

KoMiCo Ltd. and Subsidiaries

**Consolidated Financial Statements
December 31, 2025 and 2024**

KoMiCo Ltd. and Subsidiaries

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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 consolidated financial statements of KoMiCo Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Occurrence of revenue recognition

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

As set out in Note 2 to the consolidated financial statements, the Group identifies performance obligations from contract with a customer 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 Group's financial statements and, identifying performance obligations and determining when the obligation is 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 Group'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 consolidated financial statements of the Group 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 consolidated financial statements.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

Yeji Accounting Corporation

Seoul, Korea March 18, 2026

This report is effective as of 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 consolidated 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. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

<i>(in Korean won)</i>	Notes	2025		2024	
Assets					
Current assets					
Cash and cash equivalents	4,6,7,8	₩	99,119,203,383	₩	158,376,721,520
Short-term financial instruments	5,6,7,8		3,100,000,000		16,028,562,231
Trade receivables	6,7,8,9,39		84,131,497,430		65,973,072,544
Other receivables	6,7,8,9,39		39,950,354,308		12,276,163,368
Inventories	12,17		58,605,927,048		44,661,443,147
Other current financial assets	6,7,8,10		3,770,261,931		9,024,326,215
Other current assets	11		23,123,535,509		12,979,015,645
			<u>311,800,779,609</u>		<u>319,319,304,670</u>
Investments in associates and joint ventures	18		5,254,673,036		4,811,218,458
Other non-current receivables	6,7,8,9,39		4,717,692,285		4,600,262,241
Property, plant and equipment	13,14,15,17		639,019,680,081		402,924,648,050
Investment properties	13,15,17		5,342,454,623		5,482,496,687
Intangible assets	13,16		13,118,805,603		10,529,672,629
Other non-current financial assets	6,7,8,10		15,528,410,997		47,229,075,702
Other non-current assets	11		25,046,879,613		1,067,593,489
Deferred tax assets	35		10,407,514,412		4,378,251,050
			<u>718,436,110,650</u>		<u>481,023,218,306</u>
Total assets		₩	1,030,236,890,259	₩	800,342,522,976
Liabilities					
Current liabilities					
Trade payables	6,7,8,19,39	₩	20,468,079,360	₩	16,469,808,229
Short-term borrowings	6,7,8,12,13,15,22,37		192,679,909,879		126,861,413,970
Other payables	6,7,8,19,37,39		36,713,093,783		15,810,506,196
Other current financial liabilities	7,8,20		21,134,892,881		25,904,134,882
Current portion of long-term borrowings	6,7,8,12,13,15,22,37		6,211,172,749		4,410,000,000
Debentures	7,23,37		-		19,935,126,341
Convertible bonds	6,7,8,24,37		19,264,286,010		16,301,192,558
Current lease liabilities	6,7,8,14		3,541,904,329		2,175,600,537
Other current liabilities	21		15,682,936,128		24,447,742,566
Current tax liabilities	35		11,538,465,491		23,743,879,804
			<u>327,234,740,610</u>		<u>276,059,405,083</u>
Non-current liabilities					
Long-term borrowings	6,7,8,12,13,15,22,37		290,319,882,681		112,714,880,000
Post-employment benefit liabilities	25		17,720,248,162		14,421,006,017
Other non-current payables	6,8,19		442,280,340		885,477,924
Other non-current liabilities	21		5,803,938,195		4,456,840,852
Non-current lease liabilities	6,7,8,14		11,476,323,621		5,217,007,203
Deferred tax liabilities	35		7,433,424,406		10,869,843,418
			<u>333,196,097,405</u>		<u>148,565,055,414</u>
Total liabilities			<u>660,430,838,015</u>		<u>424,624,460,497</u>
Equity					
Issued capital	1,27		5,230,342,000		5,230,342,000
Reserves	27		(18,502,044,242)		7,297,040,269
Elements of other stockholders equity	26,29		(31,648,820,642)		(19,445,364,529)
Accumulated other comprehensive income	28		26,305,636,568		25,944,779,723
Retained earnings	30		288,878,621,109		249,218,261,171
Equity attributable to owners of the Parent Company			<u>270,263,734,793</u>		<u>268,245,058,634</u>
Non-controlling interest			<u>99,542,317,451</u>		<u>107,473,003,845</u>
Total equity			<u>369,806,052,244</u>		<u>375,718,062,479</u>
Total liabilities and equity		₩	1,030,236,890,259	₩	800,342,522,976

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

KoMiCo Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
December 31, 2025 and 2024

<i>(in Korean won)</i>	Notes	2025		2024	
Revenue	39,40	₩	604,110,117,086	₩	507,138,644,286
Cost of sales	12,31,39		<u>343,492,078,624</u>		<u>272,328,834,755</u>
Gross profit			<u>260,618,038,462</u>		<u>234,809,809,531</u>
Selling and administrative expenses	6,31,32,39		148,025,692,578		121,923,981,855
Bad debt expenses	6		<u>1,600,065,310</u>		<u>424,173,840</u>
Operating income			<u>110,992,280,574</u>		<u>112,461,653,836</u>
Other income	33,39		5,283,647,902		3,870,403,234
Other expenses	6,33,39		4,706,030,350		2,948,012,310
Finance income	6,8,34		12,947,452,428		15,621,561,330
Finance costs	8,34		29,411,978,673		15,234,422,155
Losses of associates and joint ventures	18		<u>(3,995,242,479)</u>		<u>(587,536,671)</u>
Profit before income tax			<u>91,110,129,402</u>		<u>113,183,647,264</u>
Income tax expense	35		<u>13,872,925,378</u>		<u>25,337,803,975</u>
Profit		₩	<u>77,237,204,024</u>	₩	<u>87,845,843,289</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of net defined benefit liability			(439,828,988)		425,845,870
<i>Items that may be subsequently reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations			957,838,171		15,700,869,055
Share of other comprehensive income of associates and joint ventures	18		<u>735,801,854</u>		<u>318,680,629</u>
Other comprehensive income, net of tax			<u>1,253,811,037</u>		<u>16,445,395,554</u>
Total comprehensive income		₩	<u>78,491,015,061</u>	₩	<u>104,291,238,843</u>
Profit attributable to:					
Owners of the Parent Company		₩	49,858,499,792	₩	55,860,311,090
Non-controlling interests			27,378,704,232		31,985,532,199
Total comprehensive income attributable to:					
Owners of the Parent Company		₩	51,247,055,669	₩	72,359,912,547
Non-controlling interests			27,243,959,392		31,931,326,296
Earnings per share attributable to the equity holders of the Parent Company					
Basic earnings per share	36	₩	4,936	₩	5,402
Diluted earnings per share	36		4,650		5,402

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

KoMiCo Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2025 and 2024

	Equity attributable to owners of parent								
	Shares capital	Reserves	Other Capital Adjustments	Accumulated Other Comprehensive Income(loss)	Retained Earnings	Total	Non-controlling Interest	Total Equity	
(in Korean won)									
Balance at January 1, 2024	₩ 5,230,342,000	₩ 12,338,935,508	₩ (14,597,048,668)	₩ 9,925,230,039	₩ 197,030,220,708	₩ 209,927,679,587	₩ 78,052,517,509	₩ 287,980,197,096	
Total comprehensive income									
Profit	-	-	-	-	55,860,311,090	55,860,311,090	31,985,532,199	87,845,843,289	
Other comprehensive income									
Remeasurements of net defined benefit liability	-	-	-	-	480,051,773	480,051,773	(54,205,903)	425,845,870	
Exchange differences on translation of foreign operations	-	-	-	15,700,869,055	-	15,700,869,055	-	15,700,869,055	
Share of other comprehensive income of joint ventures	-	-	-	318,680,629	-	318,680,629	-	318,680,629	
Total other comprehensive income (loss)	-	-	-	16,019,549,684	480,051,773	16,499,601,457	(54,205,903)	16,445,395,554	
Total comprehensive income	-	-	-	16,019,549,684	56,340,362,863	72,359,912,547	31,931,326,296	104,291,238,843	
Transactions with owners									
Share-based payment	-	-	1,136,961,035	-	-	1,136,961,035	330,647,040	1,467,608,075	
Annual dividends	-	-	-	-	(4,152,322,400)	(4,152,322,400)	(2,841,487,000)	(6,993,809,400)	
Business combination of entities under common Control	-	(5,041,895,239)	-	-	-	(5,041,895,239)	-	(5,041,895,239)	
Disposal of exchange rights on treasury shares	-	-	-	-	-	4,012,320,254	-	4,012,320,254	
Decrease due to transactions of treasury shares	-	-	324,012,320,254 (9,997,597,150)	-	-	(9,997,597,150)	-	(9,997,597,150)	
Total transactions with owners	-	(5,041,895,239)	(4,848,315,861)	-	(4,152,322,400)	(14,042,533,500)	(2,510,839,960)	(16,553,373,460)	
Balance at December 31, 2024	₩ 5,230,342,000	₩ 7,297,040,269	₩ (19,445,364,529)	₩ 25,944,779,723	₩ 249,218,261,171	₩ 268,245,058,634	₩ 107,473,003,845	₩ 375,718,062,479	
Balance at January 1, 2025	₩ 5,230,342,000	₩ 7,297,040,269	₩ (19,445,364,529)	₩ 25,944,779,723	₩ 249,218,261,171	₩ 268,245,058,634	₩ 107,473,003,845	₩ 375,718,062,479	
Total comprehensive income									
Profit	-	-	-	-	49,858,499,792	49,858,499,792	27,378,704,232	77,237,204,024	
Other comprehensive income									
Remeasurements of net defined benefit liability	-	-	-	-	(239,802,863)	(239,802,863)	(200,026,125)	(439,828,988)	
Share of other comprehensive income of associates and joint ventures	-	-	-	735,801,854	-	735,801,854	-	735,801,854	
Exchange differences on translation of foreign operations	-	-	-	892,556,886	-	892,556,886	65,281,285	957,838,171	
Total other comprehensive income (loss)	-	-	-	1,628,358,740	(239,802,863)	1,388,555,877	(134,744,840)	1,253,811,037	
Total comprehensive income	-	-	-	1,628,358,740	49,618,696,929	51,247,055,669	27,243,959,392	78,491,015,061	
Transactions with owners									
Acquisition of warrants of subsidiaries	-	-	(16,243,800,000)	-	-	(16,243,800,000)	-	(16,243,800,000)	
Additional acquisition of investments in subsidiaries	-	(25,799,084,511)	-	(1,267,501,895)	213,019,009	(26,853,567,397)	(30,274,355,946)	(57,127,923,343)	
Disposal of exchange rights on treasury shares	-	-	4,132,655,093	-	-	4,132,655,093	-	4,132,655,093	
Annual dividends	-	-	-	-	(10,171,356,000)	(10,171,356,000)	(5,682,974,000)	(15,854,330,000)	
Decrease due to transactions of treasury shares	-	-	(4,949,826,196)	-	-	(4,949,826,196)	-	(4,949,826,196)	
Share-based payment	-	-	4,857,514,990	-	-	4,857,514,990	782,684,160	5,640,199,150	
Total transactions with owners	-	(25,799,084,511)	(12,203,456,113)	(1,267,501,895)	(9,958,336,991)	(49,228,379,510)	(35,174,645,786)	(84,403,025,296)	
Balance at December 31, 2025	₩ 5,230,342,000	₩ (18,502,044,242)	₩ (31,648,820,642)	₩ 26,305,636,568	₩ 288,878,621,109	₩ 270,263,734,793	₩ 99,542,317,451	₩ 369,806,052,244	

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

KoMiCo Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

<i>(in Korean won)</i>	Note	2025	2024
Cash flows from operating activities			
Cash generated from operations	37	₩ 85,410,325,282	₩ 130,310,431,809
Interest received		4,186,147,061	4,716,410,264
Dividends received		4,540,635	-
Interest paid		(15,430,778,192)	(7,986,813,671)
Income taxes paid		(35,948,865,070)	(11,410,977,305)
Net cash inflow from operating activities		38,221,369,716	115,629,051,097
Cash flows used in investing activities			
Proceeds from disposal of short-term financial instruments		31,061,167,820	84,128,120,000
Decrease in loans		14,176,307,200	991,935,027
Proceeds from disposal of property, plant and equipment		228,028,350	442,187,088
Decrease in deposits provided		188,566,009	56,487,131
Increase in advances from customers		-	3,703,580,113
Receipt of government grants		821,537,815	7,265,397,771
Proceeds from disposal of financial assets at fair value through profit or loss		-	6,549,972,030
Payments for short-term financial instruments		(18,227,674,496)	(74,494,322,850)
Increase in loans		(32,634,391,000)	(3,996,777,797)
Payments for property, plant and equipment		(217,670,719,233)	(153,372,481,050)
Payments for intangible assets		(2,051,404,908)	(2,434,571,791)
Increase in deposits provided		(675,838,067)	(1,030,475,308)
Payments for investments in joint ventures		(16,292,850,000)	(5,080,074,500)
Payments for financial assets at fair value through profit or loss		(3,750,801,769)	(432,000,000)
Net cash outflow from business combination of entities under common control		-	(6,384,511,381)
Net cash outflow from business combination		(9,180,787,238)	(4,439,587,630)
Net cash outflow from investing activities		(254,008,859,517)	(148,527,123,147)
Cash flows from financing activities			
Proceeds from issuance of debenture		-	29,531,250,000
Proceeds from issuance of convertible notes		-	30,000,000,000
Proceeds from short-term borrowings		160,892,434,475	129,144,285,200
Proceeds from long-term borrowings		175,978,692,702	63,981,040,000
Increase in leasehold deposits received		-	272,290,000
Repayments of short-term borrowings		(93,323,510,000)	(89,600,000,000)
Repayments of current portion of long-term borrowings		(4,266,660,000)	(8,197,370,000)
Repayments of long-term borrowings		-	(74,073,150,000)
Dividends paid		(15,854,315,810)	(6,993,809,400)
Decrease in leasehold deposits received		(4,130,000)	(79,700,000)
Repayments of lease liabilities		(3,582,496,962)	(2,946,785,090)
Acquisition of treasury shares		(4,949,826,196)	(9,997,597,150)
Acquisition of warrants of subsidiaries		(16,243,800,000)	-
Acquisition of non-controlling Interests		(43,074,073,440)	-
Net cash inflow from financing activities		155,572,314,769	61,040,453,560
Net increase in cash and cash equivalents		(60,215,175,032)	28,142,381,510
Cash and cash equivalents at the beginning of the financial year		158,376,721,520	126,459,834,911
Effects of exchange rate changes on cash and cash equivalents denominated in foreign currencies		957,656,895	3,774,505,099
Cash and cash equivalents at the end of the year		₩ 99,119,203,383	₩ 158,376,721,520

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

KoMiCo Ltd. and Subsidiaries
Notes to the Consolidated 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 and its subsidiaries (collectively referred to as the “Group”) mainly engage in cleaning and coating of semiconductor equipment components and LCD related precision parts.

On March 23, 2017, the Group 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 Group 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>

KoMiCo Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

1.1 Consolidated Subsidiaries

Details of the consolidated subsidiaries as at December 31, 2025 and 2024, are as follows:

	Location	Percentage of ownership (%)				Closing month	Main business
		2025		2024			
		Parent	Subsidiary	Parent	Subsidiary		
KoMiCo Technology Inc.	US	100.00	-	100.00	-	December	Precision cleaning of semiconductor equipment components
KoMiCo Technology Taiwan Ltd.	Taiwan	100.00	-	100.00	-	December	Precision cleaning of semiconductor equipment components
KoMiCo Technology (Wuxi) Limited.	China	100.00	-	100.00	-	December	Precision cleaning of semiconductor equipment components
KoMiCo Technology Singapore Pte. Ltd.	Singapore	100.00	-	100.00	-	December	Precision cleaning of semiconductor equipment components
KoMiCo Equipment Parts Shenzhen Co., Ltd. ¹	China	-	100.00	-	100.00	December	Manufacturing and services of display components
KoMiCo Technology (Dalian) Limited. ¹	China	-	100.00	-	100.00	December	Precision cleaning of semiconductor equipment components
Qingdao Kaimeng Meike Technology Co., Ltd. ¹	China	-	100.00	-	-	December	Manufacturing and sales of ceramic components for semiconductor equipment
KOMICO HILLSBORO LLC ²	US	-	100.00	-	100.00	December	Precision cleaning of semiconductor equipment components
KOMICO PHOENIX LLC ²	US	-	100.00	-	100.00	December	Precision cleaning of semiconductor equipment components
TaMiCo Technology Kumamoto Co., Ltd. ³	Japan	-	100.00	-	-	December	Precision cleaning of semiconductor equipment components
MiCo Ceramics Ltd. ⁴	Korea	62.59	-	47.84	-	December	Manufacturing and sales of ceramic components for semiconductor equipment
Qingdao MiCo Materials Technology Co., Ltd. ⁵	China	-	100.00	-	-	December	Manufacturing and sales of specialty ceramic materials and components
Gumo Technology Co., Ltd. ⁵	Korea	-	100.00	-	-	December	Manufacturing and sales of semiconductor components
AIMS Equity and Others Private Fund I	Korea	50.00	50.00	-	-	December	Trust business and collective investment business
AIMS Equity and Others Private Fund II	Korea	96.67	3.33	-	-	December	Trust business and collective investment business
KoMiCo Technology (Huanggang) Limited. (formerly ZNMC) ¹	China	-	100.00	-	49.00	December	Precision cleaning of semiconductor equipment components
KoMiCo Technology (Huizhou) Limited. ¹	China	-	100.00	-	-	December	Precision cleaning of semiconductor equipment components

¹ The Group indirectly controls through KoMiCo Technology (Wuxi) Limited.

² The Group indirectly controls through KoMiCo Technology Inc.

³ The Group indirectly controls through KoMiCo Technology Taiwan Ltd.

⁴ As at December 31, 2024, although the Group owns less than 50% of voting rights of MiCo Ceramics Ltd., the Group has concluded that the Group controls the entity. The entity has been classified as a subsidiary, taking into account in the voting rights delegation agreements with other investors.

⁵ The Group indirectly controls through MiCo Ceramics Ltd.

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1.2 Changes in Scope for Consolidation

Name of entity	Changes in scope of consolidation	Reason
KoMiCo Technology (Dalian) Limited	Included in consolidation	Newly established
TaMiCo Technology Kumamoto Co., Ltd.	Included in consolidation	Newly established
AIMS Equity and Others Private Fund I	Included in consolidation	Newly acquired
AIMS Equity and Others Private Fund II	Included in consolidation	Newly acquired
Qingdao Mico Materials Technology Co., Ltd.	Included in consolidation	Newly established
Gumo Technology Co., Ltd.	Included in consolidation	Newly acquired
KoMiCo Technology (Huanggang) Limited. (formerly ZNMC)	Included in consolidation	Additional acquisition
KoMiCo Technology (Huizhou) Limited	Included in consolidation	Newly established
Qingdao Kaimeng Meike Technology Co., Ltd.	Included in consolidation	Newly acquired

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1.3 Summarized Financial Information

Summarized financial information (before derecognition of intergroup transactions) for consolidated subsidiaries as at and for the years ended December 31, 2025 and 2024, is as follows:

(in thousands of

Korean won)

	KoMiCo Technology Inc. (Consolidated)	KoMiCo Technology Taiwan Ltd. (Consolidated)	KoMiCo Technology (Wuxi) Ltd. (Consolidated)	KoMiCo Technology Singapore Pte. Ltd.	MiCo Ceramics Ltd. (Consolidated)	AIMS Equity and Others Private Fund I	AIMS Equity and Others Private Fund II
Financial position							
Total assets	₩ 206,068,103	₩ 80,295,583	₩ 180,312,732	₩ 7,307,011	₩ 449,901,728	₩ 3,873,672	₩ 2,963,351
Total liabilities	130,006,177	54,399,758	94,115,811	16,097,425	196,511,543	2,134	7,200
Comprehensive income							
Sales	63,857,414	28,316,615	85,283,413	10,983,953	252,531,099	-	-
Profit or loss	(5,133,080)	329,580	693,239	9,617	61,792,787	(1,128,462)	(43,849)
Total comprehensive income (loss)	(7,166,126)	891,028	2,761,135	224,968	61,432,651	(1,128,462)	(43,849)
Cash flows							
Operating activities	(22,697,891)	1,383,167	(13,609,649)	636,169	46,940,849	(35,415)	(27,859)
Investing activities	(28,272,027)	(24,508,073)	(48,358,424)	(743,373)	(184,254,715)	(4,900,647)	(2,950,155)
Financing activities	58,738,093	23,050,732	68,370,280	598,316	61,131,331	5,000,000	3,000,000
Increase (decrease) in cash and cash equivalents	7,768,175	(74,174)	6,402,207	491,112	(76,182,535)	63,938	21,986

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(in thousands of
Korean won)

2024

	KoMiCo Technology Inc.	KoMiCo Technology Taiwan Ltd.	KoMiCo Technology (Wuxi) Ltd.	KoMiCo Technology Singapore Pte. Ltd.	KoMiCo Equipment Parts Shenzhen Co., Ltd	KOMICO HILLSBORO LLC	KOMICO PHOENIX LLC	MiCoCeramics Ltd.
Financial position								
Total assets	₩ 116,551,938	₩ 54,426,112	₩ 64,315,379	₩ 6,548,456	₩ 14,247,910	₩ 49,883,545	₩ 27,497,508	₩ 358,709,130
Total liabilities	10,986,113	29,421,316	19,010,193	15,563,838	2,872,860	43,889,916	26,928,300	156,640,028
Comprehensive income								
Sales	42,874,239	20,385,497	61,859,655	10,622,207	12,746,932	9,005,136	-	220,170,002
Profit or loss	7,154,430	399,481	4,396,129	(14,861)	(270,679)	(7,868,219)	(151,921)	63,002,791
Total comprehensive income (loss)	16,182,107	1,975,373	8,294,576	(1,121,652)	899,459	(6,701,639)	(73,683)	62,898,878
Cash flows								
Operating activities	108,093	2,758,942	3,307,915	304,130	1,586,028	(3,191,174)	234,504	67,908,117
Investing activities	(15,264,308)	(24,515,590)	(6,182,158)	(220,991)	(3,450,507)	(1,149,771)	(24,830,504)	(52,747,388)
Financing activities	604,609	20,925,870	(123,721)	(810,526)	1,312,681	3,130,334	24,551,640	23,810,524
Increase (decrease) in cash and cash equivalents	(14,551,606)	(830,778)	(2,997,964)	(727,387)	(551,798)	(1,210,611)	(44,360)	38,971,253

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2. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated 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 Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated 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 Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group 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 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 Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated 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 Group

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

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

The amendments require an entity to assess exchangeability of currencies, estimate spot exchange rates when a currency is not exchangeable with another currency, and disclose related information. The amendments do not have a significant impact on the financial statements.

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(b) Amendments to Korean IFRS 1117 Insurance Contracts

If the estimation technique for input variables used to measure insurance contracts differs from the principle-based estimation technique required by insurance-related laws and regulations, the entity shall disclose the details of the difference and its impact on the financial statements if deemed relevant and material to the users of the financial statements.

2.2.2 New standards and interpretations not yet adopted by the Group

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 Group.

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

Korean IFRS 1109 *Financial Instruments* and Korean IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The key amendments are as follows. The Group is currently assessing the impact of the amendments on the consolidated financial statements.

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the 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* should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated 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

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- 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'
- Korean IFRS 1007 Statement of Cash Flows: Cost method

(c) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1107 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity

This amendment defines contracts related to power dependent on nature, where the source of electricity production depends on uncontrollable natural conditions (e.g., weather), exposing the entity to variability in the volume of electricity. The amendments clarify that contracts to purchase or sell nature-dependent electricity are subject to the own-use exception assessment. In addition, the amendments revise the hedge accounting requirements, including permitting a variable nominal volume of a forecast electricity transaction that depends on nature to be designated as a hedged item, and introduce related disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated financial statements.

(d) 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, particularly regarding the definition of operating profit or loss, will enhance the comparability of financial performance among similar entities. In addition, the disclosure requirements for 'management-defined performance measures' will strengthen transparency. The amendments should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirement, the comparative information for the annual period ending December 31, 2026 shall be restated in accordance with Korean IFRS 1118. The Group has not yet adopted Korean IFRS 1118 and is assessing the impact of the standard on the Group. The Group is establishing a transition plan and is preparing to report its first interim financial statements under Korean IFRS 1118 for the period ending March 31, 2027, and the annual financial statements for the fiscal year ending December 31, 2027.

2.2.3 Changes in Korean IFRS 1001 'Presentation of Financial Statements'

The Group has changed the revenue classification criteria, which are necessary to describe the components of financial performance, from the previous presentation by product/merchandise sales to a presentation by business segment, in order to reflect the substance of its business operations.

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2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110 *Consolidated Financial Statements*.

(a) Business combination

The Group applies the acquisition method for business combination except for business combinations of entities under a common control. The consideration transferred in the acquisition is generally measured at fair value, as identical to the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Goodwill represents the excess of the aggregate of the consideration transferred, and the acquisition-date fair value of the Group's previously held equity interest in the acquiree over the net identifiable assets at the date of acquisition. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

The assets and liabilities acquired under business combinations under common control are recognized at the carrying amounts recognized previously in the consolidated financial statements of the ultimate parent. The difference between the consideration transferred and the carrying amount of the net assets acquired is added or subtracted from the reserves.

(b) Non-controlling interests

Non-controlling interests are measured at the proportionate share of equity instruments for the acquiree's identifiable net assets at the date of acquisition. Changes in ownership interests of the Parent Company in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

(c) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

If the Parent Company loses control over subsidiaries, the assets and liabilities of the previous subsidiaries are deconsolidated from statement of financial position and profit or loss related to the loss of control attributable to the previous controlling interests recognized. Remaining investments in subsidiaries are recognized at fair value when the control is lost.

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(d) Eliminations of intercompany transactions

Intercompany transactions, the relevant balances, income and expenses, and unrealized gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Meanwhile, unrealized gains on transactions with subsidiaries are eliminated to the extent of the Group's interests, and unrealized losses are eliminated as the same way of the unrealized gains unless there is evidence of impairment.

(e) Joint Arrangements

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

2.4 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The consolidated financial statements are presented in Korean won, which is the Parent Company's functional and presentation currency.

(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 consolidated 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.

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2.5 Financial Assets

(a) Classification

The Group 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 Group'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 Group 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 Group 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.

(b) Measurement

At initial recognition, the Group 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 Group's business model for managing the asset and the cash flow characteristics of the asset. The Group 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.

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- 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 Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments, which held for long-term investment or strategic purpose, 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 consolidated 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 Group 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 Group 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 Group determines there has been a significant increase in credit risk.)

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(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group 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 consolidated 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 Group or the counterparty.

2.6 Derivatives

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

2.7 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.

2.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the gross average method, except for materials in transits using the specific identification method.

2.9 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:

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	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.

2.10 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.

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

2.12 Intangible Assets

Goodwill is measured as described in Note 2.3 (a) and carried at cost less accumulated impairment losses.

Intangible assets, except for goodwill, are initially recognized at its 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.

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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 Group 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

2.13 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 Group depreciates investment properties, except for land, using the straight-line method over their useful lives of 30 years.

2.14 Impairment of Non-financial Assets

Goodwill and 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 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.

2.15 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of 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.

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2.16 Financial Liabilities

(a) Classification and measurement

The Group's financial liabilities at fair value through profit or loss are embedded derivatives that are separated from compound financial instruments issued by the Group.

The Group 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 Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group 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 Group 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.

(c) Compound financial instruments

Compound financial instruments are convertible bonds that can be converted into equity instruments at the option of the holder and exchangeable bond that can be converted into shares subject to payment in kind at the option of the holder.

2.17 Provisions

Provisions are recognized when the Group 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.

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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 Group 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 consolidated 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 Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except to the extent that the Group 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 Group 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.

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 Group 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.

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2.19 Employee Benefits

(a) Post-employment benefits

The Group operates both defined contribution and defined benefit plans.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group 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 depended 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 Group 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 Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are recognized as issued capital (nominal value) and share premium.

(c) Other long-term employee benefits

The Group provides long-term employee benefits that are entitled to employees with service period of 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 Group 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.

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2.20 Revenue Recognition

The Group 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 obligation
- 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 Group is engaged in the business of precision cleaning and regeneration of semiconductor and LCD-related precision parts and selling and providing services to customers and, in the business of selling semiconductor and material components for display equipment based on ceramic material technology to customers. The Group 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 Group 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 and provision of services is recognized when assets are transferred or services are provided and 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 Group considers following indicators of the transfer of control to determine the point in time at which the entity satisfies a performance obligation.

- 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

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(c) A performance obligation is satisfied over time

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

(d) Variable consideration

If the consideration promised in a contract includes a variable amount, the Group shall estimate the amount of consideration to which the Group 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 Group'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 cleaning and coating item was sold with a right of return or a fixed amount is promised as a performance bonus on achievement of a specified milestone.

(e) Significant financing component

In determining the transaction price, the Group 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.

As a practical expedient, the Group 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.

(f) Allocating the transaction price

The Group 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 Group 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.

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(b) Lessee

The Group 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 Group 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 Group is lessee, the Group 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 Group 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 Group 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:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that 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 Group (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Group (the lessee) is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group (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.

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To determine the incremental borrowing rate, the Group:

- 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 Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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 Group. These terms are used to maximize operational flexibility in terms of managing contracts.

2.22 Investments in Associates and Joint Ventures

The financial statements of the Group are consolidated financial statements prepared in accordance with Korean IFRS 1110 Consolidated Financial Statements. Investments in associates and joint ventures are measured using the equity method. In addition, dividends received from investments in associates and joint ventures are accounted for by deducting from the carrying amount under the equity method at the time the right to receive the dividend is established.

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2.23 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 40). The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The Group has changed the revenue classification criteria to a business segment-based presentation (Coating/Cleaning/Parts) to enhance the clarity of financial information and improve investor understanding.

2.24 Approval of Issuance of the Financial Statements

The consolidated 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 Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group'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 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.

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(a) Income taxes

The Group'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 Group 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 Group'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 Group 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group'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.

(e) Estimated goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations.

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
Cash on hand	₩ 18,280	₩ 2,340
Cash in bank and others	99,100,923	158,374,382
	<u>₩ 99,119,203</u>	<u>₩ 158,376,722</u>

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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		2,100,000		28,562
	₩	<u>3,100,000</u>	₩	<u>16,028,562</u>

6. Financial Risk Management

The Group'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 Group'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 Group.

6.1 Market Risk

(a) Foreign currency risk

The Group 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 Group 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	31,428,324	₩	45,096,504	USD	9,763,867	₩	14,352,885
	JPY	515,578,122		4,731,100	JPY	86,871,820		813,537
Trade receivables	USD	49,545,469		71,092,792	USD	12,658,589		18,608,126
	JPY	91,293,812		837,739	JPY	57,309,430		536,691
Other receivables	USD	6,626,426		9,493,264	USD	866,034		1,273,070
			₩	<u>131,251,399</u>			₩	<u>35,584,309</u>
Liabilities								
Trade payables	USD	10,377,569	₩	14,890,774	USD	963,036	₩	1,415,663
	JPY	6,195,280		56,850	JPY	1,582,500		14,820
	EUR	150,012		252,877	EUR	103,532		158,272
	SGD	15,439		17,253		-		-
Other payables	USD	1,306,901		1,860,278	USD	22,592		33,211
			₩	<u>17,078,032</u>			₩	<u>1,621,966</u>

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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	₩ 10,893,151	₩ (10,893,151)	₩ 3,278,521	₩ (3,278,521)
JPY/Korea won	551,199	(551,199)	133,541	(133,541)
EUR/Korea won	(25,288)	25,288	(15,827)	15,827
SGD/Korea won	(1,725)	1,725	-	-

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

(b) Interest rate risk

Interest rate risk of the Group 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 Group adequately minimizes risks from interest rate fluctuations through various policies, such as sharing excess cash within the Group (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.

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The exposure of the Group'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:

(in thousands of Korean won)

	2025		2024	
	Amount	Ratio	Amount	Ratio
Borrowings with floating rate	₩ 295,592,006	60%	₩ 98,079,350	40%
Borrowings with fixed rate – maturity dates:				
Less than 1 year	107,517,876	22%	98,266,944	40%
1 to 5 years	14,195,205	3%	47,640,000	20%
Over 5 years	71,905,878	15%	-	-
	<u>₩ 489,210,965</u>	<u>100%</u>	<u>₩ 243,986,294</u>	<u>100%</u>

If interest rates had changed by 1% with all other variables held constant, the effects on pre-tax profit arising from interest expenses related to borrowings with variable interest rates are as follows:

(in thousands of Korean won)

	2025		2024	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Interest expenses	₩ (2,955,920)	₩ 2,955,920	₩ (980,794)	₩ 980,794

(c) *Price risk*

The Group has completed the sale of equity securities held by the Group classified as financial assets at fair value through other comprehensive income during the year ended December 31, 2023.

The Group does not hold equity securities exposed to price risk.

6.2 Credit Risk

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

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(a) Risk management

To manage credit risk, the Group 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 Group 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 Group 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 Group 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 have been grouped 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 month before the end of reporting period, and the corresponding historical credit losses experienced within this period.

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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	0.52%	2.40%	5.17%	36.20%	
Gross carrying amount – trade receivables	₩ 69,369,984	₩ 9,957,050	₩ 2,040,159	₩ 5,434,908	₩ 86,802,101
Allowance for credit losses provision	358,554	239,057	105,465	1,967,527	2,670,603
December 31, 2024					
Expected loss rate	0.06%	0.18%	0.87%	24.48%	
Gross carrying amount – trade receivables	₩ 54,037,222	₩ 7,455,104	₩ 1,530,657	₩ 3,983,750	₩ 67,006,733
Allowance for credit losses provision	31,675	13,464	13,332	975,189	1,033,660

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	₩	1,033,660	₩	477,891
Bad debt expenses		1,661,696		424,174
Write-offs		(92,202)		-
Changes in scope of consolidation		-		2,788
Others (effects of exchange rate changes and others)		67,449		128,807
Ending balance	₩	<u>2,670,603</u>	₩	<u>1,033,660</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 Group.

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

B. Other receivables at amortized cost

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

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The allowance for credit losses as at December 31, 2025 and 2024, was determined as follows for other receivables at amortized cost:

<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	-	-	1.42%	0.04%	
Gross carrying amount – non-trade receivables	₩ 14,260,825	₩ 1,129	₩ 125,232	₩ 1,924,443	₩ 16,311,629
Allowance for credit losses provision	-	-	1,779	840	2,619
December 31, 2024					
Expected loss rate	0.10%	100.00%	100.00%	100.00%	
Gross carrying amount – non-trade receivables	₩ 7,810,231	₩ 3,960	₩ 3,960	₩ 75,759	₩ 7,893,910
Allowance for credit losses provision	7,920	3,960	3,960	75,759	91,599

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

<i>(in thousands of Korean won)</i>	2025		2024	
Beginning balance	₩	91,599	₩	264,478
Reversal of other bad debt expenses		(88,980)		(87,769)
Others (effects of exchange rate changes and others)		-		(85,110)
Ending balance	₩	2,619	₩	91,599

(d) Bad debt expenses

Following losses are recognized in profit or loss in relation to impaired financial assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Bad debt expenses on trade receivables	₩	1,661,696	₩	424,174
Reversal of bad debt expenses on other receivables		(88,980)		(87,769)

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(e) *Maximum exposure of credit risk*

The maximum exposure of credit risk to financial assets held by the Group 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	₩	99,100,923	₩	158,374,381
Short-term financial instruments		3,100,000		16,028,562
Financial assets at fair value through profit or loss		19,298,673		56,253,402
Trade receivables		84,131,497		65,973,073
Other receivables		44,668,047		16,876,426
	₩	<u>250,299,140</u>	₩	<u>313,505,844</u>

6.3 Liquidity Risk

The Group monitors the rolling forecasts of the Group'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 Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the Group'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:

	2025				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade payables	₩ 20,468,079	₩ -	₩ -	₩ -	₩ 20,468,079
Short-term borrowings	197,193,090	-	-	-	197,193,090
Other payables	36,713,094	-	-	-	36,713,094
Current portion of long-term borrowings	6,290,338	-	-	-	6,290,338
Current lease liabilities	3,897,451	-	-	-	3,897,451
Convertible bonds	600,000	600,000	30,626,910	-	31,826,910
Long-term other payables	-	442,280	-	-	442,280
Long-term borrowings	9,610,094	18,147,021	182,691,239	135,351,453	345,799,807
Long-term lease liabilities	-	2,621,319	5,724,912	4,653,946	13,000,177
	<u>₩ 274,772,146</u>	<u>₩ 21,810,620</u>	<u>₩ 219,043,061</u>	<u>₩ 140,005,399</u>	<u>₩ 655,631,226</u>

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(in thousands of Korean won)

	2024				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade payables	₩ 16,469,808	₩ -	₩ -	₩ -	₩ 16,469,808
Short-term borrowings	129,380,411	-	-	-	129,380,411
Other payables	15,810,506	-	-	-	15,810,506
Current portion of long-term borrowings	5,188,147	-	-	-	5,188,147
Current lease liabilities	2,333,864	-	-	-	2,333,864
Debentures	30,269,531	-	-	-	30,269,531
Convertible bonds	600,000	600,000	31,106,719	-	32,306,719
Long-term other payables	-	885,478	-	-	885,478
Long-term borrowings	3,442,147	42,292,430	23,080,222	67,808,121	136,622,920
Long-term lease liabilities	-	1,897,532	2,376,649	1,330,857	5,605,038
	<u>₩ 203,494,414</u>	<u>₩ 45,675,440</u>	<u>₩ 56,563,590</u>	<u>₩ 69,138,978</u>	<u>₩ 374,872,422</u>

6.4 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so the Group 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 Group 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 Group 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 consolidated 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	₩	508,475,251	₩	280,222,613
Less: cash and cash equivalents and short-term financial instruments		<u>102,219,203</u>		<u>174,405,284</u>
Net debt		406,256,048		105,817,329
Total equity		<u>369,806,052</u>		<u>375,718,062</u>
Total capital	₩	<u>776,062,100</u>	₩	<u>481,535,391</u>
Gearing ratio		52.35%		21.97%

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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	₩ 19,298,673	₩ 19,298,673	₩ 56,253,402	₩ 56,253,402
Financial assets not measured at fair value ¹ :				
Cash and cash equivalents	₩ 99,119,203	₩ 99,119,203	₩ 158,376,722	₩ 158,376,722
Short-term financial instruments	3,100,000	3,100,000	16,028,562	16,028,562
Trade receivables	84,131,497	84,131,497	65,973,073	65,973,073
Other receivables	44,668,047	44,668,047	16,876,426	16,876,426
	<u>₩ 250,317,420</u>	<u>₩ 250,317,420</u>	<u>₩ 313,508,185</u>	<u>₩ 313,508,185</u>
Liabilities				
Financial liabilities measured at fair value:				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 21,134,893	₩ 21,134,893	₩ 25,904,135	₩ 25,904,135
Financial liabilities not measured at fair value ¹ :				
Trade payables	₩ 20,468,079	₩ 20,468,079	₩ 16,469,808	₩ 16,469,808
Other payables	37,155,374	37,155,374	16,695,984	16,695,984
Borrowings	489,210,965	489,210,965	243,986,294	243,986,294
Debentures ²	-	0	19,935,126	19,935,126
Convertible bonds ²	19,264,286	19,264,286	16,301,193	16,301,193
	<u>₩ 587,233,597</u>	<u>₩ 587,233,597</u>	<u>₩ 339,292,540</u>	<u>₩ 339,292,540</u>
Lease liabilities ¹ :				
Lease liabilities	₩ 15,018,228	₩ 15,018,228	₩ 7,392,608	₩ 7,392,608

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.

² The Group issued debentures and convertible bonds for the year ended December 31, 2024.

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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:

<i>(in thousands of Korean won)</i>	2025			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	₩ 203,641	₩ -	₩ 19,095,032	₩ 19,298,673
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	₩ -	₩ -	₩ 21,134,893	₩ 21,134,893
 <i>(in thousands of Korean won)</i>				
	2024			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	₩ -	₩ -	₩ 56,253,402	₩ 56,253,402
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	₩ -	₩ -	₩ 25,904,135	₩ 25,904,135

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7.3 Transfers Between Fair Value Hierarchy Levels

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	₩ 56,253,402	₩ 25,904,135	₩ 62,956,168	₩ 5,085,687
Amount recognized in profit or loss (valuation)	1,407,378	4,045,290	(908,948)	1,162,725
Acquisition	3,650,159	-	-	24,972,325
Disposals ¹²³	(42,215,907)	(8,814,532)	(5,793,818)	(5,316,602)
Ending balance	₩ 19,095,032	₩ 21,134,893	₩ 56,253,402	₩ 25,904,135

¹ MiCo Ltd., the Parent Company, fully exercised the put option on the 14th exchangeable bonds of MiCo Ltd. for the year ended December 31, 2024, and the put option on the 15th exchangeable bonds of MiCo Ltd. expired due to the end of the exercise period for the year ended December 31, 2024. During the year ended December 31, 2024, part of the option held by the issuer of the exchangeable bonds, with a par value of ₩ 6,000 million, was exercised. Consequently, the Group disposed of the exchangeable bonds and derecognized the related derivative liability of ₩ 3,654 million associated with the option (Notes 10 and 20). Additionally, the remaining unexercised option expired due to the end of the exercise period and the Group derecognized the derivative liability of ₩ 1,662 million (Note 20).

² On January 15, 2025, the Group exercised the exchange right on the 14th exchangeable bonds to acquire 250,410 ordinary shares of the subsidiary MiCo Ceramics Ltd. (Note 39).

³ On July 10, 2025, the right to payment in kind on bonds issued by the subsidiary MiCo Ceramics Ltd. was exercised, and the Group settled the obligation through payment in kind using shares of CMTX Co., Ltd. held by the Group.

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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	₩ 19,095,032	3	Binomial model approach	Volatility Discount rate Perpetual growth rate	57.63% ~ 63.56% 10.21% ~ 25.82% 0.00%
Liabilities					
Financial liabilities at fair value through profit or loss	21,134,893	3	Binomial model approach	Volatility	49.61%

7.5 Valuation Processes for Fair Value Measurements Categorized as Level 3

The Group'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 chief financial officer (CFO) and the internal auditor on matters related to fair value measurements, and discusses the valuation process and results with the CFO and the internal auditor on a quarterly basis, in line with the Group'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.

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

(in thousands of Korean won)

	2025			
	Favorable changes		Unfavorable changes	
Financial assets				
Financial assets at fair value through profit or loss ¹	₩	364,197	₩	(362,899)
Financial liabilities				
Financial liabilities at fair value through profit or loss ¹	₩	950,626	₩	(950,292)

(in thousands of Korean won)

	2024			
	Favorable changes		Unfavorable changes	
Financial assets				
Financial assets at fair value through profit or loss ¹	₩	533	₩	(760)
Financial liabilities				
Financial liabilities at fair value through profit or loss ¹	₩	1,303,496	₩	(1,303,496)

¹ Changes in their fair value are calculated by increasing or decreasing share value of underlying assets which are key unobservable inputs by 10%.

7.7 Gains and losses on valuation at the transaction date

In the case that the Group measured the fair value of derivative financial instruments with unobservable inputs, the Group recognized the fair value of the instrument at the transaction price if the fair value at initial measurement is different from the transaction price. The difference between the fair value at initial measurement and the transaction price is deferred and amortized using a straight-line method until the maturity of the instrument. However, in the case where inputs of the valuation techniques become observable in markets, the remaining deferred difference is immediately recognized as gain or loss.

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In relation to this, details and changes of the total deferred difference for the year ended December 31, 2025, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Beginning balance	₩	13,262,611	₩	-
New transactions		-		14,162,040
Amortization		(1,784,552)		(899,429)
Disposals		(4,634,809)		-
Ending balance	₩	<u>6,843,250</u>	₩	<u>13,262,611</u>

8. Financial Instruments by Category

8.1 Carrying Amounts of Financial Instruments by Category

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

<i>(in thousands of Korean won)</i>	2025				
	Financial assets at amortized cost		Financial assets at fair value through profit or loss		Total
Financial assets					
Cash and cash equivalents	₩	99,119,203	₩	-	₩ 99,119,203
Short-term financial instruments		3,100,000		-	3,100,000
Trade receivables		84,131,497		-	84,131,497
Other receivables		44,668,047		-	44,668,047
Other current financial asset		-		3,770,262	3,770,262
Other non-current financial assets		-		15,528,411	15,528,411
	₩	<u>231,018,747</u>	₩	<u>19,298,673</u>	<u>₩ 250,317,420</u>

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(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	₩	158,376,722	₩	-	₩	158,376,722
Short-term financial instruments		16,028,562		-		16,028,562
Trade receivables		65,973,073		-		65,973,073
Other receivables		16,876,426		-		16,876,426
Other current financial asset		-		9,024,326		9,024,326
Other non-current financial assets		-		47,229,076		47,229,076
	₩	<u>257,254,783</u>	₩	<u>56,253,402</u>	₩	<u>313,508,185</u>

(in thousands of Korean won)

	2025					
	Financial liabilities at amortized cost		Financial liabilities at fair value through profit or loss		Total	
Financial liabilities						
Trade payables	₩	20,468,079	₩	-	₩	20,468,079
Short-term borrowings		192,679,910		-		192,679,910
Other payables		37,155,374		-		37,155,374
Current portion of long-term borrowings		6,211,173		-		6,211,173
Convertible bonds		19,264,286		-		19,264,286
Long-term borrowings		290,319,883		-		290,319,883
Other current financial liabilities		-		21,134,893		21,134,893
Lease liabilities		15,018,228		-		15,018,228
	₩	<u>581,116,933</u>	₩	<u>21,134,893</u>	₩	<u>602,251,826</u>

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(in thousands of Korean won)

	2024		
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
Financial liabilities			
Trade payables	₩ 16,469,808	₩ -	₩ 16,469,808
Short-term borrowings	126,861,414	-	126,861,414
Other payables	16,695,984	-	16,695,984
Current portion of long-term borrowings	4,410,000	-	4,410,000
Debentures	19,935,126	-	19,935,126
Convertible bonds	16,301,193	-	16,301,193
Long-term borrowings	112,714,880	-	112,714,880
Other current financial liabilities	-	25,904,135	25,904,135
	<u>₩ 313,388,405</u>	<u>₩ 25,904,135</u>	<u>₩ 339,292,540</u>

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:

(in thousands of Korean won)

	2025	2024
Financial assets at fair value through profit or loss		
Gain on valuation	₩ 3,052,775	₩ 1,500,470
Loss on valuation	(166,505)	(2,409,418)
Loss on disposals	(4,801,457)	(33,350)
Financial assets at amortized cost		
Interest income	4,094,078	5,302,986
Dividend income	6,054	-
Foreign exchange gain	3,029,324	4,422,524
Gain on foreign currency translation	660,341	2,646,026
Financial liabilities at fair value through profit or loss		
Gain on valuation	2,015,900	-
Loss on valuation	(6,061,190)	(1,162,725)
Gain on disposals	-	1,661,786
Financial liabilities at amortized cost		
Interest expenses	(13,384,317)	(10,179,529)
Foreign exchange loss	(3,904,477)	(1,189,332)
Loss on foreign currency translation	(807,586)	(66,025)

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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	₩ 86,802,101	₩ (2,670,604)	₩ 84,131,497	₩ 67,006,733	₩ (1,033,660)	₩ 65,973,073
Other receivables						
Short-term loans	22,510,691	-	22,510,691	3,603,763	-	3,603,763
Non-trade receivables	16,311,629	(2,619)	16,309,010	7,893,910	(91,599)	7,802,311
Accrued income	672,881	-	672,881	549,259	-	549,259
Deposits provided	457,772	-	457,772	320,831	-	320,831
	<u>39,952,973</u>	<u>(2,619)</u>	<u>39,950,354</u>	<u>12,367,763</u>	<u>(91,599)</u>	<u>12,276,164</u>
Non-current assets						
Other receivables						
Long-term loans	1,528,186	-	1,528,186	1,861,598	-	1,861,598
Deposits provided	3,189,506	-	3,189,506	2,738,664	-	2,738,664
	<u>4,717,692</u>	<u>-</u>	<u>4,717,692</u>	<u>4,600,262</u>	<u>-</u>	<u>4,600,262</u>
	<u>₩ 131,472,766</u>	<u>₩ (2,673,223)</u>	<u>₩ 128,799,543</u>	<u>₩ 83,974,758</u>	<u>₩ (1,125,259)</u>	<u>₩ 82,849,499</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	₩ 3,770,262	₩ 9,024,326
Other non-current financial assets		
Financial assets at fair value through profit or loss	15,528,411	47,229,076
	<u>₩ 19,298,673</u>	<u>₩ 56,253,402</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		
Exchangeable bonds ^{1,2}	₩ 15,528,411	₩ 23,849,138
Redeemable convertible preferred shares ³	3,266,621	32,404,264
Investment partnership	300,000	-
ETF	203,641	-
	<u>₩ 19,298,673</u>	<u>₩ 56,253,402</u>

¹ As at December 31, 2025, the Group holds exchangeable bonds (excluding exchange rights) issued by MiCo Ltd., the Parent Company, which can be exchanged with ordinary shares of KoMiCo Ltd., and reclassified exchange rights of the exchangeable bonds into equity at the time of obtaining control over MiCo Ceramics Ltd. Exchangeable bonds (excluding exchange rights) held by the Group are measured at fair value as at December 31, 2025 (Note 7).

² As at December 31, 2024, the Group held exchangeable bonds issued by MiCo Ltd., the Parent Company, which can be exchanged with ordinary shares of MiCo Ceramics Ltd., and reclassified exchange rights of the exchangeable bonds into equity at the time of obtaining control over MiCo Ceramics Ltd. Exchangeable bonds held by the Group were measured at fair value as at December 31, 2024 (Note 7). During the year ended December 31, 2024, part of the option held by the issuer of the exchangeable bonds, with a par value of ₩6,000 million, was exercised. Consequently, the Group disposed of the exchangeable bonds and received cash. During the year ended December 31, 2025, the Group exercised the exchange right on the bonds held (with a par value of ₩9,000 million) to acquire ordinary shares of MiCo Ceramics Ltd. (Note 20).

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³ During the year ended December 31, 2024, the Group's percentage of ownership of redeemable convertible preferred shares acquired through participation in the third-party capital increase of CMTX Co., Ltd. (formerly, COMA Technology Co., Ltd.) was 15.96%, and the Group provided a first-priority pledge to the acquirer for the fulfillment of the payment in kind of the private bonds issued by the Group (Note 23). CMTX Co., Ltd. was classified as an associate since the Group held a right to designate board members which indicates significant influence over the entity. However, since the redeemable convertible preferred shares held by the Group are not a financial instrument subject to the equity method, they have been recognized as a financial asset measured at fair value through profit or loss and were measured at fair value as at December 31, 2024 (Note 7). During the year ended December 31, 2025, the Group exercised the conversion right to convert the redeemable convertible preferred shares into ordinary shares; however, as the right to designate board members expired, CMTX Co., Ltd. was excluded from associates (Note 39).

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	₩ 8,518,216	₩ 5,701,582
Prepaid expenses	1,054,924	779,551
Other current assets	2,733,853	3,240,373
Contract assets	10,816,543	3,257,510
	<u>23,123,536</u>	<u>12,979,016</u>
Other non-current assets		
Long-term prepaid expenses	158,840	332,034
Long-term advance payments	24,888,040	735,559
	<u>25,046,880</u>	<u>1,067,593</u>
	<u>₩ 48,170,416</u>	<u>₩ 14,046,609</u>

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

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12. Inventories

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

*(in thousands of
Korean won)*

	2025			2024		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Finished goods	₩ 14,804,684	₩ (363,930)	₩ 14,440,754	₩ 12,159,487	₩ (703,700)	₩ 11,455,787
Work in process	18,501,404	(682,438)	17,818,966	12,022,209	(680,779)	11,341,430
Merchandises	3,984,159	(1,919,824)	2,064,335	4,966,758	(2,352,115)	2,614,643
Raw materials	25,461,288	(1,260,371)	24,200,917	20,337,475	(1,094,238)	19,243,237
Materials-in-transit	80,955	-	80,955	6,346	-	6,346
	<u>₩ 62,832,490</u>	<u>₩ (4,226,563)</u>	<u>₩ 58,605,927</u>	<u>₩ 49,492,275</u>	<u>₩ (4,830,832)</u>	<u>₩ 44,661,443</u>

Loss on valuation of inventories to net realizable value amounted to ₩ 666,343 thousand (2024: ₩ 3,048,760 thousand). These were recognized as an expense during the year ended December 31, 2024 and included in 'cost of sales' in profit or loss.

Inventories recognized as an expense during the year ended December 31, 2025, amounted to ₩ 343,492,079 thousand (2024: ₩ 272,328,835 thousand). These were included in 'cost of sales'.

Inventories of the Group are provided as collateral in relation to borrowings at the end of reporting period (Note 17).

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13. Property, Plant and Equipment

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

(in millions of Korean won)

	2025				
	Cost	Accumulated depreciation	Government grants	Accumulated impairment losses	Book amount
Land	₩ 106,448,611	₩ -	₩ -	₩ -	₩ 106,448,611
Buildings	175,851,170	(38,681,982)	(1,733,336)	-	135,435,852
Structure	25,155,672	(6,956,078)	(113,339)	(7,245)	18,079,010
Machinery	242,766,894	(123,517,408)	(10,608,630)	(1,222,475)	107,418,381
Vehicles	6,980,849	(4,180,539)	(1,666)	-	2,798,644
Facilities	134,766,631	(97,210,456)	(828,411)	(37,161)	36,690,603
Tools and equipment	16,549,203	(10,305,528)	(265,330)	(24,595)	5,953,750
Supplies	13,975,478	(8,353,689)	(183,767)	(13,997)	5,424,025
Construction-in-progress	204,490,505	-	-	-	204,490,505
Right-of-use assets	24,519,444	(8,228,102)	-	(11,043)	16,280,299
	<u>₩ 951,504,457</u>	<u>₩ (297,433,782)</u>	<u>₩ (13,734,479)</u>	<u>₩ (1,316,516)</u>	<u>₩ 639,019,680</u>

(in millions of Korean won)

	2024				
	Cost	Accumulated depreciation	Government grants	Accumulated impairment losses	Book amount
Land	₩ 59,197,422	₩ -	₩ -	₩ -	₩ 59,197,422
Buildings	121,550,123	(32,374,896)	-	-	89,175,227
Structure	21,921,396	(5,849,558)	-	(7,245)	16,064,593
Machinery	181,790,051	(109,328,835)	(2,448,661)	(1,231,644)	68,780,911
Vehicles	6,400,783	(3,363,798)	(6,667)	-	3,030,318
Tools and equipment	12,382,123	(8,524,365)	(820,840)	(24,595)	3,012,323
Supplies	12,485,202	(8,173,634)	(268,886)	(13,997)	4,028,685
Facilities	119,068,150	(81,215,580)	(1,087,792)	(37,161)	36,727,617
Construction-in-progress	120,858,896	-	(7,148,822)	-	113,710,074
Right-of-use assets	14,865,999	(5,657,478)	-	(11,043)	9,197,478
	<u>₩ 670,520,145</u>	<u>₩ (254,488,144)</u>	<u>₩ (11,781,668)</u>	<u>₩ (1,325,685)</u>	<u>₩ 402,924,648</u>

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

	2025																	
	Beginning balance		Acquisition ³	Disposal	Depreciation	Transfer ¹	Government grants	Changes in scope of consolidation	Translation difference adjustments	Ending balance								
Land	₩	59,197,422	₩	41,250,390	₩	-	₩	-	₩	5,633,000	₩	-	₩	-	₩	367,799	₩	106,448,611
Buildings		89,175,227		32,150,261		-		(6,439,739)		21,089,275		-		(539,172)				135,435,852
Structure		16,064,593		1,332,151		-		(974,073)		1,546,808		(115,260)		-		224,791		18,079,010
Machinery		68,780,911		31,651,983		(838,747)		(18,752,558)		21,841,355		(564,868)		5,384,013		(83,708)		107,418,381
Vehicles		3,030,318		812,554		(5,252)		(1,144,192)		63,546		-		39,745		1,925		2,798,644
Supplies		36,727,617		6,283,268		(299,192)		(16,328,401)		6,682,920		-		3,962,169		(337,778)		36,690,603
Tools and equipment		3,012,323		3,366,333		(9,192)		(1,749,444)		1,276,432		-		43,633		13,665		5,953,750
Facilities		4,028,685		2,502,270		(3,752)		(1,617,963)		475,213		-		69,078		(29,506)		5,424,025
Construction-in-progress ²		113,710,074		125,387,702		(4,026)		-		(59,464,945)		-		24,117,816		743,884		204,490,505
Right-of-use assets		9,197,478		4,807,658		(641,786)		(3,515,635)		-		-		6,432,417		167		16,280,299
	₩	402,924,648	₩	249,544,570	₩	(1,801,947)	₩	(50,522,005)	₩	(856,396)	₩	(680,128)	₩	40,048,871	₩	362,067	₩	639,019,680

¹ Includes an amount of ₩836,606 thousand transferred to intangible assets, and borrowing costs of ₩19,790 thousand for assets determined not to qualify as eligible assets among the capitalized borrowing costs were reversed as interest expense.

² The Group has entered into acquisition agreements for construction-in-progress, and as at December 31, 2025, the outstanding balances of unpaid acquisition commitments amount to ₩10,642,125 thousand for the subsidiary MiCo Ceramics Ltd., ₩18,054,140 thousand for KoMiCo Technology Taiwan Ltd., ₩2,419,256 thousand for KoMiCo Technology (Dalian) Limited, and ₩28,840,625 thousand for KoMiCo Phoenix LLC

³ The acquisition amount includes capitalized borrowing costs, excluding operating revenue. As at December 31, 2025, the acquisition amount for MiCo Ceramics Ltd. includes borrowing costs of ₩1,660,300 thousand for which transfer to property, plant and equipment has been completed and specific borrowing costs of ₩48,789 thousand, with a capitalization rate of 7.89%; KoMiCo Technology Taiwan Ltd. includes ₩273,404 thousand with a capitalization rate of 2.24%; and KoMiCo Phoenix LLC includes specific borrowing costs of ₩3,707,992 thousand with a capitalization rate of 5.72%.

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	2024																			
	Beginning balance		Acquisition ³	Disposal	Depreciation	Transfer ¹	Government grants	Changes in scope of consolidation	Others	Translation difference adjustments	Ending balance									
Land	₩	34,755,985	₩	21,259,397	₩	-	₩	-	₩	(113,361)	₩	-	₩	1,539,780	₩	-	₩	1,755,621	₩	59,197,422
Buildings		75,375,536		4,232,925		-		(3,695,841)		6,763,246		-		887,036		-		5,612,325		89,175,227
Structure		11,717,360		5,036,590		-		(1,284,848)		-		-		-		-		595,491		16,064,593
Machinery		65,373,209		10,232,800		(263,681)		(14,475,463)		4,497,879		-		648,953		-		2,767,214		68,780,911
Vehicles		2,236,410		1,412,080		(32,956)		(770,940)		-		-		32,994		-		152,730		3,030,318
Tools and equipment		3,527,266		764,881		(1,034)		(1,341,103)		14,970		(16,170)		359		-		63,154		3,012,323
Supplies		3,376,715		756,273		(31,476)		(1,381,795)		1,335,654		(244,645)		349		-		217,610		4,028,685
Facilities		45,552,448		3,875,029		(50,016)		(16,050,184)		1,662,660		(934,945)		24,106		-		2,648,519		36,727,617
Construction-in-progress ²		26,903,835		102,454,204		-		-		(14,169,576)		(6,055,637)		-		-		4,577,248		113,710,074
Right-of-use assets		7,980,520		3,453,809		(59,484)		(2,792,763)		-		-		(20,002)		-		635,398		9,197,478
	₩	276,799,284	₩	153,477,988	₩	(438,647)	₩	(41,792,937)	₩	(8,528)	₩	(7,251,397)	₩	3,133,577	₩	(20,002)	₩	19,025,310	₩	402,924,648

¹ Includes transfer to investment properties of ₩ 8,528 thousand.

² The Group has entered into acquisition agreements for construction-in-progress, and as at December 31, 2024, the outstanding balance of unpaid acquisition commitments amounts to ₩ 41,209,648 thousand.

³ The acquisition amount includes specific borrowing costs of ₩ 839,955 thousand, with a capitalization rate of 5.09% each, excluding operating revenue.

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

<i>(in thousands of Korean won)</i>	2025	2024
Cost of sales	₩ 41,630,076	₩ 35,253,120
Selling and administrative expenses	6,675,144	4,422,893
Research and development	2,216,785	2,116,924
	<u>₩ 50,522,005</u>	<u>₩ 41,792,937</u>

Certain property, plant and equipment of the Group are provided as collateral in relation to borrowings at the end of reporting period (Note 17).

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 ¹	Property, plant and equipment, and investment properties	₩ 507,606,899	Samsung Fire & Marine Insurance
	Inventories		
Fire insurance	Property, plant and equipment, and inventories	23,083,178	Nan Shan General Insurance Company
Comprehensive property insurance	Property, plant and equipment, and inventories	57,574,618	KBFG Insurance (China) Company Limited
Fire insurance	Property, plant and equipment, and inventories	8,413,529	AIG ASIA PACIFIC INSURANCE PTE LTD
Fire insurance, Comprehensive property insurance	Property, plant and equipment	77,341,110	Travelers Insurance Company
Comprehensive property insurance	Property, plant and equipment	30,993,840	Hanover Insurance Group
Comprehensive property insurance	Property, plant and equipment	11,883,437	China Pacific Property Insurance Co., Ltd.

¹ The above insurance has been pledged as collateral by Kookmin Bank, Shinhan Bank and KDB up to a maximum of ₩ 69,024 million. In addition to the above insurance, the Group carries group accident and car insurance for its employees.

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14. 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	₩	13,126,441	₩	7,302,212
Vehicles		2,944,231		1,753,403
Others		209,627		141,863
	₩	<u>16,280,299</u>	₩	<u>9,197,478</u>

Additions to the right-of-use assets during the 2025 financial year were ₩ 4,807,658 thousand (2024: ₩ 3,453,809 thousand).

The consolidated 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	₩	2,209,673	₩	1,895,912
Vehicles		1,252,908		861,385
Others		53,054		35,466
		<u>3,515,635</u>		<u>2,792,763</u>
Interest expense relating to lease liabilities		286,447		194,042
Expense relating to short-term leases		311,618		194,023
Expense relating to leases of low-value assets that are not short-term leases		245,517		114,892
		<u>843,582</u>		<u>502,957</u>
	₩	<u>4,359,217</u>	₩	<u>3,295,720</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	₩	7,392,608	₩	6,335,563
Acquisition		4,726,237		3,451,463
Interest expenses		286,447		194,042
Payments		(3,582,497)		(2,946,785)
Disposal		(644,230)		(58,173)
Others		-		2,809
Changes in scope of consolidation		6,656,407		(27,585)
Translation difference adjustments and others		183,256		441,274
Ending	₩	<u>15,018,228</u>	₩	<u>7,392,608</u>

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	₩	3,312,224	₩	2,175,601
Later than one year but not later than two years		2,274,963		2,170,076
Later than two years but not later than five years		5,036,227		1,753,059
More than five years		4,394,814		1,293,872
	₩	<u>15,018,228</u>	₩	<u>7,392,608</u>

15. 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	₩ 2,096,624	₩ -	₩ 2,096,624	₩ 2,096,624	₩ -	₩ 2,096,624
Buildings	<u>4,201,262</u>	<u>(955,431)</u>	<u>3,245,831</u>	<u>4,201,262</u>	<u>(815,389)</u>	<u>3,385,873</u>
	<u>₩ 6,297,886</u>	<u>₩ (955,431)</u>	<u>₩ 5,342,455</u>	<u>₩ 6,297,886</u>	<u>₩ (815,389)</u>	<u>₩ 5,482,497</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	₩ 2,096,624	₩ -	₩ -	₩ -	₩ 2,096,624
Buildings	3,385,873	-	(140,042)	-	3,245,831
	<u>₩ 5,482,497</u>	<u>₩ -</u>	<u>₩ (140,042)</u>	<u>₩ -</u>	<u>₩ 5,342,455</u>

<i>(in thousands of Korean won)</i>	2024				
	Beginning balance	Acquisition	Depreciation	Transfer¹	Ending balance
Land	₩ 1,983,262	₩ -	₩ -	₩ 113,362	₩ 2,096,624
Buildings	3,638,690	-	(147,983)	(104,834)	3,385,873
	<u>₩ 5,621,952</u>	<u>₩ -</u>	<u>₩ (147,983)</u>	<u>₩ 8,528</u>	<u>₩ 5,482,497</u>

¹ Includes transfer from property, plant and equipment of ₩ 8,528 thousand.

The depreciation expense of ₩ 140,042 thousand (2024: ₩ 147,983 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 ₩ 5,697,973 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.

During the years ended December 31, 2025 and 2024, rental income earned from investment property is ₩ 594,972 thousand (2024: ₩ 806,820 thousand), and depreciation expense from property is ₩ 140,042 thousand (2024: ₩ 147,984 thousand).

Certain investment properties are provided as collateral in relation to borrowings at the end of reporting period (Note 17).

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16. Intangible Assets

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

<i>(in thousands of Korean won)</i>	2025				
	Cost	Accumulated amortization	Accumulated impairment losses	Government grants	Book amount
Software	₩ 5,960,020	₩ (1,869,504)	₩ -	₩ (371,235)	₩ 3,719,281
Facility use rights	8,563,198	(74,658)	-	-	8,488,540
Goodwill	4,141,275	-	(3,230,290)	-	910,985
	<u>₩ 18,664,493</u>	<u>₩ (1,944,162)</u>	<u>₩ (3,230,290)</u>	<u>₩ (371,235)</u>	<u>₩ 13,118,806</u>
<i>(in thousands of Korean won)</i>	2024				
	Cost	Accumulated amortization	Accumulated impairment losses	Government grants	Book amount
Software	₩ 3,553,490	₩ (1,424,902)	₩ -	₩ (376,714)	₩ 1,751,874
Facility use rights	7,988,953	(122,139)	-	-	7,866,814
Goodwill	2,052,924	-	(1,141,939)	-	910,985
	<u>₩ 13,595,367</u>	<u>₩ (1,547,041)</u>	<u>₩ (1,141,939)</u>	<u>₩ (376,714)</u>	<u>₩ 10,529,673</u>

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

	2025																	
	Beginning balance		Acquisition	Impairment	Amortization	Government grants	Transfer ¹	Changes in scope of consolidation ²	Exchange difference adjustments	Ending balance								
Software	₩	1,751,874	₩	1,403,624	₩	-	₩	(715,155)	₩	22,644	₩	813,961	₩	444,876	₩	(2,543)	₩	3,719,281
Facility use rights		7,866,814		703,843		-		(91,750)		-		-		-		9,633		8,488,540
Goodwill ²		910,985		-		(2,088,351)		-		-		-		2,088,351		-		910,985
	₩	<u>10,529,673</u>	₩	<u>2,107,467</u>	₩	<u>(2,088,351)</u>	₩	<u>(806,905)</u>	₩	<u>22,644</u>	₩	<u>813,961</u>	₩	<u>2,533,227</u>	₩	<u>7,090</u>	₩	<u>13,118,806</u>

¹ Includes transfer from property, plant and equipment of ₩ 836,606 thousand.

² During the year ended December 31, 2025, KoMiCo Technology (Wuxi) Limited, a subsidiary of the Group, acquired all of the shares of KoMiCo Technology (Huanggang) Limited (formerly ZNMC) and Qingdao Kaimeng Meike Technology Co., Ltd. (formerly QMC), and the acquisitions led to the recognition of goodwill. Due to deterioration of the acquirees' operating performance after the acquisition, the Group recognized the full amount of goodwill of ₩2,088 million as impairment losses as at December 31, 2025 (Note 41).

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	2024									
	(in thousands of Korean won)									
	Beginning balance	Acquisition	Impairment	Amortization	Government grants	Transfer ²	Changes in scope of consolidation	Exchange difference adjustments	Ending balance	
Software	₩ 1,155,357	₩ 1,006,596	₩ -	₩ (415,562)	₩ (14,000)	₩ -	₩ 1	₩ 19,482	₩ 1,751,874	
Facility use rights	6,134,409	1,427,975	-	(114,415)	-	362,458	-	56,387	7,866,814	
Goodwill ¹	-	-	(1,141,939)	-	-	-	2,052,924	-	910,985	
	<u>₩ 7,289,766</u>	<u>₩ 2,434,571</u>	<u>₩ (1,141,939)</u>	<u>₩ (529,977)</u>	<u>₩ (14,000)</u>	<u>₩ 362,458</u>	<u>₩ 2,052,925</u>	<u>₩ 75,869</u>	<u>₩ 10,529,673</u>	

¹ During the year ended December 31, 2024, MiCo Ceramics Ltd., a subsidiary of the Group, acquired 100% of shares of CERATECH CO., LTD., and the acquisition led to the recognition of goodwill. Meanwhile, on June 26, 2024, MiCo Ceramics Ltd., a subsidiary of the Group, merged with CERATECH CO., LTD. (Note 41).

² Transferred from other deposits.

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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	₩	300,969	₩	178,626
Selling and administration expenses		416,139		258,891
Research and development costs		89,797		92,460
	₩	<u>806,905</u>	₩	<u>529,977</u>

The Group recognized total research and development costs of ₩ 37,301,910 thousand (2024: ₩ 29,933,777 thousand) as selling and administrative expenses.

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

<i>(in thousands of Korean won)</i>	2025		2024	
Acquisition cost	₩	4,141,275	₩	2,052,924
Accumulated impairment losses		<u>(3,230,290)</u>		<u>(1,141,939)</u>
Book amount	₩	<u>910,985</u>	₩	<u>910,985</u>

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

<i>(in thousands of Korean won)</i>	2025		2024	
	Acquisition cost	Accumulated impairment losses	Acquisition cost	Accumulated impairment losses
Beginning balance	₩ 2,052,924	₩ (1,141,939)	₩ -	₩ -
Increase due to business combination	2,088,351	-	2,052,924	-
Impairment test	-	<u>(2,088,351)</u>	-	<u>(1,141,939)</u>
Ending balance	<u>₩ 4,141,275</u>	<u>₩ (3,230,290)</u>	<u>₩ 2,052,924</u>	<u>₩ (1,141,939)</u>

Impairment Tests for Goodwill

The goodwill recognized as at December 31, 2025, has resulted from business combination with CERATECH CO., LTD. (Note 41) and the acquisition of equity interests in KoMiCo Technology (Huanggang) Ltd. and Qingdao Kaimeng Meike Technology Co., Ltd., for the purpose of increasing production capacity.

When assessing impairment of goodwill arising from the business combination with CERATECH CO., LTD., the recoverable amount of the cash-generating unit (CGU) has been determined based on value-in-use calculations. These calculations use cash flow projections based on business plan. Cash flows beyond the five-year period are extrapolated using the perpetual growth rate stated below.

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The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them, perpetual growth rate and discount rate used in the value-in-use calculations. Additionally, where there has been an impairment loss in a CGU, the recoverable amount is also presented below.

<i>(in thousands of Korean won)</i>	2025	2024
Perpetual growth rate	0.0%	0.0%
Discount rate	14.70%	13.47%
The recoverable amount of CGUs	₩ 5,278,649	₩ 4,042,303

The impairment test suggests that the recoverable amount is estimated to be lower than the carrying amount of cash generating units. As a result, impairment losses on goodwill amounting to ₩2,088,351 thousand and ₩1,141,939 thousand were recognized in the current year and prior year, respectively.

17. Assets Provided as Collateral

Details of assets provided as collateral for the Group'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
		Kookmin Bank		₩ 57,120,000	
		Shinhan Bank		6,016,000	
		KDB		188,059,225	
Property, plant and equipment, investment properties and inventories	Land, building, machinery, inventory and others	The Export-Import Bank of Korea	₩ 240,680,889	26,000,000	Assets provided as collateral in relation to borrowings
		China Merchants Bank Co Ltd		9,876,332	
		E-Sun		24,681,216	

¹ The insured amounts of the assets pledged as collateral have been pledged to Kookmin Bank, Shinhan Bank, and KDB (Note 13).

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18. Investments in associates and joint ventures

Details of investments in associates and joint ventures as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

Name of entity	Main business	Location	2025	
			Percentage of ownership (%)	Carrying amount
AIMS KOSDAQ Venture Private Equity Fund I ²	Trust business and collective investment business	Korea	66.67	4,376,796
MW PGS New Technology Investment Fund 2nd ³	Trust business and collective investment business	Korea	39.99	877,877

(in thousands of Korean won)

Name of entity	Main business	Location	2024	
			Percentage of ownership (%)	Carrying amount
Hubei Ziniu Meike Technology Co., Ltd. ¹	Precision cleaning of semiconductor equipment components	China	49	₩ 4,811,218

¹ During the year ended December 31, 2024, the Group has newly acquired the share of Hubei Ziniu Meike Technology Co., Ltd.. Although the ownership interest is 49%, unanimous among the parties to the joint arrangement is required for the significant activities of investees. Therefore, it is judged to have a joint control. However additionally acquired the remaining 51% of the equity interest during the year ended December 31, 2025, resulting in its inclusion as a subsidiary.

² During the year ended December 31, 2025, the Group newly acquired an equity interest in AIMS KOSDAQ Venture Private Equity Fund I. Although the Group's ownership interest is 66.67%, major decisions of the fund are determined by unanimous consent of all beneficiaries; therefore, it is judged that the Group holds joint control.

³ During the year ended December 31, 2025, the Group newly acquired an equity interest in MW PGS New Technology Investment Fund 2nd. As the Group's ownership interest is 39.99%, it is judged that the Group has significant influence.

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Changes in investments in associates and joint ventures as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025							Ending balance
	Beginning balance	Acquisition	Dividend	Share of profit or loss	Share of other comprehensive income of associates and joint ventures	Others ¹		
Hubei Ziniu Meike Technology Co., Ltd.	₩ 4,811,218	₩ -	₩ -	₩ (1,728,821)	₩ 25,677	₩ (3,108,074)	₩ -	
AIMS KOSDAQ Venture Private Equity Fund I	-	5,000,000	(336,477)	(286,727)	-	-	4,376,796	
Qingdao Kaimeng Meike Technology Co., Ltd.	-	9,292,850	-	(857,571)	710,125	(9,145,404)	-	
MW PGS New Technology Investment Fund 2nd	-	2,000,000	-	(1,122,123)	-	-	877,877	
	₩ <u>4,811,218</u>	₩ <u>16,292,850</u>	₩ <u>(336,477)</u>	₩ <u>(3,995,242)</u>	₩ <u>735,802</u>	₩ <u>(12,253,478)</u>	₩ <u>5,254,673</u>	

¹ During the year ended December 31, 2025, the Group additionally acquired a 51% equity interest in Hubei Ziniu Meike Technology Co., Ltd. and Qingdao Kaimeng Meike Technology Co., Ltd., which were previously joint ventures of the Group, resulting in their reclassification as subsidiaries.

<i>(in thousands of Korean won)</i>	2024				
	Beginning balance	Acquisition	Share of profit or loss	Share of other comprehensive income of joint ventures	Ending balance
Hubei Ziniu Meike Technology Co., Ltd.	₩ -	₩ 5,080,075	₩ (587,538)	₩ 318,681	₩ 4,811,218

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Summarized financial information for investments in joint ventures as at December 31, 2025 and 2024, are as follows:

	2025					
	Asset	Liability	Equity	Sale	Profit	Total comprehensive income
AIMS KOSDAQ Venture Private Equity Fund I	₩ 7,077,271	₩ 512,009	₩ 6,565,263	₩ -	₩ (430,092)	₩ (430,092)
MW PGS New Technology Investment Fund 2nd	2,195,133	-	2,195,133	-	(2,805,867)	(2,805,867)

	2024					
	Asset	Liability	Equity	Sale	Profit	Total comprehensive income
Hubei Ziniu Meike Technology Co., Ltd.	₩ 11,142,986	₩ 939,954	₩ 10,203,032	₩ 700	₩ (814,836)	₩ (496,155)

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As at December 31, 2025, the tables below provide a reconciliation of the associate's and joint venture's financial information to the carrying amount of its interest in the subsidiaries.

<i>(in thousands of Korean won)</i>	Net assets at the end of the year (A)	Group's share in % (B)	Group's share in KRW (AB)	Intercompany transactions	Book amount
AIMS KOSDAQ Venture Private Equity Fund I	₩ 6,565,263	67	₩ 4,376,796	₩ -	₩ 4,376,796
MW PGS New Technology Investment Fund 2nd	2,195,133	40	877,877	-	877,877

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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	₩ 20,468,079	₩ 16,469,808
Other payables		
Non-trade payables	32,087,087	14,157,074
Accrued expenses	4,099,757	1,123,052
Leasehold deposits received	526,250	530,380
	<u>₩ 57,181,173</u>	<u>₩ 32,280,314</u>
Non-current liabilities		
Long-term accrued expenses	₩ 442,280	₩ 885,478
	<u>₩ 442,280</u>	<u>₩ 885,478</u>

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		
Derivative liabilities ¹	₩ 21,134,893	₩ 25,904,135
	<u>₩ 21,134,893</u>	<u>₩ 25,904,135</u>

¹ The Group has recognized the conversion rights and rights for early repayment embedded in convertible bonds, and the accord and satisfaction rights and rights for early repayment embedded in debentures, as derivative liabilities (Notes 23 and 24).

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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		
Advances from customers ¹	₩ 1,106,285	₩ 9,421,220
Withholdings	3,265,719	2,367,392
Service warranties	1,105,087	981,525
Liabilities included in salaries and others	10,205,845	11,677,606
	<u>₩ 15,682,936</u>	<u>₩ 24,447,743</u>
Other non-current liabilities		
Long term advances from customers	₩ 527,321	₩ -
Long-term employee benefits	3,549,118	2,784,400
Make good provision	977,532	973,761
Long-term withholdings	749,967	698,680
	<u>₩ 5,803,938</u>	<u>₩ 4,456,841</u>

¹ The Group has recognized ₩ 1,106 million of contract liabilities related to contracts with customers (2024: ₩ 5,117 million). Revenue recognized during the year ended December 31, 2025, from the balance of contract liabilities at the end of prior reporting period amounted to ₩ 5,117 million.

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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 ~ 2026-10-30	2.55 ~ 3.99	₩ 40,002,055	₩ 7,600,000
Kookmin Bank	Facility loans	-	-	-	40,000,000
Shinhan Bank	Loans for operating funds	2026-02-26 ~ 2026-06-16	2.60 ~ 2.90	15,976,654	5,000,000
Industrial and Commercial Bank of China	Loans for operating funds	2026-08-28 ~ 2026-11-27	2.50	12,263,076	-
Citibank Korea Inc.	Loans for operating funds	2026-01-05 ~ 2026-12-11	2.80 ~ 5.48	84,581,689	60,480,170
The Export-Import Bank of Korea	Loans for operating funds	2026-05-08 ~ 2026-06-25	2.70 ~ 4.99	22,511,075	2,572,500
China Merchants Bank Co Ltd	Loans for operating funds	2026-04-27 ~ 2026-10-20	2.50 ~ 3.24	12,387,980	8,050,800
INDUSTRIAL BANK OF KOREA	Loans for operating funds	2026-10-22	2.65	2,047,600	1,813,644
E-SUN	Loans for operating funds	2026-01-13 ~ 2026-03-24	2.40	2,295,500	1,344,300
CHINA CITIC BANK	Loans for operating funds	2026-04-01	3.30	614,280	-
				<u>₩ 192,679,909</u>	<u>₩ 126,861,414</u>

Certain land and buildings of the Group are pledged as collateral for the above short-term borrowings (Note 17).

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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 ~ 2030-10-30	3.45 ~ 3.64	41,927,465	-
Shinhan Bank	Loans for operating funds	2028-06-27	4.29	25,000,000	20,000,000
KDB	Loans for operating funds	2028-03-28	3.84	10,000,000	10,000,000
KDB	Facility loans	2029-11-27 ~ 2040-06-27	2.65 ~ 5.81	173,190,818	67,050,000
Woori Bank	Loans for operating funds	2028-09-19	3.38	19,000,000	-
E-SUN	Facility loans	2044-10-25	2.20	17,996,720	17,565,520
E-SUN	Loans for operating funds	2044-10-25	2.20	2,570,960	2,509,360
INDUSTRIAL BANK OF KOREA	Facility loans -	2027-12-19	3.49	1,845,093	-
				296,531,056	117,124,880
	Less: reclassification of current portion			(6,211,173)	(4,410,000)
				₩ 290,319,883	₩ 112,714,880

Certain inventories, land and buildings of the Group are pledged as collateral for the above long-term borrowings (Note 17).

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

(in thousands of Korean won)

	Amount
January 1, 2026 ~ December 31, 2026	₩ 6,211,173
January 1, 2027 ~ December 31, 2027	10,518,217
January 1, 2028 ~ December 31, 2028	95,812,710
January 1, 2029 ~ December 31, 2029	19,193,888
January 1, 2030 ~ December 31, 2030	20,539,189
January 1, 2031 ~	144,255,879
	₩ 296,531,056

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23. Debenture

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

(in thousands of Korean won)

Details	Issuance date	Maturity date	Nominal interest rate (%)	Guaranteed yield (%)	2025
3rd private non-registered coupon and non-guaranteed bonds	2024-08-23	2028-08-23	-	-	₩ -
Adjustments for accord and satisfaction rights					-
					₩ -

(in thousands of Korean won)

Details	Issuance date	Maturity date	Nominal interest rate (%)	Guaranteed yield (%)	2024
3rd private non-registered coupon and non-guaranteed bonds	2024-08-23	2028-08-23	2.00	2.50	₩ 30,126,319
Adjustments for accord and satisfaction rights					(10,191,193)
					₩ 19,935,126

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Details of private bonds issued by MiCoCeramics Ltd., a subsidiary of the Group.

<i>(in Korean won)</i>	3rd private non-registered coupon and non-guaranteed bonds
Issuer	Korea Semiconductor Sobujang 1 st Private Equity Fund
Issued date	2024-08-23
Maturity date	2028-08-23
Total far value	29,531,250,000
Issuing amount	29,531,250,000
Exercisable par value ratio	100% of total issuing price
Shares subject to payment in kind	Registered redeemable convertible preferred shares of CMTX Co., Ltd.
Stock price subject to payment in kind	Par value ₩225,000 per registered ordinary share
Claim period for payment in kind	Until the earlier of one business day before the preliminary listing examination request date for listing on the KOSDAQ market or the securities market, or one business day after the first anniversary of the bond issuance date.
Rights for early repayment	From ten business days before the date that marks one year after the bond issuance, to the date that is exactly one year after the bond issuance.
Put-option rights	-

The net proceeds from the issuance of debentures were allocated between the host contract liability component and the derivative financial liabilities for rights for early repayment and accord and satisfaction rights. The host contract liability component is measured at amortized cost. The investors' rights for early repayment and accord and satisfaction rights embedded in the debentures meet the criteria for separation of embedded derivatives and accordingly have been classified as derivative liabilities at fair value.

There is an agreement whereby the registered redeemable convertible preferred shares of CMTX Co., Ltd. held by the Group are to be delivered in repayment of the private bonds issued by the Group, and pledge rights have been established over those redeemable convertible preferred shares to secure the performance of such agreement. Meanwhile, on July 10, 2025, the accord and satisfaction right was exercised on the relevant private bonds, and the bonds were settled by payment in kind with shares of CMTX Co., Ltd. that had been converted into ordinary shares during the current year.

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24. Convertible Bonds

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

(in thousands of Korean won)

Details	Issuance date	Maturity date	Nominal interest rate (%)	Guaranteed yield (%)	2025
2nd non-guaranteed private placement coupon convertible bonds	2024-08-23	2028-08-23	2.00	2.50	₩ 30,626,910
					(11,362,624)
					₩ 19,264,286

(in thousands of Korean won)

Details	Issuance date	Maturity date	Nominal interest rate (%)	Guaranteed yield (%)	2024
2nd non-guaranteed private placement coupon convertible bonds	2024-08-23	2028-08-23	2.00	2.50	₩ 30,626,910
					(14,325,717)
					₩ 16,301,193

Details of convertible bonds issued by MiCoCeramics Ltd., a subsidiary of the Group.

(in Korean won)

	Non-guaranteed private placement coupon convertible bonds
Issuer	Korea Semiconductor Sobujang 1 st Private Equity Fund
Issued date	2024-08-23
Maturity date	2028-08-23
Total far value	30,000,000,000
Issuing amount	30,000,000,000
Redeemable par value ratio	100% of total issuing price
Shares subject to conversion	Registered ordinary shares of MiCoCeramics Ltd.
Conversion price	Par value ₩55,000 per registered ordinary share
Claim period for conversion	From three months after the issued date to a month before the issued date
Rights for early repayment	Every three months from 36 months after the issue date to three months before the maturity date
Put-option rights	-

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The net proceeds from the issuance of convertible bonds were allocated between the host contract liability component and the derivative financial liabilities for conversion rights and rights for early repayment. The host contract liability component is measured at amortized cost. The rights for early repayment and conversion rights embedded in the convertible bonds meet the criteria for separation of embedded derivatives and accordingly have been classified as derivative liabilities at fair value.

25. Post-employment Benefit Obligation

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

25.1 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	₩ 37,165,242	₩ 32,994,399
Fair value of plan assets	(19,444,994)	(18,573,393)
Net defined benefit liabilities	<u>₩ 17,720,248</u>	<u>₩ 14,421,006</u>

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	₩ 32,994,399	₩ 28,954,874
Current service cost	6,128,936	5,561,975
Past service cost	-	119,178
Interest expense	1,194,930	1,228,825
Remeasurements:		
Actuarial loss (gain) from change in demographic assumptions	544,066	(792,857)
Actuarial loss (gain) from change in financial assumptions	(878,674)	(79,010)
Actuarial loss (gain) from experience adjustments	776,390	232,792
Benefit payments	(3,587,362)	(2,854,546)
Transfer from / to affiliates	(203,167)	623,168
Changes in scope of consolidation	195,724	-
Ending balance	<u>₩ 37,165,242</u>	<u>₩ 32,994,399</u>

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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	₩	18,573,393	₩	13,247,149
Interest income		632,875		524,753
Remeasurements		(164,386)		(96,755)
Contribution paid by user		2,100,000		5,500,000
Benefit payments		(1,667,018)		(758,937)
Transfer from / to affiliates		(29,870)		117,685
Changes in scope of consolidation		-		39,498
Ending balance	₩	<u>19,444,994</u>	₩	<u>18,573,393</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	₩	19,444,994	₩	18,573,393
		100		100

Actual gain on plan assets is as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Plan assets	₩	468,489	₩	427,998

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

<i>(in thousands of Korean won)</i>	2025		2024	
Current service cost	₩	6,128,936	₩	5,561,975
Past service cost		-		119,178
Interest expense, net		562,055		704,072
Total expenses included in employee benefits	₩	<u>6,690,991</u>	₩	<u>6,385,225</u>

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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	₩	3,240,834	₩	3,128,304
Selling and administrative expenses		2,401,253		2,216,196
Research and development		1,048,904		1,040,725
	₩	<u>6,690,991</u>	₩	<u>6,385,225</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	₩	(606,167)	₩	542,321
Tax effects		166,338		(116,475)
Actuarial gain, net of tax	₩	<u>(439,829)</u>	₩	<u>425,846</u>

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

<i>(in percentage)</i>	2025	2024
Discount rate (%)	4.23 ~ 4.52	3.87 ~ 3.90
Expected salary growth rate (%)	6.04 ~ 6.46	5.66 ~ 6.57
Estimated retirement rates (%)	15.55 ~ 16.08	15.49 ~ 16.08
Estimated mortality rate (%)	0.03	0.03

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	₩ (2,651,430)	₩ 3,056,596	₩ (1,968,068)	₩ 2,224,699
Expected salary growth rate	3,017,785	(2,667,715)	2,184,230	(1,971,143)

The weighted average duration of the defined benefit obligation is 6.274 ~ 10.164 years. The expected maturity analysis of not 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	₩ 4,378,805	₩ 12,267,846	₩ 21,696,033	₩ 139,639,667	₩ 177,982,351

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25.2 Defined Contribution Plan

The expense recognized in the current period in relation to defined contribution plans, was ₩ 909,291 thousand (2024: ₩ 1,682,075 thousand).

26. Share Options

The Group has granted share options with stock appreciation rights and share options with equity-settled share options to directors and employees. Details are as follows:

26.1 Share Options with Stock Appreciation Rights

Details of the share options with stock appreciation rights are as follows:

<i>(in Korean won)</i>	Granted on March 28, 2024	Granted on March 31, 2025
Granted share	Ordinary shares of MiCoCeramics Ltd.	Ordinary shares of MiCoCeramics Ltd.
Number of shares granted	106,000 shares	34,000 shares
Exercisable price	₩ 50,853	₩ 57,738
Exercisable period	March 28, 2026 ~ March 27, 2031	March 31, 2027 ~ March 30, 2032
Vesting condition	Service conditions: 2 years	Service conditions: 2 years

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

<i>(in shares)</i>	Granted on March 28, 2024	Granted on March 31, 2025
Beginning	106,000	-
Granted	-	34,000
Forfeited	(13,000)	-
Ending	93,000	34,000
Number of exercisable	-	-

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The Group 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 as at December 31, 2025, are as follows:

<i>(in Korean won)</i>	Granted on March 28, 2024	Granted on March 31, 2025
Fair value per option(₩)	35,058	33,635
Share price at the end of the reporting period(₩)	78,378	78,378
Expected price volatility (%)	45.6	45.6
Risk-free interest rate (%)	2.46	2.55
Expected option life(years)	6	7

Book amount of liabilities recognized in relation to share-based payments as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Book amount of liabilities	₩	3,324,808	₩	885,478

Expenses of ₩ 2,439,330 thousand(2024: ₩ 885,478 thousand) was recognized in relation to the above share-based payments during the year ended December 31, 2025.

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26.2 Equity-settled Share Options

Details of the equity-settled share options granted by the Group are as follows:

<i>(in Korean won)</i>	Granted on March 29, 2021		
Granted shares	Ordinary shares of MiCoCeramics Ltd.		
Number of shares granted	160,000 shares		
Exercise price	₩ 31,900		
Exercisable period	March 29, 2023 ~ March 28, 2028		
Vesting condition	Service conditions: 2 years		
Grant method	Grant new issued capital		
<i>(in Korean won)</i>	Granted on August 5, 2024	Granted on May 14, 2025	Granted on August 5, 2025
Granted shares	Ordinary shares of KoMiCo Ltd.		
Number of shares granted	215,500 shares	4,500 shares	59,000 shares
Exercise price	-		
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.		
Grant method	Treasury shares paid from the date of condition vested		
<i>(in Korean won)</i>	Granted on December 30, 2025	Granted on December 30, 2025	
Granted shares	Ordinary shares of KoMiCo Ltd.		
Number of shares granted	10,900 shares	23,500 shares	
Exercise price	-		
Exercisable period	January 16, 2026 ~ February 15, 2026 January 16, 2027 ~ January 15, 2028 January 16, 2028 ~ January 15, 2029	January 16, 2027 ~ January 15, 2028 January 16, 2028 ~ January 16, 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, and maintaining performance evaluation grade.		
Grant method	Treasury shares paid from the date of condition vested		

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

<i>(in shares)</i>	Granted on March 29, 2021	Granted on August 5, 2024	Granted on May 14, 2025
Beginning	160,000	215,500	-
Granted ¹	-	-	4,500
Ending	160,000	215,500	4,500
Number of exercisable options	160,000	-	-

:

<i>(in shares)</i>	Granted on August 5, 2025	Granted on December 30, 2025	Granted on December 30, 2025
Beginning	-	-	-
Granted ¹	59,000	10,900	23,500
Ending	59,000	10,900	23,500
Number of exercisable options	-	-	-

The Group measured the cost of the share options granted during the year ended December 31, 2025, 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>	Granted on March 29, 2021	Granted on August 5, 2024	Granted on May 14, 2025
Fair value of share options granted (₩)	16,694	61,600	61,600
Share price at grant date (₩)	31,900	61,600	61,600
Expected price volatility (%) ¹	50.29	49.08	49.08
Expected option life (years)	2	4 ~ 6	4 ~ 6
Risk-free interest rate (%)	1.74	2.83 ~ 2.86	2.83 ~ 2.86

<i>(in Korean won)</i>	Granted on August 5, 2025	Granted on December 30, 2025	Granted on December 30, 2025
Fair value of share options granted (₩)	66,800	88,400	88,400
Share price at grant date (₩)	66,800	88,400	88,400
Expected price volatility (%) ¹	62.6	59.84	59.84
Expected option life (years)	3 ~ 5	1 ~ 2	1 ~ 3
Risk-free interest rate (%)	2.43 ~ 2.56	2.67	2.67

¹ Applied the volatility for the 180 business days.

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Expenses of ₩ 4,857,515 thousand(2024: ₩ 1,136,961 thousand) were recognized in relation to the above share-based payments during the year ended December 31, 2025.

27. 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 issue		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

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	10,460,684	₩ 5,230,342	₩ 81,260,643	₩ 86,490,985
December 31, 2024	10,460,684	₩ 5,230,342	₩ 81,260,643	₩ 86,490,985
January 1, 2025	10,460,684	₩ 5,230,342	₩ 81,260,643	₩ 86,490,985
December 31, 2025	10,460,684	₩ 5,230,342	₩ 81,260,643	₩ 86,490,985

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 ^{1,2,3,4}		(99,762,687)		(73,963,603)
	₩	(18,502,044)	₩	7,297,040

¹ The Group acquired the lower electrode division operated by MiCo Ltd., the Parent Company for the year ended December 31, 2024. 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 Group. The difference between the consideration paid and the carrying amount was recognized as other reserves.

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² On January 15, 2025, the Group exercised the conversion rights of the 14th exchangeable bonds to acquire 250,410 ordinary shares of MiCoCeramics Ltd., a subsidiary (Note 39). This transaction increased the Group's percentage of ownership from 47.84% to 52.43%. The difference between the change in non-controlling interests due to the increased ownership percentage and the carrying amount of the exchangeable bonds was recognized as other reserves.

³ On August 4, 2025, the Group acquired 166,940 ordinary shares of MiCoCeramics Ltd. from MiCo Ltd., the Parent Company (refer to Note 39). This transaction increased the Group's percentage of ownership from 52.43% to 55.50%. The difference between the change in non-controlling interests due to the increased ownership percentage and the acquisition cost was recognized as other reserves.

⁴ On August 18, 2025, the Group acquired 386,100 ordinary shares of MiCoCeramics Ltd. from KClavis Investment (refer to Note 39). This transaction increased the Group's percentage of ownership from 55.50% to 62.59%. The difference between the change in non-controlling interests due to the increased ownership percentage and the acquisition cost was recognized as other reserves.

28. 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	₩	-	₩	318,681
Exchange differences on translation of foreign operations		26,305,637		25,626,099
	₩	26,305,637	₩	25,944,780

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29. 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
Other capital adjustments ³⁴⁵	<u>(19,780,894)</u>	<u>(7,669,750)</u>
	<u>₩ (31,648,821)</u>	<u>₩ (19,445,365)</u>

¹ The treasury shares were held by the Group for the purpose of stabilize share prices and enhance the value of shareholders.

² The Group granted restricted stock units (RSU) to executives and employees during the years ended December 31, 2025 and 2024(Note 26).

³ During the year ended December 31, 2024, part of the put-option rights held by the issuer of the exchangeable bonds, with a par value of ₩6,000 million, was exercised, and the Group derecognized the exchange rights (Note 10).

⁴ On January 15, 2025, the Group exercised the exchange rights of the 14th exchangeable bonds and acquired 250,410 ordinary shares of MiCoCeramics Ltd., a subsidiary (Note 39). Meanwhile, the exchange rights of the exchangeable bonds, which were to be exchanged to ordinary shares of KoMiCo Ltd., were recognized as negative other capital adjustments at the time of obtaining controls over MiCoCeramics Ltd., and the exchange rights of such exchangeable bonds, with a par value of ₩9,000 million, were exercised, and the Group derecognized the previously recognized negative other capital adjustments.

⁵ During the current year, the Group acquired share subscription rights of MiCoCeramics Ltd., a subsidiary, from MiCo Ltd., the Parent Company, and recognized them as negative other capital adjustments.

30. 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	₩ 6,562,664	₩ 4,456,103
Other reserves	2,744,449	2,744,449
Retained earnings before appropriation	<u>279,571,508</u>	<u>242,017,709</u>
	<u>₩ 288,878,621</u>	<u>₩ 249,218,261</u>

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¹ The Commercial Code of the Republic of Korea requires the Group 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.

31. Breakdown of Expenses by Nature

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

<i>(in thousands of Korean won)</i>	2025	2024
Changes in inventories of finished goods and work in process	₩ (9,462,504)	₩ (2,819,984)
Raw materials used	68,969,283	51,292,387
Sales of goods	44,540,739	29,855,348
Employee benefits expenses	151,881,981	134,414,596
Employee benefits	9,508,386	6,913,260
Travel expenses	3,488,227	2,416,349
Depreciation and amortization	51,328,912	42,322,914
Commission expenses	18,303,554	12,745,106
Rental expenses	1,367,471	1,334,712
Insurance premium	12,420,380	9,147,506
Supplies expenses	40,378,486	28,859,956
Vehicles maintenance expenses	1,191,565	1,271,637
Utility expenses	27,805,864	21,686,748
Outsourcing expenses	24,697,137	21,917,676
Repairs expenses	11,259,480	10,209,176
Taxes and dues	8,325,014	7,013,459
Freight expenses	5,609,560	4,181,004
Share-based payment expenses	7,296,845	2,022,439
Other expenses	14,207,457	9,892,701
	<u>₩ 493,117,837</u>	<u>₩ 394,676,990</u>

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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	₩ 144,281,699	₩ 126,347,296
Post-employment benefits	7,600,282	8,067,300
	<u>₩ 151,881,981</u>	<u>₩ 134,414,596</u>

32. 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	₩ 46,674,162	₩ 42,895,220
Post-employment benefits	2,319,215	3,175,279
Employee benefits	4,176,469	3,044,039
Travel expenses	2,646,068	1,831,502
Vehicles maintenance expenses	1,082,689	1,168,315
Communication expenses	512,985	407,250
Taxes and dues	3,794,209	3,179,166
Commission expenses	12,324,269	10,294,252
Rental expenses	564,507	471,835
Depreciation	6,675,144	4,422,893
Amortization	416,139	258,891
Repairs expenses	1,906,081	1,371,671
Insurance premium	4,207,204	3,112,887
Entertainment expenses	3,690,350	3,171,935
Advertising expense	1,093,909	524,037
Supplies expenses	2,446,379	1,694,701
Utility expenses	1,489,578	611,889
Training expenses	419,327	316,524
Freight expenses	3,475,086	2,715,001
Research and development	37,301,910	29,933,777
Outsourcing expenses	1,860,873	1,863,795
Share-based payment expenses	6,574,976	1,783,602
Others	2,374,164	3,675,521
	<u>₩ 148,025,693</u>	<u>₩ 121,923,982</u>

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33. 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	₩ 681,736	₩ 716,161
Commissions received	277,062	156,872
Royalty income	-	520,300
Gain on disposal of property, plant and equipment	1,394,707	280,153
Gain on disposal of intangible assets	1,054,483	-
Miscellaneous revenues	1,875,660	2,196,917
	<u>₩ 5,283,648</u>	<u>₩ 3,870,403</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	₩ 173,125	₩ 81,745
Loss on disposal of property, plant and equipment	412,294	263,289
Impairment loss on intangible assets	2,088,351	1,141,939
Depreciation of investment properties	140,042	147,984
Miscellaneous expenses	1,892,218	1,313,055
	<u>₩ 4,706,030</u>	<u>₩ 2,948,012</u>

34. 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	₩ 4,094,078	₩ 5,302,986
Dividend income	6,054	-
Gain on foreign currency transaction	3,029,324	4,422,524
Gain on foreign currency translation	660,341	2,646,026
Reversal of allowance for doubtful account	88,980	87,769
Gain on valuation of derivatives	2,015,900	-
Gain on disposal of derivatives	-	1,661,786
Gain on valuation of financial assets at fair value through profit or loss	3,052,775	1,500,470
	<u>₩ 12,947,452</u>	<u>₩ 15,621,561</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	₩ 13,670,764	₩ 10,373,571
Loss on foreign currency transaction	3,904,477	1,189,333
Loss on foreign currency translation	807,586	66,025
Loss on valuation of derivatives	6,061,190	1,162,725
Loss on valuation of financial assets at fair value through profit or loss	166,505	2,409,418
Loss on disposal of financial assets at fair value through profit or loss	4,801,457	33,350
	<u>₩ 29,411,979</u>	<u>₩ 15,234,422</u>

35. 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	₩ 24,194,735	₩ 25,576,441
Adjustments in respect of prior years	(2,727,266)	(37,316)
Deferred tax due to temporary differences	(8,442,680)	(124,295)
Tax credits carried forward	(39,893)	(126,306)
Others	888,029	49,280
Income tax expense	<u>₩ 13,872,925</u>	<u>₩ 25,337,804</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	₩ 166,338	₩ (116,476)
Share options	782,684	330,647
	<u>₩ 949,023</u>	<u>₩ 214,171</u>

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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	₩ 91,110,129	₩ 113,183,647
Income tax based on statutory tax rate ¹	28,665,058	32,880,355
Adjustments:		
Non-taxable income	(62,765)	(327,229)
Non-deductible expense	1,515,250	2,422,809
Effects of deferred tax not recognized arising from temporary differences	(5,365,548)	(2,402,977)
Tax credits carried forward	(39,893)	(126,306)
Adjustments in respect of prior years	(2,676,464)	(2,001,107)
Tax credit	(10,478,935)	(4,769,472)
Others	2,316,222	(338,269)
Income tax expense	<u>₩ 13,872,925</u>	<u>₩ 25,337,804</u>
Effective tax rate	15.23%	22.39%

¹ This is the amount calculated by applying the statutory tax rate of respective countries to the profit before income tax expense.

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

	2025					
	Beginning balance	Profit or loss	Increase (decrease)			Ending balance
			Other comprehen- sive income and equity	Others	Exchange difference	
Accrued revenues	₩ (101,881)	₩ (313,923)	₩ -	₩ -	₩ -	₩ (415,804)
Equity method investments	(15,284,781)	1,091,399	-	-	1,499	(14,191,883)
Convertible bonds	(3,095,930)	3,095,930	-	-	-	-
Debenture	(2,168,724)	2,168,724	-	-	-	-
Plan assets	(4,142,461)	(468,791)	41,437	-	-	(4,569,815)
Property, plant and equipment	4,487,432	1,754,584	-	3,340,850	441,972	10,024,838
Inventories	1,143,567	(661,634)	-	-	(3,586)	478,347
Intangible assets	(248,916)	345,924	-	-	7,539	104,547
Annual leave payable	764,408	170,887	-	-	(4,253)	931,042
Defined benefit obligations	7,291,460	1,267,790	124,902	-	-	8,684,152
Long-term employee benefits	614,580	215,930	-	-	-	830,510
Allowance for doubtful account	183,820	377,581	-	-	16,519	577,920
Share-based payment expenses	934,303	735,296	782,684	200,118	3,969	2,656,370
Derivatives	5,854,335	(5,854,334)	-	-	-	1
Measured at fair value through profit or loss	(6,623,410)	4,279,489	-	-	-	(2,343,921)
Right-of-use assets	(445,278)	(312,534)	-	-	(3,584)	(761,396)
Lease liabilities	438,175	323,351	-	-	4,323	765,849
Others	2,662,221	722,006	-	(3,540,968)	9,769	(146,972)
Loss carryforwards	995,507	(995,507)	-	-	-	-
Tax credits carried forward	249,981	109,840	-	-	(9,516)	350,305
	<u>₩ (6,491,592)</u>	<u>₩ 8,052,008</u>	<u>₩ 949,023</u>	<u>₩ -</u>	<u>₩ 464,651</u>	<u>₩ 2,974,090</u>

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Korean won)

	2024					
	Beginning balance	Increase (decrease)				Ending balance
		Profit or loss	Other comprehen- sive income and equity	Others	Exchange difference	
Accrued revenues	₩ (62,311)	₩ (39,570)	₩ -	₩ -	₩ -	₩ (101,881)
Equity method investments	(11,197,092)	(4,079,250)	-	-	(8,439)	(15,284,781)
Convertible bonds	-	(3,095,930)	-	-	-	(3,095,930)
Debenture	-	(2,168,724)	-	-	-	(2,168,724)
Plan assets	(2,731,856)	(1,432,012)	21,407	-	-	(4,142,461)
Property, plant and equipment	3,095,199	1,930,829	-	(374,207)	(164,389)	4,487,432
Inventories	431,246	692,054	-	-	20,267	1,143,567
Intangible assets	(70,202)	(157,053)	-	-	(21,661)	(248,916)
Annual leave payable	656,557	86,113	-	-	21,738	764,408
Defined benefit obligations	6,267,756	1,161,587	(137,883)	-	-	7,291,460
Long-term employee benefits	529,752	84,828	-	-	-	614,580
Allowance for doubtful account	165,905	7,709	-	-	10,206	183,820
Share-based payment expenses	534,494	69,162	330,647	-	-	934,303
Derivatives	1,101,600	4,752,735	-	-	-	5,854,335
Measured at fair value through profit or loss	(7,731,988)	1,108,578	-	-	-	(6,623,410)
Right-of-use assets	(461,142)	15,864	-	-	-	(445,278)
Lease liabilities	445,048	(6,873)	-	-	-	438,175
Others	1,551,481	1,090,881	-	-	19,859	2,662,221
Loss carryforwards	995,507	-	-	-	-	995,507
Tax credits carried forward	-	209,531	-	-	40,450	249,981
	<u>₩ (6,480,046)</u>	<u>₩ 230,459</u>	<u>₩ 214,171</u>	<u>₩ (374,207)</u>	<u>₩ (81,969)</u>	<u>₩ (6,491,592)</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

¹ The Group did not recognize deferred tax assets for temporary differences associated with investments in subsidiaries, 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	₩ 23,741,294	₩ 24,121,537
Deferred tax assets to be recovered within 12 months	2,196,327	2,258,765
	<u>25,937,621</u>	<u>26,380,302</u>
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	(22,510,220)	(31,230,920)
Deferred tax liabilities to be recovered within 12 months	(453,311)	(1,640,974)
	<u>(22,963,531)</u>	<u>(32,871,894)</u>
Deferred tax liabilities, net	₩ <u>2,974,090</u>	₩ <u>(6,491,592)</u>

36. Earnings per Share

(a) Basic earnings per share

Details of the calculation of basic earnings per share 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 of the Parent Company	₩ 49,858,499,792	₩ 55,860,311,090
Weighted average number of ordinary shares outstanding	10,100,898	10,341,410
Basic earnings per share	₩ <u>4,936</u>	₩ <u>5,402</u>

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(b) Diluted earnings per share

Diluted earnings per share 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 used to determine diluted earnings per share	₩ 47,246,768,273	₩ 55,860,311,090
Weighted average shares for diluted earnings per share	10,159,948	10,341,410
Diluted earnings per share	₩ 4,650	₩ 5,402

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
Profit attributable to ordinary shares	₩ 49,858,499,792	₩ 55,860,311,090
Add		
Interest expense and others	(2,611,731,519)	-
Diluted basic earnings per share	<u>₩ 47,246,768,273</u>	<u>₩ 55,860,311,090</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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37. Cash Flows

(a) Cash generated from operations

<i>(in thousands of Korean won)</i>	2025		2024	
Profit	₩	77,237,204	₩	87,845,843
Adjustments for:				
Interest expense		13,670,764		10,373,571
Loss on foreign currency translation		807,586		66,025
Post-employment benefits (defined benefit plan)		6,690,991		6,385,225
Depreciation		50,662,047		41,940,921
Loss on disposal of property, plant and equipment		412,294		263,289
Amortization		806,905		529,977
Impairment loss on intangible assets		2,088,351		1,141,939
Share-based payment expenses		7,296,845		2,022,439
Bad debt expenses		1,511,085		336,405
Income tax expense		13,872,925		25,337,804
Interest income		(4,094,078)		(5,302,986)
Gain on foreign currency translation		(660,341)		(2,646,026)
Loss on valuation of inventories		(666,343)		3,048,760
Gain on disposal of property, plant and equipment		(1,394,707)		(280,153)
Gain on disposal of equity method investments		(1,054,483)		-
Gain on valuation of financial assets at fair value through profit or loss		(3,052,775)		(1,500,470)
Loss on disposal of financial assets at fair value through profit or loss		4,801,457		33,350
Loss on valuation of financial assets at fair value through profit or loss		166,505		2,409,418
Gain on valuation of derivatives		(2,015,900)		-
Gain on disposal of derivatives		-		(1,661,786)
Loss on valuation of derivatives		6,061,190		1,162,725
Loss of joint ventures accounted for using equity method		3,995,242		587,537
Others		1,928,233		2,536,887
Changes in assets and liabilities due to operating activities:				
Trade receivables		(19,762,188)		(27,556,933)
Other receivables		3,277,158		799,342
Other current assets		(26,269,313)		(9,553,250)
Other non-current assets		45,158		(288,564)
Inventories		(13,322,637)		(11,951,412)
Trade payables		(2,451,897)		11,618,006
Other payables		(25,876,566)		(5,710,107)

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Other current liabilities	(5,302,471)	5,767,951
Benefit payments	(1,920,344)	(2,095,609)
Transfer from affiliates	22,428	150,314
Contribution to plan assets	(2,100,000)	(5,500,000)
Cash generated from operations	₩ 85,410,325	₩ 130,310,432

(b) Significant transactions not affecting cash flows

<i>(in thousands of Korean won)</i>	2025	2024
Reclassification of current portion of accrued expenses for share-based payments	1,266,329	-
Increase in equity method investments due to changes in equity of associates	1,656,648	-
Reclassification of current portion of long-term borrowings	6,211,173	1,780,730
Transfer of construction-in-process to property, plant and equipment	59,464,945	14,169,576
Capitalization of borrowing costs to property, plant and equipment	5,690,485	-
Reclassification of current portion of long-term loans	1,206,708	932,614
Reclassification of non-trade payables related to acquisition of property, plant and equipment and intangible assets	25,220,697	(2,587,535)
Acquisition of right-of-use assets	4,807,658	3,453,809
Transfer of government grants	(3,164,863)	-
Receipt of government grants	-	59,405
Business combination	-	5,657,195

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(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
			Transfer and others	Changes in foreign exchange rates	
Short-term borrowings	₩ 126,861,414	₩ 67,568,924	₩ (2,462,484)	₩ 712,056	₩ 192,679,910
Long-term borrowings	112,714,880	175,978,693	671,412	954,898	290,319,883
Current portion of long-term borrowings	4,410,000	(4,266,660)	6,142,232	(74,399)	6,211,173
Debenture	19,935,126	-	(19,935,126)	-	-
Convertible bonds	16,301,193	-	2,963,093	-	19,264,286
Lease liabilities	7,392,608	(3,582,497)	11,024,861	183,256	15,018,228
Leasehold deposits received	530,380	(4,130)	-	-	526,250
Government grants	13,992	-	509,768	-	523,760
	<u>₩ 288,159,593</u>	<u>₩ 235,694,330</u>	<u>₩ (1,086,244)</u>	<u>₩ 1,775,811</u>	<u>₩ 524,543,490</u>

*(in thousands of
Korean won)*

	2024				
	Beginning balance	Cash flows	Non-cash changes		Ending balance
			Transfer and others	Changes in foreign exchange rates	
Short-term borrowings	₩ 82,688,650	₩ 39,544,285	₩ -	₩ 4,628,479	₩ 126,861,414
Long-term borrowings	123,319,880	(11,342,110)	(2,697,670)	3,434,780	112,714,880
Current portion of long-term borrowings	7,666,640	(6,947,370)	3,372,670	318,060	4,410,000
Debenture	-	29,531,250	(9,596,124)	-	19,935,126
Convertible bonds	-	30,000,000	(13,698,807)	-	16,301,193
Lease liabilities	6,335,563	(2,946,785)	3,562,556	441,274	7,392,608
Leasehold deposits received	337,790	192,590	-	-	530,380
Government grants	36,551	-	(22,559)	-	13,992
	<u>₩ 220,385,074</u>	<u>₩ 78,031,860</u>	<u>₩ (19,079,934)</u>	<u>₩ 8,822,593</u>	<u>₩ 288,159,593</u>

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38. Contingent Liabilities and Commitments

Payment guarantees provided by others

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

<i>(in thousands of Korean won)</i>	Guaranteed amount	Guaranteed by	Remarks
Seoul guarantee insurance company	₩ 400,000	Pyeongtaek Customs Co.	Guarantees for comprehensive customs
Seoul guarantee insurance company	76,500	Samchully Co., Ltd	Guarantees for payments of city gas usage and others
Seoul guarantee insurance company	477,500	Anseong-si, Gyeonggi-do	Guarantees for deposits for authorization of urban planning facilities project and safety management deposit for construction
Seoul guarantee insurance company	174,466	KOREA ELECTRIC POWER CORPORATION	Guarantees for payments of electricity usage
Seoul guarantee insurance company	41,000	KOREA ENERGY AGENCY	Payment guarantee for the return of agreement of subsidy for national support business
Seoul guarantee insurance company	11,822,808	Gangneung-si, Gangwon-do	Guarantees for deposits for obtaining permission for development activities under National Land Planning And Utilization Act and payment guarantee for the return of agreement of subsidy for national support business

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

*(in thousands of Korean won and
in US dollars, Taiwan dollar and
Chinese yuan)*

	Commitments	Limit amount	Amount used
Kookmin Bank	Loans for operating funds	₩ 45,000,000	₩ 45,000,000
	Loans for operating funds	CNY 20,000,000	CNY 10,036
	Loans for facility funds	₩ 40,000,000	₩ 40,000,000
	Loans for facility funds	CNY 34,000,000	CNY 9,413,288
Shinhan Bank	Loans for operating funds	₩ 31,000,000	₩ 31,000,000
	Loans for operating funds	CNY 50,000,000	CNY 48,723,649
Citibank Korea Inc.	Loans for operating funds	USD 55,400,000	USD 41,124,691
	Loans for operating funds	USD 25,000,000	TWD 557,000,000
China Merchants Bank Co Ltd E-SUN	Loans for operating funds	CNY 100,000,000	CNY 60,500,000
	Loans for operating funds	TWD 448,000,000	TWD 448,000,000
	Loans for facility funds	TWD 250,000,000	TWD 50,000,000
CTBC Bank	Loans for operating funds	TWD 250,000,000	TWD -
KDB	Loans for operating funds	₩ 10,000,000	₩ 10,000,000
	Loans for facility funds	₩ 141,000,000	₩ 99,000,000
	Loans for facility funds	USD 45,000,000	USD 42,000,000
Woori Bank	Loans for operating funds	₩ 19,000,000	₩ 19,000,000
Industrial and Commercial Bank of China	Loans for operating funds	CNY 80,000,000	CNY 59,890,000
	Loans for facility funds	CNY 19,376,000	CNY 19,011,000
INDUSTRIAL BANK OF KOREA	Loans for operating funds	USD 1,750,000	USD 1,750,000
	Loans for operating funds	₩ 20,000,000	₩ 20,000,000
The Export-Import Bank of Korea	Loans for operating funds	CNY 3,000,000	CNY 3,000,000
CHINA CITIC BANK	Loans for operating funds		

KoMiCo Technology Inc., a subsidiary, has entered into an economic development incentive agreement to receive subsidies from Texas, USA, if it meets conditions for generating new investments and creating new jobs. In 2023, the Group fulfilled the conditions of new investments and job creation, and received subsidies of USD 250,000 during the year ended December 31, 2025.

To enhance employee welfare and promote company loyalty, the Group operates an employee share ownership plan. Under this plan, the Group 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 Group decides to sell its shares of MiCoCeramics Ltd., the subsidiary held by the Parent Company, the acquirer of convertible bonds of MiCoCeramics Ltd. possesses the tag-along rights, permitting them to sell all or part of the convertible bonds under the same sales conditions.

As at December 31, 2025, there are no significant pending lawsuits.

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Details of the agreement with government agency in relation to government grants as at December 31, 2025, are as follows:

<i>(in thousands of Korean won)</i>	Assets with restricted ownership	Subsidies received	Details of subsidies
Gangneung-si, Gangwon-do	Land, building	₩ 3,892,862	Local investment promotion subsidy ¹
Gangneung-si, Gangwon-do	Machinery	10,634,400	Local investment promotion subsidy ²

¹ The Group received the subsidy of ₩ 3,892,862 thousand from Gangneung-si, Gangwon-do as a part of the facility investment for Gangneung Plant No. 2. The government grant is presented as a deduction from the machinery of Gangneung Plant No. 2., and the balance of the government grant is nil after offsetting depreciation of the machinery at the end of the reporting period.

The Group has obligations to comply with the following conditions in relation to the local investment promotion subsidy received from Gangneung-si:

- Compliance with project execution period: The Group shall operate the business submitted at the time of subsidy application for five years from the date the investing company filed for settlement (March 1, 2020 ~ February 28, 2025).
- Investment and employment obligations: The Group shall achieve the investment plan and employment target by the investment completion date of December 31, 2019, and maintain the number of full-time employees during the project execution period.
- Restrictions on disposal of land and others: The Group shall not use, transfer, exchange, lease or pledge the assets acquired with the subsidy for purposes that contravene the purpose of the subsidy without the approval of the Minister of Trade, Industry and Energy during the project execution period.

² The Group received the subsidy of ₩ 10,634,400 thousand from Gangneung-si, Gangwon-do as a part of the facility investment for Gangneung Plant No. 4. The government grant is presented as a deduction from the building and machinery of Gangneung Plant No. 4., and the balance of the government grant at the end of the reporting period is ₩ 10,244,858 thousand.

- Compliance with project execution period: The Group shall operate the business submitted at the time of subsidy application for five years from the date the investing company filed for settlement (May 7, 2027 ~ May 6, 2032).
- Investment and employment obligations: The Group shall achieve the investment plan and employment target by the investment completion date of May 6, 2027, and maintain the number of full-time employees during the project execution period.
- Restrictions on disposal of land and others: The Group shall not use, transfer, exchange, lease or pledge the assets acquired with the subsidy for purposes that contravene the purpose of the subsidy without the approval of the Minister of Trade, Industry and Energy during the project execution period.

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39. Related Party Transaction

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

Type	2025	2024	Remark
Parent Company	MiCo Ltd.	MiCo Ltd.	-
Joint venture	- ¹	Hubei Ziniu Meike Technology Co., Ltd.	Newly included in a subsidiary of the Group
	AIMS KOSDAQ Venture Private Equity Fund I ²	-	Newly included in a joint venture of the Group
Associate	- ³	CMTX Co., Ltd. (formerly, COMA Technology Co., Ltd.)	An associate of the Group
	MW PGS New Technology Investment Fund 2nd ⁴	-	An associate of the Group
Other related parties	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. ⁵	-	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. ⁶	-	Newly included in a subsidiary of the Parent Company
	PLANTEC Holdings Co., Ltd. ⁷	-	Newly included in a subsidiary of the Parent Company
	PLANTEC Co., Ltd. ⁷	-	Newly included in a subsidiary of the Parent Company
	POSCO Plantec Thailand Co., Ltd. ⁷	-	Newly included in a subsidiary of the Parent Company
	Green Power First Co., Ltd. ⁷	-	Newly included in a subsidiary of the Parent Company
	New and Renewable NH Ninth Co., Ltd. ⁷	-	Newly included in a subsidiary of the Parent Company
	Eco Innovation Co., Ltd.	Eco Innovation Co., Ltd.	A subsidiary of the Parent Company
	Yangju Trading Green Energy No.1 Inc ⁸	-	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

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Type	2025	2024	Remark
	Yantai Hyundai Heavy Industries (Penglai) Co., Ltd.	Yantai Hyundai Heavy Industries (Penglai) Co., Ltd.	A subsidiary of the Parent Company
	Pentastone III Investment Funds ⁸	-	Newly included in a subsidiary of the Parent Company
	QuantaMatrix Inc. ⁸	-	Newly included in an associate of the Parent Company
	Namyangju Green Engergy No.2 Co., Ltd.	Namyangju Green Engergy No.2 Co., Ltd.	An associate of the Parent Company
	AIMS Bio Frontier Private Fund I ⁹	-	Newly included in a joint venture 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 ¹⁰	-	Newly included in an associate of the Parent Company
	AI N M NET LTD.	AI N M NET LTD.	An entity controlled by key executives of the Parent Company
	- ¹²	AICCESS Co., Ltd.	The subsidiary of an entity controlled by key executives of the Parent Company
	AI N M Net No.1 Ltd. ¹¹	-	The subsidiary of an entity controlled by key executives of the Parent Company
	AICCESS Co., Ltd. ¹²	ITFACT Inc.	Merged into AICCESS Co., Ltd.
	MICOBIO MED USA, Inc	MICOBIO MED USA, Inc	The subsidiary of an entity controlled by key executives of the Parent Company
	MICO INTERNATIONAL BRAZIL EMPREENDIMENTOS E PARTICIPACOES LTDA	MICO INTERNATIONAL BRAZIL EMPREENDIMENTOS E PARTICIPACOES LTDA	The subsidiary of an entity controlled by key executives of the Parent Company
	PT. MICO BIOMED INDONESIA ¹¹	PT. MICO BIOMED INDONESIA	The subsidiary of an entity controlled by key executives of the Parent Company
	Mico Biomed do Brasil Ltda	Mico Biomed do Brasil Ltda	The subsidiary of an entity controlled by key executives of the Parent Company
	MICo NTH Investment LLC	MICo NTH Investment LLC	The subsidiary of an entity controlled by key executives of the Parent Company

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Type	2025	2024	Remark
	New Target Health, Inc.	New Target Health, Inc.	The subsidiary of an entity controlled by key executives of the Parent Company
	MiCo India Private Limited ¹¹	-	The subsidiary of an entity controlled by key executives of the Parent Company
	AIMS ASSET MANAGEMENT CO., LTD.	AIMS ASSET MANAGEMENT CO., LTD.	An entity controlled by key executives of the Parent Company
	Qingdao Guimeke Materials Technology Co., Ltd.	-	An entity controlled by key executives of the Parent Company

¹ KoMiCo Technology (Wuxi) Ltd., a subsidiary of the Group, acquired the remaining 51% of shares of Hubei Ziniu Meike Technology Co., Ltd. on December 12, 2025. Subsequently, the entity was renamed to KoMiCo Technology (Huanggang) Ltd. and classified as a subsidiary.

² The Group invested 66.67% in AIMS KOSDAQ Venture Private Equity Fund I. As unanimous consent of all beneficiaries is required to change the trustee, it was classified as a joint venture.

³ Although MiCoCeramics Ltd., a subsidiary, holds less than 20% of the equity shares of CMTX Co., Ltd. (formerly, COMA Technology Co., Ltd.) as at December 31, 2024, it is judged to have significant influence as the entity has a right to designate board members. Therefore, CMTX Co., Ltd. was included in related parties. As it is not feasible to substantively access the profits linked to the shares, it was classified as a financial asset measured at fair value through profit or loss. Meanwhile, during the current year, MiCoCeramics Ltd., a subsidiary, exercised the conversion rights and converted the redeemable convertible preferred shares into ordinary shares, and as the right to designate board members was terminated, CMTX Co., Ltd. was excluded from related parties (Note 9).

⁴ AIMS Equity-mixed General Private Investment Trust No. 1, a subsidiary of the Group, acquired 39.99% of shares of MW PGS New Technology Investment Fund 2nd on May 21, 2025. As the Group is judged to have significant influence, it was included in associates.

⁵ MiCo Ltd., the Parent Company, acquired 100% of shares of Ricom Co., Ltd. in October 2025, and Ricom Co., Ltd. has been included

⁶ MiCo Ltd., the Parent Company, acquired 56.19% of shares of Buttle Information Systems Co., Ltd. in December 2025, and Buttle Information Systems Co., Ltd. has been included as a subsidiary. Its subsidiary, Buttle Information Systems Vietnam Co., Ltd., has also been included as a subsidiary.

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⁷ During the current year, MiCo Ltd., the Parent Company, acquired 100% of shares of Plantec Holdings Co., Ltd., and Plantec Holdings Co., Ltd. has been included as a subsidiary. Its subsidiary, Plantec Co., Ltd., and its sub-subsidiaries, POSCO Plantec Thailand Co., Ltd., Green Power First LLC and Shinjaesaeng NH 9th LLC, have also

⁸ MiCo Ltd., the Parent Company, acquired shares of Yangju Green Energy No. 1 Co., Ltd. in May 2025 and Pentastone No. 3 New Technology Investment Association in December 2025, and they have been included as subsidiaries.

⁹ MiCo Ltd., the Parent Company, invested 99.96% in AIMS Bio Frontier General Private Investment Trust No. 1 in August 2025, and it has been newly included as a joint venture of the Parent Company.

¹⁰ MiCo Ltd., the Parent Company, acquired 24% of shares of DAYLI PARTNERS Fountainhead Blind Fund No. 1 in January 2025 and 24.92% of shares of Petra Private Equity Fund in December 2025, and they have been included as associates.

¹¹ AI N M NET LTD., an entity controlled by key executives of the Parent Company, acquired shares of AI N M NET First Co., Ltd. and MiCo India Private Limited in August 2025, and they have been included in related parties.

¹² During the current year, AICCESS Co., Ltd. and ITFACT Inc. were merged. AICCESS Co., Ltd. was dissolved, and ITFACT Inc. changed its name to AICCESS Co., Ltd.

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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	Acquisition of shares	Other income	Other expense	Acquisition of right-of-use asset		
Parent Company	MiCo Ltd.	₩ 6,797,815	₩ 48,238,450	₩ -	₩ -	₩ -	₩ 912,603	₩ 5,780,653	₩ 557,941		
Joint venture	Hubei Ziniu Meike Technology Co., Ltd. ¹	1,055,519	-	-	-	-	465,012	-	-		
Other related parties	CMTX Co., Ltd. ²	120	13,790	-	-	-	-	-	-		
	MiCoPower Ltd.	-	-	200,000	-	-	3,271,634	113,968	-		
	Micohightech	-	44,789	9,752,000	-	-	-	319,644	-		
	AICCESS Co., Ltd.	-	-	3,495,630	-	-	16,366	2,405,214	-		
	New Target Health, Inc.	-	-	-	-	-	219,098	100,684	-		
	AI N M NET LTD. (formerly, MiCo Networks Co., Ltd.)	-	-	18,765,796	-	-	-	-	-		
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD	-	-	484,480	-	-	-	840	-		
	AIMS ASSET MANAGEMENT CO., LTD.	-	-	-	-	-	-	19,953	-		
		₩ 7,853,454	₩ 48,297,029	₩ 32,697,906	₩ -	₩ -	₩ 4,884,713	₩ 8,740,956	₩ 557,941		

¹ Hubei Ziniu Meike Technology Co., Ltd. was reclassified from a joint venture to a subsidiary as of the deemed acquisition date of December 31, 2025; accordingly, the transaction details presented are for the period up to December 2025.

² CMTX Co., Ltd. was excluded from related parties on May 30, 2025; accordingly, the transaction details presented are for the period up to May 30, 2025.

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(in thousands of Korean won)

		2024									
Type	Name of entity	Sales	Purchase	Acquisition of assets	Disposal of assets	Acquisition of shares	Other income	Other expense	Acquisition of right-of-use asset		
Parent Company	MiCo Ltd.	₩ 6,309,602	₩ 42,064,766	₩ -	₩ 105,000	₩ -	₩ 1,662,703	₩ 3,564,965	₩ 119,211		
Joint venture	Hubei Ziniu Meike Technology Co., Ltd.	1,849,303	-	-	-	5,080,075	786,944	-	-		
Other related parties	CMTX Co., Ltd. (formerly, COMA Technology Co., Ltd.)	900	435,480	-	-	-	-	-	-		
	MiCoPower Ltd.	-	-	5,000,000	-	-	1,514,442	25,163	-		
	Micohightech	-	27,565	12,114,000	-	-	1,440	319,154	-		
	AICCESS Co., Ltd.	-	-	4,532,704	-	-	-	2,678	-		
	New Target Health, Inc.	-	-	-	-	-	77,853	-	-		
	AI N M NET LTD. (formerly, MiCo Networks Co., Ltd.)	-	-	3,225,635	-	-	-	-	-		
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD	-	-	129,973	-	-	828	-	-		
		₩ 8,159,805	₩ 42,527,811	₩ 25,002,312	₩ 105,000	₩ 5,080,075	₩ 4,044,210	₩ 3,911,960	₩ 119,211		

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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	Other payables	Lease liabilities
Parent Company	MiCo Ltd.	₩ 380,960	₩ 15,260,313	₩ 4,974,763	₩ 943,591	₩ 249,850
Joint venture	AIMS KOSDAQ Venture Private Equity Fund I	-	326,500	-	-	-
Other related parties	MiCoPower Ltd.	-	185,020	-	614,418	-
	Micohightech	-	-	2,241	8,363	-
	New Target Health, Inc.	-	7,375,772	-	-	-
	AICES Co., Ltd.	-	638	-	836,915	-
	AIMS ASSET MANAGEMENT CO., LTD.	-	-	-	9,976	-
		<u>₩ 380,960</u>	<u>₩ 23,148,243</u>	<u>₩ 4,977,004</u>	<u>₩ 2,413,263</u>	<u>₩ 249,850</u>

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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)

Type	Name of entity	2024				
		Receivables		Payables		
		Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities
Parent Company	MiCo Ltd.	₩ 510,845	₩ 968,047	₩ 2,218,180	₩ 2,743,838	₩ 49,654
Joint venture	Hubei Ziniu Meike Technology Co., Ltd.	1,849,076	887,376	-	-	-
Associate	CMTX Co., Ltd. (formerly, COMA Technology Co., Ltd.)	-	-	-	9,020	-
Other related parties	MiCoPower Ltd.	-	132,047	-	3,254,580	-
	Micohightech	-	1,541	-	37,255	-
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO., LTD	-	886	-	-	-
	New Target Health, Inc.	-	83,904	-	-	-
	AI N M NET LTD. (formerly, MiCo Networks Co., Ltd.)	-	-	-	428,755	-
		<u>₩ 2,359,921</u>	<u>₩ 2,073,801</u>	<u>₩ 2,218,180</u>	<u>₩ 6,473,448</u>	<u>₩ 49,654</u>

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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	Loan	Collection/ Repayment	Valuation/ Amortization	Exchange rate changes	Ending
Parent Company	MiCo Ltd.	Financial assets at fair value through profit or loss ¹	₩ 23,849,138	₩ -	₩ -	₩ (8,866,726)	₩ 470,275	₩ -	₩ 15,452,687
	MiCo Ltd.	Short-term loans	-	-	17,500,000	(3,000,000)	-	-	14,500,000
Joint venture	AIMS KOSDAQ Venture Private Equity Fund I	Investments in joint ventures	-	5,000,000	-	-	-	-	5,000,000
Associate	CMTX Co., Ltd.	Financial assets at fair value through profit or loss ²	32,404,264	-	-	-	(32,404,264)	-	-
Other related parties	New Target Health, Inc.	Short-term loans	2,940,000	-	4,324,200	-	-	(89,700)	7,174,500
	Qingdao Guimeke Materials Technology Co., Ltd.	Short-term loans	-	-	9,703,350	(9,703,350)	-	-	-
			<u>₩ 59,193,402</u>	<u>₩ 5,000,000</u>	<u>₩ 31,527,550</u>	<u>₩ (21,570,076)</u>	<u>₩ (31,933,989)</u>	<u>₩ (89,700)</u>	<u>₩ 42,127,187</u>

¹ On January 15, 2025, the Group exercised the conversion rights of the 14th exchangeable bonds to acquire 250,410 ordinary shares of MiCoCeramics Ltd., a subsidiary.

² On July 10, 2025, the right to payment in kind on bonds issued by the subsidiary MiCo Ceramics Ltd. was exercised, and the Group settled the obligation through payment in kind using shares of CMTX Co., Ltd. held by the Group.

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			2024						
			Loan (borrowing) transactions						
Type	Name of entity	Line item	Beginning	Loan/ Borrowing	Collection/ Repayment	Valuation/ Amortization	Exchange rate changes	Ending	
Parent Company	MiCo Ltd.	Financial assets at fair value through profit or loss ¹	₩ 28,770,373	₩ -	₩ (5,793,818)	₩ 872,582	₩ -	₩ 23,849,138	
	MiCo Ltd.	Financial liabilities at fair value through profit or loss ¹	(5,085,687)	-	5,316,601	(230,914)	-	-	
Associate	CMTX Co., Ltd. (formerly, COMA Technology Co., Ltd.)	Financial assets at fair value through profit or loss	34,185,794	-	-	(1,781,530)	-	32,404,264	
Other related parties	MiCo BioMed Co., Ltd.	Short-term loans	252,860	-	(252,860)	-	-	-	
	New Target Health, Inc.	Short-term loans	-	2,708,800	-	-	231,200	2,940,000	
			<u>₩ 58,123,340</u>	<u>₩ 2,708,800</u>	<u>₩ (730,077)</u>	<u>₩ (1,139,862)</u>	<u>₩ 231,200</u>	<u>₩ 59,193,402</u>	

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¹ During the year ended December 31, 2024, part of the option held by the issuer of the exchangeable bonds, with a par value of ₩ 6,000 million, was exercised. Consequently, the Group disposed of the exchangeable bonds and derecognized the related derivative liability associated with the option (Notes 7, 10 and 20). Additionally, part of the option expired due to the end of the exercise period and the Group derecognized the derivative liability (Notes 7 and 20). Meanwhile, the Group notified to MiCo Ltd., the Parent Company, not to exercise the early redemption right of the exchangeable bonds until June 30, 2025.

During the year ended December 31, 2025, the Group paid dividends amounting to ₩ 5,134,026 thousand (2024: ₩ 2,137,080 thousand) to MiCo Ltd., the Parent Company. A dividend in respect of the year ended December 31, 2024, amounting to ₩ 15,854,330 thousand was paid in April 2025.

The Group acquired lower electrode division operated by MiCo Ltd., the Parent Company. A consideration paid of ₩ 6,384,511 thousand was made in cash as part of the acquisition.

With respect to 300,000 shares of stock warrants of MiCoCeramics Ltd. that can be exercised against the Group by MiCo Ltd., the Parent Company, the Group recognized the stock warrants as non-controlling interests as at the end of the prior period. During the current period, the Group acquired all of the stock warrants from the Parent Company and recognized the entire amount as a debit to other capital adjustments.

The Group terminated the lease contract with deposits of ₩ 79,700 thousand with MiCo Ltd., the Parent Company, during the year ended December 31, 2024.

On December 31, 2025 (deemed acquisition date), the Group acquired a 51% ownership interest in Qingdao Kaimeng Meike Technology Co., Ltd. from Qingdao Guimuke New Materials Technology Co., Ltd. and recognized Qingdao Kaimeng Meike Technology Co., Ltd. as a subsidiary.

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

<i>(in thousands of Korean won)</i>	2025	2024
Long and short-term employee benefits	₩ 5,478,952	₩ 5,595,268
Post-employment benefits	278,136	298,004
Share-based payments	2,103,337	582,604
	<u>₩ 7,860,425</u>	<u>₩ 6,475,876</u>

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

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40. Reporting by Segment

The Group management who makes strategic decisions has determined the operating segments. As at December 31, 2025 and 2024, the Group is a single segment, and the information by segment at the company-wide level is as follows.

Information about revenue

<i>(in thousands of Korean won)</i>	2025	2024
Revenue		
Parts	302,673,339	248,209,873
Cleaning	131,633,766	107,312,130
Coating	169,803,012	151,616,641
	<u>₩ 604,110,117</u>	<u>₩ 507,138,644</u>
Timing of revenue recognition:		
at a point in time.	₩ 302,985,803	₩ 248,369,451
over time	301,124,314	258,769,193
	<u>₩ 604,110,117</u>	<u>₩ 507,138,644</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>	Revenue	
	2025	2024
South Korea	₩ 257,484,264	₩ 228,515,047
Asia	289,643,881	222,253,309
Europe	3,959,461	414,972
USA	53,022,511	55,946,336
Other countries	-	8,980
	<u>₩ 604,110,117</u>	<u>₩ 507,138,644</u>

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Information about key customers

Details of external customers, who contribute more than 10% of the Group'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	
A company ¹	₩ 131,076,834	₩ 125,131,331	Coating, Cleaning and others
B company ¹	83,578,125	76,081,330	Coating, Cleaning and others

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

41. Business Combination

Business combination during the current year

During the current year, the Group acquired 100% of shares of KoMiCo Technology (Huanggang) Limited and Qingdao Kaimeng Meike Technology to strengthen competitiveness in semiconductor cleaning and coating business. The fair value of identifiable assets and liabilities as at acquisition date, is as follows:

<i>(in thousands of Korean won)</i>	KoMiCo Technology (Huanggang) Limited		Qingdao Kaimeng Meike Technology	
Consideration transferred (Cash)	₩	8,156,732	₩	19,588,164
	₩	<u>8,156,732</u>	₩	<u>19,588,164</u>
Cash and cash equivalents		513,583		5,411,149
Trade and other receivables		1,020,249		2,978,350
Property, plant, equipment and intangible assets		6,509,574		30,130,270
Other assets		5,424,748		9,365
Trade and other payables		<u>(6,475,622)</u>		<u>(19,865,045)</u>
Fair value of identifiable net assets	₩	<u>6,992,532</u>	₩	<u>18,664,089</u>
Goodwill ¹		1,164,200		924,075

¹ Due to deterioration of the acquirees' business performance subsequent to the acquisition, the entire goodwill amounting to ₩2,088 million was recognized as impairment loss as at December 31, 2025 (Note 16).

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Business combination during the prior year

On January 1, 2024, as a deemed acquisition date, MiCoCeramics Ltd., a subsidiary of the Group, acquired 40,000 ordinary shares of CERATECH CO., LTD.¹ (percentage of ownership: 100%), and included CERATECH CO., LTD. in a subsidiary.

The fair value of identifiable assets and liabilities as at acquisition date, is as follows:

<i>(in thousands of Korean won)</i>	Amount
Consideration transferred (Cash)	₩ 4,500,000
	<u>₩ 4,500,000</u>
Cash and cash equivalents	60,412
Trade and other receivables	405,053
Property, plant, equipment and intangible assets	3,133,551
Other assets	5,255
Trade and other payables	<u>(1,157,195)</u>
Fair value of identifiable net assets	₩ 2,447,076
Goodwill ¹	2,052,924

¹ For impairment test for goodwill, recoverable amounts were estimated, and impairment losses were recognized accordingly for the year ended December 31, 2024 (Note 16).

Meanwhile, on June 26, 2024, MiCoCeramics Ltd., a subsidiary of the Group, merged with CERATECH CO., LTD.

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42. Business Combination of Entities under a Common Control

On July 1, 2024, as a deemed acquisition date, The Group acquired lower electrode division operated by MiCo Ltd.

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 ultimate parent company. The difference between the consideration paid and the carrying amount was recognized as other reserves (Note 27).

(in thousands of Korean won)

2024

Consideration transferred		
Cash and cash equivalents	₩	6,384,511
		<u>6,384,511</u>
Identifiable assets and liabilities at the acquisition date		
Trade receivables		714,141
Other receivables		478,977
Inventories		616,895
Property, plant and equipment		27
Intangible assets		1
Deferred tax assets		31,249
		<u>1,841,290</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		<u>1,342,616</u>
Consolidated reserves	₩	<u>(5,041,895)</u>

Meanwhile, the Group paid ₩ 48 million in advisory fees and others in relation to this business combination and recognized as consolidated reserves.

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43. Changes in Korean IFRS 1001'Presentation of Financial Statements'

The Group changed its revenue classification criteria to better reflect the substance of its business operations, transitioning from the previous presentation by product/merchandise sales to a presentation by business segment. The changes in the comparative consolidated statement of comprehensive income for the year ended December 31, 2025 are as follows:

<i>(in thousands of Korean won)</i>	2024	
	Before reclassification	After reclassification
Revenue	₩ -	₩ 507,138,644
Revenue of finished goods	468,753,180	-
Revenue of merchandises	38,385,464	-
Cost of sales	₩ -	₩ 272,328,835
Cost of sales of finished goods	242,473,487	-
Cost of sales of merchandises	29,855,348	-

44. Events After the Reporting Period

Resolution to dispose of treasury shares

On January 15, 2026, the Board of Directors of the Group resolved to dispose of 3,270 treasury shares to fulfill the share delivery obligations under the 3rd RSU grant agreement for grantees who satisfied the vesting conditions.

Short-term borrowings

On February 13, 2026, the Board of Directors of the Group resolved to borrow short-term loans amounting to ₩10,000 million from Kookmin Bank, and the borrowing was executed on February 27, 2026.

Acquisition of new investment assets

On February 13, 2026, the Board of Directors of the Group resolved to invest ₩5,330 million in MW Aims New Technology Investment Partnership No. 1.

Establishment of a new subsidiary in Czech Republic by KoMiCo Technology Taiwan Ltd.

KoMiCo Technology Taiwan Ltd., a subsidiary of the Group, established a new corporation in Zatec, Czech Republic, on February 26, 2026, and paid in 30% of the registered capital amounting to CZK 6.01 million.