



**Solus Advanced
Materials**

Solus Advanced Materials 1Q '21 Earnings Report

April 2021



Disclaimer

The information herein is provided for your information purposes only and contains preliminary figures which may be materially different from the final figures.

Forecasts and projections contained in this material are based on current business environments and management strategies, and they may differ from the actual results upon changes and unaccounted variables. We make no guarantees and assume no responsibility for the use of information provided. We trust your decisions will be based on your own independent judgment.

Financial data in this presentation is based on an IFRS-basis consolidated financial statements.

I. 1Q '21 Earnings

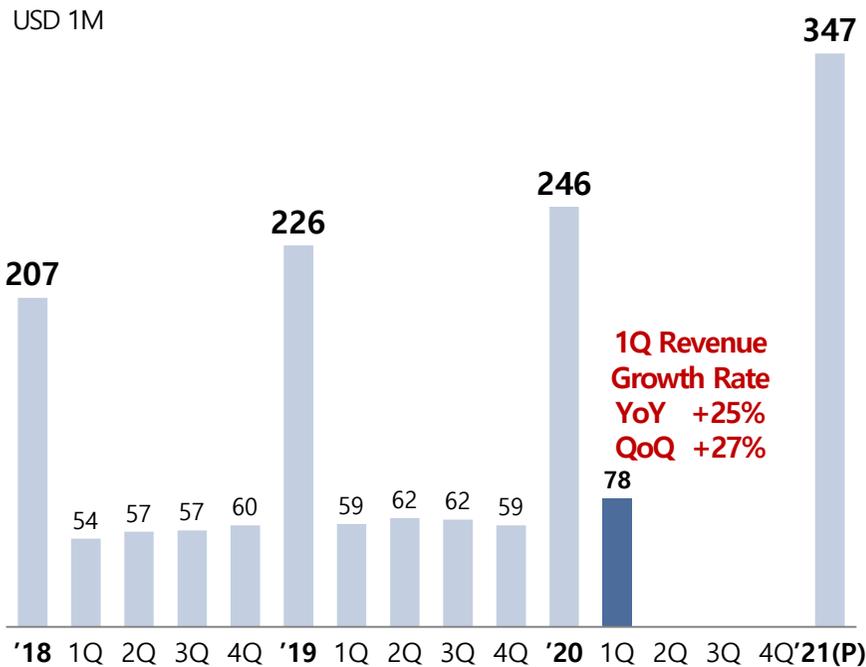
II. Summary Financial Statements

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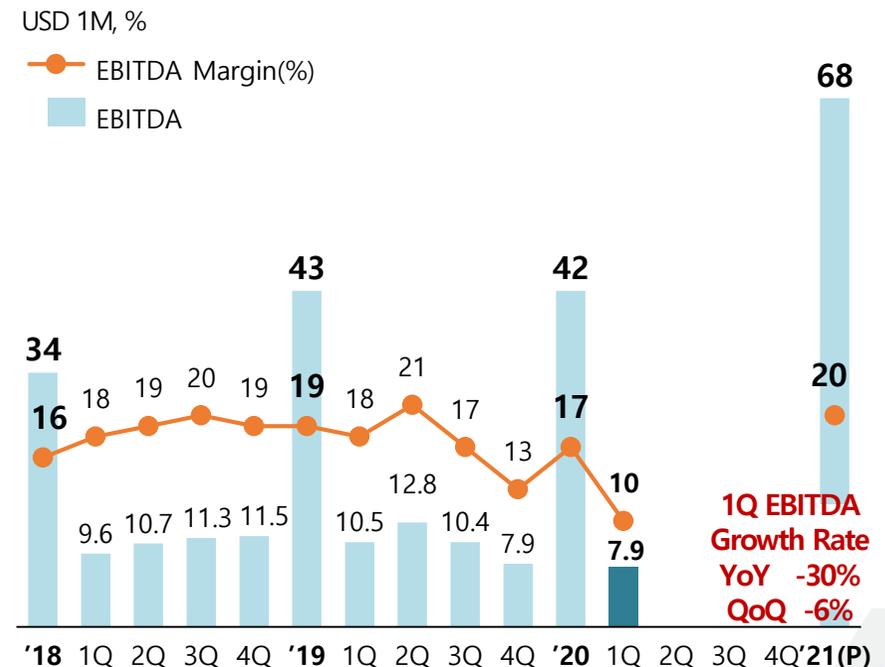
1Q '21 Earnings

- Revenue: Quarterly revenue increased by 25%(YoY) and 27%(QoQ) due to the revenue growth from copper-foils for 5G and semiconductors (YoY+21%), OLED and Bio-materials (YoY +15%).
- EBITDA: Quarterly EBITDA decreased by 30%(YoY), 6%(QoQ) due to the cost reflection of battery copper foils for mass production outweighed the EBIT growth of copper foils, OLED, and bio-materials. However, EBITDA will increase due to the revenue growth from battery copper foils in 2H.

[Revenue Trend]



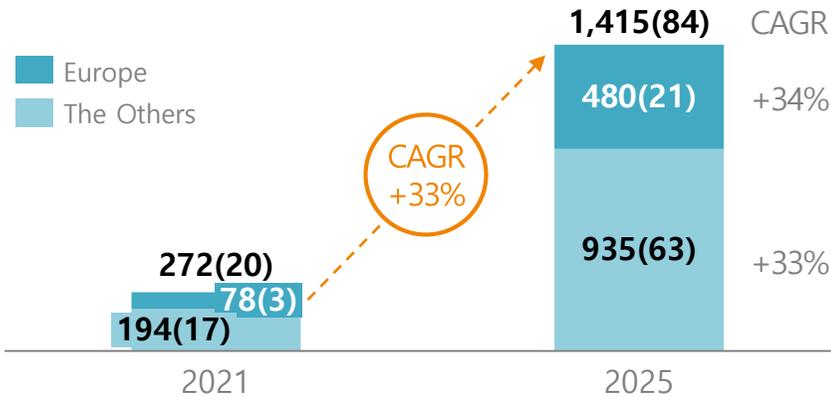
[EBITDA & EBITDA Margin Trend]



Battery Copper Foil Div.(Battery Copper Foil & Copper Foil) 1Q21 Achievements & Plan

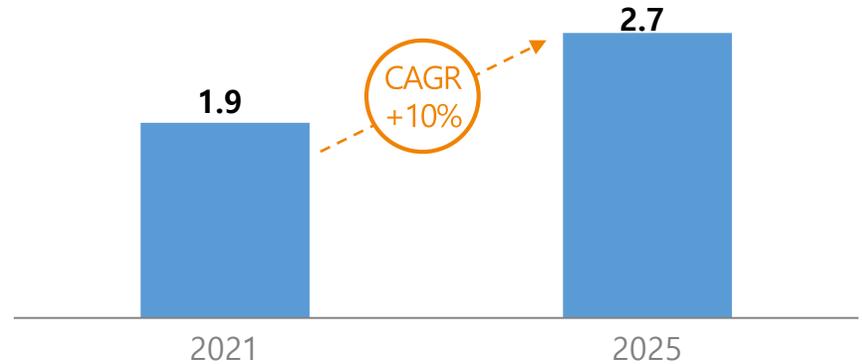
Regional Market Forecast of Battery Copper Foil

GWh(10K ton)/ Yr.



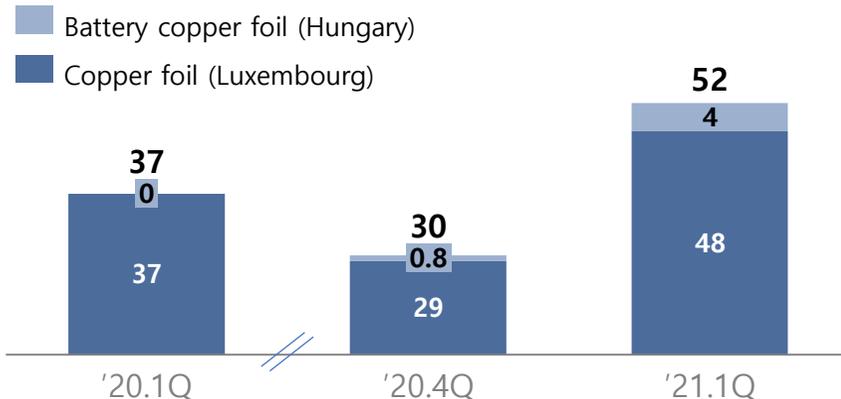
Market Forecast of Specialized Copper-foils for 5G and Semiconductors

10K ton / Yr.



Revenue

USD 1M



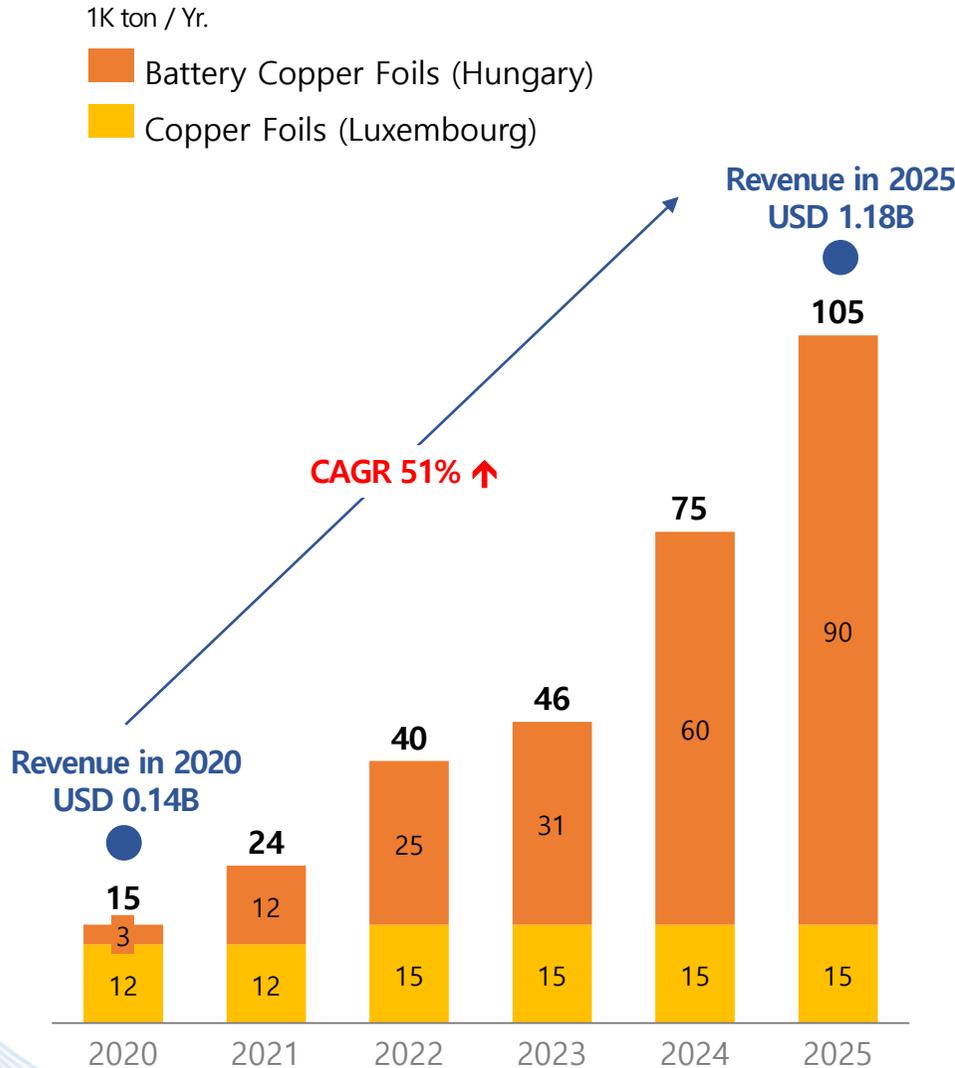
[1Q '21 Achievements & Plan]

- **Financials: The highest quarterly revenue (YoY +31%, QoQ +27%)**
 - Battery Copper Foils: mass production and products shipments in progress (Frist products shipments in November 2020)
 - Copper Foils: The largest quarterly supply volume due to increased demands from the Europe and Asia region
- **Plan: Stabilization of mass production, Response to demand increase, diversification of clients-base**
 - Battery Copper Foils: Expected to finish Line Set-up in 1st Plant and to increase the amounts of products shipments, supply expansion to major battery providers and global automotive.
 - Copper Foils: Capa. Expansion to meet the rising demands for specialized copper-foils

• Source : SNE Research, Regional data is based on the location of battery plants
 • Required amounts of battery copper foil per 1GWh : 430ton in '20 →360ton in '25 Based on Top-tier products

Battery Copper Foil Div.(Battery Copper Foil & Copper Foil) Long-term Capa. Expansion Plan

Investor Relations 2021



※ Gross capacity is based on the end of period data

Battery Copper Foils(Hungary) Production Capa. Expansion Status & Plan

- **1st Plant(12K ton): Started mass-production in Oct. 2020**
 - First shipments of battery copper foils (Nov. 2020)
 - 80% of total annual production volume will be provided to 2 global major battery providers in the next 4, 5 years
- **2nd Plant(18K ton): Expected to start mass-production in 2H 2022**
 - Started groundbreaking in Nov. 2020
 - In discussion with 3~4 global major clients to supply battery copper foils
- **3rd Plant(60K ton): Expected to start mass-production in 2H 2024**
 - Expected to start groundbreaking in 2H 2022
 - Expected to start mass-production in 2H 2024(Target Schedule)
- **90K ton: Expected production capa. of Hungary Plant in 2025**

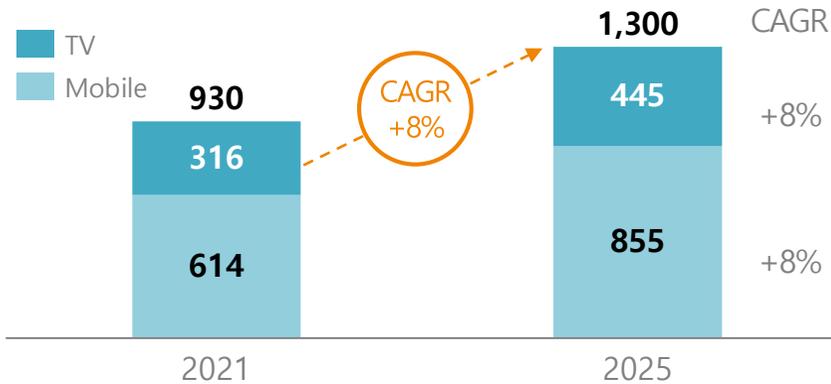
Copper Foils(Luxembourg) Production Capa. Expansion Status & Plan

- **Copper Foils Plant to add 15K ton production capa. (for 5G and semiconducts)**
 - Current production capa: 12K ton (Luxembourg)
 - 3K ton production capa. expansion will be completed in the end of 2021
 - Estimated production capa. in 2022: 15K ton

Advanced Materials Div.(OLED & Bio) 1Q21 Achievements & Plan

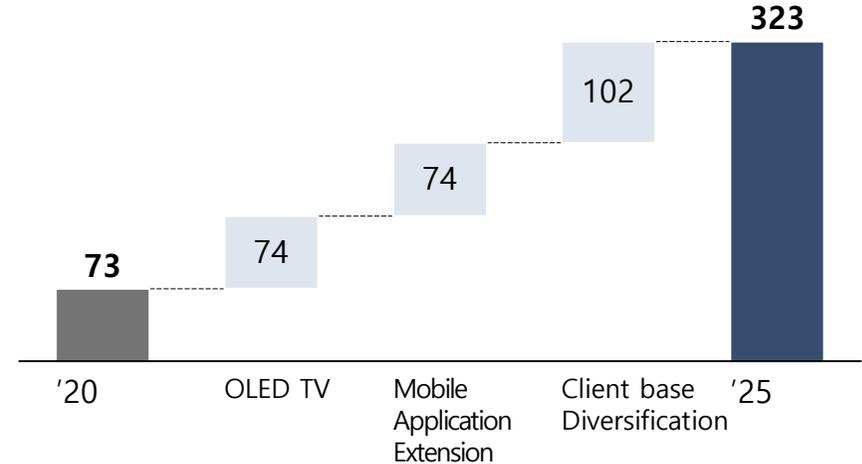
Market Forecast
of OLED Display(EML Materials)

USD 1M



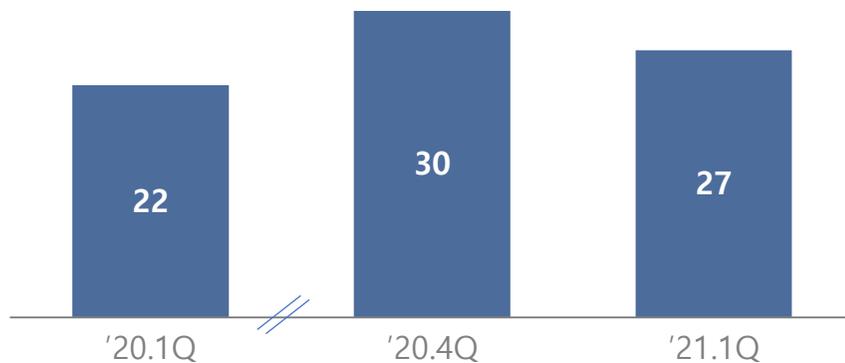
Market Forecast
of OLED Materials

USD 1M



Revenue

USD 1M



[1Q '21 Achievements & Plan]

- **Financials: Despite of seasonality issue, YoY +15%, QoQ -13%**
 - OLED: The largest quarterly revenue among the entire 1st quarter due to application of aETL for M11 set; increased number of samples for TV
 - Bio: Revenue growth from high-profitability cosmetics products and increased sales from Ceramide
- **Plan: Expected to conduct products portfolio expansion and to raise efficiency for higher-profitability business**
 - OLED: Products portfolio expansion and establishment of Chinese production facilities
 - Bio: Expected to increase the portion of higher-profitability products

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Summary Balance Sheet

Investor Relations 2021

	USD 1M					
Items	'19. 12	'20. 03	'20. 06	'20. 09	'20. 12	'21. 03
Current Asset	199	161	151	158	414	335
Non-current Asset	228	265	292	305	359	381
Total Asset	427	425	443	464	773	715
Current Liabilities	159	138	135	120	154	162
Non-current Liabilities	146	162	178	212	169	59
Total Liabilities	305	300	313	331	323	221
Capital Stock	3	3	3	3	4	4
Total Equity	121	125	130	132	450	494
Debt-to-Equity Ratio	251%	240%	241%	250%	72%	45%
[Loan Payable]						
Loans Payable	159	173	207	218	228	139
Cash	82	45	55	45	281	179
Net Debt	77	128	151	173	-53	-39

※ The financial data for 1Q21 is based on unaudited financial statements

Summary Comprehensive Income Statement

Investor Relations 2021

Items	'19	'20					Total	USD 1M
		1Q	2Q	3Q	4Q	'21		
		1Q						
Revenue	60	59	62	62	59	246	80	
COGS	40	40	40	41	41	164	63	
Gross Profit	20	20	22	20	18	82	16	
SG&A	11	12	13	14	16	56	16	
EBIT	9	7	9	6	2	26	0.4	
(%)	15%	13%	15%	10%	15%	10%	0.5%	
Gain/Loss on Interest	-1	-1	-1	-1	-2	-5	-4	
Gain/Loss on foreign currency transaction	-1	1	0.2	-1	-6	-6	5	
Gain/Loss on foreign currency translation	-2	1	-3	-4	-8	-14	2	
Earnings before Interest and Taxes	6	7	6	-1	-15	-2	3	
Income Taxes	2	3	1	1	2	7	4	
Net Income	4	5	5	-2	-17	-9	-1	
Income for controlling shareholder	4	5	5	-2	-17	-9	2	

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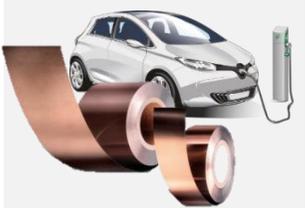
III. Appendix

Company & Business Introduction

[Company Introduction]

[Business Introduction]

<u>Company Name</u>	Solus Advanced Materials Co., Ltd.
<u>CEO</u>	Daeje Chin, Kwangpyuk Suh
<u>Establishment</u>	1 Oct. 2019
<u>Listing Date</u>	18 Oct. 2019 (KOSPI)
<u>Total Asset</u>	USD 773M (As of Dec. 2020)
<u>No. of Employees</u>	916 (As of March. 2021)
<u>Location (HQ)</u>	Jeollabuk-do Iksan, S. Korea
- <u>Battery Copper Foil</u>	Hungary¹⁾
- <u>Copper Foil</u>	Luxembourg¹⁾
- <u>OLED Bio</u>	Yongin²⁾, Iksan³⁾

 Elec-foil Division	Elec-foil	Copper foil for EV batteries	
	Copper Foil	Copper foil for 5G Networks & electronic devices (PCB)	
 Advanced Materials Division	OLED	OLED and display materials for smartphone, TV, laptop, etc.	
	Bio	Natural-based materials for cosmeceutical, pharmaceutical and nutraceutical	

1) Development/Production/Sales
 2) Development
 3) Production

Major Sites

Global Presence in 7 Nations : 6 Operation Sites & 1 Branch

-  HQ/Production
-  Corporation



Luxembourg

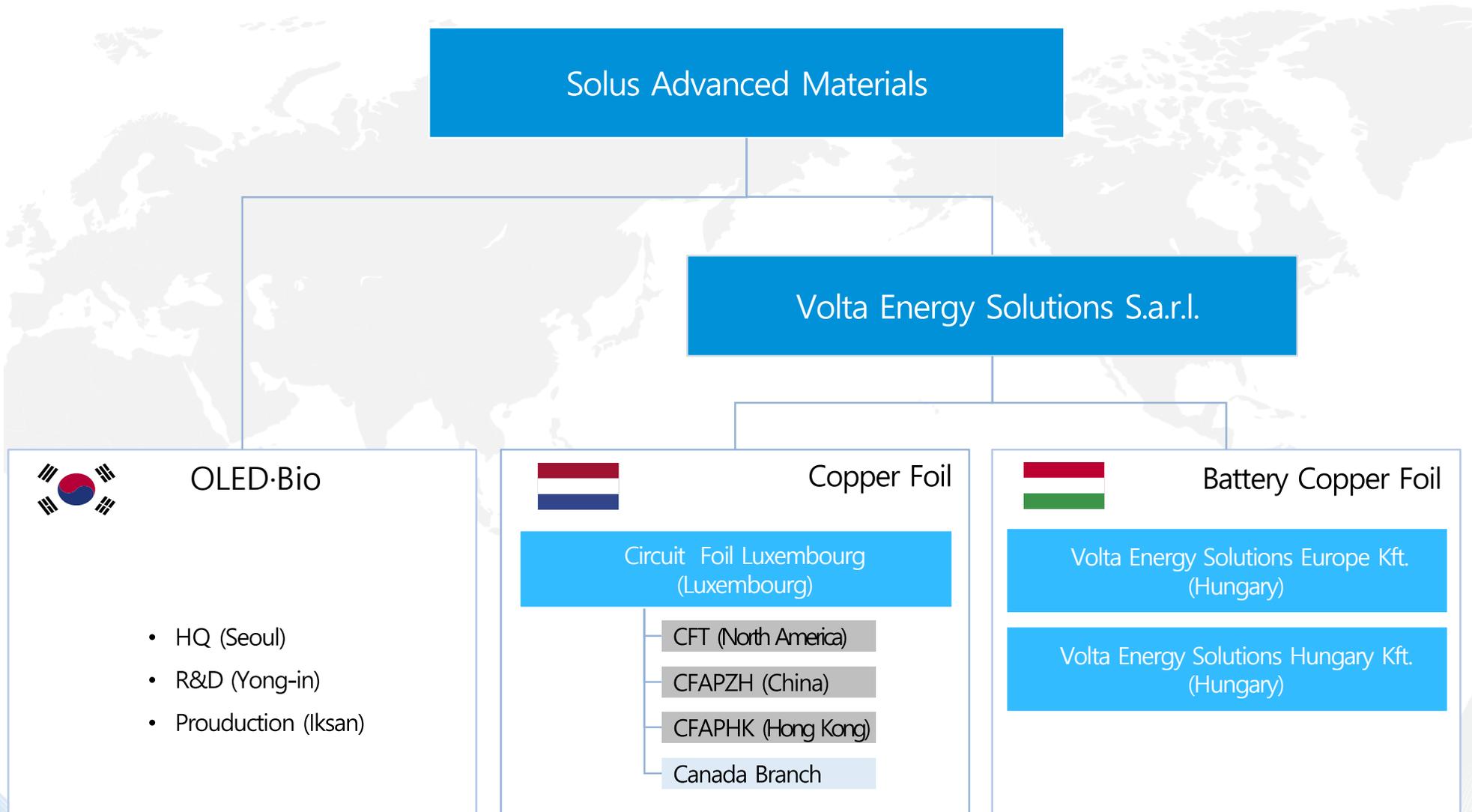


Hungary



South Korea

Company Overview



FX Rate

Items	'18.1Q	'18.2Q	'18.3Q	'18.4Q	'19.1Q	'19.2Q	'19.3Q	'19.4Q
B/S	1,066.50	1,121.70	1,112.70	1,118.10	1,137.80	1,156.80	1,201.30	1,157.80
I/S	1,072.27	1,075.37	1,090.78	1,100.19	1,124.97	1,145.78	1,161.94	1,165.46

Items	'20.1Q	'20.2Q	'20.3Q	'20.4Q	'21.1Q	2021(P)~2025(P)
B/S	1,222.60	1,200.70	1,173.50	1,088.00	1,133.50	1,100.00
I/S	1,193.03	1,206.70	1,200.52	1,179.96	1,113.62	1,100.00

- Source : First notified basic exchange rate from KEB Hana Bank
- Source : Internal materials for projections

Solus Advanced Materials Co., Ltd.
www.solusadvancedmaterials.com