



SONGWON

FINANCIAL RESULTS
Preliminary, unaudited

**FIRST QUARTER
ENDED MARCH 31**

2026

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About this report

This report contains Songwon Industrial Group's preliminary, unaudited financial results for the three months (Q1/2026) ended March 31, 2026.

All the disclosed figures are preliminary and may be subject to change during the review of the condensed interim financial statements by the Group's auditor, KPMG Samjong Accounting Corp. SONGWON Industrial Group will publish condensed interim financial statements for the three months ended March 31, 2026, prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"). These will be reviewed by the Group auditor by mid-May 2026.

The financial information in this interim report reflects the consolidated figures in million KRW unless otherwise stated.

For further information about Songwon Industrial Group, please visit: www.songwon.com or write to us at: ir@songwon.com.

Forward-looking statements & information

This preliminary report contains forward-looking statements and information concerning the outlook for our business. These statements are based on current expectations, estimates and projections concerning factors that may affect SONGWON Industrial Group's future performance, including global and regional economic conditions in the regions, major markets and industries where SONGWON does business. As a result, these forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. These may cause our actual results to differ materially from the forward-looking information and statements made in this report and possibly affect our ability to achieve any, or all of, our stated targets. SONGWON Industrial Group believes that the expectations reflected in any forward-looking statement are based upon reasonable assumptions; however, no assurance can be given that these expectations will prove to be correct.

The forward-looking statements contained herein are current only as of the date of this document.

Key Financial Data

	Q1 2026	Q1 2025	
	million KRW	million KRW	Δ%
Sales	269,204	275,753	-2.4%
Gross profit	55,362	40,743	35.9%
<i>Gross profit margin</i>	20.6%	14.8%	
Operating profit	26,558	10,937	142.8%
EBITDA	37,611	21,957	71.3%
<i>EBITDA margin</i>	14.0%	8.0%	
EBIT	26,731	11,543	131.6%
<i>EBIT margin</i>	9.9%	4.2%	
Profit for the period	18,091	4,857	272.5%
Total assets	1,213,974	1,191,977	1.8%
Total equity	781,100	754,422	3.5%
<i>Equity ratio</i>	64.3%	63.3%	
Headcounts	979	984	-0.5%

Sales development

Divisions

	For the three months ended March 31,											
	2026			2025			2026			2025		
	Industrial Chemicals			Performance Chemicals								
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Sales	191,003	208,133	-8.2%	78,201	67,620	15.6%	269,204	275,753	-2.4%			

Regions

	For the three months ended March 31,		
	Q1 2026	Q1 2025	
	million KRW	million KRW	Δ%
Korea	49,887	42,957	16.1%
Rest of Asia	79,399	83,219	-4.6%
Europe	70,222	68,395	2.7%
North and South America	58,714	67,841	-13.5%
Middle East and Africa	10,982	13,341	-17.7%
Total sales	269,204	275,753	-2.4%

Business development

In the 1st quarter of 2026, Songwon Industrial Group generated consolidated sales of 269,204 million KRW, marking a slight decrease year-over-year of 2.4% (Q1/2025: 275,753 million KRW). Gross profit increased in Q1/2026 to 55,362 million KRW, up 35.9% compared to the previous year (Q1/2025: 40,743 million KRW), with gross profit margin rising from 14.8% in Q1/2025 to 20.6% in Q1/2026. The Group also recorded a net profit of 18,091 million KRW in the first quarter of 2026, marking a 272.5% increase over Q1/2025 (4,857 million KRW), partly influenced by a one-off adjustment to the employee benefit program.

Against the backdrop of a complex macroeconomic environment and ongoing geopolitical tensions, which continued to impact global markets, SONGWON delivered a solid performance in the 1st quarter of 2026, with strong earnings growth despite a slight decline in sales. In Q1/2026, Division Industrial Chemicals recorded consolidated sales of 191,003 million KRW, 8.2% below the prior-year period (Q1 2025: 208,133 million KRW), while Division Performance Chemicals reported consolidated sales of 78,201 million KRW, marking an increase of 15.6% compared to Q1 2025 (67,620 million KRW).

For Division Industrial Chemicals, Q1/2026 was shaped by continued macroeconomic uncertainty, including geopolitical tensions, US tariff measures impacting competitive dynamics, the slowdown in China and associated cost-of-living pressures, which continued to influence market confidence and demand outlook. In the 1st quarter of 2026, Polymer Stabilizers recorded higher volumes compared to both the prior-year period and expectations, with January and February stronger than anticipated. In March, heightened volatility and market uncertainty due to the intensifying conflict in the Middle East led to tighter supply conditions and increased customer demand, positively impacting volumes. Compared to Q4/2025, Fuel & Lubricant Additives recorded higher volumes in Q1/2026, driven by prior quarter destocking and timing-related shifts due to logistics factors. Overall demand was stable and revenues were in line with volumes, with raw material costs, price and product mix remaining stable. Market conditions also remained competitive due to US tariff impacts and related pressure from excess supply in Europe and Asia, but Middle East tensions only had a limited direct impact on the business. In line with typical industry seasonality, where Q1 is the strongest quarter, Coatings recorded higher net sales and volumes in Q1/2026 compared to the final quarter of 2025. The first 2 months were subdued, but March was strong. Geopolitical tensions, rising raw material costs and supply disruptions, including force majeure at key suppliers in China, led to tighter supply conditions, a shift from a buyer's to a seller's market and pricing adjustments during the quarter.

Amid the global uncertainty and complex business environment, Division Performance Chemicals performed strongly in Q1/2026. Market demand remained neutral for Tin Intermediates in Q1/2026. The business saw no continuous recovery but fluctuations between lower revenues in February and a rebound in March due to the impact of the Lunar New Year holiday. Market conditions in Japan and EMEA were weak during Q1 and price competition intensified in the U.S. market, while Korea and SEA remained stable. Throughout Q1/2026, Tin ingot prices trended downwards but remained above budget levels, positively

impacting revenues while pressuring gross margins. In Q1/2026, overall market demand improved slightly for PVC, particularly in Korea, with SEA stable and EMEA continuing to develop strongly, especially in Africa and the Middle East. In existing markets, positions were maintained and emerging opportunities developed in new markets.

Outlook

SONGWON anticipates that 2026 will be challenging. Ongoing macroeconomic and geopolitical uncertainties, including trade measures, regulatory developments and a continued slowdown in key markets, are expected to impact customer confidence and demand visibility. These factors, together with rising logistics costs, tightening supply conditions and industry-wide price increases, will add to the volatility and make accurate forecasting difficult.

Going forward, the Group will continue to closely monitor developments and respond with agility to changing conditions. SONGWON will also focus on safeguarding profitability through disciplined pricing and targeted measures and leverage its global footprint and supply capabilities. At the same time, the company remains committed to supporting its customers with high product quality and reliable supply, while pursuing opportunities in line with its strategic priorities and maintaining a prudent approach to navigating market uncertainty.