

KoMiCo Ltd.

Separate Financial Statements

December 31, 2025 and 2024

KoMiCo Ltd.
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December 31, 2025 and 2024

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
KoMiCo Ltd.

Opinion

We have audited the separate financial statements of KoMiCo Ltd. (the "Company"), which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statements of cash flows for the year then ended, and notes to the separate financial statement, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the separate financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Occurrence of revenue recognition

Reason why the matter was determined to be a Key Audit Matter

As set out in Note 2 to the separate financial statements, the Company identifies performance obligations in contracts with customers that are distinct and recognizes revenue when the obligations are satisfied. We identified this area as a key audit matter because the revenue comprises a material portion of the Company's financial statements and identifying performance obligations and determining when those obligations are satisfied involve significant judgement of management.

How our audit addressed the Key Audit Matter

The audit procedures we performed in relation to the occurrence of revenue recognition are as follows:

- We obtained an understanding and assessed the revenue recognition process and the Company's accounting policies and related controls.
- We assessed the existence of the contract and the appropriateness of the identification of performance obligations through review on contract or PO.
- We assessed the appropriateness of occurrence, timing, and amount of revenue recognition through examining procedure for transaction evidence identified through the revenue recognition process.

Other Matter

The separate financial statements of the Company for the year ended December 31, 2024 were audited by another auditor in accordance with Korean Standards on Auditing, and that auditor's report dated March 13, 2025 expressed an unmodified opinion on those separate financial statements.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho-Jin Seon, Certified Public Accountant.

Seoul, Korea March 18, 2026

This report is effective as at March 18, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

KoMiCo Ltd.
Separate Statements of Financial Position
December 31, 2025 and 2024

<i>(in Korean won)</i>	Notes	2025		2024	
Assets					
Current assets					
Cash and cash equivalents	4,7,8	₩	41,145,612,335	₩	38,967,568,183
Short-term financial instruments	5,7,8		1,000,000,000		16,028,562,231
Trade receivables	6,7,8,9,37		19,207,655,995		11,950,652,236
Other receivables	6,7,8,9,35,37		6,953,643,746		3,441,122,459
Inventories	12		1,840,323,065		1,038,415,933
Other current financial assets	6,7,8,10,35		15,948,305,177		16,091,131,231
Other current assets	11		9,182,716,377		3,456,044,023
			<u>95,278,256,695</u>		<u>90,973,496,296</u>
Investments in subsidiaries	13		373,785,150,767		255,536,828,691
Investments in associates and joint ventures	13		2,188,397,769		-
Other non-current receivables	7,8,9,35,37		1,802,317,923		2,081,462,445
Property, plant and equipment	14,15,35		94,640,083,884		80,215,226,506
Investment properties	16		6,371,663,871		6,565,705,919
Intangible assets	17		6,774,122,464		5,339,645,707
Other non-current assets	11		2,030,790,535		1,369,757,448
			<u>487,592,527,213</u>		<u>351,108,626,716</u>
Total assets		₩	582,870,783,908	₩	442,082,123,012
Liabilities					
Current liabilities					
Trade payables	6,7,8,19,37	₩	5,049,910,851	₩	3,018,833,924
Short-term borrowings	6,7,8,22,35		76,000,000,000		72,600,000,000
Other payables	6,7,8,19,37,35		7,527,102,976		6,525,858,192
Other current financial liabilities	6,7,8,20,36		9,366,209,538		9,776,475,863
Current portion of long-term borrowings	6,7,8,22,35		1,000,000,000		-
Current tax liabilities	33		3,149,810,537		7,118,494,015
Current lease liabilities	6,7,8,15,35		735,078,443		384,673,475
Other current liabilities	21		6,046,158,783		5,618,425,582
			<u>108,874,271,128</u>		<u>105,042,761,051</u>
Non-current liabilities					
Long-term borrowings	6,7,8,22,35		119,000,000,000		30,000,000,000
Post-employment benefit liabilities	23		14,353,861,420		12,238,241,375
Other non-current financial liabilities	6,7,8,20,36		2,054,916,606		1,328,632,418
Other non-current liabilities	21		2,495,595,024		2,119,003,985
Non-current lease liabilities	6,7,8,15,35		643,785,220		359,181,085
Deferred tax liabilities	33		6,081,847,102		9,682,479,877
			<u>144,630,005,372</u>		<u>55,727,538,740</u>
Total liabilities			<u>253,504,276,500</u>		<u>160,770,299,791</u>
Equity					
Issued capital	1,25		5,230,342,000		5,230,342,000
Reserves	25		12,664,109,690		12,664,109,690
Elements of other stockholders equity	24,27,35		(11,867,926,638)		(11,775,615,432)
Accumulated other comprehensive income	26		26,334,390,557		24,677,742,471
Retained earnings	28		297,005,591,799		250,515,244,492
Total equity			<u>329,366,507,408</u>		<u>281,311,823,221</u>
Total liabilities and equity		₩	582,870,783,908	₩	442,082,123,012

The above separate statements of financial position should be read in conjunction with the accompanying notes.

KoMiCo Ltd.
Separate Statements of Comprehensive Income
Year Ended December 31, 2025 and 2024

<i>(in Korean won)</i>	Notes	2025		2024	
Revenue	37,38	₩	193,368,673,376	₩	159,729,863,566
	12,29,37				
Cost of sales			109,613,911,837		88,082,611,718
Gross profit			83,754,761,539		71,647,251,848
Selling and administrative expenses	29,30,37		55,992,043,219		45,235,964,689
Bad debt expenses (reversal)	30		<u>(61,632,849)</u>		<u>(51,001,309)</u>
Operating income			27,824,351,169		26,462,288,468
Other income	31		8,721,720,438		6,248,149,376
Other expenses	31		671,469,694		456,460,595
Finance income	32		2,014,396,064		6,872,279,481
Finance costs	32		7,497,408,732		4,978,227,630
Profits of associates and joint ventures (losses)	13		<u>28,556,524,871</u>		<u>34,452,054,861</u>
Profit before income tax			58,948,114,116		68,600,083,961
Income tax expense	33		<u>2,046,607,946</u>		<u>13,471,354,100</u>
Profit		₩	<u>56,901,506,170</u>	₩	<u>55,128,729,861</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of net defined benefit liability			94,787,169		529,758,499
<i>Items that may be subsequently reclassified to profit or loss</i>					
Share of other comprehensive income of associates and joint ventures	13		<u>1,656,648,086</u>		<u>15,810,181,173</u>
Other comprehensive income, net of tax			<u>1,751,435,255</u>		<u>16,339,939,672</u>
Total comprehensive income		₩	<u>58,652,941,425</u>	₩	<u>71,468,669,533</u>
Earnings per share	34				
Basic earnings per share		₩	5,633	₩	5,331
Diluted earnings per share			5,601		5,331

The above separate statements of comprehensive income should be read in conjunction with the accompanying notes.

KoMiCo Ltd.

Separate Statements of Changes in Equity Year Ended December 31, 2025 and 2024

(in Korean won)

	Notes	Shares capital	Reserves	Other Capital Adjustments	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at January 1, 2024		₩ 5,230,342,000	₩ 14,402,241,533	₩ (2,914,979,317)	₩ 8,867,561,298	₩ 199,058,785,258	₩ 224,643,950,772
Total comprehensive income							
Profit		-	-	-	-	55,128,729,861	55,128,729,861
Other comprehensive income							
Remeasurements of net defined benefit liability	23	-	-	-	-	529,758,499	529,758,499
Share of other comprehensive income of associates and joint ventures	13	-	-	-	15,810,181,173	-	15,810,181,173
Total other comprehensive income (loss)		-	-	-	15,810,181,173	529,758,499	16,339,939,672
Total comprehensive income		-	-	-	15,810,181,173	55,658,488,360	71,468,669,533
Transactions with owners							
Business combination of entities under common control	39	-	(1,738,131,843)	-	-	-	(1,738,131,843)
Changes in retained earnings from equity method		-	-	-	-	(49,706,726)	(49,706,726)
Share-based payment	24	-	-	1,136,961,035	-	-	1,136,961,035
Annual dividends paid		-	-	-	-	(4,152,322,400)	(4,152,322,400)
Acquisition of treasury shares		-	-	(9,997,597,150)	-	-	(9,997,597,150)
Total transactions with owners		-	(1,738,131,843)	(8,860,636,115)	-	(4,202,029,126)	(14,800,797,084)
Balance at December 31, 2024		₩ 5,230,342,000	₩ 12,664,109,690	₩ (11,775,615,432)	₩ 24,677,742,471	₩ 250,515,244,492	₩ 281,311,823,221
Balance at January 1, 2025		₩ 5,230,342,000	₩ 12,664,109,690	₩ (11,775,615,432)	₩ 24,677,742,471	₩ 250,515,244,492	₩ 281,311,823,221
Total comprehensive income							
Profit		-	-	-	-	56,901,506,170	56,901,506,170
Other comprehensive income							
Remeasurements of net defined benefit liability		-	-	-	-	94,787,169	94,787,169
Share of other comprehensive income of associates and joint ventures	11	-	-	-	1,656,648,086	-	1,656,648,086
Total other comprehensive income (loss)		-	-	-	1,656,648,086	94,787,169	1,751,435,255
Total comprehensive income		-	-	-	1,656,648,086	56,996,293,339	58,652,941,425
Transactions with owners							
Annual dividends paid	34	-	-	-	-	(10,171,356,000)	(10,171,356,000)
Share-based payment	24	-	-	4,857,514,990	-	-	4,857,514,990
Acquisition of treasury shares		-	-	(4,949,826,196)	-	-	(4,949,826,196)
Changes in retained earnings from equity method		-	-	-	-	(334,590,032)	(334,590,032)
Total transactions with owners		-	-	(92,311,206)	-	(10,505,946,032)	(10,598,257,238)
Balance at December 31, 2025		₩ 5,230,342,000	₩ 12,664,109,690	₩ (11,867,926,638)	₩ 26,334,390,557	₩ 297,005,591,799	₩ 329,366,507,408

The above separate statements of changes in equity should be read in conjunction with the accompanying notes.

KoMiCo Ltd.
Separate Statements of Cash Flows
Year Ended December 31, 2025 and 2024

<i>(in Korean won)</i>	Note	2025	2024
Cash flows from operating activities			
Cash generated from operations	35	₩ 42,954,999,560	₩ 48,847,524,452
Interest received		1,627,286,251	1,634,010,101
Interest paid		(4,518,937,011)	(4,608,640,159)
Income taxes paid		(9,591,530,886)	(3,265,416,761)
Dividends received		5,211,278,000	3,114,348,507
Net cash inflow from operating activities		<u>35,683,095,914</u>	<u>45,721,826,140</u>
Cash flows used in investing activities			
Proceeds from disposal of short-term financial instruments		31,061,167,820	12,868,200,000
Decrease in loans		916,308,600	544,060,900
Proceeds from disposal of property, plant and equipment		60,387,287	291,526,154
Decrease in deposits provided		56,300,000	2,000,000
Proceeds from disposal of financial assets at fair value through profit or loss		-	6,151,322,430
Receipt of government grants		680,128,200	59,405,346
Payments for short-term financial instruments		(16,000,000,000)	(16,002,402,850)
Increase in loans		(640,000,000)	(1,308,000,000)
Payments for property, plant and equipment		(29,646,873,321)	(19,156,757,482)
Payments for intangible assets		(1,130,738,890)	(1,717,364,641)
Increase in deposits provided		(125,860,000)	(300,139,029)
Payments for investments in associates and joint ventures		(80,103,159,250)	-
Payments for financial assets at fair value through profit or loss		(16,243,800,000)	-
Net cash outflow from business combination of entities under common control	39	-	(3,080,741,985)
Net cash outflow from investing activities		<u>(111,116,139,554)</u>	<u>(21,648,891,157)</u>
Cash flows from financing activities			
Proceeds from short-term borrowings		76,000,000,000	72,600,000,000
Proceeds from long-term borrowings		85,000,000,000	20,000,000,000
Increase in leasehold deposits received		-	272,290,000
Repayments of short-term borrowings		(67,600,000,000)	(32,600,000,000)
Repayments of current portion of long-term borrowings		-	(1,250,000,000)
Repayments of long-term borrowings		-	(58,750,000,000)
Dividends paid		(10,171,356,000)	(4,152,322,400)
Decrease in leasehold deposits received		(4,130,000)	-
Repayments of lease liabilities		(812,579,773)	(506,074,035)
Acquisition of treasury shares		(4,949,826,196)	(9,997,597,150)
Net cash inflow from financing activities		<u>77,462,108,031</u>	<u>(14,383,703,585)</u>
Net increase in cash and cash equivalents		<u>2,029,064,391</u>	<u>9,689,231,398</u>
Cash and cash equivalents at the beginning of the financial year		38,967,568,183	27,803,348,669
Effects of exchange rate changes on cash and cash equivalents denominated in foreign currencies		148,979,761	1,474,988,116
Cash and cash equivalents at the end of the year		<u>₩ 41,145,612,335</u>	<u>₩ 38,967,568,183</u>

The above separate statements of cash flows should be read in conjunction with the accompanying notes.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

1. General Information

On August 13, 2013, KoMiCo (the Company) was established through split-off from MiCo Ltd., and the Company mainly engages in cleaning and coating of semiconductor equipment components and LCD related precision parts.

On March 23, 2017, the Company listed its ordinary shares on the Korea Securities Dealers Automated Quotations (“KOSDAQ”) market, and its headquarters is located in Mosan-ro, Anseong-si, Gyeonggi-do.

After several capital increases, the issued capital of the Company as at December 31, 2025, amounted to ₩ 5,230 million, which was ₩ 3,500 million upon establishment. MiCo Ltd., the Parent Company, holds 41.10% of the Company’s issued shares.

The Company’s major shareholders are as follows:

	2025		2024	
	Number of shares	Percentage of ownership (%)	Number of shares	Percentage of ownership (%)
MiCo Ltd.	4,299,326	41.10	4,299,326	41.10
Treasury shares	379,328	3.63	289,328	2.77
Others	5,782,030	55.27	5,872,030	56.13
	<u>10,460,684</u>	<u>100.00</u>	<u>10,460,684</u>	<u>100.00</u>

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangeul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying separate financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company’s financial position, financial performance or cash flows, is not presented in the accompanying separate financial statements.

The separate financial statements of the Company have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the

KoMiCo Ltd.
Notes to the Separate Financial Statements
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Republic of Korea.

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), and
- defined benefit pension plans – plan assets measured at fair value

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2025.

(a) Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and Korean IFRS 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments do not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1117 Insurance Contracts

If the estimation techniques used to measure insurance contract inputs differ from the principle-based estimation techniques required by insurance regulations, an entity shall disclose the nature of those differences and their effects on the financial statements when such information is relevant and material to users of the financial statements.

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Notes to the Separate Financial Statements
December 31, 2025 and 2024

2.2.2 New standards and interpretations not yet adopted by the Company

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company.

(a) Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures

Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures have been amended to respond to questions raised in practice and to include new requirements. The amendments are effective for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Company is reviewing the effects of these amendments on the financial statements.

The principal amendments are as follows:

- permit certain financial liabilities settled through an electronic payment system to be treated as settled before the settlement date when specified criteria are met;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- require disclosures about the effect on the entity and the extent of exposure for each class of financial instrument when contractual terms change the timing or amount of contractual cash flows; and
- add further disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(b) Annual Improvements to Korean IFRS – Volume 11

Annual Improvements to Korean IFRS – Volume 11 are effective for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Company does not expect the amendments to have a significant impact on the financial statements.

- Korean IFRS 1101 First-time Adoption of International Financial Reporting Standards: hedge accounting by a first-time adopter
- Korean IFRS 1107 Financial Instruments: Disclosures: gain or loss on derecognition and implementation guidance
- Korean IFRS 1109 Financial Instruments: derecognition of lease liabilities and definition of transaction price
- Korean IFRS 1110 Consolidated Financial Statements: determination of a de facto agent

KoMiCo Ltd.
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- Korean IFRS 1007 Statement of Cash Flows: cost method

(c) Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures – Contracts linked to nature-dependent electricity

The amendments define contracts linked to nature-dependent electricity as contracts under which an entity is exposed to variability in the underlying electricity quantity because the source of electricity generation depends on uncontrollable natural conditions such as weather. The amendments clarify that such contracts are subject to the own-use exception assessment, amend hedge accounting requirements, and add related disclosure requirements. The amendments are effective for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the financial statements.

(d) Enactment of Korean IFRS 1118, Presentation and Disclosure in Financial Statements

Korean IFRS 1118, Presentation and Disclosure in Financial Statements, replaces Korean IFRS 1001, Presentation of Financial Statements. The new presentation requirements introduced by Korean IFRS 1118 are expected to improve comparability of financial performance among similar entities, particularly in relation to the definition of operating profit or loss. In addition, the disclosure requirements for “management-defined performance measures” will enhance transparency. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. In accordance with the retrospective application requirements of the standard, comparative information for the annual reporting period ending December 31, 2026 will be restated in accordance with Korean IFRS 1118.

The Company has not yet adopted Korean IFRS 1118 and is currently assessing the impact that the application of the standard will have on the Company. The Company is establishing a transition plan and is on track to prepare its first interim financial statements under Korean IFRS 1118 for the period ending March 31, 2027 and its annual financial statements for the year ending December 31, 2027.

2.2.3 Amendments to Korean IFRS 1001 Presentation of Financial Statements

In describing the components of financial performance, the Company changed its revenue presentation classification criteria to better reflect the substance of its business, from the previous presentation by product and merchandise sales to a presentation based on business areas.

2.3 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The separate financial statements are presented in Korean won, which is the Company’s functional and presentation currency.

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(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying effective portion of hedges of net investments or are attributable to monetary part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in 'finance income' or 'finance costs' in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

2.4 Financial Assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

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(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'finance income' or 'finance costs' and impairment losses are presented in 'other expenses'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of comprehensive income within 'finance income' or 'finance costs' in the year in which it arises.

B. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity

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investments, which held for long-term investment or strategic purposes, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continues to be recognized in profit or loss as 'finance income' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'finance income' or 'finance costs' in the statement of comprehensive income as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(c) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables. (Note 6.2 provides more detail of how the Company determines there has been a significant increase in credit risk.)

(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Company commits to purchase or sell the assets. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.5 Derivatives

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives that do not meet the requirements for hedge accounting are classified as held for trading, and changes in the fair value of derivatives are recognized in profit or loss as 'finance costs' or 'finance income', depending on the nature of the underlying transaction.

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2.6 Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade receivables are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the gross average method.

2.8 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Useful lives
Buildings	30 years
Structures	15
Machinery	8
Vehicles, Tools and equipment, Supplies, Facilities	5

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.9 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.10 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset, and government grants related

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to income are deferred and later deducted from the related expense.

2.11 Intangible Assets

Intangible assets are initially recognized at their historical cost and carried at cost less accumulated amortization and accumulated impairment losses.

Expenditures incurred from research (or research stage of internal project) are recognized as expenses when they are incurred. Intangible assets incurred from development activities (or development stage of internal project) are recognized only when it is technically feasible to complete the intangible asset so that it will be available for use; management intends to complete the intangible asset and use or sell it; there is the ability to use or sell the intangible asset; it can be demonstrated how the intangible asset will generate probable future economic benefits; adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and the expenditure attributable to the intangible asset during its development can be reliably measured.

Costs of internally generated intangible assets are the aggregate costs recognized after meeting the asset recognition criteria, including any costs directly attributable to preparing the asset for its creation, manufacturing and intended use by management. Internally generated goodwill is not recognized as an asset.

Membership rights that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Company amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	Useful lives
Software	5 years
Development costs	5 years
Membership rights	Indefinite

2.12 Investment Property

Investment property is property held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. An investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Company depreciates investment properties, except for land, using the straight-line method over their useful lives of 30 years.

2.13 Impairment of Non-financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that

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they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.15 Financial Liabilities

(a) Classification and measurement

The Company classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and present as 'trade and other payables', and 'borrowings' in the statement of financial position.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

(b) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.16 Financial Guarantee Contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, subsequently at the higher of the following amounts and recognized in the statement of financial position within 'other financial liabilities'.

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- the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 Financial Instruments and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 Revenue from Contracts with Customers

2.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

2.18 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Company recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, the Company recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.19 Employee Benefits

(a) Post-employment benefits

The Company operates both defined contribution and defined benefit plans.

For defined contribution plans, the Company pays contribution to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligation once the contribution has been paid. The contribution is recognized as employee benefit expense when they are due.

A defined benefit plan is a pension plan that is not a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depends on the employee's age, periods of service or salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

(b) Share-based payments

Equity-settled share-based payment is recognized at fair value of equity instruments granted, and employee benefit expense is recognized over the vesting period. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are recognized as issued capital (nominal value) and share premium.

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(c) Other long-term employee benefits

The Company provides long-term employee benefits that are entitled to employees with service period for five years and above. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The Company recognizes service cost, net interest on other long-term employee benefits and remeasurements as profit or loss for the year. These liabilities are valued annually by an independent qualified actuary.

2.20 Revenue Recognition

The Company recognizes revenue by applying the following five-step revenue recognition model to all contracts with customers that are included in the scope of Korean IFRS 1115 *Revenue from contracts with customers*.

A new five-step process must be applied before revenue from contract with customers can be recognized:

- Identify contracts with customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

(a) Identify performance obligation

The Company is engaged in the business of precision cleaning and regeneration of semiconductor and LCD-related precision parts and selling them to customers. The Company identifies separate performance obligation (a) if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer, and (b) if the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. For each performance obligation, the Company determines the time of revenue recognition whether it satisfies the performance obligation at a point in time or over time.

(b) A performance obligation is satisfied at a point in time

Revenue from sales of goods is recognized when assets are transferred and then performance obligations are fulfilled. The performance obligation satisfied at a point in time is satisfied at the time of transferring control of the goods or services to the customer. The Company considers the following indicators of the transfer of control to determine the point in time at which the entity satisfies a performance obligation.

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- The entity has a present right to payment for the asset.
- The customer has legal title to the asset.
- The entity has transferred physical possession of the asset
- The customer has the significant risks and rewards of ownership of the asset
- The customer has accepted the asset

(c) A performance obligation is satisfied over time

The Company is obliged to provide precision cleaning and regeneration services over the service period; therefore, the Company will recognize the allocated transaction price for each performance obligation over the service period as revenue.

(d) Sales-based or usage-based royalties

The Company has entered into a royalty agreement and others with subsidiaries. In accordance with Korean IFRS 1115, the Company recognizes revenue for a sales-based or usage-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale or usage occurs; and
- the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied.

(e) Variable consideration

If the consideration promised in a contract includes a variable amount, the Company shall estimate the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised consideration can also vary if the Company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. For example, an amount of consideration would be variable if either a product was sold with a right of return or a fixed amount is promised as a performance bonus on achievement of a specified milestone.

(f) Significant financing component

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer.

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As a practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised goods or services to a customer and when the customer pays for that goods or services will be one year or less.

(g) Allocating the transaction price

The Company allocates the transaction price to various performance obligations identified in one contract based on their relative stand-alone selling prices.

2.21 Leases

(a) Lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

(b) Lessee

The Company leases various properties and vehicles. Lease contracts are typically made for fixed periods of 1 to 2 years, but may have extension options as described in (c) below.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is lessee, the Company applies the practical expedient which has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Company determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Company should consider a termination penalty in determining the period for which the contract is enforceable.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments those are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Company (the lessee) is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company (the lessee) exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets mainly comprise office furniture.

(c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximize operational flexibility in terms of managing contracts.

2.22 Investments in Subsidiaries

The financial statements of the Company are the separate financial statements prepared in accordance with Korean IFRS 1027 *Separate Financial Statements*. Investments in subsidiaries are accounted for using the equity method. Also, the Company recognizes dividend income from subsidiaries as a deduction from carrying amounts of investments accounted for using equity method when its right to receive the dividend is established.

2.23 Business Combination of Entities under Common Control

The Company applies the carrying amount method to account for business combinations of entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their carrying amounts on the consolidated financial statements of the Ultimate Parent. In addition, the difference between the sum of consolidated book amounts of the assets and liabilities transferred and accumulated other comprehensive income; and the consideration paid is recognized as reserves.

2.24 Segment Reporting

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker (Note 38). The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

2.25 Approval of Issuance of the Financial Statements

The separate financial statements for the year ended December 31, 2025 were approved for issue by the Board of Directors on March 4, 2026 and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Company's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by

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definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

(a) Income taxes

The Company's taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain.

If certain portion of the taxable income is not used for investments or increase in wages or dividends for a certain period, the Company is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects for such period. As the Company's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

(b) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(c) Impairment of financial assets

The provisions for impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

(d) Net defined benefit liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate.

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4. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025	2024
Bank deposits and others	₩ 41,145,612	₩ 38,967,568
	<u>₩ 41,145,612</u>	<u>₩ 38,967,568</u>

5. Short-term Financial Instruments

Short-term financial instruments as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025	2024
Time deposits and instalments	₩ 1,000,000	₩ 16,000,000
Other short-term financial instruments	-	28,562
	<u>₩ 1,000,000</u>	<u>₩ 16,028,562</u>

6. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize any adverse effects on the financial performance of the Company.

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6.1 Market Risk

(a) Foreign currency risk

The Company operates internationally and is exposed to foreign currency risk, primarily the US dollar. Foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currencies that are not the Company entities' functional currencies. Monetary assets and liabilities denominated in foreign currencies other than functional currencies as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025				2024			
	Foreign amount		Korean won equivalent		Foreign amount		Korean won equivalent	
Assets								
Cash and cash equivalents	USD	6,202,550	₩	8,900,039	USD	5,646,259	₩	8,300,001
	JPY	219,661,948		2,015,684	JPY	84,131,320		787,873
Trade receivables	USD	7,645,007		10,969,821	USD	2,067,235		3,038,836
	JPY	8,528,984		78,265	JPY	17,348,220		162,463
Other receivables	USD	3,526,807		5,060,615	USD	1,377,367		2,024,729
			₩	<u>27,024,424</u>			₩	<u>14,313,902</u>
Liabilities								
Trade payables	USD	5,440	₩	7,806	USD	-	₩	-
Other payables	USD	27,641		39,662	USD	118,441		174,109
			₩	<u>47,468</u>			₩	<u>174,109</u>

As at December 31, 2025 and 2024, if the currency, Korean won, had increased/decreased by 10% with all other variables held constant against the foreign currency, the impact on pre-tax profit would be as follows:

<i>(in thousands of Korean won)</i>	2025				2024			
	Increase 10%		Decrease 10%		Increase 10%		Decrease 10%	
USD/Korea won	₩	2,488,301	₩	(2,488,301)	₩	1,318,945	₩	(1,318,945)
JPY/Korea won		<u>209,395</u>		<u>(209,395)</u>		<u>95,034</u>		<u>(95,034)</u>
	₩	<u>2,697,696</u>	₩	<u>(2,697,696)</u>	₩	<u>1,413,979</u>	₩	<u>(1,413,979)</u>

The sensitivity analysis shown above is for monetary assets and liabilities denominated in foreign currency other than the Company's functional currency as at December 31, 2025 and 2024.

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(b) Interest rate risk

Interest rate risk of the Company is defined as the risk that the interest expenses arising from borrowings will fluctuate due to changes in future market interest rate. The interest rate risk mainly arises through floating rate short-term borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty caused by fluctuations in interest rates and net interest expenses.

The Company adequately minimizes risks from interest rate fluctuations through various policies, such as sharing excess cash within the Company (internal cash sharing) to minimize external borrowings, avoiding high rate borrowings, reforming capital structure, managing an appropriate ratio of fixed rate borrowings and floating rate borrowings, monitoring a fluctuation of domestic and foreign interest rates daily, weekly and monthly, establishing alternatives, and balancing floating rate short-term borrowings with floating rate deposits.

The exposure of the Company's borrowing to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Amount	Ratio	Amount	Ratio
Borrowings with floating rate	₩ 116,000,000	59%	₩ -	-
Borrowings with fixed rate – maturity dates:				
Less than 1 year	70,000,000	36%	72,600,000	71%
1 to 5 years	10,000,000	5%	30,000,000	29%
	<u>₩ 196,000,000</u>	<u>100%</u>	<u>₩ 102,600,000</u>	<u>100%</u>

As at December 31, 2025 and 2024, if the interest rate had increased/decreased by 1% with all other variables held constant, the impact of interest expenses related to borrowings with floating rate on pre-tax profit would be as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Interest expenses	₩ (1,160,000)	₩ 1,160,000	₩ -	₩ -

(c) Price risk

The Company has completed the sale of equity securities held by the Company classified as financial assets at fair value through other comprehensive income for the year ended December 31, 2025.

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6.2 Credit Risk

The Company is exposed to credit risk which arises during the investing activities where other parties fail to discharge an obligation. Credit risk usually arises from outstanding trade and other receivables, debt securities, financial institution deposits and others.

To manage the credit risk, the Company implements and operates policies and procedures for credit enhancements of the financial assets. Also, the Company has been provided collateral and payment guarantees from customers before sales commence and analysis of financial assets past due has been reported, and appropriate measures have been taken to secure the Company's assets.

(a) Risk management

To manage credit risk, the Company establishes and operates policies and procedures for security of financial assets. If corporate customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by corporate customers is regularly monitored by line management. Sales to individual customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(b) Security

Upon the contracts with new customers, the Company has been provided with collateral or payment guarantees from the customers. For delayed collection of financial assets, current state and collection measures are reported, and appropriate actions are taken in accordance with the reason for any delays.

(c) Impairment of financial assets

The Company has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of goods and provision of services, and
- other receivables carried at amortized cost

While cash equivalents are also subject to the impairment requirement, the identified impairment loss was immaterial.

A. Trade receivables

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected allowance for credit losses for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped

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based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before the end of the reporting period, and the corresponding historical credit losses experienced within this period.

On that basis, the allowance for credit losses as at December 31, 2025 and 2024, was determined as follows for trade receivables:

<i>(in thousands of Korean won)</i>	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
December 31, 2025					
Expected loss rate	0.00%	0.00%	0.00%	0.97%	
Gross carrying amount – trade receivables	₩ 10,974,308	₩ 2,557,801	₩ 64,355	₩ 5,666,205	₩ 19,262,669
Allowance for credit losses	-	-	-	55,013	55,013
December 31, 2024					
Expected loss rate	0.00%	0.00%	0.00%	6.51%	
Gross carrying amount – trade receivables	₩ 9,743,943	₩ 1,416,707	₩ 259	₩ 844,758	₩ 12,005,667
Allowance for credit losses	-	-	-	55,015	55,015

Movements in the allowance for credit losses provision for trade receivables for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Beginning balance	₩ 55,015	₩ 53,860
Reversal of bad debt expenses	(2)	(1,633)
Business combination of entities under common control	-	2,788
Ending balance	<u>₩ 55,013</u>	<u>₩ 55,015</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

Impairment losses on trade receivables are presented as net bad debt expenses in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

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B. Other receivables amortized cost

Other receivables at amortized cost include short-term and long-term loans, non-trade receivables, deposits provided and others.

There is no allowance for credit losses provision for other receivables at amortized cost for the years ended December 31, 2025 and 2024.

(d) Maximum exposure to credit risk

The maximum exposure to credit risk to financial assets held by the Company as at December 31, 2025 and 2024, is as follows. However, the value of acquired collaterals and the effects from other security are not considered.

<i>(in thousands of Korean won)</i>		2025		2024
Cash and cash equivalents	₩	41,145,612	₩	38,967,568
Short-term financial instruments		1,000,000		16,028,562
Financial assets at fair value through profit or loss		-		16,091,131
Trade receivables		19,207,656		11,950,652
Other receivables		8,755,962		5,522,585
		<u>₩ 70,109,230</u>		<u>₩ 88,560,498</u>
		2025		2024
Financial guarantee contracts ¹	USD	149,350,000	USD	98,950,000
	CNY	244,651,200	CNY	11,251,200

¹ As financial guarantee liabilities and the Company's maximum exposure related to the financial guarantee contracts is the maximum amount that the Company is obliged to pay if the guarantee is called on under the related payment guarantee contracts (Note 36).

6.3 Liquidity Risk

The Company monitors the rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal financial ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

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The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period at the financial reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest:

(in thousands of Korean won)

	2025			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	₩ 5,049,911	₩ -	₩ -	₩ 5,049,911
Short-term borrowings	77,472,758	-	-	77,472,758
Other payables	7,527,103	-	-	7,527,103
Current portion of long-term borrowings ¹	1,000,000	-	-	1,000,000
Current lease liabilities	751,045	-	-	751,045
Long-term borrowings	5,199,500	9,022,847	97,842,426	112,064,773
Non-current lease liabilities	-	471,485	226,578	698,063
Financial guarantee contracts ²	264,397,095	-	-	264,397,095
	<u>₩ 361,397,412</u>	<u>₩ 9,494,332</u>	<u>₩ 98,069,004</u>	<u>₩ 468,960,748</u>

¹ Cash flows related to interest on the current portion of long-term borrowings are included in cash flows from long-term borrowings.

² As financial guarantee liabilities to related parties of the Company, it is the maximum amount of financial guarantees and allocated to the earliest period in which the Company can be required to make payments (Note 36).

(in thousands of Korean won)

	2024			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	₩ 3,018,834	₩ -	₩ -	₩ 3,018,834
Short-term borrowings	74,060,807	-	-	74,060,807
Other payables	6,525,858	-	-	6,525,858
Current lease liabilities	392,738	-	-	392,738
Long-term borrowings	1,301,000	30,697,301	-	31,998,301
Non-current lease liabilities	-	267,149	124,550	391,699
Financial guarantee contracts ¹	147,721,029	-	-	147,721,029
	<u>₩ 233,020,266</u>	<u>₩ 30,964,450</u>	<u>₩ 124,550</u>	<u>₩ 264,109,266</u>

¹ As financial guarantee liabilities to related parties of the Company, it is the maximum amount of financial guarantees and allocated to the earliest period in which the Company can be required to make payments (Note 36).

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6.4 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so the Company can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is total borrowings less cash and cash equivalents and short-term financial instruments. Total capital is 'equity' as shown in the separate statement of financial position plus net debt.

The gearing ratios as at December 31, 2025 and 2024, were as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Total borrowings	₩	196,000,000	₩	102,600,000
Less: cash and cash equivalents and short-term financial instruments		<u>42,145,612</u>		<u>54,996,130</u>
Net debt		153,854,388		47,603,870
Total equity		<u>329,366,507</u>		<u>281,311,823</u>
Total capital	₩	<u>483,220,895</u>	₩	<u>328,915,693</u>
Gearing ratio		31.84%		14.47%

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7. Fair Value

7.1 Fair Value of Financial Instruments by Category

Carrying amount and fair value of financial instruments by category as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Financial assets measured at fair value:				
Other financial assets				
Financial assets at fair value through profit or loss	₩ 15,948,305	₩ 15,948,305	₩ 16,091,131	₩ 16,091,131
Financial assets not measured at fair value ¹ :				
Cash and cash equivalents	₩ 41,145,612	₩ 41,145,612	₩ 38,967,568	₩ 38,967,568
Short-term financial instruments	1,000,000	1,000,000	16,028,562	16,028,562
Trade receivables	19,207,656	19,207,656	11,950,652	11,950,652
Other receivables	8,755,962	8,755,962	5,522,585	5,522,585
	<u>₩ 86,057,535</u>	<u>₩ 86,057,535</u>	<u>₩ 88,560,498</u>	<u>₩ 88,560,498</u>
Liabilities				
Financial liabilities measured at fair value:				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	₩ -	₩ -	₩ -	₩ -
Financial liabilities not measured at fair value ¹ :				
Trade payables	₩ 5,049,911	₩ 5,049,911	₩ 3,018,834	₩ 3,018,834
Other payables	7,527,103	7,527,103	6,525,858	6,525,858
Borrowings	196,000,000	196,000,000	102,600,000	102,600,000
Other financial liabilities	11,421,126	11,421,126	11,105,108	11,105,108
	<u>₩ 219,998,140</u>	<u>₩ 219,998,140</u>	<u>₩ 123,249,800</u>	<u>₩ 123,249,800</u>
Lease liabilities ¹ :				
Lease liabilities	₩ 1,378,864	₩ 1,378,864	₩ 743,855	₩ 743,855

¹ Financial assets and liabilities not measured at fair value and lease liabilities use their carrying amount as fair value as it is determined that the carrying amount is a reasonable approximation of fair value.

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7.2 Fair Value Hierarchy

Items that are measured at fair value or of which fair values are disclosed are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date (Level 1).
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

Fair value hierarchy classifications of the financial instruments that are measured at fair value or of which fair values are disclosed as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	₩	-	₩	₩ 15,948,305
			₩ 15,948,305	₩ 15,948,305

(in thousands of Korean won)

	2024			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	₩	-	₩	₩ 16,091,131
			₩ 16,091,131	₩ 16,091,131

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7.3 Transfers Between Fair Value Hierarchy Levels

(a) Changes in financial instruments classified as level 3 for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Beginning balance	₩ 16,091,131	₩ -	₩ 23,485,909	₩ 3,423,901
Amount recognized in other comprehensive income (valuation)	(453,095)	-	2,411,360	230,915
Acquisition ¹	16,243,800	-	-	-
Sell (repayment) ²	(15,933,531)	-	(9,806,138)	(3,654,816)
Ending balance	₩ 15,948,305	₩ -	₩ 16,091,131	₩ -

¹ For the year ended December 31, 2025, the Company acquired the warrants held by MiCo Ltd., the Parent Company.

² For the year ended December 31, 2025, the Company exercised the exchange rights embedded in the exchangeable bonds held by the Company and exchanged them for shares of MiCoCeramics Ltd., which were reclassified as investments in associates accounted for using the equity method. In the prior year, MiCo Ltd., the Parent Company, exercised in full its put options related to such exchangeable bonds.

7.4 Valuation Techniques and the Inputs

Valuation techniques used in the fair value measurements categorized within Level 3 of the fair value hierarchy as at December 31, 2025, are as follows:

(in thousands of Korean won)

	2025				
	Fair value	Level	Valuation techniques	Inputs	Range of inputs
Assets					
Financial assets at fair value through profit or loss	₩ 15,948,305	3	Discounted cash flow model, Binomial model approach, and others	Volatility Discount rate Weighted average discount rate Perpetual growth rate	49.61% 7.10% 13.30% 0.00%

7.5 Valuation Processes for Fair Value Measurements Categorized as Level 3

The Company's finance department performs the fair value measurements required for financial reporting purposes, including level 3 fair values. The finance department reports directly to the

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chief financial officer (CFO) and internal auditor. Discussions of the valuation process and the result are held between the CFO, internal auditor on a quarterly basis, in line with the Company's quarterly reporting periods.

7.6 Sensitivity Analysis for Recurring Fair Value Measurements Categorized as Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the most favorable or most unfavorable amounts are presented.

The results of the sensitivity analysis for the effect on pre-tax profit or loss and pre-tax equity from changes in inputs for each financial instrument for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	
	Favorable changes	Unfavorable changes
Financial assets		
Financial assets at fair value through profit or loss ¹	₩ 2,338,620	₩ (2,338,616)

¹ For bonds with warrant, changes in their fair value are calculated by increasing or decreasing share value of underlying assets which are key unobservable inputs by 10%.

<i>(in thousands of Korean won)</i>	2024	
	Favorable changes	Unfavorable changes
Financial assets		
Financial assets at fair value through profit or loss ¹	₩ 1,470,023	₩ (1,446,559)

¹ For exchangeable bonds, changes in their fair value are calculated by increasing or decreasing share value of underlying assets which are key unobservable inputs by 10%.

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8. Financial Instruments by Category

8.1 Carrying Amounts of Financial Instruments by Category

Carrying amounts of financial assets and liabilities, and lease liabilities by category as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025		
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total
Financial assets			
Cash and cash equivalents	₩ 41,145,612	₩ -	₩ 41,145,612
Short-term financial instruments	1,000,000	-	1,000,000
Trade receivables	19,207,656	-	19,207,656
Other receivables	8,755,962	-	8,755,962
Other current financial assets	-	15,948,305	15,948,305
	<u>₩ 70,109,230</u>	<u>₩ 15,948,305</u>	<u>₩ 86,057,535</u>

(in thousands of Korean won)

	2024		
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total
Financial assets			
Cash and cash equivalents	₩ 38,967,568	₩ -	₩ 38,967,568
Short-term financial instruments	16,028,562	-	16,028,562
Trade receivables	11,950,652	-	11,950,652
Other receivables	5,522,586	-	5,522,586
Other non-current financial assets	-	16,091,131	16,091,131
	<u>₩ 72,469,368</u>	<u>₩ 16,091,131</u>	<u>₩ 88,560,499</u>

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(in thousands of Korean won)

	2025		
	Financial liabilities at amortized cost	Financial guarantee liabilities	Total
Financial liabilities			
Trade payables	₩ 5,049,911	₩ -	₩ 5,049,911
Short-term borrowings	76,000,000	-	76,000,000
Other payables	7,527,103	-	7,527,103
Other current financial liabilities	-	9,366,210	9,366,210
Current portion of long-term borrowings	1,000,000	-	1,000,000
Long-term borrowings	119,000,000	-	119,000,000
Other non-current financial liabilities	-	2,054,917	2,054,917
Lease liabilities	1,449,107	-	1,449,107
	<u>₩ 210,026,121</u>	<u>₩ 11,421,127</u>	<u>₩ 221,447,248</u>

(in thousands of Korean won)

	2024		
	Financial liabilities at amortized cost	Financial guarantee liabilities	Total
Financial liabilities			
Trade payables	₩ 3,018,834	₩ -	₩ 3,018,834
Short-term borrowings	72,600,000	-	72,600,000
Other payables	6,525,858	-	6,525,858
Other current financial liabilities	-	9,776,476	9,776,476
Long-term borrowings	30,000,000	-	30,000,000
Other non-current financial liabilities	-	1,328,632	1,328,632
	<u>₩ 112,144,692</u>	<u>₩ 11,105,108</u>	<u>₩ 123,249,800</u>

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8.2 Net Gains or Losses by Category of Financial Instruments

Net gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Financial assets at fair value through profit or loss		
Gain on valuation	₩ -	₩ 2,411,360
Loss on valuation	(453,095)	-
Financial assets at amortized cost		
Interest income	1,347,837	1,963,652
Foreign exchange gain	251,338	794,878
Gain on foreign currency translation	415,221	1,702,389
Financial liabilities at fair value through profit or loss		
Loss on valuation	-	(230,914)
Financial liabilities at amortized cost		
Interest expenses	(5,718,325)	(4,585,754)
Foreign exchange loss	(1,122,854)	(110,478)
Loss on foreign currency translation	(142,617)	(17,180)

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9. Trade Receivables and Other Receivables

Trade and other receivables and their provisions for impairment as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025			2024		
	Trade and other receivables	Allowance for doubtful account	Trade and other receivables, net	Trade and other receivables	Allowance for doubtful account	Trade and other receivables, net
Current assets						
Trade receivables	₩ 19,262,669	₩ (55,013)	₩ 19,207,656	₩ 12,005,667	₩ (55,015)	₩ 11,950,652
Other receivables						
Non-trade receivables	6,091,675	-	6,091,675	2,354,467	-	2,354,467
Accrued income	3,912	-	3,912	348,585	-	348,585
Deposits provided	186,044	-	186,044	188,643	-	188,643
Short-term loans	672,013	-	672,013	549,427	-	549,427
	<u>6,953,644</u>	<u>-</u>	<u>6,953,644</u>	<u>3,441,122</u>	<u>-</u>	<u>3,441,122</u>
Non-current assets						
Other receivables						
Long-term loans	1,164,458	-	1,164,458	1,548,380	-	1,548,380
Deposits provided	637,860	-	637,860	533,082	-	533,082
	<u>1,802,318</u>	<u>-</u>	<u>1,802,318</u>	<u>2,081,462</u>	<u>-</u>	<u>2,081,462</u>
	<u>₩ 28,018,631</u>	<u>₩ (55,013)</u>	<u>₩ 27,963,618</u>	<u>₩ 17,528,251</u>	<u>₩ (55,015)</u>	<u>₩ 17,473,236</u>

Movements in the allowance for doubtful account for trade and other receivables for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Beginning balance	₩	55,015	₩	53,860
Reversal of bad debt expenses		(2)		(1,633)
Business combination of entities under common control		-		2,788
Ending balance	<u>₩</u>	<u>55,013</u>	<u>₩</u>	<u>55,015</u>

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10. Other Financial Assets

Details of other financial assets as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Other current financial assets				
Financial assets at fair value through profit or loss	₩	15,948,305	₩	16,091,131
	₩	<u>15,948,305</u>	₩	<u>16,091,131</u>

Details of financial assets at fair value through profit or loss as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Financial assets at fair value through profit or loss				
Warrants ¹	₩	15,948,305	₩	-
Exchangeable bonds ²		-		16,091,131

¹ For the year ended December 31, 2025, the Company acquired the warrants held by MiCo Ltd., the Parent Company. Warrants held by the Company are measured at fair value as at December 31, 2025 (Note 7).

² For the year ended December 31, 2022, the Company acquired exchangeable bonds issued by MiCo Ltd., the Parent Company, which can be exchanged with registered ordinary shares of MiCoCeramics Ltd. Exchangeable bonds held by the Company are measured at fair value as at December 31, 2024 (Note 7).

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11. Other Assets

Details of other assets as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Other current assets				
Advance payments ¹	₩	568,536	₩	710,581
Prepaid expenses		873,165		711,941
Contract assets		7,741,015		2,033,522
		<u>9,182,716</u>		<u>3,456,044</u>
Other non-current assets				
Long-term prepaid expenses		2,030,791		1,369,757
		<u>2,030,791</u>		<u>1,369,757</u>
	₩	<u>11,213,507</u>	₩	<u>4,825,801</u>

¹ As at December 31, 2025, ₩ 220,398 thousand (2024: ₩ 282,028 thousand) of allowance for doubtful account are included.

12. Inventories

Inventories as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025			2024		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Finished goods	₩ 503,938	₩ (8,576)	₩ 495,362	₩ 245,825	₩ (224,622)	₩ 21,203
Work in process	7,053	-	7,053	-	-	-
Merchandises	500,638	(18,919)	481,719	99,403	(3,820)	95,583
Raw materials	927,214	(71,025)	856,189	958,294	(36,664)	921,630
	<u>₩ 1,938,843</u>	<u>₩ (98,520)</u>	<u>₩ 1,840,323</u>	<u>₩ 1,303,522</u>	<u>₩ (265,106)</u>	<u>₩ 1,038,416</u>

Loss on valuation of inventories (reversal) to net realizable value amounted to ₩ (166,584) thousand (2024: ₩ 109,074 thousand). These were recognized as an expense for the year ended December 31, 2025 and included in 'cost of sales' in profit or loss.

Inventories recognized as an expense for the year ended December 31, 2025, amounted to ₩ 109,613,912 thousand (2024: ₩ 88,082,612 thousand). These were included in 'cost of sales'.

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13. Investments in Subsidiaries, Associates and Joint Ventures

Details of the Company's investments in subsidiaries, associates and joint ventures as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	Category	Location	2025			2024		
			Ownership interest (%)	Acquisition cost	Carrying amount	Ownership interest (%)	Acquisition cost	Carrying amount
KoMiCo Technology Inc.	Subsidiary	USA	100	₩ 19,084,587	₩ 75,219,605	100	₩ 19,084,587	₩ 82,459,309
KoMiCo Technology (Wuxi) Limited.	Subsidiary	China	100	51,144,209	85,918,487	100	16,386,176	53,960,944
KoMiCo Technology Taiwan Ltd.	Subsidiary	Taiwan	100	9,101,965	26,609,511	100	9,101,965	25,783,177
KoMiCo Technology Singapore Pte. Ltd	Subsidiary	Singapore	100	3,361,622	-	100	3,361,622	-
MiCoCeramics Ltd.	Subsidiary	Korea	62.59	112,026,002	181,244,166	47.84	53,018,412	93,333,398
AIMS Equity and Others Private Fund I	Subsidiary	Korea	50	2,500,000	1,935,769	-	-	-
AIMS Equity and Others Private Fund II	Subsidiary	Korea	96.67	2,900,000	2,857,612	-	-	-
AIMS KOSDAQ Venture Private Equity Fund I	Joint venture	Korea	33.33	2,500,000	2,188,398	-	-	-
				<u>₩ 202,618,385</u>	<u>₩ 375,973,548</u>		<u>₩ 100,952,762</u>	<u>₩ 255,536,828</u>

KoMiCo Ltd.
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Changes in investments in subsidiaries, associates and joint ventures for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025						
	Beginning balance	Acquisition	Dividends	Share of profit or loss	Share of other comprehen- sive income	Others	Ending balance
KoMiCo Technology Inc.	₩ 82,459,309	₩ 4,567	₩ -	₩ (5,390,342)	₩ (2,033,047)	₩ 179,118	₩ 75,219,605
KoMiCo Technology (Wuxi) Limited.	53,960,944	29,236,436	-	(228,034)	2,803,697	145,444	85,918,487
KoMiCo Technology Taiwan Ltd.	25,783,177	6,640	-	211,174	561,449	47,071	26,609,511
KoMiCo Technology Singapore Pte.LTD. ¹	-	-	-	-	-	-	-
MiCoCeramics Ltd.	93,333,398	59,007,590	(5,211,278)	34,339,848	109,198	(334,590)	181,244,166
AIMS Equity and Others Private Fund I	-	2,500,000	-	(564,231)	-	-	1,935,769
AIMS Equity and Others Private Fund II	-	2,900,000	-	(42,388)	-	-	2,857,612
AIMS KOSDAQ Venture Private Equity Fund I	-	2,500,000	(168,238)	(143,364)	-	-	2,188,398
	<u>₩ 255,536,828</u>	<u>₩ 96,155,233</u>	<u>₩ (5,379,516)</u>	<u>₩ 28,182,663</u>	<u>₩ 1,441,297</u>	<u>₩ 37,043</u>	<u>₩ 375,973,548</u>

¹ For the year ended December 31, 2025, the Company recognized ₩ 373,862 thousand of share of gain and ₩ 215,351 thousand of share of other comprehensive income for financial guarantee contract, which are net investments, among the unrecognized share of losses for KoMiCo Technology Singapore Pte., LTD.

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(in thousands of
Korean won)

		2024							
		Beginning balance	Acquisition	Disposal	Dividends	Share of profit or loss	Share of other comprehen- sive income	Others	Ending balance
KoMiCo									
Technology Inc.	₩	72,687,433	₩ -	₩ (35,113)	₩ -	₩ (465,507)	₩ 10,272,496	₩ -	₩ 82,459,309
KoMiCo									
Technology									
(Wuxi) Limited.		44,767,437	-	-	(407,521)	4,532,444	5,068,584	-	53,960,944
KoMiCo									
Technology									
Taiwan Ltd.		23,362,410	48,268	-	(101,189)	897,796	1,575,892	-	25,783,177
KoMiCo									
Technology									
Singapore									
Pte.LTD. ¹		-	-	-	-	-	-	-	-
MiCoCeramics									
Ltd.		66,605,112	-	-	(2,605,639)	29,383,632	-	(49,707)	93,333,398
	₩	207,422,392	₩ 48,268	₩ (35,113)	₩ (3,114,349)	₩ 34,348,365	₩ 16,916,972	₩ (49,707)	₩ 255,536,828

¹ For the year ended December 31, 2024, the Company recognized ₩ 103,690 thousand of share of gain and ₩ (-)1,106,791 thousand of share of other comprehensive income for financial guarantee contract, which are net investments, among the unrecognized share of losses for KoMiCo Technology Singapore Pte., LTD.

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Summarized financial information for subsidiaries, associates and joint ventures as at and for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025					
	Assets	Liabilities	Equity	Sales	Profit	Total comprehensive income
KoMiCo Technology Inc. (consolidated)	₩ 206,068,103	₩ 130,006,177	₩ 76,061,926	₩ 63,857,414	₩ (5,133,080)	₩ (7,166,126)
KoMiCo Technology (Wuxi) Limited. (consolidated)	180,312,732	94,115,812	86,196,920	85,283,413	693,239	2,761,135
KoMiCo Technology Taiwan Ltd. (consolidated)	80,295,583	54,399,759	25,895,824	28,316,615	329,580	891,028
KoMiCo Technology Singapore Pte. Ltd.	7,307,011	16,097,425	(8,790,414)	10,983,953	9,617	224,968
MiCoCeramics Ltd. (consolidated)	449,901,728	196,511,543	253,390,185	252,531,099	61,792,787	61,432,651
AIMS Equity and Others Private Fund I	3,873,672	2,134	3,871,538	-	(1,128,462)	(1,128,462)
AIMS Equity and Others Private Fund II	2,963,351	7,200	2,956,151	-	(43,849)	(43,849)
AIMS KOSDAQ Venture Private Equity Fund I	7,077,271	512,008	6,565,263	-	(430,092)	(430,092)

<i>(in thousands of Korean won)</i>	2024					
	Assets	Liabilities	Equity	Sales	Profit	Total comprehensive income
KoMiCo Technology Inc. (consolidated)	₩ 142,520,613	₩ 59,292,561	₩ 83,228,052	₩ 51,330,306	₩ (865,711)	₩ 9,406,785
KoMiCo Technology (Wuxi) Limited. (consolidated)	76,508,420	21,883,053	54,625,367	74,448,702	4,045,157	9,432,422
KoMiCo Technology Taiwan Ltd.	54,426,112	29,421,316	25,004,796	20,385,497	399,481	1,975,373
KoMiCo Technology Singapore Pte. Ltd.	6,548,456	15,563,838	(9,015,382)	10,622,207	(14,861)	(1,121,652)
MiCoCeramics Ltd.	358,709,130	156,640,027	202,069,103	220,170,002	63,002,791	62,898,878

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As at December 31, 2025, the tables below provide a reconciliation of the subsidiaries' net assets to the carrying amount of its interest in the subsidiaries, associates and joint ventures.

<i>(in thousands of Korean won)</i>	2024				
	Net assets at the end of the year (A)	Company's share in % (B)	Company's share in KRW(A*B)	Elimination of intergroup transactions and others	Book amount
KoMiCo Technology Inc. (consolidated)	₩ 76,061,926	100	₩ 76,061,926	₩ (842,321)	₩ 75,219,605
KoMiCo Technology (Wuxi) Limited. (consolidated)	86,196,920	100	86,196,920	(278,433)	85,918,487
KoMiCo Technology Taiwan Ltd.	25,895,824	100	25,895,824	713,686	26,609,511
KoMiCo Technology Singapore Pte. Ltd.	(8,790,414)	100	(8,790,414)	8,790,414	-
MiCoCeramics Ltd.	253,390,186	62.59	153,474,793	27,769,373	181,244,166
AIMS Equity and Others Private Fund I	3,871,538	50	1,935,769	-	1,935,769
AIMS Equity and Others Private Fund II	2,956,151	96.67	2,857,612	-	2,857,612
AIMS KOSDAQ Venture Private Equity Fund I	6,565,263	33.33	2,188,419	-	2,188,398
	<u>₩ 446,147,394</u>		<u>₩ 339,820,849</u>	<u>₩ 36,152,719</u>	<u>₩ 375,973,548</u>

¹ For the year ended December 31, 2025, the Company additionally acquired equity interests in MiCoCeramics Ltd., and accordingly reflected its proportionate share in the net assets of the investee on a step-by-step basis.

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14. Property, Plant and Equipment

Details of property, plant and equipment as at December 31, 2025 and 2024, are as follows:

(in thousands of
Korean won)

		2025				
		Cost	Accumulated depreciation	Accumulated impairment losses	Government grants	Book amount
Land	₩	17,702,885	₩ -	₩ -	₩ -	₩ 17,702,885
Buildings		29,697,923	(11,954,099)	-	-	17,743,824
Structure		9,756,554	(1,119,659)	(7,245)	(113,339)	8,516,311
Machinery		50,467,318	(28,601,849)	(195,245)	(555,747)	21,114,477
Vehicles		2,985,245	(1,615,095)	-	(1,667)	1,368,483
Facilities		60,707,129	(49,637,206)	(37,161)	(632,655)	10,400,107
Tools and equipment		205,253	(180,630)	(24,595)	-	28
Supplies		6,430,216	(3,756,352)	(13,997)	(182,755)	2,477,112
Construction-in- progress		13,968,588	-	-	-	13,968,588
Right-of-use assets		2,419,183	(1,059,871)	(11,043)	-	1,348,269
	₩	<u>194,340,294</u>	₩ <u>(97,924,761)</u>	₩ <u>(289,286)</u>	₩ <u>(1,486,163)</u>	₩ <u>94,640,084</u>

(in thousands of
Korean won)

		2024				
		Cost	Accumulated depreciation	Accumulated impairment losses	Government grants	Book amount
Land	₩	16,712,887	₩ -	₩ -	₩ -	₩ 16,712,887
Buildings		25,767,414	(10,999,617)	-	-	14,767,797
Structure		7,181,564	(521,076)	(7,245)	-	6,653,243
Machinery		45,530,434	(26,657,045)	(195,245)	(16,266)	18,661,878
Vehicles		2,852,451	(1,410,726)	-	(6,667)	1,435,058
Facilities		57,517,395	(44,786,762)	(37,161)	(967,379)	11,726,093
Tools and equipment		205,253	(180,630)	(24,595)	-	28
Supplies		5,023,523	(3,407,922)	(13,997)	(255,738)	1,345,866
Construction-in- progress		8,192,041	-	-	-	8,192,041
Right-of-use assets		1,404,089	(672,710)	(11,043)	-	720,336
	₩	<u>170,387,051</u>	₩ <u>(88,636,488)</u>	₩ <u>(289,286)</u>	₩ <u>(1,246,050)</u>	₩ <u>80,215,227</u>

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Changes in property, plant and equipment for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025							Ending balance
	Beginning balance	Acquisition	Disposal	Depreciation	Transfer ¹	Government grants		
Land	₩ 16,712,887	₩ 989,998	₩ -	₩ -	₩ -	₩ -	₩ 17,702,885	
Buildings	14,767,797	2,006,369	-	(954,482)	1,924,140	-	17,743,824	
Structure	6,653,243	1,028,183	-	(596,663)	1,546,808	(115,260)	8,516,311	
Machinery	18,661,878	7,628,274	(843,849)	(4,667,708)	900,750	(564,868)	21,114,477	
Vehicles	1,435,058	383,013	-	(449,588)	-	-	1,368,483	
Facilities	11,726,093	3,722,738	(299,192)	(5,367,209)	617,677	-	10,400,107	
Tools and equipment	28	-	-	-	-	-	28	
Supplies	1,345,866	1,692,584	(2,134)	(636,416)	77,212	-	2,477,112	
Construction-in-progress	8,192,041	11,368,134	-	-	(5,591,587)	-	13,968,588	
Right-of-use assets	720,336	1,420,274	(32,639)	(759,702)	-	-	1,348,269	
	<u>₩ 80,215,227</u>	<u>₩ 30,239,567</u>	<u>₩ (1,177,814)</u>	<u>₩ (13,431,768)</u>	<u>₩ (525,000)</u>	<u>₩ (680,128)</u>	<u>₩ 94,640,084</u>	

¹ Includes intangible assets (software) acquired for the year ended December 31, 2024 (Note 16).

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(in thousands
of Korean
won)

2024

	Beginning balance	Acquisition	Disposal	Depreciation	Transfer ¹	Government grants	Changes due to business combination ²	Ending balance
Land	₩ 17,356,993	₩ -	₩ -	₩ -	₩ (644,106)	₩ -	₩ -	₩ 16,712,887
Buildings	15,943,373	16,034	-	(860,981)	(330,629)	-	-	14,767,797
Structure	1,783,303	5,036,590	-	(166,650)	-	-	-	6,653,243
Machinery	17,687,364	4,022,630	(254,317)	(4,166,904)	1,373,100	-	5	18,661,878
Vehicles	918,646	845,340	-	(328,929)	-	-	1	1,435,058
Facilities	16,292,350	1,733,904	(25,913)	(6,897,233)	1,516,926	(893,945)	4	11,726,093
Tools and equipment	24	-	(1)	-	-	-	5	28
Supplies	1,260,255	481,115	(11,159)	(632,308)	492,601	(244,645)	7	1,345,866
Construction-in-progress	2,505,442	7,976,041	-	-	(3,382,627)	1,093,185	-	8,192,041
Right-of-use assets	611,956	592,516	(8,424)	(475,712)	-	-	-	720,336
	₩ 74,359,706	₩ 20,704,170	₩ (299,814)	₩ (13,528,717)	₩ (974,735)	₩ (45,405)	₩ 22	₩ 80,215,227

¹ Includes transfer to investment properties of ₩ 974,735 thousand for the year ended December 31, 2024.

² Includes property, plant and equipment of the lower electrode division that were acquired for the year ended December 31, 2024 (Note 39).

Line items including depreciation in the statements of comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Cost of sales	₩ 9,375,106	₩ 9,988,740
Selling and administrative expenses	2,429,455	1,940,718
Research and development	1,627,207	1,599,259
	₩ 13,431,768	₩ 13,528,717

Certain property, plant and equipment of the Company are provided as collateral in relation to borrowings at the end of reporting period (Note 18).

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Details of insured assets at the end of reporting period are as follows:

<i>(in thousands of Korean won)</i>	Insured assets	Insured amount	Financial institution
Comprehensive property insurance	Property, plant and equipment and investment properties Inventories	₩ 230,810,805	Samsung Fire & Marine Insurance

The above insurance has been pledged as collateral by Kookmin Bank, Shinhan Bank and Korea Development Bank up to a maximum of ₩ 36,726 million. In addition to the above insurance, the Company carries group accident and car insurance for its employees.

15. Leases

Right-of-use assets by category of underlying assets as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Properties	₩ 200,299	₩ 100,863
Vehicles	1,147,970	619,473
	<u>₩ 1,348,269</u>	<u>₩ 720,336</u>

Additions to the right-of-use assets during the 2025 financial year were ₩ 1,420,274 thousand (2024: ₩ 592,516 thousand).

The separate statement of comprehensive income shows the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	2025	2024
Depreciation of right-of-use assets		
Properties	₩ 256,235	₩ 127,515
Vehicles	503,467	348,197
	<u>759,702</u>	<u>475,712</u>
Interest expense relating to lease liabilities	60,519	33,901
Expense relating to short-term leases	85,233	223,960
Expense relating to leases of low-value assets that are not short-term leases	108,174	88,225
	<u>₩ 1,013,628</u>	<u>₩ 821,798</u>

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Details of lease liabilities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>		2025		2024
Beginning	₩	743,855	₩	623,201
Acquisition		1,420,274		592,516
Interest expenses		60,519		33,901
Payments		(812,580)		(506,074)
Disposal		(33,204)		(8,705)
Changes due to business combination ¹		-		9,016
Ending	₩	<u>1,378,864</u>	₩	<u>743,855</u>

¹ Includes lease liabilities of the lower electrode division that were acquired in 2024.

Maturity analysis of the lease liabilities as at December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>		2025		2024
Within one year	₩	735,078	₩	384,674
Later than one year but not later than two years		417,208		234,631
Later than two years but not later than five years		226,578		124,550
	₩	<u>1,378,864</u>	₩	<u>743,855</u>

16. Investment Properties

Details of investment properties as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025			2024		
	Cost	Accumulated depreciation	Book amount	Cost	Accumulated depreciation	Book amount
Land	₩ 2,675,833	₩ -	₩ 2,675,833	₩ 2,675,833	₩ -	₩ 2,675,833
Buildings	<u>5,317,262</u>	<u>(1,621,431)</u>	<u>3,695,831</u>	<u>5,317,262</u>	<u>(1,427,389)</u>	<u>3,889,873</u>
	<u>₩ 7,993,095</u>	<u>₩ (1,621,431)</u>	<u>₩ 6,371,664</u>	<u>₩ 7,993,095</u>	<u>₩ (1,427,389)</u>	<u>₩ 6,565,706</u>

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Changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025				
	Beginning balance	Acquisition	Depreciation	Transfer	Ending balance
Land	₩ 2,675,833	₩ -	₩ -	₩ -	₩ 2,675,833
Buildings	3,889,873	-	(194,042)	-	3,695,831
	<u>₩ 6,565,706</u>	<u>₩ -</u>	<u>₩ (194,042)</u>	<u>₩ -</u>	<u>₩ 6,371,664</u>

<i>(in thousands of Korean won)</i>	2024				
	Beginning balance	Acquisition	Depreciation	Transfer¹	Ending balance
Land	₩ 2,031,727	₩ -	₩ -	₩ 644,106	₩ 2,675,833
Buildings	3,745,342	-	(186,098)	330,629	3,889,873
	<u>₩ 5,777,069</u>	<u>₩ -</u>	<u>₩ (186,098)</u>	<u>₩ 974,735</u>	<u>₩ 6,565,706</u>

¹ ₩ 974,735 of property, plant and equipment was transferred to investment properties.

The depreciation expense of ₩ 194,042 thousand (2024: ₩ 186,098 thousand) has been included in 'other expenses' in the statement of comprehensive income for the year ended December 31, 2025.

Fair value of land is ₩ 6,921,630 thousand at the end of reporting period. The fair value of land is classified in Level 3 based on inputs used in valuation techniques and measured by considering relative valuation model.

For the year ended December 31, 2025, rental income earned from investment property is ₩ 787,056 thousand (2024: ₩ 769,332 thousand), and operating expenses from property that generated rental income are ₩ 194,042 thousand (2024: ₩ 186,098 thousand).

Certain investment properties are provided as collateral in relation to borrowings at the end of reporting period (Note 18).

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17. Intangible Assets

Intangible assets as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025			
	Cost	Accumulated amortization	Government grants	Book amount
Software	₩ 3,260,597	₩ (1,478,673)	₩ (27,409)	₩ 1,754,514
Facility use rights	5,094,266	(74,658)	-	5,019,608
	<u>₩ 8,354,863</u>	<u>₩ (1,553,331)</u>	<u>₩ (27,409)</u>	<u>₩ 6,774,122</u>

<i>(in thousands of Korean won)</i>	2024			
	Cost	Accumulated amortization	Government grants	Book amount
Software	₩ 1,964,757	₩ (1,274,173)	₩ (45,762)	₩ 644,822
Facility use rights	4,734,367	(39,543)	-	4,694,824
	<u>₩ 6,699,124</u>	<u>₩ (1,313,716)</u>	<u>₩ (45,762)</u>	<u>₩ 5,339,646</u>

Changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025				
	Beginning balance	Acquisition	Amortization	Transfer ¹	Ending balance
Software	₩ 644,822	₩ 770,840	₩ (186,148)	₩ 525,000	₩ 1,754,514
Facility use rights	4,694,824	359,899	(35,115)	-	5,019,608
	<u>₩ 5,339,646</u>	<u>₩ 1,130,739</u>	<u>₩ (221,263)</u>	<u>₩ 525,000</u>	<u>₩ 6,774,122</u>

¹ The amount was transferred from construction in progress acquired for the year ended December 31, 2024(Note 14).

<i>(in thousands of Korean won)</i>	2024				
	Beginning balance	Acquisition	Disposal	Amortization	Ending balance
Software	₩ 105,317	₩ 617,935	₩ (64,430)	₩ (14,000)	₩ 644,822
Facility use rights	3,627,214	1,099,429	(31,819)	-	4,694,824
	<u>₩ 3,732,531</u>	<u>₩ 1,717,364</u>	<u>₩ (96,249)</u>	<u>₩ (14,000)</u>	<u>₩ 5,339,646</u>

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Line items in the statement of comprehensive income including amortization for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>		2025		2024
Cost of sales	₩	43,252	₩	31,446
Selling and administration expenses		169,497		55,290
Research and development costs		8,514		9,513
	₩	<u>221,263</u>	₩	<u>96,249</u>

The Company recognized total research and development costs of ₩ 14,354,267 thousand (2024: ₩ 11,914,361 thousand) as selling and administrative expenses.

18. Assets Provided as Collateral

Details of assets provided as collateral for the Company's obligation at the end of reporting period are as follows:

(in thousands of Korean won)

Line item	Secured assets	Provided to	Carrying amount	Secured amount	Detail
Property, plant and equipment and investment properties	Land, Building Machinery and others	Kookmin Bank	₩ 55,049,749	₩ 57,120,000	Assets provided as collateral in relation to borrowings
		Shinhan Bank		6,016,000	Assets provided as collateral in relation to borrowings
		Korea Development Bank		45,359,225	Assets provided as collateral in relation to borrowings

19. Trade Payables and Other Payables

Details of trade payables and other payables as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>		2025		2024
Current liabilities				
Trade payables	₩	5,049,911	₩	3,018,834
Other payables				
Non-trade payables		5,382,526		5,576,539
Accrued expenses		1,458,257		258,869
Leasehold deposits received		686,320		690,450
	₩	<u>12,577,014</u>	₩	<u>9,544,692</u>

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20. Other Financial Liabilities

Details of other financial liabilities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Other current financial liabilities		
Financial guarantee liabilities	₩ 9,366,210	₩ 9,776,476
Other non-current financial liabilities		
Financial guarantee liabilities	2,054,917	1,328,632
	<u>₩ 11,421,127</u>	<u>₩ 11,105,108</u>

21. Other Liabilities

Details of other liabilities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Other current liabilities		
Withholdings	₩ 2,939,007	₩ 2,367,392
Provision for warranties	163,970	169,311
Liabilities included in salaries and others	2,943,182	3,081,723
	<u>₩ 6,046,159</u>	<u>₩ 5,618,426</u>
Other non-current liabilities		
Long-term withholdings	₩ 707,964	₩ 486,315
Long-term employee benefits	1,787,631	1,632,689
	<u>₩ 2,495,595</u>	<u>₩ 2,119,004</u>

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22. Borrowings

Details of short-term borrowings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

Creditor	Details	Latest maturity date	Annual interest rate (%)		2025	2024
Kookmin Bank	Loans for operating funds	2026-06-13	3.99	₩	10,000,000	₩ -
Kookmin Bank	Loans for operating funds	2026-07-10	3.93		10,000,000	-
Shinhan Bank	Loans for operating funds	2026-06-16	2.90		6,000,000	-
MiCoCeramics Ltd.	Loans for operating funds	2026-04-14	4.60		30,000,000	-
MiCoCeramics Ltd.	Loans for operating funds	2026-08-17	4.60		20,000,000	-
Kookmin Bank	-	-	-		-	7,600,000
Kookmin Bank	-	-	-		-	10,000,000
Kookmin Bank	-	-	-		-	10,000,000
Kookmin Bank	-	-	-		-	20,000,000
Shinhan Bank	-	-	-		-	5,000,000
Citibank Korea Inc.	-	-	-		-	20,000,000
					<u>₩ 76,000,000</u>	<u>₩ 72,600,000</u>

Certain land and buildings of the Company are pledged as collateral for the above short-term borrowings from Kookmin Bank (Note 18).

Details of long-term borrowings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

Creditor	Details	Latest maturity date	Annual interest rate (%)		2025	2024
Kookmin Bank	Loans for operating funds	2030-05-20	1.30	₩	5,000,000	₩ -
Kookmin Bank	Facility loans	2028-06-13	3.60		10,000,000	-
Kookmin Bank	Facility loans	2028-06-13	3.64		30,000,000	-
Shinhan Bank	Loans for operating funds	2028-06-27	4.29		25,000,000	-
Korea Development Bank	Loans for operating funds	2028-03-28	3.84		10,000,000	10,000,000
Korea Development Bank	Facility loans	2040-06-27	2.78		21,000,000	-
Woori Bank	Loans for operating funds	2028-09-19	3.38		19,000,000	-
Shinhan Bank	-	-	-		-	20,000,000
					<u>120,000,000</u>	<u>30,000,000</u>
	Less: reclassification of current portion				<u>(1,000,000)</u>	<u>-</u>
					<u>₩ 119,000,000</u>	<u>₩ 30,000,000</u>

Certain land and buildings of the Company are pledged as collateral for the above long-term borrowings(Note 18).

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Details of annual repayment schedule of long-term borrowings as at December 31, 2025, are as follows:

<i>(in thousands of Korean won)</i>	Amount	
January 1, 2026 ~December 31, 2026	₩	1,000,000
January 1, 2027 ~December 31, 2027		4,857,147
January 1, 2028 ~December 31, 2028		90,714,284
January 1, 2029 ~December 31, 2029		1,714,284
January 1, 2030 ~December 31, 2030		1,764,285
After January 1, 2031		19,950,000
	<u>₩</u>	<u>120,000,000</u>

23. Post-employment Benefit Obligation

The Company operates both defined benefit plans and defined contribution plans.

23.1 Defined Benefit Obligations

Details of post-employment benefit obligation in the statements of financial position as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Present value of defined benefit obligations	₩	20,853,768	₩	18,363,827
Fair value of plan assets		<u>(6,499,907)</u>		<u>(6,125,586)</u>
Net defined benefit liabilities	<u>₩</u>	<u>14,353,861</u>	<u>₩</u>	<u>12,238,241</u>

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Movements in the defined benefit obligations for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Beginning balance	₩	18,363,827	₩	16,078,146
Current service cost		3,468,088		3,334,537
Past service cost		-		119,178
Interest expense		663,824		689,727
Remeasurements:				
Actuarial loss (gain) from change in demographic assumptions		-		(785,745)
Actuarial loss (gain) from change in financial assumptions		(562,296)		440,970
Actuarial gain from experience adjustments		418,389		(382,801)
Benefit payments		(1,742,053)		(1,901,360)
Transfer from / to affiliates		243,990		771,175
Ending balance	₩	<u>20,853,769</u>	₩	<u>18,363,827</u>

Movements in the fair value of plan assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Beginning balance	₩	6,125,586	₩	4,968,720
Interest income		221,428		217,109
Remeasurements		(73,514)		(51,001)
Contribution paid by user		700,000		900,000
Benefit payments		(473,593)		(256,545)
Transfer from / to affiliates		-		347,303
Ending balance	₩	<u>6,499,907</u>	₩	<u>6,125,586</u>

There are no contributions expected to be paid with respect to the defined benefit plan during the next reporting period.

Plan assets as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025		2024	
	Amount	Ratio (%)	Amount	Ratio (%)
Deposit and installments and others	₩ 6,499,907	100	₩ 6,125,586	100
	<u>₩ 6,499,907</u>	<u>100</u>	<u>₩ 6,125,586</u>	<u>100</u>

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Actual gain on plan assets is as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Plan assets	₩	147,914	₩	166,108

Details of total expenses recognized in profit or loss are as follows.

<i>(in thousands of Korean won)</i>	2025		2024	
Current service cost	₩	3,468,088	₩	3,334,537
Past service cost		-		119,178
Interest expense, net		442,396		472,618
Total expenses included in employee benefits	₩	<u>3,910,484</u>	₩	<u>3,926,333</u>

Total expenses by each line items recognized as profit or loss are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Cost of sales	₩	1,703,393	₩	1,684,866
Selling and administrative expenses		1,764,715		1,792,994
Research and development		442,376		448,473
	₩	<u>3,910,484</u>	₩	<u>3,926,333</u>

Actuarial gain recognized in other comprehensive income are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Actuarial gain before income tax	₩	70,394	₩	676,575
Tax effects ¹		24,393		(146,817)
Actuarial gain, net of tax	₩	<u>94,787</u>	₩	<u>529,758</u>

¹ The amount includes the effect of changes in tax rates.

The significant actuarial assumptions as at December 31, 2025 and 2024, are as follows:

<i>(in percentage)</i>	2025	2024
Discount rate (%)	4.23	3.90
Expected salary growth rate (%)	6.46	6.57
Estimated retirement rates (%)	15.55	15.49
Estimated mortality rate (%)	0.03	0.03

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Effects on the defined benefit obligation to changes in the principal assumptions is:

<i>(in thousands of Korean won)</i>	2025		2024	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	₩ (1,183,899)	₩ 1,334,693	₩ (1,070,095)	₩ 1,208,746
Expected salary growth rate	1,295,118	(1,173,192)	1,167,583	(1,056,169)

The weighted average duration of the defined benefit obligation is 6.274 years. The expected maturity analysis of discounted pension benefits as at December 31, 2025, is as follows:

<i>(in thousands of Korean won)</i>	Less than 2 years	Between 2-5 years	Between 5-10 years	Over 10 years	Total
Benefit payments	₩ 3,154,287	₩ 10,646,689	₩ 16,080,788	₩ 42,400,256	₩ 72,282,020

23.2 Defined Contribution Plan

The expense recognized in the current period in relation to defined contribution plans was ₩ 501,945 thousand (2024: ₩ 471,099 thousand).

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24. Share Options

24.1 Equity-settled Share Options

The Company granted restricted stock units (RSU) to executives and employees by resolution of Board of Directors on August 5, 2024, May 14, 2025, August 5, 2025 and December 30, 2025. Details are as follows:

<i>(in shares)</i>	Remark		
Granted shares	Ordinary shares held in treasury		
Tranche	1 st		2 nd
Board resolution date	August 5, 2024	May 14, 2025	August 5, 2025
Number of shares granted	215,500	4,500	59,000
Exercise price		-	
Grant date	August 5, 2024	May 14, 2025	August 5, 2025
Exercisable period	August 5, 2027 ~ August 4, 2028		
	August 5, 2028 ~ August 4, 2029		
	August 5, 2029 ~ August 5, 2030		
Vesting condition	Treasury shares will be granted contingent upon maintaining employment from the grant date and throughout the exercisable period, as well as achieving average sales growth and average operating margin for each segment.		

<i>(in shares)</i>	Remark	
Granted shares	Treasury common shares	
Tranche	3 rd	4 th
Board resolution date	December 30, 2025	December 30, 2025
Number of shares granted	10,900	23,500
Exercise price		-
Grant date	December 30, 2025	December 30, 2025
Exercisable period	January 16, 2026 ~ February 15, 2026	January 16, 2027 ~ January 15, 2028
	January 16, 2027 ~ January 15, 2028	January 16, 2028 ~ January 15, 2029
	January 16, 2028 ~ January 15, 2029	January 16, 2029 ~ January 15, 2030
Vesting condition	Treasury shares will be granted contingent upon maintaining employment from the grant date and throughout the exercisable period, as well as maintaining the required personnel evaluation grade.	

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Changes in the number of share options outstanding for the year ended December 31, 2025 and 2024, are as follows:

<i>(in shares)</i>	2025	2024
Beginning	215,500	-
Granted	97,900	215,500
Ending	313,400	215,500
Number of exercisable options	<u>-</u>	<u>-</u>

The Company measured the cost of the share options granted by fair value using the binomial model approach. The related assumptions and variables to measure the cost of the share options granted are as follows:

<i>(in Korean won)</i>	1st Tranche	2nd Tranche	3rd Tranche	4th Tranche
Fair value of share options granted ₩	61,600 ₩	66,800 ₩	88,400 ₩	88,400 ₩
Share price at grant date	61,600	66,800	88,400	88,400
Expected price volatility (%) ¹	49.08	62.60	59.84	59.84
Expected option life (years)	4 ~ 6 years	3 ~ 5 years	1 ~ 2 years	1 ~ 3 years
Risk-free interest rate (%)	2.83 ~ 2.86	2.43 ~ 2.56	2.67	2.67

¹ Applied the volatility of similar companies for the 180 business days.

For the year ended December 31, 2025, expenses of ₩ 3,244,271 thousand were recognized in relation to the above share options and an amount of ₩ 1,613,244 thousand granted to employees of subsidiaries and associates was recognized in equity

25. Issued capital and Reserves

Details of issued capital as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won and in number of shares)</i>	2025	2024
Total number of authorized shares to be issued	100,000,000	100,000,000
Par value per share <i>(in Korean won)</i>	₩ 500 ₩	₩ 500
Total number of shares issued	10,460,684	10,460,684
Issued capital	₩ 5,230,342 ₩	₩ 5,230,342

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Changes in issued capital and share premium for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won and in number of shares)</i>	Number of shares	Issued capital	Share premium	Total
January 1, 2024	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>
December 31, 2024	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>
January 1, 2025	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>
December 31, 2025	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>

Details of reserves as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Share premium	₩	81,260,643	₩	81,260,643
Other reserves ¹		<u>(68,596,533)</u>		<u>(68,596,533)</u>
	₩	<u>12,664,110</u>	₩	<u>12,664,110</u>

¹ The Company acquired the lower electrode division operated by MiCo Ltd., the Parent Company. Following the method for transactions under common control, the carrying amount from this transaction was recognized as carrying amount in the consolidated financial statements of the Parent Company. The difference between the consideration paid and the carrying amount was recognized as other reserves (Note 39).

26. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Share of other comprehensive income of associates	₩	<u>26,334,391</u>	₩	<u>24,677,742</u>
	₩	<u>26,334,391</u>	₩	<u>24,677,742</u>

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27. Elements of other stockholders equity

Details of elements of other stockholders equity as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Treasury shares ¹	₩ (17,862,403)	₩ (12,912,576)
Share options ²	5,994,476	1,136,961
	<u>₩ (11,867,927)</u>	<u>₩ (11,775,615)</u>

¹ The treasury shares were held by the Company for the purpose of stabilizing share prices and enhancing shareholder value.

² The Company granted restricted stock units (RSU) to executives and employees by resolution of Board of Directors on August 5, 2024, May 14, 2025, August 5, 2025 and December 30, 2025(Note 24).

28. Retained Earnings

Retained earnings as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025	2024
Earned profit reserves ¹	₩ 4,928,526	₩ 3,911,391
Retained earnings before appropriation	292,077,066	246,603,853
	<u>₩ 297,005,592</u>	<u>₩ 250,515,244</u>

¹ The Commercial Code of the Republic of Korea requires the Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital. The reserve is not available for dividends payment, but may be transferred to issued capital or used to reduce accumulated deficit.

The appropriation of retained earnings for the year ended December 31, 2025, is expected to be appropriated on March 31, 2026. The appropriation date for the year ended December 31, 2024, was March 31, 2025.

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29. Breakdown of Expenses by Nature

Details of breakdown of expenses by nature for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Changes in inventories of finished goods and work in process	₩ (481,212)	₩ 1,000,416
Raw materials used	18,697,002	13,565,067
Sales of goods	10,446,507	3,390,576
Employee benefits expenses	61,063,061	53,957,190
Employee benefits	4,445,061	3,719,825
Travel expenses	737,205	474,094
Depreciation and amortization	13,653,029	13,624,966
Commission expenses	6,124,456	4,374,133
Rental expenses	489,640	481,449
Insurance premium	3,832,034	2,887,214
Supplies expenses	8,792,994	6,866,236
Vehicles maintenance expenses	642,941	659,547
Utility expenses	10,920,735	8,861,282
Outsourcing expenses	13,935,348	10,478,562
Repairs expenses	2,649,160	2,027,363
Taxes and dues	2,506,557	2,169,337
Freight expenses	579,107	403,974
Share-based payment expenses	3,244,271	672,681
Other expenses	3,266,426	3,653,663
	<u>₩ 165,544,322</u>	<u>₩ 133,267,575</u>

Details of employee benefits expenses incurred for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Salaries	₩ 56,650,632	₩ 49,559,757
Post-employment benefits	4,412,429	4,397,433
	<u>₩ 61,063,061</u>	<u>₩ 53,957,190</u>

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30. Selling and Administrative Expenses

Details of selling and administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Salaries	₩	20,187,330	₩	17,890,394
Post-employment benefits		1,843,135		1,875,307
Employee benefits		1,804,097		1,478,719
Travel expenses		547,126		379,901
Vehicles maintenance expenses		593,263		607,819
Communication expenses		72,897		39,778
Taxes and dues		851,547		738,184
Commission expenses		3,175,695		2,376,581
Rental expenses		67,751		82,579
Depreciation		2,429,454		1,940,717
Amortization		169,497		55,290
Repairs expenses		768,014		442,684
Insurance premium		1,459,310		1,128,022
Entertainment expenses		1,700,930		1,443,747
Advertising expense		442,458		210,719
Supplies expenses		570,574		434,025
Utility expenses		842,915		176,322
Training expenses		197,096		162,795
Freight expenses		476,128		311,519
Sales warranties expenses		(5,341)		169,311
Research and development		14,354,267		11,914,361
Outsourcing expenses		667,373		616,289
Share-based payment expenses		2,547,975		448,454
Others		228,552		312,448
	₩	<u>55,992,043</u>	₩	<u>45,235,965</u>

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31. Other Income and Expenses

Details of other income for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Rental income	₩	830,620	₩	817,225
Commissions received		15,610		8,790
Gain on disposal of property, plant and equipment		1,211,028		193,692
Royalty income		5,882,097		5,153,411
Miscellaneous revenues		782,365		75,031
	₩	<u>8,721,720</u>	₩	<u>6,248,149</u>

Details of other expenses for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Donations	₩	92,942	₩	40,745
Loss on disposal of property, plant and equipment		321,628		196,504
Depreciation of investment properties		194,042		186,099
Miscellaneous expenses		62,858		33,113
	₩	<u>671,470</u>	₩	<u>456,461</u>

32. Finance Income and Finance Costs

Details of finance income for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Interest income	₩	1,347,837	₩	1,963,652
Gain on foreign currency transaction		251,338		794,878
Gain on foreign currency translation		415,221		1,702,389
Gain on valuation of financial assets		-		2,411,360
	₩	<u>2,014,396</u>	₩	<u>6,872,279</u>

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Details of finance costs for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Interest expense	₩	5,778,843	₩	4,619,656
Loss on foreign currency transaction		1,122,854		110,478
Loss on foreign currency translation		142,617		17,180
Loss on valuation of derivatives		-		230,914
Loss on valuation of financial assets		453,095		-
	₩	<u>7,497,409</u>	₩	<u>4,978,228</u>

33. Tax Expense

Income tax expense for the years ended December 31, 2025 and 2024, consists of:

<i>(in thousands of Korean won)</i>	2025		2024	
Current tax on profits for the year	₩	6,835,579	₩	8,522,909
Adjustments in respect of prior years		(1,212,731)		796,667
Deferred tax due to temporary differences		(3,600,633)		4,215,585
Income tax recognized directly in equity		24,393		-
Tax credits carried forward		-		(126,306)
Others		-		62,499
Income tax expense	₩	<u>2,046,608</u>	₩	<u>13,471,354</u>

The aggregate current and deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Deferred tax				
Remeasurements of net defined benefit liability	₩	24,393	₩	(146,817)

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Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>		2025		2024
Profit before income tax expense	₩	58,948,114	₩	68,600,084
Income tax based on statutory tax rate		13,155,014		15,384,619
Adjustments:				
Non-taxable income		(62,765)		(327,229)
Non-deductible expense		975,020		1,302,733
Effect of difference in tax rate applied to equity method investments and others		(8,132,154)		(2,402,977)
Tax credits carried forward		46,437		(126,306)
Adjustments in respect of prior years		(1,212,731)		961,988
Tax credit		(3,189,618)		(1,726,398)
Effect of changes in tax rates		586,860		-
Others		(119,455)		404,924
Income tax expense	₩	<u>2,046,608</u>	₩	<u>13,471,354</u>
Effective tax rate		3.47%		19.64%

Changes in deferred tax assets and liabilities for the temporary differences for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025			
	Beginning balance	Increase (decrease)		Ending balance
		Profit or loss	Other comprehensive income	
Accrued revenues	₩ (75,643)	₩ 74,739	₩ -	₩ (904)
Equity method investments	(15,201,642)	998,786	-	(14,202,856)
Plan assets	(1,329,252)	(192,473)	19,900	(1,501,825)
Property, plant and equipment	3,555,428	222,457	-	3,777,885
Inventories	57,528	(34,764)	-	22,764
Intangible assets	870	634	-	1,504
Annual leave payable	332,118	61,133	-	393,251
Defined benefit obligations	3,984,951	828,888	4,493	4,818,332
Long-term employee benefits	354,293	58,745	-	413,038
Allowance for doubtful account	40,745	(36,879)	-	3,866
Measured at fair value through profit or loss	(1,538,775)	1,607,051	-	68,276
Right-of-use assets	(156,313)	(155,209)	-	(311,522)
Lease liabilities	161,416	157,175	-	318,591

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Others	5,490	32,394	-	37,884
Tax credits	126,306	(46,437)	-	79,869
	<u>₩ (9,682,480)</u>	<u>₩ 3,576,240</u>	<u>₩ 24,393</u>	<u>₩ (6,081,847)</u>

(in thousands of
Korean won)

	2024			
	Beginning balance	Increase (decrease)		Ending balance
		Profit or loss	Other comprehensive income	
Accrued revenues	₩ (16,737)	₩ (58,906)	₩ -	₩ (75,643)
Equity method investments	(11,122,392)	(4,079,250)	-	(15,201,642)
Plan assets	(945,367)	(394,952)	11,067	(1,329,252)
Property, plant and equipment	3,513,477	41,951	-	3,555,428
Inventories	15,401	42,127	-	57,528
Intangible assets	114	756	-	870
Annual leave payable	297,442	34,676	-	332,118
Defined benefit obligations	3,488,958	653,877	(157,884)	3,984,951
Long-term employee benefits	319,456	34,837	-	354,293
Allowance for doubtful account	60,852	(20,107)	-	40,745
Derivatives	742,986	(742,986)	-	-
Measured at fair value through profit or loss	(1,841,442)	302,667	-	(1,538,775)
Right-of-use assets	(132,794)	(23,519)	-	(156,313)
Lease liabilities	135,235	26,181	-	161,416
Others	69,677	(64,187)	-	5,490
Tax credits	-	126,306	-	126,306
	<u>₩ (5,415,134)</u>	<u>₩ (4,120,529)</u>	<u>₩ (146,817)</u>	<u>₩ (9,682,480)</u>

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Details of unrecognized deductible temporary differences as deferred tax assets as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024	Remarks
Interests in subsidiary ¹	₩ 70,813,658	₩ 74,022,570	No plan for disposal
Others	<u>8,704,842</u>	<u>9,231,676</u>	Uncertainty of future feasibility
	<u>₩ 79,518,500</u>	<u>₩ 83,254,246</u>	

¹ The Company did not recognize deferred tax assets for temporary differences associated with investments in subsidiaries, associates and joint ventures which would not be reversed in the foreseeable future through disposal of the investments.

The analysis of deferred tax assets and liabilities as at December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	₩ 9,206,067	₩ 8,060,981
Deferred tax assets to be recovered within 12 months	<u>752,989</u>	<u>588,133</u>
	<u>9,959,056</u>	<u>8,649,114</u>
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	(16,039,999)	(16,717,176)
Deferred tax liability to be recovered within 12 months	<u>(904)</u>	<u>(1,614,418)</u>
	<u>(16,040,903)</u>	<u>(18,331,594)</u>
Deferred tax liabilities, net	₩ (6,081,847)	₩ (9,682,480)

34. Earnings per Shares

(a) Basic earnings per share

Details of the calculation of basic earnings per shares for the years ended December 31, 2025 and 2024, are as follows:

<i>(in Korean won and in number of shares)</i>	2025	2024
Profit attributable to ordinary shares	₩ 56,901,506,170	₩ 55,128,729,861
Weighted average number of ordinary shares outstanding ¹	<u>10,100,898</u>	<u>10,341,410</u>
Basic earnings per share	₩ <u>5,633</u>	₩ <u>5,331</u>

¹ The weighted average number of ordinary shares outstanding was calculated by reflecting changes in treasury shares for the year ended December 31, 2025

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(b) Diluted earnings per share

Diluted earnings per share as at December 31, 2025 and 2024, consist of:

<i>(in Korean won and in number of shares)</i>	2025	2024
Profit used to determine diluted earnings per share	₩ 56,901,506,170	₩ 55,128,729,861
Weighted average shares for diluted earnings per share	10,159,948	10,341,410
Diluted earnings per share	₩ 5,601	₩ 5,331

Details of profit used to determine diluted earnings per share as at December 31, 2025 and 2024, consist of:

<i>(in Korean won)</i>	2025	2024
Basic earnings per share	₩ 56,901,506,170	₩ 55,128,729,861
Add		
Interest expense and others	-	-
Diluted basic earnings per share	<u>₩ 56,901,506,170</u>	<u>₩ 55,128,729,861</u>

Details of the weighted average number for diluted ordinary shares as at December 31, 2025 and 2024, consist of:

<i>(in number of shares)</i>	2025	2024
The weighted average number of ordinary shares	10,100,898	10,341,410
Dilutive potential ordinary shares		
Effect of share options	59,050	-
	<u>10,159,948</u>	<u>10,341,410</u>

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35. Cash Flows

(a) Cash generated from operations

(in thousands of Korean won)

	2025		2024	
Profit	₩	56,901,506	₩	55,128,730
Adjustments for:				
Interest expense		5,778,843		4,619,655
Loss on foreign currency translation		142,617		17,180
Post-employment benefits (defined benefit plan)		3,910,484		3,926,333
Depreciation		13,625,810		13,714,815
Loss on disposal of property, plant and equipment		321,628		196,504
Amortization		221,263		96,249
Share-based payment expenses		3,244,271		672,681
Income tax expense		2,046,608		13,471,354
Reversal of bad debt expenses		(61,633)		(51,001)
Interest income		(1,347,837)		(1,963,652)
Gain on foreign currency translation		(415,221)		(1,702,389)
Loss on valuation of inventories (reversal)		(166,584)		109,074
Gain on disposal of property, plant and equipment		(1,211,028)		(193,692)
Profits of associates and joint ventures		(28,556,525)		(34,452,055)
Gain on valuation of financial assets at fair value through profit or loss		-		(2,411,360)
Loss on valuation of financial assets at fair value through profit or loss		453,095		-
Loss on valuation of derivatives		-		230,914
Others		350,808		276,118
Changes in assets and liabilities due to operating activities:				
Trade receivables		(12,866,991)		(3,437,302)
Other receivables		(356,089)		1,379,400
Other current assets		203,676		(1,524,087)
Inventories		(635,323)		131,438
Trade payables		2,031,266		427,799
Other payables		633,616		519,039
Other liabilities		431,210		2,141,891
Benefit payments		(1,268,460)		(1,644,815)
Transfer from affiliates		243,990		68,703
Contribution to plan assets		(700,000)		(900,000)
Cash generated from operations	₩	<u>42,955,000</u>	₩	<u>48,847,524</u>

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(b) Significant transactions not affecting cash flows

<i>(in thousands of Korean won)</i>		2025		2024
Increase in share of other comprehensive income of associates	₩	1,656,648	₩	15,810,181
Reclassification of financial assets at fair value through profit or loss to other accounts		15,933,531		-
Reclassification of current portion of financial assets at fair value through profit or loss		-		16,091,131
Reclassification of current portion of long-term borrowings		1,000,000		-
Transfer of construction-in-process to property, plant and equipment		5,591,587		3,382,627
Reclassification of current portion of long-term loans		1,033,364		809,527
Reclassification of non-trade payables related to acquisition of property, plant and equipment and intangible assets		(827,580)		954,895
Acquisition of right-of-use assets		1,420,274		592,516
Government grants received		680,128		59,405

(c) Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025			
	Beginning balance	Cash flows	Non-cash changes	Ending balance
Short-term borrowings	₩ 72,600,000	₩ 8,400,000	₩ (5,000,000)	₩ 76,000,000
Long-term borrowings	30,000,000	85,000,000	4,000,000	119,000,000
Current portion of long-term liabilities	-	-	1,000,000	1,000,000
Lease liabilities	743,854	(812,580)	1,447,589	1,378,863
Deposits received	690,450	(4,130)	-	686,320
	<u>₩ 104,034,304</u>	<u>₩ 92,583,290</u>	<u>₩ 1,447,589</u>	<u>₩ 198,065,183</u>

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	2024			
	Beginning balance	Cash flows	Non-cash changes	Ending balance
Short-term borrowings	₩ 32,600,000	₩ 40,000,000	₩ -	₩ 72,600,000
Long-term borrowings	68,750,000	(38,750,000)	-	30,000,000
Current portion of long-term liabilities	1,250,000	(1,250,000)	-	-
Lease liabilities	623,201	(506,074)	626,727	743,854
Deposits received	418,160	272,290	-	690,450
	<u>₩ 103,641,361</u>	<u>₩ (233,784)</u>	<u>₩ 626,727</u>	<u>₩ 104,034,304</u>

36. Contingent Liabilities and Commitments

(a) *Payment guarantees provided by others*

Details of payment guarantees provided by others as at December 31, 2025 are as follows:

(in thousands of Korean won)	Guaranteed amount	Guaranteed by	Remarks
Seoul guarantee insurance company	₩ 400,000	Pyeongtaek Customs Co.	Guarantees for comprehensive customs
Seoul guarantee insurance company	74,000	Samchully Co., Ltd	Guarantees for payments of city gas usage and others
Seoul guarantee insurance company	7,800	Anseong-si, Gyeonggi-do	Guarantees for deposits for authorization of urban planning facilities project

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(b) Payment guaranteed provided by the Company

Details of payment guarantees provided by the Company as at December 31, 2025 are as follows:

	Guaranteed amount		Amount used		Guaranteed by	Remarks
KoMiCo Technology Singapore Pte. Ltd.	USD	14,400,000	SGD	8,894,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Singapore Pte. Ltd.	USD	1,750,000	USD	1,750,000	The Export-Import Bank of Korea	Guarantees for borrowings
KoMiCo Technology Taiwan Ltd.	USD	30,000,000	TWD	557,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Equipment Parts Shenzhen Co.,Ltd.	CNY	11,251,200	CNY	9,011,000	INDUSTRIAL BANK OF KOREA	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	18,000,000	USD	12,000,000	KDB	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	7,200,000	USD	5,700,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Inc.	USD	6,000,000	USD	3,500,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Phoenix LLC	USD	36,000,000	USD	25,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Phoenix LLC	USD	36,000,000	USD	30,000,000	KDB	Guarantees for borrowings
KoMiCo Technology (Wuxi) Limited.	CNY	60,000,000	CNY	48,723,649	Shinhan Bank	Guarantees for borrowings
KoMiCo Technology (Wuxi) Limited.	CNY	12,000,000	CNY	10,000,000	INDUSTRIAL BANK OF KOREA	Guarantees for borrowings
KoMiCo Technology (Wuxi) Limited.	CNY	59,400,000	CNY	9,423,324	Kookmin Bank	Guarantees for borrowings
KoMiCo Technology (Dalian) Limited.	CNY	102,000,000	CNY	68,006,537	KDB	Guarantees for borrowings

As at December 31, 2025, the balance of financial guarantee liabilities recognized by the Company in respect of the above payment guarantee is ₩ 11,421 million (2024: ₩ 11,105 million) (Note 20).

The Company has entered into a technology supply agreement with subsidiaries of the Company. According to the agreement, a certain percentage of sales of each subsidiary is received, and this is recognized as royalty income in other income.

To enhance employee welfare and promote company loyalty, the Company operates an employee share ownership plan. Under this plan, the Company makes matching contributions at a certain percentage to the contributions made by executives and employees, and recognizes this as an item of employee benefits.

If the Company decides to sell its shares of MiCoCeramics Ltd., the subsidiary held by the Company, the acquirer of convertible bonds of MiCoCeramics Ltd. possesses the tag-along

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rights, permitting them to sell all or part of the convertible bonds under the same sales conditions.

Significant agreements which the Company has entered into with financial institution and others as at December 31, 2025, are as follows:

<i>(in thousands of Korean won)</i>	Commitments	Limit amount	Amount used
Kookmin Bank	Loans for operating funds	₩ 10,000,000	₩ 10,000,000
Kookmin Bank	Loans for operating funds	₩ 10,000,000	₩ 10,000,000
Shinhan Bank	Loans for operating funds	₩ 6,000,000	₩ 6,000,000
Kookmin Bank	Loans for operating funds	₩ 5,000,000	₩ 5,000,000
Kookmin Bank	Loans for facility funds	₩ 10,000,000	₩ 10,000,000
Kookmin Bank	Loans for facility funds	₩ 30,000,000	₩ 30,000,000
Shinhan Bank	Loans for operating funds	₩ 25,000,000	₩ 25,000,000
KDB	Loans for operating funds	₩ 10,000,000	₩ 10,000,000
KDB	Loans for facility funds	₩ 21,000,000	₩ 21,000,000
Woori Bank	Loans for operating funds	₩ 19,000,000	₩ 19,000,000

37. Related Party Transaction

Details of the companies that have a controlling or subsidiary relationship with the Company as at December 31, 2025 and 2024, are as follows.

Type	2025	2024	Remark
Parent Company	MiCo Ltd.	MiCo Ltd.	
Subsidiaries	KoMiCo Technology Inc.	KoMiCo Technology Inc.	
	KoMiCo Technology (Wuxi) Limited.	KoMiCo Technology (Wuxi) Limited.	
	KoMiCo Technology Taiwan Ltd.	KoMiCo Technology Taiwan Ltd.	
	KoMiCo Technology Singapore Pte. Ltd.	KoMiCo Technology Singapore Pte. Ltd.	
	KoMiCo Equipment Parts Shenzhen Co.,Ltd	KoMiCo Equipment Parts Shenzhen Co.,Ltd	KTW holds 100%
	KoMiCo Technology (Dalian) Limited. ¹	-	KTW holds 100%
	KoMiCo Technoogy (Huanggang) Limited. (formerly Hubei Ziniu Meike Technology Co., Ltd.) ¹	-	KTW holds 100%
	Qingdao Kaimeng Meike Technology Co., Ltd. ¹	-	KTW holds 100%
	KoMiCo Technology (Huizhou) Limited	-	KTW holds 100%
	KOMICO HILLSBORO LLC	KOMICO HILLSBORO LLC	KTI holds 100%
KOMICO PHOENIX LLC	KOMICO PHOENIX LLC	KTI holds 100%	

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	TaMiCo Technology Kumamoto Co., Ltd.	-	KTT holds 100%
	MiCoCeramics Ltd.	MiCoCeramics Ltd.	
	Qingdao MiCo Materials Technology Co., Ltd. ²	-	MCC holds 100%
	Gumo Technology Co., Ltd. ²	-	MCC holds 100%
	AIMS Equity and Others Private Fund I ³	-	50.00% equity interest held
	AIMS Equity and Others Private Fund II ⁴	-	96.67% equity interest held
Associates and joint ventures	AIMS KOSDAQ Venture Private Equity Fund ⁵	-	33.33% equity interest held
	MW PGS New Thchnology Investment Fund 2nd ¹⁵	-	Newly included in an associate of a subsidiary
	-	Hubei Ziniu Meike Technology Co., Ltd.	Became a subsidiary for the year ended December 31, 2025
Other related parties	. ⁸	CMTX Co.,Ltd. (formerly, COMA Technology Co., Ltd.)	An associate of the subsidiary
	MiCoPower Ltd.	MiCoPower Ltd.	Established by split-off of the Parent Company
	MiCo Hightech Ltd.	MiCo Hightech Ltd.	A subsidiary of the Parent Company
	RECOM CO., Ltd. ⁶	-	Newly included in a subsidiary of the Parent Company
	BUTTLE INFORMATION SYSTEMS ⁶	-	Newly included in a subsidiary of the Parent Company
	Buttle Information Systems Vietnam Co., Ltd. ⁷	-	Newly included in a subsidiary of the Parent Company
	PLANTEC Holdings Co., Ltd. ⁶	-	Newly included in a subsidiary of the Parent Company
	PLANTEC Co., Ltd. ¹⁴	-	Newly included in a subsidiary of the Parent Company
	POSCO Plantec Thailand Co., Ltd. ¹⁴	-	Newly included in a subsidiary of the Parent Company
	Green Power First Co., Ltd. ¹⁴	-	Newly included in a subsidiary of the Parent Company
	New and Renewable NH Ninth Co., Ltd. ¹⁴	-	Newly included in a subsidiary of the Parent Company
	Eco Innovation Co.,Ltd.	Eco Innovation Co.,Ltd.	A subsidiary of the Parent Company

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Yangju Trading Green Energy No.1 Inc ⁶	-	Newly included in a subsidiary of the Parent Company
HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD.	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD.	A subsidiary of the Parent Company
YANTAI HYUNDAI HEAVY INDUSTRIES CO., LTD.	YANTAI HYUNDAI HEAVY INDUSTRIES CO., LTD.	A subsidiary of the Parent Company
Yantai Hyundai Heavy Industries (Penglai) Co.,Ltd.	Yantai Hyundai Heavy Industries (Penglai) Co.,Ltd.	A subsidiary of the Parent Company
Pentastone III Investment Funds ⁶	-	Newly included in a subsidiary of the Parent Company
QuantaMatrix Inc. ¹⁶	-	Newly included in an associate of the Parent Company
Namyangju Green Engergy No.2 Co.,Ltd.	Namyangju Green Engergy No.2 Co.,Ltd.	A joint venture of the Parent Company
AIMS Bio Frontier Private Fund I ⁹	-	Newly included in a subsidiary of the Parent Company
AFWP Deep Tech Fund No.14	AFWP Deep Tech Fund No.14	An associate of the Parent Company
DAYLI PARTNERS Fountainhead Blind Fund No.1 ¹⁰	-	Newly included in an associate of the Parent Company
Petra Private Equity Fund ¹³	-	Newly included in an associate of the Parent Company
AI N M NET LTD. (formerly MiCo Networks Co.,Ltd.)	AI N M NET LTD. (formerly MiCo Networks Co.,Ltd.)	An entity controlled by key management personnel of the Parent Company
.11	AICISS Co.,Ltd.	A subsidiary of an entity controlled by key management personnel of the Parent Company
AI N M Net No.1 Ltd. ¹²	-	A subsidiary of an entity controlled by key management personnel of the Parent Company
AICISS Co.,Ltd. ¹¹	ITFACT Inc.	Merged into AICISS Co., Ltd.
MICOBIO MED USA, Inc	MICOBIO MED USA, Inc	A subsidiary of an entity controlled by key management personnel of the Parent Company
MICO INTERNATIONAL BRAZIL EMPREENDIMENTOS E PARTICIPACOES LTDA	MICO INTERNATIONAL BRAZIL EMPREENDIMENTOS E PARTICIPACOES LTDA	A subsidiary of an entity controlled by key management personnel of the Parent Company
PT. MICO BIOMED INDONESIA	PT. MICO BIOMED INDONESIA	A subsidiary of an entity controlled by key management personnel of

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		the Parent Company
Mico Biomed do Brasil Ltda	Mico Biomed do Brasil Ltda	A subsidiary of an entity controlled by key management personnel of the Parent Company
MiCo NTH Investment LLC	MiCo NTH Investment LLC	A subsidiary of an entity controlled by key management personnel of the Parent Company
New Target Health, Inc.	New Target Health, Inc.	A subsidiary of an entity controlled by key management personnel of the Parent Company
MiCo India Private Limited ¹²	-	A subsidiary of an entity controlled by key management personnel of the Parent Company
AIMS ASSET MANAGEMENT CO., LTD.	AIMS ASSET MANAGEMENT CO., LTD. (formerly. Cynerz Investment Co.,Ltd.)	An entity controlled by key management personnel of the Parent Company
Qingdao Guimeke Materials Technology Co., Ltd.	-	An entity controlled by key management personnel of the Parent Company

¹ For the year ended December 31, 2025, KoMiCo Technology (Wuxi) Limited. acquired 100% of the equity interest in the relevant entity, which was accordingly newly included as a subsidiary.

² For the year ended December 31, 2025, the Company's subsidiary, MiCoCeramics Ltd., acquired 100% of the equity interest in the relevant entity, which was accordingly newly included as a subsidiary

³ For the year ended December 31, 2025, the Company and its subsidiary each made a 50% capital contribution to AIMS Equity and Others Private Fund I, which was accordingly newly included as a subsidiary.

⁴ For the year ended December 31, 2025, the Company and its subsidiary made capital contributions to AIMS Equity and Others Private Fund II. Their respective equity interests were 96.67% for the Company and 3.33% for the subsidiary, and the investee was accordingly newly included as a subsidiary.

⁵ The Company acquired a 33.33% equity interest in AIMS KOSDAQ Venture Private Equity Fund I. As unanimous consent of all beneficiaries is required to replace the trustee, the investee was classified as a joint venture.

⁶ For the year ended December 31, 2025, the Parent Company, MiCo Ltd., acquired an equity interest in the relevant entity, which was accordingly newly included as a subsidiary.

⁷ For the year ended December 31, 2025, BUTTLE INFORMATION SYSTEMS, a subsidiary of the Parent Company, MiCo Ltd., acquired 70% of the equity interest in Buttle Information Systems Vietnam Co., Ltd., which was accordingly newly included as a related party.

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⁸ As at December 31, 2024, although MiCoCeramics Ltd., a subsidiary of the Company, held less than a 20% equity interest in CMTX Co., Ltd. (formerly COMA Technology Co., Ltd.), it was considered capable of exercising significant influence by virtue of its right to appoint a director, and accordingly was included as a related party. In addition, as the Company was not considered to have substantive access to the returns associated with the ownership interest, the investment was classified as a financial instrument measured at fair value. Meanwhile, for the year ended December 31, 2025, the Company's subsidiary exercised its conversion right and converted the relevant redeemable convertible preferred shares into ordinary shares, and the right to appoint a director expired. Accordingly, the investee was excluded from related parties for the year ended December 31, 2025 (Note 9).

⁹ For the year ended December 31, 2025, the Parent Company, MiCo Ltd., made a 99.96% capital contribution to AIMS Bio Frontier Private Fund I, which was accordingly newly included as a subsidiary of the Parent Company.

¹⁰ For the year ended December 31, 2025, the Parent Company, MiCo Ltd., made a capital contribution to DAYLY Fountainhead Blind Fund No.1 in January 2025, and accordingly the investee was newly included as a related party.

¹¹ For the year ended December 31, 2025, AICCESS Co., Ltd. and ITFACT Inc. merged, with AICCESS Co., Ltd. being extinguished, and ITFACT Inc. changed its corporate name to AICCESS Co., Ltd.

¹² AI N M Net Ltd., an entity controlled by key management personnel of the Parent Company, acquired equity interests in AI N M Net No.1 Ltd. and MiCo India Private Limited in August 2025, and accordingly those entities were newly included as related parties.

¹³ For the year ended December 31, 2025, the Parent Company, MiCo Ltd., made a capital contribution to Petra Private Equity Fund, and as its equity interest amounted to 24.92%, the investee was newly included as a related party.

¹⁴ For the year ended December 31, 2025, PLANTEC Holdings Co., Ltd. acquired 71.93% of the equity interest in PLANTEC Co., Ltd. Meanwhile, PLANTEC Co., Ltd. obtained control over POSCO Plantec Thailand Co., Ltd., Green Power First Co., Ltd., and New and Renewable NH Ninth Co., Ltd., which were accordingly newly included as other related parties.

¹⁵ For the year ended December 31, 2025, AIMS Equity and Others Private Fund I acquired 39.99% of the equity interest in the relevant entity. As a result, the Company determined that its subsidiary had significant influence over the investee and accordingly classified it as an associate.

¹⁶ As QuantaMatrix Inc. is an investment of Pentastone III Investment Funds, an associate of the Parent Company, MiCo Ltd., it was included as another related party for the year ended December 31, 2025.

KoMiCo Ltd.
Notes to the Separate Financial Statements
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Sales and purchases with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

		2025						
Type	Name of entity	Sales	Purchase	Acquisition of assets	Disposal of assets	Other income	Other expense	Acquisition of right-of-use asset
Parent Company	MiCo Ltd.	₩ -	₩ 12,131,808	₩ -	₩ -	₩ 60,953	₩ 1,245,470	₩ 102,774
Subsidiaries	KoMiCo Technology Inc.	1,544,492	1,447	-	-	2,648,610	130,738	-
	KoMiCo Technology Taiwan Ltd.	2,772,127	7,995	-	-	1,597,636	19,019	-
	KoMiCo Technology (Wuxi) Limited.	5,059,025	-	-	1,875,752	2,230,377	28,091	-
	KoMiCo Technology Singapore Pte. Ltd.	680,790	-	-	115,077	681,741	23,163	-
	KoMiCo Equipment Parts Shenzhen Co.,Ltd.	332,303	-	-	-	301,125	-	-
	KoMiCo Hillsboro LLC	1,331,070	-	-	-	785,530	-	-
	KoMiCo Phoenix LLC	5,939,524	-	-	-	50,646	5,246	-
	KoMiCo Technology (Dalian) Limited.	1,438,939	-	-	-	-	-	-
	MiCoCeramics Ltd.	3,052,530	356,010	-	-	2,134,539	1,804,633	-
Joint venture	Hubei Ziniu Meike Technology Co., Ltd.	4,131	-	-	-	-	-	-
Other related parties	CMTX Co., Ltd. ¹	120	13,790	-	-	-	-	-
	MiCoPower Ltd.	-	-	-	-	1,833,528	-	-
	AICCESS Co.,Ltd.	-	-	2,091,176	-	16,345	823,493	-
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD.	-	-	275,740	-	-	-	-
	AIMS Asset Management Co., Ltd.	-	-	-	-	-	9,976	-
		<u>₩ 22,155,051</u>	<u>₩ 12,511,050</u>	<u>₩ 2,366,916</u>	<u>₩ 1,990,829</u>	<u>₩ 12,341,030</u>	<u>₩ 4,089,829</u>	<u>₩ 102,774</u>

¹As the related party relationship ceased for the year ended December 31, 2025, the transaction amount represents transactions made up to the date on which the related party relationship ceased.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

(in thousands of Korean won)

		2024						
Type	Name of entity	Sales	Purchase	Acquisition of assets	Disposal of assets	Other income	Other expense	Acquisition of right-of-use asset
Parent Company	MiCo Ltd.	₩ 160,072	₩ 9,894,860	₩ -	₩ -	₩ 982,879	₩ 998,462	₩ 119,211
Subsidiaries	KoMiCo Technology Inc.	1,375,562	-	-	25,100	2,230,338	45,313	-
	KoMiCo Technology Taiwan Ltd.	1,497,649	201	-	-	1,053,137	16,225	-
	KoMiCo Technology (Wuxi) Limited.	2,474,582	-	-	-	1,959,319	15,773	-
	KoMiCo Technology Singapore Pte. Ltd.	1,240,478	-	-	119,418	536,606	18,950	-
	KoMiCo Equipment Parts Shenzhen Co.,Ltd.	358,542	-	-	3,789	330,414	-	-
	KoMiCo Hillsboro LLC	370,390	-	-	35,929	626,230	-	-
	MiCoCeramics Ltd.	2,284,025	94,939	-	-	1,880,480	223,716	-
Joint venture	Hubei Ziniu Meike Technology Co., Ltd.	1,849,076	-	-	-	-	-	-
Associate	CMTX Co.,Ltd. (formerly COMA Technology Co., Ltd.)	900	435,480	-	-	-	-	-
Other related parties	MiCoPower Ltd.	-	-	-	-	1,514,011	25,163	-
	AICISS Co.,Ltd.	-	-	2,558,744	-	-	-	-
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD.	-	-	129,973	-	828	-	-
	MiCo Hightech Ltd.	-	-	-	-	1,440	-	-
		<u>₩ 11,611,276</u>	<u>₩ 10,425,480</u>	<u>₩ 2,688,717</u>	<u>₩ 184,236</u>	<u>₩ 11,115,682</u>	<u>₩ 1,343,602</u>	<u>₩ 119,211</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

Outstanding balances arising from sales/purchases of goods and services as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

2025

Type	Name of entity	Receivables		Payables			
		Trade receivables	Other receivables	Trade payables	Borrowings	Other payables	Lease liabilities
Parent Company	MiCo Ltd.	₩ -	₩ 87,600	₩ 1,358,502	₩ -	₩ 373,784	₩ 51,198
Subsidiaries	KoMiCo Technology Inc.	173,166	732,577	-	-	13,270	-
	KoMiCo Technology Taiwan Ltd.	149,895	461,272	7,806	-	-	-
	KoMiCo Technology (Wuxi) Limited.	2,640,983	3,312,766	-	-	-	-
	KoMiCo Technology Singapore Pte. Ltd.	149,878	175,282	-	-	12,184	-
	KoMiCo Equipment Parts Shenzhen Co., Ltd.	-	170,331	-	-	-	-
	KoMiCo Hillsboro LLC	296,115	1,667,168	-	-	-	-
	KoMiCo Phoenix LLC	6,085,929	986,250	-	-	5,246	-
	KoMiCo Technology (Dalian) Limited.	1,439,617	271,254	-	-	-	-
	MiCoCeramics Ltd.	280,170	350,824	1,375	50,000,000	1,539,502	-
Joint venture	AIMS Equity and Others Private Fund I	-	168,238	-	-	-	-
Other related parties	MiCoPower Ltd.	-	169,019	-	-	500,450	-
	AICCESS Co., Ltd.	-	638	-	-	305,274	-
	AIMS Asset Management Co., Ltd.	-	-	-	-	9,976	-
		₩ 11,215,753	₩ 8,553,219	₩ 1,367,683	₩ 50,000,000	₩ 2,759,686	₩ 51,198

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

(in thousands of Korean won)

		2024									
Type	Name of entity	Receivables		Payables			Lease liabilities				
		Trade receivables	Other receivables	Trade payables	Other payables						
Parent Company	MiCo Ltd.	₩	176,079	₩	113,610	₩	783,166	₩	119,118	₩	49,654
Subsidiaries	KoMiCo Technology Inc.		92,604		593,176		-		37,775		-
	KoMiCo Technology Taiwan Ltd.		195,826		314,313		-		-		-
	KoMiCo Technology (Wuxi) Limited.		241,261		635,268		-		-		-
	KoMiCo Technology Singapore Pte. Ltd.		63,067		201,015		-		-		-
	KoMiCo Equipment Parts Shenzhen Co., Ltd.		-		126,493		-		-		-
	KoMiCo Hillsboro LLC		134,401		2,004,311		-		-		-
	KoMiCo Phoenix LLC		-		23,584		-		-		-
	MiCoCeramics Ltd.		161,442		161,912		67,216		233,889		-
	Hubei Ziniu Meike Technology Co., Ltd.		2,031,746		-		-		-		-
Joint venture											
Associate	CMTX Co.,Ltd.		-		-		9,020		-		-
Other related parties	MiCoPower Ltd.		-		132,017		-		504,580		-
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD.		-		886		-		-		-
	MiCo Hightech Ltd.		-		1,541		-		-		-
		₩	3,096,426	₩	4,308,126	₩	859,402	₩	895,362	₩	49,654

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

Significant fund transactions with related parties for the year ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

			2025					
			Loan (borrowing) transactions					
Type	Name of entity	Line item	Beginning	Acquisition	Borrowings	Conversion	Valuation/ Amortization	Ending
Parent Company	MiCo Ltd.	Financial assets at fair value through profit or loss ¹	₩ 16,091,131	₩ -	₩ -	₩ (15,933,531)	₩ (157,600)	₩ -
	MiCo Ltd.	Financial assets at fair value through profit or loss ²	-	16,243,800	-	-	(295,495)	15,948,305
	MiCo Ltd.	Investments accounted for using the equity method ³	-	13,002,289	-	-	-	13,002,289
Subsidiaries	KoMiCo Technology (Wuxi) Limited ⁴	Investments accounted for using the equity method	-	29,129,100	-	-	-	29,129,100
	AIMS Equity and Others Private Fund I ⁵	Investments accounted for using the equity method	-	2,500,000	-	-	-	2,500,000
	AIMS Equity and Others Private Fund I ⁶	Investments accounted for using the equity method	-	2,500,000	-	-	-	2,500,000
	AIMS Equity and Others Private Fund II ⁷	Investments accounted for using the equity method	-	2,900,000	-	-	-	2,900,000
	MiCoCeramics Ltd.	Short-term borrowings	-	-	50,000,000	-	-	50,000,000
			₩ 16,091,131	₩ 66,275,189	₩ 50,000,000	₩ (15,933,531)	₩ (453,095)	₩ 115,979,694

¹ For the year ended December 31, 2025, the Company exercised the exchange rights attached to the exchangeable bonds held by the Company and exchanged them for shares of MiCoCeramics Ltd., which were subsequently reclassified as investments accounted for using the equity method.

² For the year ended December 31, 2025, the Company acquired the warrants held by its Parent Company, MiCo Ltd., and classified them as financial assets at fair value through profit or loss.

³ For the year ended December 31, 2025, the Company acquired 166,940 ordinary shares of MiCoCeramics Ltd. held by its Parent Company, MiCo Ltd.

⁴ For the year ended December 31, 2025, the Company made an additional capital contribution to KoMiCo Technology (Wuxi) Limited.

⁵ For the year ended December 31, 2025, the Company made a 33.33% capital contribution to AIMS KOSDAQ Venture Private Equity Fund I. As unanimous consent of all beneficiaries is required for decision-making on significant matters of the trust, including the replacement of the trustee, the investee was classified as a joint venture.

⁶ For the year ended December 31, 2025, the Company and its subsidiary each made a 50% capital contribution to AIMS Equity and Others Private Fund I, which was accordingly newly included as a

KoMiCo Ltd.
Notes to the Separate Financial Statements
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subsidiary.

⁷ For the year ended December 31, 2025, the Company and its subsidiary made capital contributions to AIMS Equity and Others Private Fund II. Their respective equity interests were 96.67% for the Company and 3.33% for the subsidiary, and the investee was accordingly newly included as a subsidiary.

(in thousands of Korean won)

			2024				
			Loan (borrowing) transactions				
Type	Name of entity	Line item	Beginning	Loans/ Borrowings	Collection/ Repayment	Valuation/ Amortization	Ending
Parent Company	MiCo Ltd.	Financial assets at fair value through profit or loss ¹	₩ 23,485,909	₩ -	₩ (9,806,138)	₩ 2,411,360	₩ 16,091,131
	MiCo Ltd.	Financial liabilities at fair value through profit or loss ¹	(3,423,901)	-	3,654,815	(230,914)	-
			₩ 20,062,008	₩ -	₩ (6,151,323)	₩ 2,180,446	₩ 16,091,131

¹ For the year ended December 31, 2024, the option held by the issuer of the exchangeable bonds was exercised. Consequently, the Company derecognized derivative liability associated with exchangeable bonds (Notes 7, 8).

For the year ended December 31, 2024, the Company acquired lower electrode division operated by MiCo Ltd., the Parent Company. (Note 39).

Details of payment guarantees provided to related parties by the Company as at December 31, 2025 and 2024, are as follows. There are no collateral and payment guarantees provided by related parties.

			2025		
	Guaranteed amount		Guaranteed by	Remarks	
KoMiCo Technology Singapore Pte. Ltd.	USD	14,400,000	Citibank Korea Inc.	Guarantees for borrowings	
KoMiCo Technology Singapore Pte. Ltd.	USD	1,750,000	The Export-Import Bank of Korea	Guarantees for borrowings	
KoMiCo Technology Taiwan Ltd.	USD	30,000,000	Citibank Korea Inc.	Guarantees for borrowings	
KoMico Equipmnet Parts Shenzehn Co., Ltd.	CNY	11,251,200	INDUSTRIAL BANK OF KOREA	Guarantees for borrowings	
KoMiCo Hillsboro LLC	USD	18,000,000	KDB	Guarantees for borrowings	
KoMiCo Hillsboro LLC	USD	7,200,000	Citibank Korea Inc.	Guarantees for borrowings	
KoMiCo Technology Inc.	USD	6,000,000	Citibank Korea Inc.	Guarantees for borrowings	
KoMiCo Phoenix LLC	USD	36,000,000	Citibank Korea Inc.	Guarantees for borrowings	
KoMiCo Phoenix LLC	USD	36,000,000	KDB	Guarantees for borrowings	
KoMiCo Technology (Wuxi) Limited.	CNY	60,000,000	Shinhan Bank	Guarantees for borrowings	
KoMiCo Technology	CNY	12,000,000	INDUSTRIAL BANK OF	Guarantees for borrowings	

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(Wuxi) Limited.			KOREA	
KoMiCo Technology (Wuxi) Limited.	CNY	59,400,000	Kookmin Bank	Guarantees for borrowings
KoMiCo Technology (Dalian) Limited.	CNY	102,000,000	KDB	Guarantees for borrowings

2024				
	Guaranteed amount		Guaranteed by	Remarks
KoMiCo Technology Singapore Pte. Ltd.	USD	9,600,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Singapore Pte. Ltd.	USD	1,750,000	The Export-Import Bank of Korea	Guarantees for borrowings
KoMiCo Technology Taiwan Ltd.	USD	30,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMico Equipmnet Parts Shenzehn Co., Ltd.	USD	4,800,000	Citibank Korea Inc.	Guarantees for borrowings
KoMico Equipmnet Parts Shenzehn Co., Ltd.	CNY	11,251,200	INDUSTRIAL BANK OF KOREA	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	18,000,000	KDB	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	7,200,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Inc.	USD	3,600,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Phoenix LLC	USD	24,000,000	Citibank Korea Inc.	Guarantees for borrowings

Key management for employee services for the years ended December 31, 2025 and 2024, consists of:

<i>(in thousands of Korean won)</i>	2025		2024	
Long and short-term employee benefits	₩	2,507,154	₩	2,238,028
Post-employment benefits		185,760		171,312
Share-based payments		1,124,006		139,812
	₩	<u>3,816,920</u>	₩	<u>2,549,152</u>

The above key management includes registered executives who have significant authority and responsibilities on activities, planning, operations and controls of the Company.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2025 and 2024

38. Reporting by Segment

The Company management who makes strategic decisions has determined the operating segments. As at December 31, 2025, the Company is a single segment, and the information by segment at the company-wide level is as follows.

(a) Information about revenue

The Company's major source of revenues is revenue from contracts with customers. Details of the revenue from contracts with customers for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Revenue				
Parts	₩	13,015,315	₩	3,466,121
Cleaning		67,104,094		58,025,104
Coating		113,249,264		98,238,639
	₩	<u>193,368,673</u>	₩	<u>159,729,864</u>
Timing of revenue recognition:				
at a point in time.	₩	14,624,114	₩	4,738,373
over time		178,744,559		154,991,491
	₩	<u>193,368,673</u>	₩	<u>159,729,864</u>

Details of geographic characteristics of the operating segments as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
South Korea	₩	172,545,638	₩	148,245,545
Asia		11,731,631		9,447,643
Europe		125,319		271,582
USA		8,966,085		1,756,115
Other countries		-		8,979
	₩	<u>193,368,673</u>	₩	<u>159,729,864</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
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(b) Information about key customers

Details of external customers, who contribute more than 10% of the Company's revenue for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	Revenue		Classification
	2025	2024	
Customer¹			
Customer A	₩ 89,141,885	₩ 81,361,627	Coating and cleaning, etc.
Customer B	53,022,930	45,558,093	Coating and cleaning, etc.

¹ Customers under the same control were considered as a single external customer.

39. Business Combination of Entities under a Common Control

On July 1, 2024, as a deemed acquisition date, the Company acquired lower electrode division operated by its parent company, MiCo Ltd.

Following the method for transactions under common control, the carrying amount from this transaction was recognized as carrying amount in the financial statements of the Parent Company. The difference between the consideration paid and the carrying amount was recognized as other reserves (Note 25).

<i>(in thousands of Korean won)</i>	2024
Consideration transferred	
Cash and cash equivalents	₩ 3,080,742
	<u>3,080,742</u>
Identifiable assets and liabilities at the acquisition date	
Trade receivables	714,141
Other receivables	478,977
Inventories	616,895
Property, plant and equipment	22
Deferred tax assets	31,249
	<u>1,841,284</u>
Trade payables	31,715
Current lease liabilities	5,795
Other current liabilities	366,291
Post-employment benefit liabilities	29,974
Non-current lease liabilities	3,221
Other non-current liabilities	61,678
	<u>498,674</u>
Total identifiable net assets	1,342,610

KoMiCo Ltd.
Notes to the Separate Financial Statements
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Other reserves	₩ (1,738,132)
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Meanwhile, the Company paid ₩ 48 million in advisory fees and others in relation to this business combination and recognized as reserves.

40. Changes in K-IFRS No. 1001, Presentation of Financial Statements

The Company changed the basis for classifying revenue, which is used to explain the components of financial performance, from the previous presentation by sales of products and merchandise to a presentation based on business areas, in order to better reflect the substance of its business.

(in thousands of Korean won)

	2024	
	Before change	After change
Revenue	₩ -	₩ 159,729,863
Sales of finished goods	154,991,491	-
Sales of merchandise	4,738,372	-
Cost of sales	-	88,082,612
Cost of sales of finished goods	84,692,036	-
Cost of sales of merchandise	3,390,576	-

41. Events After the Reporting Period

(a) Disposal of treasury shares

On January 15, 2026, the Board of Directors resolved to dispose of 3,270 treasury shares in January 2026 to settle the share delivery obligation to eligible grantees who satisfied the vesting conditions under the 3rd RSU grant agreement.

(b) Short-term borrowings

On February 13, 2026, the Board of Directors resolved that the Company would borrow KRW 10,000 million in short-term borrowings from Kookmin Bank, and the borrowing was made on February 27, 2026.

(c) Acquisition of new investment assets

On February 13, 2026, the Board of Directors resolved to make a capital contribution of KRW 5,330 million to MW AIMS New Technology Investment Fund I.

**Independent Auditor's Report on
Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
KoMiCo Ltd.

Opinion on Internal Control over Financial Reporting

We have audited KoMiCo Ltd.'s (the Company) Internal Control over Financial Reporting as at December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2025, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including material accounting policy information, and our report dated March 18, 2026 expressed an unqualified opinion.

Basis for Opinion on Internal Control over Financial Reporting

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on the Effectiveness of Internal Control over Financial Reporting*.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our responsibility is to express opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention, or timely

detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Ho-jin Seon, Certified Public Accountant.

Seoul, Korea March 18, 2026

This report is effective as at March 18, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**Management's Report on the
Effectiveness of Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders, Board of Directors and Auditor of
KoMiCo Ltd.

We, as the Chief Executive Officer (CEO) and the Internal Control over Financial Reporting Officer of KoMiCo Ltd. (the Company), assessed the effectiveness of the design and operation of the Company's Internal Control over Financial Reporting (ICFR) for the year ended December 31, 2025.

The Company's management, including ourselves, is responsible for designing and operating ICFR. We assessed the design and operating effectiveness of ICFR in the prevention and detection of an error or fraud which may cause material misstatements in the preparation and disclosure of reliable financial statements. We designed and operated ICFR in accordance with Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (when other standards are used, the name) established by the Operating Committee of Internal Control over Financial Reporting in Korea (the ICFR Committee). And, we conducted an evaluation of ICFR based on Appendix 6, Standards for Evaluation and Reporting of Internal Control over Financial Reporting, to the Detailed Enforcement Rules of the Regulation on External Audit and Accounting.

Based on the assessment results, we believe that the Company's ICFR, as at December 31, 2025, is designed and operated effectively, in all material respects, in accordance with Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which cause material misunderstandings, and we have reviewed and verified this report with sufficient due care.

(Attachment) Internal Control Activities Performed by the Company to Address Fraud Risks Related to Funds, Including Embezzlement

March 4, 2026

Yong-Ha Choi,
Chief Executive Officer

Sang-Won Lee,
Internal Control over Financial Reporting Officer

(Attach) Internal Control Activities Performed by the Company to Address Fraud Risks Related to Funds, Including Embezzlement

Category	Key Control Activities Performed by the Company	Results of Review on Design and Operating Effectiveness (Performing Department, Timing, etc.)
Entity level controls	<p>Fraud risk assessment Management performs an entity-wide fraud risk assessment and periodically updates the related assessment documentation. Based on the results of the risk assessment, management reviews changes in ICFR and considers such results in establishing the plan for the evaluation of operating effectiveness.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, November 2025, January 2026)
	<p>Segregation of duties The Company has established organizational and segregation-of-duties regulations and operates a matrix of incompatible duties to prevent conflicts of interest.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, November 2025, January 2026)
	<p>Approval of cash/bank balance management The Head of the Management Planning Division verifies whether the balances and receipts/disbursements in the daily cash flow summary submitted by the treasury personnel agree with the bank inquiry records and, where differences exist, reviews the adequacy of the explanations and approves them.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, November 2025, January 2026)
Funds controls	<p>Approval of cash/bank balance management The Head of the Management Planning Division verifies whether the balances and receipts/disbursements in the daily cash flow summary submitted by the treasury personnel agree with the bank inquiry records and, where differences exist, reviews the adequacy of the explanations and approves them.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, November 2025, January 2026)
	<p>Approval of cash receipt details The Head of the Management Planning Division reconciles the deposit voucher with the bank transaction records and approves it.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, November 2025, January 2026)
	<p>Approval of cash disbursement details Before disbursement, the Head of the Management Planning Division reviews and approves the memorandum of scheduled disbursements submitted by the treasury personnel, and after disbursement reconciles the payment voucher with the bank transaction records and approves it.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, November 2025, January 2026)
	<p>Segregation of duties for registration and approval of fund transfers For the Company's disbursement accounts, the registration and approval of fund transfers are segregated through step-by-step approvals, and the authority assigned under the certificates is separately maintained and controlled.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, January 2026)
	<p>Physical controls over OTP devices The OTP devices (security cards) used for account transfers are kept under lock and key to prevent access by unauthorized persons.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, January 2026)
	<p>Approval of acquisition of financial products The Head of the Management Planning Division reviews the product terms set out in the memorandum for the purchase of financial products submitted by the treasury personnel and approves it.</p>	Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, January 2026)

	<p>Approval of borrowings The personnel of the Financial Planning Team prepares a financing plan, negotiates interest rates and other terms with lenders, and submits the matter to the Board of Directors for resolution and approval.</p>	<p>Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, November 2025, January 2026)</p>
	<p>Control over the use of the corporate seal The Head of the Management Support Division restricts physical access to the corporate seal, reviews and approves the place of use and purpose of affixing the seal stated in the corporate seal use request form submitted by the requesting department, and releases the corporate seal only upon such approval.</p>	<p>Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, November 2025, January 2026)</p>
<p>Other Process level controls</p>	<p>Counterparty master data controls Authority to input and change counterparty information is granted only to the Accounting Team and certain personnel in Purchasing/Sales Administration, and authority to input bank account information is granted only to the Accounting Team. After reviewing and approving whether the key information in the request submitted by the requesting department agrees with the supporting documents, the counterparty is registered in the ERP system.</p>	<p>Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, January 2026)</p>
	<p>Review and approval of inventory count results The Head of the Management Planning Division reviews and approves, based on the inventory count result report prepared by the Accounting Team, the appropriateness of inventory quantities, differences identified, and unusual matters.</p>	<p>Based on the testing performed, no material weakness was identified. (Internal Accounting Team, August 2025, January 2026)</p>