 1967
- Main Business : Food Company
- Production Facilities : 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
Hotel LOTTE	500	0.01
OGO YAYOI	302	0.00
Others	555	0.01
<b>Related Party Total</b>	<b>6,378,854</b>	<b>68.56%</b>
Treasury stock	463,307	4.98%
Others	2,462,413	26.46%
<b>Total</b>	<b>9,304,574</b>	<b>100.0%</b>

## Shareholding Structure



\* To enhance shareholder value, 1.38% of treasury stock was cancelled on April 29, 2025

# Appendix \_Dividends

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

Dividends are determined based on a balanced consideration of shareholder returns and long-term corporate value enhancement through continued investments.

Additionally, to enhance shareholder returns,  
the Company aims to maintain an average payout ratio of approximately 35% over the next five years.

# Appendix \_1Q26 Condensed Consolidated Financial Statements (Disclosure)

## Income Statement

(Unit : KRW 100M, %)

Items	1Q					
	FY25		FY26		YoY	
	Amount	%	Amount	%	Amount	%
Revenue	9,751	100.0	10,273	100.0	522	5.4
Gross Profit	2,534	26.0	2,791	27.2	257	10.2
SG&A	2,370	24.3	2,433	23.7	63	2.7
Operating Profit	164	1.7	358	3.5	194	118.4
Profit before Income Tax	312	3.2	240	2.3	- 72	- 23.0
Net Income	227	2.3	167	1.6	- 61	- 26.6

## Balance Sheet

(Unit : KRW 100M, %)

Items	Dec 31, 2025	Mar 31, 2026	QoQ
Current assets	15,738	15,734	- 4
Non-current assets	30,002	31,022	1,020
<b>Total assets</b>	<b>45,740</b>	<b>46,756</b>	<b>1,016</b>
Current liabilities	10,028	10,453	425
Non-current liabilities	12,844	13,178	334
Interest-bearing debt (a)	14,670	14,627	- 42
<b>Total liabilities (b)</b>	<b>22,873</b>	<b>23,631</b>	<b>759</b>
Share capital	46.5	46.5	-
<b>Total equity (c)</b>	<b>22,867</b>	<b>23,124</b>	<b>257</b>
Debt to equity ratio (b/c)	100.0	102.2	2.2

# Appendix \_1Q26 Parent-only Financial Statements (Disclosure)

## Income Statement

(Unit : KRW 100M, %)

Items	1Q					
	FY25		FY26		YoY	
	Amount	%	Amount	%	Amount	%
Revenue	7,574	100.0	7,704	100.0	130	1.7
Gross Profit	1,978	26.1	2,158	28.0	180	9.1
SG&A	1,877	24.8	1,882	24.4	5	0.3
Operating Profit	101	1.3	276	3.6	176	174.3
Profit before Income Tax	127	1.7	192	2.5	64	50.7
Net Income	108	1.4	150	2.0	43	39.8

## Balance Sheet

(Unit : KRW 100M, %)

Items	Dec 31, 2025	Mar 31, 2026	QoQ
Current assets	11,259	10,832	- 428
Non-current assets	29,909	30,653	744
<b>Total assets</b>	<b>41,169</b>	<b>41,485</b>	<b>316</b>
Current liabilities	8,048	8,282	234
Non-current liabilities	11,872	12,120	248
Interest-bearing debt (a)	13,924	13,742	- 182
<b>Total liabilities (b)</b>	<b>19,920</b>	<b>20,401</b>	<b>481</b>
Share capital	46.5	46.5	-
<b>Total equity (c)</b>	<b>21,249</b>	<b>21,084</b>	<b>- 165</b>
<b>Debt to equity ratio (b/c)</b>	<b>93.7</b>	<b>96.8</b>	<b>3.0</b>

# Appendix \_Revenue by Segment

(Unit : KRW 100M)

Segment	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
<b>Revenue</b>	<b>9,684</b>	<b>10,492</b>	<b>10,948</b>	<b>9,889</b>	<b>9,612</b>	<b>10,560</b>	<b>10,879</b>	<b>9,819</b>	<b>9,873</b>	<b>10,759</b>	<b>11,677</b>	<b>10,328</b>	<b>10,409</b>
<b>Domestic Business</b>	<b>7,775</b>	<b>8,415</b>	<b>8,955</b>	<b>7,863</b>	<b>7,640</b>	<b>8,366</b>	<b>8,798</b>	<b>7,497</b>	<b>7,574</b>	<b>8,320</b>	<b>9,342</b>	<b>7,593</b>	<b>7,704</b>
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	2,922
Ice cream	1,068	1,854	2,235	931	1,066	1,965	2,224	845	1,006	1,818	2,432	815	1,033
Bakery	302	305	297	316	305	307	284	338	312	356	332	336	347
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	1,207
Food Materials	702	755	664	530	518	545	533	533	534	563	613	558	555
Dairy	444	459	460	438	424	428	449	404	405	409	428	391	382
Processed Meats	682	613	707	586	643	587	642	567	640	588	678	594	602
HMR	647	698	694	695	667	684	693	694	609	631	626	573	553
<b>Overseas Business</b>	<b>1,909</b>	<b>2,077</b>	<b>1,993</b>	<b>2,027</b>	<b>1,972</b>	<b>2,194</b>	<b>2,080</b>	<b>2,321</b>	<b>2,300</b>	<b>2,439</b>	<b>2,335</b>	<b>2,735</b>	<b>2,705</b>
Kazakhstan	656	669	638	734	663	567	582	834	676	607	645	979	830
Pakistan	158	158	138	138	171	181	158	153	196	188	176	169	177
Belgium	191	89	207	269	171	144	246	316	213	159	305	364	268
India(Conf)	255	224	289	267	303	262	316	296	341	278	334	343	391
India(Ice)	351	637	390	278	343	696	379	311	461	765	404	335	543
China	8	0	0	0	0	0	0	0	0	0	0	0	0
Russia	193	187	196	201	199	213	222	215	243	271	268	319	292
Singapore	31	34	35	38	34	34	38	40	34	39	41	44	42
Myanmar	66	79	100	102	87	97	139	156	130	132	161	182	162

Note1. The sum of segment revenues may differ from the total consolidated revenue due to inter-company eliminations.

# Appendix Average Exchange Rate

(Unit : KRW / Local currency)

Country (Currency)	Full Year				1Q (Cumulative)			
	FY23	FY24	FY25	YoY(%)	1Q24	1Q25	1Q26	YoY(%)
Kazakhstan (KZT)	2.86	2.91	2.73	- 6.2	2.95	2.85	2.95	3.5
Pakistan (PKR)	4.68	4.90	5.05	3.1	4.76	5.20	5.24	0.8
Belgium (EUR)	1,412.36	1,475.05	1,607.46	9.0	1,443.10	1,529.33	1,713.75	12.1
India (INR)	15.81	16.30	16.32	0.1	16.00	16.78	16.01	- 4.6
China (CNY)	184.22	189.20	197.78	4.5	184.56	199.33	211.61	6.2
Russia (RUB)	15.46	14.74	17.09	15.9	14.64	15.58	18.64	19.6
Singapore (SGD)	972.16	1,020.35	1,088.34	6.7	991.51	1,077.59	1,147.74	6.5
Myanmar (MMK)	0.62	0.65	0.68	4.6	0.63	0.69	0.70	1.4

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

# Appendix \_Ending Exchange Rate

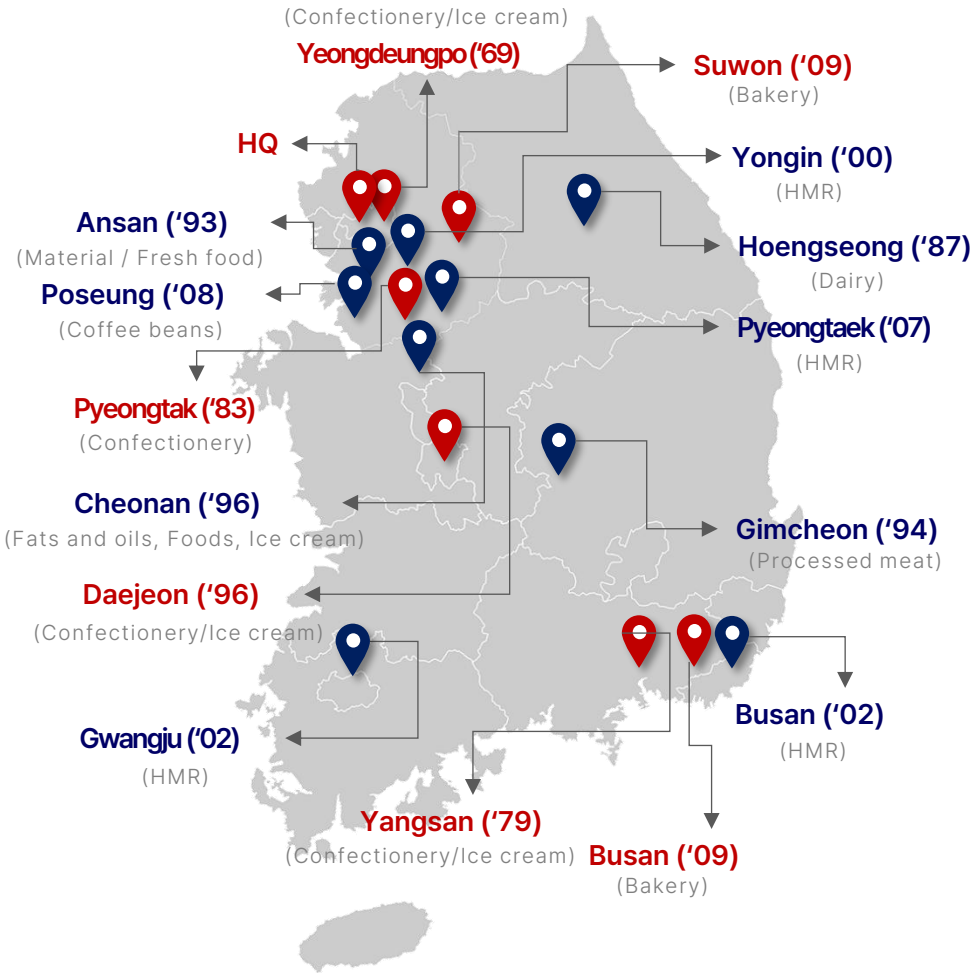
(Unit : KRW / Local currency)

Country (Currency)	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Vs. End of 2025 (%)
Kazakhstan (KZT)	2.80	2.91	2.61	2.56	2.86	3.14	9.8
Pakistan (PKR)	5.28	5.23	4.78	4.95	5.12	5.42	5.9
Belgium (EUR)	1,528.73	1,587.85	1,591.80	1,644.50	1,685.72	1,733.37	2.8
India (INR)	17.19	17.14	15.87	15.81	15.98	16.04	0.4
China (CNY)	201.27	201.68	189.16	196.82	204.76	218.7	6.8
Russia (RUB)	13.30	17.26	17.28	16.88	18.05	18.62	3.2
Singapore (SGD)	1,081.08	1,092.32	1,063.34	1,087.10	1,117.52	1,171.5	4.8
Myanmar (MMK)	0.70	0.70	0.65	0.67	0.68	0.72	5.9

# Appendix \_Global Footprint

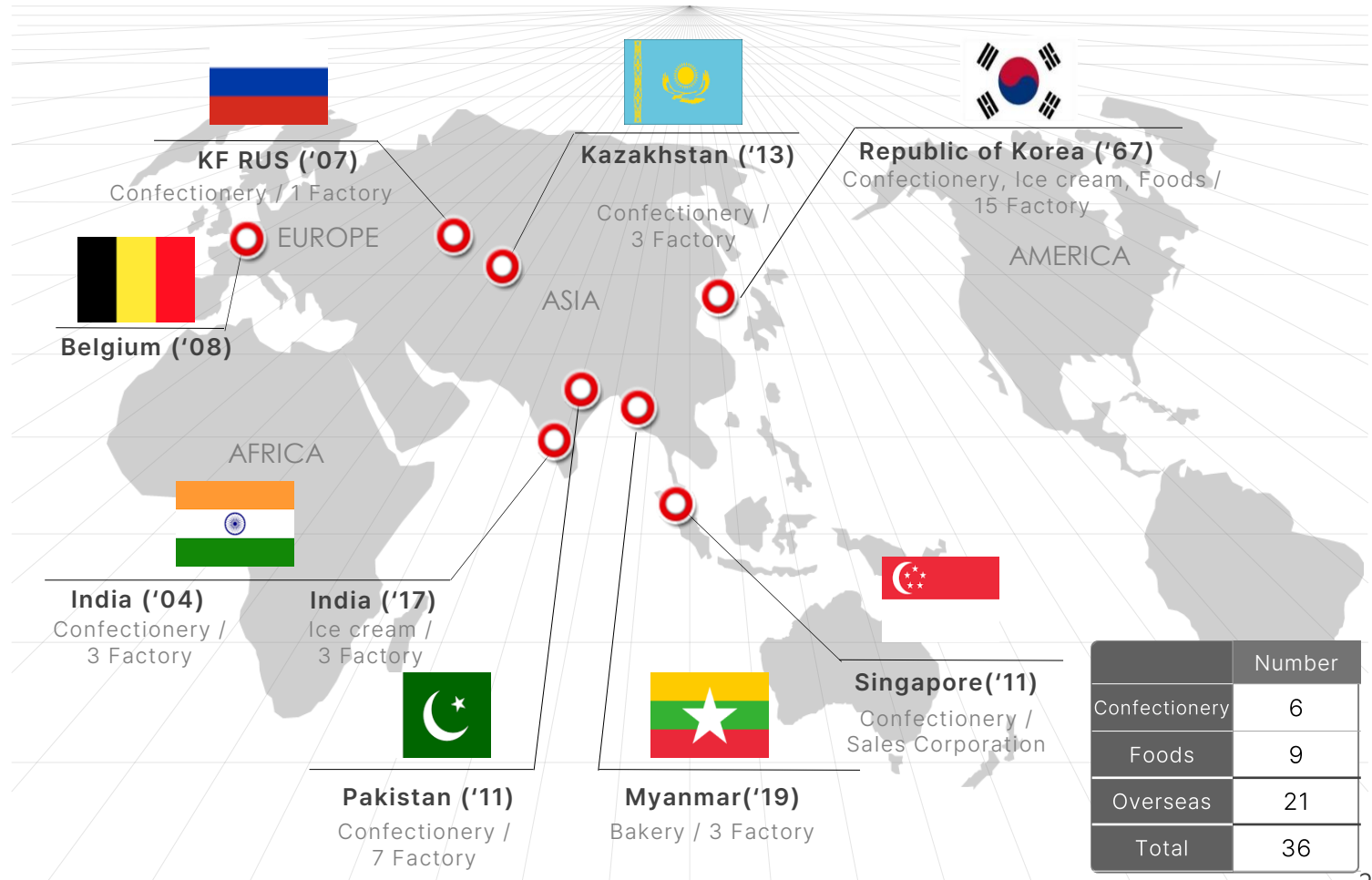
## Domestic

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



## Overseas

Global Presence : 7 Countries (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)



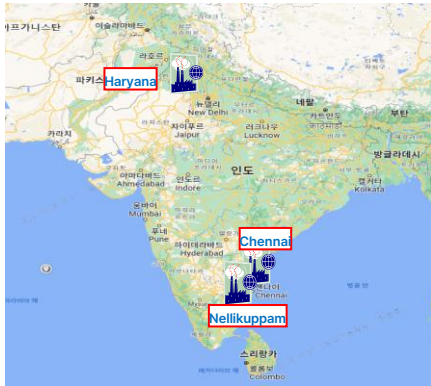
	Number
Confectionery	6
Foods	9
Overseas	21
<b>Total</b>	<b>36</b>

# Appendix\_Status of Major Overseas Subsidiaries

Market overview

Subsidiary Highlights

## LOTTE INDIA (Confectionery)



- Acquisition : May '04
- Establishment : M&A
- Ownership : 100%
- Employees : 681
- Factories : 3

### Key Features

- World's largest population (1.4bn) / 5<sup>th</sup> largest GDP (USD 3.4tn)
- Advancing toward a global Top5 economy
- Domestic market growth (~10% CAGR)
- Strengthening Lotte brand & TT competitiveness

- Acquired Parry's Confectionery (2004)
- Chennai & Haryana based operations
- Nationwide candy & choco pie sales
- No.1 Choco Pie market share / 3<sup>rd</sup> line added (Oct '23)
- Strengthening market leadership & growth

## LOTTE INDIA (Ice Cream)



- Acquisition : Dec '17
- Establishment : M&A
- Ownership : 100%
- Employees : 1,023
- Factories : 3

### Key Features

- Expected to become the world's 3<sup>rd</sup> largest economy by 2027
- Broad-based category growth driven by population and income growth
- Rising consumption with low seasonality and improving purchasing power
- Potential in Ice Cream market ↑ = Nationwide expansion over mid-to-long term

- Acquired Havmor (2017)
- Located near key dairy sourcing and consumption regions
- Nationwide Ice Cream sales centered in Gujarat
- Pune new factory (Feb '25) to enhance productivity and sales volume
- Merged into Lotte India (Mar '25)

# Appendix\_ Status of Major Overseas Subsidiaries

## LOTTE RAKHAT JSC Kazakhstan Subsidiary



- Acquisition : Nov '13
- Establishment : M&A
- Ownership : 95.6%
- Employees : 3,387
- Factories : 3

### Key Features

- Population 20mn / GDP USD 220.6bn
- Growth driven by natural resources
- Expanding consumer market amid foreign investment inflows → Strong market growth potential

Market overview

Subsidiary Highlights

- Acquired Rakhat, No.1 Chocolate brand (2013)
- Chocolate, biscuit & Candy sales in southeast regions
- CIS exports including Russia & e-commerce expansion
- Mid-to-long term MT expansion (Domestic & Russia)

## KF RUS 1st CIS subsidiary



- Acquisition : Mar '07
- Establishment : Greenfield
- Ownership : 100%
- Employees : 254
- Factories : 1

### Key Features

- Population 140mn / GDP USD 2.2tn
- Strong CIS Market potential
- Favorable response to K-Food (Snacks, Ramen etc.)
- Sustained Choco Pie leadership & productivity improvement

- Sales ('07) & production ('08) subsidiaries integrated in '12
- Choco Pie & candy business
- 3rd Choco Pie line added (Nov '21)
- Sales growth & productivity improvement

## GUYLIAN 1st in western Europe



- Acquisition : July '08
- Establishment : M&A
- Ownership : 51.0%
- Employees : 180
- Factories : 1

### Key Features

- Population 11.7mn / GDP USD 578.6bn
- Global duty-free sales centered in Europe
- Category expansion through strong brand value

- European sales subsidiary (UK, Germany)
- Brands : Chocolate-focused (Seashells, Seahorses)
- Premium brand positioning & channel expansion
- Profitability improvement through brand renewal and channel diversification

# Appendix\_ Status of Major Overseas Subsidiaries

Market overview

Subsidiary Highlights

## Kolson Pakistan Food Subsidiary



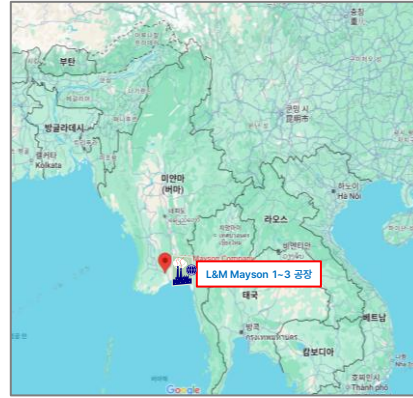
- Acquisition : Jan '11
- Establishment : M&A
- Ownership : 96.5%
- Employees : 1,385
- Factories : 7

### Key Features

- Population (240M) / GDP USD 400bn
- Export hub to the Middle East and Central Asia
- Young population (median age 19) driving consumption growth

- Acquired local subsidiary Kolson (2011)
- Operating pasta, noodles and snack business
- Completed Lahore Choco Pie plant construction (Apr '18)

## L&M Mayson Myanmar Bakery Subsidiary



- Acquisition : Jan '19
- Establishment : M&A
- Ownership : 80.0%
- Employees : 1,292
- Factories : 3

### Key Features

- Population (54M) / GDP USD 71bn
- Young population (median age 29) supporting urbanization-driven consumption growth
- Potential low-cost manufacturing hub in ASEAN after the end of military rule

- Acquired local subsidiary MMI (2019)
- Producing bread and bakery products
- 20-24 CAGR of 18.4% despite the military regime (KRW 36.4bn → 48.0bn)

## LOTTE Confectionery (S.E.A) Sales Subsidiary



- Acquisition : May '11
- Establishment : M&A
- Ownership : 100%
- Employees : 23
- Factories : -

### Key Features

- Population (5.6M) / GDP USD 380bn
- Strategic global logistics and export hub
- Growth expected to accelerate on K-wave and K-Food popularity

- Established sales subsidiary (2011)
- Importing and selling products such as PEPERO and Choco Pie
- Managing exports and market expansion across Southeast Asia (Singapore, Indonesia etc.)

# Appendix \_Overview of Main Products

	Line-up	Brand / Product				Note
Confectionery	Gum, Candy	Xylitol	Zorum Bunchuk	Herb Candy	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	GodGoo cone	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	flavoring	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	