Terton:capital

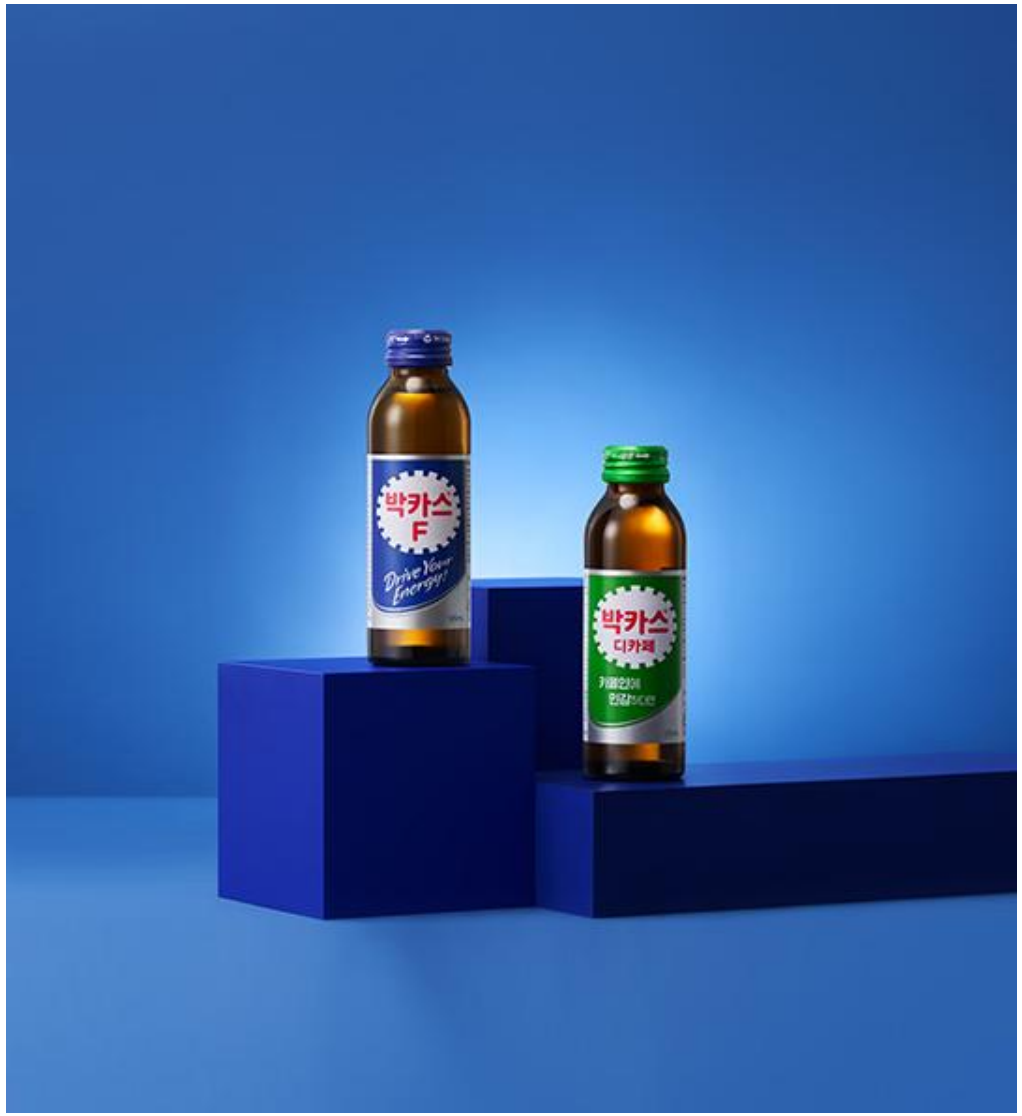
Dong-A For All

It's time to release Bacchus' energy for all shareholders

Dong-A Pharmaceutical

KOSPI:000640

Formerly Dong-A Socio Holdings



Who we are and what we believe

Terton Capital is a US-based fund that invests for the long term in listed Asian equities. Its founder, Ryan Albert, previously worked at Berkshire Hathaway and Brizo Capital, a global equities fund, and is an alumnus of Princeton University and Columbia Business School.

Terton helps companies reach their potential by engaging constructively with boards and management to improve governance and value creation. We believe good governance makes good companies, and good companies are better for all stakeholders and for society.

We think like owners and act like independent directors. We push for decisions that maximize corporate value and benefit all shareholders equally.

Eliminating valuation discounts is good for Korea. When companies reach their potential, returns rise and the cost of equity falls, national savings grow, more households build wealth through equity, and companies can invest more in wages and innovation.

We will always communicate our views factually, transparently and respectfully. We want the companies we invest in to succeed. That is why we are invested.

Table of Contents

Executive Summary

- Overview 5
- Great assets, deeply discounted 6-7
- The cause: governance 8-9
- The fix: five changes 10

Great Assets

Not Reaching Its Potential

The Cause: Misaligned Governance

The Standard Set by Its Own Shareholders

Five Requests by the March 2027 AGM

What Dong-A Can Be

Overview

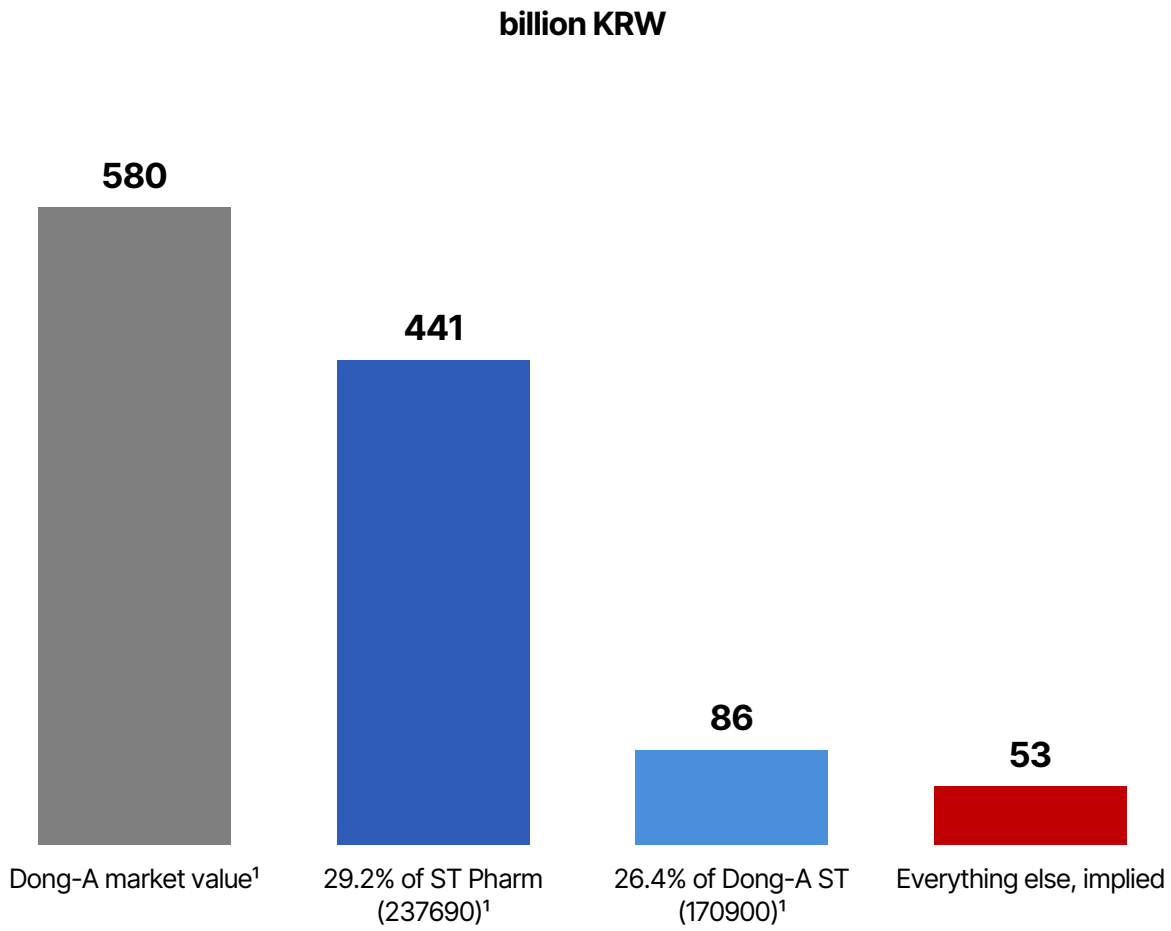
We own more than 1% of Dong-A's shares. We are asking for five changes, all of which can be made at or before the March 2027 AGM.

1	**Dong-A has great assets**	• Consumer health: Bacchus and other leading brands; 12% EBIT margin and 30%+ ROE for twelve years, the best among Korean OTC peers; 339 billion KRW of dividends, no new capital[1]. • ST Pharm (29.2%): one of the few qualified oligonucleotide makers, supplying approved RNA medicines; backlog up 8x since 2019[2]. • Yongma Logis, half of Dong-A Otsuka, and 290 billion KRW of land and property at fair value[3].
2	**These assets should make Dong-A worth 3x today**	Valued on their own results, intrinsically or against Dongkook and global consumer-health peers, Dong-A is worth about 261,200 KRW per share, 3x its 86,200 KRW price[4].
3	**Instead, the discount keeps widening**	P/B has fallen from 1.1x ten years ago to 0.5x. Over the same decade Dong-A has returned -31% and the KOSPI +208%[5].
4	**Bad governance led to bad allocation Bad allocation led to a widening discount**	Dong-A has allocated capital to its worst-performing businesses and has maintained low dividends and no buybacks since 2020 despite the stock trading far below fair value. We think the reason behind this misallocation is that Dong-A is run for Chairman Kang. The Board his votes elect has approved every capital decision since 2023 and has no operating or global consumer experience[6].
5	**Five changes would fix it**	1. Chairman Kang on the Board or paid within the limit and tied to returns; 2. A director who has built consumer brands abroad; 3. A cost of capital test; 4. A plan that returns what fails this test (at least 50 billion KRW a year); 5. Pay in shares, aligned with the ESOP, pensioners and shareholders.
6	**Why Korea should care**	Pensioners (NPS, 9.45%) and Dong-A's own employees (8.53%) would gain 212 billion KRW at our estimate of fair value. GSK and Otsuka are world-class shareholders, and we believe Dong-A should meet their standards. Better returns mean more capital to innovate, grow and hire[7].

Great assets, held back by governance. Five changes, at or before the March 2027 AGM, would let Dong-A reach its potential.

1: Pre-merger Dong-A Pharmaceutical audit reports FY2014-25, dividends to the parent FY2017-25; Korean OTC peers, 1H26 TTM (DART) (slides 12-15). 2: ST Pharm IR, order backlog 1H26 vs 2019 (slides 16-19). 3: June 2026 semi-annual report; FY2025 audit reports (slide 20). 4: Terton sum of the parts (slide 22); Dongkook and global peers, Bloomberg, November 6, 2026 (slides 24 and 25). 5: Bloomberg P/B and total return with dividends, October 28, 2016 to November 6, 2026 (slide 7).
6: Board resolutions, January 1, 2023 to August 26, 2026; director backgrounds, FY2025 annual report; last buyback March-June 2020 (98,190 shares, 8.4 billion KRW; result report, June 22, 2020) (slides 33-36). 7: NPS filing, October 2, 2026; June 2026 semi-annual report; 1,210,418 shares x (261,200 - 86,200 KRW).

Dong-A has two listed stakes that are worth 91% of Dong-A's market value



ST Pharm: 441 billion KRW, 76% of Dong-A

Dong-A's 29.2% of ST Pharm, a leading oligonucleotide CDMO[1]

Its backlog is up 8x since 2019[3].

Dong-A ST: 86 billion KRW, 15% of Dong-A

Dong-A's 26.4% of Dong-A ST, whose market value is 328 billion KRW[1].

53 billion KRW for everything else

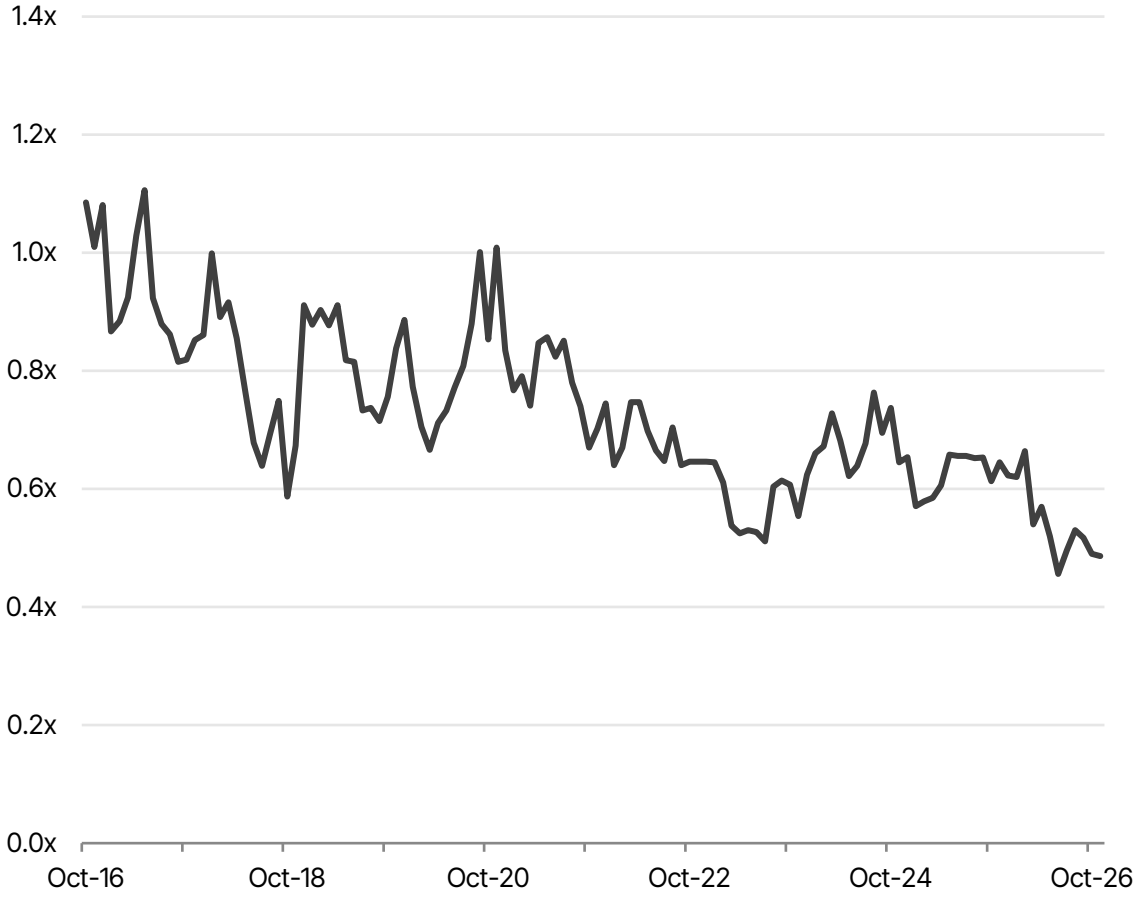
Consumer health earning 71 billion KRW a year[2], 290 billion KRW of property and Dong-A Otsuka.

Strip out the two listed stakes and the market values everything else at 53 billion KRW. Consumer health alone earns 71 billion KRW a year.

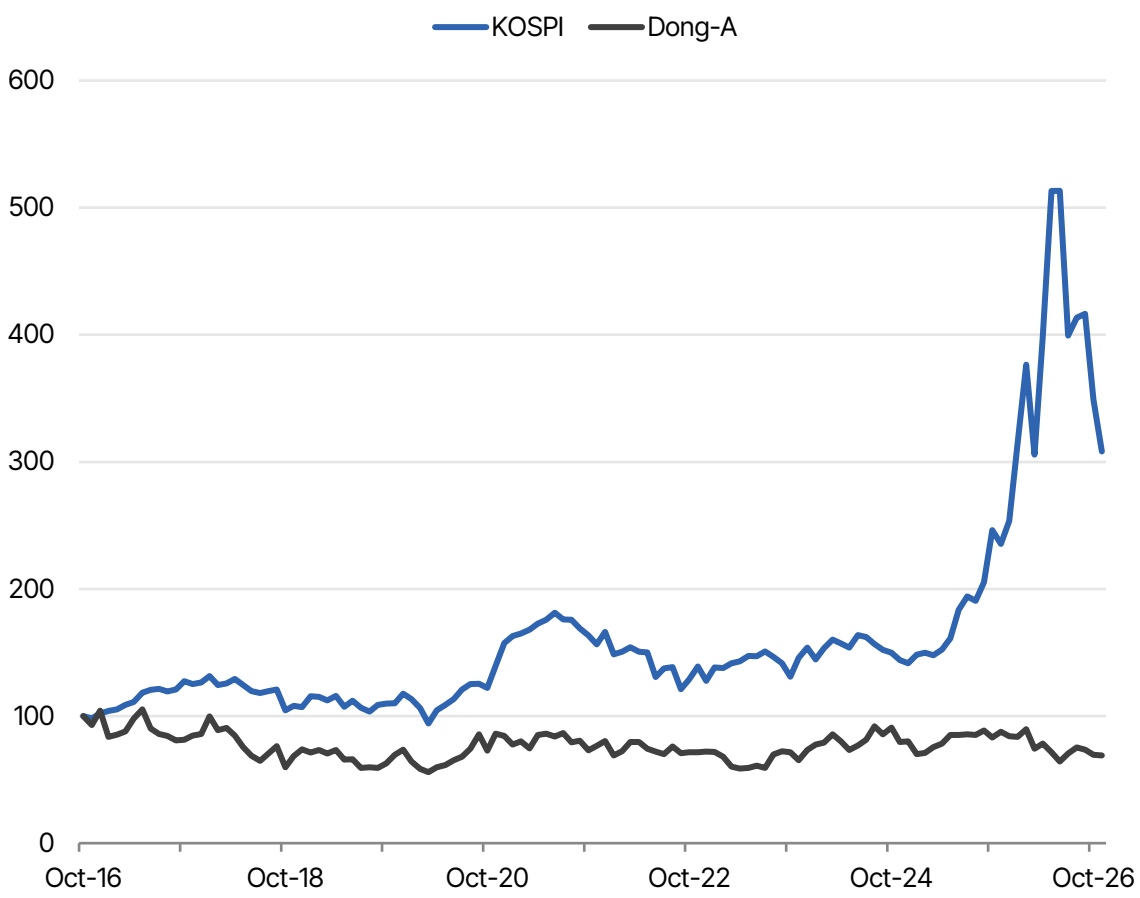
1: KRX closes November 6, 2026: Dong-A 86,200 KRW x 6,729,857 shares; ST Pharm 72,300 KRW x 6,096,552 shares held (29.2%); Dong-A ST 33,750 KRW x 2,545,816 shares held (26.4%); holdings per June 2026 semi-annual report. Dong-A ST market value on 9,727,880 shares outstanding (Bloomberg). 2: Normalized FY2025 net income of the pre-merger Dong-A Pharmaceutical (slide 22). 3: ST Pharm order backlog, 1H26 vs 2019 (ST Pharm IR). Dong-A ST: 26.4% as reported; the 2,545,816 shares are 26.2% of the 9,727,880 shares Bloomberg shows outstanding.

Over the last decade, the discount has only widened

Dong-A price to book: 1.09x to 0.49x



Total return: KOSPI +208%, Dong-A -31%

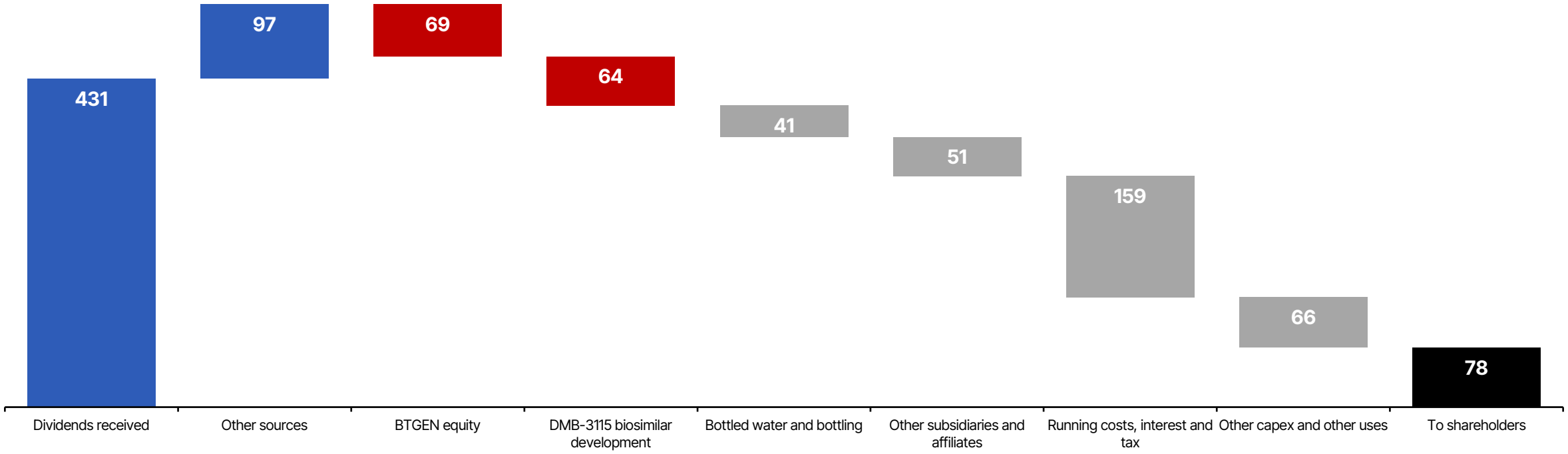


Ten years ago, Dong-A traded at 1.1x book; today 0.5x. It has returned -31% while the KOSPI returned +208%.

Bloomberg, October 28, 2016 to November 6, 2026, month-end points. Price to book: Dong-A 1.09x to 0.49x (86,200 KRW KRX close / book value per share 177,224 KRW at June 30, 2026); the KOSPI went from 1.00x to 1.25x.
Total return, gross dividends reinvested: Dong-A -30.9% (at the KRX close); KOSPI +208.3% (price 2,019.42 to 5,059.69, +150.6%, before dividends).

On the surface, the discount is caused by poor capital allocation and low returns

Holdings cash flows FY2017-25, billion KRW



Consumer health, Dong-A's best business, received 0 KRW of new capital in nine years.
Shareholders received only 14.8% of the funds received by Holdings.

Dong-A Socio Holdings separate statements of cash flows FY2017-FY2025 (DART), billion KRW, grouped by Terton. Equity by investee from the 'Investments in other companies' schedule of each annual report.
DMB-3115 = development cost capitalized at Holdings (intangible-asset note, 2021-25); 22.3 billion KRW was impaired in 2025. Running costs = Holdings operating cash flow before dividends received and tax. Callout: 78.2 billion KRW to shareholders of 527.9 billion KRW of sources (430.5 of dividends received plus 97.4 of other sources).
Other sources include net borrowing of 43, new shares from warrants of 32, interest of 12, and stake and asset sales of 11. Other uses include other capex of 23, financial investments of 27, treasury shares of 9, leases of 5, and cash of 1.

But the deeper problem is that governance is built around Chairman Kang

1. Run for Chairman Kang

He exercises de facto control over the group but is not on the Board

- 29% of the shares, 42% of the votes with GSK and Otsuka[1].
- Not a director: shareholders never vote on him[1].
- Paid 2.3 billion KRW, more than all six directors, 82% fixed, outside the limit shareholders approve[2].
- Not aligned with minorities, the ESOP (8.5%) or pensioners[1].

2. A Board that cannot say no

- 0 dissents on 27 capital-allocation resolutions since 2023[3]. This record of unanimity raises serious questions about the extent of independent scrutiny.
- 243 billion KRW of guarantees for BTGEN, which he reportedly co-owns (19.6%)[4].
- BTGEN has lost 133 billion KRW since 2015[4].

3. No business or global experience

Two accountants, a lawyer and a pharmacy professor

- None of the four independent directors has ever run a business or allocated capital[3].
- No one who has built a consumer brand abroad. GSK and Otsuka seat former leaders of Philips, Sony and ITOCHU's food business[5].
- So, there is no cost of capital test, no capital plan and no share-based pay[2].

The result: great assets that grow, but reinvestment and profits are allocated inefficiently. Until this changes, Dong-A will not reach its potential.

Everything stems from one structure: a Chairman who controls the group without a Board seat, a vote, or pay tied to results.

1: Large-shareholding report of Kang Jung-seok and related parties, September 2, 2026; June 2026 semi-annual report (employee association 8.53%). 2: FY2025 annual report: 2,300 million KRW (82% salary) vs 1,304 million KRW paid to six directors and a 2,000 million KRW limit; no share-based pay. 3: Board resolutions, January 1, 2023 to August 26, 2026; director backgrounds, FY2025 annual report.
4: BTGEN 19.6%: Hankyung (2021), Edaily (2025); Dong-A's filings do not name the holder. Guarantees: filing of August 13, 2026. BTGEN audited statements FY2015-25. 5: GSK Annual Report 2025 (Jakobs, Philips; Sony Group chair); Otsuka Holdings Corporate Governance Report, April 6, 2026 (Aoki, ITOCHU Food Company).

Five changes, all achievable at or before the March 2027 AGM

	Request	What it means	GSK and Otsuka already[3]	When
1	**Chairman Kang on the Board, or his pay within the limit**	If he leads the group, he sits on the Board, elected by shareholders. If not, his pay goes inside the limit shareholders approve. Either way it is tied to performance and total shareholder return, aligned with the ESOP, pensioners and shareholders.	Otsuka's chairman stands for election every year; GSK has a non-executive chair, separate from the CEO.	**At the March 2027 AGM**
2	**Add a director who has built consumer brands abroad**	None of the four independent directors has run a business: two accountants, a lawyer and a pharmacy professor. Add one who has built consumer brands abroad and allocated capital at scale.	Both boards include former CEOs and CFOs of global companies.	**At the March 2027 AGM, when two seats expire**
3	**Apply a cost of capital test**	Every new investment and guarantee must earn above Dong-A's cost of capital, confirmed by the independent directors. BTGEN is the case in point.	Otsuka targets ROIC of 9.5%+ and pays on ROIC above WACC; GSK publishes a capital allocation framework.	**Board resolution, any time before the AGM**
4	**Return what fails the test: a capital allocation plan**	What cannot be reinvested above the cost of capital comes back to shareholders, at least 50 billion KRW a year: buybacks while the shares trade below book value, dividends above it[1].	GSK returned 4.0 billion GBP in 2025; Otsuka has a written shareholder return policy.	**With FY2026 results, before the AGM**
5	**Align directors and executives with the ESOP, pensioners and shareholders**	The employee association (ESOP, 8.5%), the NPS (9.5%) and every other shareholder earn only what Dong-A returns. Directors and executives should too: restricted shares that vest on returns above the cost of capital and on total shareholder return, with a clawback, and required share ownership[2].	Both pay executives largely in performance shares, with clawbacks.	**With the directors' pay limit at the March 2027 AGM**

Each change can be adopted at or before the March 2027 AGM. Every shareholder would gain, including Chairman Kang.

1: Book value per share 177,224 KRW (June 30, 2026) against 86,200 KRW at the November 6, 2026 close; 50 billion KRW = 8.6% of market cap and about 7,400 KRW per share; dividend policy as proposed in our letter of October 12, 2026. 2: As proposed in our letter of October 26, 2026; employee association 8.53% (June 2026 semi-annual report); NPS 9.45% (NPS filing, October 2, 2026).
3: GSK Annual Report 2025 and Directors' Remuneration Policy (May 6, 2026); Otsuka Holdings Corporate Governance Report (April 6, 2026), 4th Medium-Term Management Plan and officer compensation disclosure. Board seats: terms of Ko Seung-hyun and Kwon Kyoung-bae expire in March 2027 (FY2025 annual report).

Table of Contents

Executive Summary

Great Assets

- Consumer health 12-15
- ST Pharm 16-19
- Land and property 20

Not Reaching Its Potential

The Cause: Misaligned Governance

The Standard Set by Its Own Shareholders

Five Requests by the March 2027 AGM

What Dong-A Can Be

Consumer health has earned 12% margins and 30%+ ROE for twelve years

It is the profit engine of Dong-A

- Revenue 348 billion KRW → 726 billion, 2014–2025.
- EBIT margin 11.5–13.8% every year.
- ROE above 30% every year[3,4].

Consumer health is more than Bacchus

- **Bacchus:** 60+ years, ~10 bottles per Korean a year, still growing.
- Leading brands in vitamins, derma, OTC and quasi-drugs.

Dong-A Pharmaceutical (operating subsidiary) separate audited financial statements[1]

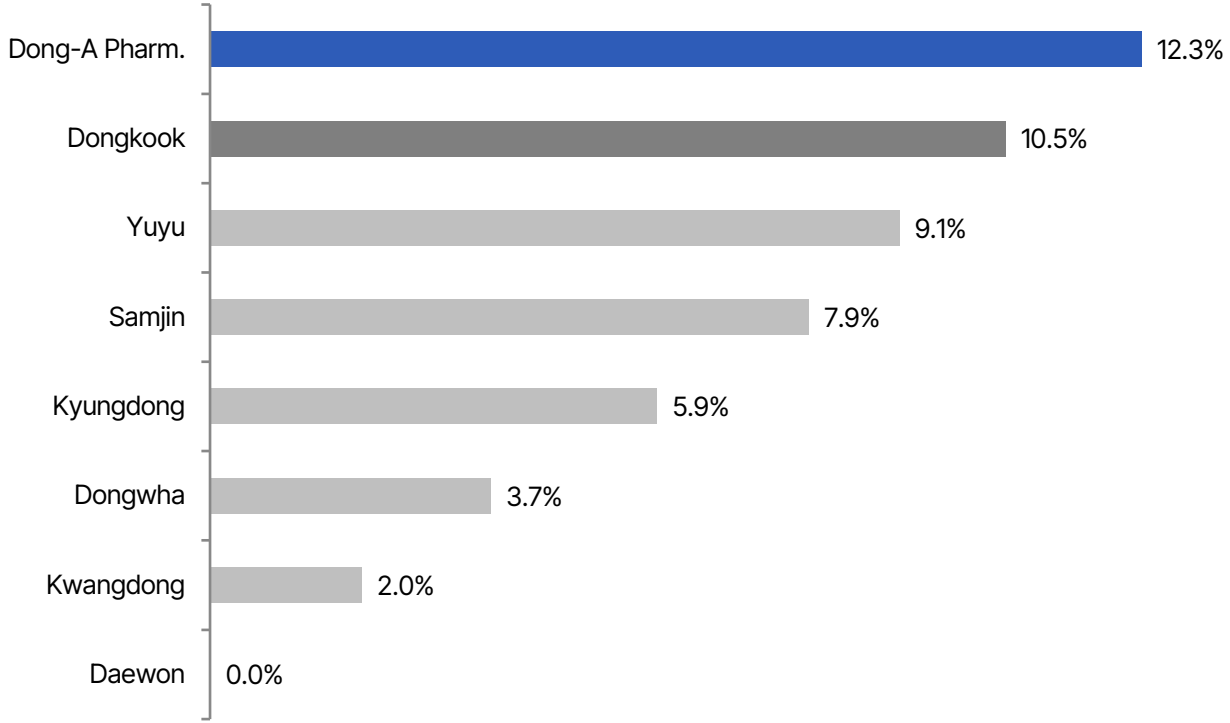
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	1H26 TTM
Revenues	364	385	392	381	400	415	437	543	631	679	726	**791**
EBIT	44	47	49	53	53	50	54	67	80	85	87	**97**
EBIT margin	12.0%	12.3%	12.6%	13.8%	13.2%	12.1%	12.4%	12.4%	12.6%	12.6%	12.0%	**12.3%**
Net income	35	36	38	45	42	43	50	53	64	68	71[4]	**81**
Assets	176	196	198	200	255	272	325	331	350	380	408	-
Liabilities	96	96	90	80	131	139	176	161	164	170	149	-
Equity	80	100	109	120	124	133	149	170	186	210	259	**276[5]**
Net debt	-10	-9	-23	-29	2	13	67	40	26	19	-10	-
Dividends paid to parent	15	15	30	30	35	33	35	36	40	41	59	-
EBIT / average assets[2]	28.4%	25.5%	24.9%	26.4%	23.2%	19.0%	18.1%	20.4%	23.4%	23.3%	22.1%	-
ROE[3]	49.1%	40.3%	36.8%	39.1%	34.6%	33.1%	35.2%	33.1%	35.9%	34.3%	32.8%[4]	**32.2%**

One of the best consumer health businesses in Korea for over a decade.
It sent Holdings 339 billion KRW of dividends in FY2017-25 and received no new capital.

1: All financials from Dong-A Pharmaceutical separate audit reports. 2: EBIT / Average Assets calculated using year-start and year-end assets.
3: ROE calculated using the average of year-start and year-end equity; 4: 2025 net income and ROE exclude a 37.2 billion KRW prior-period tax adjustment (FY2025 audit report, note 20)
5: June 30, 2026 equity of the consumer-health business (June 2026 semi-annual report). 1H26 TTM = FY2025 + 1H26 - 1H25; '-' = not disclosed for the half.

Dong-A's consumer business has the highest margin among Korean OTC peers

Operating margin, 1H26 trailing twelve months



2.1x

the median margin of seven Korean OTC peers (5.9%)

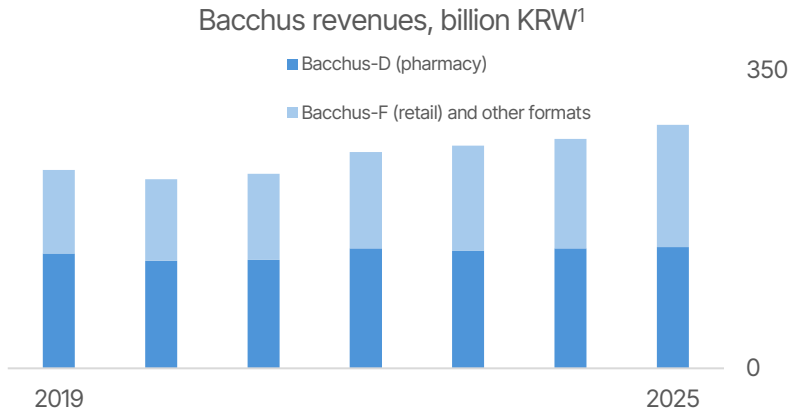
Dong-A's consumer business earns 12.3% operating profit margins, 2.1x the Korean peer median and above Dongkook.

DART financial statements of each company, consolidated where available (Samjin separate). 1H26 TTM = FY2025 + 1H26 - 1H25; operating profit / revenue.
Dong-A Pharm. = consumer-health segment (pre-merger Dong-A Pharmaceutical), June 2026 semi-annual report segment note. Chart data in the Excel backup.

Bacchus is the cash engine, and it is still growing at sixty years old

- **Since 1963:** ~25 billion bottles sold[2]; 500 million a year in a country of 50 million[3].
- **Two channels:** pharmacies (Bacchus-D) and, since the 2010s, retail (Bacchus-F).
- **Retail is now half the brand:** 144 billion KRW of 286 billion KRW in 2025[1].
- **Constantly introducing new formats:** Eolbaksa, jellies, gums, pouches.
- **Overseas:** canned Bacchus exports (mainly Cambodia) belong to Dong-A ST, not to Dong-A Pharmaceutical[4].

Bacchus has grown revenue at 3.5% a year since 2019[1]



Expanding formats



Bacchus on Korean social media



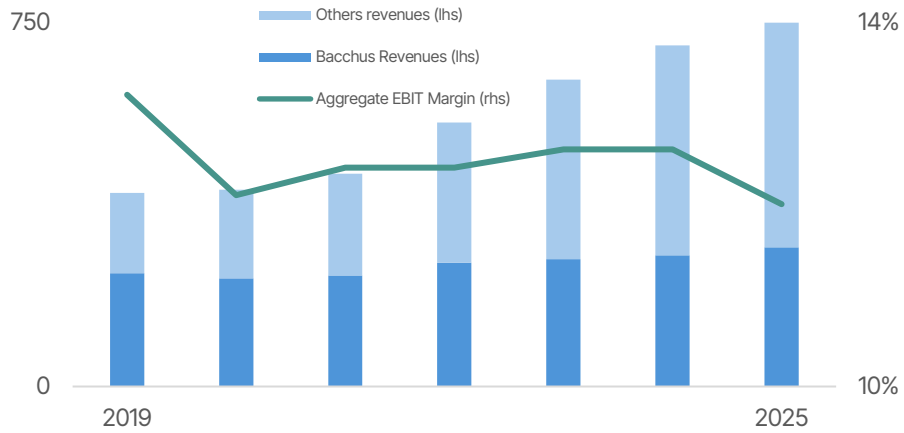
Bacchus is a household name recurring asset that can keep growing while generating cash.

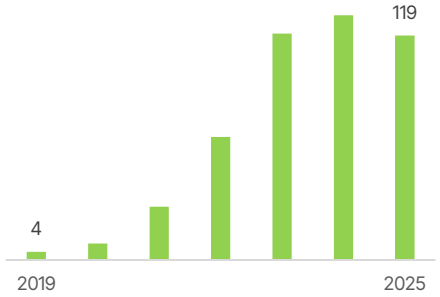
1: Bacchus sales by format from Dong-A Socio Holdings annual reports; 2: Corporate press release (link); 3: Yearly production from Dong-A Socio Holdings 2025 Annual Report.
4: Dong-A ST annual reports; Insight Korea and The Bell (2025-2026): canned Bacchus is 40-60% of Dong-A ST's overseas revenue.

Dong-A has a large opportunity to do in derma what Dongkook did

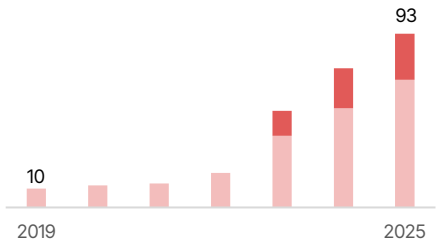
- **90+ brands** built on pharmacy reach and consumer trust.
- **Orthomol:** launched in 2020. 120 billion KRW of revenue and Korea's #1 vitamin by 2023.
- **Derma and Fation:** 10 billion KRW → 93 billion, 2019–2025.
- **OTC and others:** 118 billion KRW → 250 billion, 2019–2025.
- **The model**: Dongkook turned Madecassol into Centellian 24, a 316 billion KRW healthcare business growing about 14% a year[1].

Growth without sacrificing margins (revenue, billion KRW; EBIT margin, %)

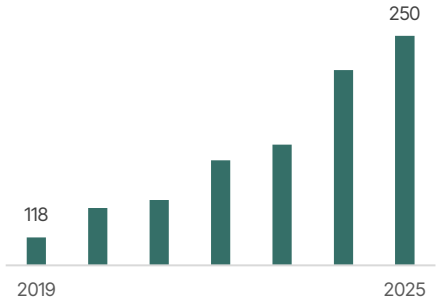




Vitamins, billion KRW
Orthomol (German license): launched 2020, Korea's #1 vitamin by 2023



Derma & cosmetics, billion KRW
Noscarna scar cream led to Acnion, Melatoning and Fation skincare



OTC and others, billion KRW
Category leaders Panpyrin (colds), Benachio (digestion), Tempo, Garglin: they hold their own against Tylenol and Listerine

Dongkook built a 316 billion KRW healthcare business from Madecassol. Dong-A's derma line is 93 billion KRW, built from Noscarna. It can be better.

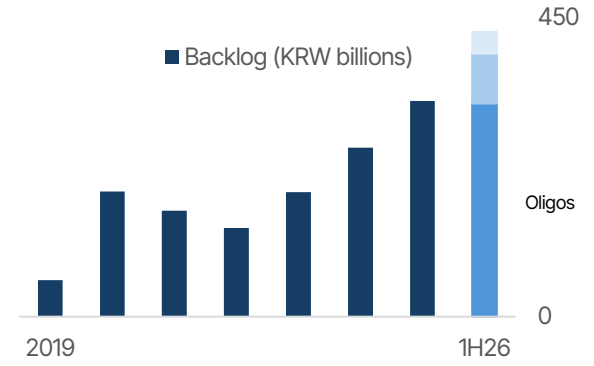
Product revenues from Dong-A Socio Holdings annual reports.
Market positions based on Terton's research.
1: KIRS Dongkook Pharmaceutical report, May 11, 2026 (healthcare division FY2025 316.4 billion KRW, 34% of revenue, five-year CAGR 13.9%).

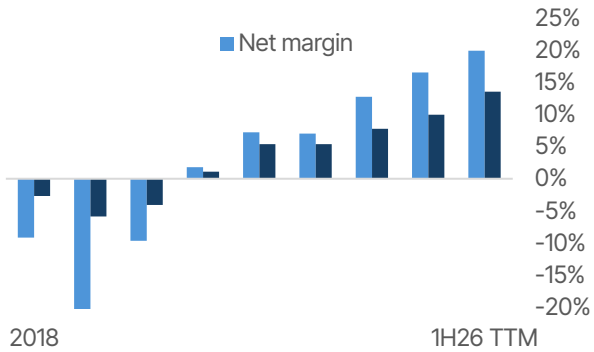
ST Pharm, a critical player in a growing global pharma modality

- **Global #3, Asia #1** oligonucleotide CDMO[1].
- **Backlog 459 billion KRW:** 8x 2019 and 1.2x trailing revenue.
- **Operating leverage:** EBIT margin −16% (2018) → 18% (1H26 TTM).
- **Q3 26 preliminary:** revenue +19%, operating profit +7% y/y[2].
- **Geopolitics:** US–China biotech decoupling favors Korean supply.

ST Pharm financials (billion KRW)

	2018	2019	2020	2021	2022	2023	2024	2025	1H26 TTM
Backlog	N/D	55	188	159	133	187	254	324	459
Revenue	98	93	124	166	249	285	274	332	386
EBIT	−16	−27	−19	6	18	34	28	55	71
EBIT margin	−16.0%	−28.6%	−15.2%	3.4%	7.2%	11.8%	10.1%	16.6%	18.3%
Net income	-9	-19	-12	3	18	20	35	55	77
Net margin	-9.2%	-20.4%	-9.7%	1.8%	7.2%	7.0%	12.8%	16.6%	19.9%
ROE	-2.7%	-5.9%	-4.1%	1.1%	5.4%	5.4%	7.8%	10.0%	13.6%
Net cash / (net debt)	108	35	-4	-14	-84	-102	3	-6	90





ST Pharm has a backlog of 459 billion KRW, which is 1.2x trailing revenue, and is still growing. This gives ST Pharm years of visible growth.

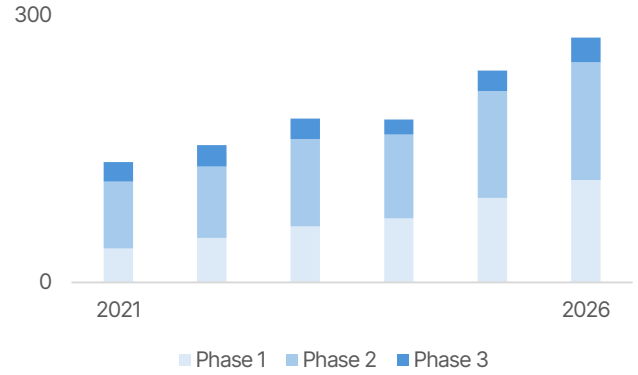
1: ST Pharm Annual Report 2024
Backlog, net margin and ROE figures obtained or calculated from ST Pharm annual reports and ST Pharm June 2026 Semi-Annual Report.
2: ST Pharm 3Q26 preliminary results, October 27, 2026 (not in the table or charts).

Oligonucleotides are a large market with few qualified makers

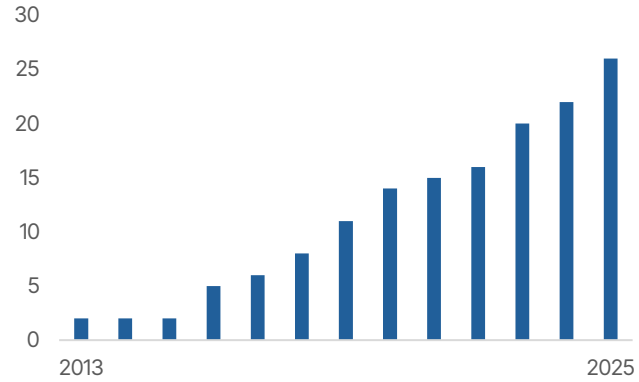
- **What are oligonucleotides:** short DNA/RNA strands that act directly on RNA inside cells.
- **Why now:** approved for large chronic populations: Leqvio, Tryngolza, Amvuttra.
- **There are only a few producers:** WuXi AppTec, Agilent, Nitto Avecia, Bachem and ST Pharm (95% exports[1]).
- **Sticky revenue:** The CDMO chosen in early trials usually keeps commercial supply.
- **Geopolitics as a barrier to entry:** the BIOSECURE Act (2025)[2] targets Chinese CDMOs; WuXi AppTec is on a US military list[3]; Korea sits in the 15% US pharma tariff tier (April 2026)[4].

Customers designing US supply chains will likely avoid China and ST Pharm is a prime alternative.

Oligo programs under development, number of programs[5]



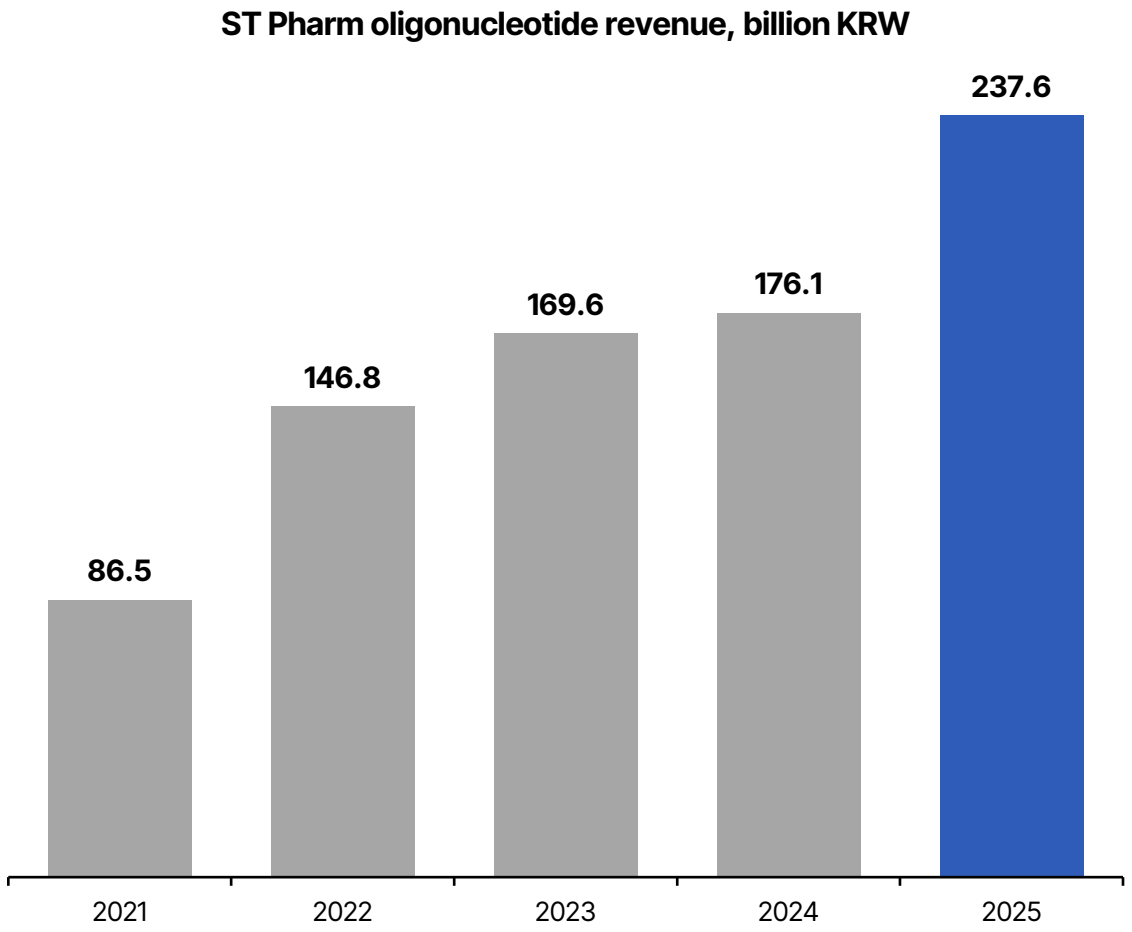
Approved oligo programs, cumulative number[5]



Customers designing US supply chains will likely avoid China and ST Pharm is a prime alternative.

1: ST Pharm 2025 Annual Report; 2: US Biosecure Act; 3: Greenberg Traurig; 4: White House; 5: Bachem

ST Pharm now makes the active ingredient of approved RNA medicines



5 approved drugs supplied, 20 in trials

About 3 more client drugs are expected to be approved within three years[1]

72% of oligo sales are commercial

Repeat supply for medicines patients take for years, not one-off trial batches[2]

Backlog $325 million, 77% commercial

2.2x the $149 million of December 2023[2]

26% oligo revenue growth in 9M 2026

188.6 vs 149.7 billion KRW. 3Q26 operating profit +7%; net profit cut by currency losses[2]

Capacity doubled in 2025

Oligo Plant 2 added 3 lines (6 in total), about 2 more by 2029. FDA-inspected since 2006[1]

Commercial supply growth means years of repeat orders.

1: ST Pharm IR presentation, July 2026 (new-drug CDMO status at end-2025; GMP facilities; FDA inspection history). 2: ST Pharm 3Q26 preliminary earnings release, October 2026 (backlog at constant 1 CHF = 1.2 USD; segment table).
Chart: oligonucleotide API CDMO revenue from ST Pharm IR materials and earnings releases (Terton workbook STPharm_Quarterly_Segments). Commercial share: 3Q26 oligo sales.

ST Pharm has several ways to grow

A market set to triple

Oligo CDMO: about USD 1.0 billion (2026) to 3.2 billion (2033)[1].

- Oligo medicines: USD 8.0 billion (2026) to 31.9 billion (2035)[1].
- Treatments are moving from rare to common chronic diseases: heart, metabolic, brain. Bigger patient numbers mean bigger batches.
- 264 siRNA programs in development, 33 in Phase 2 or 3[1].

Cheaper and larger-scale manufacturing

New methods to make oligos at scale[2].

- Hybrid enzymatic ligation: build short pieces, then join them.
- Liquid-phase synthesis for low-cost, high-volume production.
- Both developed with global clients; about 25% better line productivity and cost targeted.
- Linkers and specialty building blocks for the next generation of conjugated drugs.

Options beyond oligos

mRNA: SmartCap capping technology, patented in Korea, Japan and China[2].

- Supply deals with Quantoom (2024), Evonik (2025) and CEPI (2025).
- Guide RNA for CRISPR gene editing: 100-base guides made.

Its own HIV drug, STP0404 (pirmitegravir)[3].

- Phase 2a: viral load down 1.2-1.6 log in 11 days, well tolerated. HIV treatment is a USD 32.8 billion market.

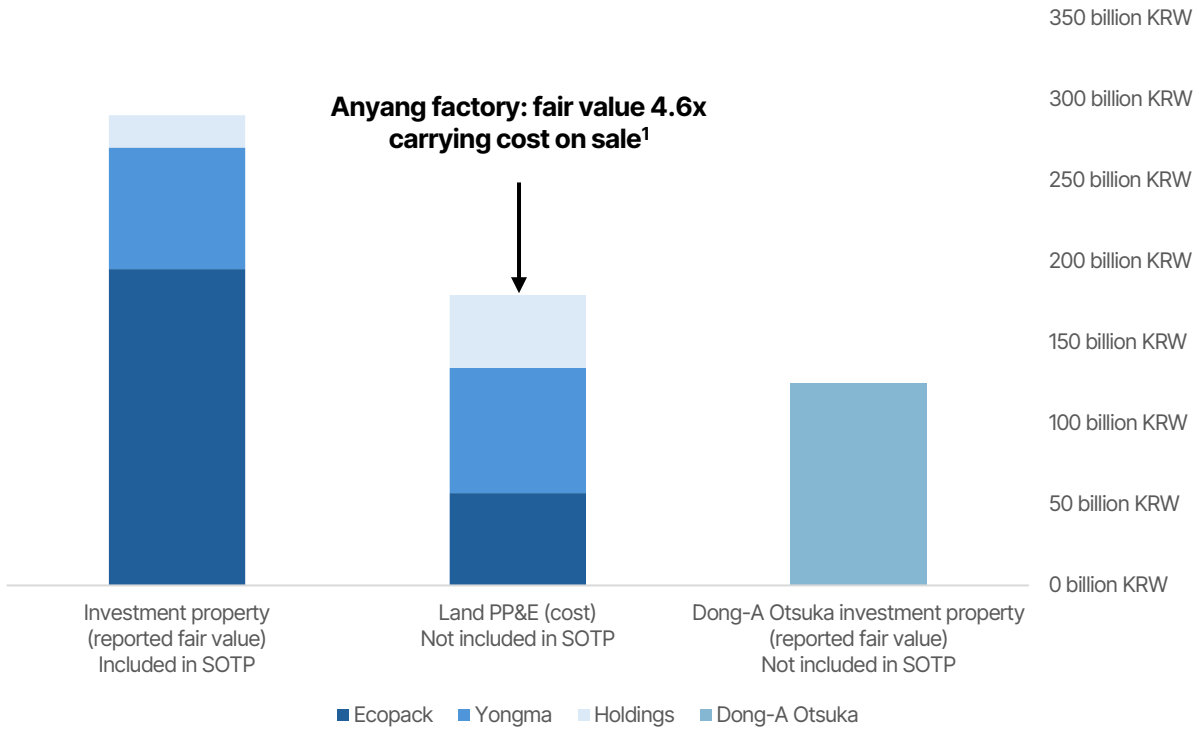
ST Pharm is 76% of Dong-A's market value and shareholders should be able to see it, value it and share in it.

1: ST Pharm IR presentation, July 2026, citing Grand View Research (oligonucleotide CDMO market, 2033) and Market Growth Reports (oligonucleotide therapeutics, 2035); siRNA pipeline from Pharmaprojects (May 2025).
2: ST Pharm IR presentation, July 2026 (manufacturing technologies; SmartCap supply agreements with Quantoom Biosciences, August 2024, Evonik, January 2025, and CEPI, December 2025). 3: ST Pharm IR, July 2026: STP0404 Phase 2a topline (day-11 change in plasma HIV-1 RNA, log10 copies/mL: 200 mg -1.50, 400 mg -1.18, 600 mg -1.61; $p < 0.0001$). Early-stage results; not a forecast of approval.

The land is worth far more than what the books say

- **In our SOTP:** 290 billion KRW of investment property at disclosed fair value.
- **Not in our SOTP:** Land and plants carried at cost.
- **Proof point:** The Anyang factory was revalued at 4.6x carrying cost when put up for sale for 175 billion KRW; completion is due by September 2027, subject to lifting a development restriction[1].





The Anyang factory was revalued at 4.6x its carrying cost when it was put up for sale.

Investment property and land values from the corresponding separate Audit reports.
Holdings land PP&E value incorporates 30 billion KRW previously recorded as Dong-A Pharmaceutical (operating subsidiary)
1: Announcement of sale by Suseok (predecessor of Dong-A Ecopack), revaluation at Dong-A Ecopack's 2025 Annual Report.
Satellite picture from Google Maps.

Table of Contents

Executive Summary

Great Assets

Not Reaching Its Potential

- Sum of the parts 22
- Thirteen lost years 23
- Against peers 24-25
- Who pays for the discount 26

The Cause: Misaligned Governance

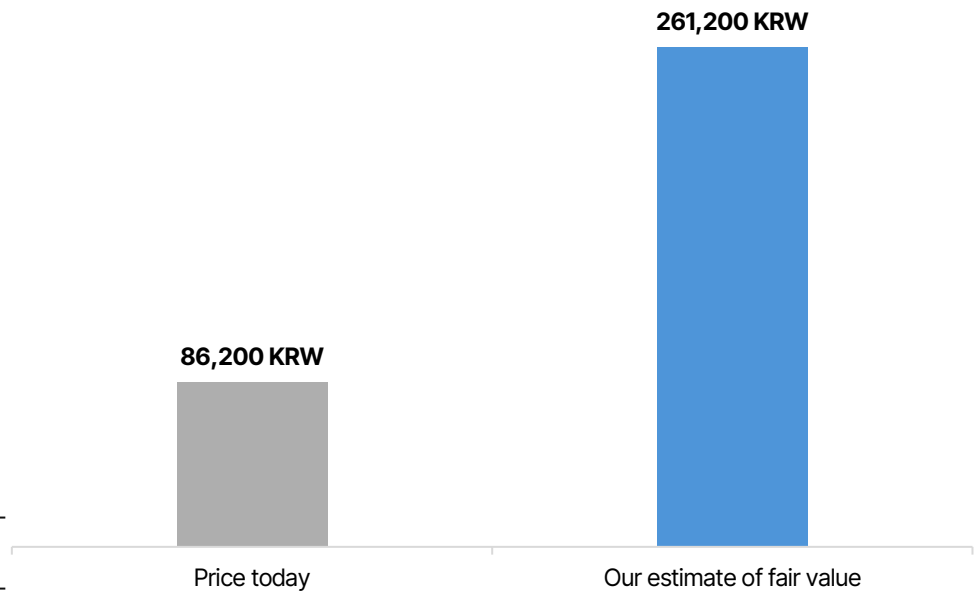
The Standard Set by Its Own Shareholders

Five Requests by the March 2027 AGM

What Dong-A Can Be

Dong-A trades at a 67% discount to the sum of its parts

Sum of the parts	billion KRW	KRW per share[1]
Dong-A Pharmaceutical consumer health (14x normalized FY2025 net income of 70.8 billion KRW)[2]	**991.2**	**147,300**
ST Pharm (KOSDAQ:237690) 29.20% (6,096,552 shares at market)[3]	**440.8**	**65,500**
Investment properties (disclosed fair value, before tax)[4]	290.0	43,100
Dong-A ST (KOSPI:170900) 26.40% (2,545,816 shares at market)[3]	85.9	12,800
Dong-A Otsuka 49.99% (10x share of FY2025 net income of 22.6 billion KRW)[4]	113.0	16,800
Yongma Logis 100% (8x FY2025 operating profit of 21.0 billion KRW)[4]	168.3	25,000
BTGEN (8x FY2025 operating profit of 7.1 billion KRW)[4]	57.0	8,500
Otsuka Holdings shares (market)[5]	12.5	1,800
Less consolidated net debt, excl. leases (June 30, 2026)[6]	(386.0)	(57,400)
Less non-controlling interests[6]	(14.5)	(2,200)
Fair value of Dong-A Pharmaceutical	**1,758.2**	**261,200**

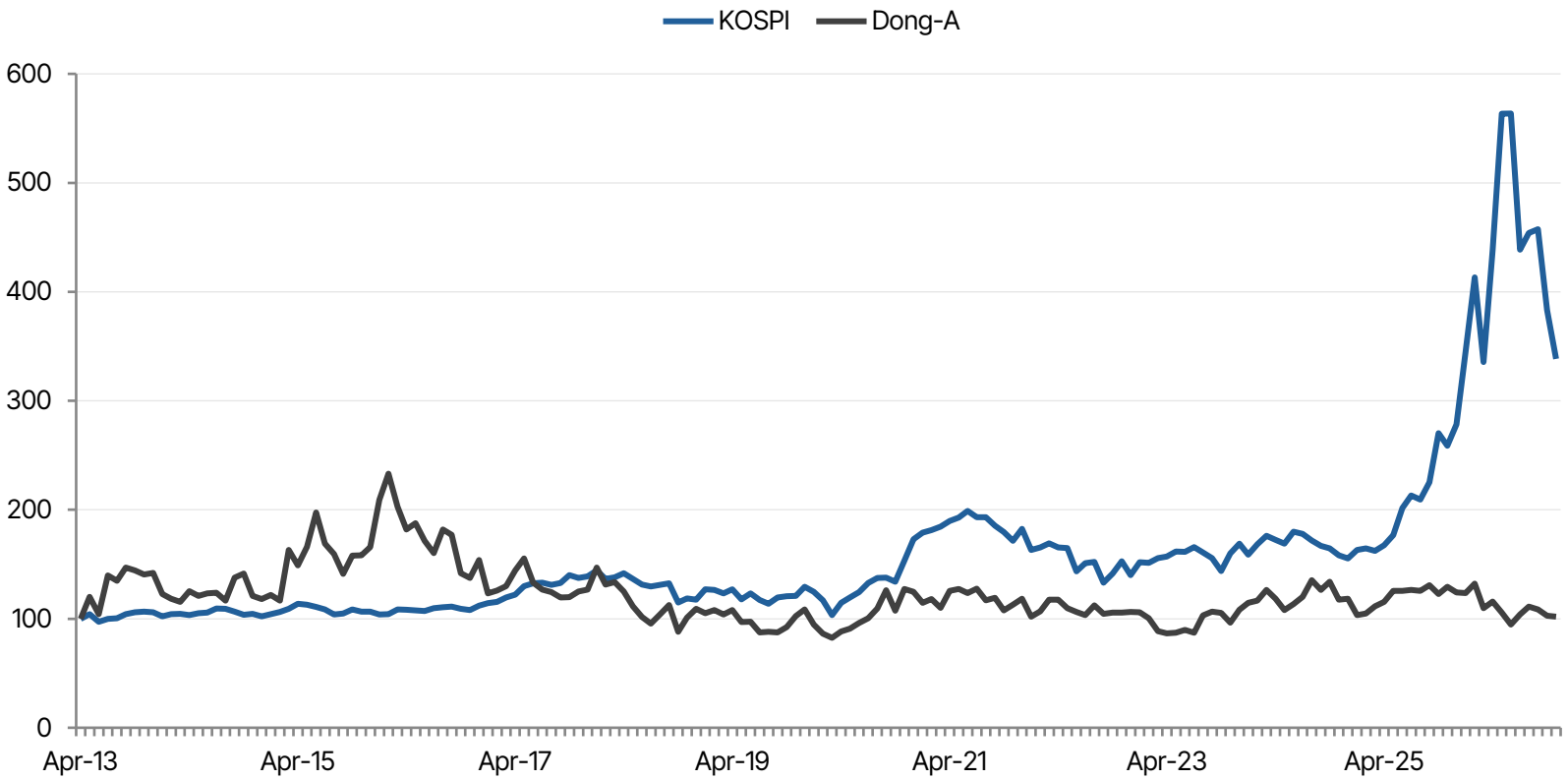


Valuing listed stakes at market price and everything else at conservative multiples gives 261,200 KRW per share against 86,200 KRW.

1: KRX closing prices on November 6, 2026; 6,729,857 shares outstanding excluding 2,670 treasury shares (June 2026 semi-annual report); per-share figures rounded to the nearest 100 KRW so that they add to the total (Otsuka Holdings shares 1,851 KRW shown as 1,800). 2: Normalized FY2025 net income of the pre-merger Dong-A Pharmaceutical is reported 108.0 billion KRW less a 37.2 billion KRW prior-period tax adjustment (FY2025 audit report, note 20). 3: KRX closes November 6, 2026: ST Pharm 72,300 KRW, Dong-A ST 33,750 KRW; holdings per June 2026 semi-annual report. 4: FY2025 audit reports of each company. 5: 124,920 shares (derived from June 30, 2026 fair value) x JPY 11,585 x 8.6105 KRW/JPY. 6: Consolidated balance sheet, June 2026 semi-annual report: borrowings 569.9 billion KRW less cash 183.9 billion KRW; leases excluded because multiples are after rent. No deduction for guarantees; no value for Dong-A Ecopack's bottling business, Aven or other holdings.

Two world-class assets, but thirteen lost years for shareholders

Total return, dividends reinvested (Apr 8, 2013 = 100)



+239%
KOSPI

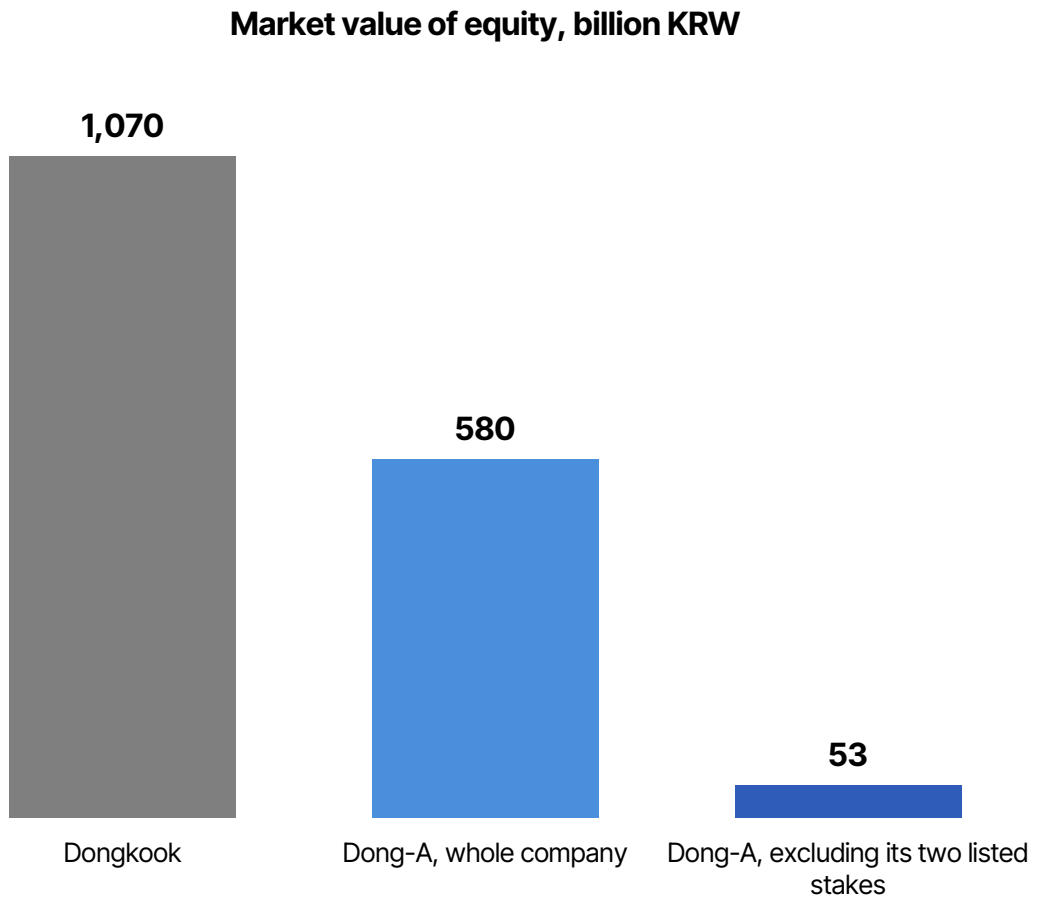
+2%
Dong-A

P/B 0.49x: cheaper than 97% of weeks since 2013; peak 2.12x in February 2016

Since 2013 the KOSPI has returned 239% while Dong-A has returned 2%. World-class businesses but poor governance.

Bloomberg, April 8, 2013 (first trading day after the 2013 demerger) to November 6, 2026, total return with gross dividends: Dong-A +1.9% (at the KRX close); KOSPI +238.5% (price 1,918.69 to 5,059.69, +163.7%, before dividends). Month-end points. P/B: Bloomberg weekly; today 86,200 KRW / book value per share 177,224 KRW (June 30, 2026).

Dongkook is worth 1.8x all of Dong-A on similar profits



	Dongkook	Dong-A consumer health
Operating profit, 1H26 TTM (billion KRW)	102.5	97.0
Operating margin, 1H26 TTM	10.5%	12.3%
Return on equity	11.6%	32.2%
EV / EBITDA, trailing	8.2x	2.7x (Dong-A excl. listed stakes)

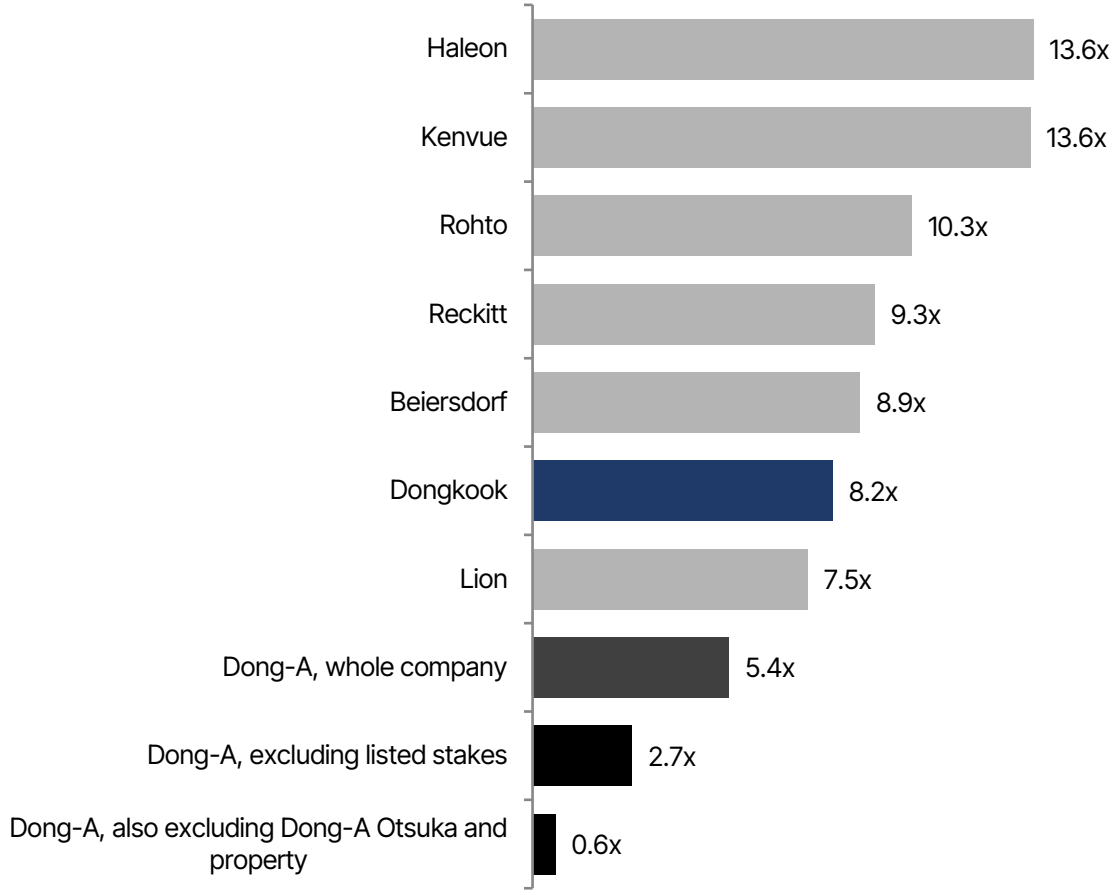
- Dongkook is a well-run company. Its OTC and derma brands (Madecassol, Centellian 24) are the closest Korean comparison to Dong-A's.
- Dong-A's consumer business earns a higher margin and almost three times the return on equity.
- Take out the ST Pharm and Dong-A ST stakes at market, and the rest of Dong-A is valued at 53 billion KRW of equity, or 454 billion KRW with net debt. This is 4.7x the consumer business's operating profit, with Dong-A Otsuka, Yongma and 290 billion KRW of property included for free.

We find it hard to believe that a better business than Dongkook is valued at a fraction of it. The simple reason is governance.

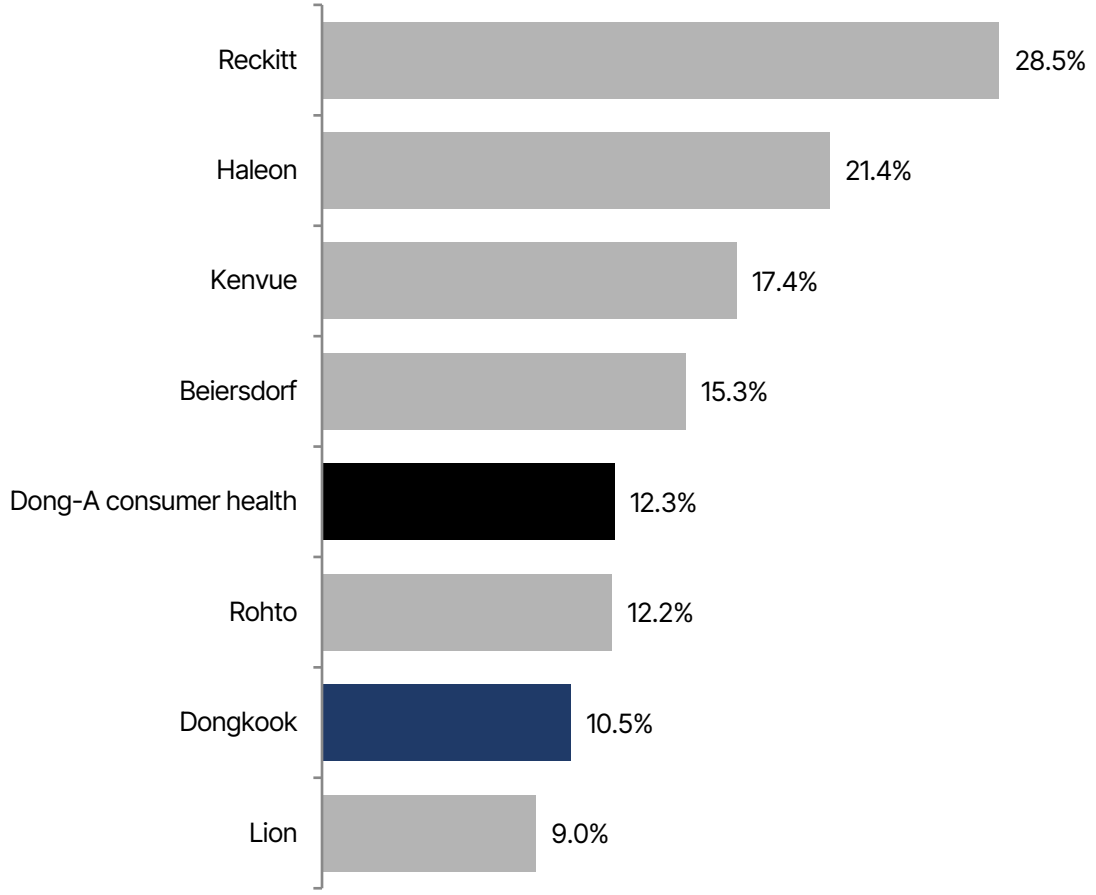
Dongkook: Bloomberg at November 6, 2026; DART consolidated statements (1H26 TTM = FY2025 + 1H26 - 1H25). Dong-A: market cap 580 billion KRW at 86,200 KRW;
ST Pharm 440.8 and Dong-A ST 85.9 billion KRW at market; net debt excl. leases 386.0 and minorities 14.5 billion KRW (June 2026); consumer-health segment, June 2026 semi-annual report. EV / EBITDA as on slide 25. Chart data in the Excel backup.

Global consumer-health peers trade at 9.3x EBITDA. Dong-A trades at 2.7x

EV / trailing EBITDA (peer median 9.3x)



Operating margin, trailing twelve months



Excluding its listed stakes, Dong-A trades at 2.7x EBITDA, and 0.6x also excluding Dong-A Otsuka and its property, against 9.3x for peers.

Bloomberg, November 6, 2026: EV (equity, net debt, leases, minorities) / trailing EBITDA; Korean equity at KRX closes. Dong-A: EV 1,067.6 billion KRW less ST Pharm 440.8 and Dong-A ST 85.9 at market = 540.9, over EBITDA of 199.6 (both stakes equity-accounted). Then less Dong-A Otsuka 113.0 (slide 22), Otsuka Holdings shares 12.5 and 290.0 of Anyang land at fair value and other investment property (subsidiaries' FY2025 audit reports) = 125.4, over EBITDA less 0.5 of net rent (FY2025 annual report, note 15) = 199.1. Median excludes Dong-A. Margins: Bloomberg TTM; Dong-A consumer health 1H26 TTM segment.

Pensioners and employees lose 212 billion KRW due to the discount

9.45%[1]

owned by the National Pension Service: the savings of Korean pensioners

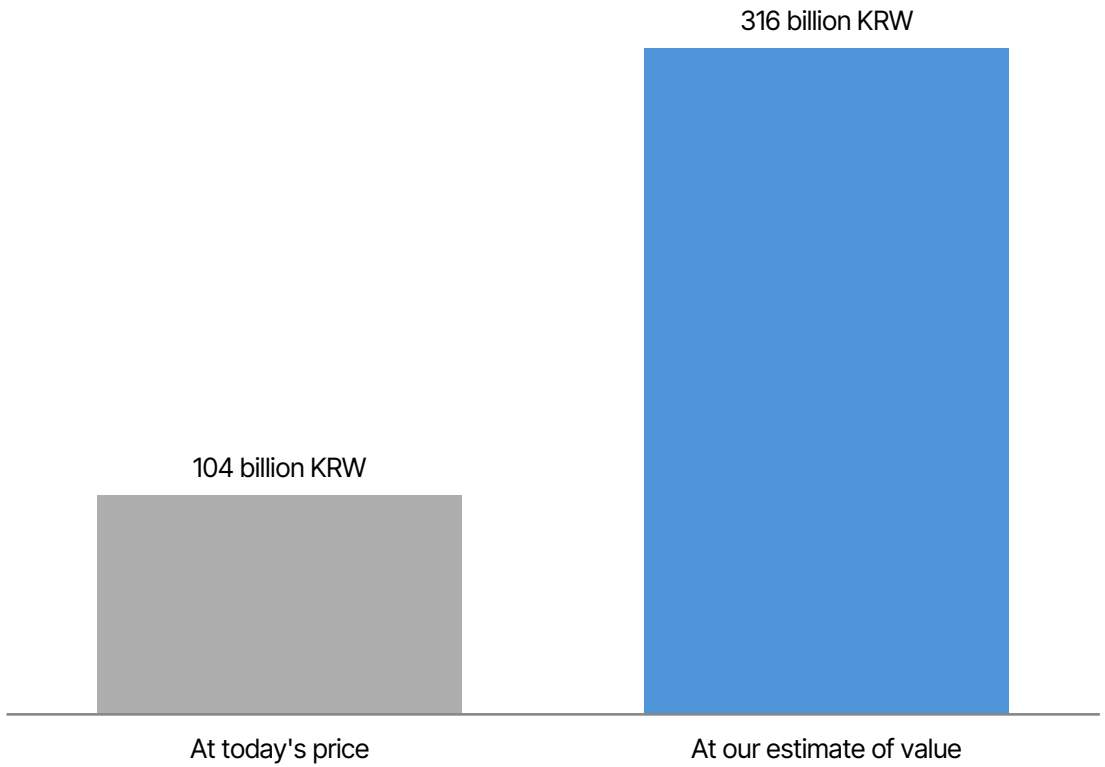
8.53%[2]

owned by the Employee Stock Ownership Association.

212 billion KRW

the gap between what their shares are worth and what they trade for

Value of the NPS and employee association stakes[3]



The NPS and the employee association own 18% of Dong-A together and this discount costs them 212 billion KRW.

1: NPS large-shareholding report filed October 2, 2026 (636,362 shares at July 24, 2026); 2: June 2026 semi-annual report (association 574,056 shares).
3: 1,210,418 shares at 86,200 KRW (November 6, 2026) and at 261,200 KRW (Terton fair value, slide 22).

Table of Contents

Executive Summary

Great Assets

Not Reaching Its Potential

The Cause: Misaligned Governance

- Run for Chairman Kang 28-32
- A Board that cannot say no 33-35
- A Board with no relevant experience 36
- The result: poor capital allocation 37-40
- BTGEN and group support 41-43

The Standard Set by Its Own Shareholders

Five Requests by the March 2027 AGM

What Dong-A Can Be

Chairman Kang influences 42% of the votes with only 29% ownership

Holder	Shares	% of issued
Chairman Kang Jung-seok	1,969,904	29.3%
Related parties	71,337	1.1%
Glaxo Group (voting pact, 2010)	434,642	6.5%
Otsuka (voting pact, 2009)	372,148	5.5%
Votes pooled with Chairman Kang[2]	**2,848,031**	**42.3%**
Employee stock ownership association	574,056	8.5%
National Pension Service	636,362	9.5%
Treasury shares	2,670	0.0%
Other shareholders	2,671,408	39.7%
Total	**6,732,527**	**100.0%**

42.3% pooled

Chairman Kang's 29.3% plus related parties, GSK and Otsuka under voting pacts with no end date[1] [2].

8.5%

Employee Association, which has received loans and donations from Dong-A. Dong-A should follow through on its commitment to support Employee Association's independent voting, including by supporting the development of an electronic system allowing submission of voting instructions independently.

0 Board seats

Chairman Kang influences the votes but is not a director, so shareholders never vote on him[3].

With 29% of the shares, Chairman Kang influences 42% of the votes, and holds no Board seat.

1: June 2026 semi-annual report (shareholders and related parties), 6,732,527 shares issued; National Pension Service per its filing of October 2, 2026. Otsuka = Otsuka Pharmaceutical and Korea Otsuka.
2: Joint voting agreements with Glaxo Group (May 11, 2010) and Otsuka (March 23, 2009), no end date, filed in the large-shareholding report of Kang Jung-seok and related parties, which reports a 42.5% bloc (it counts a wider set of related parties). 3: FY2025 annual report; Chairman Kang is not a registered director.

Chairman Kang controls the group but is not on the Board

0

Board seats

Unregistered Chairman but chairs a 'Dong-A Socio Committee' whose members and powers are not disclosed. Shareholders never vote on him.[1]

Strategy

Reported to steer capital allocation

Company officials are quoted saying he leads group strategy and receives affiliates' reports directly.[2]

19.6%

A reported stake beside the company's

Press reports name him as the owner of BTGEN's other 19.6%. Dong-A guarantees 243 billion KRW of BTGEN's debt. Filings never mention this conflict.[4]

1.8x

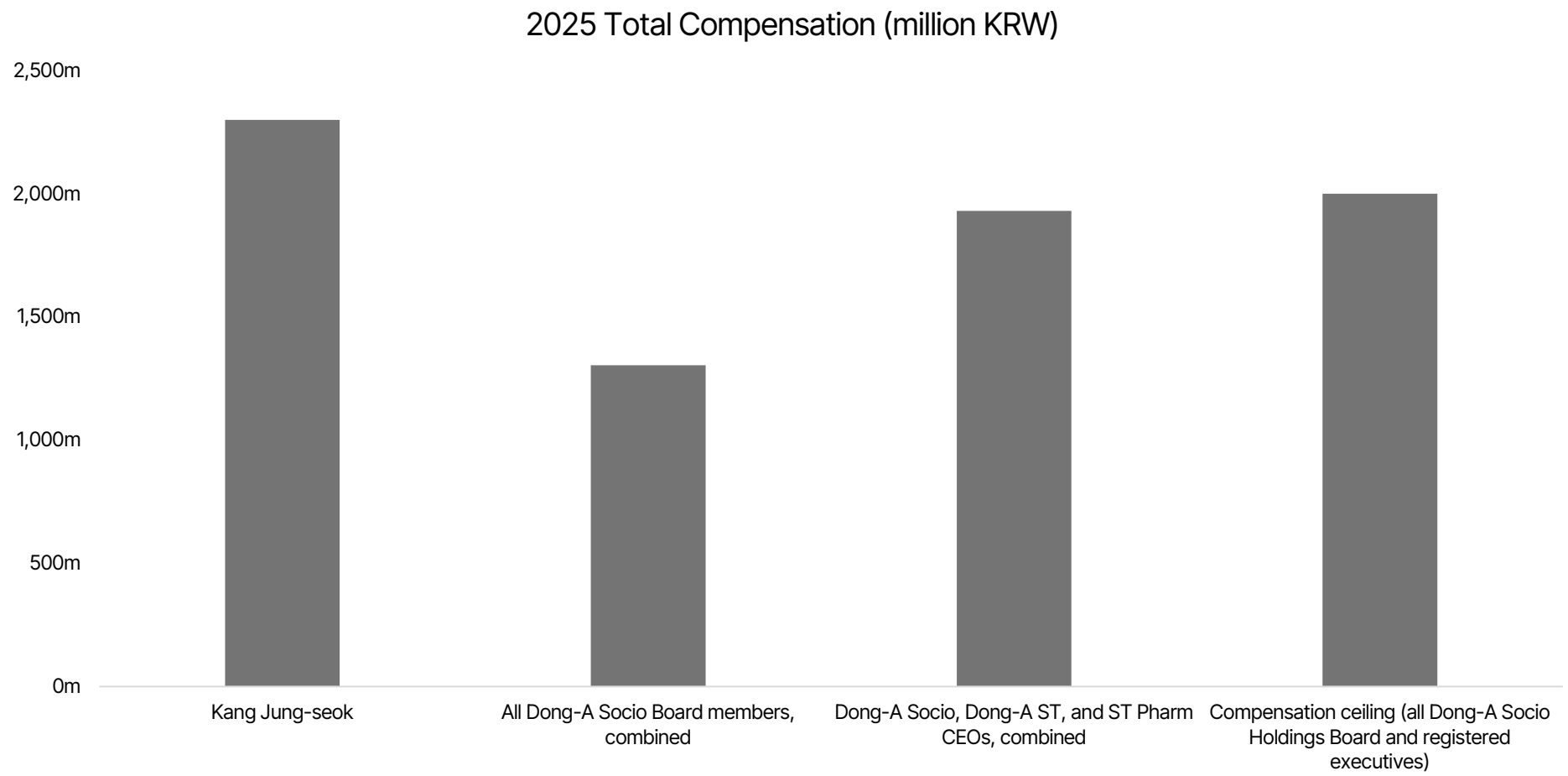
Paid more than the Board

2.3 billion KRW in 2025 vs 1.3 billion KRW for all six directors combined. This is also 3.8x the CEO.[3]

Chairman Kang leads the group without a director's accountability. Putting him on the ballot would change that.

1: FY2025 annual report and 2025 integrated report. Kang Jung-seok was convicted of embezzlement; the Supreme Court upheld the sentence in July 2019; he was pardoned in August 2023 and returned as committee chairman (company filings; Yonhap).
2: The Guru (2026), TheFact (2024), Wikileaks Korea (2023), Dong-A Socio Holdings ESG website (2025). 3: FY2025 annual report, individual compensation (CEO Kim Min-young 610 million KRW). 4: Hankyung (2021), Edaily (2025), TheBell (2016, 2018).

Chairman Kang is paid more than the entire Board



Chairman Kang was paid 2.3 billion KRW in 2025, above the limit for all directors. His pay belongs inside that limit.

Kang Jung-seok, Dong-A Socio Holdings Board members, Dong-A Socio Holdings CEO compensation, and compensation ceiling from Dong-A Socio Holdings 2025 Annual Report
Dong-A ST CEO compensations from Dong-A ST 2025 Annual Report
ST Pharm CEO compensations from ST Pharm 2025 Annual Report (compensation not disclosed but has to be less than 500 million KRW, so 500 million KRW was used)

Chairman Kang's shares take home 69% more cash than anyone else's

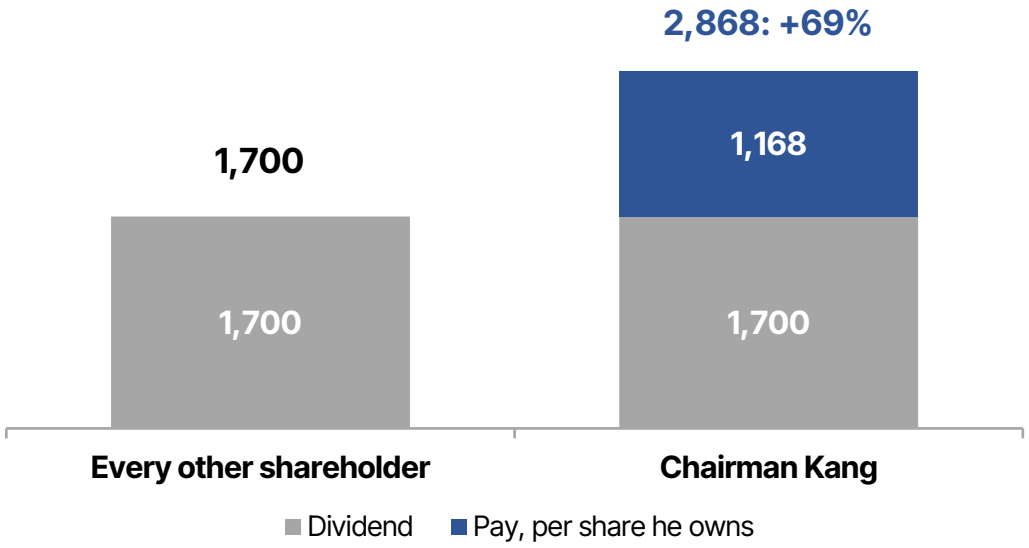
2.3 billion KRW **paid, with no shareholder vote**

More than all six directors combined (1.3 billion KRW), and outside the 2.0 billion KRW limit shareholders approve. He is not elected, so no one votes on him or his pay[1].

82% **fixed salary**

His pay does not depend on shareholder returns, and none of it is paid in shares[1].

Cash received per share, FY2025, KRW[2]



Each of his shares took home 69% more cash than anyone else's. His largest economic interest is ST Pharm: 7.31% held directly plus his share of Dong-A's 29.2%, ~240 billion KRW at market[3].

Paying him in shares that vest on returns would align his interests with every shareholder's.

1: FY2025 annual report: Chairman Kang 2,300 million KRW (salary 1,895, bonus 405); six directors paid 1,304 million KRW against a 2,000 million KRW limit; no share-based pay for any director or officer. 2: FY2025 dividend 1,700 KRW per share; 2,300 million KRW / 1,969,904 shares (29.3%, June 2026 semi-annual report) = 1,168 KRW.
3: ST Pharm June 2026 semi-annual report (Kang Jung-seok 1,525,657 shares, 7.31%); KRX close November 6, 2026 (72,300 KRW): 110.3 billion KRW direct + 29.3% x 440.8 billion KRW through Dong-A.

Chairman Kang actions are not always aligned with minority shareholders

2007-2010	**Control was built with company resources and voting pacts** Treasury shares sold to friendly holders, an employee share plan, and voting pacts with Otsuka (2009) and GSK (2010).[1]
2009-2017	**Company money was used to pay rebates** The courts found that company money was used to pay rebates to hospitals and clinics. After his 2017 indictment, the Board promised reforms, including separating the Chairman and CEO roles.[2,3]
2019	**Convicted, and paid 10.7 billion KRW of severance from prison** The Supreme Court upheld 2 years 6 months in prison and a 13.0 billion KRW fine for occupational embezzlement, illegal rebates and tax evasion. While he was in prison, Dong-A paid him 10.7 billion KRW of severance.[2,4]
2019	**His driver was made an executive, and now sits in his voting bloc** The employee who drove Chairman Kang since 1999 has been listed as an assistant managing director of the holding company since 2019. Chairman Kang's own 2026 large-shareholding report lists him as a related party in the control bloc.[5]
2021	**Chairman Kang reportedly bought 19.6% of BTGEN alongside Dong-A** When Meiji sold its BTGEN stake, Dong-A paid 42.1 billion KRW (1.5x book) for 1,117,200 shares 'to strengthen control'. The other 744,800 shares (19.6%), about 28 billion KRW at the same price, went to a buyer no filing names. Press reports and investor relations name Chairman Kang.[6]
2023	**Pardoned, and back with no vote** After a special pardon in August 2023, the Board unanimously re-appointed him as Chairman of the Dong-A Socio Committee and Chief Sustainability Officer. He is not a registered director, so shareholders never vote on him.[7]
2025-2026	**Paid above the Board's limit, and guaranteeing a company he reportedly co-owns** 2.3 billion KRW in 2025, above the 2.0 billion KRW limit for all directors. Guarantees to BTGEN, where press reports name him as the 19.6% holder, rose from 14 to 243 billion KRW.[8]

Since 2023 the Board has approved every decision on the Chairman's pay, role and related companies without dissent.

1: Etoday and Hankyung (2007); TheBell (2010); large-shareholding reports of Kang Jung-seok and related parties. 2: Supreme Court of Korea, 2019; Yonhap. 3: Dong-A disclosures of the charges (August 2017) and of governance reforms (September 1, 2017). 4: Dong-A Socio Holdings FY2019 annual report, individual compensation. 5: Kyunghyang Shinmun, June 7, 2022; Dong-A Socio Holdings annual reports FY2019-FY2025 (unregistered officers); large-shareholding report of September 2, 2026. 6: DART 20210723800289 (acquisition of STGEN Bio shares, July 23, 2021); Meiji Seika release, July 27, 2021; Dealsite (July 26, 2021); Pharm Edaily (July 30, 2025); Dong-A investor relations to Terton. 7: Ministry of Justice special pardon list, August 2023; FY2025 annual report; re-appointment: corporate governance report, May 29, 2026; title: June 2026 semi-annual report. 8: FY2025 annual report; Hankyung (2021), Edaily (2025); debt-guarantee disclosures.

The Board has approved every capital decision since 2023

5
Equity contribution decisions

2
Debt guarantee decisions

20
Holding or subsidiary debt authorization decisions

35
Board reports

January 1st, 2023 → August 26th, 2026

0
Objections or dissenting votes on those resolutions

0
Disclosures about key conflict of interest sources

0
Buybacks, with the stock at an average 0.6x book value

27 capital-allocation resolutions since 2023, all approved. A cost of capital test gives directors a basis to say no.

Board resolutions and reports disclosed in Dong-A Socio Holdings annual reports for 2023-2025 and the June 2026 semi-annual report, plus board meetings to August 26, 2026. Average P/B: Bloomberg, weekly, January 2023 to August 2026.

How the independent directors voted and how we would have voted as owners

Our test for every resolution is: does it raise long-term value per share for all shareholders, and are shareholders told enough to judge it?

Date	Resolution	The facts at the time	Independent directors	Our vote as owners
Mar 8, 2024	**Shareholder return policy 2024-26:** 50% of free cash flow, buybacks with any remainder[1]	Shares at about 0.6x book value. Since then, no buybacks, two stock dividends, all treasury shares sold	All for	**FOR, amended** Add a rule: buy back and cancel whenever the shares trade below book value
Feb 27, 2025 and Feb 25, 2026	**Two 3% stock dividends:** 187,521 and 196,093 new shares[2]	No cash to shareholders; share count up 6.0% in two years; no buyback since 2020	All 4 present, all for	**AGAINST** A stock dividend creates no value. Buying back shares at half of book value does
Jan 16 - Feb 12, 2026	**Sell all 100,718 treasury shares to the employee association,** and lend it 7.5 billion KRW to pay[3]	Sold at 103,200-107,543 KRW, about 0.6x book value (173,176 KRW). The shares regain their votes; how the association votes is not disclosed	All for, at the Board and the ESG committee	**AGAINST** Cancel them. Reward employees with shares that vest on returns, with votes cast by the employees
Apr 23 and Aug 13, 2026	**Guarantee 162 billion KRW of new BTGEN borrowing:** 102.0 to 2034 and 60.0 to 2027[4]	BTGEN lost 133 billion KRW since 2015, in 10 of 11 years. The owner of its other 19.6% is not disclosed. Guarantees outstanding: 434.5 billion KRW, 75% of Dong-A's market value	All 4 present, all for	**AGAINST** Not before an independent review of BTGEN, with the other owner named and guaranteeing its share

The Board rated itself 5 out of 5. As owners, we would have asked for changes three times.

1: Board table, FY2024 annual report. 2: 6,348,913 to 6,732,527 shares; last buyback June 2020. 3: Board and ESG committee, February 10, 2026; book value per share December 31, 2025.
4: DART (then STGEN Bio); BTGEN audit reports FY2015-25; guarantee balance per the August 13, 2026 filing vs 6,732,527 shares x 86,200 KRW. Votes and self-assessment (5.00 of 5 for oversight of management, FY2023 and FY2025): annual and semi-annual reports.

The law now requires directors to protect all shareholders

The law is that directors must protect the interests of all shareholders and treat them fairly.[1]

- **No dissent:** 27 capital-allocation resolutions since 2023, all approved.
- **No disclosure:** of the Chairman's stakes beside the company.
- **No explanation:** of why buybacks are not an optimal use of capital at one-third of fair value.
- **No experience:** no independent director has run a business or allocated capital.

The Board can fix all four

The law asks every director to act for all shareholders. Our five requests help the Board do that.

1: Korea's Commercial Act, Article 382-3. Translation is Terton's and is not official.

The Board would benefit from business and capital allocation experience

Director	Position	Reported background	Direct capital allocation experience	Direct business experience
Kim Min-young	Internal	1999: Graduated from the Department of Business Administration, Seoul National University 2015: Head of Management Planning Office, Dong-A Socio Holdings 2021: President, Dong-A ST Current: Representative Director and President, Dong-A Socio Holdings	✓	✓
Ko Seung-hyun	Internal	2002: Bachelor's degree in International Trade, Hongik University 2020: Responsible for Investor Relations within the Management Support Office, Dong-A Socio Holdings Current: Head of Management Support Office, Dong-A Socio Holdings	✓	✓
Lee Dae-woo	Internal	1998: Bachelor's degree in International Economics, Seoul National University 2021: Head of Management Planning and Administration Office, Dong-A ST Current: Head of Management Planning Office, Dong-A Socio Holdings	✓	✓
Kwon Kyoung-bae	Independent Chairman	1999: Master's degree in Accounting, Korea University 1996: Audit Division, Samil Accounting Corporation Current: Managing Director, Audit Division, Sejin Accounting Corporation	✗	✗
Kwon Se-won	Independent	2017: PhD in Accounting, Seoul National University Current: Outside Director, Miwon Commercial Co., Ltd. Current: Professor, Division of Business Administration, Ewha Womans University	✗	✗
Chung Young-jin	Independent	1999: Department of Journalism and Mass Communication, Korea University 2012: Lee & Ko Current: Attorney, Hyun Law Firm	✗	✗
Chin Young-won	Independent	2003: Doctorate, College of Pharmacy, Seoul National University 2010: Associate Professor, College of Pharmacy, Dongguk University Current: Professor, College of Pharmacy, Seoul National University	✗	✗

Expertise in accounting, law, and academia only. A global consumer goods director would add business experience.

Board backgrounds from Dong-A Socio Holdings 2025 Annual Report. Original in Korean, translation is Terton's

The result: capital has gone to the weakest businesses

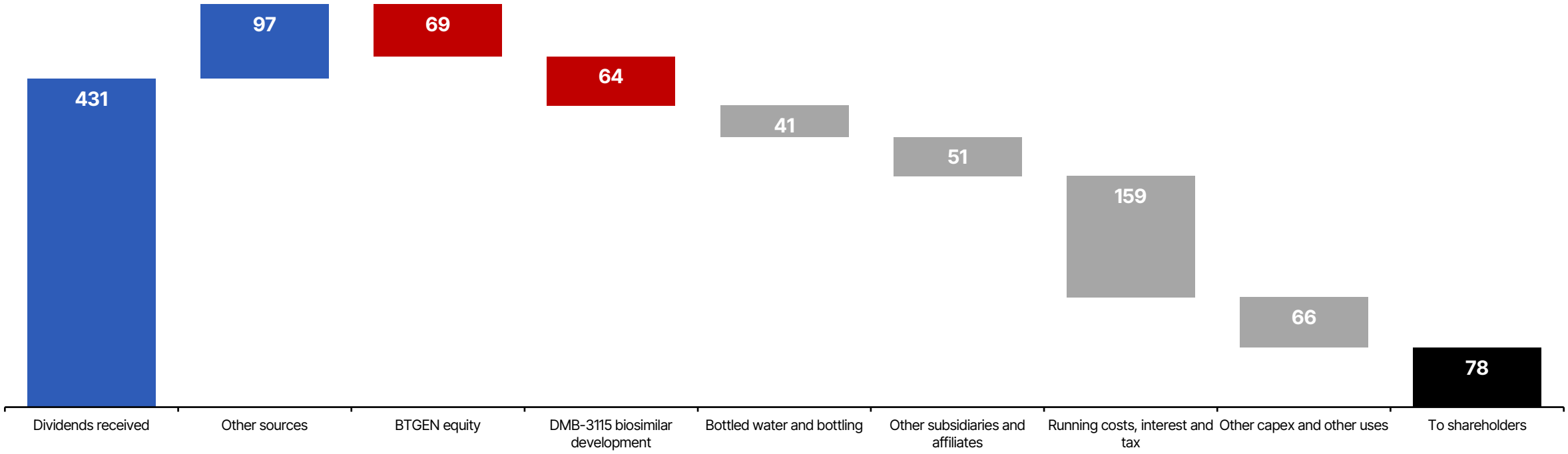
Business (Dong-A's stake)	Business quality	Capital and guarantees from Dong-A	Governance concern
Consumer health (100%)	**Fantastic** 12.0% EBIT margin, 32.8% ROE; Bacchus; best margins among Korean OTC peers	0 KRW; paid Holdings 339 billion KRW of dividends	**Low** 1.5% of sales to the group; buys bottles and logistics from Ecopack and Yongma
ST Pharm (29.2%, listed)	**Strong** 18.3% EBIT margin, 13.6% ROE; backlog 459 billion KRW, up 8x since 2019	-	**Low** Listed with its own board; 95% exports
Dong-A Otsuka (50%)	**Good** Stable drinks joint venture; 22.6 billion KRW net income in FY2025	-	**Low** 13.8% of sales to the group
Yongma Logis (100%)	**Decent** Logistics; 22.3 billion KRW operating profit (1H26 trailing); capital intensive	-	**Low** 18.7% of sales to the group
Aven E&C (100%)	**Medium** Construction; 6.1% EBIT margin, 8.1 billion KRW net profit in FY2025	180.0 billion KRW guarantee (150.0 loan)	**Medium** 40% of sales to the group; guarantee approved by a Board committee; the CFO is its auditor
Dong-A ST (26.4%, listed)	**Weak** Net income 71 → 6 billion KRW and net debt up to 352 billion KRW since 2019	-	**Medium** Buys 77.7 billion KRW a year from BTGEN, where Dong-A's share is 80% vs 26% here. Manages Bacchus' exports for the consumer health business.
Dong-A Ecopack (100%)	**Weak** Bottling; 0.1% EBIT margin, 12.0 billion KRW net loss in FY2025; owns the Anyang land	41 billion KRW + 11.5 billion KRW guarantee	**Medium** 75% of sales to the group
DMB-3115 biosimilar (Holdings)	**Weak** 64 billion KRW capitalized; 22.3 billion KRW written off in 2025	64 billion KRW	**Medium** Made by BTGEN for Dong-A ST; no disclosed return to Dong-A
BTGEN (80.4%)	**Weak** 133 billion KRW of losses since 2015; first profit in FY2025 (6.9% EBIT margin)	69 billion KRW + 243.0 billion KRW of guarantees	**High** 75% of sales to Dong-A ST; Chairman Kang reportedly owns 19.6%, undisclosed; the CFO is its auditor

The strongest businesses stand on their own. Most of Dong-A's capital and guarantees went to weaker, group-dependent ones.

Terton assessment. Capital = Holdings separate cash flows FY2017-25 (grouped by Terton); guarantees = filing of August 13, 2026 (face amounts). Returns: FY2025 audit reports; consumer health normalized ROE; ST Pharm 1H26 trailing twelve months; Dong-A ST annual reports. Sales to group companies: FY2025 related-party notes. BTGEN 19.6%: Hankyung (2021), Edaily (2025). CFO as statutory auditor: FY2025 annual report. Seo-Icheon approval: ESG committee, November 27, 2024.

Shareholders got 78 billion KRW versus hundreds of billions to low return projects

Holdings cash flows FY2017-25, billion KRW

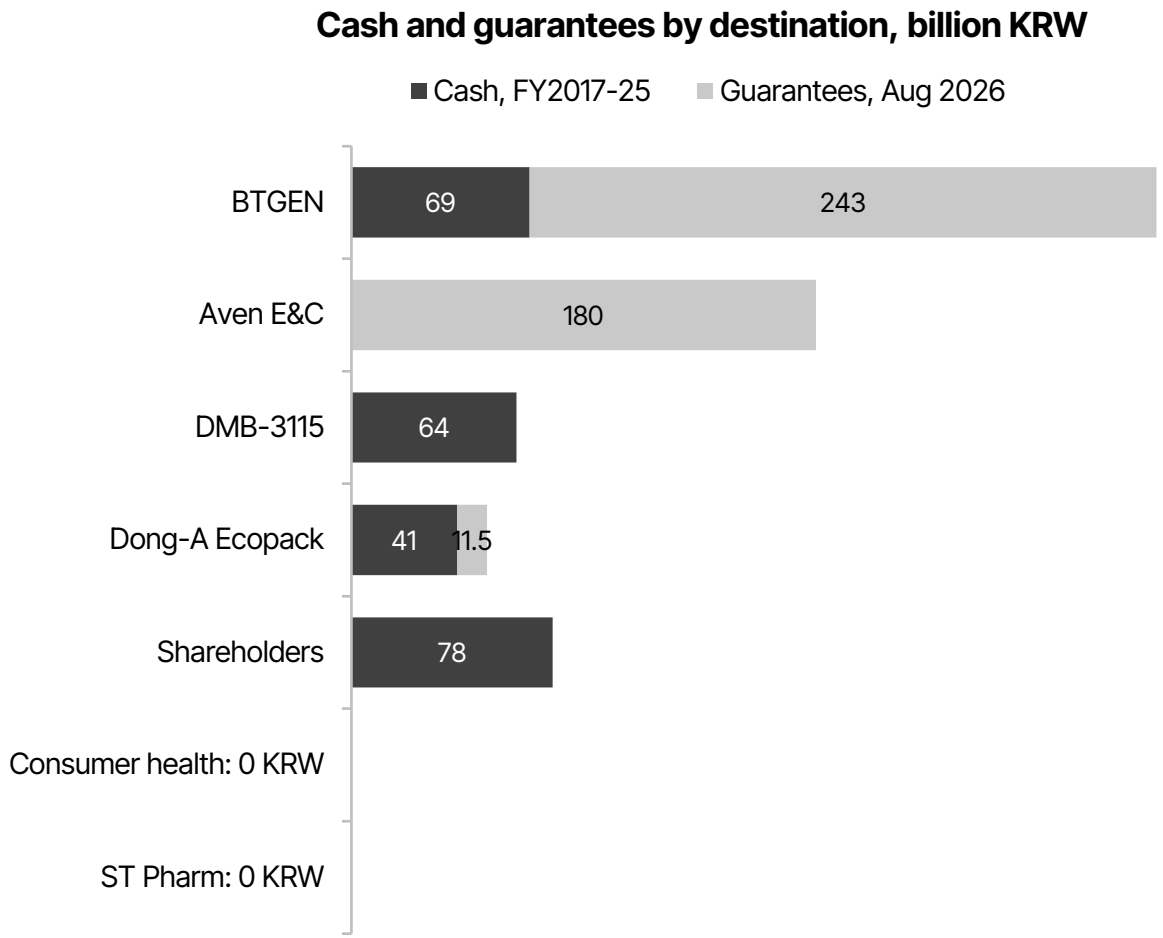


- For every 1 won paid to shareholders, **1.7 won** went to BTGEN and the DMB-3115 biosimilar, and **0.5 won** to bottled water and bottling, which is now loss-making Dong-A Ecopack.
- Consumer health received **0 KRW** of new capital from Holdings.

Consumer health, Dong-A's best business, received 0 KRW of new capital in nine years.

Dong-A Socio Holdings separate statements of cash flows FY2017-FY2025 (DART), billion KRW, grouped by Terton. Equity by investee from the 'Investments in other companies' schedule of each annual report.
DMB-3115 = development cost capitalized at Holdings (intangible-asset note, 2021-25); 22.3 billion KRW was impaired in 2025. Running costs = Holdings operating cash flow before dividends received and tax. Callout: BTGEN audit reports FY2015-FY2025 (net profit; related-party note, sales to Dong-A ST 48.6 billion KRW in 2024 and 77.7 of 103.7 billion KRW in 2025); Holdings intangible-asset notes FY2021-FY2025.
Other sources include net borrowing of 43, new shares from warrants of 32, interest of 12, and stake and asset sales of 11. Other uses include other capex of 23, financial investments of 27, treasury shares of 9, leases of 5, and cash of 1.

Capital went to group-dependent businesses, not to the highest-return ones



174 billion KRW of cash

to BTGEN, the DMB-3115 biosimilar and Dong-A Ecopack's bottling, FY2017-25.

434.5 billion KRW of guarantees

for BTGEN, Aven E&C and Dong-A Ecopack, which sell 40-75% of their output to group companies.

0 KRW to consumer health and ST Pharm

the two businesses with the highest returns (32.8% and 13.6% ROE).

78 billion KRW to shareholders

while consumer health sent Holdings 339 billion KRW of dividends.

The fair point

consumer health funds its own investment, so it did not need new capital. The question is why its cash was not returned or put to work at a similar return.

We are not asking Dong-A to stop investing. We are asking it to invest where returns are highest and return the rest.

Cash: Dong-A Socio Holdings separate statements of cash flows FY2017-FY2025 (DART), grouped by Terton; Ecopack = bottled water and bottling. Guarantees: debt-guarantee filing of August 13, 2026 (face amounts; total 434.5 billion KRW). Guarantees are contingent, not cash spent. Consumer health dividends to Holdings: pre-merger Dong-A Pharmaceutical audited cash flows. Sales to group companies: FY2025 related-party notes.

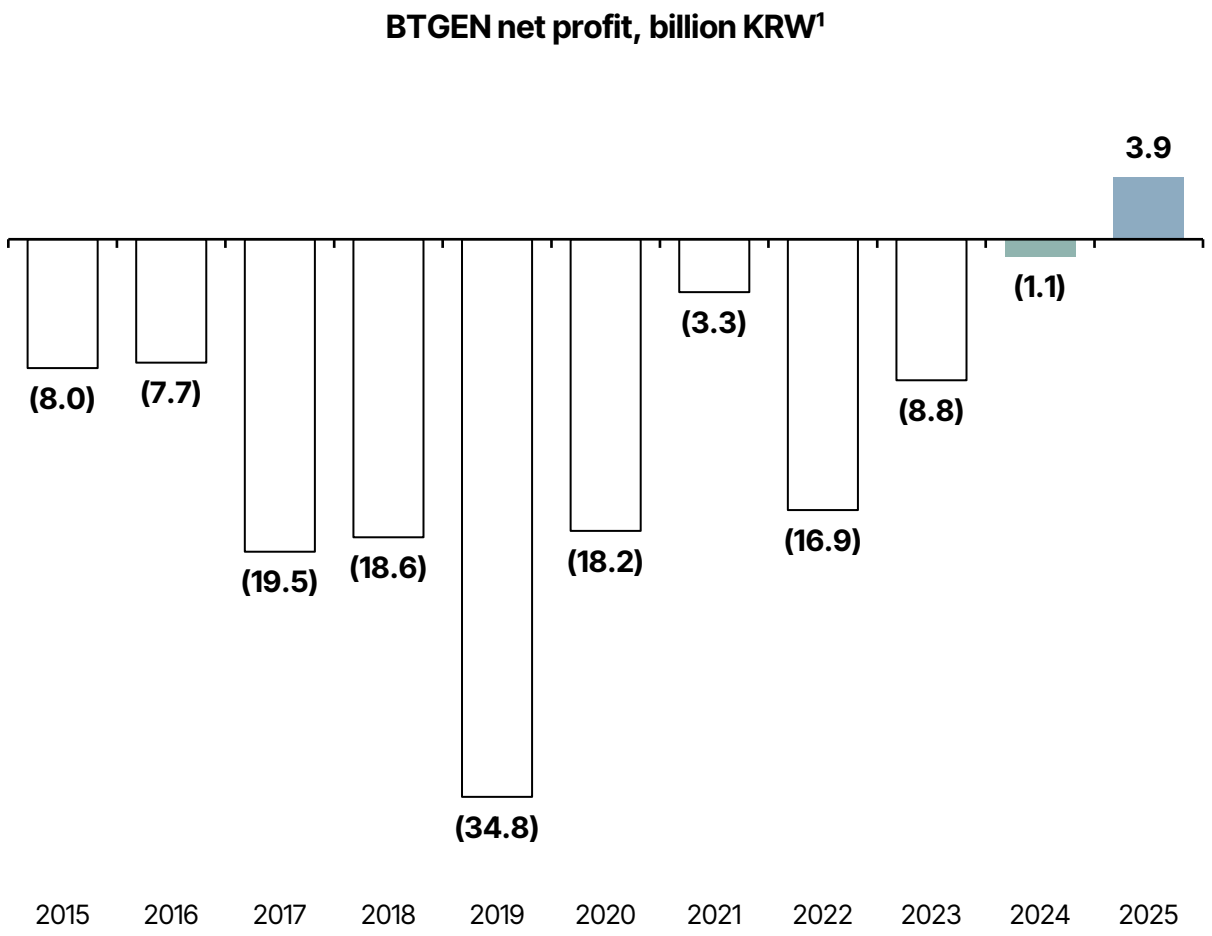
Shareholders would have done better with the cash returned

What shareholders received	If the cash had been paid out in dividends	If shares had been bought back
78 billion KRW	**52,400 KRW per share**	**52% share count reduction**
• Paid to shareholders FY2017-25, 18% of the dividends Holdings received. • 352 billion KRW kept at Holdings. • P/B fell from 0.90x in 2017 to 0.49x today.	• 52,400 KRW more in dividends for every share, 61% of today's price. • The market has given no credit for the cash that was kept. Total return since 2013 is +2%.	• 52% of today's shares retired, buying each year at that year's average price. • Average P/B paid of 0.73x. Every won spent bought 1.37 won of book value. • Each remaining share would own 2.1x as much of the consumer business, which needed none of this cash.

Dong-A's shares have traded below book value every year since 2017. The Board bought back shares once in 2020.

Kept = dividends received less dividends paid, Holdings separate cash flows FY2017-FY2025 (352.4 billion KRW). Buyback case: each year's kept cash spent at that year's average Bloomberg price, adjusted for stock dividends (3.47 million shares at 101,525 KRW on average); illustrative, ignores price impact and liquidity. Per-share figures on 6,729,857 shares. P/B: Bloomberg, yearly average of month-ends. Total return: Bloomberg, April 8, 2013 to November 6, 2026.

BTGEN has lost 133 billion KRW since 2015



133 billion KRW of net losses

Losses in 10 of 11 years since the 2015 spin-off; Dong-A put in about 88 billion KRW, including 42.1 billion KRW paid to Meiji in 2021[1] [2].

6.9% operating margin in its best year

FY2025: 7.1 billion KRW on 103.7 billion KRW of revenue; consumer health earned 12.0%[1] [3].

75% of revenue from Dong-A ST

77.7 of 103.7 billion KRW of FY2025 sales went to a related party[4].

Equity halved, going from 135 → 66 billion KRW

FY2016-25, despite the new money; liabilities 106 billion KRW, interest 64% of FY2025 operating profit[1].

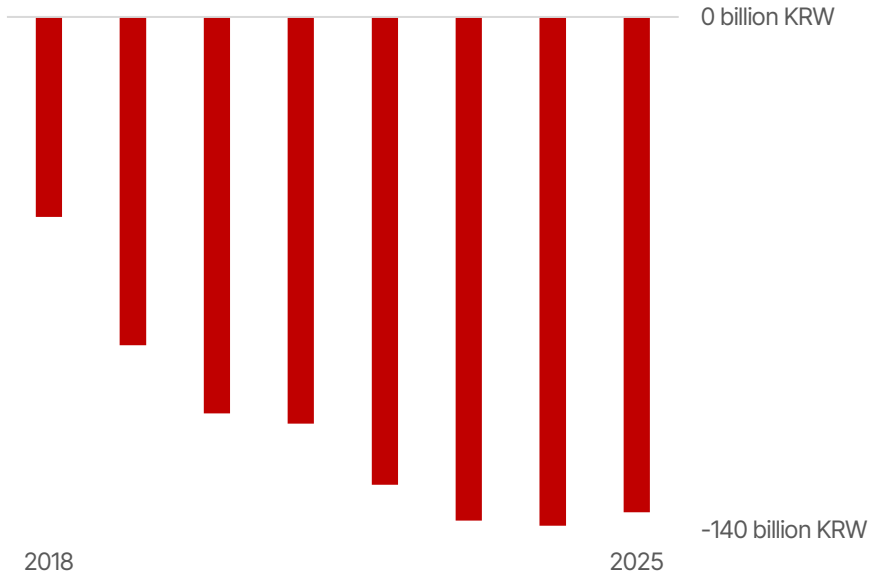
BTGEN has lost 133 billion KRW in eleven years and earns 6.9% in its best one. Consumer health earns 12.0% and received nothing.

1: BTGEN audit reports FY2015-FY2025 (DART; FY2015 from the April 1, 2015 spin-off: -8.0, FY2016 -7.7); BTGEN = formerly DM Bio and STGEN Bio. Net profit after tax. 2: Dong-A's 51% share of 89.9 billion KRW of new BTGEN equity since 2015 (45.8, e.g. 15.3 in 2018 and 10.2 in 2020) plus 42.1 billion KRW paid to Meiji Seika for 1,117,200 shares in July 2021; FY2018-FY2025 annual reports.
3: Pre-merger Dong-A Pharmaceutical consumer health, FY2025 EBIT margin (see Great Assets). 4: BTGEN FY2025 audit report, related-party note: sales to Dong-A ST 77.7 of 103.7 billion KRW.

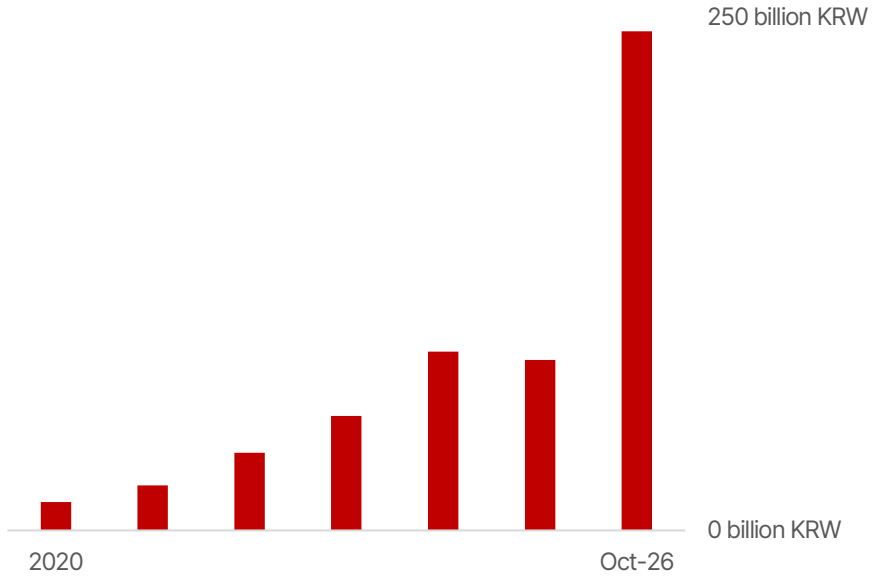
BTGEN sells mainly to an affiliate, and Dong-A carries the risk

- **Not consumer health:** BTGEN makes biologics under contract. 75% of its 2025 revenue came from Dong-A ST, which Dong-A owns only 26% of.[1]
- **Small, and down this year:** 51 billion KRW of new contracts in 2026, including 27 billion KRW from an unnamed global drugmaker; 9M26 revenue down 25%.[1]
- **More capital anyway:** guarantees up from 14 billion KRW (2020) to 243 billion KRW, and a 109 billion KRW expansion, 1.6x BTGEN's equity, approved in February 2026.[1,2]
- **Bigger than consumer health's cash:** Dong-A's ~88 billion KRW in BTGEN plus 243 billion KRW of guarantees equal 86% of the 386 billion KRW of free cash flow consumer health generated in FY2015-25.[3]
- **Undisclosed:** the 19.6% holder; press reports name Chairman Kang.[4]

BTGEN accumulated deficit, billion KRW[5]



Dong-A guarantees for BTGEN, billion KRW[2]

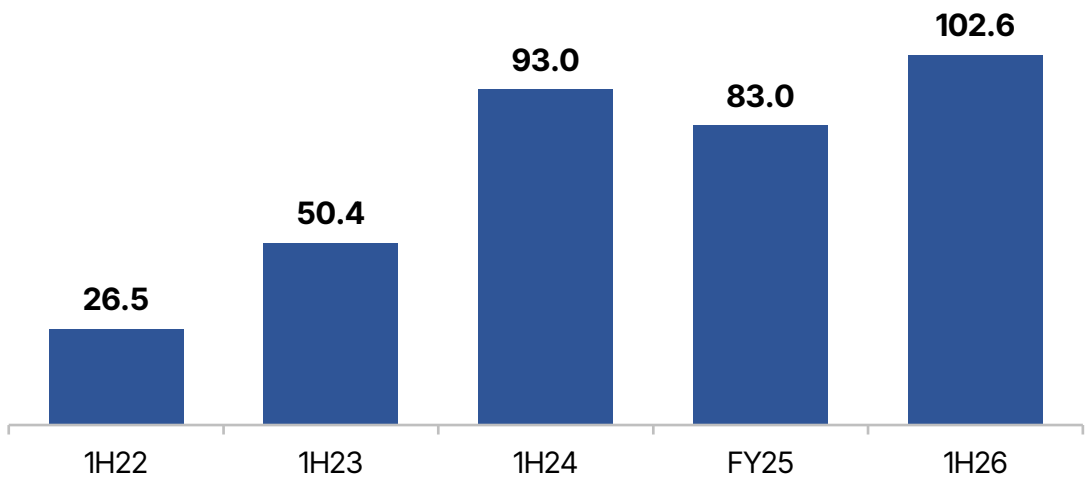


We are not asking Dong-A to stop investing. We are asking why a consumer-health company funds a contract manufacturer for its affiliate.

1: BTGEN FY2025 audit report (related-party sales: Dong-A ST 77.7 of 103.7 billion KRW); single sales and supply contract filings, March-October 2026; Dong-A 3Q26 results presentation; board resolution of February 25, 2026 (164% of FY2025 equity). 2: Dong-A Pharmaceutical June 2026 semi-annual report plus the guarantee extended in August 2026.
3: Dong-A Pharmaceutical audited cash flows FY2015-25 (operating cash flow less capex and leases). 4: Ownership reported by Hankyung (2021) and Edaily (2025). 5: Audit reports of BTGEN and its predecessors.

Dong-A's credit now supports group companies' borrowing

Guarantees on BTGEN's new borrowings, billion KRW[2]



3.9x in four years. BTGEN made its first profit in FY2025 and plans 109 billion KRW of new capacity. A further 60 billion KRW guarantee in August 2026 refinances its debt due in 2027[2].

150 billion KRW for Aven's Seo-Icheon project

If Aven E&C misses completion of an outside developer's warehouse, Dong-A takes on the project loan, 6.8x Aven's equity. The project is 82% complete and due in February 2027; two earlier commitments ended when their buildings were finished[1].

2013 the holding company was set up to separate risks

Today Dong-A's credit also supports group companies' borrowing, including projects for outside clients[3].

What the company says

Guarantees are “exceptional” and pass the ESG committee, made up entirely of independent directors, to prevent conflicts of interest[3].

What is good practice

Guarantee a group company only where the return beats the cost of capital, and tell shareholders why, case by case.

Clear rules and disclosure for guarantees would protect every shareholder. That is why we ask for a cost of capital test.

1: Bloter, November 3, 2026; June 2026 semi-annual report: conditional debt assumption up to 150 billion KRW; Aven equity 22 billion KRW; contract 94.5 billion KRW; project loan 101 billion KRW at June 30, 2026; 82% complete in September, completion expected February 2027; completion commitments of 272 billion KRW (three) at end-2024 and 150 billion KRW (one) at end-2025. 2: Bloter, November 3, 2026, from Dong-A's semi-annual and annual reports, guarantees on BTGEN's new borrowings only (excludes the joint liability from the 2015 split; total guarantees for BTGEN 243 billion KRW at face, filing of August 13, 2026).
3: Bloter, November 3, 2026, quoting a Dong-A Pharmaceutical official. BTGEN FY2025 audited statements.

Table of Contents

Executive Summary

Great Assets

Not Reaching Its Potential

The Cause: Misaligned Governance

The Standard Set by Its Own Shareholders

- Their standard 45
- Their votes 46
- Their boards 47

Five Requests by the March 2027 AGM

What Dong-A Can Be

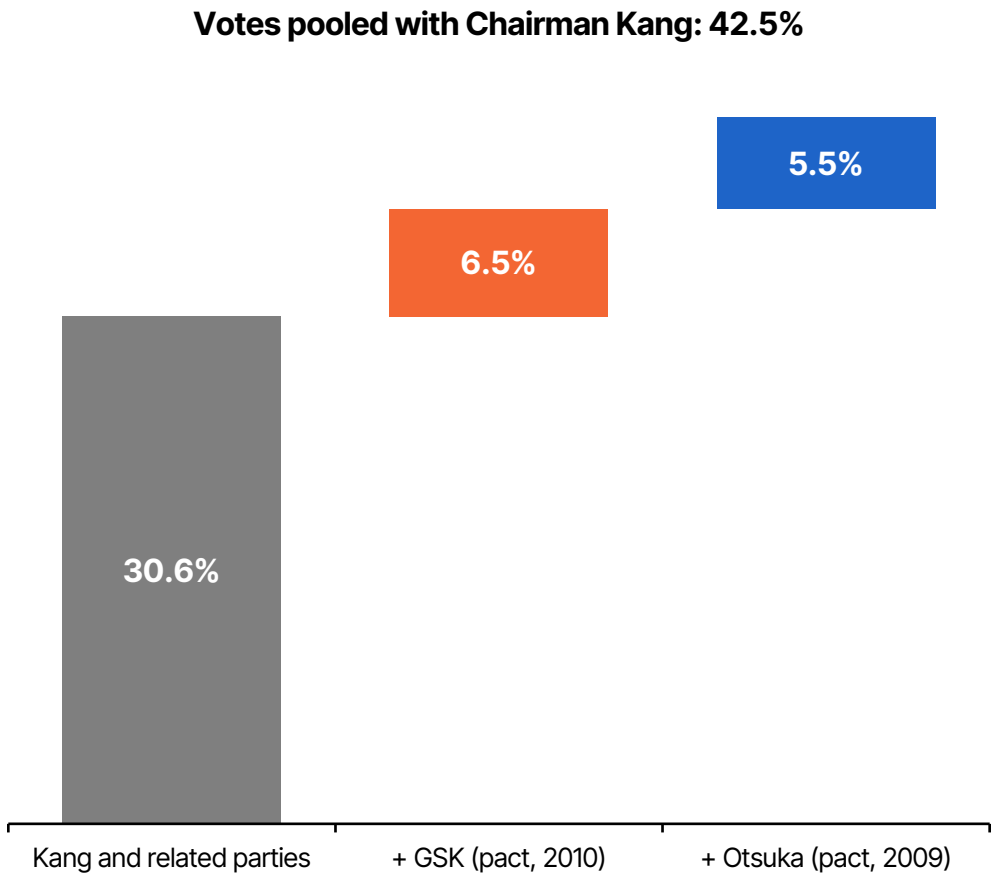
GSK and Otsuka, Dong-A's own shareholders, set a higher standard

	GSK (6.46% of Dong-A)	Otsuka (5.53% of Dong-A)	Dong-A
Who leads, and whether shareholders vote on them	Non-executive Chair, separate from the CEO. Every director stands for election every year; all received over 98% in 2026.[1]	Founding-family Chairman Ichiro Otsuka sits on the Board as a registered director and is re-elected by shareholders every year (March 2026).[2]	Chairman Kang is unregistered: no shareholder vote, no Board seat. He chairs a 'Dong-A Socio Committee' whose members and powers are not disclosed.[4]
Independent directors who have run a business	Former CFO of Bristol Myers Squibb; Chair of Sony Group; CEO of Philips.[1]	Former President of Merrill Lynch Japan; former President of ITOCHU's Food Company.[2]	Expertise in accounting, law, and academia, but with no business management experience.
Shareholders vote on pay	Annual vote on the pay report (96.7% for in 2026) and on the pay policy (99.0%).[1]	Shareholders set the caps on cash pay and on restricted stock (2010, 2024).[2]	Chairman Kang was paid 2.3 billion KRW in 2025, more than the 2.0 billion KRW limit for all directors combined, and outside it.[4]
Pay tied to shareholder returns	CEO performance shares of up to 800% of salary with a further two-year holding period; must hold shares worth 725% of salary; clawback.[1]	About half of directors' pay in restricted stock that vests on EPS, total return vs TOPIX, cash flow and ROIC above WACC; clawback. Outside directors get fixed pay only.[2]	82% of Chairman Kang's pay is fixed salary. No share-based pay for any director or officer.[4]
Capital held to a standard	Published capital allocation framework: invest first, progressive dividend. Returned 2.6 billion GBP in dividends and 1.4 billion GBP in buybacks in 2025.[3]	Targets ROIC of 9.5% or more by 2028. Tests every shareholding against the cost of capital each year.[2]	No hurdle rate and no post-investment review. 27 capital-allocation resolutions since 2023, zero dissent.[4]

GSK and Otsuka vote 12% of Dong-A alongside Chairman Kang. There is no reason Dong-A's governance should fall short of their own.

1: GSK Annual Report 2025, corporate governance and remuneration report (March 4, 2026); GSK results of 2026 AGM (May 6, 2026); GSK board announcement, July 9, 2026 (Roy Jakobs). 2: Otsuka Holdings Corporate Governance Report (April 6, 2026); Notice of 18th AGM (March 5, 2026); Integrated Report 2026. 3: GSK Annual Report 2025, p. 83, capital allocation framework; Directors' Remuneration Policy approved May 6, 2026. Otsuka: 4th Medium-Term Management Plan (2024-2028); officer compensation disclosure. 4: Dong-A FY2025 annual report and June 2026 semi-annual report; board minutes 2023-1H26; see slides 28 and 29. Stakes: Glaxo Group 6.46%, Otsuka Pharmaceutical and Korea Otsuka 5.53% (large-shareholding report of Kang Jung-seok and related parties).

GSK and Otsuka hold the swing votes



Pacts with no end date

Glaxo Group (6.46%) signed a joint voting agreement with the Kang family on May 11, 2010 and Otsuka (5.53%) on March 23, 2009. Both are filed in every report of Chairman Kang's control bloc.[1]

Without them, the bloc is 30.6%

With them, 42.5% of the votes are pooled with Chairman Kang.

Otsuka's own test

Every year, Otsuka's Board must test each shareholding held by the group against the group's cost of capital, and may vote against proposals that do not add corporate value.[2] Dong-A has returned +2% since 2013; the KOSPI +239%.[3]

GSK's own standard

GSK expects its equity stake holdings to share its ethical standards, and has zero tolerance for bribery by any of them.[4]

GSK and Otsuka have their own written standards for shareholdings and equity stake holdings. We believe they should vote their shares independently under their own standards.

1: Large-shareholding report of Kang Jung-seok and related parties (agreements regarding shares). 2: Otsuka Holdings Corporate Governance Report (April 6, 2026), Principle 1.4, and Corporate Governance Guidelines, Guideline 4; applies to the company and its group companies.
3: Bloomberg total return, dividends reinvested, April 8, 2013 to November 6, 2026. 4: GSK, 'Working with Third Parties' public policy position (August 2025) and its Annex A anti-bribery principles.

Global boards have operators and capital allocators as directors. Dong-A doesn't.

GSK plc

Elizabeth Mckee	**Janssen Pharmaceuticals**: Worldwide Vice President and commercial leader for infectious diseases and vaccines, and for immunology and oncology
Wendy Becker	**Jack Wills**: CEO. **Vodafone**: Group Chief Marketing Officer. **McKinsey**: Partner
Roy Jakobs	**Royal Philips**: Joined in 2010 and held progressively senior international management positions before becoming CEO in 2022.
Dr Jeannie Lee	**Translate Bio**: Co-founder. **Fulcrum Therapeutics**: Co-founder
Dr Vishal Sikka	**Infosys**: Former CEO. **SAP**: Chief Technology Officer and subsequently Executive Board member

Otsuka Holdings

Yoshihisa Aoki	**Itochu Corporation**: Joined in 1974; Executive Officer from 2003; Managing Executive Officer and President of **the Food Company** from 2009; Board Member, Senior Managing Executive Officer and President of the Food Company from 2010.
Mayo Mita	**Mitsubishi UFJ Morgan Stanley Securities**: Appointed Senior Adviser, Investment Banking Business Unit—Healthcare in 2013.
Jiro Seguchi	**Merrill Lynch Japan Securities**: Joined in 1999; Representative Director and President from 2010, and again from 2016. **Bank of America**: Country Executive alongside his Japan leadership role; Head of Asia Pacific Global Corporate & Investment Banking from 2013; Co-President of Asia Pacific from 2019; Senior Adviser for Asia Pacific from 2023.

Kenvue

Larry Merlo	President and CEO, **CVS Health** (2011–2021).
Richard E. Allison Jr.	CEO, **Domino's Pizza** (2018–2022)
Seemantini Godbole	Executive Vice-President and Chief Digital and Information Officer, **Lowe's**
Melanie L. Healey	Group President, **Procter & Gamble** (2007–2015).
Betsy D. Holden	Former Co-CEO, **Kraft Foods**

Kimberly-Clark

John W. Culver	Group President, North America and COO, **Starbucks** (2021–2022).
Deeptha Khanna	Executive Vice-President and Chief Business Leader, Personal Health, **Royal Philips**, since 2020
S. Todd Maclin	Chair, Chase Commercial and Consumer Banking, **JPMorgan Chase** (2013–2016)
Deirdre A. Mahlan	CFO, **Diageo** (2010–2015), followed by President, Diageo North America
Sherilyn S. McCoy	CEO, **Avon Products** (2012–2018). Previously Vice-Chair, **Johnson & Johnson** (2011–2012),

GSK, Otsuka, Kenvue and Kimberly-Clark seat former CEOs, CFOs and operators as independent directors.

The names above are only a selection of independent directors with relevant business and capital allocation experience
GSK plc leadership page, Otsuka Holdings Board of Directors page, Kenvue Board of Directors page, Kimberly-Clark Corporation Schedule 14A

Table of Contents

Executive Summary

Great Assets

Not Reaching Its Potential

The Cause: Misaligned Governance

The Standard Set by Its Own Shareholders

Five Requests by the March 2027 AGM

- Korea's new rules 49
- What good looks like 50
- The five requests 51-52
- The March 2027 vote 53

What Dong-A Can Be

Korea's corporate governance landscape has changed. Dong-A can be a leader.

Change	What is now expected	What Dong-A has done	Status
Duty to all shareholders (Commercial Act Art. 382-3, 2025)	Directors must protect the interests of all shareholders and treat them fairly.	27 capital-allocation resolutions since 2023 with no dissent. Lack of policy or disclosure on how the Board applies the duty.	
Officer suitability (governance report core indicator)	A policy to stop people who harmed corporate value or shareholder rights from becoming officers.	Marked 'X' in the 2025 and 2026 reports. Chairman Kang returned in 2023 after his conviction.	
Treasury shares	Treasury shares should be canceled.	All 100,718 sold to the employee association in January-February 2026 for 10.7 billion KRW, before the cancellation rule passed on February 25, 2026. With them, Chairman Kang's bloc plus the association holds 51.07%; without them, 49.57%.	
Cumulative voting	Increases the chances for minority shareholders to elect directors. Mandatory above 2 trillion KRW of assets; open to every company.	Not required at Dong-A's size, but the Board chose to keep excluding it at the March 2026 AGM.	
Corporate Value-up Plan	KRX asks listed companies to publish targets for returns, valuation and shareholder returns.	Not filed. The 2026 governance report confirms none has been disclosed.	
Shareholder meetings	Electronic participation, mandatory for the largest companies from 2027.	Not required at Dong-A's size, but the articles were amended to require in-person meetings from January 2027.	
Shareholder returns	Return capital that cannot earn its cost.	2024-26 policy: 50% of free cash flow, buybacks with any remainder. No buyback since 2020.	
Independent directors	At least one-third of the Board.	4 of 7 directors are independent. None has run a business or allocated capital.	
Audit-committee 3% rule	Controlling bloc's votes capped at 3% when electing audit-committee members.	Adopted at the March 2026 AGM with 80.9% of votes cast.	

Dong-A has fully adopted one of nine. Adopting the rest would put it ahead of Korea's new standard.

Sources: Korea's Commercial Act (amended 2025 and 2026); Dong-A Socio Holdings Corporate Governance Report (May 29, 2026); treasury-share disposal filings (January 16 and February 12, 2026); large-shareholding report of September 2, 2026 (42.54%) plus the association's 8.53% (7.03% without the 100,718 shares); March 2026 AGM notice and results;
FY2025 annual report (separate-basis assets 970.5 billion KRW); DART filings to October 28, 2026. Status is Terton's assessment. Detail and filing numbers in the Excel backup.

What good governance would look like at Dong-A

	Dong-A today	Dong-A with good governance
Chairman Kang	Unregistered Chairman. Shareholders never vote on him. Paid 2.3 billion KRW, above the 2.0 billion KRW limit for all directors.	A registered director, elected by shareholders and paid within the limit they approve.
Independent directors	Two accountants, a lawyer and a pharmacy professor. None of them has run a business.	Global consumer-health and capital-allocation executives who can take Dong-A's brands abroad.
BTGEN	A contract manufacturer for Dong-A ST. 243 billion KRW of guarantees and a 109 billion KRW expansion. Press reports name Chairman Kang as its other 19.6% owner.	An independent review. Sell it, or move it to Dong-A ST, its main customer. No new money or guarantees in the meantime.
Buybacks	Below book value every year since 2017. One buyback in 2020.	Buy back and cancel shares whenever they trade below book value.
Capital allocation	80% of the dividends received kept at Holdings. No published plan.	A published plan that returns the capital that cannot earn its cost. At least 50 billion KRW a year, about 7,400 KRW per share against 1,700 KRW today.
Treasury shares	All 100,718 sold to the employee association in 2026, funded by a 7.5 billion KRW Dong-A loan, weeks before the law requiring cancellation passed.	Canceled.
Voting pacts	GSK and Otsuka votes pooled with Chairman Kang since 2009-10. Terms not disclosed.	Terms disclosed in full, or the pacts ended and partners vote independently.
Pay	82% of Chairman Kang's pay is fixed salary. No share-based pay.	Restricted shares that vest on returns above the cost of capital and on shareholder returns, with a clawback. Directors required to own shares.
Disclosure	No Value-up Plan and cumulative voting excluded.	A Value-up Plan with return and payout targets. Cumulative voting adopted.

None of this requires changing the businesses. It only requires the Board to do its job as fiduciaries to all shareholders.

Today: FY2025 annual report; Corporate Governance Report (May 29, 2026); debt-guarantee and treasury-share filings; large-shareholding reports of Kang Jung-seok and related parties; Hankyung (2021), Edaily (2025); Bloomberg P/B.
Good governance: Terton's proposals in our letters of October 12 and October 26, 2026.

Requests 1-2: an accountable Chairman and a Board that has run businesses

1

Put Chairman Kang on the ballot

When: nominate him at the March 2027 AGM, or set the 2027 pay limit to include his pay.

2

Add a director who has built consumer brands abroad

None of the four independent directors has ever run a business or allocated capital: two accountants, a lawyer and a pharmacy professor. The three insiders are career group executives. GSK seats former leaders of Philips and Sony; Otsuka, of ITOCHU's food business. Dong-A needs at least one independent director who has built consumer brands abroad and allocated capital at scale.

When: two Board seats expire at the March 2027 AGM.

Shareholders should vote on who leads Dong-A, and its Board should include people who have built and run businesses.

Requests 3-5: test every investment, return the rest, align pay

3

Apply a cost of capital test

Every new investment, guarantee or capital increase must earn above Dong-A's cost of capital, confirmed by the independent directors. No new money or guarantees for BTGEN until an independent review.

When: a Board resolution, any time before the AGM.

4

Return what fails the test: a capital allocation plan

The cost of capital test decides what Dong-A reinvests; the plan returns the rest: at least 50 billion KRW a year, about 7,400 KRW per share against a 1,700 KRW dividend for 2025. Buy back and cancel shares while they trade below book value, pay dividends above it.

When: published with FY2026 results, before the AGM.

5

Align directors and executives with the ESOP, pensioners and shareholders

The ESOP (8.5%), the NPS (9.5%) and every other shareholder earn only what Dong-A returns. Pay directors and executives the same way: restricted shares that vest on returns above the cost of capital and on total shareholder return, with a clawback, and required share ownership.

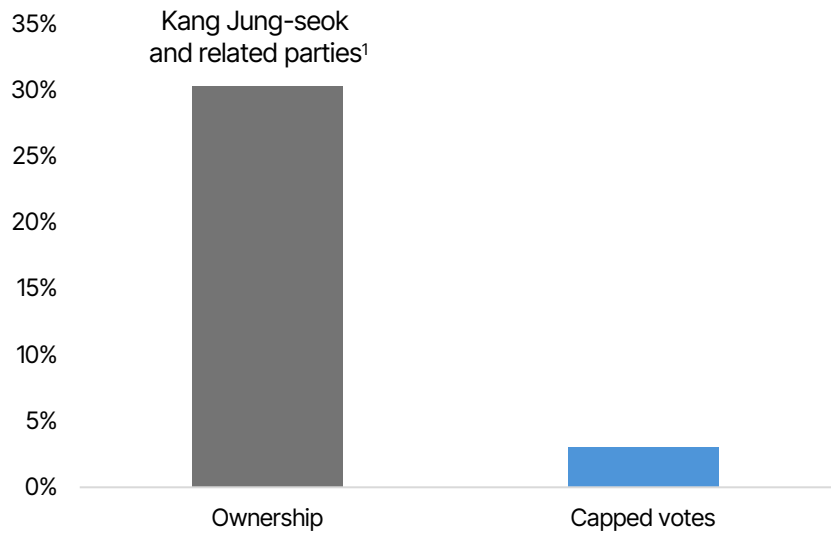
When: approved with the directors' pay limit at the March 2027 AGM.

Invest above the cost of capital, return the rest, and align pay with the ESOP, pensioners and shareholders.

50 billion KRW = 8.6% of market cap (580 billion KRW at the 86,200 KRW KRX close, November 6, 2026); about 7,400 KRW per share on 6,729,857 shares. Employee association 8.53% (June 2026 semi-annual report); NPS 9.45% (NPS filing, October 2, 2026).

Minority shareholders have greater voting power in the March 2027 seat

Separate election of two members of the Board with votes capped



[3]

Dong-A Pharmaceutical Board[2]

Director		Role / background	Term expiry
Kim Min-young	Internal	CEO and President	August 2027
Ko Seung-hyun	Internal	CFO	March 2027
Lee Dae-woo	Internal	Head of Business Planning	March 2029
Kwon Kyoung-bae	Independent **Separately elected**	Chairman; CPA	March 2027
Kwon Se-won	Independent	Accounting professor	March 2028
Chung Young-jin	Independent **Separately elected**	Law	March 2029
Chin Young-won	Independent	Pharmacy professor	March 2029

We want to support the Board. If governance reform stalls, minority votes will matter.

1,2: Dong-A Socio Holdings 2025 Annual Report; 3: Korea's Commercial Act Article 542-12(2), with amendments to Dong-A Socio Holdings articles of incorporation approved in the 2026 AGM (Agenda Item 2-2)

Table of Contents

Executive Summary

Great Assets

Not Reaching Its Potential

The Cause: Misaligned Governance

The Standard Set by Its Own Shareholders

Five Requests by the March 2027 AGM

What Dong-A Can Be

- Why Korea should care 55
- The prize 56-57
- Next steps 58

Why Korea should care

Pensioners and employees

- The National Pension Service (9.45%) and the employee association (8.53%) own 18% of Dong-A.
- Closing the discount would add 212 billion KRW to their savings[1].
- Dong-A's employees gain most when the company they own is run for every shareholder.

World-class shareholders

- GSK and Otsuka own 12% of Dong-A and hold their own boards to global standards[2].
- Their chairs stand for election, their executives are paid in shares tied to returns, and their capital is tested against its cost.
- Dong-A should be held in the same regard.

Korean companies at their best

- Korean companies should be the best versions of themselves, held to the same standards as global companies.
- Better returns give Dong-A more capital to innovate, build its brands abroad and strengthen the assets it has.
- Our five changes provide the structure to do that.

212 billion KRW
more for Korean pensioners and Dong-A employees.

12%
of Dong-A owned by GSK and Otsuka, world-class shareholders.

3x
what Dong-A's assets are worth against today's price.

Better governance at Dong-A is good for pensioners, employees, its global partners and Korea.

1: NPS large-shareholding report, October 2, 2026 (636,362 shares); June 2026 semi-annual report (association 574,056 shares); 1,210,418 shares x (261,200 - 86,200 KRW). 2: Glaxo Group 6.46%, Otsuka Pharmaceutical and Korea Otsuka 5.53% (large-shareholding report of Kang Jung-seok and related parties); GSK Annual Report 2025; Otsuka Holdings Corporate Governance Report (April 6, 2026).

With good governance, investors would value Dong-A like Dongkook

How investors see Dong-A today

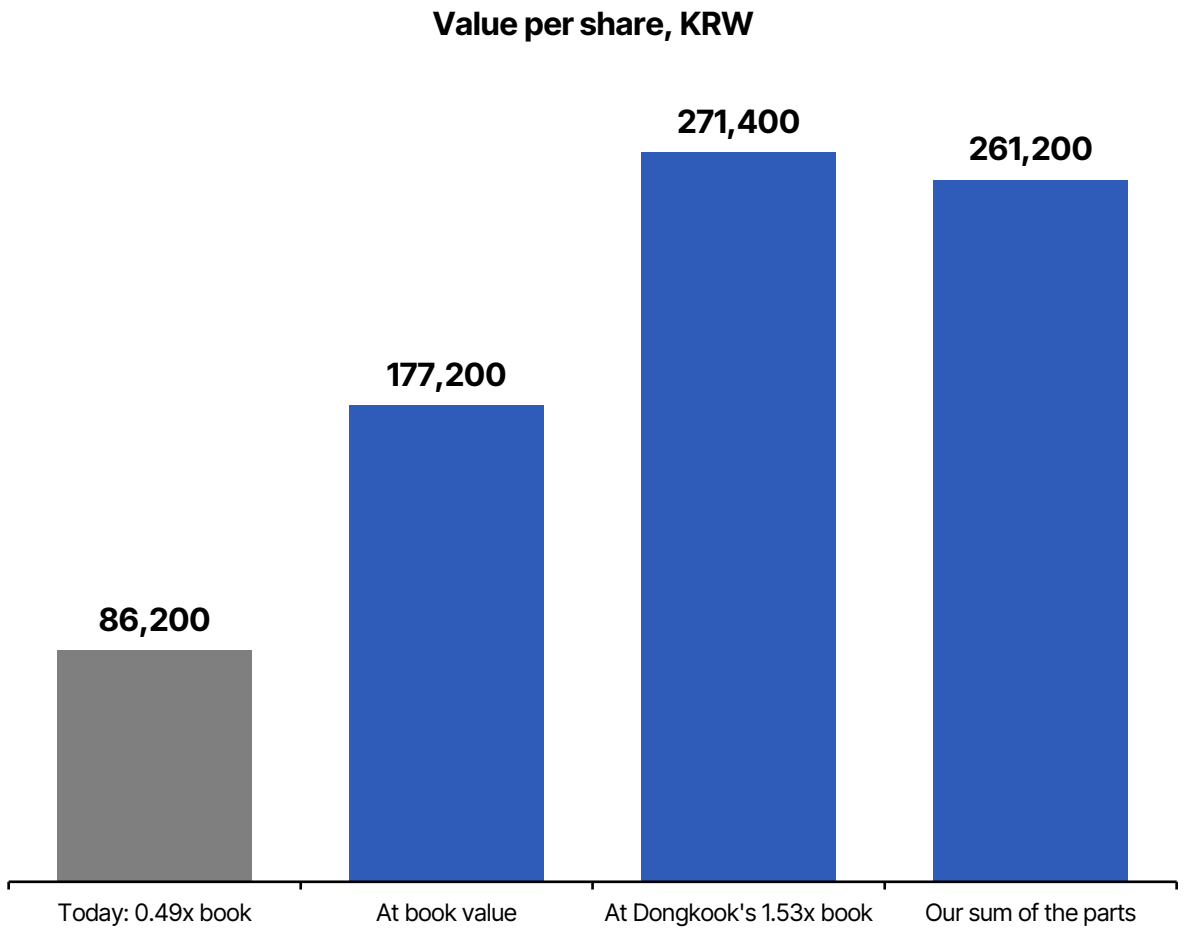
A holding company run for control. Cash stays at Holdings and goes into biotech bets next to related parties. Investors value it at 0.49x book and 6.8x earnings, and give no credit for the cash it keeps.

How they would see it with good governance

Bacchus cash plus a derma business that can grow like Dongkook's, and a stake in a world-class oligonucleotide maker, run for all shareholders. Cash that cannot earn its cost comes back. Investors would value it like Dongkook, at 1.53x book and 14x earnings.

What that is worth

At book value the shares would be worth 177,200 KRW, 2.1x today. At Dongkook's multiple of book, 271,400 KRW, close to our sum of the parts of 261,200 KRW.

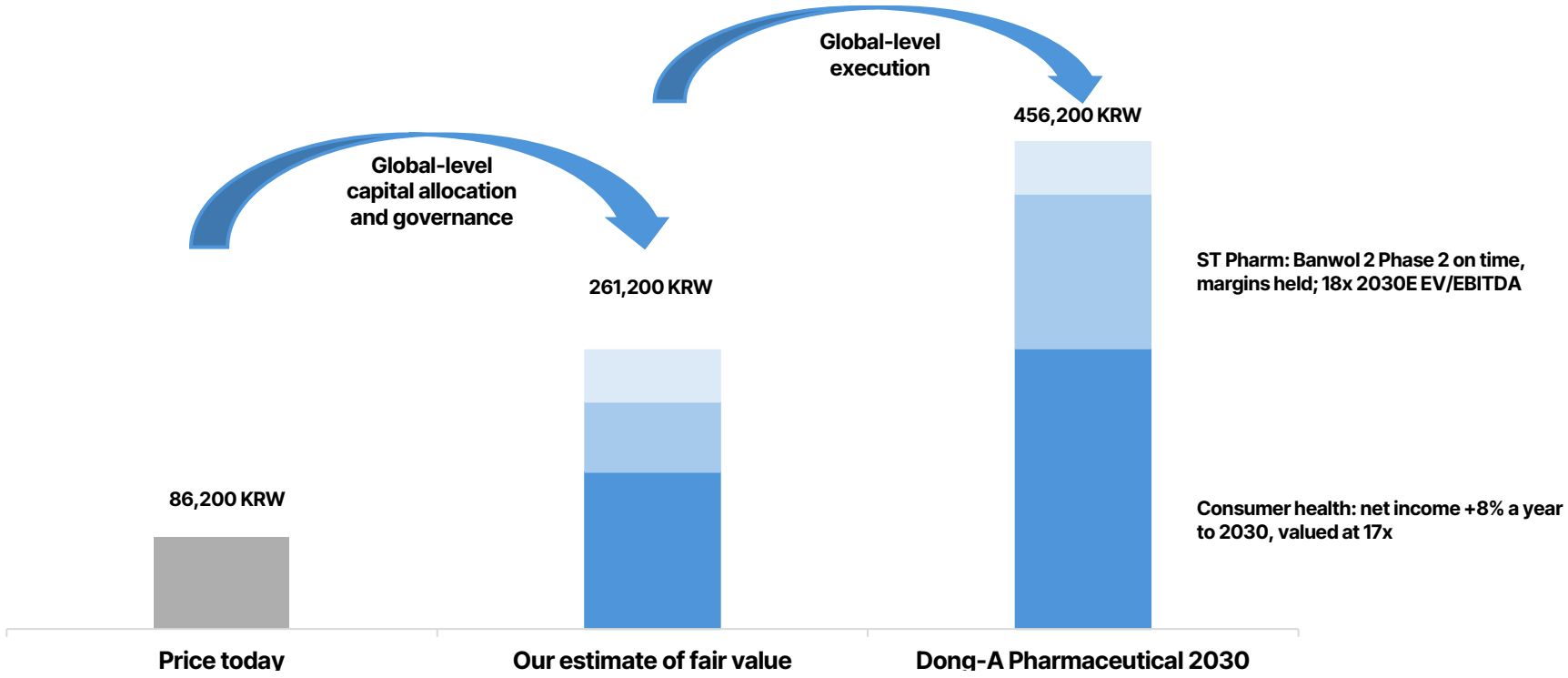


The gap between 86,200 KRW and 261,200 KRW is not because of the assets, rather how Dong-A is governed.

Book value per share 177,224 KRW (June 30, 2026); Dongkook P/B 1.53x and P/E 13.9x, Bloomberg, November 6, 2026; sum of the parts on slide 22. Chart data in the Excel backup.

The prize is 3x today's price, and 5x by 2030

- **Our view:** world-class assets with room to grow at home and abroad. We are long-term shareholders.
- **The vision:** Bacchus as the cash engine, a derma and skincare business that can grow in Korea and export like Dongkook's, and medicines for the world made in ST Pharm's Korean plants.
- **The path:** global-standard governance and capital allocation, better for workers, pensioners and every shareholder.



We are long-term believers in Dong-A. Global governance and capital allocation can make it a global company.

Fair value per slide 22. 2030 scenario: consumer-health net income grows 8% a year from 70.8 billion KRW and is valued at 17x; ST Pharm stake 975 billion KRW (Banwol 2 Phase 2 on time, 18x 2030E EV/EBITDA); other assets and net debt held at today's values. Illustrative, not a forecast; inputs editable in the Excel backup.

What we are asking for, by when, and what happens next

The Board

- **The Company's general responses to date leave all five requests outstanding. We call on the Board to address each in writing by December 4, 2026, with specific explanations and supporting details.**
- Put Chairman Kang on the ballot, or his pay inside the limit.
- Add a director who has built consumer brands abroad.
- Adopt a cost of capital test; review BTGEN before any new money.
- Return what fails the test: at least 50 billion KRW a year, buybacks below book.
- Pay directors and executives in shares, aligned with the ESOP, pensioners and shareholders.
- Explain how the Board weighed Chairman Kang's 19.6% of BTGEN.

Fellow shareholders

- NPS and the employee association: We invite you to engage with the Board on these changes before March 2027.
- GSK and Otsuka: vote your shares independently, under your own standards.
- Domestic and foreign investors: We encourage you to share your views with the Board.

The March 2027 AGM

- An audit-committee seat is elected with the controlling bloc capped at 3%.
- An independent candidate with global consumer-health and capital-allocation experience is needed.
- Every minority vote will count.

We would much rather agree with the Board. If the Board does not act, shareholders will decide in March 2027.

Response date of December 4, 2026 set out above; AGM plans are as of the date of this presentation. Korea's Commercial Act Article 542-12; Dong-A articles of incorporation as amended at the March 2026 AGM.

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Questions and comments

We welcome questions and comments from all stakeholders:

shareholders, employees, directors, management, and partners.

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