FINANCIAL RESULTS Q2 & 6 MONTHS ENDED JUNE 30, 2026

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About this report

The interim condensed consolidated financial statements including notes (refer to section 2 from page 8 to 41) according to Korean International Financial Reporting Standards (K-IFRS) 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 six months ended June 30, 2026 as well as the three and six months ended June 30, 2025.

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 three and six months ended June 30, 2026 included in this report have been prepared in accordance with K-IFRS 1034 and should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have also been prepared in accordance with K-IFRS. The annual financial statements for the year 2025 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.

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SECTION 1:

Business Development

Key financial data

	Q2 2026	Q2 2025		For the six months ended June 30, 2026	2025	
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Sales	328,509	265,408	23.8%	597,713	541,161	10.5%
Gross profit	78,083	38,627	102.1%	133,445	79,370	68.1%
Gross profit margin	*23.8%*	*14.6%*		*22.3%*	*14.7%*	
Operating profit	39,811	8,592	363.3%	66,369	19,529	239.8%
EBITDA	50,777	18,066	181.1%	88,388	40,023	120.8%
EBITDA margin	*15.5%*	*6.8%*		*14.8%*	*7.4%*	
EBIT	39,985	7,818	411.4%	66,716	19,361	244.6%
EBIT margin	*12.2%*	*2.9%*		*11.2%*	*3.6%*	
Profit for the period	29,619	-1,481	n.m.*	47,710	3,376	1,313.2%
Total assets				1,316,665	1,179,460	11.6%
Total equity				818,227	745,440	9.8%
Equity ratio				*62.1%*	*63.2%*	
Headcounts				974	981	-0.7%

** Not meaningful due to the turnaround from a net loss in Q2 2025 to a net profit in Q2 2026*

Sales development

Divisions

For the three months ended June 30,

	2026	2025		2026	2025		2026	2025	
	Industrial Chemicals			Performance Chemicals					
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Sales	242,504	191,019	27.0%	86,005	74,389	15.6%	328,509	265,408	23.8%

For the six months ended June 30,

	2026	2025		2026	2025		2026	2025	
	Industrial Chemicals			Performance Chemicals					
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Sales	433,507	399,152	8.6%	164,206	142,009	15.6%	597,713	541,161	10.5%

Regions

	Q2 2026	Q2 2025		For the six months ended June 30, 2026	2025	
	million KRW	million KRW	Δ%	million KRW	million KRW	Δ%
Korea	50,164	46,107	8.8%	100,051	89,064	12.3%
Rest of Asia	100,976	77,337	30.6%	180,375	160,556	12.3%
Europe	80,348	68,231	17.8%	150,570	136,626	10.2%
North and South America	78,797	59,714	32.0%	137,511	127,555	7.8%
Middle East and Africa	18,224	14,019	30.0%	29,206	27,360	6.7%
Total sales	**328,509**	**265,408**	**23.8%**	**597,713**	**541,161**	**10.5%**

Business development

In Q2/2026, SONGWON Industrial Group achieved consolidated sales of 328,509 million KRW, representing an increase of 23.8% compared with Q2/2025 sales of KRW 265,408 million. Net profit improved to 29,619 million KRW, compared with a net loss of 1,481 million KRW in the prior-year quarter. For H1/2026, SONGWON reported revenues of 597,713 million KRW, up from 541,161 million KRW in H1/2025. The Group's gross profit margin increased by 7.6 percentage points to 22.3%, compared with 14.7% in the prior-year period. Net profit reached 47,710 million KRW, compared with 3,376 million KRW in H1/2025. The Group delivered a significant improvement in underlying profitability in H1/2026, driven by higher sales volumes, improved pricing and stronger operating performance across both Divisions, particularly in Q2. The result also reflected the positive one-off employee benefit program adjustment recognized in Q1/2026.

Throughout Q2/2026, performance was supported by higher demand in several product lines, reliable product availability and pricing measures implemented in response to increased raw material and logistics costs. Amid a challenging business environment, close collaboration between the commercial, operational, procurement and supply chain teams enabled the Group to respond quickly to changing market conditions, maintain operational stability and capitalize on additional demand, while reinforcing SONGWON's reputation as a reliable supplier to customers across its global markets.

Division Industrial Chemicals

Division Industrial Chemicals delivered a strong performance in Q2/2026, reporting revenues of 242,504 million KRW in Q2/2026, an increase of 27.0% compared with 191,019 million KRW in Q2/2025. For H1/2026, revenues increased by 8.6% to 433,507 million KRW, compared with 399,152 million KRW in H1/2025.

As customers sought to secure additional volumes amid supply chain uncertainty, rising input costs and ongoing geopolitical tensions, the Division responded swiftly to the increased demand supported by SONGWON's global manufacturing network and integrated supply chain. Polymer Stabilizers recorded a particularly strong quarter. Performance was driven by increased demand following the escalation of the conflict in the Middle East and further supported by tighter market supply, as raw material and logistics constraints affected parts of the industry. These conditions contributed to higher volumes, selling prices and margins. Fuel and Lubricant Additives also performed strongly, with demand exceeding expectations and volumes increasing compared with Q1/2026. This partly reflected precautionary purchasing by customers amid broader market uncertainty. Revenues benefited from the higher sales volumes, while revenue per kilogram and formula-based pricing remained stable quarter on quarter. Coatings delivered a significant increase in net sales following timely pricing adjustments to offset higher raw material and freight costs, while sales volumes remained broadly stable. The business continued to manage the challenging supply environment effectively and ensured an uninterrupted supply of key products despite disruptions in the Gulf region.

Division Performance Chemicals

Division Performance Chemicals also recorded higher revenues, increasing by 15.6% to 86,005 million KRW in Q2/2026 from 74,389 million KRW in the prior-year quarter. For H1/2026, revenues rose by 15.6% to 164,206 million KRW, compared with 142,009 million KRW in H1/2025.

Despite continued geopolitical volatility and challenging global market conditions, Division Performance Chemicals delivered solid results in Q2/2026. Tin Intermediates reported improved revenues and margins compared with Q1/2026, supported by elevated tin ingot prices. However, volumes remained subdued due to weaker demand in automotive and catalyst applications. PVC benefited from heightened geopolitical uncertainty, which led customers to diversify their supply sources and accelerate product homologation activities. This created additional business opportunities and supported higher revenues. Solution Polyurethanes and Thermoplastic Polyurethanes achieved results broadly in line with the previous quarter, although sales volumes were slightly lower. Net sales increased as selling prices were adjusted to reflect higher raw material costs. Customer pre-ordering to secure supply in the uncertain market environment also supported revenues.

Outlook

Going into Q3 2026, SONGWON anticipates that geopolitical and macroeconomic uncertainty, together with ongoing supply chain disruptions and raw material price volatility, will persist. These factors are expected to continue limiting customers' ability to forecast demand and plan their requirements accurately, thereby making purchasing patterns and market developments difficult to predict. Based on current customer ordering patterns and market demand, SONGWON expects business conditions in Q3/2026 to remain similar to those in Q2/2026. However, market visibility beyond the 3rd quarter of 2026 remains limited, as demand trends are influenced by geopolitical developments, supply-chain dynamics and customer inventory management decisions.

Looking towards the 2nd half of 2026, SONGWON will continue to closely monitor market developments and adapt to changing business conditions while maintaining operational flexibility, managing competitive pressures and ensuring reliable supply to customers. With its global manufacturing network, integrated supply chain and strong collaboration across regions and functions, the Group is well-equipped to respond effectively to customer needs and navigate periods of market disruption and uncertainty. Building on its industry expertise, strong commitment and close-to-the-customer approach successfully demonstrated during H1/2026, SONGWON will focus on continuing to strengthen its long-term customer relationships and further develop recently acquired business opportunities into long-term partnerships. With its diverse product portfolio, global footprint and commitment to operational excellence, SONGWON is confident that it is well-positioned to navigate the current environment while continuing to create sustainable value for both its customers and shareholders.

SECTION 2:

Interim Condensed Consolidated Financial Statements (unaudited)

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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 June 30, 2026, the condensed consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, changes in equity and cash flows for the six-month periods ended June 30, 2026 and 2025 and notes, including material accounting policies.

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 reviews 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 reviews, 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 statement of financial position of the Group as of December 31, 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon, dated February 27, 2026, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position of the Group as of December 31, 2025, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

As described in note 32 to the condensed consolidated interim financial statements as of June 30, 2026 and December 31, 2025 and for the three-month and six-month periods ended June 30, 2026 and 2025 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 32 to the condensed consolidated interim financial statements.

KPMG Samjong Accounting Corp.

Seoul, Korea

August 11, 2026

This report is effective as of August 11, 2026, 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]

		As of	
		June 30, 2026	**December 31, 2025**
	Notes	million KRW	million KRW
ASSETS			
Current assets		**801,725**	**634,032**
Cash and cash equivalents	5	134,580	112,669
Trade and other receivables	6, 27	222,858	156,463
Other current financial assets	7, 19, 28	6,695	10,500
Other current assets	8	18,617	11,291
Inventories	9	416,186	341,676
Income tax receivables	24	2,789	1,433
Non-current assets		**514,940**	**513,280**
Investments accounted for using the equity method	10, 27	11,073	10,463
Property, plant and equipment	4, 11, 21	424,189	426,216
Investment properties	4, 21	3,434	3,436
Intangible assets	4, 12	17,705	14,474
Right-of-use assets	4, 13	35,471	34,685
Other non-current financial assets	7, 27, 28	3,482	3,065
Other non-current assets		14,424	13,950
Deferred tax assets	24	5,162	6,991
Total assets		**1,316,665**	**1,147,312**
EQUITY AND LIABILITIES			
Total liabilities		**498,438**	**387,202**
Current liabilities		**391,916**	**291,387**
Interest-bearing loans and borrowings	15, 21	161,119	143,820
Trade and other payables	16, 27	198,888	129,891
Current lease liabilities	13	3,432	3,209
Other current financial liabilities	18, 19, 28	2,592	3,352
Other current liabilities	17	7,044	4,344
Income tax payable	24	18,841	6,771
Non-current liabilities		**106,522**	**95,815**
Pension liability		5,497	5,045
Other long-term employee-related liabilities	30	12,170	21,666
Non-current lease liabilities	13	34,516	33,277
Other non-current financial liabilities	18	13,579	781
Other non-current liabilities		1,746	354
Deferred tax liabilities	24	39,014	34,692
Equity	**14**	**818,227**	**760,110**
Issued capital		12,000	12,000
Capital surplus		20,482	20,482
Reserves	14	31,815	31,623
Retained earnings	14	713,535	668,818
Other components of equity	14	40,395	27,187
Total equity and liabilities		**1,316,665**	**1,147,312**

[1] Refer to Note 32 for supplementary information in USD.

Interim consolidated statements of comprehensive income (unaudited)[2]

		For the three months ended June 30,	
		2026	**2025**
	Notes	million KRW	million KRW
Sales	4, 27	328,509	265,408
Cost of sales	27, 30	-250,426	-226,781
Gross profit		**78,083**	**38,627**
Selling and administration costs	22, 27, 30	-38,272	-30,035
Operating profit		**39,811**	**8,592**
Other income		342	-78
Other expenses		-168	-696
Share of result from investments accounted for using the equity method	10	276	303
Finance income	23	7,815	13,381
Finance expenses	23	-7,903	-22,790
Profit before tax		**40,173**	**-1,288**
Income tax expenses	24	-10,554	-193
Profit for the period		**29,619**	**-1,481**
Other comprehensive income / (expense), net of taxes			
Net other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods		*4,514*	*-9,416*
Exchange differences on translation of foreign operations	14	4,514	-9,416
Net other comprehensive income / (expense) not to be reclassified to profit or loss		*2,994*	*1,914*
Gain / (loss) on valuation of financial assets at FVOCI	14	-1	-
Re-measurement gain / (loss) on defined benefit plans	14	2,995	1,914
Total other comprehensive income / (expense), net of taxes		**7,508**	**-7,502**
Total comprehensive income		**37,127**	**-8,983**
Earnings per share		**KRW**	**KRW**
Basic and diluted earnings per share	25	**1,234**	-62

[2] Refer to Note 32 for supplementary information in USD.

Interim consolidated statements of comprehensive income (unaudited)[3]

		For the six months ended June 30, 2026	2025
	Notes	million KRW	million KRW
Sales	4, 27	597,713	541,161
Cost of sales	27, 30	-464,268	-461,791
Gross profit		**133,445**	**79,370**
Selling and administration costs	22, 27, 30	-67,076	-59,841
Operating profit		**66,369**	**19,529**
Other income		1,227	851
Other expenses		-880	-1,019
Share of result from investments accounted for using the equity method	10	618	532
Finance income	23	23,270	22,107
Finance expenses	23	-21,933	-33,910
Profit before tax		**68,671**	**8,090**
Income tax expenses	24	-20,961	-4,714
Profit for the period		**47,710**	**3,376**
Other comprehensive income, net of taxes			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		*13,209*	*-6,431*
Exchange differences on translation of foreign operations	14	13,209	-6,431
Net other comprehensive income not to be reclassified to profit or loss		*4,398*	*-416*
Gains on valuation of financial assets at FVOCI	14	-1	1
Re-measurement gains on defined benefit plans	14	4,399	-417
Total other comprehensive income, net of taxes		**17,607**	**-6,847**
Total comprehensive income		**65,317**	**-3,471**
Earnings per share		**KRW**	**KRW**
Basic and diluted earnings per share	25	**1,988**	141

[3] Refer to Note 32 for supplementary information in USD.

Interim consolidated statements of changes in equity (unaudited)[4]

For the six months ended
June 30, 2025 and 2026

	Issued capital	Capital surplus	Reserves	Retained earnings	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
As of January 1, 2025	**12,000**	**20,482**	**30,903**	**669,322**	**-701**	**24,104**	**756,110**
Profit for the period	-	-	-	3,376	-	-	3,376
Other comprehensive income	-	-	-	-417	1	-6,431	-6,847
Total comprehensive income	**-**	**-**	**-**	**2,960**	**1**	**-6,431**	**-3,471**
Dividends	-	-	-	-7,200	-	-	-7,200
Appropriation to reserves	-	-	720	-720	-	-	-
As of June 30, 2025	**12,000**	**20,482**	**31,623**	**664,362**	**-700**	**17,673**	**745,440**
As of January 1, 2026	**12,000**	**20,482**	**31,623**	**668,818**	**-690**	**27,877**	**760,110**
Profit for the period	-	-	-	47,710	-	-	47,710
Other comprehensive income	-	-	-	4,399	-1	13,209	17,607
Total comprehensive income	**-**	**-**	**-**	**52,109**	**-1**	**13,209**	**65,317**
Dividends	-	-	-	-7,200	-	-	-7,200
Appropriation to reserves	-	-	192	-192	-	-	-
As of June 30, 2026	**12,000**	**20,482**	**31,815**	**713,535**	**-691**	**41,086**	**818,227**

[4] Refer to Note 32 for supplementary information in USD.

Interim consolidated statements of cash flows (unaudited)[5]

		For the six months ended June 30,	
		2026	**2025**
	Notes	million KRW	million KRW
Profit for the period		**47,710**	**3,376**
Total adjustments	**26**	**42,584**	**40,153**
Changes in operating assets and liabilities	**26**	**-61,734**	**-4,818**
Interest received		711	841
Payments of income tax		-5,568	-21,515
Net cash flows provided by operating activities		**23,703**	**18,037**
Proceeds from sale of property, plant and equipment	11	29	27
Purchases of property, plant and equipment	11	-13,990	-18,074
Purchases of intangible assets	12	-3,912	-330
Dividends received from investments using equity method		652	-
(Purchases) / proceeds from sale of other financial assets, net		5,942	855
Net cash flows used in investing activities		**-11,279**	**-17,522**
Proceeds from borrowings	15	112,262	123,177
Repayments of borrowings	15	-97,526	-93,973
Payment of lease liabilities	13	-2,526	-2,606
Proceeds from / (repayments of) other financial liabilities, net		12,895	652
Interest paid		-2,934	-3,190
Dividends paid		-7,200	-7,200
Net cash flows provided by financing activities		**14,971**	**16,860**
(Decrease) / increase in cash and cash equivalents		27,395	17,375
Net foreign exchange differences		-5,484	3,122
Cash and cash equivalents as of January 1	5	112,669	113,481
Cash and cash equivalents as of June 30	**5**	**134,580**	**133,978**

[5] Refer to Note 32 for supplementary information in USD.

Notes to the interim condensed consolidated financial statements

1. Corporate information

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. The Company's main manufacturing plants are located in Korea in Ulsan, Maeam, Suwon and in India in Ankleshwar.

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

The consolidated subsidiaries as of June 30, 2026 are as follows:

		June 30, 2026	
Name	**Location**	**Status**	**Interest**
Songwon Industrial Co., Ltd.	Korea	Parent	
Songwon International-Japan K.K.	Japan	Subsidiary	100%
Songwon Specialty Chemicals-India Pvt. Ltd.	India	Subsidiary	100%
Songwon International-Americas Inc.	USA	Subsidiary	100%
Songwon International AG	Switzerland	Subsidiary	100%
Songwon Group Holding AG	Switzerland	Subsidiary	100%
Songwon Management AG	Switzerland	Subsidiary	100%
Songwon ATG GmbH	Germany	Subsidiary	100%
Songwon Europe GmbH	Germany	Subsidiary	100%
Songwon Chemicals GmbH	Germany	Subsidiary	100%
Songwon Trading GmbH	Germany	Subsidiary	100%
Songwon International-Qingdao Co., Ltd.	China	Subsidiary	100%
Songwon International Middle East FZE	UAE	Subsidiary	100%
Songwon Polysys Additives-Sole Proprietorship LLC	UAE	Subsidiary	100%
Songwon Additive Technology Saudi Arabia	Kingdom of Saudi Arabia	Subsidiary	100%

2. Basis of preparation

The interim condensed consolidated financial statements for the three and six months ended June 30, 2026 have been prepared in accordance with K-IFRS 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, 2025.

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, 2025, except for the adoption of new standards effective as of January 1, 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective. None of the amendments effective as of January 1, 2026 have an impact on the interim consolidated financial statements of the Group.

4. Segment information

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.

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 June 30,
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
	Industrial Chemicals		**Performance Chemicals**		**Total**	
Description	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Sales	242,504	191,019	86,005	74,389	328,509	265,408
Operating profit	36,328	5,918	3,483	2,674	39,811	8,592

						For the six months ended June 30,
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
	Industrial Chemicals		**Performance Chemicals**		**Total**	
Description	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Sales	433,507	399,152	164,206	142,009	597,713	541,161
Operating profit	54,751	17,316	11,618	2,214	66,369	19,529

As of June 30, 2026, the balance of contract liabilities not recognized as sales at the end of the reporting period amounted to 5,804 million KRW (operating advances: 1,462 million KRW, deferred sales: 2,944 million KRW, non-current contract liability: 1,398 million KRW). As of December 31, 2025, the balance of contract liabilities not recognized as sales was 3,264 million KRW (operating advances: 2,000 million KRW, deferred sales: 1,264 million KRW).

Sales

	For the three months ended June 30, 2026	2025
	million KRW	million KRW
Korea	50,164	46,107
Rest of Asia	100,976	77,337
Europe	80,348	68,231
North and South America	78,797	59,714
Middle East and Africa	18,224	14,019
Total sales	**328,509**	**265,408**

	For the six months ended June 30, 2026	2025
	million KRW	million KRW
Korea	100,051	89,064
Rest of Asia	180,375	160,556
Europe	150,570	136,626
North and South America	137,511	127,555
Middle East and Africa	29,206	27,360
Total sales	**597,713**	**541,161**

During the reporting period as of June 30, 2026, 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 41,501 million KRW during three months as of June 30, 2026 (during three months as of June 30, 2025: 33,785 million KRW) and with the total amount of revenues of 76,496 million KRW during six months as of June 30, 2026 (during six months as of June 30, 2025: 76,595 million KRW).

Non-current assets

	As of June 30, 2026	December 31, 2025
	million KRW	million KRW
Korea	384,270	386,137
Rest of Asia	23,086	22,828
Europe	7,021	7,135
North and South America	46,438	43,645
Middle East and Africa	19,984	19,066
Total	**480,799**	**478,811**

5. Cash and cash equivalents

Description	June 30, 2026	December 31, 2025
	million KRW	million KRW
Cash on hand	72	48
Bank accounts	100,239	75,757
Time deposits (< 3 months)	34,269	36,864
Total	**134,580**	**112,669**

As of June 30, 2026, time deposits included restricted cash of 772 million KRW (December 31, 2025: 876 million KRW).

6. Trade and other receivables

Description	June 30, 2026	December 31, 2025
	million KRW	million KRW
Trade and notes receivables	220,809	153,863
Allowances for trade and notes receivables	-1,639	-1,305
Other accounts receivables	3,533	3,792
Allowances for other accounts receivables	-8	-7
Accrued income	163	120
Total	**222,858**	**156,463**

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

			Days past due			
	Total	**Current**	**≤ 90**	**91-120**	**121-180**	**> 180**
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
June 30, 2026	**224,505**	164,118	59,246	107	309	725
December 31, 2025	**157,775**	150,691	6,124	23	144	793

7. Other financial assets

	June 30, 2026		December 31, 2025	
Description	**Current**	**Non-Current**	**Current**	**Non-Current**
	million KRW		million KRW	
Financial instruments at amortized cost	1,889	452	4,300	387
Financial instruments at FVtPL	4,197	861	5,728	795
Guarantees and other deposits at amortized cost	609	2,169	472	1,883
Total	**6,695**	**3,482**	**10,500**	**3,065**

As of June 30, 2026, financial instruments at amortized cost included restricted cash of 5 million KRW (December 31, 2025: 5 million KRW) as well as pledged bank deposits of 820 million KRW (December 31, 2025: 637 million KRW).

8. Other current assets

Description	June 30, 2026	December 31, 2025
	million KRW	million KRW
Advance payments	1,280	1,027
Prepaid expenses	5,617	5,775
VAT receivable	11,720	4,489
Total	**18,617**	**11,291**

9. Inventories

Description	June 30, 2026			December 31, 2025		
	Acquisition	Allowance	Net Value	Acquisition	Allowance	Net Value
	million KRW			million KRW		
Raw materials and supplies	84,744	-803	83,941	66,244	-417	65,827
Work in progress	998	-43	955	1,184	-37	1,147
Finished and semi-finished goods	233,238	-7,312	225,926	219,053	-5,616	213,437
Goods in transit	100,719	-	100,719	58,936	-	58,936
Consignment stocks	4,645	-	4,645	2,329	-	2,329
Total inventories at the lower of cost and net realizable value	**424,344**	**-8,158**	**416,186**	**347,746**	**-6,070**	**341,676**

During the six months ended June 30, 2026, the Group recognized a loss on valuation of inventory of 4,027 million KRW (for the six months ended June 30, 2025: 1,514 million KRW) and reversed the loss on valuation of inventory recognized in prior periods of 1,939 million KRW (for the six months ended June 30, 2025: 2,911 million KRW).

For the six months ended June 30, 2026, the Group recognized impairment losses of 1,466 million KRW in inventories (for the six months ended June 30, 2025: 1,427 million KRW).

10. Investment accounted for using the equity method

Investments in joint ventures as of June 30, 2026 are as follows:

Name	Location	June 30, 2026 Status	June 30, 2026 Interest
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	China	Joint Venture	30%

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

Songwon Baifu Chemicals (Tangshan) Co., Ltd.	As of January 1	Dividends	Share of result from equity method revaluation	Exchange rate effects	As of June 30
	million KRW	million KRW	million KRW	million KRW	million KRW
2025	**9,202**	-	532	-300	**9,434**
2026	**10,463**	-652	618	644	**11,073**

The Group's share in joint ventures' results is as follows.

	For the six months ended June 30, 2026	2025
	million KRW	million KRW
Profit or loss from continuing operations	618	532
Other comprehensive income	644	-300
Total comprehensive income	**1,262**	**232**

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
As of January 1, 2025	**149,656**	**65,408**	**30,317**	**172,908**	**4,613**	**7,797**	**430,699**
Additions	-	188	95	810	205	16,769	18,067
Disposals	-	-30	-35	-175	-	-	-240
Depreciation charge	-	-1,764	-2,183	-12,697	-597	-	-17,241
Reclassifications	-	117	165	5,012	58	-5,352	-
Net exchange differences	-	-1,479	-	-1,399	-142	-762	-3,782
As of June 30, 2025	**149,656**	**62,440**	**28,359**	**164,459**	**4,137**	**18,452**	**427,503**
As of January 1, 2026	**149,656**	**73,422**	**28,194**	**164,178**	**5,663**	**5,103**	**426,216**
Additions	-	284	281	1,199	469	11,051*	13,284
Disposals	-	-123	-19	-128	-1	-	-271
Depreciation charge	-	-2,053	-2,389	-12,909	-754	-	-18,105
Reclassifications	-	232	272	1,582	443	-2,529	-
Net exchange differences	-	1,870	-	774	171	249	3,064
As of June 30, 2026	**149,656**	**73,632**	**26,339**	**154,696**	**5,991**	**13,874**	**424,188**

** During the six months ended June 30, 2026, additions to construction in progress included capitalized borrowing cost of 208 million KRW*

12. Intangible assets

	Industrial rights	Software	Memberships	Emission Certificate	Goodwill	Construction in progress	Total
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
As of January 1, 2025	**3,247**	**7,727**	**831**	**-**	**3,530**	**509**	**15,844**
Additions	-	-	-	-	-	330	330
Disposals	-	-	-	-	-	-119	-119
Reclassifications	168	-	-	-	-	-168	-
Amortization	-307	-481	-	-	-	-	-788
Net exchange differences	-	-1	-	-	-271	-	-272
As of June 30, 2025	**3,108**	**7,245**	**831**	**-**	**3,259**	**552**	**14,995**
As of January 1, 2026	**2,919**	**6,769**	**831**	**-**	**3,281**	**674**	**14,474**
Additions	35	-	-	3,899	-	-22	3,912
Reclassifications	71	-	-	-	-	-71	-
Amortization	-280	-468	-	-	-	-	-748
Net exchange differences	-	-	-	-	67	-	67
As of June 30, 2026	**2,745**	**6,301**	**831**	**3,899**	**3,348**	**581**	**17,705**

13. Right-of-use assets and leases

	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
As of January 1, 2025	**32,816**	**487**	**747**	**1,473**	**35,523**
Additions	10	-	-	735	745
Depreciation charge	-1,683	-329	-83	-259	-2,354
Modification of contract	-6,250	-	-	-1	-6,251
Net exchange differences	-1,421	-	-54	-78	-1,553
As of June 30, 2025	**23,472**	**158**	**610**	**1,870**	**26,110**
As of January 1, 2026	**31,136**	**508**	**540**	**2,501**	**34,685**
Additions	299	254	-	317	870
Depreciation charge	-1,424	-361	-83	-434	-2,302
Modification of contract	51	-48	-	-24	-21
Net exchange differences	2,112	-	14	113	2,239
As of June 30, 2026	**32,174**	**353**	**471**	**2,473**	**35,471**

During the six months ended June 30, 2026, no material reassessments of building lease terms were conducted (for the six months ended June 30,2025: the lease term of one building was reassessed. The related right-of-use asset and lease liability have been reduced by 6,468 million KRW).

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

	2026	**2025**
Description	**million KRW**	**million KRW**
As of January 1	**36,486**	**35,905**
Additions	870	745
Modifications	-21	-6,251
Net exchange differences	2,383	-925
Accretion of interest	756	600
Payments	-2,526	-2,606
As of June 30	**37,948**	**27,468**

14. Equity

At the regular general meeting of shareholders held on March 19, 2026, dividends with the total amount of 7,200 million KRW were approved by the shareholders. Legal reserves increased by 192 million KRW due to the appropriation to the reserve approved by the shareholders on March 19, 2026.

Description	**June 30, 2026**	**December 31, 2025**
	million KRW	million KRW
Re-measurement of defined benefit plans	-8,654	-13,053
OCI recognized within retained earnings	**-8,654**	**-13,053**
Fair value reserve of financial assets at FVOCI	-691	-690
Foreign currency translation reserve	41,086	27,877
OCI recognized within other components of equity	**40,395**	**27,187**

15. Interest-bearing loans and borrowings

Description	June 30, 2026	December 31, 2025
	million KRW	million KRW
Short-term borrowings	160,369	141,570
Current portion of long-term borrowings	750	2,250
Total	**161,119**	**143,820**

16. Trade and other payables

Description	June 30, 2026	December 31, 2025
	million KRW	million KRW
Trade payables	168,178	95,296
Accrued expenses	26,762	30,302
Other payables	3,948	4,293
Total	**198,888**	**129,891**

17. Emission rights and emission liabilities

Details of annual quantity of allocated emission allowances as of June 30, 2026 are as follows (Unit: Korean Allowance Unit - KAU):

	2026	2027	2028	2029	2030	Total
Allocated emission allowance	100,261	99,287	98,128	96,969	95,812	**490,457**

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

	KAU26		KAU25		KAU24	
Description	**Quantity**	**Book value**	**Quantity**	**Book value**	**Quantity**	**Book value**
	KAU	million KRW	KAU	million KRW	KAU	million KRW
Beginning balance	**219,991**	**3,899**	**3,136**	**-**	**9,844**	**-**
Allocation	100,261	-	137,574	-	137,574	-
Allocation cancellation	-	-	-20,982	-	-	-
Acquisition	-	-	220,700	3,899	-	-
Disposal	-	-	-	-	-628	-
Delivery to government	-	-	-120,437	-	-143,654	-
Carryforward	-	-	-219,991	-3,899	-3,136	-
Available balance	**320,252**	**3,899**	**-**	**-**	**-**	**-**

There are no emission rights provided as collateral as of June 30, 2026.

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

Description	2026 million KRW	2025 million KRW
As of January 1	**-**	**-**
Increase	267	-
Decrease	-	-
As of June 30	**267**	**-**

Estimated greenhouse gas emissions in 2026 are 130,448 KAU.

18. Other financial liabilities

	June 30, 2026		December 31, 2025	
Description	**Current**	**Non-Current**	**Current**	**Non-Current**
	million KRW		million KRW	
Derivative liabilities (note 19)	778	-	1,637	-
Deposits	1,542	13,579	1,436	781
Accrued interest expenses	272	-	279	-
Total	**2,592**	**13,579**	**3,352**	**781**

19. Derivative financial instruments

	June 30, 2026		December 31, 2025	
Description	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	million KRW		million KRW	
Forward exchange contracts (current portion)	-	778	-	1,637
Currency swaps (current portion)	2,959	-	713	-
Total	**2,959**	**778**	**713**	**1,637**

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 June 30, 2026 and December 31, 2025 are as follows:

As of June 30, 2026

Contractual party	Position	Contract amount	Maturity dates	Contractual exchange rate
WOORI BANK	Sell	EUR 11,270,000	31.07.2026 ~ 30.06.2027	KRW 1,801.66 ~ 1,816.19
WOORI BANK	Sell	JPY 2,056,500,000	31.07.2026 ~ 30.06.2027	KRW 9.7442 ~ 9.9330
CITI BANK	Sell	EUR 36,690,000	31.07.2026 ~ 22.06.2027	KRW 1,793.50 ~ 1,816.00
CITI BANK	Sell	JPY 1,221,500,000	31.07.2026 ~ 22.06.2027	KRW 9.790 ~ 9.925
UBS	Sell	USD 210,000	23.07.2026	CHF 0.754901
UBS	Sell	EUR 380,000	23.07.2026	CHF 0.899331
UBS	Sell	USD 210,000	24.08.2026	CHF 0.752104
UBS	Sell	EUR 380,000	24.08.2026	CHF 0.896991
UBS	Sell	USD 210,000	24.09.2026	CHF 0.749826
UBS	Sell	EUR 380,000	24.09.2026	CHF 0.895375
UBS	Sell	USD 210,000	22.10.2026	CHF 0.747499
UBS	Sell	EUR 380,000	22.10.2026	CHF 0.893472
UBS	Sell	USD 210,000	24.11.2026	CHF 0.744810
UBS	Sell	EUR 380,000	24.11.2026	CHF 0.891421
UBS	Sell	USD 210,000	22.12.2026	CHF 0.742506
UBS	Sell	EUR 380,000	22.12.2026	CHF 0.886727

As of December 31, 2025

Contractual party	Position	Contract amount	Maturity dates	Contractual exchange rate
WOORI BANK	Sell	EUR 9,800,000	30.01.2026 ~ 30.06.2026	KRW 1,551.10 ~ 1,670.60
CITI BANK	Sell	EUR 21,220,000	30.01.2026 ~ 30.06.2026	KRW 1,551.00 ~ 1,677.40
BUSAN BANK	Sell	EUR 1,620,000	30.01.2026 ~ 31.03.2026	KRW 1,579.00

19.2. Currency swaps

To hedge the exchange rate risks, the Group has entered into the following currency swap contracts as of June 30, 2026 and December 31, 2025:

As of June 30, 2026

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, 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%		

20. Contingencies and commitments

20.1. Contingent liability

The Group has contingent liabilities in the amount of 2,371 million KRW in relation to open tax appeals (December 2025: 1,232 million KRW).

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. Future minimum short-term and low-value lease payments as of June 30, 2026 and December 31, 2025 are as follows:

Description	June 30, 2026	December 31, 2025
	million KRW	million KRW
Short-term lease commitments		
Within one year	-13	-2
Low-value lease commitments		
Within one year	-29	-64
After one year but not more than five years	-7	-11
Total	**-49**	**-77**

20.3. Other commitments

As part of its 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 June 30, 2026, the Group entered into commitments to purchase property, plant and equipment, as well as raw materials amounting to 16,410 million KRW (December 31, 2025: 4,367 million KRW).

20.4. Contingent asset

The Group has contingent assets in the amount of 4,945,989 USD in relation to IEEPA tariff reimbursement by US government, refer to note 31 on Events after the reporting period (December 2025: None).

21. Assets pledged as collateral

Details of property, plant and equipment and investment property pledged by the Group as collateral for interest-bearing loans and borrowings as of June 30, 2026 and December 31, 2025, presented in the maximum pledge amount, are as follows:

Pledged to	**Pledged assets**		**June 30, 2026**	**December 31, 2025**
Property, plant and equipment (Joint collateral in connection with long-term loan)				
Busan Bank	Land, buildings and machinery	million KRW	30,000	30,000
Kyongnam Bank	Land, buildings and machinery	million KRW	18,000	18,000
Property, plant and equipment and investment property (Collateral for other than long-term loan)				
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 and machinery	million KRW	96,600	96,600
Busan Bank	Land, buildings and machinery	thousand USD	24,000	24,000
Total		**million KRW**	**345,000**	**345,000**
		thousand USD	**24,000**	**24,000**

Payment guarantee to Seoul Guarantee Insurance Company

As of June 30, 2026, the Group held a performance guarantee of 918,451 USD in relation to the supply contract, serving as a financial guarantee to ensure our performance under the supply agreement for certain products. This includes two performance guarantee contracts, which cover two different periods from May 2026 to the end of May 2027, and from March 2026 to the end of May 2028.

As of December 31, 2025, the Group held a deposit guarantee of 237 million KRW in relation to the potential repayment of government subsidies received under the greenhouse gas reduction project for companies participating in the emissions trading system, covering the period from April 2025 to the end of December 2025.

22. Selling and administration expenses

Description	For the three months ended June 30, 2026	2025
	million KRW	million KRW
Sales-related costs	-11,674	-7,175
Personnel expenses	-17,887	-14,670
Travelling and entertainment	-1,518	-1,633
Administration expenses	-3,408	-3,718
IT expenses	-2,269	-1,565
Others	-1,516	-1,274
Total	**-38,272**	**-30,035**

Description	For the six months ended June 30, 2026	2025
	million KRW	million KRW
Sales-related costs	-18,455	-14,306
Personnel expenses	-31,114	-29,673
Travelling and entertainment	-3,283	-3,185
Administration expenses	-6,382	-6,703
IT expenses	-4,792	-3,223
Others	-3,050	-2,751
Total	**-67,076**	**-59,841**

23. Finance income / expenses

23.1. Finance income

Description	For the three months ended June 30, 2026	2025
	million KRW	million KRW
Foreign exchange gains	6,043	12,500
Gains from derivative instruments	1,302	382
Interest on loans and receivables	463	439
Gain on valuation of other financial assets FVtPL	7	60
Total finance income	**7,815**	**13,381**

Description	For the six months ended June 30, 2026	2025
	million KRW	million KRW
Foreign exchange gains	19,127	19,861
Gains from derivative instruments	3,194	1,100
Interest on loans and receivables	910	988
Gain on valuation of other financial assets FVtPL	39	158
Total finance income	**23,270**	**22,107**

23.2. Finance expenses

Description	For the three months ended June 30, 2026	2025
	million KRW	million KRW
Foreign exchange losses	-5,969	-18,401
Losses from derivative instruments	-181	-2,485
Interest expense	-1,646	-1,810
Other	-107	-94
Total finance expenses	**-7,903**	**-22,790**

Description	For the six months ended June 30, 2026	2025
	million KRW	million KRW
Foreign exchange losses	-16,591	-24,582
Losses from derivative instruments	-1,809	-4,756
Interest expense	-3,325	-3,945
Other	-208	-627
Total finance expenses	**-21,933**	**-33,910**

24. Income tax expenses

Description	For the three months ended June 30, 2026	2025
	million KRW	million KRW
Current income tax charges	-8,021	-1,429
Adjustments in respect of current income tax of previous year	19	30
Deferred taxes related to origination and reversal of deferred taxes	-3,463	319
Income tax recognized in other comprehensive income	911	887
Income tax expenses	**-10,554**	**-193**

Description	For the six months ended June 30, 2026	2025
	million KRW	million KRW
Current income tax charges	-16,093	-7,398
Adjustments in respect of current income tax of previous year	-35	401
Deferred taxes related to origination and reversal of deferred taxes	-6,163	2,060
Income tax recognized in other comprehensive income	1,330	223
Income tax expenses	**-20,961**	**-4,714**

The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions where it is active. In some of the jurisdictions in which the Group is active, qualified domestic top-up taxes are in place. Further, the Company as parent must pay additional top-up taxes on profits of subsidiaries taxed at less than the minimum tax rate of 15% (Income Inclusion Rule). All of the subsidiaries have either passed the transition period exemption rules or their effective tax rate is 15% or more, except for the subsidiaries in UAE. Accordingly, top-up tax of KRW 27 million was recognized in respect of the UAE operations for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 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.

25. Earnings per share

Description	For the three months ended June 30, 2026	2025
	KRW	KRW
Net profit attributable to ordinary equity holders of the parent	29,618,555,304	-1,481,495,148
Weighted average number of ordinary shares	24,000,000	24,000,000
Earnings per share (basic / diluted)	**1,234**	**-62**

Description	For the six months ended June 30, 2026	2025
	KRW	KRW
Net profit attributable to ordinary equity holders of the parent	47,710,023,743	3,375,674,531
Weighted average number of ordinary shares	24,000,000	24,000,000
Earnings per share (basic / diluted)	**1,988**	**141**

In 2026 and 2025, there were no potentially dilutive instruments outstanding.

26. Cash flow statement

		For the six months ended June 30,	
		2026	**2025**
Adjustments	Notes	million KRW	million KRW
Depreciation and amortization	11, 12, 13	21,158	20,385
Impairment of inventories	9	1,466	1,427
Pension costs		3,928	11,810
Finance income	23	-3,856	-3,954
Finance expenses	23	9,171	4,790
Income tax expenses	24	20,961	4,714
Other long-term employee benefit expenses	30	-9,867	1,209
Other		-377	-228
Total		**42,584**	**40,153**

Changes in operating assets and liabilities			
Trade and other receivables	6	-58,380	-9,660
Other current assets	8	-7,101	2,205
Derivative financial instruments	7	-1,637	-1,620
Inventories	9	-66,412	-4,909
Trade and other payables	16	66,078	14,404
Other current liabilities		4,024	-2,347
Pension liabilities		1,797	-3,570
Other long-term employment benefits	30	-103	679
Total		**-61,734**	**-4,818**

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	A company that has significant influence on the Group
Kyungshin Industrial Co., Ltd.	Korea	Other	A subsidiary of Songwon Moolsan Co., Ltd.

		For the six months ended June 30,	
		2026	2025
Related party	**Description**	**million KRW**	**million KRW**
Songwon Moolsan Co., Ltd.	Selling and administration costs	-40	-40
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	Sales	75	208
	Cost of sales	-14,639	-14,449

		As of	
		June 30, 2026	December 31, 2025
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.	Trade and other receivables	-	72
	Trade and other payables	3,320	2,058

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 June 30, 2026 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 six months ended June 30, 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (December 31, 2025: none).

27.3. Compensation of key management personnel of the Group

	For the six months ended June 30,	
Description	**2026**	**2025**
	million KRW	million KRW
Short-term employee benefits	-5,925	-6,031
Post-employment benefits	-346	-310
Other long-term benefits	464	-621
Share based payments	-	4
Total compensation paid to key management personnel	**-5,807**	**-6,958**

27.4. 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. Fair values

The carrying amounts of the Group's financial assets and financial liabilities approximate their fair values. This is due to the short-term nature of these instruments or because they bear interest at market rates.

		June 30, 2026	Level 1	Level 2	Level 3
		million KRW	million KRW	million KRW	million KRW
Financial assets	**Derivatives**				
	Currency swaps	2,959	-	2,959	-
	Debt instruments				
	Exchange traded fund at FVtPL	2,099	-	2,099	-
Total		**5,058**	**-**	**5,058**	**-**
Financial liabilities	**Derivatives**				
	Forward exchange contracts	778	-	778	-
Total		**778**	**-**	**778**	**-**

		December 31, 2025	Level 1	Level 2	Level 3
		million KRW	million KRW	million KRW	million KRW
Financial assets	**Derivatives**				
	Currency swaps	713	-	713	-
	Debt instruments				
	Exchange traded fund at FVtPL	5,810	-	5,810	-
Total		**6,523**	**-**	**6,523**	**-**
Financial liabilities	**Derivatives**				
	Forward exchange contracts	1,637	-	1,637	-
Total		**1,637**	**-**	**1,637**	**-**

29. Impact of global economic situation on the financial statements

The Group continues to monitor the global economic and political environment, including the ongoing conflict in the Middle East and related disruptions in supply chains. These developments have contributed to increased uncertainty in our markets and a shortage of certain raw materials, which may affect production schedules, procurement costs and delivery timelines.

As of the reporting date, the Group is unable to reliably quantify the potential financial impact of these external factors on its operations, financial position or results. Management continues to actively assess developments and will take appropriate measures as the situation evolves.

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 K-IFRS 1109, the Group reassessed past events, current conditions and forecasts of future economic conditions. For the six months ended June 30, 2026, 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 22 million KRW in the interim condensed consolidated financial statements for the six months ended June 30, 2026 (for the six months ended June 30, 2025: increase by 18 million KRW).

30. Other significant events and transactions

During the period, the Group replaced an existing long-term employee benefit program with a new scheme. In accordance with K-IFRS 1019, the modification resulted in a remeasurement of the related long-term employee benefit obligation. The change led to a net income effect of KRW 9,116 million recognized in cost of sales and KRW 1,387 million recognized in selling and administration costs.

The new program is expected to provide a comparable level of benefits to employees, while better aligning with current operational and remuneration structures.

31. Events after the reporting period

On July 7, 2026, the Group received reimbursement in the amount of 4,945,989 USD from the U.S. authorities for the remaining IEEPA tariff refunds previously applied for. No further tariff refunds are expected. As no enforceable right to receive the refund existed as of 30 June 2026, no receivable has been recognized, but a contingent asset has been disclosed at the reporting date (Refer to Note 20.4. Contingent asset). The event is considered a non-adjusting subsequent event in accordance with K-IFRS 1010. Management has carried out detailed analysis to ensure that proper accrual of all potential refund requests from our customers can be made in the following periods.

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.

32. 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 translated into US dollars at the rate of KRW 1,541.50, the exchange rate in effect on June 30, 2026. Such translation 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.

32.1. Interim consolidated statements of financial position in USD

	June 30, 2026	December 31, 2025
	thousand USD	thousand USD
ASSETS		
Current assets	**520,088**	**411,309**
Cash and cash equivalents	87,299	73,090
Trade and other receivables	144,572	101,500
Other current financial assets	4,343	6,812
Other current assets	12,077	7,325
Inventories	269,988	221,652
Income tax receivables	1,809	930
Non-current assets	**334,052**	**332,975**
Investments accounted for using the equity method	7,183	6,788
Property, plant and equipment	275,179	276,494
Investment properties	2,228	2,229
Intangible assets	11,486	9,390
Right-of-use assets	23,011	22,501
Other non-current financial assets	2,259	1,988
Other non-current assets	9,357	9,050
Deferred tax assets	3,349	4,535
Total assets	**854,140**	**744,284**
EQUITY AND LIABILITIES		
Total liabilities	**323,344**	**251,187**
Current liabilities	**254,242**	**189,028**
Interest-bearing loans and borrowings	104,521	93,299
Trade and other payables	129,022	84,263
Current lease liabilities	2,226	2,082
Other current financial liabilities	1,681	2,175
Other current liabilities	4,570	2,819
Income tax payable	12,222	4,390
Non-current liabilities	**69,102**	**62,159**
Pension liability	3,566	3,273
Other long-term employee-related liabilities	7,894	14,057
Non-current lease liabilities	22,391	21,587
Other non-current financial liabilities	8,809	507
Other non-current liabilities	1,133	230
Deferred tax liabilities	25,309	22,505
Equity	**530,796**	**493,097**
Issued capital	7,785	7,785
Capital surplus	13,287	13,287
Reserves	20,640	20,514
Retained earnings	462,882	433,875
Other components of equity	26,202	17,635
Total equity and liabilities	**854,140**	**744,284**

32.2. Interim consolidated statements of comprehensive income in USD

	For the three months ended June 30	
	2026	**2025**
	thousand USD	thousand USD
Sales	213,110	172,175
Cost of sales	-162,456	-147,118
Gross profit	**50,654**	**25,057**
Selling and administration costs	-24,828	-19,484
Operating profit	**25,826**	**5,573**
Other income	222	-51
Other expenses	-109	-452
Share of result from investments accounted for using the equity method	179	197
Finance income	5,070	8,681
Finance expenses	-5,127	-14,783
Profit before tax	**26,061**	**-835**
Income tax expenses	-6,847	-126
Profit for the period	**19,214**	**-961**
Other comprehensive income / (expense), net of taxes		
Net other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods	*2,928*	*-6,108*
Exchange differences on translation of foreign operations	2,928	-6,108
Net other comprehensive income / (expense) not to be reclassified to profit or loss	*1,942*	*1,242*
Re-measurement gain / (loss) on defined benefit plans	1,943	1,242
Gains on valuation of financial assets at FVOCI	-1	-
Total other comprehensive income / (expense), net of taxes	**4,870**	**-4,866**
Total comprehensive income	**24,084**	**-5,827**
Earnings per share	**USD**	**USD**
Basic and diluted earnings per share	0.80	-0.04

	For the six months ended June 30	
	2026	**2025**
	thousand USD	thousand USD
Sales	387,748	351,061
Cost of sales	-301,180	-299,573
Gross profit	**86,568**	**51,488**
Selling and administration costs	-43,513	-38,820
Operating profit	**43,055**	**12,668**
Other income	796	552
Other expenses	-571	-661
Share of result from investments accounted for using the equity method	401	345
Finance income	15,096	14,341
Finance expenses	-14,229	-21,997
Profit before tax	**44,548**	**5,248**
Income tax expenses	-13,598	-3,058
Profit for the period	**30,950**	**2,190**
Other comprehensive income / (expense), net of taxes		
Net other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods	*8,569*	*-4,172*
Exchange differences on translation of foreign operations	8,569	-4,172
Net other comprehensive income / (expense) not to be reclassified to profit or loss	*2,852*	*-270*
Re-measurement gain / (loss) on defined benefit plans	2,854	-271
Gains on valuation of financial assets at FVOCI	-2	1
Total other comprehensive income / (expense), net of taxes	**11,421**	**-4,442**
Total comprehensive income	**42,371**	**-2,252**
Earnings per share	**USD**	**USD**
Basic and diluted earnings per share	1.29	0.09

32.3. Interim consolidated statements of changes in equity in USD

	Issued capital	Capital surplus	Reserves	Retained earnings	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	
	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD
As of January 1, 2025	**7,785**	**13,287**	**20,047**	**434,202**	**-455**	**15,637**	**490,503**
Profit for the period	-	-	-	2,190	-	-	2,190
Other comprehensive income	-	-	-	-271	1	-4,172	-4,442
Total comprehensive income	**-**	**-**	**-**	**1,919**	**1**	**-4,172**	**-2,252**
Dividends	-	-	-	-4,671	-	-	-4,671
Appropriation to reserves	-	-	467	-467	-	-	-
As of June 30, 2025	**7,785**	**13,287**	**20,514**	**430,983**	**-454**	**11,465**	**483,580**
As of January 1, 2026	**7,785**	**13,287**	**20,514**	**433,875**	**-448**	**18,083**	**493,096**
Profit for the period	-	-	-	30,950	-	-	30,950
Other comprehensive income	-	-	-	2,854	-2	8,569	11,421
Total comprehensive income	**-**	**-**	**-**	**33,804**	**-2**	**8,569**	**42,371**
Dividends	-	-	-	-4,671	-	-	-4,671
Appropriation to reserves	-	-	126	-126	-	-	-
As of June 30, 2026	**7,785**	**13,287**	**20,640**	**462,882**	**-450**	**26,652**	**530,796**

32.4. Interim consolidated statements of cash flows in USD

	For the six months ended June 30	
	2026	**2025**
	thousand USD	thousand USD
Profit for the period	**30,950**	**2,190**
Total adjustments	**27,625**	**26,048**
Changes in operating assets and liabilities	**-40,048**	**-3,126**
Interest received	461	546
Payments of income tax	-3,612	-13,957
Net cash flows provided by operating activities	**15,376**	**11,701**
Proceeds from sale of property, plant and equipment	19	18
Purchases of property, plant and equipment	-9,076	-11,725
Purchases of intangible assets	-2,538	-214
Dividends received from investments using equity method	423	-
(Purchases) / proceeds from sale of other financial assets, net	3,855	555
Net cash flows used in investing activities	**-7,317**	**-11,366**
Proceeds from borrowings	72,826	79,907
Repayments of borrowings	-63,267	-60,962
Payment of lease liabilities	-1,639	-1,691
Proceeds from / (repayments of) other financial liabilities, net	8,365	423
Interest paid	-1,903	-2,069
Dividends paid	-4,671	-4,671
Net cash flows provided by financing activities	**9,711**	**10,937**
(Decrease) / increase in cash and cash equivalents	17,770	11,272
Net foreign exchange differences	-3,561	2,027
Cash and cash equivalents as of January 1	73,090	73,617
Cash and cash equivalents as of June 30	**87,299**	**86,916**

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