



SONGWON

FINANCIAL RESULTS
Preliminary, unaudited

Q4 & 12 MONTHS
ENDED December 31

2025

It's all about **the chemistry**®

About this report

This report contains SONGWON Industrial Group's preliminary, unaudited financial results for the three months (Q4/2025) and twelve months ended December 31, 2025.

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 Samjung Accounting Corp. SONGWON Industrial Group will publish its final audited annual financial statements for year 2025, prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"). These will be reviewed by the Group auditor by mid-February 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

			For the twelve months ended December 31,		
Q4 2025		Q4 2024		2025	
	million KRW	million KRW	Δ%	million KRW	million KRW
Sales	238,731	255,148	-6.4%	1,038,508	1,070,200
Gross profit	27,205	42,403	-35.8%	141,764	176,908
<i>Gross profit margin</i>	11.4%	16.6%		13.7%	16.5%
Operating profit	-3,802	12,104	-131.4%	21,118	62,814
EBITDA	5,943	22,689	-73.8%	61,339	102,306
<i>EBITDA margin</i>	2.5%	8.9%		5.9%	9.6%
EBIT	-4,992	12,362	-140.4%	18,444	61,494
<i>EBIT margin</i>	-2.1%	4.8%		1.8%	5.7%
Profit for the period	-2,777	16,359	-117.0%	2,296	45,088
Total assets				1,146,593	1,180,193
Total equity				760,068	756,110
<i>Equity ratio</i>				66.3%	64.1%
Headcounts				973	971
					0.2%

Sales development

Divisions

						For the three months ended December 31,		
2025		2024		2025		2024		
Industrial Chemicals			Performance Chemicals					
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW
Sales	166,256	183,003	-9.2%	72,475	72,145	0.5%	238,731	255,148
						For the twelve months ended December 31,		
2025		2024		2025		2024		
Industrial Chemicals			Performance Chemicals					
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW
Sales	752,925	798,719	-5.7%	285,583	271,481	5.2%	1,038,508	1,070,200

Regions

			Q4 2025			Q4 2024			2025			2024		
			million KRW			million KRW			Δ%			Δ%		
Korea			40,199			44,661			-10.0%			171,553		
Rest of Asia			78,925			71,991			9.6%			318,562		
Europe			54,926			58,272			-5.7%			254,233		
North and South America			51,893			62,475			-16.9%			239,140		
Middle East and Africa			12,788			17,749			-28.0%			55,020		
Total sales			238,731			255,148			-6.4%			1,038,508		

For the twelve months ended December 31,

Business development

During the final quarter of the year, persistent macroeconomic and geopolitical uncertainty, together with ongoing trade-related pressures and weak demand across end markets, continued to define the environment for the chemical industry, impacting industry players, including SONGWON Industrial Group. Amid this complex environment, SONGWON generated consolidated sales of 238,731 Million KRW (Q4/2024: 255,148 Million KRW) in Q4/2025 and for the full year ended December 31st, 2025, consolidated sales of 1,038,508 Million KRW, down 3% compared with FY 2024.

SONGWON entered 2025 positively, but market conditions progressively deteriorated as the year unfolded. The continued slowdown in demand, persistent margin pressure across key regions and currency headwinds impacted the Divisions' performance. By Q4/2025, overcapacity in major segments, cautious customer behavior and intensified price competition compounded the challenges.

Q4/2025 was a difficult quarter for Division Industrial Chemicals. The slowdown in demand, intensified competition, high energy costs in Europe and U.S. trade measures affecting Asian markets negatively impacted performance. Polymer Stabilizers recorded lower revenues in Q4/2025 due to increased product availability, heightened pricing pressure from Asia and developments in the global business environment. After the first three quarters of 2025 met expectations overall, demand fell in October and November before improving toward year-end, partially mitigated by positive currency movements, improved pricing and stable raw material costs. Fuel and Lubricant Additives reported reduced volumes and lower market demand in Q4/2025, driven by the uncertainty linked to tariff policies, increased competition in global spot markets and destocking activities. Raw material costs remained largely stable during the quarter, limiting the impact of the pricing formula. Despite a very weak 3rd quarter and the traditional Q4 seasonality, Coatings reported volumes exceeding both Q3/2025 and Q4/2024. In the face of current market pressures, strong customer service and disciplined pricing measures supported stable performance.

Division Performance Chemicals faced the same market headwinds in Q4/2025 and delivered results similar to the previous quarter, in line with expectations. Tin Intermediates reported a slight recovery toward the end of the quarter following a slower start in October. Sales volumes remained stable compared with the previous quarter and turnover benefited from higher tin ingot prices despite pressure on gross margins. Although PVC demand remained weak in Q4, Korea showed gradual recovery and volumes in Japan and SEA were steady. Strategic pricing measures and proactive customer support enabled the business to successfully defend SONGWON's market position and secure new business. For SONGWON's Thermoplastic Polyurethanes and Solution Polyurethanes (TPU/SPU) business, Q4/2025 was a stronger quarter than Q3/2025. While domestic demand in Korea remained weak due to the ongoing economic slowdown and intense competition, overseas sales of TPU drove improved revenues.

Outlook

SONGWON anticipates that market conditions will remain demanding in 2026. Ongoing oversupply in key markets, intense pricing competition and subdued end-market demand are expected to continue shaping the industry. Customers are likely to remain cautious, placing orders with shorter lead times, which will continue to complicate forecasting and contribute to volatility in order patterns. In addition, regulatory changes, potential new tariffs and increasing economic and political uncertainty are expected to influence market dynamics. Amid the challenges, the Group is ensuring that it is well-equipped to benefit from positive developments that continue to emerge. The complex backdrop has reinforced the need for careful planning and lean, pragmatic approaches, which SONGWON is already proactively implementing across its operations. In this context, the Group will focus on prioritization, operational agility and strategic responsiveness to effectively navigate the market, strengthen resilience and mitigate the impact of these external pressures.

Looking at 2026, the Group remains well-positioned to navigate the current challenging market. SONGWON's business fundamentals remain strong and its long-term strategy is on track. While closely monitoring developments and exercising financial prudence, the Group intends to continue investing in people, processes and technology to drive future growth, with initiatives such as the new OPS plant in Saudi Arabia that reinforce its forward-looking strategy. In addition, operational improvements — including strategic changes in procurement and the relocation of the US warehouse — are expected to deliver mid-to long-term efficiency gains, enhance flexibility and reduce fixed costs, enabling the organization to respond effectively to evolving market dynamics. Achieving its financial objectives, capitalizing on opportunities and securing sustainable long-term growth will remain key priorities for SONGWON going forward.