KOLON SPORT CHINA

Three-year Development Strategy and Action Plan for the Next 12 Months

Your best way to nature™
“Harmony and companion” is our approach to coexisting with nature.

To embrace the mountain’s essence, not to conquer it.
To merge harmoniously with the sea, not to exhaust it.

When the outdoor is infused with professionalism, it evolves into sophisticated lifestyle experiences.

That’s how we intertwine humans and nature.

THE OUTDOOR AESTHETICS SPANNING OVER HALF A CENTURY, NOW EVERLASTINGLY NEW.

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KOLON SPORT
Our CONTEXT

Market Size
The outdoor footwear and apparel industry is expected to hit RMB50 billion Milestone by 2024.

Market Growth
Expect double-digit robust growth over the next five years (2022-2027).

Data source: Euromonitor

Our CONSUMER

Present
Urban middle-class in their 30th ~40th, embracing nature and pursuing a high-quality lifestyle.

Future
Younger, in more balanced regions, and a solid Female presence.

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Over the past six years of our presence in China, KOLON SPORT CHINA has achieved high-quality growth within the booming market segment. Formed JV company with ANTA Sports in 2017. Turned a profit in 2020. Achieved RMB 1.3 bn+ annual retail sales in 2019. Average monthly store efficiency in 2022 was RMB 550,000+.

2019-2022 CAGR of retail sales: 25%

- 2017: Formed JV company with ANTA Sports
- 2019: Turned a profit
- 2022: Average monthly store efficiency in 2022
- 2023H1: 1H23 retail sales doubled YoY, RMB 900,000+

Average monthly store efficiency in 1H23

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KOLON SPORT CHINA’s three-year strategic goal

**Vision**

**Goal**

**Three Strategic Pillars**

- **Strengthening Brand’s Niche and Premium Aesthetics**
  - Continuous innovation in our retail model
  - Accelerate breakthroughs in high-end channels

- **Establishing Brand Relevance in Professionalism**
  - Focus on hiking and camping
  - Continuous iteration of hero products

- **Crafting an Outdoor Lifestyle**
  - Elevate brand communities’ engagement
  - Build an array of vertical communities

KOLON SPORT KOREA: Empowers innovative R&D, fabric supply and maintains dependable product portfolio

2023-2026 CAGR of retail sales: 30%~35%
KOLON SPORT CHINA’s action plan for the next 12 months

1. Product Breakthrough
   - Embark on the era of waterproof jackets
   - Revitalize our camping aesthetics
   - Footwear surges from “1” to “n”
   - Generate value for consumers

2. Territory to the new
   - Scale presence in emerging markets
   - Expedite brand’s transformation and upgrade
   - Demonstrate value for consumers

3. Culture Cultivation
   - Evolution of brand communities
   - Co-create value with consumers

Premium | Quality Outdoor | Lifestyle Brand

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Key initiatives for the next 12 months

- Curate a versatile product range for all-terrain waterproof jackets
- Develop hero waterproof jacket products with continuous iteration

EMBARK ON THE ERA OF WATERPROOF JACKETS
Product Breakthrough

02 REVITALIZE OUR CAMPING AESTHETICS

#Accelerate expansion of our CAMP LINE portfolio
#Extend the camping event IP with marketing endeavors
#Boost high-quality collaboration with camping sites

Key initiatives for the next 12 months
03 FOOTWEAR SURGES FROM “1” TO “N”

- #Magnify our footwear business share
- #Shoot our first-ever title sponsorship for trial running event
01 SCALE PRESENCE IN OUR EMERGING MARKETS

# Strengthen presence in South China, deepen operations in Sichuan and Chongqing, solidify presence in Jiangsu, Zhejiang and Shanghai.

# Expand our footprint in first-tier and new first-tier cities.
Key initiatives in the next 12 months

**02 EXPEDITE BRAND'S TRANSFORMATION AND UPGRADE**

#Detach 5.0, popularize 7.0, initiate 8.0

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Key initiatives in the next 12 months

Cultural Cultivation

01 EVOLUTION OF BRAND COMMUNITIES

#Bet on East China, cultivate an ESG mindset through #KOLON ROADLAB daily operation

#Launch 50th anniversary special project “50 Arrivals”, our largest community IP event

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