

<4Q25 Online Conference Call>

2026.2.5(Thu) 3 p.m

Distinguished guests, good morning/afternoon/evening.

Welcome to the Fourth Quarter Fiscal Year 2025 Earnings Call for Solus Advanced Materials.

Please note that today's presentations have not been officially reviewed by an outside auditor, and thus, may contain risks and uncertainties and the actual results may differ.

For your information, the IR Materials in English and Korean are downloadable on our official website.

I will summarize the financial highlights of Fiscal 2025 Q4 and explain our business plans for Fiscal 2026 Q1.

<4Q25 Business Performance>

First of all, I'd like to present the business performance for Q4.

The quarterly consolidated sales posted 169.8 bil won, 2.5% increase year over year and 17% increase quarter over quarter.

The inventory adjustments from our Battery Foil customers prolonged and limited our supply volume, however, we expanded our Copper Foil supply for the AI accelerators, while our OLED Division proactively met the product demand for the mobile and IT device applications, which all contributed to our sales growth compared to the previous quarter.

The EBITDA stood at -1.5 bil won, turning red year on year, but with reduced deficit quarter on quarter. The EBIT recorded -20.1 bil won, expanding the deficit compared to the -11.3 bil won of the same period last year, still a little bit less than the -21.1 bil won of the previous quarter. It reflects the sales recovery from the Copper Foils for the AI accelerators and OLED product releases, but the low utilization rate and continued fixed costs of the Battery Foil Business worked as pressure on the profitability side.

Now, let me walk you through the Performances of and Plans for each Business Unit.

For the Battery Foil Business, we delivered 41.6 bil won of sales, which fell by 48.1% YoY, but rose by 14.3% QoQ, showing a sign of recovery. We prospect that thanks to the gradual recovery of the global EV demand, there will also be higher demand from our major customers, and thus, increasing our supply volume step by step. Therefore, we already started to expand our Battery Foil supply for the ESS applications in the NA region, and we plan to reinforce our demand base by adding new customers in the first half of this year.

For the Copper Foil Business, we achieved 95.7 bil won of sales, which is an 80.2% increase YoY, and 24.9% increase QoQ respectively. We were able to grow our sales in this BU thanks to the increased demand for high-end products for the AI accelerators.

For the OLED Business, we made 32.6 bil won of sales, going up by 0.6% YoY, and 1.6% QoQ respectively, continuing the stable growth trend. Our plan is to focus on promoting the sales of aETL for IT devices and the host materials for the green phosphorescent OLEDs for the mobile and TV applications. Also, we plan to expand the scope of applications for the HTL and CPL for the TVs, while introducing the new green host materials to the Chinese customers, to both advance our product portfolio and diversify our sales targets.

Now, I will brief you about the overall business performance in 2025 and our plans for the new year 2026.

<2025 Annual Business Performance>

Let me first discuss our business performances and achievements in 2025.

The annual consolidated sales of 2025 posted 616.4 bil won, increasing by 8% compared to 2024, setting a record in our company history. The biggest contributor was the elevated sales of our high-value-added products from the Copper Foil Business, benefiting from the AI market expansion.

The EBITDA was -2.6 bil won, turning red from 15.4 bil won the previous year. The EBIT was -71.5 bil won, expanding the deficit, again, compared to 2024. The biggest cause was the poor performance of Battery Foil Business and fixed costs hurting the profit, mostly due to the global EV demand slowdown.

Now, let's have a look at the performances of each Business Unit.

The Battery Foil Business marked 183.7 bil won of sales, which is a decrease by 26% compared to the previous year.

The supply volume to our major customers in the NA and European regions were lessened due to the following factors: the heated-up competition in the global EV market, the Chinese competitors taking up more market shares, and the end of the government subsidies in the NA. Also, due to the delay in the ramp-up of our Battery Foil customers dwarfed the plant UTR and put more pressure on the fixed costs, including labor costs, and eventually hindering the profit improvement.

The Copper Foil Business reached 306.5 bil won of sales, which is a 56.2% increase compared to 2024.

We leveraged from the global AI market expansion, and experienced high rise in our high-end product supplies, such as the HVLP Copper Foil for the AI accelerators. At present, our goal is to complete the sales of the Copper Foil Division within the first half of this year. Once done, we will transform into a Battery Foil and OLED focused business model.

The OLED Business showed 126.2 bil won of sales, maintaining the level of the previous year.

Despite the delay in the entry into some of the Chinese customer applications, we were able to defend our performance by a flexible operation, considering the changes in the market – meaning selling the IP products for the IT devices and the new materials for the mobile devices.

<Plans>

Next, let's dive into our plans for the future.

As mentioned earlier, we plan to wrap up the sales of the Copper Foil Division by the first half of 2026, and put our energy into the Battery Foil and OLED businesses in the mid-to-long-term.

Our north star for the Battery Foil Business is qualitative growth based on customer and product diversification.

As of now, we have secured 8 customers in the NA and Europe, and will begin supplying in full-fledge to the new customers in H1 this year.

Since the Made in Europe policy in the EU, we expect to supply more locally through our Hungary plants. Also, to meet the potential demand for the ESS in the NA, we plan to stretch the ESS portion up to about 30% this year.

Regarding the product portfolio, we plan to heighten the high-end Battery Foil portion from 30%

last year to 50% or more this year. We will supply the high-end products mostly to the new customers, starting from Q2 this year. This will translate into a better product mix, stabilized cost structure, and improved profit.

Our north star for the OLED Business is high-value-added sectors such as IT devices, large TVs, and luxury car displays.

Since the increased adoption of IT OLEDs by the global OEMs, and to meet the demand recovery for the large TVs in the second half of this year, we will supply more core IP-products and the new next-gen materials.

Also, we expect the New Plant in Jeonbuk to be completed in February, the production base for both emissive and non-emissive materials. There, we will mass-produce the new materials, including the HBL, TFE, and the host materials for green PhOLEDs, and set a solid foundation for the mid-to-long-term growth.

Our outlook for the new year is that we will witness the demand recovery from our existing customers and start supplying to the new customers at the same time.

As such, we will set the ground for a turnaround by: 1) will diversify our Battery Foil applications beyond EV, adding ESS and Humanoids, etc.; 2) will promote sales growth via the new OLED production line; and 3) will execute an efficient business management strategy.

That was all about 2025 Q4 Earnings Report and Future Guidance, and now I would like to hand over my mic to the host.