



**FINANCIAL RESULTS
Q3 & 9 MONTHS
ENDED September 30,**

2025

It's all about **the chemistry[®]**

About this report

The interim condensed consolidated financial statements including notes (refer to section 2 from page 7 to 53) according to Korean International Financial Reporting Standards (KIFRS) are reviewed and not audited by our group auditor KPMG Samjong Accounting Corp. – the review conclusion on the quarterly financial statements can be found at the beginning of section 2. The review is applicable to the three and nine months ended September 30, 2025 as well as the three and nine months ended September 30, 2024 (performed by Ernst & Young Han Young Korea).

A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing (KSA). There have been no significant changes in this approach in comparison to prior quarters and is only expanded in this paragraph for clarification to the user of the financial statements.

The interim condensed consolidated financial statements for the three and nine months ended September 30, 2025 included in this report have been prepared in accordance with KIFRS 1034 and should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have also been prepared in accordance with KIFRS. The annual financial statements for the year 2024 can be found on our website www.songwon.com.

All financials disclosed hereunder reflect consolidated numbers in million KRW where not indicated differently.

Forward-looking statements & information

This 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.

Content

SECTION 1: Business Development

Key financial data	5
Sales development	5
Business development	6
Outlook	6

SECTION 2: Interim Condensed Consolidated Financial Statements

Interim consolidated statements of financial position	8
Interim consolidated statements of comprehensive income	11
Interim consolidated statements of comprehensive incom	12
Interim consolidated statements of changes in equity	13
Interim consolidated statements of cash flows	14
Notes to the interim condensed consolidated financial statements	15

SECTION 1:

Business Development

Key financial data

For the nine months ended September 30,						
	Q3 2025	Q3 2024			2025	2024
	million KRW	million KRW	Δ%		million KRW	million KRW Δ%
Sales	258,616	285,779	-9.5%		799,777	815,052 -1.9%
Gross profit	35,189	50,203	-29.9%		114,559	134,505 -14.8%
Gross profit margin	13.6%	17.6%			14.3%	16.5%
Operating profit	5,391	22,163	-75.7%		24,920	50,710 -50.9%
EBITDA	15,373	31,608	-51.4%		55,397	79,617 -30.4%
EBITDA margin	5.9%	11.1%			6.9%	9.8%
EBIT	4,075	21,599	-81.1%		23,436	49,132 -52.3%
EBIT margin	1.6%	7.6%			2.9%	6.0%
Profit for the period	1,697	11,492	-85.2%		5,073	28,729 -82.3%
Total assets					1,168,014	1,183,436 -1.4%
Total equity					755,734	732,738 3.1%
Equity ratio					64.8%	61.9%
Headcounts					970	971 -0.1%

Sales development

Divisions

For the three months ended September 30,									
	2025	2024		2025	2024		2025	2024	
	Industrial Chemicals			Performance Chemicals					
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Sales	187,517	216,115	-13.2%	71,099	69,664	2.1%	258,616	285,779	-9.5%

For the nine months ended September 30,									
	2025	2024		2025	2024		2025	2024	
	Industrial Chemicals			Performance Chemicals					
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Sales	586,669	615,716	-4.7%	213,108	199,336	6.9%	799,777	815,052	-1.9%

Regions

For the nine months ended September 30,						
	Q3 2025	Q3 2024			2025	2024
	million KRW	million KRW	Δ%		million KRW	million KRW Δ%
Korea	42,290	45,023	-6.1%		131,354	140,120 -6.3%
Rest of Asia	79,081	83,155	-4.9%		237,542	229,084 3.7%
Europe	62,681	67,352	-6.9%		199,307	192,882 3.3%
North and South America	59,692	69,231	-13.8%		187,247	197,507 -5.2%
Australia	-	231	-100.0%		2,095	1,994 5.1%
Middle East and Africa	14,872	20,787	-28.5%		42,232	53,465 -21.0%
Total sales	258,616	285,779	-9.5%		799,777	815,052 -1.9%

Business development

In the 3rd quarter of 2025, SONGWON Industrial Group recorded consolidated sales of 258,616 million KRW compared to sales in the same quarter of the previous year of 285,779 million KRW. The Group's net profit amounted to 1,697 million KRW in Q3/2025, marking a decrease versus the net profit reported in the 3rd quarter of 2024 (11,492 million KRW). In comparison to the gross profit margin in Q3 2024 (17.6%), the gross profit margin declined to 13.6% in Q3/2025. For the nine months ended September 30th, 2025, the Group recorded sales of 799,777 million KRW, marginally lower than the same period of 2024 (YTD September 2024: 815,052 million KRW) and reported a net profit of 5,073 million KRW.

The global chemical industry remained volatile in the 3rd quarter of 2025, with the challenging market environment impacting the performance of SONGWON's Divisions. Compared with the corresponding quarter of the previous year, SONGWON's Division Industrial Chemicals recorded a drop in revenues (-13.2%) in Q3/2025 and Division Performance Chemicals saw revenues rise 2.1% during the 3rd quarter of 2025. Division Industrial Chemicals generated sales of 187,517 million KRW (Q3/2024: 216,115 million KRW) in Q3/2025, with year-to-date sales of 586,669 million KRW, down slightly from 615,716 million KRW YTD September 2024. Division Performance Chemicals recorded sales of 71,099 million KRW in Q3/2025 (Q3/2024: 69,664 million KRW) and YTD September 2025 sales totaled 213,108 million KRW, up 6.9% from 199,336 million KRW YTD September 2024.

Q3/2025 was a challenging quarter for Division Industrial Chemicals. Weak market conditions, intensified competition, high energy costs in Europe and U.S. trade measures affecting Asian markets negatively impacted performance, but these were partially offset by favorable exchange rates, improved pricing and lower raw material costs. Polymer Stabilizers recorded lower volumes in the 3rd quarter of 2025, primarily driven by weaker demand in the U.S. and the discontinuation of Hindered Amine Light Stabilizers. However, both turnover and margins remained in line with expectations, supported by higher prices, favorable exchange rates and lower manufacturing costs. For Fuel and Lubricant Additives, volumes in Q3/2025 were similar to the previous quarter, supported by stable customer demand amid challenging market conditions. Year-on-year, revenues declined slightly due to lower raw material costs applied in formula pricing and softer demand, influenced by geopolitical tensions, the implementation of U.S. tariffs and China's continued slowdown. After a strong 1HY, Coatings saw a drop in volumes and revenues, driven by weak automotive and construction sectors and ongoing intense pricing pressures across its markets.

Despite ongoing headwinds, Division Performance Chemicals delivered stable results in Q3/2025. BU Tin saw lower volumes during the 3rd quarter, due to weak demand in Japan and EMEA and intensified competition in other regions. However, revenues remained relatively strong on the back of the higher tin ingot prices, while global logistics conditions continued to pose challenges. Despite weak demand in Korea and Japan, PVC defended Songwon's market position in existing markets and pursued new opportunities, with strong development in EMEA contributing positively to overall performance. Solution Polyurethanes and Thermoplastic Polyurethanes delivered results in line with expectations in the 3rd quarter of 2025, with overseas sales compensating for weaker demand due to the ongoing recession in the Korean domestic market.

Outlook

Going into the final quarter of 2025, SONGWON anticipates the environment to remain challenging, caused by seasonal factors, weak global demand and overcapacities across the industry. Customers are expected to remain cautious and continue to place orders with shorter lead times, making it difficult to accurately forecast. With no indications of change from the market or major shifts in the geopolitical environment, SONGWON expects the 4th quarter of 2025 to show similar trends as the 3rd quarter, with the normal end-of-year inventory reductions adding to the challenges.

Looking beyond 2025, SONGWON continues preparing for future growth through strategic initiatives, including the recently announced greenfield investment in a new OPS (One Pack Systems) plant in the Kingdom of Saudi Arabia. While full-year 2025 volumes are anticipated to be slightly lower than in 2024, improvements in pricing and costs are expected to sustain turnover and the gross margin. Going forward, SONGWON remains committed to strengthening its market position and maintaining operational agility amid evolving conditions. By executing its strategic priorities and focusing on long-term value creation, the company seeks to secure continued progress and reinforce its ability to meet customer and market expectations.

SECTION 2:

Interim Condensed Consolidated Financial Statements (unaudited)

Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders of

Songwon Industrial Co., LTD.

Reviewed consolidated financial statements

We have reviewed the accompanying condensed consolidated interim financial statements of Songwon Industrial Co., LTD. and its subsidiaries (the "Group") expressed in Korean won, which comprise the condensed consolidated statement of financial position as of September 30, 2025, the condensed consolidated statements of comprehensive income for the three and nine-month periods ended September 30, 2025, changes in equity and cash flows for the nine-month period ended September 30, 2025 and notes, comprising of material accounting policy information and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No.1034 '*Interim Financial Reporting*', and for such internal control as management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above do not present fairly, in all material respects, in accordance with K-IFRS No.1034, '*Interim Financial Reporting*'.



Other matters

The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries.

The condensed consolidated interim statement of comprehensive income for the three and nine-month periods ended in September 30, 2024, changes in equity and cash flows for the nine-month period ended September 30, 2024, presented for comparative purposes, were reviewed by other auditors whose report dated November 11, 2024, stated that nothing has come to their attention that causes them to believe that the condensed consolidated interim financial statements do not present fairly, in all material respects, in accordance with the K-IFRS.

Moreover, the consolidated statement of financial position as of December 31, 2024, the related consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by other auditors in accordance with KSAs, whose report dated February 28, 2025, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position as of December 31, 2024, presented for comparative purposes, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

As described in note 34 to the condensed consolidated interim financial statements as of September 30, 2025 and for the three-month and nine-month periods ended September 30, 2025 and 2024, and the condensed consolidated statement of financial position as of December 31, 2024 have been translated into United States dollars solely for the convenience of the reader and such translation does not comply with K-IFRS. We have reviewed the translation and nothing came to our attention that cause us to believe that the condensed consolidated interim financial statements expressed in Korean won have not been translated into dollars on the basis set forth in note 34 to the condensed consolidated interim financial statements.

KPMG Samjong Accounting Corp.

Seoul, Korea

November 11, 2025

This report is effective as of November 11, 2025, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Interim consolidated statements of financial position (unaudited)¹

	Notes	As of	
		September 30, 2025	December 31, 2024
		million KRW	million KRW
ASSETS			
Current assets		660,700	654,244
Cash and cash equivalents	5, 28, 29	109,831	113,481
Trade and other receivables	6, 27, 28, 29	166,467	162,040
Other current financial assets	7, 19, 28, 29	9,416	8,665
Other current assets	8	13,748	15,506
Inventories	9	359,842	353,485
Income tax receivables	24	1,396	1,067
Non-current assets		507,314	525,949
Investments accounted for using the equity method	10, 27	9,873	9,202
Property, plant and equipment	4.2.2, 11, 21	424,982	430,699
Investment properties	4.2.2, 21	3,438	3,442
Intangible assets	4.2.2, 12	14,714	15,844
Right-of-use assets	4.2.2, 13	34,028	35,523
Other non-current financial assets	7, 27, 28, 29	8,426	12,113
Other non-current assets		3,879	11,435
Deferred tax assets	24	7,974	7,691
Total assets		1,168,014	1,180,193
EQUITY AND LIABILITIES			
Total liabilities		412,280	424,083
Current liabilities		315,908	329,649
Interest-bearing loans and borrowings	15, 20, 21, 28.3, 29	152,373	149,034
Trade and other payables	16, 27, 28.3, 29	143,452	142,364
Current lease liabilities	13, 28.3, 29	2,800	3,914
Other current financial liabilities	18, 19, 28.3, 29	3,267	3,310
Other current liabilities	4.1, 17	4,967	6,984
Income tax payable	24	9,049	24,043
Non-current liabilities		96,372	94,434
Bonds, interest-bearing loans and borrowings	15, 21, 28.3, 29	-	2,250
Pension liability		5,437	4,575
Other long-term employee-related liabilities		19,214	14,650
Non-current lease liabilities	13, 28.3, 29	32,829	31,991
Other non-current financial liabilities	18, 28.3, 29	2,188	1,471
Other non-current liabilities		360	374
Deferred tax liabilities	24	36,344	39,123
Equity		755,734	756,110
<i>Non-controlling interests</i>		-	-
<i>Equity attributable to owners of the parent</i>		<i>755,734</i>	<i>756,110</i>
Issued capital		12,000	12,000
Capital surplus		20,482	20,482
Reserves	14.1	31,623	30,903
Retained earnings	14.1	669,073	669,322
Other components of equity	14.2	22,556	23,403
Total equity and liabilities		1,168,014	1,180,193

¹ Refer to Note 34 for supplementary information in USD.

Interim consolidated statements of comprehensive income (unaudited)²

		For the three months ended September 30,	
		2025	2024
	Notes	million KRW	million KRW
Sales	4, 27	258,616	285,779
Cost of sales	27	-223,427	-235,576
Gross profit		35,189	50,203
Selling and administration costs	22, 27	-29,798	-28,040
Operating profit		5,391	22,163
Other income		260	783
Other expenses		-1,576	-1,347
Share of result from investments accounted for using the equity method	10	236	248
Finance income	23.1	3,783	7,002
Finance expenses	23.2	-3,453	-11,279
Profit before tax		4,641	17,570
Income tax expenses	24	-2,944	-6,078
Profit for the period		1,697	11,492
Other comprehensive income, net of taxes			
<i>Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>		<i>5,583</i>	<i>-5,767</i>
Exchange differences on translation of foreign operations	14	5,583	-5,767
<i>Net other comprehensive income (loss) not to be reclassified to profit or loss</i>		<i>3,014</i>	<i>-631</i>
Re-measurement gain (loss) on defined benefit plans	14	3,014	-631
Total other comprehensive income (loss), net of taxes		8,597	-6,398
Total comprehensive income		10,294	5,094
Profit for the period attributable to:			
Owners of the parent	25	1,697	11,492
Non-controlling interests		-	-
Profit for the period		1,697	11,492
Total comprehensive income attributable to:			
Owners of the parent		10,294	5,094
Non-controlling interests		-	-
Total comprehensive income		10,294	5,094
Earnings per share		KRW	KRW
Basic / diluted, profit for the period attributable to ordinary equity holders of the parent	25	71	479

² Refer to Note 34 for supplementary information in USD.

Interim consolidated statements of comprehensive income (unaudited)³

		For the nine months ended September 30,	
		2025	2024
	Notes	million KRW	million KRW
Sales	4, 27	799,777	815,052
Cost of sales	27	-685,218	-680,547
Gross profit		114,559	134,505
Selling and administration costs	22, 27	-89,639	-83,795
Operating profit		24,920	50,710
Other income		1,111	1,998
Other expenses		-2,595	-3,576
Share of result from investments accounted for using the equity method	10	768	837
Finance income	23.1	25,890	29,409
Finance expenses	23.2	-37,363	-34,382
Profit before tax		12,731	44,996
Income tax expenses	24	-7,658	-16,267
Profit for the period		5,073	28,729
Other comprehensive income, net of taxes			
<i>Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>		-848	4,285
Exchange differences on translation of foreign operations	14	-848	4,285
<i>Net other comprehensive income not to be reclassified to profit or loss</i>		2,599	132
Gains on valuation of financial assets at FVOCI	14	1	-
Re-measurement gains on defined benefit plans	14	2,598	132
Total other comprehensive income, net of taxes		1,751	4,417
Total comprehensive income		6,824	33,146
Profit for the period attributable to:			
Owners of the parent	25	5,073	28,729
Non-controlling interests		-	-
Profit for the period		5,073	28,729
Total comprehensive income attributable to:			
Owners of the parent		6,824	33,146
Non-controlling interests		-	-
Total comprehensive income		6,824	33,146
Earnings per share		KRW	KRW
Basic / diluted, profit for the period attributable to ordinary equity holders of the parent	25	211	1,197

³ Refer to Note 34 for supplementary information in USD.

Interim consolidated statements of changes in equity (unaudited)⁴

For the nine months ended September 30, 2024 and 2025

Attributable to owners of the parent								Non-controlling interests	Total equity
Issued capital	Capital surplus	Reserves	Retained earnings	Other components of equity		Total			
				Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve				
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
As of January 1, 2024	12,000	20,482	30,303	638,217	-701	5,291	705,592	-	705,592
Profit for the period	-	-	-	28,729	-	-	28,729	-	28,729
Other comprehensive income	-	-	-	132	-	4,285	4,417	-	4,417
Total comprehensive income	-	-	-	28,861	-	4,285	33,146	-	33,146
Dividends	-	-	-	-6,000	-	-	-6,000	-	-6,000
Appropriation to reserves	-	-	600	-600	-	-	-	-	-
As of September 30, 2024	12,000	20,482	30,903	660,478	-701	9,576	732,738	-	732,738
As of January 1, 2025	12,000	20,482	30,903	669,322	-701	24,104	756,110	-	756,110
Profit for the period	-	-	-	5,073	-	-	5,073	-	5,073
Other comprehensive income	-	-	-	2,598	1	-848	1,751	-	1,751
Total comprehensive income	-	-	-	7,671	1	-848	6,824	-	6,824
Dividends	-	-	-	-7,200	-	-	-7,200	-	-7,200
Appropriation to reserves	-	-	720	-720	-	-	-	-	-
As of September 30, 2025	12,000	20,482	31,623	669,073	-700	23,256	755,734	-	755,734

⁴ Refer to Note 34 for supplementary information in USD.

Interim consolidated statements of cash flows (unaudited)⁵

		For the nine months ended September 30,	
		2025	2024
	Notes	million KRW	million KRW
Profit for the period		5,073	28,729
Total adjustments	26	60,230	51,031
Changes in operating assets and liabilities	26	-5,589	-18,563
Interest received		1,244	1,758
Payments of income tax		-26,486	-4,633
Net cash flows provided by operating activities		34,472	58,322
Proceeds from sale of property, plant and equipment	11	27	5
Purchases of property, plant and equipment	11	-23,533	-20,283
Purchases of intangible assets	12	-458	-1,896
Dividends received from investments using equity method		-	549
(Purchases) / proceeds from sale of other financial assets, net	7	761	773
Net cash flows used in investing activities		-23,203	-20,852
Proceeds from borrowings	15	206,911	239,962
Repayments of borrowings	15	-206,841	-232,850
Payment of lease liabilities	13	-3,741	-2,611
Proceeds from / (repayments of) other financial liabilities, net	18	815	-1,196
Interest paid		-4,488	-4,808
Dividends paid		-7,200	-6,000
Net cash flows used in financing activities		-14,544	-7,503
(Decrease) / increase in cash and cash equivalents		-3,275	29,967
Net foreign exchange differences		-375	-2,792
Cash and cash equivalents as of January 1	5	113,481	98,584
Cash and cash equivalents as of September 30	5	109,831	125,759

⁵ Refer to Note 34 for supplementary information in USD.

Notes to the interim condensed consolidated financial statements

1. Corporate information

1.1. The Group

SONGWON Industrial Group (the "Group") consists of the parent company, Songwon Industrial Co., Ltd. (the "Company") and its consolidated subsidiaries as listed below. The Company was incorporated on December 15, 1965, under the law of the Republic of Korea to engage in the manufacture and commercial sale of polymer stabilizers, tin intermediates, PVC stabilizers and specialty chemicals, among others. The Company's main manufacturing plants are located in Korea in Ulsan, Maeam, Suwon and in India in Ankleshwar. The address of the registered office (Songwon Industrial Co., Ltd.) can be found at the end of the annual report.

The Company has listed its common shares on the Korea Exchange since June 1977, pursuant to the Korean Securities and Exchange Act.

Scope of consolidation

As of September 30, 2025, the scope of consolidation for the consolidated financial statements encompasses 14 entities (2024: 14 entities). Additionally, one entity is classified as a joint venture (2024: one entity) and accounted for using the equity method.

During the nine months ended September 30, 2025 and the year ended December 31, 2024, no changes in the legal structure of the Group and scope of consolidation took place.

The consolidated financial statements include the financial statements of the Company and of the subsidiaries listed in the following table. The table also includes the joint venture which is accounted for using the equity method.

		September 30, 2025		December 31, 2024	
Name	Location	Status	Interest	Status	Interest
Consolidated entities					
Songwon Industrial Co., Ltd.	Korea	Parent		Parent	
Songwon International-Japan K.K.	Japan	Subsidiary	100%	Subsidiary	100%
Songwon Specialty Chemicals-India Pvt. Ltd.	India	Subsidiary	100%	Subsidiary	100%
Songwon International-Americas Inc.	USA	Subsidiary	100%	Subsidiary	100%
Songwon International AG	Switzerland	Subsidiary	100%	Subsidiary	100%
Songwon Group Holding AG	Switzerland	Subsidiary	100%	Subsidiary	100%
Songwon Management AG	Switzerland	Subsidiary	100%	Subsidiary	100%
Songwon ATG GmbH	Germany	Subsidiary	100%	Subsidiary	100%
Songwon Europe GmbH	Germany	Subsidiary	100%	Subsidiary	100%
Songwon Chemicals GmbH	Germany	Subsidiary	100%	Subsidiary	100%
Songwon Trading GmbH	Germany	Subsidiary	100%	Subsidiary	100%
Songwon International-Qingdao Co., Ltd.	China	Subsidiary	100%	Subsidiary	100%
Songwon International Middle East FZE	UAE	Subsidiary	100%	Subsidiary	100%
Songwon Polysys Additives-Sole Proprietorship LLC	UAE	Subsidiary	100%	Subsidiary	100%
Entity accounted for using the equity method (joint venture)					
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	China	Joint venture	30%	Joint venture	30%

2. Basis of preparation

The interim condensed consolidated financial statements for the three and nine months ended September 30, 2025 have been prepared in accordance with KIFRS 1034 – *Interim Financial Reporting* enacted by the *Act on External Audit of Stock Companies*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2024.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain items such as financial instruments. The financial statements are presented in Korean Won (KRW) and all values are rounded to the nearest million (000,000), except when otherwise indicated.

The Group maintains its official accounting records in Korean Won. The accompanying interim condensed consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in the interpretation of the financial statements or the independent auditor's review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

3. Material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2024, except for the following:

Amendments to KIFRS 1021 – Lack of exchangeability: these amendments require entities to apply a consistent approach in assessing currency exchangeability and determining exchange rates.

These amendments do not have a material impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. Segment information

The Group is organized into two main reporting segments "Industrial Chemicals" and "Performance Chemicals". The segments are defined based on SONGWON's product portfolio and its respective product families.

- **Industrial Chemicals**
Industrial Chemicals operating segment mainly includes the product lines "Polymer Stabilizers", "Fuel and Lubricant Additives" and "Coatings".
- **Performance Chemicals**
Performance Chemicals operating segment mainly includes the product lines "Thermoplastic Polyurethanes / Solution Polyurethanes", "Tin Intermediates / PVC Stabilizers and Plasticizers" and "Specialty Chemicals".

The Chief Operating Decision Makers (CODM) at SONGWON, leaders of respective divisions, monitor the sales and operating profits or losses of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. However, certain income and expense positions such as other income / expenses, finance income / expenses and income tax expenses are managed on a Group basis and therefore not allocated to operating segments. The Group does not disclose a measure of total assets and liabilities for each reportable segment as such amounts are not reported to the CODM.

There are no inter-company transactions between the two operating segments.

4.1. Reported key figures

The following key figures are presented each month to the CODM. For the segment reporting, the same accounting policies and methods of computation as applied in the most recent annual financial statement are used.

For the three months ended September 30, 2025						
	2025	2024	2025	2024	2025	2024
	Industrial Chemicals		Performance Chemicals		Total	
Description	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Sales	187,517	216,115	71,099	69,664	258,616	285,779
Operating profit	6,013	17,845	-622	4,318	5,391	22,163

For the nine months ended September 30, 2025						
	2025	2024	2025	2024	2025	2024
	Industrial Chemicals		Performance Chemicals		Total	
Description	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Sales	586,669	615,716	213,108	199,336	799,777	815,052
Operating profit	23,328	43,526	1,592	7,184	24,920	50,710

As of September 30, 2025, the balance of contract liabilities not recognized as sales at the end of the reporting period amounted to 3,881 million KRW (operating advances: 2,340 million KRW, deferred sales: 1,541 million KRW). As of December 31, 2024, the balance of contract liabilities not recognized as sales was 4,610 million KRW (operating advances: 2,734 million KRW, deferred sales: 1,876 million KRW).

4.2. Geographic information

4.2.1. Sales

The sales information below is based on the location of the customer. Korea is disclosed separately due to the size of the Korean market whereas all other countries have been summarized into regions. Therefore, no other country's revenues are disclosed separately.

	For the three months ended	
	September 30,	
	2025	2024
	million KRW	million KRW
Korea	42,290	45,023
Rest of Asia	79,081	83,155
Europe	62,681	67,352
North and South America	59,692	69,231
Australia	-	231
Middle East and Africa	14,872	20,787
Total sales	258,616	285,779

	For the nine months ended	
	September 30,	
	2025	2024
	million KRW	million KRW
Korea	131,354	140,120
Rest of Asia	237,542	229,084
Europe	199,307	192,882
North and South America	187,247	197,507
Australia	2,095	1,994
Middle East and Africa	42,232	53,465
Total sales	799,777	815,052

During the reporting period as of September 30, 2025, there is one customer referring to the reporting segment "Industrial Chemicals" that accounted for more than 10% of the Group's total sales with the total amount of revenues of 34,433 million KRW during three months as of September 30, 2025 (during three months as of September 30, 2024: 38,908 million KRW) and with the total amount of revenues of 111,028 million KRW during nine months as of September 30, 2025 (during nine months as of September 30, 2024: 98,102 million KRW).

4.2.2. Non-current assets

Non-current assets information presented below consists of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

	As of	
	September 30, 2025	December 31, 2024
	million KRW	million KRW
Korea	385,844	401,686
Rest of Asia	22,644	24,374
Europe	7,102	7,161
North and South America	42,700	31,885
Middle East and Africa	18,872	20,402
Total	477,162	485,508

5. Cash and cash equivalents

Description	September 30, 2025	December 31, 2024
	million KRW	million KRW
Cash on hand	63	76
Bank accounts	66,270	69,349
Time deposits (< 3 months)	43,498	44,056
Total	109,831	113,481

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for various periods from one day to three months, depending on the Group's immediate cash requirements, and earn interest at the respective short-term deposit rates.

As of September 30, 2025, time deposits included restricted cash of 152 million KRW (December 31, 2024: 143 million KRW).

6. Trade and other receivables

Description	September 30, 2025	December 31, 2024
	million KRW	million KRW
Trade and notes receivables	162,804	158,663
Allowances for trade and notes receivables	-1,228	-1,201
Other accounts receivables	4,767	4,445
Allowances for other accounts receivables	-7	-7
Accrued income	131	140
Total	166,467	162,040

Other accounts receivables include customs duty refunds, rental income receivables and others.

The ageing analysis of trade and other receivables is as follows:

	Total	Current	Days past due			
			≤ 90	91-120	121-180	> 180
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
September 30, 2025	167,702	128,735	37,921	166	15	865
December 31, 2024	163,248	155,802	6,858	-	-	588

Refer to note 28.2 on credit risk of trade receivables, which describes how the Group manages and measures credit quality of trade receivables that are neither past due, nor impaired.

7. Other financial assets

Description	September 30, 2025		December 31, 2024	
	Current	Non-Current	Current	Non-Current
	million KRW		million KRW	
Financial instruments at amortized cost (bank deposit)	1,333	660	2,705	684
Financial instruments at FVtPL	7,419	5,925	2,541	9,953
Derivative assets at FVtPL (note 19)	55	-	2,606	-
Guarantee and other deposits at amortized cost	609	1,808	813	1,443
Guarantee and other deposits at amortized cost (related parties) (note 27)	-	33	-	33
Total	9,416	8,426	8,665	12,113

As of September 30, 2025, financial instruments at amortized cost included restricted cash of 5 million KRW (December 31, 2024: 5 million KRW) as well as pledged bank deposits of 1,463 million KRW (December 31, 2024: 1,601 million KRW).

8. Other current assets

Description	September 30, 2025	December 31, 2024
	million KRW	million KRW
Advance payments	751	1,085
Prepaid expenses	3,968	5,573
VAT receivable	9,029	8,848
Total	13,748	15,506

9. Inventories

Description	September 30, 2025			December 31, 2024		
	Acquisition	Allowance	Net Value	Acquisition	Allowance	Net Value
	million KRW			million KRW		
Raw materials and supplies	68,599	-479	68,120	63,503	-742	62,761
Work in progress	635	-36	599	1,184	-34	1,150
Finished and semi-finished goods	212,718	-6,353	206,365	217,704	-7,316	210,388
Goods in transit	81,561	-	81,561	76,711	-	76,711
Consignment stocks	3,197	-	3,197	2,475	-	2,475
Total inventories at the lower of cost and net realizable value	366,710	-6,868	359,842	361,577	-8,092	353,485

As of September 30, 2025, allowance for valuation of inventory amounted to 6,868 million KRW for raw materials, finished and semi-finished goods (December 31, 2024: 8,092 million KRW). During the nine months ended September 30, 2025, the Group recognized a loss on valuation of inventory of 1,612 million KRW (for the nine months ended September 30, 2024: 4,047 million KRW) and reversed the loss on valuation of inventory recognized in prior periods of 2,836 million KRW (for the nine months ended September 30, 2024: 3,996 million KRW).

For the nine months ended September 30, 2025, the Group recognized impairment losses of 1,716 million KRW within inventories (for the nine months ended September 30, 2024: 913 million KRW).

10. Investment accounted for using the equity method

The summarized statements of financial position and comprehensive income of the joint venture (accounted for using the equity method) are as follows:

Statement of financial position	Cash and cash equivalents	Total current assets	Total non-current assets	Current financial liabilities	Total current liabilities	Non-current financial liabilities	Total non-current liabilities	Equity	Carrying amount
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KaRW
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	1,951	13,354	20,966	2,856	3,601	-	45	30,674	9,202
December 31, 2024	1,951	13,354	20,966	2,856	3,601	-	45	30,674	9,202
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	2,664	13,291	23,286	3,317	3,621	-	47	32,909	9,873
September 30, 2025	2,664	13,291	23,286	3,317	3,621	-	47	32,909	9,873

Statement of comprehensive income	Revenue	Depreciation & Amortization	Interest income	Interest expense	Profit before tax	Income tax expenses	Profit for the period	Other comp. income	Total comp. income
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	9,670	-54	20	-1	1,106	-277	829	-113	716
For the three months ended September 30, 2024	9,670	-54	20	-1	1,106	-277	829	-113	716
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	11,910	-54	-	-4	1,051	-263	788	677	1,465
For the three months ended September 30, 2025	11,910	-54	-	-4	1,051	-263	788	677	1,465

Statement of comprehensive income	Revenue	Depreciation & Amortization	Interest income	Interest expense	Profit before tax	Income tax expenses	Profit for the period	Other comp. income	Total comp. income
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	28,738	-152	110	-2	3,722	-931	2,791	367	3,158
For the nine months ended September 30, 2024	28,738	-152	110	-2	3,722	-931	2,791	367	3,158
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	36,924	-163	1	-16	3,415	-854	2,561	-323	2,238
For the nine months ended September 30, 2025	36,924	-163	1	-16	3,415	-854	2,561	-323	2,238

The changes in the investments accounted for using the equity method are summarized as follows:

	As of January 1, 2024	Dividends	Share of result from equity method revaluation	Exchange rate effects	As of September 30, 2024
	million KRW	million KRW	million KRW	million KRW	million KRW
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	8,131	-549	837	110	8,529
Total	8,131	-549	837	110	8,529

	As of January 1, 2025	Dividends	Share of result from equity method revaluation	Exchange rate effects	As of September 30, 2025
	million KRW	million KRW	million KRW	million KRW	million KRW
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	9,202	-	768	-97	9,873
Total	9,202	-	768	-97	9,873

11. Property, plant and equipment

	Land	Buildings	Structures	Machinery	Other	Construction in progress	Total
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Acquisition cost							
As of January 1, 2024	149,656	102,965	79,202	523,539	19,691	7,615	882,668
Additions	-	185	385	1,192	515	15,732	18,009
Disposals	-	-136	-409	-5,153	-544	-	-6,242
Reclassifications	-	452	147	10,626	964	-12,238	-49
Net exchange differences	-	476	-	809	124	5	1,414
As of September 30, 2024	149,656	103,942	79,325	531,013	20,750	11,114	895,800
As of January 1, 2025	149,656	106,737	84,684	539,917	21,061	7,797	909,852
Additions	-	297	129	1,573	305	20,702	23,006
Disposals	-	-42	-172	-2,773	-384	-	-3,371
Reclassifications	-	117	165	7,244	1,215	-8,741	-
Net exchange differences	-	-1,491	-	-1,867	-175	-249	-3,782
As of September 30, 2025	149,656	105,618	84,806	544,094	22,022	19,509	925,705
Accumulated depreciation and impairment							
As of January 1, 2024	-	-36,956	-50,437	-344,529	-15,425	-	-447,347
Depreciation charge	-	-2,693	-3,148	-18,716	-1,078	-	-25,635
Disposals	-	50	315	4,051	534	-	4,950
Net exchange differences	-	-106	-	-400	-82	-	-588
As of September 30, 2024	-	-39,705	-53,270	-359,594	-16,051	-	-468,620
As of January 1, 2025	-	-41,329	-54,367	-367,009	-16,448	-	-479,153
Depreciation charge	-	-2,648	-3,242	-18,967	-907	-	-25,764
Disposals	-	12	137	2,516	383	-	3,048
Net exchange differences	-	398	-	679	69	-	1,146
As of September 30, 2025	-	-43,567	-57,472	-382,781	-16,903	-	-500,723
Net book value							
As of September 30, 2025	149,656	62,051	27,334	161,313	5,119	19,509	424,982
As of January 1, 2025	149,656	65,408	30,317	172,908	4,613	7,797	430,699
As of September 30, 2024	149,656	64,237	26,055	171,419	4,699	11,114	427,180

During the nine months ended September 30, 2025, non-cash transactions decreased by 519 million KRW (for the nine months ended September 30, 2024: decreased by 2,274 million KRW). Accounts payables relating to non-cash transactions amounted to 7,872 million KRW as of September 30, 2025 (December 31, 2024: 8,391 million KRW).

No impairment was recognized on property, plant and equipment for the nine months ended September 30, 2025 (for the nine months ended September 30, 2024: none).

During the nine months ended September 30, 2025, no borrowing cost was capitalized in property, plant and equipment (for the nine months ended September 30, 2024: none).

12. Intangible assets

	Industrial rights	Software	Memberships	Goodwill	Construction in progress	Total
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Acquisition cost						
As of January 1, 2024	8,050	3,861	831	46,902	6,722	66,366
Additions	-	1,599	-	-	297	1,896
Disposals	-	-17	-	-	-	-17
Reclassifications	148	6,387	-	-	-6,535	-
Net exchange differences	-	31	-	1,011	-	1,042
As of September 30, 2024	8,198	11,861	831	47,913	484	69,287
As of January 1, 2025	8,581	11,949	831	52,363	509	74,233
Additions	72	-	-	-	386	458
Disposals	-	-5	-	-	-119	-124
Reclassifications	197	-	-	-	-197	-
Net exchange differences	-	2	-	-1,637	-	-1,635
As of September 30, 2025	8,850	11,946	831	50,726	579	72,932
Accumulated amortization and impairment						
As of January 1, 2024	-4,692	-3,179	-	-43,706	-	-51,577
Amortization charge	-476	-737	-	-	-	-1,213
Disposals	-	17	-	-	-	17
Net exchange differences	-	-31	-	-970	-	-1,001
As of September 30, 2024	-5,168	-3,930	-	-44,676	-	-53,774
As of January 1, 2025	-5,334	-4,222	-	-48,833	-	-58,389
Amortization charge	-464	-721	-	-	-	-1,185
Disposals	-	5	-	-	-	5
Net exchange differences	-	-3	-	1,354	-	1,351
As of September 30, 2025	-5,798	-4,941	-	-47,479	-	-58,218
Net book value						
As of September 30, 2025	3,052	7,005	831	3,247	579	14,714
As of January 1, 2025	3,247	7,727	831	3,530	509	15,844
As of September 30, 2024	3,030	7,931	831	3,237	484	15,513

Intangible assets with a definite useful life are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. No impairment was recognized on intangible assets for the nine months ended September 30, 2025 (for the nine months ended September 30, 2024: none). Intangible assets with indefinite useful lives are tested for impairment on an annual basis as of December 31. No triggering events occurred during the nine months ended September 30, 2025 and 2024.

13. Right-of-use assets and leases

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Right-of-use assets - buildings	Right-of-use assets - structures	Right-of-use assets - machinery	Right-of-use assets - other	Total
	million KRW	million KRW	million KRW	million KRW	million KRW
Acquisition cost					
As of January 1, 2024	24,634	673	1,501	1,688	28,496
Additions	19,191	80	-	276	19,547
Disposals	-260	-136	-	-	-396
Modification of contract, net	323	165	-	-17	471
Net exchange differences	373	-	25	36	434
As of September 30, 2024	44,261	782	1,526	1,983	48,552
As of January 1, 2025	44,003	676	1,677	2,997	49,353
Additions	10	245	-	956	1,211
Disposals	-34	-245	-	-	-279
Modification of contract, net	-3,262	2	-	-1	-3,261
Net exchange differences	-561	-1	-115	4	-673
As of September 30, 2025	40,156	677	1,562	3,956	46,351
Accumulated depreciation and impairment					
As of January 1, 2024	-8,178	-183	-676	-1,080	-10,117
Depreciation charge	-1,483	-493	-121	-242	-2,339
Disposals	260	136	-	-	396
Modification of contract, net	-	-	-	12	12
Net exchange differences	-179	-	-9	-29	-217
As of September 30, 2024	-9,580	-540	-806	-1,339	-12,265
As of January 1, 2025	-11,187	-189	-930	-1,524	-13,830
Depreciation charge	-2,352	-493	-124	-425	-3,394
Disposals	34	245	-	-	279
Modification of contract, net	4,629	-	-	-	4,629
Net exchange differences	-40	1	65	-33	-7
As of September 30, 2025	-8,916	-436	-989	-1,982	-12,323
Net book value					
As of September 30, 2025	31,240	241	573	1,974	34,028
As of January 1, 2025	32,816	487	747	1,473	35,523
As of September 30, 2024	34,681	242	720	644	36,287

The Group recognized rent expenses from short-term leases of 205 million KRW (September 30, 2024: 141 million KRW), leases of low-value assets of 63 million KRW (September 30, 2024: 60 million KRW) and variable lease payments of 41 million KRW (September 30, 2024: 28 million KRW) in the interim condensed consolidated statements

of comprehensive income for the nine months ended September 30, 2025.

No impairment was recognized on right-of-use assets for the nine months ended September 30, 2025 (for the nine months ended September 30, 2024: none).

During the nine-month period ended September 30, 2025, two significant reassessments of building lease terms were conducted. These resulted in a net decrease of the right-of-use assets and corresponding lease liabilities by KRW 6,468 million, and a separate increase of both by KRW 5,000 million. All other lease modifications and reassessments during the period were not material (for the nine months ended September 30, 2024: no material modifications or reassessments).

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025	2024
Description	million KRW	million KRW
As of January 1	35,905	18,444
Additions	1,211	19,547
Modifications	1,368	483
Net exchange differences	-4	224
Accretion of interest	890	556
Payments	-3,741	-2,611
As of September 30	35,629	36,643

14. Equity

14.1. Reserves and dividends paid

At the regular general meeting of shareholders held on March 21, 2025, dividends with the total amount of 7,200 million KRW were approved by the shareholders. Legal reserves increased by 720 million KRW due to the appropriation to the reserve approved by the shareholders on March 21, 2025.

14.2. Accumulated other comprehensive income

Accumulated other comprehensive income, net of tax as of September 30, 2025 and December 31, 2024 is composed of the following:

	September 30, 2025	December 31, 2024
Description	million KRW	million KRW
Re-measurement of defined benefit plans	-15,534	-18,132
OCI recognized within retained earnings	-15,534	-18,132
Fair value reserve of financial assets at FVOCI	-700	-701
Foreign currency translation reserve	23,256	24,104
OCI recognized within other components of equity	22,556	23,403

15. Bonds, interest-bearing loans and borrowings

Bonds, interest-bearing loans and borrowings as of September 30, 2025 and December 31, 2024 are as follows:

Description	September 30, 2025	December 31, 2024
	million KRW	million KRW
Long-term borrowings	-	2,250
Non-current interest-bearing loans and borrowings	-	2,250
Current portion of long-term borrowings	3,000	3,000
Short-term borrowings	149,373	146,034
Current interest-bearing loans and borrowings	152,373	149,034
Total	152,373	151,284

16. Trade and other payables

Description	September 30, 2025	December 31, 2024
	million KRW	million KRW
Trade payables	109,637	108,976
Trade payables (related parties) (note 27)	2,448	2,601
Other accounts payables	3,252	2,160
Other accounts payables (related parties) (note 27)	7	7
Withholdings	1,223	2,058
Accrued expenses	26,882	26,544
Guarantee deposits	3	18
Total	143,452	142,364

Trade and other payables do not bear interest and usually become due within 30-60 days.

17. Emission rights and emission liabilities

Details of annual quantity of allocated emission allowances as of September 30, 2025 are as follows (Unit: Korean Allowance Unit - KAU):

	2025	2024	2023	2022	2021	Total
Allocated emission allowance	137,574	137,574	138,875	138,875	138,875	691,773

Estimated greenhouse gas emissions 2025: 134,797 KAU.

Changes in emission rights by compliance year as of September 30, 2026 are:

Description	KAU25		KAU24		KAU23	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
	KAU	million KRW	KAU	million KRW	KAU	million KRW
Beginning balance	3,136	-	9,844	-	3,063	27
Allocation	137,574	-	137,574	-	138,875	-
Disposal	-	-	-628*	-	-3,282	-27
Delivery to government	-	-	-143,654	-	-128,812	-
Carryforward	-	-	-3,136	-	-9,844	-
Available balance	140,710	-	-	-	-	-

* During the nine months ended September 30, 2025, the Group sold 628 units from its KAU24 balance.

There are no emission rights provided as collateral as of September 30, 2025.

Set out below are the carrying amount of emission liabilities recognized and movements during the period:

	2025	2024
Description	million KRW	million KRW
As of January 1	-	-
Increase	-	93
Decrease	-	-
As of September 30	-	93

Estimated greenhouse gas emissions in 2025 are 137,797 KAU.

Allocated greenhouse gas emissions free of charge in 2025 are 137,574 KAU.

18. Other financial liabilities

Other financial liabilities as of September 30, 2025 and December 31, 2024 are as follows:

Description	September 30, 2025		December 31, 2024	
	Current	Non-Current	Current	Non-Current
	million KRW		million KRW	
Derivative liabilities (note 19)	1,618	-	1,515	-
Deposits	1,402	1,403	1,471	1,471
Accrued interest expenses	247	-	324	-
Long-term other accounts payables	-	785	-	-
Total	3,267	2,188	3,310	1,471

19. Derivative financial instruments

Description	September 30, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
	million KRW		million KRW	
Forward exchange contracts (current portion)	2	1,618	-	1,515
Currency swaps (current portion)	53	-	2,606	-
Total	55	1,618	2,606	1,515

19.1. Forward exchange contracts

Details of forward exchange contracts which the Group entered into with financial institutions in order to hedge the risk of foreign exchange rate fluctuation of assets denominated in foreign currencies as of September 30, 2025 and December 31, 2024 are as follows:

As of September 30, 2025

Contractual party	Position	Contract amount	Maturity dates	Contractual exchange rate
WOORI BANK	Sell	EUR 15,980,000	31.10.2025 ~ 30.06.2026	KRW 1,551.10 ~ 1,670.60
WOORI BANK	Sell	JPY 832,500,000	31.10.2025 ~ 30.06.2026	KRW 9.802 ~ 9.879
CITI BANK	Sell	EUR 22,540,000	31.10.2025 ~ 30.06.2026	KRW 1,551.00 ~ 1,670.40
CITI BANK	Sell	JPY 832,500,000	31.10.2025 ~ 30.06.2026	KRW 9.791 ~ 9.870
BUSAN BANK	Sell	EUR 3,240,000	31.10.2025 ~ 31.03.2026	KRW 1,579.00
UBS	Sell	USD 1,000,000	22.10.2025	CHF 0.7903
UBS	Sell	USD 1,000,000	21.11.2025	CHF 0.7940
UBS	Sell	USD 1,000,000	22.12.2025	CHF 0.7901

As of December 31, 2024

Contractual party	Position	Contract amount	Maturity dates	Contractual exchange rate
Woori Bank	Sell	EUR 21,150,000	31.01.2025 – 30.06.2025	KRW 1,459.40 ~ 1,517.20
Citibank Korea	Sell	EUR 12,950,000	13.01.2025 – 30.06.2025	KRW 1,459.30 ~ 1,504.00
Busan Bank	Sell	EUR 4,840,000	27.01.2025 – 30.05.2025	KRW 1,459.80 ~ 1,499.00

19.2. Currency swaps

To hedge the exchange rate risks, the Group has entered into the following currency swap contracts as of September 30, 2025 and December 31, 2024:

As of September 30, 2025

Contractual party	Target	Contract amount	Interest condition	Contract date	Maturity date
Citibank Korea	Short-term borrowing	Receipt: 10,000 TUSD	USD SOFR + 0.8%	23.09.2025	23.09.2026
		Payment: 13,948 MKRW	KRW 3M CD + 0.8%		
Hana Bank	Short-term borrowing	Receipt: 10,000 TUSD	USD 3M SOFR + 1.0%	23.09.2025	23.09.2026
		Payment: 13,948 MKRW	KRW 3M CD + 0.8%		

As of December 31, 2024

Contractual party	Target	Contract amount	Interest condition	Contract date	Maturity date
Citibank Korea	Short-term borrowing	Receipt: 10,000 TUSD	USD SOFR + 0.8%	24.09.2024	23.09.2025
		Payment: 13,360 MKRW	KRW 3M CD + 0.8%		
Hana Bank	Short-term borrowing	Receipt: 10,000 TUSD	USD 3M SOFR + 1.0%	24.09.2024	23.09.2025
		Payment: 13,370 MKRW	KRW 3M CD + 0.8%		

20. Contingencies and commitments

20.1. Contingent liability

There are no current proceedings of lawsuits, claims, investigations and negotiations in relation to the product liability, mercantile law, environmental protection, health and safety etc., which could have a significant impact on the business operations and on the Group's consolidated financial position or income. Contingent liabilities in the Group are related to tax appeals of 632 million KRW (December 2024: 664 million KRW). As of September 30, 2025 and 31 December 2024, there were no customer complaints concerning the quality of a SONGWON product.

20.2. Other lease commitments

The Group has entered into short-term and low-value leases on certain buildings, vehicles, furniture and fixture. The lease periods for low-value leases are below 5 years. There are no restrictions placed upon the Group by entering into these leases. Future minimum short-term and low-value lease payments as of September 30, 2025 and December 31, 2024 are as follows:

Description	September 30, 2025	December 31, 2024
	million KRW	million KRW
Short-term lease commitments		
Within one year	-2	-2
<i>Total short-term lease commitments</i>	-2	-2
Low-value lease commitments		
Within one year	-45	-53
After one year but not more than five years	-14	-12
<i>Total low-value lease commitments</i>	-59	-65
Total	-61	-67

20.3. Other commitments

As part of the ordinary business activities, the Group enters into various contractual commitments for the purchase of inventories, property, plant and equipment, intangible assets and investment properties. As of September 30, 2025, the Group entered into commitments to purchase property, plant and equipment, as well as raw materials amounting to 7,192 million KRW (December 31, 2024: 6,332 million KRW).

Details of the Group's available short-term credit line facilities (excluding general loans) as of September 30, 2025 are as follows:

Description	Currency	Credit limit	Used	Unused
USANCE and L/C for import	thousand USD	16,100	3,713	12,387
D/A and D/P	thousand USD	104,000	29,996	74,004
	million KRW	12,000	7,268	4,732
Trade loans	million KRW	19,000	-	19,000
Secured loan of credit sales	million KRW	9,000	1,464	7,536
Other foreign currency guarantees	thousand USD	8,750	1,755	6,995
Total million KRW		40,000	8,732	31,268
Total thousand USD		128,850	35,464	93,386

No other items of property, plant and equipment and investment property are pledged as collateral for interest-bearing loans and borrowings as of September 30, 2025 and December 31, 2024.

Payment guarantee to Seoul Guarantee Insurance Company

As of September 30, 2025, the Group held a deposit guarantee of KRW 237 million in relation to the potential repayment of government subsidies received under the greenhouse gas energy reduction project for companies participating in the emissions trading system, covering the period from April 2025 to the end of December 2025.

As of December 31, 2024, the Group held deposit guarantees totaling KRW 562 million, comprising KRW 62 million for the period from May 2024 to the end of March 2025 and KRW 500 million for the period from November 2023 to the beginning of March 2025.

21. Assets pledged as collateral and guarantees

Details of property, plant and equipment and investment property pledged by the Group as collateral for interest-bearing loans and borrowings as of September 30, 2025 and December 31, 2024, presented in the maximum pledge amount, are as follows:

Pledged to	Pledged assets		September 30, 2025	December 31, 2024
<i>Property, plant and equipment</i>				
<i>(Joint collateral in connection with long-term loan)</i>				
Busan Bank	Land, buildings and machinery	million KRW	30,000	30,000
Kyongnam Bank	Land, buildings and machinery	million KRW	18,000	18,000
<i>Property, plant and equipment and investment property</i>				
<i>(Collateral for other than long-term loan)</i>				
Woori Bank	Land, buildings and machinery	million KRW	120,000	120,000
Hana Bank	Land, buildings and machinery	million KRW	80,400	80,400
Korea Development Bank	Land, buildings, investment properties and machinery	million KRW	96,600	96,600
Busan Bank	Land, buildings and machinery	thousand USD	24,000	24,000
		million KRW	345,000	345,000
Total		thousand USD	24,000	24,000

22. Selling and administration expenses

Description	For the three months ended September 30,	
	2025	2024
	million KRW	million KRW
Sales-related costs	-6,596	-8,010
Personnel expenses	-14,761	-13,063
Travelling and entertainment	-1,399	-1,372
Depreciation and amortization	-753	-793
Administration expenses	-3,584	-3,222
IT expenses	-1,758	-1,286
Others	-947	-294
Total	-29,798	-28,040

Description	For the nine months ended September 30,	
	2025	2024
	million KRW	million KRW
Sales-related costs	-20,902	-24,726
Personnel expenses	-44,434	-37,956
Travelling and entertainment	-4,584	-4,319
Depreciation and amortization	-2,346	-2,377
Administration expenses	-10,287	-9,453
IT expenses	-4,981	-3,778
Others	-2,105	-1,186
Total	-89,639	-83,795

23. Finance income / expenses

23.1. Finance income

Description	For the three months ended September 30,	
	2025	2024
	million KRW	million KRW
Interest on loans and receivables	491	591
Gains on foreign exchange transactions	6,077	5,828
Gains on foreign exchange translations	-3,329	2,479
Gains on derivative transactions	348	145
Gains on valuation of derivatives	45	-2,151
Gains on valuation of financial assets at FVtPL	151	110
Total finance income	3,783	7,002

Description	For the nine months ended September 30,	
	2025	2024
	million KRW	million KRW
Interest on loans and receivables	1,479	1,571
Gains on foreign exchange transactions	16,058	17,153
Gains on foreign exchange translations	6,551	10,106
Gains on derivative transactions	1,438	294
Gains on valuation of derivatives	55	-
Gain on valuation of financial assets FVtPL	309	285
Total finance income	25,890	29,409

23.2. Finance expenses

Description	For the three months ended September 30,	
	2025	2024
	million KRW	million KRW
Interest on borrowings	-1,719	-2,008
Losses on foreign exchange transactions	-7,037	-5,600
Losses on foreign exchange translations	4,148	-3,040
Losses on derivative transactions	-450	-925
Losses on valuation of derivatives	1,717	365
Loss on valuation of financial assets FVtPL	10	-
Bank charges	-122	-71
Total finance expenses	-3,453	-11,279

Description	For the nine months ended September 30,	
	2025	2024
	million KRW	million KRW
Interest on borrowings	-5,664	-5,500
Losses on foreign exchange transactions	-16,482	-14,131
Losses on foreign exchange translations	-10,989	-11,816
Losses on derivative transactions	-1,871	-1,749
Losses on valuation of derivatives	-1,618	-977
Loss on lease modification	-446	-
Bank charges	-293	-209
Total finance expenses	-37,363	-34,382

24. Income tax expenses

The major components of income tax expense in the interim condensed consolidated income statement are as follows:

Income taxes	For the three months ended September 30,	
	2025	2024
	million KRW	million KRW
Current income tax charges	-5,388	-6,482
Adjustments in respect of current income tax of previous year	1,094	-135
Deferred taxes related to origination and reversal of deferred taxes	816	719
Income tax recognized in other comprehensive income	534	-180
Income tax expenses	-2,944	-6,078

Income taxes	For the nine months ended September 30,	
	2025	2024
	million KRW	million KRW
Current income tax charges	-12,786	-18,747
Adjustments in respect of current income tax of previous year	1,495	-135
Deferred taxes related to origination and reversal of deferred taxes	2,876	2,573
Income tax recognized in other comprehensive income	757	42
Income tax expenses	-7,658	-16,267

25. Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the average number of ordinary shares outstanding during the year. There is no difference between basic and diluted earnings per share as of September 30, 2025 and 2024, as no securities with dilutive features have been issued as of the end of the reporting periods.

The following shows the income and share data used in the basic per share computations:

Description	For the three months ended September 30,	
	2025	2024
	KRW	KRW
Net profit attributable to ordinary equity holders of the parent	1,697,739,711	11,491,563,440
Weighted average number of ordinary shares	24,000,000	24,000,000
Earnings per share (basic / diluted)	71	479

Description	For the nine months ended September 30,	
	2025	2024
	KRW	KRW
Net profit attributable to ordinary equity holders of the parent	5,073,414,243	28,728,641,534
Weighted average number of ordinary shares	24,000,000	24,000,000
Earnings per share (basic / diluted)	211	1,197

26. Cash flow statement

The adjustments to the net profit for the period of the non-cash and non-operating items and changes in operating assets and liabilities for each of the nine months ended September 30, 2025 and 2024 are as follows:

		For the nine months ended September 30,	
		2025	2024
Adjustments	Notes	million KRW	million KRW
Depreciation of property, plant and equipment	11	25,764	25,635
Depreciation of right-of-use assets	13	3,394	2,339
Depreciation of investment properties		4	4
Amortization of intangible assets	12	1,185	1,213
Impairment of inventories	9	1,716	913
Losses on disposals of property, plant and equipment, net	11	296	1,287
Losses on disposal of intangible assets, net		119	-
Share of result from investments accounted using the equity method	10	-768	-837
Share-based compensation (income) / expenses		-169	-731
Pension costs	32	13,841	3,871
Other long-term employee benefit expenses		1,793	975
Finance income	23.1	-3,061	-2,054
Finance expenses	23.2	8,458	2,149
Income tax expenses	24	7,658	16,267
Total		60,230	51,031
Changes in operating assets and liabilities			
Trade receivables	6	-4,001	-15,117
Other receivables	6	-276	9
Other current assets	8	1,685	-878
Other current financial assets	7	2,554	3,556
Inventories	9	-5,533	-38,705
Trade payables	16	2,527	47,052
Other payables	16	439	-14,199
Other current financial liabilities	18	-1,461	-89
Other current liabilities		-1,958	2,862
Pension liabilities	32	-2,563	-3,019
Other long-term employment benefits		2,998	-35
Total		-5,589	-18,563

27. Related party disclosures

The companies listed below have been identified as related parties:

Company name	Location	Relation with the Group	Remarks
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	China	Joint Venture	Jointly controlled by Songwon Group Holding AG
Songwon Moolsan Co., Ltd.	Korea	Other (refer to note 27.5)	A company that has significant influence on the Group
Kyungshin Industrial Co., Ltd.	Korea	Other (refer to note 27.5)	A subsidiary of Songwon Moolsan Co., Ltd.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period and balances as per period end.

		For the nine months ended September 30,	
		2025	2024
Related party	Description	million KRW	million KRW
Songwon Moolsan Co., Ltd.	Selling and administration costs	-60	-60
Songwon Baifu Chemicals (Tangshan) Co., Ltd. (Joint venture)	Sales	208	336
	Cost of sales	-21,529	-18,342
	Sales	208	336
Total	Cost of sales	-21,529	-18,342
	Selling and administration costs	-60	-60

		As of	
		September 30, 2025	December 31, 2024
Related party	Description	million KRW	million KRW
Songwon Moolsan Co., Ltd.	Other non-current financial assets	33	33
	Trade and other payables	7	7
Songwon Baifu Chemicals (Tangshan) Co., Ltd. (Joint venture)	Trade and other receivables	-	-
	Trade and other payables	2,448	2,601
	Other non-current financial assets	33	33
Total	Trade and other receivables	-	-
	Trade and other payables	2,455	2,608

27.1. The ultimate parent

Songwon Industrial Co., Ltd. is the ultimate parent based and listed in Korea.

27.2. Terms and conditions of transactions with related parties

Outstanding balances of related parties as of September 30, 2025 are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the nine months ended September 30, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (December 31, 2024: none). This assessment is undertaken periodically by examining the financial position of the related party and the market in which the related party operates.

27.3. Transactions with key management personnel

During the nine months ended September 30, 2025 and the year ended December 31, 2024, no other transactions with key management personnel other than those disclosed in note 27.4 took place.

27.4. Compensation of key management personnel of the Group

Description	For the nine months ended	
	September 30,	
	2025	2024
	million KRW	million KRW
Short-term employee benefits	-9,447	-8,607
Post-employment benefits	-518	-313
Other long-term benefits	-874	-553
Share based payments	21	85
Total compensation paid to key management personnel	-10,818	-9,388

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

27.5. Other related parties

Other related parties are Songwon Moolsan Co., Ltd. (Korea) which has significant influence on the Group due to the interest held in the share capital of the parent company of 23.88%. Further, the subsidiary of Songwon Moolsan Co., Ltd., Kyungshin Industrial Co., Ltd., which holds interest in the share capital of the parent company of 9.15%, is identified as a related party of the Group.

28. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade accounts and other accounts receivables, cash and cash equivalents and other financial assets that arrive directly from its operations. The Group also holds financial instruments at FVOCI and financial instruments at FVTPL and enters into derivative transactions and applies hedge accounting for cash flow hedges if applicable.

The Group is exposed to market, credit and liquidity risks. The Group's management oversees the management of these risks through appropriate risk assessment and monitoring activities to minimize their effects.

28.1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk as follows:

- interest rate risk; and,
- foreign currency risk.

Financial instruments affected by market risk include loans and borrowings, deposits, financial instruments at FVOCI, financial instruments at FVTPL and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as of September 30, 2025 and 2024.

28.1.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings and bank deposits with floating interest rates.

The Group's exposure to the risk of changes in market interest rates relates substantially to the Group's interest-bearing loans and borrowings with floating interest rates, which makes the Group expose to cash flows risk. Responsively, the Group is minimizing the risk partially through interest rate swap contract or choosing the best favorable financing instruments by switching to the loans with more favorable conditions or improving the Group's credit rating. As of September 30 2025, the outstanding variable rate borrowings amount to 54,044 million KRW (September 30, 2024: 85,430 million KRW).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings as well as bank deposits with floating interest rates. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

	Increase / (decrease)	Effect on profit before tax
	in %	million KRW
September 30, 2025	1.00	-405
	-1.00	405
September 30, 2024	1.00	-335
	-1.00	335

28.1.2. Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The risk of foreign exchange primarily relates to the US Dollar (USD), Euro (EUR) and Japanese Yen (JPY).

Foreign exchange risks arise when commercial transactions, recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The objective of the management of foreign currency risk is to maximize the value of the entity through minimizing the fluctuation of net profit and uncertainty arising from the fluctuation in foreign currency. To accomplish this, the Group uses a strategy to accord the collection terms of receivables and payment terms of payables denominated in USD considering the similar volume of exports and imports. In regard to EUR and JPY, the Group manages the risk through currency forward contracts.

Foreign currency sensitivity

The Group carries out a sensitivity analysis for the dominant foreign currencies: US Dollar (USD), Euro (EUR), and Japanese Yen (JPY). The assumed possible currency fluctuations are based on historical observations and future prognoses. The financial instruments are incorporated into calculations. The following table demonstrates the sensitivity of consolidated net profit before tax to a reasonably possible shift in exchange rates related to financial instruments held in the balance sheet. Assuming that the other variables are constant and the foreign exchange rate only changes by 10%, the impacts on net profit for the nine months ended September 30, 2025 and year ended December 31, 2024 are as follows:

Currency	September 30, 2025		December 31, 2024	
	10% increase	10% decrease	10% increase	10% decrease
	million KRW	million KRW	million KRW	million KRW
USD	9,627	-9,627	6,961	-6,961
EUR	4,821	-4,821	3,449	-3,449
JPY	3,297	-3,297	2,642	-2,642
Total	17,745	-17,745	13,052	-13,052

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

Financial statement line item	September 30, 2025			December 31, 2024		
	USD	EUR	JPY	USD	EUR	JPY
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Cash and cash equivalents	43,266	10,026	1,247	38,315	4,826	-
Trade and other receivables	128,031	76,814	34,096	126,963	60,697	26,947
Other current financial assets	14,253	10,080	-	12,207	6,335	-
Total financial assets	185,550	96,920	35,343	177,485	71,858	26,947
Trade and other payables	-86,821	-439	-2,375	-99,033	-513	-525
Interest-bearing loans and borrowings	-1,062	-48,267	-	-5,891	-30,743	-
Other non-current financial liabilities	-1,402	-	-	-2,940	-	-
Total financial liabilities	-89,285	-48,706	-2,375	-107,864	-31,256	-525

28.2. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and investing activities.

The Group maintains a policy to keep trade relationship only with the customers with high credit rating assessed by credit assessment considering their financial position, past experience of defaults and other indicators of default. If the credit rating of a customer worsens, the Group sets an individual credit limit on that customer and intensively manages its credit risk. In addition, the Group minimizes the credit risk by maintaining the exposure to the credit risk at an insignificant level through ongoing management including periodical reviews of all the customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 29.

The Group is also exposed to credit risk with regard to bank deposits, as well as cash and cash equivalents, in which the maximum exposure to credit risk at the reporting date is the carrying value. The exposure to the related credit risk, however, is relatively restricted because the Group maintains relationships with financial institutions with high credit ratings.

28.3. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities due to the unfavorable economy of the industry or financial markets.

The Group manages its liquidity risk through its own strategy and plans which consider the maturity of financial instruments and expected operating cash flows and include the policy to map out the maturity of financial assets and liabilities.

In addition, the Group maintains credit facilities with the banks including overdrafts, to respond to an unexpected shortage in liquidity. As of September 30, 2025, the Group has utilized less than 50% of its committed credit facilities. In response to expansion of the business, the Group manages funding schedules and ongoing review procedures, considering the appropriate mix of long-term and short-term loans and borrowings, to maintain the consistency and flexibility in obtaining liquidity and stable financing.

The details of maturity profile of the Group's financial liabilities and lease liabilities, excluding financial derivative instruments, based on contractual undiscounted payments as of September 30, 2025 and December 31, 2024 are as follows:

As of September 30, 2025	Less than a month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Bonds, interest-bearing loans and borrowings	9,728	41,241	103,571	-	-	154,540
Trade and other payables	126,582	6,267	10,603	-	-	143,452
Lease liabilities	367	749	3,033	16,459	27,516	48,124
Other financial liabilities	1,576	-	73	2,188	-	3,837
Total	138,253	48,257	117,280	18,647	27,516	349,953

As of December 31, 2024	Less than a month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Interest-bearing loans and borrowings	12,416	73,706	62,912	2,250	-	151,284
Trade and other payables	120,793	15,178	6,393	-	-	142,364
Lease liabilities	454	935	3,862	17,448	16,840	39,539
Other financial liabilities	222	88	1,485	1,471	-	3,266
Total	133,885	89,907	74,652	21,169	16,840	336,453

28.4. Capital management

The capital managed by the Group is identical to the total amount of equity presented in the consolidated statements of financial position. The primary objective of the Group's capital management is to ensure its continued ability to provide consistent returns for its equity shareholders through a combination of capital growth and distribution. In order to achieve this objective, the Group monitors its gearing to balance risk and returns at an acceptable level, and also maintains a sufficient funding base to enable the Company to meet its working capital and strategic investment needs. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares considering not only the short-term position, but also its long-term operational and strategic objectives. At the Group level the debt ratio is reviewed regularly. The debt-equity ratio as of September 30, 2025 is 55% and December 31, 2024 is 56%.

On a monthly basis, all subsidiaries have to report key performance indicators, which also include capital management information.

29. Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

As of September 30, 2025

		Carrying amount		Fair value	
		Current	Non-current	Current	Non-current
		million KRW	million KRW	million KRW	million KRW
Financial assets	Financial assets at amortized cost				
	Other financial assets	1,942	2,501	1,942	2,501
	Trade and other receivables	166,467	-	166,467	-
	Cash and cash equivalents	109,831	-	109,831	-
	<i>Total financial assets at amortized cost</i>	<i>278,240</i>	<i>2,501</i>	<i>278,240</i>	<i>2,501</i>
	Financial assets at FVtPL				
	Forward exchange contracts	2	-	2	-
	Currency swaps	53	-	53	-
	Other financial assets	7,419	5,925	7,419	5,925
	<i>Total financial assets at FVtPL</i>	<i>7,474</i>	<i>5,925</i>	<i>7,474</i>	<i>5,925</i>
Total financial assets		285,714	8,426	285,714	8,426
Financial liabilities	Financial liabilities at amortized cost				
	Other financial liabilities	1,649	2,188	1,649	2,188
	Lease liabilities	2,800	32,829	2,800	32,829
	Trade and other payables	143,452	-	143,452	-
	Bonds, interest-bearing loans and borrowings	152,373	-	152,373	-
	<i>Total financial liabilities at amortized cost</i>	<i>300,274</i>	<i>35,017</i>	<i>300,274</i>	<i>35,017</i>
	Financial liabilities at FVtPL				
	Forward exchange contracts	1,618	-	1,618	-
Total financial liabilities		301,892	35,017	301,892	35,017

As of December 31, 2024

		Carrying amount		Fair value	
		Current	Non-current	Current	Non-current
		million KRW	million KRW	million KRW	million KRW
Financial assets	Financial assets at amortized cost				
	Other financial assets	3,518	2,160	3,518	2,160
	Trade and other receivables	162,040	-	162,040	-
	Cash and cash equivalents	113,481	-	113,481	-
	<i>Total financial assets at amortized cost</i>	<i>279,039</i>	<i>2,160</i>	<i>279,039</i>	<i>2,160</i>
	Financial assets at FVtPL				
	Currency swaps	2,606	-	2,606	-
	Other financial assets	2,541	9,953	2,541	9,953
	<i>Total financial assets at FVtPL</i>	<i>5,147</i>	<i>9,953</i>	<i>5,147</i>	<i>9,953</i>
Total financial assets		284,186	12,113	284,186	12,113
Financial liabilities	Financial liabilities at amortized cost				
	Other financial liabilities	1,795	1,471	1,795	1,471
	Lease liabilities	3,914	31,991	3,914	31,991
	Trade and other payables	142,364	-	142,364	-
	Bonds, interest-bearing loans and borrowings	149,034	2,250	149,034	2,250
	<i>Total financial liabilities at amortized cost</i>	<i>297,107</i>	<i>35,712</i>	<i>297,107</i>	<i>35,712</i>
	Financial liabilities at FVtPL				
	Forward exchange contracts	1,515	-	1,515	-
	<i>Total financial liabilities at FVtPL</i>	<i>1,515</i>	<i>-</i>	<i>1,515</i>	<i>-</i>
Total financial liabilities		298,622	35,712	298,622	35,712

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and cash equivalents, trade and other receivables, trade payables and other current liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of equity instruments at FVOCI is derived from quoted market prices in active markets, if available.
- Fair value of unquoted equity instruments at FVOCI is estimated using appropriate valuation techniques.

29.1. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Description	Valuation technique
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly
Level 3	Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As of September 30, 2025 and December 31, 2024, the Group held the following financial instruments carried at fair value on the statement of financial position:

		September 30, 2025	Level 1	Level 2	Level 3
		million KRW	million KRW	million KRW	million KRW
Financial assets	Derivatives				
	Forward exchange contracts	2	-	2	-
	Currency swaps	53	-	53	-
	<i>Total</i>	55	-	55	-
	Debt instruments				
	Exchange traded fund at FVtPL	13,344	-	13,344	-
	<i>Total</i>	13,344	-	13,344	-
Total		13,399	-	13,399	-
Financial liabilities	Derivatives				
	Forward exchange contracts	1,618	-	1,618	-
	<i>Total</i>	1,618	-	1,618	-
	Total	1,618	-	1,618	-
		December 31, 2024	Level 1	Level 2	Level 3
		million KRW	million KRW	million KRW	million KRW
Financial assets	Derivatives				
	Currency swaps	2,606	-	2,606	-
	<i>Total</i>	2,606	-	2,606	-
	Debt instruments				
	Exchange-traded fund at FVtPL	12,494	-	12,494	-
Total		15,100	-	15,100	-
Financial liabilities	Derivatives				
	Forward exchange contracts	1,515	-	1,515	-
	<i>Total</i>	1,515	-	1,515	-
Total		1,515	-	1,515	-

During the nine months ended September 30, 2025 and the year ended December 31, 2024, there were no significant transfers between Level 1 and Level 2 fair value measurements.

30. Impact of global economic situation on interim condensed consolidated financial statements

The Group closely monitors the global situation and assesses the future impact of the Russian-Ukrainian war as well as other conflicts in various regions on the consolidated financial statements on a regular basis. For the nine months ended September 30, 2025, the following assessments were performed, amongst others:

Indication of impairment on property, plant and equipment and intangible assets

The Group assessed whether there were any internal and external indicators of impairment of property, plant and equipment and intangible assets. For the nine months ended September 30, 2025, no indications of impairment have been identified and accordingly, no impairment has been recognized on property, plant and equipment and intangible assets related to the Russian-Ukrainian war and other conflicts.

Expected credit loss (ECL) of trade receivables and financial assets

In order to determine the impact of the global economic situation on the ECL model in accordance with KIFRS 1109, the Group reassessed past events, current conditions and forecasts of future economic conditions. For the nine months ended September 30, 2025, the Group identified the changes in risk indicators considering the nature of risk such as geographical location of debtors which has been reflected in the ECL model for the recognition of allowance on expected credit risks. Such parameter adjustments resulted in an increase in the allowance on ECL by 17 million KRW in the interim condensed consolidated financial statements for the nine months ended September 30, 2025. (For the nine months ended September 30, 2024, the parameter adjustment resulted in a decrease in the allowance on ECL by 178 million KRW.)

31. Global minimum tax

The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions where it is active. The Company as parent must pay additional top-up taxes on profits of subsidiaries taxes at less than the minimum tax rate of 15% (Income Inclusion Rule). Most of the subsidiaries have either passed the transition period exemption rules or their effective tax rate is 15% or more, resulting in no significant additional tax to be incurred. Therefore, no top-up income tax expense was recognized for the period ended September 30, 2025 (for the period ended September 30, 2024: none).

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

32. Other significant events and transactions

The Supreme Court of Korea recently issued a ruling that redefined the criteria for determining “ordinary wages.” Under the revised interpretation, wage components paid regularly and uniformly as compensation for prescribed work are to be classified as ordinary wages, even if they are subject to certain conditions such as continued employment or minimum working days. This broader interpretation replaces an earlier precedent, which required wage items to be fixed and unconditional to qualify as ordinary wages.

Following this development, the Group reassessed its wage components and reclassified certain items as ordinary wages. As a result, employee benefit expenses associated with statutory entitlements - such as overtime pay and severance provisions - have increased. In addition to the impact on current period expenses, past service costs related to employee benefits in the amount of 8,090 million KRW have also been recognized in the period ended September 30, 2025.

The Group continues to evaluate the longer-term implications of the ruling and its effect on labor cost structures going forward.

33. Events after the reporting period

The United States has started a process of implementing new import tariffs that are expected to impact both the supply of materials and the Group's sales activities in affected markets. At this stage, it is not possible to reasonably estimate the financial impact - whether positive or negative - or the extent to which these tariffs may affect the Group's future financial performance. Management continues to monitor the situation closely.

No further significant events occurred during the period from the reporting period end to the date on which the interim condensed consolidated financial statements were issued.

34. Primary financial statements in USD (unaudited)

The Company operates primarily in KRW and its official accounting records are maintained in KRW. The US dollars amounts provided in the financial statements represent supplementary information solely for the convenience of the reader. All amounts in KRW are presented in US dollars at the rate of KRW 1,402.20 to USD 1, the exchange rate in effect on September 30, 2025. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the amounts in KRW shown could be readily converted, realized or settled in US dollars at this or at any other rate.

34.1. Interim consolidated statements of financial position in USD

	September 30, 2025	As of December 31, 2024
	thousand USD	thousand USD
ASSETS		
Current assets	471,187	466,584
Cash and cash equivalents	78,326	80,931
Trade and other receivables	118,718	115,561
Other current financial assets	6,715	6,180
Other current assets	9,805	11,058
Inventories	256,627	252,093
Income tax receivables	996	761
Non-current assets	361,799	375,089
Investments accounted for using the equity method	7,041	6,563
Property, plant and equipment	303,082	307,159
Investment properties	2,452	2,455
Intangible assets	10,494	11,299
Right-of-use assets	24,268	25,334
Other non-current financial assets	6,009	8,639
Other non-current assets	2,766	8,155
Deferred tax assets	5,687	5,485
Total assets	832,986	841,673
EQUITY AND LIABILITIES		
Total liabilities	294,024	302,442
Current liabilities	225,297	235,094
Interest-bearing loans and borrowings	108,667	106,286
Trade and other payables	102,308	101,527
Current lease liabilities	1,997	2,791
Other current financial liabilities	2,330	2,361
Other current liabilities	3,542	4,982
Income tax payable	6,453	17,147
Non-current liabilities	68,727	67,348
Bonds, interest-bearing loans and borrowings	-	1,605
Pension liability	3,877	3,263
Other long-term employee-related liabilities	13,703	10,448
Non-current lease liabilities	23,412	22,815
Other non-current financial liabilities	1,560	1,049
Other non-current liabilities	257	267
Deferred tax liabilities	25,918	27,901
Equity	538,962	539,231
<i>Non-controlling interests</i>	-	-
<i>Equity attributable to owners of the parent</i>	538,962	539,231
Issued capital	8,558	8,558
Capital surplus	14,607	14,607
Reserves	22,552	22,039
Retained earnings	477,160	477,337
Other components of equity	16,085	16,690
Total equity and liabilities	832,986	841,673

34.2. Interim consolidated statements of comprehensive income in USD

	For the three months ended September 30,	
	2025	2024
	thousand USD	thousand USD
Sales	184,436	203,807
Cost of sales	-159,341	-168,005
Gross profit	25,095	35,802
Selling and administration costs	-21,251	-19,997
Operating profit	3,844	15,805
Other income	185	558
Other expenses	-1,123	-959
Share of result from investments accounted for using the equity method	168	177
Finance income	2,698	4,994
Finance expenses	-2,463	-8,044
Profit before tax	3,309	12,531
Income tax expenses	-2,099	-4,335
Profit for the period	1,210	8,196
Other comprehensive income, net of taxes		
<i>Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>	3,982	-4,113
Exchange differences on translation of foreign operations	3,982	-4,113
<i>Net other comprehensive income (loss) not to be reclassified to profit or loss</i>	2,149	-450
Re-measurement gain (loss) on defined benefit plans	2,149	-450
Total other comprehensive income (loss), net of taxes	6,131	-4,563
Total comprehensive income	7,341	3,633
Profit for the period attributable to:		
Owners of the parent	1,210	8,196
Non-controlling interests	-	-
Profit for the period	1,210	8,196
Total comprehensive income attributable to:		
Owners of the parent	7,341	3,633
Non-controlling interests	-	-
Total comprehensive income	7,341	3,633
Earnings per share	USD	USD
Basic / diluted, profit for the period attributable to ordinary equity holders of the parent	0.05	0.34

	For the nine months ended September 30,	
	2025	2024
	thousand USD	thousand USD
Sales	570,373	581,267
Cost of sales	-488,673	-485,343
Gross profit	81,700	95,924
Selling and administration costs	-63,927	-59,760
Operating profit	17,773	36,164
Other income	792	1,425
Other expenses	-1,851	-2,550
Share of result from investments accounted for using the equity method	548	597
Finance income	18,463	20,974
Finance expenses	-26,646	-24,520
Profit before tax	9,079	32,090
Income tax expenses	-5,461	-11,601
Profit for the period	3,618	20,489
Other comprehensive income, net of taxes		
<i>Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>	-605	3,056
Exchange differences on translation of foreign operations	-605	3,056
<i>Net other comprehensive income not to be reclassified to profit or loss</i>	1,853	94
Re-measurement gains on defined benefit plans	1,853	94
Total other comprehensive income, net of taxes	1,248	3,150
Total comprehensive income	4,866	23,639
Profit for the period attributable to:		
Owners of the parent	3,618	20,489
Non-controlling interests	-	-
Profit for the period	3,618	20,489
Total comprehensive income attributable to:		
Owners of the parent	4,866	23,639
Non-controlling interests	-	-
Total comprehensive income	4,866	23,639
Earnings per share	USD	USD
Basic / diluted, profit for the period attributable to ordinary equity holders of the parent	0.15	0.85

34.3. Interim consolidated statements of changes in equity in USD

For the nine months ended September 30, 2024 and 2025									
Attributable to owners of the parent								Non-controlling interests	Total equity
	Issued capital	Capital surplus	Reserves	Retained earnings	Other components of equity		Total		
	TUSD	TUSD	TUSD	TUSD	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	TUSD	TUSD	TUSD
As of January 1, 2024	8,558	14,607	21,611	455,154	-500	3,773	503,203	-	503,203
Profit for the period	-	-	-	20,489	-	-	20,489	-	20,489
Other comprehensive income	-	-	-	94	-	3,056	3,150	-	3,150
Total comprehensive income	-	-	-	20,583	-	3,056	23,639	-	23,639
Dividends	-	-	-	-4,279	-	-	-4,279	-	-4,279
Appropriation to reserves	-	-	428	-428	-	-	-	-	-
As of September 30, 2024	8,558	14,607	22,039	471,030	-500	6,829	522,563	-	522,563
As of January 1, 2025	8,558	14,607	22,039	477,337	-500	17,190	539,231	-	539,231
Profit for the period	-	-	-	3,618	-	-	3,618	-	3,618
Other comprehensive income	-	-	-	1,853	-	-605	1,248	-	1,248
Total comprehensive income	-	-	-	5,471	-	-605	4,866	-	4,866
Dividends	-	-	-	-5,135	-	-	-5,135	-	-5,135
Appropriation to reserves	-	-	513	-513	-	-	-	-	-
As of September 30, 2025	8,558	14,607	22,552	477,160	-500	16,585	538,962	-	538,962

34.4. Interim consolidated statements of cash flows in USD

	For the nine months ended September 30,	
	2025	2024
	thousand USD	thousand USD
Profit for the period	3,618	20,489
Total adjustments	42,953	36,394
Changes in operating assets and liabilities	-3,986	-13,238
Interest received	887	1,254
Payments of income tax	-18,889	-3,304
Net cash flows provided by operating activities	24,583	41,595
Proceeds from sale of property, plant and equipment	19	4
Purchases of property, plant and equipment	-16,783	-14,465
Purchases of intangible assets	-327	-1,352
Dividends received from investments using equity method	-	392
(Purchases) / proceeds from sale of other financial assets, net	543	551
Net cash flows used in investing activities	-16,548	-14,870
Proceeds from borrowings	147,562	171,133
Repayments of borrowings	-147,512	-166,060
Payment of lease liabilities	-2,668	-1,862
Proceeds from / (repayments of) other financial liabilities, net	581	-853
Interest paid	-3,201	-3,429
Dividends paid	-5,135	-4,279
Net cash flows used in financing activities	-10,373	-5,350
(Decrease) / increase in cash and cash equivalents	-2,338	21,375
Net foreign exchange differences	-267	-1,990
Cash and cash equivalents as of January 1	80,931	70,307
Cash and cash equivalents as of June 30	78,326	89,692

For more information, please contact:

SONGWON Industrial Group

E-mail: ir@songwon.com
www.songwon.com