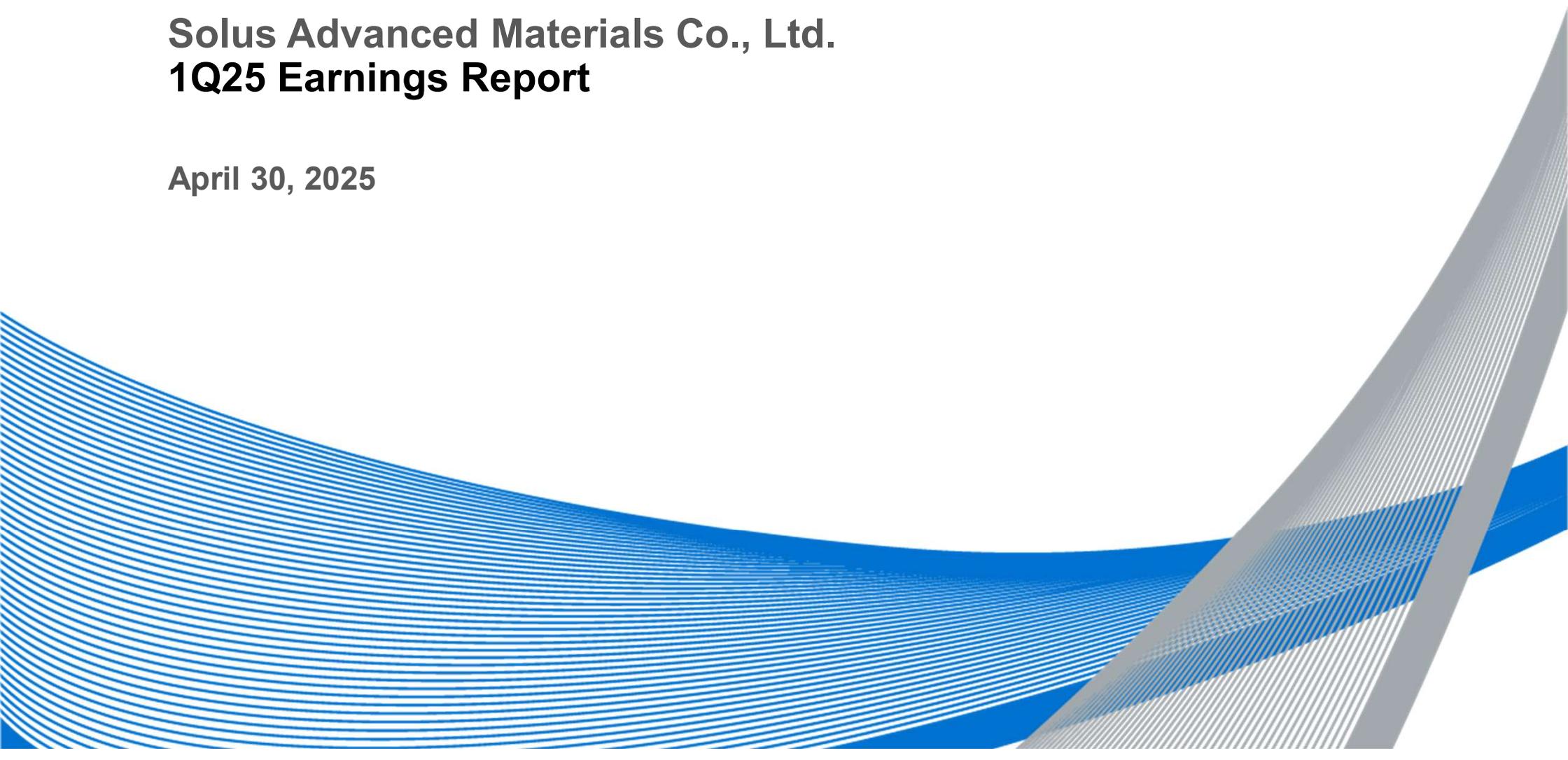




**Solus Advanced
Materials**

Solus Advanced Materials Co., Ltd. 1Q25 Earnings Report

April 30, 2025



Disclaimer

The information herein has been prepared based on unaudited financial statements for your information purposes only and contains preliminary figures which may change depending on the external audit results.

All information about the company's financial performance contained in this material is based on consolidated financial statements in accordance with Korean IFRS.

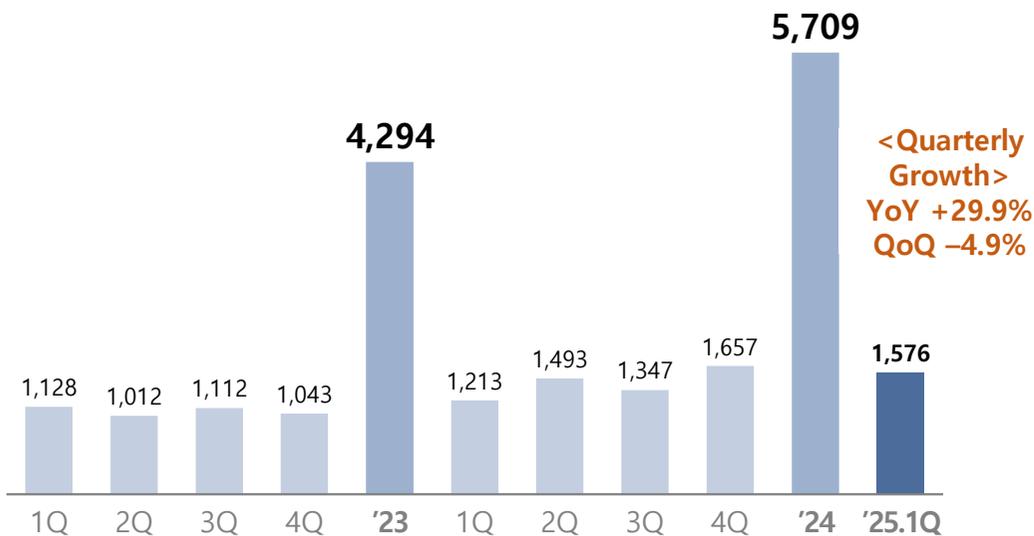
This material also contains “forecasts” based on predictions, forecasts, plans and expectations for the future, and these “forecasts” may differ significantly from the company’s actual performance to be provided in the future due to their uncertain nature.

Q1 2025 Consolidated Performance

- Sales:** Sales increased by 29.9% year-on-year and decreased by 4.9% quarter-on-quarter, totaling KRW 157.6 billion due to a decrease in supply volume resulting from volume adjustments by battery copper foil customers, an increase in supply for copper foil used in AI accelerators, and a decrease in OLED volume.
- EBITDA:** Due to a decline in sales stemming from reduced supply volumes to Europe/North America customers, the burden of fixed costs increased, resulting in EBITDA of KRW 1.7 billion—down 32.0% year-on-year and 78.5% quarter-on-quarter.

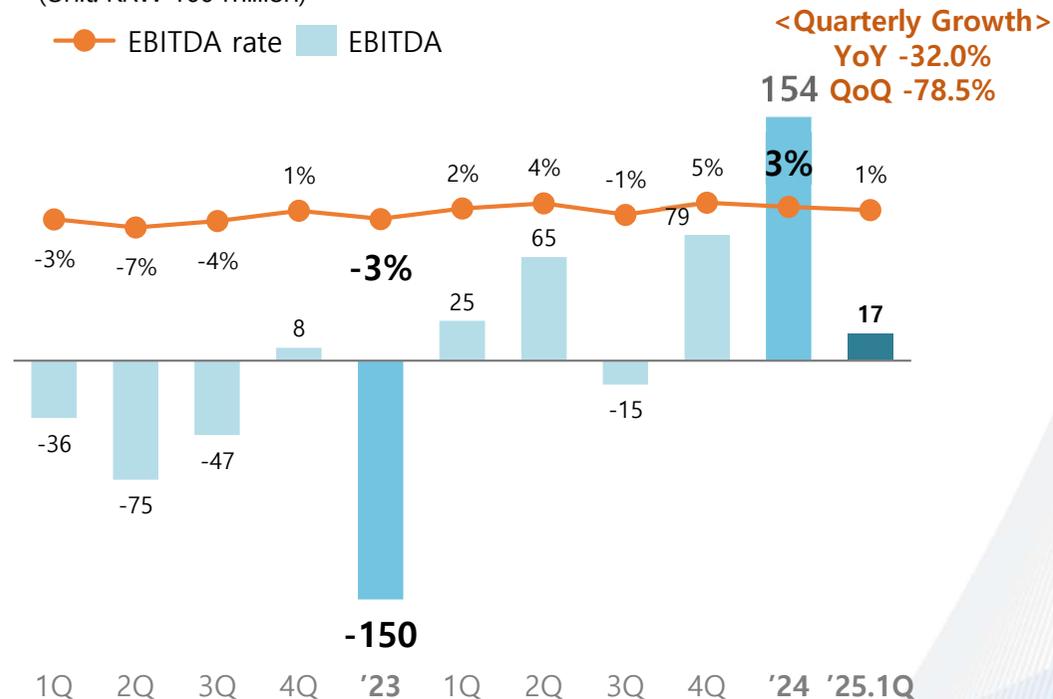
Sales Trend

(Unit: KRW 100 million)



EBITDA (%) Trend

(Unit: KRW 100 million)



Q1 25 Performance & Plans by Business Division

Investor Relations 2025

Q1 2025 Performance

- **Battery copper foil:** Sales decreased by 25.4% QoQ and increased by 29.2% YoY due to reduced sales to European/North American customers.
- **Copper foil:** Sales increased by 28.3% QoQ and 55.8% YoY, driven by a surge in sales of high-end products such as copper foil for AI accelerators.
- **Electronic materials:** Sales declined by 8.3% QoQ and 5.11% YoY due to a reduction in customer orders and delays in the approval of mobile products for overseas customers.

2025 Plan

- **Battery copper foil:** Sales in Europe are anticipated to gradually improve with the expected recovery in demand in the European market. Efforts are being made to expand local supply in Europe.
- **Copper foil:** Continued expansion of supply of high-end copper foil for big tech customers targeting the AI market
- **Electronic materials:** Working to increase sales in mobile and IT products, as well as new non-emissive products

(Unit: KRW 100 million)

Classification	Q1 2025	QoQ		YoY	
		Q4 2024	Growth Rate	Q1 2024	Growth Rate
Sales	1,576	1,657	-4.9%	1,213	+29.9%
Battery copper foil	598	802	-25.4%	463	+29.2%
Copper foil	681	531	+28.3%	437	+55.8%
Electronic materials	297	324	-8.3%	313	-5.11%
EBITDA (%)	17 (1.1%)	79 (4.8%)	-78.5%	25 (-2.1%)	-32.0%
Operating profit (%)	-153 (-9.7%)	-113 (-6.8%)	-35.4%	-140 (-11.5%)	-9.3%

Key Issues by Business Division: Battery Copper Foil

Investor Relations 2025

Growth is expected from the company's Hungarian battery copper foil production base in Europe, supported by the recovery of EV market and changes in EU policies.

→ A performance turnaround is likely to happen first as the market enters a full growth phase.

Electric Vehicle (EV) Market

- **Benefiting from the recovery trend in EV sales in Q1 2025**
 - Recovery in European EV sales (Q1 2025 EV (BEV+PHEV) sales up 22% YoY), Positive outlook for U.S. EV sales (Q1 2025 YoY +16%)
 - After Q2 2025, a shift to inventory buildup is expected as customers finalize their existing inventory adjustments.

EU Policy

- **EU regulations on CO₂ emission expected to boost EV sales**
 - With the EU CO₂ emission allowance policy maintaining the existing 94 g/km based on the average from 2025-2027, OEMs are required to expand EV production.
 - **Maximized benefits expected from the regional supply chain through local sourcing of key battery materials in Europe**
 - Germany is expected to introduce EV purchase subsidies, and the EU's Automotive Action Plan is scheduled (e.g., support for low-cost EV leasing, mandatory EV sales for corporate vehicles, and increased production of battery materials and components in the EU to at least 50%).

Customer Diversification

- **Continued acquisition of global top-tier customers**
 - Establishing a local production hub in Hungary, cooperating with global top-tier customers, and be proactive in customer diversification
 - Ongoing and expanding contracts with battery copper foil customers in Poland, Germany, Hungary, France, Spain, and the United States
 - Among global battery companies and Korean battery copper foil companies, the company is the first to establish a partnership in the European region.

Copper foil

Strong AI/network demand will continue to drive sales growth

- **Demand for ultra-low roughness copper foil (HVLP3) for AI accelerators and networks expected to be strong**
 - AI accelerator market projected to reach USD 20.95 billion in 2025 (26.6% YoY)
 - HVLP3 demand for AI accelerators from major customers remain strong
 - Started mass production of HVLP3 for AI accelerators for global big-tech customers
- **Pushing to secure demand for Double-Thin (DTH) film for DRAM/Mobile semiconductors**
 - Started mass production of DTH for mobile for global telecommunications equipment companies, and pursuing to secure demand for mass production of DTH for Europe.

Working to expand sales of premium products

- Including an increase in high-frequency copper foil volumes due to increased demand for electronic Radar

OLED

Visible performance of emissive and non-emissive OLED materials

IT devices entering the on-device AI market in earnest

- Successful entry of next-generation ETL and HBL markets from IT devices to automotive displays, where OLED penetration is accelerating).
- HBL for premium models will be mass-produced in 2026, with the first-ever entry into the ETL/HBL set, planned for mass production within this year.

Visible performance of non-emissive OLED materials

- Vertical integration from R&D to production through internalization of filler production process for large TVs
- New low dielectric materials expected to enter mass production next year

Summary Consolidated Statement of Financial Position

Investor Relations 2025

(KRW 100 million)

Classification	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2024	Mar. 2025
Current assets	3,945	5,080	5,643	5,972	5,887
Non-current assets	6,171	9,530	11,424	14,822	15,443
Total assets	10,116	14,610	17,067	20,794	21,330
Current liabilities	2,926	4,221	5,680	8,236	8,311
Non-current liabilities	1,968	1,208	805	1,643	2,422
Total liabilities	4,894	5,429	6,485	9,879	10,733
Capital stock	40	45	45	91	91
Total shareholders' equity	5,222	9,181	10,582	10,915	10,597
Debt ratio	94%	59%	61%	91%	101%
[Borrowings]					
Borrowings	2,995	3,520	3,746	7,645	8,210
Cash	1,396	1,628	2,741	1,751	1,490
Net borrowings	1,599	1,893	1,006	5,894	6,720

※ The current quarter data is based on unaudited financial statements.

Summary Consolidated Comprehensive Income Statement

Investor Relations 2025

(KRW 100 million)

Classification	2021	2022	2023	2024					2025
				1Q	2Q	3Q	4Q	Total	1Q
Sales	3,803	4,612	4,294	1,213	1,493	1,347	1,657	5,709	1,576
Battery foil	378	1,127	1,546	463	668	550	802	2,483	598
Copper foil	2,036	1,805	1,636	437	502	493	531	1,962	681
Electronic materials	950	1,251	1,112	313	323	304	324	1,264	297
Bio	440	429	-						
Cost of sales	3,028	4,158	4,122	1,108	1,379	1,286	1,535	5,307	1,460
Gross profit	775	454	172	105	114	61	123	402	116
SG&A	725	906	904	245	218	248	236	946	269
Operating profit	50	-452	-732	-140	-104	-187	-113	-544	-153
(%)	1.3%	-9.8%	-17.0%	-11.5%	-7.0%	-13.9%	-6.8%	-9.5%	-9.7%
Gains (losses) on interest	-45	-67	-163	-41	-50	-43	-61	-194	-49
Gain (losses) on foreign currency transactions	81	113	-3	-5	2	-3	22	16	-10
Gain (losses) on foreign currency translation	15	58	-7	121	82	-184	404	423	-91
Net income before corporate tax	36	-367	1,884	-73	-81	-423	204	-374	-293
Corporate tax	9	71	625	17	18	-60	77	53	27
Profit (losses) from continuing operations	27	-438	1,259	-91	-99	-363	126	-427	-319
Profit (losses) from discontinued operations	-25	-34	9	-	-	-	-		
Net income	2	-472	1,268	-91	-99	-363	126	-427	-319
Net Income of controlling shareholders	119	-113	1,875	17	3	-217	244	46	-157

※ The current quarter data is based on unaudited financial statements.

※ Due to the disposal of Solus Biotech, discontinued business (bio) was excluded from sales from 1Q 2023 and classified as discontinued operating profit (losses).

Solus Advanced Materials Co., Ltd.
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