Investment Opportunities
Chemical/Material: Fine Chemical Field

Investment Highlights

• Fine chemicals, adhesives / pressure-sensitive adhesives, and synthetic resins: The production of our original products is attributed to our own technology for synthesizing fine chemicals, adhesives / pressure-sensitive adhesives, and synthetic resins. Our product lineup consists of synthetic resins (coatings, paints, etc.), regular adhesives, pressure-sensitive adhesives, etc., all of which boast far more competitive prices than existing products on the market. According to the Korea Petrochemical Industry Association, the global fine chemicals market size is projected to reach USD 2,275 billion by 2025 from USD 1,087.8 billion in 2015, with a compound annual growth rate (CAGR) of 1.9% during the forecast period. In the future, the fine chemical industry is expected to be combined with IT, BT, etc. and go beyond the existing applications of chemical technology to develop into a high-tech industry, thereby leading the Fourth Industrial Revolution.

• Detergents and water treatment products: Our technologies are intended for cleansers and water treatment products suitable for our customers and their materials. Our solutions are composed of detergents appropriate for industrial materials (corrosion in metals and other materials, contaminated surfaces), household detergents (corrosion, contaminated surfaces), chemicals for industrial boilers, and other products for water and wastewater treatment processes. All of those are based on our own experiences and expertise in quality management. According to Global Water Intelligence, the global market size is projected to reach USD 938.2 billion by 2025 from USD 705 billion in 2018, with a CAGR of 4.1% during the forecast period. Accordingly, the potential growth of the water treatment business is very high.

Products and Services
Products and Technology

• Key features of core technology
  ➢ Synthetic resins and adhesives / pressure-sensitive adhesives
    - Our diverse synthetic resins can be reformed and redeveloped depending on customer requirements.
    - We successfully developed BTEX (benzene, toluene, ethylbenzene, and xylene)-free fluorinated acrylic resins that can replace BTEX
    - Our adhesives / pressure-sensitive adhesives with various properties consist of epoxies, acrylic adhesive, urethane adhesives, and rubber.
    - We recently developed technology for a single-part acrylic adhesive, instead of a two-part adhesive with a resin and hardener, that cures at room temperature
    - Our aqueous functional adhesives are eco-friendly materials that can replace existing organic solvents. In particular, they can replace pallet wrap and stretch films designed to protect products stacked on pallets.
  ➢ Detergents and water treatment agents
    - We own technologies for manufacturing detergents used for cleaning pipes and machines and removing rust from surfaces,
    - Our products and technology solutions, which are suitable for boilers and water and wastewater treatment processes, can be offered depending on customer situations.

• Competitiveness of core technology
  - Our products show equal performance to those of major companies but are directly manufactured by our company, leading to more competitive prices.
  - We can provide solutions tailored to customer requirements because of our abundant technical workforce and extensive experience.

Brief History

• 1991: Founded the company
• 1997: Received an honorable plaque for excellent suppliers from Samsung Petroleum Co., Ltd and Samsung BP
• 2012: Registered three patents (including phosphorus flame retardants)
• 2016: Acquired ISO 9001/14001/18001 certifications
• 2016: Constructed a new factory and relocated the head office
• 2017: Expanded production facilities
• 2018: Applied for a patent (functional adhesive)
• 2019: Applied for two patents (flame-retardant aqueous adhesive, etc.)
• 2020: Established ACE&E MES (new smart factory)
• 2020: Acquired the Certificate of Venture Business and the Certificate of Inno-Biz
Company Profile

Date of Establishment • May 1991

Investment Performance • Unlisted

Listed or Unlisted • N/A

Patents and Certificates • Registration (or application) of six domestic patents, including fine chemicals

Financial Figures
(Unit: USD million)

<table>
<thead>
<tr>
<th>Division</th>
<th>2017 (Unaudited)</th>
<th>2018 (Unaudited)</th>
<th>2019 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1.05</td>
<td>1.92</td>
<td>2.51</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0.03</td>
<td>0.11</td>
<td>0.26</td>
</tr>
<tr>
<td>EBITDA</td>
<td>0.09</td>
<td>0.12</td>
<td>0.27</td>
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</tbody>
</table>

Business Plan
(Unit: USD million)

<table>
<thead>
<tr>
<th>Division</th>
<th>2020 (Forecast)</th>
<th>2021 (Forecast)</th>
<th>2022 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2.91</td>
<td>4.58</td>
<td>5.83</td>
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<tr>
<td>Capital Expenditure</td>
<td>0.42</td>
<td>1.25</td>
<td>1.25</td>
</tr>
<tr>
<td>Working Capital</td>
<td>0.42</td>
<td>1.67</td>
<td>1.67</td>
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<tr>
<td>R&amp;D</td>
<td>0.25</td>
<td>0.42</td>
<td>0.58</td>
</tr>
<tr>
<td>Others</td>
<td>0.17</td>
<td>0.25</td>
<td>0.42</td>
</tr>
</tbody>
</table>

- **Sales plan**: Along with stable sales contributed by our existing customers, sales have been steadily growing through new original equipment manufacturer (OEM) supply agreements with new customers and other efforts. Accordingly, it is expected to achieve sales of USD 5.83 million in 2022.

- **Investment required**: Our focus is on improving our performance, developing new products through continuous R&D, and securing global competitiveness through exports to China, Taiwan, and the Middle East. For this endeavor, our company is planning to invest USD 2.92 million in capital expenditures, USD 3.76 million in working capital, and USD 1.25 million in R&D for the next 3 years to continue performing R&D and to achieve the target sales.

Investment Requirements

- **Investment Structure**: Financial investment (minority), joint venture
- **Amount**: USD 2 million
- **Region**: North America, China, Europe, Japan