<Q3 2026 Earnings Conference Call>

Thursday, November 12, 2026, 3:00PM

Thank you for joining the Third Quarter Fiscal Year 2026 Earnings Call for Solus Advanced Materials.

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

For your information, you can download the IR Materials in Korean and English on our website.

I will present the financial highlights of Fiscal 2026 Q3 and the following business plans.

<Q3 2026 Financial Results>

The consolidated revenue of Q3 2026 posted 125.5 billion won, 83.1% increase year over year and 23.2% increase quarter over quarter.

Thanks to the increased shipment of Battery Copper Foils to our key customers in Europe and NA, combined with the expanded shipment of OLED emissive materials, we set a record for quarterly revenue for both Business Units.

However, the profitability was not quite satisfactory.

The Q3 EBITDA stood at -13.4 billion won, widening the deficit gap by 13.6% year on year and 197.8% quarter on quarter. The major cause is higher energy cost. According to HUDEX, the Hungarian Derivative Energy Exchange, the power prices rose from €109.2 per MWh on average in Q2 to €151.1 per MWh on average in

Q3, which is a 38% rise.

The operating profit stood at -30.1 billion won, widening the deficit gap by 15.9% YoY and 38.7% QoQ. The contributing factors are mainly the added costs, including the electricity cost and depreciation cost.

<Performance and Plans by Business Segment>

I will move on to the Performance and Plans per Business Unit.

For the Battery Copper Foil Business, we delivered 91.6 billion won of revenue in Q3, which set a quarterly revenue record, with a 151.6% growth YoY and 22.1% growth QoQ..

The leading factors are: 1. Higher supply for EVs and ESSs to our key customers in Europe, and 2. Higher supply for EVs to our key customers in NA.

However, despite the increased sales, the added costs such as electricity and depreciation costs are adding time for the topline growth to be translated into P&N improvement.

Accordingly, we currently focus on improving the margin structure itself.

Above all, we completed the price negotiations with some of our key accounts, and the increased prices of 50% on average have been applied since Q4. In addition, we finalized the supply volume for 2027 per customer, and pursuing further price negotiations.

This price increase reflects the supply-demand dynamics change in the Battery Copper Foil market. China, our main target, is shifting from balanced to supply shortage with 186K tons of demand and 181K tons of supply. Also, the processing fee in China, which is an industry benchmark, bottomed out and rebounded by 26% for 6μm products compared to January.

For the OLED Business, we delivered 33.9 billion won of revenue in Q3, which set a quarterly revenue record, with a 5.6% growth YoY and 26% growth QoQ..

The leading factors are: 1. Increased shipment of Red Prime for mobile applications, 2. Increased shipment of HBL to key customers in China, and 3. The Hamyeol Production Complex started operating in March and continues a stable operation, supporting these productions.

In Q4, we plan to expand the supply of new products, such as aETL for IT application and HTL and CPL for TV applications, while continuing to diversify the applications and entering into the Chinese market with a new Green Host customer. On top of that, we also plan to develop new business items by expanding into the polymer technology market.

Next, I'd like to explain about the production hold of Hungary PH1.

On October 30th, water discoloration was reported in a drainage adjacent to PH1. Upon the notification, we immediately blocked the leak source and conducted an internal investigation. On November 4th, we put our production line on hold following the orders from the local authority. The impacted lines are only in PH1, and thus, PH2 is up and running.

We implemented containment measures by installing a temporary water barrier and through recovery and treatment of the contaminated water. At present, we are implementing water purification activities with the collaboration of the local authority and an environmental consulting firm. Also, we are carrying out a thorough investigation into the cause and the leak source with an outside specialized agency. Based on the results, we will implement corrective and preventive measures.

The resumption of PH1 will take place in the following order: Root cause analysis → Corrective actions complete → Safety verification by a third-party specialist → Approval of resumption by the competent authority. Therefore, we are doing our best to promptly prepare the required documents and measures in place.

In the meantime, we will minimize the supply impact to the customers by: 1. Through a close discussion on the supply plans with the customers, and 2. By maximizing the UTR of PH2, which accounts for 60% of the production capacity in Hungary.

Moreover, we are preemptively conducting environment and safety validations of our facilities in Hungary in general, including PH2, and we promise you we will advance our quality management system of the manufacturing sites according to the tightened local rules and regulations. We sincerely apologize for any concern this may have caused among our investors.

<Outlook and Future Plans>

I will move on to the plans and prospects for the future.

We expect a steady growth in the Battery Copper Foil market in the mid-to-long-term based on the following reasons: 1. The battery use in Europe and NA is expected to grow at a CAGR of 19% from 2026 to 2030, and 2. The Battery Copper Foil use is expected to grow at a CAGR of 18%, from 210K tons to 420K tons, in Europe and NA during the same period.

Taking these into account, we plan to shift our Battery Copper Foil Business from 'Volume-based Growth' to 'Price-and-Margin-based Growth' starting from Q4. We will improve our margin structure driven by the price increase from Q4 and additional price negotiations following the confirmed volumes for 2027.

In parallel, we will diversify our customer mix and expand the shares of high-end

products in our product mix. Also, we will strengthen our local supply chain in Europe and NA with the commercialization of Canada PH1 in 2027. As there is a growing need towards locally produced materials in both Europe and NA, we anticipate we will gain higher strategic value from our local production hub.

On the other hand, our OLED Business will continue to support a sustainable margin by the following measures: 1. We will diversify our product portfolio by mass producing new product lineups and securing more applications, and 2. We will beef up the production efficiency and competitive quality through our Hamyeol Production Complex.

In Q3 2026, we witnessed new quarterly records in both of our BUs, and experienced topline growth, however there is room for improvement in regards to the profit, not to mention the unforeseen variable of the temporary production suspension of Hungary PH1.

We will do our best to normalize PH1 operation asap, and to stabilize the supply to our customers, while laying the foundation for a turnaround in 2027 by linking the price increase effect with a tangible P&L improvement. Besides, we will make every effort to boost our company valuation through a transparent communication with the market.

That was all for 2026 Q3 Earnings Report and Future Guidance.

Thank you!