



# mPLUS 22<sup>nd</sup> Business Report

2024.01.01 - 2024.12.31



# INDEX

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01. Business Report

1. Company Overview

(1) Business Objectives

- Manufacturing and sales of automation equipment
  - Manufacturing and sales of rechargeable batteries
  - Sales of battery-related products and materials
  - Manufacturing and sales of industrial components
  - Sales of glass
  - Manufacturing and sales of medical devices
  - Distribution of medical devices
  - Research and development activities
  - Manufacturing and sales of vacuum equipment
  - Manufacturing and sales of composite materials
- Trading of goods related to the above businesses
  - Real estate leasing business
  - Solar power generation business
  - Investment in special purpose companies (SPCs)
  - Technology licensing and transfer business
  - Development and sales of automotive hardware and software
  - Manufacturing and sales of automotive parts
  - Primary steel manufacturing business
  - Other ancillary businesses related to the above

(2) Primary Business Focus

- Manufacturing equipment for rechargeable battery assembly

(3) Business Locations

Name	Main business or Products	Location
Headquarters & Plant 2	Rechargeable battery assembly equipment	27, Oksansandan-ro, Oksan-myeon, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do
Plant 1	Rechargeable battery assembly equipment	320, Osangaja-ro, Oksan-myeon, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do
Suwon Office	R&D Center	Venture Valley III, 142-10, 156-gil, Gwonseon-ro, Gwonseon-gu, Suwon-si, Gyeonggi-do

(4) Status of Employees

As of December 31, 2024

(Unit: persons, KRW in millions)

Number of Employees										External Workers		
Business	Gender	Employee					Avg. Years of Service	Annual Total Salary	Avg. Salary per Employee	Male	Female	Total
		Employees under Indefinite Contract		Employees under Fixed-term Contract		Total Employees						
		Total	(Part timer)	Total	(Part timer)							
Entire Company	M	308	-	7	-	315	4years 2months	20,337	64	-	-	-
Entire Company	F	45	-	11	1	56	2years 9months	2,338	42			
Total		353	-	18	1	371	3years 9months	22,674	61			

\* Excluding registered directors

## 01. Business Report

### (5) Shareholder Information

#### 1) Share Capital Structure

Unit: Shares, KRW in thousands

Class of Shares	Authorized Shares	Outstanding Shares	Par Value	Paid-in Capital	Ownership (%)
Registered Common Shares	100,000,000	12,282,402	500 KRW	6,141,201	100%

#### 2) Changes in Share Capital

Unit: Shares, KRW in thousands

Date	Share Class	Shares Issued	Capital Increase	Total Paid-in Capital	Description
2020.01.16	Common	20,000	10,000	2,583,857	Stock option exercise
2020.02.18	Common	8,000	4,000	2,587,857	Stock option exercise
2020.03.11	Common	4,000	2,000	2,589,857	Stock option exercise
2020.05.18	Common	4,000	2,000	2,591,857	Stock option exercise
2020.08.18	Common	81,198	40,599	2,632,456	Convertible bond conversion
2020.08.20	Common	4,000	2,000	2,634,456	Stock option exercise
2020.08.31	Common	95,528	47,764	2,682,220	Convertible bond conversion
2020.09.21	Common	71,646	35,823	2,718,043	Convertible bond conversion
2020.09.24	Common	5,364,088	2,682,044	5,400,087	Bonus issue
2020.09.25	Common	223,002	111,501	5,511,588	Convertible bond conversion
2020.09.29	Common	142,342	71,171	5,582,759	Convertible bond conversion
2020.10.06	Common	47,447	23,724	5,606,482	Convertible bond conversion
2020.12.24	Common	37,957	18,979	5,625,461	Convertible bond conversion
2021.01.18	Common	39,729	19,865	5,645,325	Stock option exercise
2021.01.19	Common	52,192	26,096	5,671,421	Convertible bond conversion
2021.01.25	Common	59,594	29,797	5,701,218	Stock option exercise
2021.11.01	Common	80,879	40,440	5,741,658	Convertible bond conversion
2022.01.06	Common	323,519	161,760	5,903,417	Convertible bond conversion
2022.01.10	Common	24,263	12,132	5,915,549	Convertible bond conversion
2022.01.28	Common	56,615	28,308	5,943,856	Convertible bond conversion
2022.02.10	Common	323,519	161,760	6,105,616	Convertible bond conversion
2022.08.23	Common	71,171	35,586	6,141,201	Convertible bond conversion

01. Business Report

3) Share Administration

Fiscal Year	December 31
Annual General Meeting Schedule	Annually, at Fiscal Year-End
Period for Exercising Shareholder Rights	As determined by resolution of the Board of Directors
Disclosure Methods	- Company website ( <a href="http://www.mplusi.co.kr">www.mplusi.co.kr</a> ) - The Korea Economic Daily
Transfer Agent	Korea Securities Depository
Special Rights for Shareholders	None

(6) Notes on Bonds

As of December 31, 2024

(Unit: KRW In millions, shares)

Bond Type	Series	Issuance Date	Maturity Date	Total Amount (Face Value)	Underlying Shares	Conversion Period	Conversion Condition		Outstanding Bonds	
							Conversion Ratio (%)	Conversion Price	Convertible Amount (Face Value)	Convertible Shares
Unsecured Private Convertible Bonds	Series 4	2024.10.11	2029.10.11	15,000	Registered Common Shares	2025.10.11 ~ 2029.09.11	100	10,656	15,000	1,407,657
Unsecured Private Convertible Bonds	Series 5	2024.10.11	2029.10.11	10,000	Registered Common Shares	2025.10.11 ~ 2029.09.11	100	10,656	10,000	938,438
Total	-	-	-	25,000	-	-	-	-	25,000	2,346,095

2. Business Overview and Performance

(1) Business Summary

In FY2024, mPLUS recorded revenue of KRW 128.7 billion, reflecting a 62% decrease from the previous year (KRW 340.1 billion). This significant decline was mainly attributable to the overall slowdown in the rechargeable battery market, which led to deferred investments and reduced demand in the downstream equipment sector. As a result of this contraction, operating profit decreased by 58% to KRW 10.1 billion, while net profit fell by 45% to KRW 11.0 billion compared to the previous fiscal year. Despite the challenging business environment, mPLUS responded proactively by leveraging accumulated technological expertise and productivity improvements, including raw material cost reductions. These efforts resulted in an operating margin of 7.8%, a modest increase compared to 7.0% in FY2023.

(2) Production Volume by Major Business Segment

(Unit: KRW in millions)

Segment	FY 2024 (22nd)	FY 2023 (21st)	FY 2022 (20th)
Rechargeable Battery Assembly Equipment	123,199	229,141	224,628

(3) Sales Performance

(Unit: KRW in millions)

Revenue Type		FY 2024 (22nd)	FY 2023 (21st)	FY 2022 (20th)
Product Sales	Export	75,667	295,996	103,529
	Domestic	7,556	11,942	1,245
Other (Non-product Sales)	Export	41,806	29,386	9,541
	Domestic	3,715	2,728	2,297
Total	Export	117,473	325,382	113,070
	Domestic	11,271	14,670	3,542
	Total	128,744	340,052	116,612

(4) Capital Expenditures and Facility Investment

No significant facility investments or capital expenditures were made during the fiscal year.

01. Business Report

3. Parent Company, Subsidiaries, and Affiliates

(1) Parent Company Status

Not applicable.

(2) Subsidiary Status

(Unit: KRW in thousands)

Subsidiaries				Equity Relationship	
Subsidiary Name	Country	Capital	Primary Business	Number of Shares Held	Ownership (%)
mPLUS Hungary Limited Liability Company	Hungary	12,144	Equipment installation, maintenance	-	100%
mPLUS-US Corporation	United States	115,890	Equipment installation, Maintenance	-	100%
mPLUS Sweden AB	Sweden	3,180	Equipment installation, maintenance	-	100%

4. Consolidated Financial Performance and Position

- Consolidated

(1) Summary of Consolidated Statements of Income

(Unit: KRW in millions)

	FY 2022 (20th)	FY 2023 (21st)	FY 2024 (22nd)
Revenue	116,612	340,052	128,744
Cost of Sales	112,670	299,765	103,857
Gross Profit	3,941	40,287	24,887
Selling and Administrative Expenses	13,031	16,071	14,795
Operating Profit (Loss)	(9,857)	23,880	10,091
Non-operating Income	8,784	9,242	12,320
Non-operating Expenses	19,908	9,445	9,792
Profit (Loss) Before Tax	(20,981)	23,677	12,619
Income Tax Benefit (Expense)	(5,751)	3,673	1,637
Net Income (Loss)	(15,229)	20,004	10,982

(2) Consolidated Summary of Financial Position

(Unit: KRW in millions)

	FY 2022 (20th)	FY 2023 (21st)	FY 2024 (22nd)
Current Assets	268,999	256,311	227,930
Non-current Assets	52,324	63,949	64,905
Total Assets	321,323	320,260	292,835
Current Liabilities	229,070	239,562	166,124
Non-current Liabilities	35,809	6,557	42,112
Total Liabilities	264,879	246,119	208,236
Capital Stock	6,141	6,141	6,141
Capital Surplus	28,292	26,272	27,140
Retained Earnings	22,011	41,728	51,318
Total Equity	56,444	74,141	84,599



01. Business Report

- Separated

(1) Summary of Separate Statements of Income

(Unit: KRW in millions)

	FY 2022 (20th)	FY 2023 (21st)	FY 2024 (22nd)
Revenue	116,612	339,991	128,362
Cost of Sales	112,670	301,379	105,601
Gross Profit	3,942	38,612	22,762
Selling and Administrative Expenses	13,199	14,714	13,603
Operating Profit (Loss)	(10,025)	23,562	9,158
Non-operating Income	8,783	9,234	12,319
Non-operating Expenses	19,900	9,339	9,743
Profit (Loss) Before Tax	(21,142)	23,457	11,734
Income Tax Benefit (Expense)	(5,767)	3,664	1,547
Net Income (Loss)	(15,375)	19,792	10,187

(2) Summary of Separate Statements of Financial Position

(Unit: KRW in millions)

	FY 2022 (20th)	FY 2023 (21st)	FY 2024 (22nd)
Current Assets	268,828	255,692	226,567
Non-current Assets	52,436	64,053	65,001
Total Assets	321,264	319,745	291,568
Current Liabilities	222,457	239,435	166,060
Non-current Liabilities	42,560	6,557	42,112
Total Liabilities	265,017	245,992	208,172
Capital Stock	6,141	6,141	6,141
Capital Surplus	28,295	26,295	27,143
Retained Earnings	21,811	41,317	50,111
Total Equity	56,247	73,753	83,395

01. Business Report

5. Strategic Direction and Challenges

To proactively respond to rapid shifts in the battery market, mPLUS plans to expand its product lines in next-generation battery manufacturing systems. The Company will continue to pursue revenue growth and improved profitability through diversification and timely adaptation.

6. Status of Directors ad Auditor

Name	Gender	Date of Birth	Title	Registered Director	Standing/ Non standing	Division in Charge	Term End Date
Kim Jong-sung	Male	Nov 1965	CEO	Inside Director	Standing	General Management	2027.03.23
Ko Kwang-ho	Male	Sep 1966	Executive Director	Inside Director	Standing	R&D Center	2026.03.27
Park Yang-seok	Male	Sep 1957	Director	Inside Director	Standing	Corporate Management	2025.03.29
Park Sin-seok	Male	Oct 1966	Director	Outside Director	Non Standing	Outside Director	2026.03.27
Kim Moo-hong	Male	Jan 1955	Auditor	Auditor	Standing	Auditor	2025.03.29
Park Jun-yong	Male	Apr 1965	Executive Director	Inside Director	Standing	Business Development	-
Lee Hyeong-jin	Male	Feb 1966	Executive Director	Inside Director	Standing	Procurement Division	-
Han Bong-su	Male	Mar 1966	Sr. Executive Director	Inside Director	Standing	Future Strategy Center	-
Park Jung-ah	Female	May 1977	Sr. Executive Director	Inside Director	Standing	Management Planning	-
Kim Kyung-sang	Male	Oct 1965	Director	Inside Director	Standing	ESG Management	-
Kim Byung-Man	Male	Feb 1972	Director	Inside Director	Standing	System Development	-
Choi Hyeong-Seop	Male	Jul 1970	Director	Inside Director	Standing	Finance & Accounting	-
Paik Seung-Ryong	Male	Oct 1965	Director	Inside Director	Standing	IR	-
Hong Jong-min	Male	Jan 1967	Director	Inside Director	Standing	PM Team	-

7. Shareholding Structure

Shareholder Name	Number of Shares Held	Ownership (%)	Relationship with the Company	Remarks
Kim Jong-sung	2,891,202	23.54	Largest Shareholder	Includes related parties
Treasury Shares	335,047	2.72	Held by the Company	
Others	-	73.74	-	

8. Investment in Other Companies

Not applicable.

9. Major Creditors

Not applicable.

### **10. Subsequent Events After the Reporting Period**

Not applicable.

### **11. Other Significant Business Matters**

Not applicable.

### 1. Auditor's Report

The statutory audit of mPLUS for the 22nd fiscal year (January 1, 2024 - December 31, 2024) was conducted in accordance with applicable auditing standards. The results are summarized below:

#### 1) Overview of the Audit Procedure

To conduct the audit, the auditor reviewed relevant accounting records and supporting documentation, including the consolidated and separate financial statements. Where deemed necessary, site visits, inspections, confirmations, and interviews were carried out to obtain sufficient audit evidence.

When required for the audit, the auditor also attended board and management meetings and reviewed related business documents submitted by management. These were evaluated using appropriate audit techniques. Additionally, the operation of the Company's internal accounting control system was reviewed through internal control-related documentation.

#### 2) Matters Related to the Financial Statements and Statements of Comprehensive Income

The separate and consolidated financial statements, as well as the consolidated statements of comprehensive income, were prepared in accordance with applicable laws and regulations. The financial position and results of operations of the Company were accurately reflected.

#### 3) Matters Related to Cash Flows and Equity

The cash flow statement and equity-related matters were presented in accordance with legal and regulatory requirements.

#### 4) Matters Related to Statements of Changes in Capital and Retained Earnings

The statements of changes in capital and retained earnings were prepared appropriately, in accordance with the applicable accounting principles and legal requirements.

#### 5) Matters Related to the Business Report

The business report was prepared accurately and reflects the status of the Company as required under applicable laws and regulations.

Auditor Kim  
Moo-hong

### 2. Report on the Operation of the Internal Accounting Control System

To the Shareholders, Directors, and Auditor(s) of mPLUS:

The CEO and the person responsible for the internal accounting control system of mPLUS evaluated the Company's internal accounting control system as of December 31, 2024, based on the same fiscal year-end closing date.

The responsibility for the design and operation of the internal accounting control system lies with the Company's management, including the CEO and the designated internal control officer.

The CEO and internal control officer evaluated whether the system has been designed and operated effectively to ensure the reliability of financial reporting, prevent and detect errors or fraud, and support the fair presentation of disclosures.

The Company used the "Framework for the Design and Operation of Internal Accounting Control Systems" as issued by the Internal Accounting Control Committee as the evaluation standard.

In addition, the Company applied the evaluation criteria outlined in Appendix 6, "Evaluation and Reporting Standards for Internal Accounting Control Systems" of the Detailed Enforcement Rules of the Regulation on External Audit and Accounting.

Based on the results of the evaluation as of December 31, 2024, the CEO and the internal control officer determined that the Company's internal accounting control system was effectively designed and operated in a manner consistent with the relevant framework and from the perspective of materiality.

The CEO and the internal control officer further confirmed that the content of the report did not contain any misrepresentations, omissions, or misleading information.

Additionally, no matters were identified that would cause substantial misunderstanding. All significant matters were reviewed with due diligence and care.

**Kim Jong-seong** Chief Executive Officer  
**Choi Hyun-seok** Internal Accounting Control Officer

### 3. Independent Auditor's Report (Separate Audit Report)

To the Shareholders and the Board of Directors of mPLUS:

#### Auditor's Opinion

We have audited the separate financial statements of mPLUS as of December 31, 2024, including the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with Korean International Financial Reporting Standards (K-IFRS).

We have also audited the internal accounting control system of the Company as of the same date and expressed an appropriate opinion in our internal control report dated March 17, 2025.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 financial statements for the current period. These matters were addressed in the context of the audit as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

##### - Revenue Recognition

The Company recognizes revenue in accordance with K-IFRS No. 1115 "Revenue from Contracts with Customers," which requires recognition based on the transfer of control of goods or services to a customer. This is one of the most significant accounting areas in the financial statements. In particular, the appropriateness of the timing and method of revenue recognition may have a material impact on users' judgments of the financial statements. Accordingly, determining the appropriateness of such recognition is a critical audit matter that requires significant auditor judgment.

The Company enters into contracts with customers, and for domestic transactions, revenue recognition may vary depending on the terms of delivery and performance obligations. In addition, due to the complexity of the transaction structure, such as the presence of multiple contracts, changes in terms, and rights of return, revenue recognition can be complex. As such, substantial audit procedures are required to confirm the actual occurrence of revenue transactions.

Therefore, we have determined that the assessment of the occurrence and timing of revenue, as well as the appropriateness of the revenue recognition criteria, is of most significance in our audit, and we have identified this matter as a key audit matter.

The major audit procedures we performed related to this matter are as follows:

- Reviewed key contract terms and assessed the timing of revenue recognition based on the five-step model.
- Performed walkthroughs and examined supporting documents to check if revenue was recognized appropriately.
- Confirmed major transactions and checked for any undelivered goods or unfulfilled obligations.

#### Other Matters

The financial statements for the year ended December 31, 2023, were audited by another auditor, who expressed an unqualified opinion in their audit report dated March 18, 2024.

## 02. Audit Report

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### Management and Governance Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Korean International Financial Reporting Standards, and for designing, implementing, and maintaining internal control necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is also responsible for assessing the Company's ability to continue as a going concern, disclosing matters related to going concern as applicable, and using the going concern basis of accounting unless management intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the Company's financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance means a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement. Misstatements may arise from fraud or error. If it is reasonably expected that such a misstatement, individually or in aggregate, could influence the economic decisions of users taken based on the financial statements, it is considered material.

In accordance with auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit process.

Specifically, we:

- Identified and assessed the risks of material misstatement in the financial statements due to fraud or error, and designed and performed audit procedures responsive to those risks. We obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentation, or override of internal control, making it more difficult to detect than error.
- Understood internal control related to the preparation of the financial statements to design audit procedures appropriate to the circumstances.
- Evaluated the appropriateness of the accounting policies applied by management and the reasonableness of accounting estimates and related disclosures.
- Considered the appropriateness of the going concern assumption used by management and whether there is any material uncertainty about the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures. Our conclusion is based on audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation of the financial statements, including the disclosures, structure, and content, and assessed whether the transactions and events underlying the financial statements are fairly presented.

We determined whether any matters identified during the audit, including the timing of planned audit procedures and significant deficiencies in internal control, should be communicated to those charged with governance.

In addition, we comply with applicable ethical requirements. Matters we determine to be of most significance in the audit are communicated with those charged with governance and are described in the auditor's report as key audit matters, unless law or regulation precludes public disclosure.

We select key audit matters from those that, in our professional judgment, are of most significance in the audit of the financial statements. However, if it is reasonably expected that public disclosure would result in adverse consequences, we may conclude not to describe the matter in the audit report.

The engagement partner responsible for the audit resulting in this audit report is Seongjin Cho.

## 4. Independent Auditor's Report (Consolidated Audit Report)

To the Shareholders and Board of Directors of mPLUS CORP

### Audit Opinion

We have audited the consolidated financial statements of mPLUS Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group"). The consolidated financial statements comprise the consolidated statement of financial position as of December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and significant accounting policies and explanatory notes.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2024, present fairly, in all material respects, the consolidated financial position, the consolidated financial performance and consolidated cash flows of the Group for the year then ended in accordance with Korean International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. 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 relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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. We do not provide a separate opinion on these matters.

#### - Revenue Recognition

The Group recognizes revenue from contracts with customers in accordance with K-IFRS No. 1115, "Revenue from Contracts with Customers," when control of the goods or services is transferred to the customer. Revenue recognition is considered a key audit matter due to its significance to the financial statements and because management judgment is involved in determining the timing and amount of revenue recognized.

The Group enters into various contracts with customers. In the case of domestic sales, revenue is recognized depending on the terms and performance obligations of the contracts. Consideration is also given to whether the Group has enforceable rights to payment prior to transferring control of the goods. This process requires judgment and is considered complex.

Accordingly, we determined that revenue recognition, including the occurrence and timing of revenue, is a key audit matter due to its potential material impact on the Group's financial performance and position.

In connection with this, our key audit procedures included:

- Reviewing major contracts and evaluating the appropriateness of revenue recognition criteria under the five-step model
- Performing detailed audit procedures such as confirmation of the substance and timing of revenue recognition for in-progress sales contracts using the percentage-of-completion method
- Confirming major revenue transactions with external parties and verifying any uncollected balances or bad debt risks.

### Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2023, were audited by a different auditor, who issued an unqualified audit opinion on March 18, 2024.



## 02. Audit Report

### Management and Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean International Financial Reporting Standards, and for establishing internal control as necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the financial reporting process of the consolidated entity.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objective is to obtain reasonable assurance as to whether the Group's consolidated financial statements are free from material misstatement due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance means a high level of assurance, but it does not guarantee that all material misstatements will always be detected in an audit performed in accordance with auditing standards. Misstatements may arise from fraud or error. If it is reasonably expected that such a misstatement, individually or in aggregate, could influence the economic decisions of users based on the consolidated financial statements, it is considered material.

We performed the audit in accordance with auditing standards, applying professional judgment and maintaining professional skepticism throughout. Specifically, we:

- Identified and assessed the risks of material misstatement and performed audit procedures in response. We obtained sufficient and appropriate audit evidence.
- Understood internal controls to design appropriate audit procedures, but we did not express an opinion on the effectiveness of internal controls.
- Evaluated the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures.
- Considered the use of the going concern basis and whether any material uncertainties exist. Our conclusions are based on audit evidence as of the date of our report, but future events may affect the Group's ability to continue as a going concern.
- Evaluated the overall presentation, structure, and disclosures of the consolidated financial statements, and whether transactions are fairly presented.
- Evaluated whether material transactions, including contracts affecting the financial statements, are properly disclosed.
- Evaluated whether sufficient and appropriate audit evidence was obtained for the financial information of subsidiaries. We take full responsibility for our audit opinion.

We determined whether any matters, including the timing of the audit plan and any deficiencies in internal control found during the audit, should be communicated to those charged with governance.

We also comply with applicable independence and ethical requirements. We report to those charged with governance any relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

Among the matters communicated with those charged with governance, we determine those that were of most significance in the audit of the consolidated financial statements and identify them as key audit matters. However, if public disclosure is prohibited by law or regulation, we do not communicate such matters in the audit report.

This audit report is based on the audit procedures performed by the engagement partner in charge.

Daejoo Accounting Corporation  
2913, Nambusunhwan-ro, Gangnam-gu, Seoul  
Representative: Kim Young-baek

## 03. Financial Statements

## 1. Separate Financial Statements

## Separate Statement of Financial Position

21<sup>st</sup> Period As of December 31, 202420<sup>th</sup> Period As of December 31, 2023

(Unit: KRW)

	22 <sup>nd</sup> Period	21 <sup>st</sup> Period
<b>Assets</b>		
Current Assets	226,566,526,529	255,691,809,148
Cash and Cash Equivalents	42,558,666,579	74,772,402,018
Short-term Financial Assets	23,063,250,143	12,620,028,578
Trade and Other Receivables	46,127,988,313	46,952,800,222
Other Current Assets	2,282,530,894	7,433,052,142
Inventories	112,534,090,600	112,736,273,238
Derivative Assets	0	1,177,252,950
Current Tax Assets	0	0
Non-current Assets	65,000,995,882	64,053,576,676
Trade and Other Receivables (Non-current)	2,830,804,598	12,121,085,684
Financial Assets at FVTPL (Fair Value Through Profit or Loss)	0	0
Investments in SMEs	131,213,270	131,213,270
Property, Plant and Equipment	53,346,566,471	43,107,463,390
Intangible Assets	736,033,519	612,086,287
Derivative Assets (Non-current)	1,139,144,715	0
Deferred Tax Assets	6,817,233,309	8,081,728,045
<b>Total Assets</b>	<b>291,567,522,411</b>	<b>319,745,385,824</b>
<b>Liabilities</b>		
Current Liabilities	166,059,955,684	239,434,709,485
Trade and Other Payables	11,469,335,927	27,373,596,914
Short-term Borrowings	38,530,000,000	22,150,000,000
Current Portion of Long-term Borrowings	1,466,600,000	1,466,600,000
Derivative Liabilities	0	6,741,089,262
Current Tax Liabilities	549,340,117	1,076,322,681
Other Current Liabilities	166,899,820	138,286,057,451
Provisions for Product Warranties	3,500,565,233	10,714,009,523
Contract Liabilities	110,142,158,141	0
Convertible Bonds (Current)	0	30,373,153,313
Lease Liabilities (Current)	235,056,446	1,253,880,341
Non-current Liabilities	42,112,098,632	6,557,292,714
Long-term Borrowings	19,833,300,000	6,299,900,000
Convertible Bonds (Non-current)	15,362,785,812	0
Derivative Liabilities (Non-current)	6,370,017,047	0
Net Defined Benefit Liabilities	266,628,699	0
Other Long-term Employee Benefits	237,176,871	204,342,386
Lease Liabilities (Non-current)	42,190,203	53,050,328
<b>Total Liabilities</b>	<b>208,172,054,316</b>	<b>245,992,002,199</b>
<b>Equity</b>		
Capital Stock	6,141,201,000	6,141,201,000
Other Components of Equity	27,143,110,187	26,295,523,959
Retained Earnings (Accumulated Deficits)	50,111,156,908	41,316,658,666
<b>Total Equity</b>	<b>83,395,468,095</b>	<b>73,753,383,625</b>
<b>Total Liabilities and Equity</b>	<b>291,567,522,411</b>	<b>319,745,385,824</b>

## 03. Financial Statements

## Separate Income Statement

22<sup>nd</sup> Period January 1, 2024 - December 31, 202421<sup>st</sup> Period January 1, 2023 - December 31, 2023

(Unit: KRW)

	22nd Period	21st Period
Revenue	128,362,494,774	339,990,982,349
Cost of Sales	105,600,863,512	301,379,045,487
Gross Profit	22,761,631,262	38,611,936,862
Selling and Administrative Expenses	14,745,659,954	14,714,478,069
Allowance for Doubtful Accounts (Reversal)	(1,142,415,384)	335,695,121
Operating Profit (Loss)	9,158,386,692	23,561,763,672
Other Income	782,215,996	631,694,470
Other Expenses	118,099,193	164,298,340
Finance Income (Interest Income using Effective Interest Method)	124,488,322	126,575,139
Finance Income (Others)	11,412,694,610	8,476,113,432
Finance Costs	9,625,391,652	9,174,902,280
Profit (Loss) Before Income Tax	11,734,294,775	23,456,946,093
Income Tax Expense (Benefit)	1,547,330,093	3,664,444,065
Net Income (Loss)	10,186,964,682	19,792,502,028
Total Comprehensive Income (Loss)	10,186,964,682	19,792,502,028
Other Comprehensive Income		
Items Not Reclassified to Profit or Loss		
Remeasurements of Defined Benefit Liabilities	(185,256,340)	(287,045,374)
Earnings per Share		
Basic Earnings (Loss) per Share (KRW)	844	1,629
Diluted Earnings (Loss) per Share (KRW)	844	1,582

## 03. Financial Statements

## Separate statement of changes in equity

22<sup>nd</sup> Period January 1, 2024 - December 31, 202421<sup>st</sup> Period January 1, 2023 - December 31, 2023

(Unit: KRW)

	Capital			
	Capital Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
Beginning Balance as of January 1, 2023	6,141,201,000	28,294,931,299	21,811,202,012	56,247,334,311
Total Comprehensive Income				
Net Income (Loss)	0	0	19,792,502,028	19,792,502,028
Other Comprehensive Income				
Remeasurements of Defined Benefit Liabilities	0	0	(287,045,374)	(287,045,374)
Total Comprehensive Income	0	0	19,505,456,654	19,505,456,654
Transactions with Owners				
Exercise of Stock Options	0	0	0	0
Issuance of Convertible Bonds	0	0	0	0
Conversion of Convertible Bonds	0	0	0	0
Transfer to Retained Earnings	0	0	0	0
Dividend Payment	0	0	0	0
Acquisition of Treasury Shares	0	(1,999,407,340)	0	(1,999,407,340)
Disposal of Treasury Shares	0	0	0	0
Total Transactions with Owners	0	(1,999,407,340)	0	(1,999,407,340)
Ending Balance as of December 31, 2023	6,141,201,000	26,295,523,959	41,316,658,666	73,753,383,625
Beginning Balance as of January 1, 2024	6,141,201,000	26,295,523,959	41,316,658,666	73,753,383,625
Total Comprehensive Income				
Net Income (Loss)	0	0	10,186,964,682	10,186,964,682
Other Comprehensive Income				
Remeasurements of Defined Benefit Liabilities	0	0	185,256,340	185,256,340
Total Comprehensive Income	0	0	10,001,708,342	10,001,708,342
Transactions with Owners				
Exercise of Stock Options	0	0	0	0
Issuance of Convertible Bonds	0	6,343,860,724	0	6,343,860,724
Conversion of Convertible Bonds	0	(4,496,267,706)	0	(4,496,267,706)
Transfer to Retained Earnings	0	0	0	0
Dividend Payment	0	0	1,207,210,100	1,207,210,100
Acquisition of Treasury Shares	0	(1,000,006,790)	0	(1,000,006,790)
Disposal of Treasury Shares	0	0	0	0
Total Transactions with Owners	0	847,586,228	(1,207,210,100)	(359,623,872)
Ending Balance as of December 31, 2024	6,141,201,000	27,143,110,187	50,111,156,908	83,395,468,095

## 03. Financial Statements

## Separate statement of cash flows

22<sup>nd</sup> Period January 1, 2024 - December 31, 202421<sup>st</sup> Period January 1, 2023 - December 31, 2023

(Unit: KRW)

	22nd Period	21st Period
Cash Flows from Operating Activities	(21,101,464,449)	110,275,337,284
Cash Generated from Operations	(19,590,851,054)	111,176,240,024
Interest Received	1,172,843,615	583,782,500
Interest Paid	(1,434,412,331)	(1,414,255,415)
Income Taxes Paid (Refunded)	(1,249,044,679)	(70,429,825)
Cash Flows from Investing Activities	(22,862,803,298)	(21,348,476,351)
Net Increase (Decrease) in Short-term Financial Assets	(10,490,364,744)	(10,850,000,000)
Increase in Short-term Loans	(379,390,174)	(905,000,000)
Decrease in Short-term Loans	0	850,000,000
Acquisition of SME Equity Investments	45,000,000	0
Increase in Long-term Deposits	0	(207,437,352)
Increase in Deposits	(154,593,936)	(327,631,844)
Decrease in Deposits	1,255,448,714	283,036,056
Receipt of Government Subsidies	0	386,029,500
Disposal of Property, Plant and Equipment	0	11,818,182
Acquisition of Property, Plant and Equipment	(12,648,557,494)	(10,608,556,097)
Acquisition of Intangible Assets	(348,407,664)	(678,773,140)
Increase in Investment Assets	0	0
Cash Flows from Derivatives Transactions	(141,938,000)	698,038,344
Cash Flows from Financing Activities	11,349,218,351	(25,216,318,044)
Proceeds from Short-term Borrowings	40,509,128,237	20,673,248,577
Repayment of Short-term Borrowings	(24,129,128,237)	(39,283,248,526)
Proceeds from Long-term Borrowings	15,000,000,000	6,300,000,000
Repayment of Long-term Borrowings	0	(5,150,000,000)
Repayment of Current Portion of Long-term Debt	(1,466,600,000)	(3,116,600,000)
Exercise of Stock Options	0	0
Issuance of Convertible Bonds	24,996,517,520	0
Redemption of Convertible Bonds	40,000,000,000	0
Share Issuance Costs	0	0
Acquisition of Treasury Shares	(1,000,006,790)	(1,999,407,340)
Repayment of Lease Liabilities	(1,353,482,279)	(2,640,310,755)
Dividends Paid	(1,207,210,100)	0
Net Increase (Decrease) in Cash (I+II+III)	(32,615,049,396)	63,710,542,889
Beginning Cash and Cash Equivalents	74,772,402,018	11,375,207,926
Effect of Exchange Rate on Cash and Cash Equivalents	401,313,957	(313,348,797)
Ending Cash and Cash Equivalents	42,558,666,579	74,772,402,018

03. Financial Statements

Statement of disposal of retained earnings

(Unit: KRW)

	FY2024 (22nd) (Planned: Mar 25, 2025)		FY2023 (21st) (Approved: Mar 26, 2024)	
Unappropriated Retained Earnings		49,878,646,658		41,204,869,426
Beginning Balance of Unappropriated Retained Earnings	39,876,938,316		21,699,412,772	
Net Income (Loss) for the Current Period	10,186,964,682		19,792,502,028	
Remeasurements of Defined Benefit Liabilities	(185,256,340)		(287,045,374)	
Appropriations of Retained Earnings		(1,314,209,050)		(1,327,931,110)
Legal Reserve	(119,473,550)		(120,721,010)	
Cash Dividends Dividend per Share (Rate) Common: KRW 100 (20%) for the current year KRW 0 (0%) for the prior year	(1,194,735,500)		(1,207,210,100)	
Unappropriated Retained Earnings Carried Forward		48,564,437,608		39,876,938,316

## 03. Financial Statements

## 2. Consolidated Statement

## Consolidated Statement of Financial Position

21<sup>st</sup> Period

As of December 31, 2024

20<sup>th</sup> Period

As of December 31, 2023

(Unit: KRW)

	22nd Period	21st Period
<b>Assets</b>		
Current Assets	227,929,854,295	256,311,245,267
Cash and Cash Equivalents	43,672,770,634	75,181,093,996
Short-term Financial Assets	23,063,250,143	12,620,028,578
Trade and Other Receivables	46,315,529,768	47,163,544,363
Other Current Assets	2,344,213,150	7,433,052,142
Inventories	112,534,090,600	112,736,273,238
Derivative Assets	0	1,177,252,950
Current Income Tax Assets	0	0
Non-current Assets	64,904,999,266	63,949,024,330
Trade and Other Receivables (Non-current)	2,865,335,828	12,147,746,608
Financial Assets at FVTPL	0	0
Property, Plant and Equipment	53,347,251,895	43,107,463,390
Intangible Assets	736,033,519	612,086,287
Derivative Assets (Non-current)	1,139,144,715	0
Deferred Tax Assets	6,817,233,309	8,081,728,045
<b>Total Assets</b>	<b>292,834,853,561</b>	<b>320,260,269,597</b>
<b>Liabilities</b>		
Current Liabilities	166,123,580,964	239,562,405,654
Trade and Other Payables	11,479,818,972	27,501,293,083
Short-term Borrowings	38,530,000,000	22,150,000,000
Current Portion of Long-term Borrowings	1,466,600,000	1,466,600,000
Derivative Liabilities	0	6,741,089,262
Current Income Tax Liabilities	601,939,232	1,076,322,681
Other Current Liabilities	167,442,940	138,286,057,451
Provision for Warranty	3,500,565,233	10,714,009,523
Convertible Bonds (Current)	0	30,373,153,313
Contract Liabilities	110,142,158,141	0
Lease Liabilities (Current)	235,056,446	1,253,880,341
Non-current Liabilities	42,112,098,632	6,557,292,714
Long-term Borrowings	19,833,300,000	6,299,900,000
Convertible Bonds (Non-current)	15,362,785,812	0
Derivative Liabilities (Non-current)	6,370,017,047	0
Defined Benefit Liabilities	266,628,699	0
Lease Liabilities (Non-current)	42,190,203	53,050,328
Other Long-term Employee Benefits	237,176,871	204,342,386
<b>Total Liabilities</b>	<b>208,235,679,596</b>	<b>246,119,698,368</b>
<b>Equity</b>		
Equity Attributable to Owners of the Parent		
Capital Stock	6,141,201,000	6,141,201,000
Additional Paid-in Capital	27,143,110,187	26,295,523,959
Accumulated Other Comprehensive Income	(2,651,613)	(24,258,301)
Retained Earnings (Accumulated Deficit)	51,317,514,391	41,728,104,571
Non-controlling Interests		
<b>Total Equity</b>	<b>84,599,173,965</b>	<b>74,140,571,229</b>
<b>Total Liabilities and Equity</b>	<b>292,834,853,561</b>	<b>320,260,269,597</b>

## 03. Financial Statements

## Consolidated Income Statement

21<sup>st</sup> Period

As of December 31, 2024

20<sup>th</sup> Period

As of December 31, 2023

(Unit: KRW)

	22nd Period	21st Period
Revenue	128,744,388,506	340,051,608,007
Cost of Sales	103,857,464,793	299,764,760,778
Gross Profit	24,886,923,713	40,286,847,229
Selling and Administrative Expenses	15,937,942,335	16,071,092,000
(Reversal of) Allowance for Doubtful Accounts	(1,142,415,384)	335,695,121
Operating Profit (Loss)	10,091,396,762	23,880,060,108
Other Income	782,228,863	638,393,689
Other Expenses	118,280,289	164,298,340
Finance Income (Interest Income using Effective Interest Method)	124,488,322	126,575,139
Finance Income (Others)	11,413,637,104	8,477,248,238
Finance Costs	9,674,250,847	9,280,538,726
Profit (Loss) Before Income Tax	12,619,219,915	23,677,440,108
Income Tax Expense (Benefit)	1,637,343,655	3,673,597,600
Net Income (Loss)	10,981,876,260	20,003,842,508
Net Income (Loss) Attributable to:		
Owners of the Parent	10,981,876,260	20,003,842,508
Non-controlling Interests	0	0
Total Comprehensive Income (Loss)	10,981,876,260	20,003,842,508
Other Comprehensive Income		
Items Not to Be Reclassified to Profit or Loss		
Remeasurements of Defined Benefit Liabilities	(185,256,340)	(287,045,374)
Items to Be Reclassified to Profit or Loss		
Gains (Losses) on Translation of Foreign Operations	21,606,688	(21,257,872)
Total Comprehensive Income Attributable to:		
Owners of the Parent	10,818,226,608	19,695,539,262
Non-controlling Interests	0	0
Earnings per Share		
Basic Earnings (Loss) per Share (KRW)	910	1,646
Diluted Earnings (Loss) per Share (KRW)	910	1,596



## 03. Financial Statements

## Automatic connection change table

21<sup>st</sup> Period As of December 31, 202420<sup>th</sup> Period As of December 31, 2023

(Unit: KRW)

	Equity						
	Equity Attributable to Owners of the Parent					Non-controlling Interests	Total Equity
	Capital Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Attributable to Owners of the Parent		
<b>Balance at January 1, 2023</b>	6,141,201,000	28,294,931,299	(3,000,429)	22,011,307,437	56,444,439,307	0	56,444,439,307
<b>Total Comprehensive Income:</b>							
Net income (loss)	0	0	0	20,003,842,508	20,003,842,508	0	20,003,842,508
Other comprehensive income:							
Remeasurements of defined benefit plans	0	0	0	(287,045,374)	(287,045,374)	0	(287,045,374)
Foreign currency translation Adjustments	0	0	(21,257,872)	0	(21,257,872)	0	(21,257,872)
<b>Total comprehensive income</b>			(21,257,872)	19,716,797,134	19,695,539,262	0	19,695,539,262
<b>Transactions with owners:</b>							
Exercise of stock options	0	0	0	0	0	0	0
Issuance of convertible bonds	0	0	0	0	0	0	0
Conversion of convertible bonds	0	0	0	0	0	0	0
Transfer from retained earnings	0	0	0	0	0	0	0
Cash dividends	0	0	0	0	0	0	0
Acquisition of treasury shares	0	(1,999,407,340)	0	0	(1,999,407,340)	0	(1,999,407,340)
Disposal of treasury shares	0	0	0	0	0		0
<b>Total transactions with owners</b>	0	(1,999,407,340)	0	0	(1,999,407,340)	0	(1,999,407,340)
<b>Balance at December 31, 2023</b>	6,141,201,000	26,295,523,959	(24,258,301)	41,728,104,571	74,140,571,229	0	74,140,571,229
<b>Balance at January 1, 2024</b>	6,141,201,000	26,295,523,959	(24,258,301)	41,728,104,571	74,140,571,229	0	74,140,571,229
<b>Total Comprehensive Income:</b>							
Net income (loss)	0	0	0	10,981,876,260	10,981,876,260	0	10,981,876,260
Other comprehensive income:							
Remeasurements of defined benefit plans	0	0	0	185,256,340	185,256,340	0	185,256,340
Foreign currency translation Adjustments	0	0	21,606,688	0	21,606,688	0	21,606,688
<b>Total comprehensive income</b>			21,606,688	10,796,619,920	10,818,226,608	0	10,818,226,608
<b>Transactions with owners:</b>							
Exercise of stock options	0	0	0	0	0	0	0
Issuance of convertible bonds	0	6,343,860,724	0	0	6,343,860,724	0	6,343,860,724
Conversion of convertible bonds	0	(4,496,267,706)	0	0	(4,496,267,706)	0	(4,496,267,706)
Transfer from retained earnings	0	0	0	0	0	0	0
Cash dividends	0	0	0	(1,207,210,100)	(1,207,210,100)	0	(1,207,210,100)
Acquisition of treasury shares	0	1,000,006,790	0	0	1,000,006,790	0	1,000,006,790
Disposal of treasury shares	0	0	0	0	0	0	0
<b>Total transactions with owners</b>	0	847,586,228	0	1,207,210,100	359,623,872	0	18,709,945,615
<b>Balance at December 31, 2023</b>	6,141,201,000	27,143,110,187	(2,651,613)	51,317,514,391	84,599,173,965	0	84,599,173,965

## 03. Financial Statements

## Consolidated Statement of Cash Flows

21<sup>st</sup> Period As of December 31, 202420<sup>th</sup> Period As of December 31, 2023

(Unit: KRW)

	22nd Period	21st Period
Cash Flows from Operating Activities	(20,387,135,344)	110,578,614,318
Cash Generated from Operations	(18,839,937,268)	111,479,098,487
Interest Received	1,173,673,381	584,201,071
Interest Paid	(1,434,412,331)	(1,414,255,415)
Income Taxes Paid (Refunded)	(1,286,459,126)	(70,429,825)
Cash Flows from Investing Activities	(22,871,720,326)	(21,360,459,406)
Net Change in Short-term Financial Instruments	(10,490,364,744)	(10,850,000,000)
Increase in Long-term Deposits	(379,390,174)	(207,437,352)
Increase in Short-term Loans	0	(905,000,000)
Decrease in Short-term Loans	45,000,000	850,000,000
Increase in Deposits	(154,593,936)	(339,614,899)
Decrease in Deposits	1,247,578,408	283,036,056
Receipt of Government Subsidies	0	386,029,500
Proceeds from Disposal of Property, Plant and Equipment	0	11,818,182
Acquisition of Property, Plant and Equipment	(12,649,604,216)	(10,608,556,097)
Acquisition of Intangible Assets	(348,407,664)	(678,773,140)
Cash Flows from Derivative Transactions	(141,938,000)	698,038,344
Cash Flows from Financing Activities	11,349,218,351	(25,220,886,979)
Proceeds from Short-term Borrowings	40,509,128,237	20,673,248,577
Repayment of Short-term Borrowings	(24,129,128,237)	(39,283,248,526)
Repayment of Convertible Bonds	(40,000,000,000)	0
Issuance of Convertible Bonds	24,996,517,520	0
Proceeds from Long-term Borrowings	15,000,000,000	6,300,000,000
Repayment of Long-term Borrowings	0	(5,150,000,000)
Decrease in Lease Liabilities	(1,353,482,279)	(2,644,879,690)
Repayment of Current Portion of Long-term Debt	(1,466,600,000)	(3,116,600,000)
Acquisition of Treasury Shares	(1,000,006,790)	(1,999,407,340)
Dividends Paid	(1,207,210,100)	0
Net Increase (Decrease) in Cash (I+II+III)	(31,909,637,319)	63,997,267,933
Beginning Cash and Cash Equivalents	75,181,093,996	11,518,438,232
Effects of Exchange Rate Changes on Cash and Cash Equivalents	401,313,957	(334,612,169)
Ending Cash and Cash Equivalents	43,672,770,634	75,181,093,996



**Thank You.**