

## <3Q25 Online Conference Call>

2025.10.28(TUE) 3 p.m

Distinguished guests, good morning/afternoon/evening.

Welcome to the Third 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 available on our official website.

I will summarize the financial highlights of Fiscal 2025 Q3 and our business plans for the fourth quarter of this year.

### <3Q25 Business Performances>

First of all, I'd like to present the Overall Business Performances for Q3 Fiscal 2025.

The consolidated sales for this quarter posted 145.1 bil won, 7.8% increase year over year and 0.9% increase quarter over quarter. We experienced slight decline in the sales due to the inventory adjustments by our Battery Foil customers, however, we experienced sales growth in general thanks to the increased supply of the Copper Foils for the AI accelerators and the light-emitting materials for the OLED applications.

The EBITDA stood at -5.3 bil won, going down by 253.3% year on year and turning red quarter on quarter. The EBIT recorded -21.2 bil won, which is 13.4% decrease year on year and 41.3% decrease quarter on quarter. It was caused by the added pressure on the fixed costs due to the dwarfed supply volume from our major Battery Foil customers. We are currently operating a TF Team to improve yields and save costs, and we believe this will be reflected gradually starting from the fourth quarter.

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

We delivered 36.4 bil won of sales for the Battery Foil Business, falling by 33.8% year over year, and 20.9% quarter over quarter. It was caused by the inventory adjustments of our major customers and the delay in the ramp-up of the new production lines. Nevertheless, we will turn this temporary adjustment situation into an opportunity for us to diversify our customer base and enter into the European market. In the future, we plan to focus on improving the profitability by enhancing our portfolio with high-end products. Also, we plan to execute strategic marketing and substantialize CS capabilities so as to expand our market share and build a stable foundation for future growth.

For the Copper Foil Business, we delivered 76.6 bil won of sales, rising by 55.4% YoY, and

15.9% QoQ. We witnessed robust sales growth thank to the higher demand for the high-end products for the AI accelerators. As the share of high value added products grow, we are witnessing better profitability.

For the OLED Business, we delivered 32.1 bil won of sales, going up by 5.6% YoY, and 0.9% QoQ. In the future, as there will be higher demand for luminescent materials not only for the mobile applications but also for the IT applications, we plan to expand our supply to the OEM's and mass-produce the new materials in full fledge.

## <Plans>

Now, let me guide you through our Future Plans for the respective Business Units.

Regarding the Battery Foil Business,

Europe is growing rapidly into a strategic EV market based on the policy incentives from multiple governments. In particular, the EU EV Cluster, being formed centering on Hungary, is providing a huge opportunity to Solus Advanced Materials as the only local Battery Foil producer based in Europe.

Accordingly, we are maximizing this geographical and strategic advantage to expand our supply to the local OEM's and Battery Cell Makers. Ultimately, our goal is to reinforce our presence in the European market as a top-tier Battery Foil supplier.

The EV demand is gradually growing in Europe along with the revival of the EV subsidies and strengthened policy incentives in the major countries. As EU is enhancing its local supply chain and promoting the ESS industry, our European production base located at the very core, can now directly benefit from it. This provides the environment for us to pursue a sustainable growth in the mid-to-long-term based on the European market policies.

Therefore, we expect to achieve our initial plan to double the number of Battery Foil customers within the second half of this year, compared to the previous year. We are currently at the final negotiation stage to close the deal with the last global Battery Manufacturer in Europe. This will present us with the basis for the future supply expansion, and the effect will be visualized in full fledge starting from 2026.

Through the diversified customer base, we plan to achieve two goals in the future – 1. stabilizing the supply volume and profitability and 2. Expanding the product portfolio.

In addition, as the lightweight EV battery trend gains momentum, the demand for high-end Battery Foils with proved performance in extreme conditions such as high temperature or high pressure is growing. Against this backdrop, we are the only Battery Foil supplier, who obtained the high strength high-end product approval from the Battery Manufacturer in Europe, with our advanced manufacturing technology. Thus, we are proud to announce that we have secured our competitiveness with the premium-level material supply that is required by the major global OEM's. And we will continue to expand the share of high value added products in our portfolio to grow sales.

Regarding the patent infringement lawsuit, we are gaining upper hand in the litigation taking place in the US, with our solid grounds in the technological capabilities and prior-art-based product lines of our subsidiary, CFL, with 65 years of business history. We plan to aggressively defend ourselves in Europe as well; by applying the same arguments we present in the US court. For you information, there are 4 remaining filings on the claims of infringement of

essential Battery Foil process technologies. Our assessment is that these are manageable risks, and we continue to spare no effort to protect our intellectual property rights, based on our technological leverage plus well-prepared evidence.

Regarding the OLED Business,

We continue to develop new materials making full use of our in-house R&D capabilities. We are pushing to upgrade our supply capacity towards the mid-to-long term not only for the Mobile applications but also aiming the IT and mid-to-large display applications. In the future, we plan to evolve the new product pipeline and accelerate the customer supply – creating a synergy – and create a solid foundation for the OLED Business' further growth.

Solus Advanced Materials continue to grow sales by diversifying the Battery Foil customer base and enhancing the product portfolio with high value added products. Still, we understand that improving profitability is of utmost importance. Therefore, we will do our best to agilely respond to the changes in the European EV supply chain as the local supplier and lay a solid foundation to secure a sustainable growth.