

Hanwha Vision CO., LTD. and Subsidiaries

Consolidated Financial Statements
December 31, 2025 and 2024

Hanwha Vision CO., LTD. and Subsidiaries
Index
December 31, 2025 and 2024

	Page(s)
Independent Auditor's Report	1 - 4
Consolidated Financial Statements	
Consolidated Statements of Financial Position	5
Consolidated Statements of Comprehensive Income	6
Consolidated Statements of Changes in Equity	7
Consolidated Statements of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 87

Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Hanwha Vision CO., LTD.

Opinion

We have audited the consolidated financial statements of Hanwha Vision CO., LTD. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended December 31, 2025 and the four-month period from September 1, 2024 to December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2025 and the four-month period from September 1, 2024 to December 31, 2024 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment test on the Hanwha Semitech Co., Ltd. division

Reason why the matter was determined to be a Key Audit Matter

As described in Note 13 to the consolidated financial statements, the Group determined that there is an indication of impairment on the Cash Generating Unit (hereafter 'CGU') due to poor performance and competitive market conditions of the Hanwha Semitech Co., Ltd. CGU during the year ended December 31, 2025, and thus, the Group performed an impairment assessment for CGU in accordance with Korean IFRS 1036. The Group compared the recoverable amount of the CGU, which is calculated based on the value-in-use, with the carrying amount of the CGU. The Group used an independent external expert to calculate the recoverable amount of Hanwha Semitech Co., Ltd..

We focused on this area because the estimation of future cash flow forecast included in the assessment of value-in-use of Hanwha Semitech Co., Ltd. division involves management's assumption and judgement about financial budget forecast, growth rate and discount rate, and the impact on the consolidated financial statements is significant.

How our audit addressed the Key Audit Matter

Our audit procedures are performed in relation to the impairment assessment of the CGU of Hanwha Semitech Co., Ltd. included the followings:

- We assessed the competence of external experts engaged.
- We evaluated the appropriateness of determination of CGU of the Group and net assets allocated to CGU.
- We compared actual results for the current period with estimates made in the prior period.
- We assessed the appropriateness of the valuation model used in assessing value-in-use.
- We evaluated the reasonableness of major assumptions used by inspecting available external data.
- We tested the mathematical accuracy of calculation used in the valuation and evaluated the appropriateness of value-in-use through sensitivity analysis.

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sangbum Jeon, Certified Public Accountant.

The image shows a handwritten signature in black ink that reads "Samel PricewaterhouseCoopers". The signature is written in a cursive, flowing style.

Seoul, Korea
March 16, 2026

<p>This report is effective as of March 16, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.</p>

Hanwha Vision CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

<i>(in Korean won)</i>	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	4, 5, 6, 8	₩ 248,756,754,664	₩ 153,754,690,594
Other financial assets	4, 5, 6, 9	19,704,000,000	55,340,000,000
Derivative financial assets	5, 6, 10	2,681,376,399	-
Trade and other receivables	4, 5, 6, 9, 25	554,250,385,891	456,150,053,887
Inventories	11	286,435,900,302	308,812,995,673
Current tax assets		4,399,720,149	10,763,706,709
Other current assets	12	15,599,500,069	11,412,995,125
		<u>1,131,827,637,474</u>	<u>996,234,441,988</u>
Non-current assets			
Long-term trade and other receivables	4, 5, 6, 9	8,127,060,763	8,460,386,430
Right-of-use assets	15	28,604,366,149	40,426,506,340
Property, plant and equipment	13	360,297,523,763	304,802,691,804
Intangible assets	14	81,707,590,476	85,624,198,940
Other financial assets	4, 5, 6, 9	4,000,804,173	3,566,528,447
Other non-current assets	12	8,016,871,872	7,658,169,337
Deferred tax assets	20	186,811,652,336	144,373,258,568
		<u>677,565,869,532</u>	<u>594,911,739,866</u>
Total assets		<u>₩ 1,809,393,507,006</u>	<u>₩ 1,591,146,181,854</u>
Liabilities			
Current liabilities			
Trade and other payables	4, 5, 6, 16	₩ 186,570,047,643	₩ 202,454,844,921
Borrowings and debentures	4, 5, 6, 17	395,589,145,602	228,375,274,413
Tax payables		2,059,128,102	49,292,100,739
Lease liabilities	4, 15	12,421,141,307	13,672,367,316
Derivative financial liabilities	4, 5, 6, 10	639,949,823	5,250,754,917
Other current liabilities	18, 25	29,456,926,024	31,058,238,494
		<u>626,736,338,501</u>	<u>530,103,580,800</u>
Non-current liabilities			
Long-term trade and other payables	4, 5, 6, 16	191,384,577,193	75,683,843,960
Long-term lease liabilities	4, 15	13,535,593,333	23,641,295,417
Employee benefits liabilities	19	99,781,026,095	114,487,247,501
Other non-current liabilities	18	1,195,422,419	-
Deferred tax liabilities	20	10,540,766,640	22,503,440,439
		<u>316,437,385,680</u>	<u>236,315,827,317</u>
Total liabilities		<u>943,173,724,181</u>	<u>766,419,408,117</u>
Equity			
Issued capital	21	25,244,195,000	25,244,195,000
Capital surplus	21	700,877,171,616	698,565,911,386
Capital adjustments	22	(3,923,921,102)	(3,923,921,102)
Accumulated other comprehensive income	23	86,387,675,417	90,682,468,777
Retained earnings	24	57,295,524,641	12,301,007,783
Equity attributable to owners of the Parent		<u>865,880,645,572</u>	<u>822,869,661,844</u>
Non-controlling interests		<u>339,137,253</u>	<u>1,857,111,893</u>
Total equity		<u>866,219,782,825</u>	<u>824,726,773,737</u>
Total liabilities and equity		<u>₩ 1,809,393,507,006</u>	<u>₩ 1,591,146,181,854</u>

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

Hanwha Vision CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
Year ended December 31, 2025 and the four-month period from September 1, 2024 to December 31, 2024

<i>(in Korean won)</i>	Notes	2025	2024
Revenue	25, 26	₩ 1,790,921,869,125	₩ 493,322,362,934
Cost of sales	11, 28	<u>841,190,155,909</u>	<u>240,080,277,901</u>
Gross profit		949,731,713,216	253,242,085,033
Selling and administrative expenses	27, 28	522,047,501,909	161,346,383,190
Research and development expenses	28	265,417,006,971	86,429,527,787
Operating income		162,267,204,336	5,466,174,056
Other income	29	50,465,751,889	53,174,764,880
Other expenses	29	57,239,351,153	18,411,307,828
Finance income	30	18,072,453,078	8,599,855,975
Finance costs	30	<u>152,576,618,150</u>	<u>23,054,947,336</u>
Profit before tax		20,989,440,000	25,774,539,747
Income tax benefits	20	<u>(40,154,613,197)</u>	<u>(9,827,830,736)</u>
Profit from continuing operations		61,144,053,197	35,602,370,483
Loss from discontinued operations	35	<u>(18,524,299,362)</u>	<u>(32,391,577,852)</u>
Profit		<u>₩ 42,619,753,835</u>	<u>₩ 3,210,792,631</u>
Other comprehensive income (loss)			
<i>Other comprehensive income (loss), net of tax, that will not be reclassified to profit or loss</i>			
Gain (loss) on remeasurements of net defined benefit liabilities		₩ (595,305,841)	1,473,754,006
Loss on revaluation of assets		(258,558,953)	-
<i>Other comprehensive income (loss), net of tax, that will be reclassified to profit or loss</i>			
Exchange differences		<u>(4,042,239,913)</u>	<u>16,295,124,486</u>
Other comprehensive income (loss), net of tax		<u>(4,896,104,707)</u>	<u>17,768,878,492</u>
Total comprehensive income		<u>₩ 37,723,649,128</u>	<u>₩ 20,979,671,123</u>
Profit from continuing operations attributable to:			
Owners of the Parent		₩ 61,144,053,197	₩ 35,602,370,483
Non-controlling interests		-	-
Profit (loss) from discontinued operations attributable to:			
Owners of the Parent		₩ (15,554,230,498)	₩ (25,006,471,622)
Non-controlling interests		(2,970,068,864)	(7,385,106,230)
Profit (loss) attributable to:			
Owners of the Parent		₩ 45,589,822,699	₩ 10,595,898,861
Non-controlling interests		(2,970,068,864)	(7,385,106,230)
Total comprehensive income (loss) attributable to:			
Owners of the Parent		₩ 40,699,723,498	₩ 27,678,264,938
Non-controlling interests		(2,976,074,370)	(6,698,593,815)
Earnings (losses) per share	31		
Basic and diluted earnings per share from continuing operations		₩ 1,210	₩ 707
Basic and diluted earnings per share from discontinued operations		(308)	(496)

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Hanwha Vision CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

Year ended December 31, 2025 and the four-month period from September 1, 2024 to December 31, 2024

(in Korean won)

	Issued capital	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained Earnings	Non-controlling Interests	Total
Balance at September 1, 2024 (spin-off date)	₩ 25,244,195,000	₩ 704,477,086,918	₩ -	₩ 75,305,211,623	₩ -	₩ 3,252,713,691	₩ 808,279,207,232
Total comprehensive income (loss)							
Profit (loss)	-	-	-	-	10,595,898,861	(7,385,106,230)	3,210,792,631
Gain (loss) on remeasurements of net defined benefit liabilities	-	-	-	-	1,705,108,922	(231,354,916)	1,473,754,006
Exchange differences	-	-	-	15,377,257,154	-	917,867,332	16,295,124,486
Total comprehensive income (loss)	-	-	-	15,377,257,154	12,301,007,783	(6,698,593,814)	20,979,671,123
Transactions with owners							
Purchase of treasury shares	-	-	(3,923,921,102)	-	-	-	(3,923,921,102)
Other changes in equity	-	(5,911,175,532)	-	-	-	5,302,992,016	(608,183,516)
Balance at December 31, 2024	₩ 25,244,195,000	₩ 698,565,911,386	₩ (3,923,921,102)	₩ 90,682,468,777	₩ 12,301,007,783	₩ 1,857,111,893	₩ 824,726,773,737
Balance at January 1, 2025	₩ 25,244,195,000	₩ 698,565,911,386	₩ (3,923,921,102)	₩ 90,682,468,777	₩ 12,301,007,783	₩ 1,857,111,893	₩ 824,726,773,737
Total comprehensive income (loss)							
Profit (loss)	-	-	-	-	45,589,822,699	(2,970,068,864)	42,619,753,835
Loss on remeasurements of net defined benefit liabilities	-	-	-	-	(595,305,841)	-	(595,305,841)
Loss on revaluation of assets	-	-	-	(258,558,953)	-	-	(258,558,953)
Exchange differences	-	-	-	(4,036,234,407)	-	(6,005,506)	(4,042,239,913)
Total comprehensive income (loss)	-	-	-	(4,294,793,360)	44,994,516,858	(2,976,074,370)	37,723,649,128
Transactions with owners							
Stock options	-	4,847,149,725	-	-	-	-	4,847,149,725
Other changes in equity	-	(2,535,889,495)	-	-	-	1,458,099,730	(1,077,789,765)
Balance at December 31, 2025	₩ 25,244,195,000	₩ 700,877,171,616	₩ (3,923,921,102)	₩ 86,387,675,417	₩ 57,295,524,641	₩ 339,137,253	₩ 866,219,782,825

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Hanwha Vision CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31, 2025 and the four-month period from September 1, 2024 to December 31, 2024

<i>(in Korean won)</i>	Note	2025	2024
Cash flows from operating activities			
Net cash flows from operations	34	₩ 72,778,147,854	₩ 53,425,251,778
Interest received		3,556,394,005	2,166,858,081
Interest paid		(14,058,135,897)	(4,626,247,172)
Income taxes paid		(56,600,344,231)	5,882,041,840
Cash flows from operating activities		<u>5,676,061,731</u>	<u>56,847,904,527</u>
Cash flows used in investing activities			
Decrease in short-term financial instruments		35,636,000,000	2,747,958,750
Repayments of loans		84,111,809	20,212,842
Repayments of long-term loans		620,000,000	3,888,904
Decrease in deposits provided		2,622,571,484	286,928,758
Proceeds from sales of property, plant and equipment		11,050,866,935	4,515,573,261
Proceeds from sales of intangible assets		2,110,152,297	277,586,252
Dividends received		1,971,462	1,965,476
Decrease in other non-current assets		438,449,711	795,000
Increase in short-term financial instruments		-	(55,340,000,000)
Loans advanced		(135,945,073)	-
Increase in deposits provided		(797,239,884)	(187,917,481)
Purchase of financial assets at fair value through profit or loss		(840,000)	-
Purchase of property, plant and equipment		(107,398,017,899)	(24,880,834,715)
Purchase of intangible assets		(2,236,088,158)	(1,259,644,444)
Increase in derivative instruments		(11,245,900,000)	-
Increase (decrease) in other non-current assets		2,139,388,558	(627,897,030)
Cash flows used in investing activities		<u>(67,110,518,758)</u>	<u>(74,441,384,427)</u>
Cash flows from (used in) financing activities			
Decrease in short-term borrowings (Nego)		-	(18,357,923,934)
Proceeds from short-term borrowings		268,627,707,337	10,000,000,000
Proceeds from long-term borrowings		30,000,000,000	-
Proceeds from issuing debentures		60,000,000,000	-
Repayments of short-term borrowings		(169,478,692,126)	(48,598,294,848)
Repayments of current portion of long-term borrowings		-	(41,748,000,000)
Repayments of debentures		(20,000,000,000)	-
Repayments of lease liabilities		(11,597,369,366)	(4,601,488,464)
Payments for treasury shares		-	(3,923,921,102)
Cash flows from (used in) financing activities		<u>157,551,645,845</u>	<u>(107,229,628,348)</u>
Increase (decrease) in cash and cash equivalents		96,117,188,818	(124,823,108,248)
Cash and cash equivalents at the beginning of period		153,754,690,594	275,827,519,093
Effects of exchange rate changes on cash and cash equivalents		(1,115,124,748)	2,750,279,749
Cash and cash equivalents at the end of period		<u>₩ 248,756,754,664</u>	<u>₩ 153,754,690,594</u>

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

1. General Information

1.1 Description of the Parent Company

Hanwha Vision Co., Ltd. (the Parent Company) was incorporated through a spin-off from Hanwha Aerospace Co., Ltd. on September 1, 2024 to engage in managing the shares of investee companies, which produce and sell security, chip mounters, and semiconductor equipment as well as making new investments. After the spin-off, the Parent Company was relisted on September 27, 2024 through a review for relisting in accordance with the listing regulation on the securities market and its share capital amounted to ₩ 25,244 million as at December 31, 2025, and its largest shareholder is Hanwha Corp. (33.95%).

The Parent Company merged with Hanwha Vision Co., Ltd., a controlled company, on January 1, 2025 under the merger agreement entered into on October 31, 2024. The merger was the small-scale merger in accordance with Article 527-3 of the Commercial Act and was approved by the Board of Directors on January 2, 2025.

The Parent Company changed its name to Hanwha Vision Co., Ltd. on January 1, 2025, in accordance with a resolution of the shareholders' meeting on December 13, 2024.

1.2 Consolidated Subsidiaries

Details of the consolidated subsidiaries as at December 31, 2025 and 2024, are as follows:

		2025	2024		
	Location	Ownership interest held by the Group (%)	Ownership interest held by the Group (%)	Closing month	Main business
Hanwha Vision CO., LTD. ¹	Korea	-	100.00%	December	Manufacture and sale of CCTV, etc.
HANWHA VISION AMERICA, INC.	U.S.A	100.00%	100.00%	December	Sale of CCTV, etc.
Hanwha Vision Mexico,S.A.de C.V	Mexico	100.00%	100.00%	December	Marketing
HANWHA VISION EUROPE LIMITED	U.K	100.00%	100.00%	December	Sale of CCTV, etc.
HANWHA VISION MEA FZE	UAE	100.00%	100.00%	December	Sale of CCTV, etc.
HANWHA VISION VIETNAM COMPANY LIMITED	Vietnam	100.00%	100.00%	December	Manufacture of CCTV, etc.
Hanwha Techwin (Tianjin) Co., Ltd. ¹	China	-	100.00%	December	Manufacture and sale of CCTV, etc.
Hanwha Semitech Co., Ltd. ²	Korea	100.00%	100.00%	December	Manufacture and sale of IMS, etc.
Hanwha Techwin (Shanghai) Co., Ltd.	China	100.00%	100.00%	December	Sale of IMS, etc.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Hanwha Semitech Japan Co., Ltd. ³	Japan	100.00%	100.00%	December	Research and development of IMS
Hanwha Semitech Americas, Inc. ⁴	U.S.A	100.00%	100.00%	December	Sale of IMS, etc.
Hanwha TechM (Suzhou) Co., Ltd.	China	100.00%	100.00%	December	Sale of IMS, etc.
HANWHA SEMITECH VIETNAM CO., LTD ⁵	Vietnam	100.00%	100.00%	December	Sale of IMS, etc.
FABLESS-PIONEER HOLDINGS	U.S.A	84.70%	81.10%	December	Manufacture of non-memory and other electronic integrated circuits
VISIONEXT AMERICA INC.	U.S.A	100.00%	100.00%	December	Semiconductor manufacturing and design
VISIONEXT CO., LTD.	Korea	100.00%	100.00%	December	Manufacture of electronic integrated circuit
A123 CORPORATION	U.S.A	98.88%	98.88%	December	Holding company
Neubla Corporation ¹	Korea	-	100.00%	December	Development of software
NEUBLA UK Ltd.	U.K	100.00%	100.00%	December	Development of software

¹ Excluded from consolidation due to merger and liquidation during the year ended December 31, 2025.

² Hanwha Precision Machinery Co., Ltd. changed its name to Hanwha Semitech Co., Ltd. during the year ended December 31, 2025.

³ Techwin Engineering Center Co., Ltd. changed its name to Hanwha Semitech Japan Co., Ltd. during the year ended December 31, 2025.

⁴ Hanwha Techwin Automation Americas, Inc. changed its name to Hanwha Semitech Americas, Inc. during the year ended December 31, 2025.

⁵ Hanwha Techwin Automation Vietnam Co., Ltd. changed its name to HANWHA SEMITECH VIETNAM CO., LTD during the year ended December 31, 2025.

1.3 Changes in Scope for Consolidation

Subsidiaries excluded from the consolidation for the year ended December 31, 2025:

Subsidiary	Reason
Hanwha Vision CO., LTD.	Merged into Parent Company
Hanwha Techwin (Tianjin) Co., Ltd.	Liquidation
Neubla Corporation	Liquidation

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

1.4 Summarized Financial Information

Summarized financial information for consolidated subsidiaries as at and for the year ended December 31, 2025 and the four-month period ended December 31, 2024, is as follows:

(in millions of Korean won)

Subsidiary	2025						Total comprehensive income (loss)
	Assets	Liabilities	Equity	Sales	Profit (loss)		
HANWHA VISION AMERICA, INC.	₩ 443,951	₩ 324,509	₩ 119,442	₩ 773,995	₩ 24,567	₩ 21,907	
HanwhaVision Mexico,S.A.de C.V	3,045	1,488	1,557	10,568	395	565	
HANWHA VISION EUROPE LIMITED	120,996	91,043	29,953	213,118	921	1,269	
HANWHA VISION MEA FZE	49,799	46,865	2,934	88,722	2,025	1,855	
HANWHA VISION VIETNAM COMPANY LIMITED	165,590	73,780	91,810	292,623	14,584	9,671	
Hanwha Semitech Co., Ltd. ¹	627,884	384,926	242,958	431,216	(39,814)	(40,072)	
Hanwha Techwin (Shanghai) Co., Ltd.	16,008	1,258	14,750	23,543	1,652	1,922	
Hanwha Semitech Japan Co., Ltd. ²	1,687	1,199	488	3,225	(745)	(751)	
Hanwha Semitech Americas, Inc. ³	33,983	27,558	6,425	29,447	621	378	
Hanwha TechM (Suzhou) Co., Ltd.	1,057	1,419	(362)	737	14	10	
HANWHA SEMITECH VIETNAM CO., LTD ⁴	3,106	1,590	1,516	3,642	230	153	
FABLESS-PIONEER HOLDINGS ⁵	175	-	175	-	(65,172)	(58,728)	
VISIONEXT AMERICA INC. ⁵	777	-	777	-	(64,346)	(56,791)	
VISIONEXT CO., LTD. ⁵	2,207	1,398	809	15,753	(17,151)	(17,151)	
A123 CORPORATION ⁶	441	987	(546)	-	31	45	
NEUBLA UK Ltd ⁶	975	-	975	-	(532)	(483)	

¹ Hanwha Precision Machinery Co., Ltd. changed its name to Hanwha Semitech Co., Ltd. during the year ended December 31, 2025.

² Techwin Engineering Center Co., Ltd. changed its name to Hanwha Semitech Japan Co., Ltd. during the year ended December 31, 2025.

³ Hanwha Techwin Automation Americas, Inc. changed its name to Hanwha Semitech Americas, Inc. during the year ended December 31, 2025.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

⁴ Hanwha Techwin Automation Vietnam Co., Ltd. changed its name to HANWHA SEMITECH VIETNAM CO., LTD. during the year ended December 31, 2025.

⁵ The amounts include the gain or loss from the Vision semiconductor design business discontinued during the year ended December 31, 2025.

⁶ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024.

(in millions of Korean won)

Subsidiary	2024				
	Assets	Liabilities	Equity	Sales ¹	Profit (loss) ¹
Hanwha Vision CO., LTD. ²	₩ 852,206	₩ 316,970	₩ 535,236	₩ 361,557	₩ 43,876
HANWHA VISION AMERICA, INC.	493,008	395,473	97,535	225,821	11,314
DUCLO, INC. ³	-	-	-	-	(5,687)
HanwhaVision Mexico,S.A.de C.V	3,582	2,589	993	3,348	(104)
HANWHA VISION EUROPE LIMITED	112,433	83,748	28,685	57,828	(6,087)
HANWHA VISION MEA FZE	37,323	36,244	1,079	24,237	1,108
HANWHA VISION VIETNAM COMPANY LIMITED	155,057	72,917	82,140	128,751	3,715
Hanwha Techwin (Tianjin) Co., Ltd.	4,046	(79)	4,125	-	(537)
Hanwha Semitech Co., Ltd. ⁴	534,255	301,215	233,040	101,187	(22,502)
Hanwha Techwin (Shanghai) Co., Ltd.	20,297	7,469	12,828	8,016	929
Hanwha Semitech Japan Co., Ltd. ⁵	1,657	418	1,239	890	12
Hanwha Semitech Americas, Inc. ⁶	35,289	29,243	6,046	7,686	(623)
Hanwha TechM (Suzhou) Co., Ltd.	213	584	(371)	-	(21)
HANWHA SEMITECH VIETNAM CO.,LTD ⁷	1,557	195	1,362	571	(144)
FABLESS-PIONEER HOLDINGS ⁸	48,821	1	48,820	-	(58,123)
VISIONEXT AMERICA INC. ⁸	41,301	9	41,292	-	(9)
VISIONEXT CO., LTD. ⁸	13,653	11,688	1,965	3,898	(6,736)
A123 CORPORATION ⁹	3,455	4,047	(592)	-	(15,960)
Neubla Corporation ⁹	2,822	2,822	-	6,872	(1,034)
NEUBLA UK Ltd. ⁹	3,171	1,713	1,458	2,057	(14)

Hanwha Vision CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

¹ It is financial information after September 1, 2024, spin-off date.

² Hanwha Vision CO., LTD. was merged into Parent Company during the year ended December 31, 2025.

³ Excluded from subsidiaries due to merger with HANWHA VISION AMERICA, INC. during the four-month period ended December 31, 2024.

⁴ Hanwha Precision Machinery Co., Ltd. changed its name to Hanwha Semitech Co., Ltd. during the year ended December 31, 2025.

⁵ Techwin Engineering Center Co., Ltd. changed its name to Hanwha Semitech Japan Co., Ltd. during the year ended December 31, 2025.

⁶ Hanwha Techwin Automation Americas, Inc. changed its name to Hanwha Semitech Americas, Inc. during the year ended December 31, 2025.

⁷ Hanwha Techwin Automation Vietnam Co., Ltd. changed its name to HANWHA SEMITECH VIETNAM CO.,LTD during the year ended December 31, 2025.

⁸ The amounts include the gain or loss from the Vision semiconductor design business discontinued during the year ended December 31, 2025.

⁹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024.

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- Non-current assets held for sale – measured at fair value less costs to sell
- Contingent consideration – measured at fair value, and
- Defined benefit plans – plan assets measured at fair value

The preparation of consolidated financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2025.

(a) Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments do not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1117 Insurance Contracts

If the estimation techniques used for input variables in measuring insurance contracts differ from the principles required by insurance regulations, the entity shall disclose those differences and their effects when the differences and their effects on the financial statements are considered relevant and material to users of financial statements.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

2.2.2 New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

(a) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1107 Financial Instruments: Disclosures

Korean IFRS 1109 *Financial Instruments* and Korean IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(b) Annual Improvements to Korean IFRS -Volume 11

Annual Improvements to Korean IFRS - *Volume 11* should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated financial statements.

- Korean IFRS 1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*
- Korean IFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- Korean IFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- Korean IFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Korean IFRS 1007 *Statement of Cash Flows: Cost method*

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(c) Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the financial statements.

(d) Standards to Korean IFRS 1118 Presentation and Disclosure in Financial Statements

Korean IFRS 1118 *Presentation and Disclosure in Financial Statements* replaces Korean IFRS 1001 *Presentation of Financial Statements*. The new presentation requirements introduced in Korean IFRS 1118 will increase comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosure requirements for 'management-defined performance measures' will enhance transparency. The amendments should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirements, comparative information for the year ended December 31, 2026, shall be restated under Korean IFRS 1118.

The Group has not yet adopted Korean IFRS 1118 and is in the process of determining the impact on the Group of applying Korean IFRS 1118. The Group has prepared a transition plan and is on track to report their first Korean IFRS 1118-compliant interim financial statements for the period ending March 31, 2027 and annual financial statements for the period ending December 31, 2027.

Management is in review for the impact of applying the new standard on consolidated financial statements. Adoption of the standard is not expected to have an impact on the Group's net profit or loss; however, it will require revenues and expenses in the income statements to be classified into new categories, which is expected to have an impact on the calculation and presentation of operating profit (loss).

Hanwha Vision CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110 *Consolidated Financial Statements*.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

If the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity are greater than the fair value of the net identifiable assets acquired, the excess is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Parent Company.

When the Group ceases to consolidate for a subsidiary because of a loss of control, any retained interest in the subsidiary is remeasured to its fair value with the change in carrying amount recognized in profit or loss.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If there is an objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its carrying amount as impairment loss. If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

(c) Joint Arrangements

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

2.4 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.5 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The consolidated financial statements are presented in Korean won, which is the Group's functional and presentation currency.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying effective portion of hedges of net investments, or are attributable to monetary part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance income or costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other income or other expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

2.6 Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income or expenses' and impairment losses are presented in 'other expenses'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of comprehensive income within 'other income or expenses' in the year in which it arises.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

B. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments, which held for long-term investment or strategic purpose, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continues to be recognized in profit or loss as 'finance income' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other income and other expenses' in the statement of comprehensive income as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(c) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and lease receivables, the Group applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received.

(e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

2.7 Derivatives

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss within 'finance income (costs)' based on the nature of transactions.

2.8 Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade receivables are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses.

2.9 Inventories

Inventories are stated at the lower of cost and net realizable value, and the cost of inventory is determined by using the gross average method or moving-weighted average method, except for materials-in-transit, which is measured using the individual cost method.

2.10 Non-current Assets (or Disposal Group) Held for sale and Discontinued Operations

A disposal group qualifies as discontinued operation if any of the following applies:

- It is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- It is a subsidiary acquired exclusively with a view to resale

Non-current assets (or disposal group) are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The assets are measured at the lower amount between their carrying amount and the fair value less costs to sell.

2.11 Property, Plant and Equipment

Land is shown at fair value based on valuations by external independent valuers. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment, except for land, are stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in equity. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against other reserves directly in equity; all other decreases are recognized in profit or loss.

Depreciation of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Useful lives
Buildings and structures	15 - 50 years
Machinery	5 - 15
Tools and furniture	2 - 6
Vehicles	4 - 5
Other property, plant and equipment	3 - 6

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is adjusted to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

2.12 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.13 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset, and government grants related to income are deferred and later deducted from the related expense.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

2.14 Intangible Assets

Intangible assets, except for goodwill, are initially recognized at its historical cost, and carried at cost less accumulated amortization and accumulated impairment losses.

Development costs that are directly attributable to internally generated by the Group are recognized when the criteria; such as, technically feasible, generate probable future economic benefits and others, are met. Membership rights that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	Useful lives
Development costs	5 - 10 years
Industrial property rights	5 - 10
Software	3 - 5
Other intangible assets	3 - 10

2.15 Impairment of Non-financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.16 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid within 1 to 90 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

2.17 Financial Liabilities

(a) Classification and measurement

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and present as 'trade and other payables', and 'borrowings' in the statement of financial position.

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds net of transaction costs and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(b) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

2.18 Provisions

Provisions for service warranties, make good obligation, and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

2.19 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Group recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, The Group recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.20 Employee Benefits

(a) Post-employment benefits

The Group operates both defined contribution and defined benefit pension plans.

Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contribution has been paid. The contribution is recognized as employee benefit expense when they are due.

(b) Other long-term employee benefits

Certain entities within the Group provide long-term employee benefits that are entitled to employees with service period for ten years and above. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The Group recognizes service cost, net interest on other long-term employee benefits and remeasurements as profit or loss for the year. These liabilities are valued annually by an independent qualified actuary.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(c) Share-based payments

Cash-settled share-based payment is recognized at fair value of equity instruments granted, and employee benefit expense is recognized over the vesting period. Until the liability is settled, the Group is required to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in value recognized in profit or loss for the year.

Equity-settled share-based payment is recognized at fair value of equity instruments granted, and employee benefit expense is recognized over the vesting period. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The net inflow, excluding transaction costs directly related to the issuance of new shares at the time of exercising stock options, is recognized as capital stock (at par value) and share premium.

2.21 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or rendering of services arising from the normal activities of the Group. It is presented as net of value added taxes, returns, rebates and discounts.

The Group recognizes revenue when specific criteria have been met for the Group's activities as described below. The Group bases its estimate on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

The Group manufactures and sells a range of video surveillance equipment in the wholesale market. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

In addition, the Group sells industrial machinery such as chip mounters and machine tools such as CNC automatic lathes to customers. Regarding the sales contracts with customers, the Group identifies rendering of services provided separately from sales of goods as a separate performance obligation in the contracts. However, if the supply of goods and services in the contract is provided as a single performance obligation, revenue is recognized at one point in time.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(b) Rendering of services

The Group is engaged in system integration (SI) business of providing clients with system-wide total solutions, including consulting, building and maintaining security and operational systems. SI business is a type of installation and delivery of closed-circuit television (CCTV) and major materials to buildings and structures controlled by customers. The Group creates or enhances the assets which is controlled by the customer. It can be categorized as a performance obligations satisfied over time, an entity recognizes revenue over time by selecting an appropriate method for measuring the entity's progress towards complete satisfaction of that performance obligation.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group disclosed information relating to its operating segments in Note 26 to the consolidated financial statements in accordance with Korean IFRS 1108 *Operating Segments*.

2.23 Business Combination of Entities under a Common Control

The Group applies the book amount method to account for business combinations of entities under a common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their carrying amounts on the consolidated financial statements of the Ultimate Parent Company. However, if the consolidated financial statements are not available, the Group applies the carrying amount of assets and liabilities accounted on acquiree's financial statements. In addition, the difference between the sum of consolidated carrying amounts of the assets and liabilities transferred and accumulated other comprehensive income and the consideration paid is recognized as capital surplus.

2.24 Leases

The Group leases various offices, warehouses, equipment and cars. Lease contracts are typically made for fixed periods of 1 to 2 years, but may have extension options as described in below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is lessee, the Group applies the practical expedient which has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The Group determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Group should consider a termination penalty in determining the period for which the contract is enforceable.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Group (the lessee) is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group (the lessee) exercising that option

Measurement of lease liability also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Although the Group elected to apply the revaluation model to its land and buildings that are presented in property, plant and equipment, the Group elected not to apply that revaluation model to buildings held by the Group that are presented in the right-of-use assets.

Payments associated with short-term leases of equipment and vehicles and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT-equipment and small items of office furniture.

2.25 Approval of Issuance of the Financial Statements

The consolidated financial statements were approved for issue by the Board of Directors on February 23, 2026 and are subject to change with the approval of shareholders at their Annual General Meeting.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

3. Critical Accounting Estimates and Assumptions

The preparation of consolidated financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

(a) Impairment loss of non-financial assets (goodwill and others)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually, or when circumstances indicate that the carrying value may be impaired. Other non-financial assets are tested for impairment when circumstances indicate that its carrying amount may not be recoverable. In determining a value in use, management estimates future cash flows to be derived from the asset or cash generating unit, and applies the appropriate discount rate to those future cash flows.

(b) Impairment of financial assets

The provisions for impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(c) Net realizable value of inventory

When assessing whether the net realizable value is lower than cost, the measurement is based on assumptions about obsolescence and expected future cash flow of inventory. In order to select inputs for such measurement, the experience and future sales plan of the Group, as of the financial reporting date, are taken into consideration.

(d) Net defined benefit liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(e) Provisions for service warranties

The Group recognizes provision for service warranties on products sold. The Group accrues provision for warranty based on the best estimate of amounts necessary to settle future and existing claims. The amounts are estimated based on past experience.

(f) Deferred tax assets

The Group's taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. Especially, when determining if deferred tax assets will be realizable or not in the future, it involves significant management assumptions and judgment on the Group's future performance.

4. Financial Risk Management

4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and others), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize any adverse effects on the financial performance of the Group.

4.1.1 Market Risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from recognized assets and liabilities. Additionally, the Group evaluates, manages and reports the risks of exchange rate fluctuation periodically by the managing system of receivables and payables denominated in foreign currencies.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The Group's exposure to foreign currency risk as at December 31, 2025, expressed in Korean won, was as follows:

*(in thousands of Korean won, in
USD, EUR, JPY, GBP, CNY,
CAD and AUD)*

	2025	
	In foreign currency	In Korean won
Financial assets		
	USD 98,283,899	₩ 141,027,567
	EUR 9,166,867	15,452,772
	JPY 72,225,487	662,763
Cash and cash equivalents	CNY 16,094,847	3,295,581
	GBP 553,014	1,068,595
	CAD 402,793	422,014
	Others 9,466,013	158,177
	USD 293,930,584	421,760,995
	EUR 75,697,242	127,604,354
Trade and other receivables	JPY 1,623,947	14,902
	CNY 160,135,906	32,789,428
	CAD 18,213,417	19,082,561
Financial liabilities		
	USD 112,867,951	161,954,223
	EUR 46,677,644	78,685,437
	JPY 134,463,770	1,233,880
Trade and other payables	CNY 10,596,767	2,169,794
	AUD 12,474	11,988
	GBP 1,215,717	2,349,143
	CAD 2,009	2,105
	Others 691,775	31,295
Borrowings	USD 19,995,587	28,691,668

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The table below summarizes the impact of weakened/strengthened Korean won on the Group's profit before tax for the period. The analysis is based on the assumption that Korean won has weakened/strengthened by 10% with all other variables held constant.

<i>(in thousands of Korean won)</i>	2025	
	10% Weakened	10% Strengthened
USD	₩ 37,214,267	₩ (37,214,267)
EUR	6,437,169	(6,437,169)
JPY	(55,622)	55,622
CNY	3,391,521	(3,391,521)
CAD	1,950,247	(1,950,247)
Others	(116,565)	116,565

(b) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings may fluctuate due to the changes in future market interest rate. The interest rate risk mainly arises from floating rate deposits and borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty in interest rates fluctuations and net interest expense.

As at December 31, 2025, assuming all other variables remain constant, if the interest rate on floating-rate borrowings increases or decreases by 1%, profit before income tax would decrease or increase by KRW 1,906 million (2024: KRW 1,584 million), respectively.

4.1.2 Credit Risk

The Group manages credit risk by establishing policies and procedures in order to reduce credit risks related to financial assets. The Group is provided collateral or guarantee from the customers when entering a new contract. For the financial assets for which collections are overdue, status of overdue collection and collection plan are reported to management and the Group subsequently takes actions corresponding to reasons of overdue.

The maximum exposure to credit risk equals to the carrying amount and the maximum guaranteed amount of all financial assets (excluding equity securities), such as cash and cash equivalents deposited at the financial institutions and trade and other receivables.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

4.1.3 Liquidity Risk

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Contractual maturities of the Group's financial liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of
Korean won)

	2025					
	Carrying amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
Trade and other payables	₩ 377,954,624	₩ 377,954,625	₩ 183,754,508	₩ 2,815,540	₩ 6,657,145	₩ 184,727,432
Borrowings and debentures	395,589,146	400,620,340	320,388,097	80,232,243	-	-
Lease liabilities	25,956,735	26,459,965	6,790,696	5,901,260	7,660,180	6,107,829
Derivative financial liabilities	639,950	639,950	639,950	-	-	-
	<u>₩ 800,140,455</u>	<u>₩ 805,674,880</u>	<u>₩ 511,573,251</u>	<u>₩ 88,949,043</u>	<u>₩ 14,317,325</u>	<u>₩ 190,835,261</u>

(in thousands of
Korean won)

	2024					
	Carrying amount	Contractual cash flows	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
Trade and other payables	₩ 278,138,689	₩ 278,138,689	₩ 202,055,388	₩ 399,457	₩ 7,181,809	₩ 68,502,035
Borrowings and debentures	228,375,274	233,097,005	142,319,982	90,777,023	-	-
Lease liabilities	37,313,663	38,511,213	6,793,256	7,312,438	11,070,726	13,334,793
Derivative financial liabilities	5,250,755	5,250,755	5,250,755	-	-	-
	<u>₩ 549,078,381</u>	<u>₩ 554,997,662</u>	<u>₩ 356,419,381</u>	<u>₩ 98,488,918</u>	<u>₩ 18,252,535</u>	<u>₩ 81,836,828</u>

In addition to the financial liabilities listed above, the Group has financial guarantee contracts and performance guarantee contracts. Therefore, if the Group that received the guarantee fails to fulfil its obligation, the company may be obligated to pay within one year (Note 33).

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

4.2 Capital Risk Management

The purpose of the Group's capital management is to maintain a sound capital structure and to maximize shareholders' profit. The Group monitors financial ratios such as debt ratio to optimize capital structure and performs financial structure improvements as necessary.

<i>(in thousands of Korean won)</i>	2025	2024
Liabilities (A)	₩ 943,173,724	₩ 766,419,408
Equity (B)	866,219,783	824,726,774
Debt ratio (A/B) (%)	108.88%	92.93%
Cash and cash equivalents (C)	₩ 248,756,755	₩ 153,754,691
Other current financial assets (D)	19,704,000	55,340,000
Borrowings (E)	395,589,146	228,375,274
Net borrowings ratio ((E-C-D)/B) (%)	14.68%	2.34%

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

5. Fair Value

Carrying amount and fair value of financial instruments by category as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 248,756,755	₩ 248,756,755	₩ 153,754,691	₩ 153,754,691
Other financial assets (current)	19,704,000	19,704,000	55,340,000	55,340,000
Derivative financial assets	2,681,376	2,681,376	-	-
Trade and other receivables	554,250,386	554,250,386	456,150,054	456,150,054
Long-term trade and other receivables	8,127,061	8,127,061	8,460,386	8,460,386
Other financial assets (non-current)	4,000,804	4,000,804	3,566,528	3,566,528
	<u>₩ 837,520,382</u>	<u>₩ 837,520,382</u>	<u>₩ 677,271,659</u>	<u>₩ 677,271,659</u>
Financial liabilities				
Trade and other payables ¹	₩ 121,394,877	₩ 121,394,877	₩ 147,026,497	₩ 147,026,497
Borrowings and debentures	395,589,146	395,589,146	228,375,274	228,375,274
Derivative financial liabilities	639,950	639,950	5,250,755	5,250,755
Long-term trade and other payables ¹	8,745,462	8,745,462	8,470,554	8,470,554
	<u>₩ 526,369,435</u>	<u>₩ 526,369,435</u>	<u>₩ 389,123,080</u>	<u>₩ 389,123,080</u>

¹ Trade and other payables exclude liabilities relating to employee benefits amounting to ₩ 247,814 million (2024: ₩ 122,642 million).

Fair Value Hierarchy

Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- All inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices) (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Fair value hierarchy classifications of the financial instruments that are measured at fair value as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	₩ -	₩ 19,704,000	₩ 3,561,279	₩ 23,265,279
Derivative financial assets (current)	-	2,681,376	-	2,681,376
Derivative financial liabilities (current)	-	639,950	-	639,950

(in thousands of Korean won)

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	₩ -	₩ 55,340,000	₩ 3,160,147	₩ 58,500,147
Derivative financial liabilities (current)	-	5,250,755	-	5,250,755

Changes in fair value of level 3

Changes in level 3 for recurring fair value measurements for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

(in thousands of Korean won)

	2025		2024	
Beginning balance	₩	3,160,147	₩	4,558,994
Acquisition		840		-
Valuation		400,292		(1,398,847)
Ending balance	₩	3,561,279	₩	3,160,147

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Valuation techniques and inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy as at December 31, 2025, are as follows:

(in thousands of Korean won)

	2025				
	Fair value	Level	Valuation techniques	Inputs	Range of inputs
MakinaRocks Co., Ltd.	₩ 2,001,460	3	Market approach	Comparable transaction price	-

Other recurring and non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy were evaluated by considering cost as fair value.

6. Financial Instruments by Category

Carrying amounts of financial assets and liabilities by category as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025		2024	
Financial assets				
Financial assets at fair value through profit or loss				
Other financial assets	₩	23,265,278	₩	58,500,147
Financial assets at amortized cost				
Cash and cash equivalents		248,756,755		153,754,691
Other financial assets		439,526		406,381
Trade and other receivables		554,250,386		456,150,054
Long-term trade and other receivables		8,127,061		8,460,386
Derivative instruments				
Foreign exchange forwards (for trading)		2,681,376		-
	₩	<u>837,520,382</u>	₩	<u>677,271,659</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

<i>(in thousands of Korean won)</i>	2025	2024
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables ¹	₩ 121,394,877	₩ 147,026,497
Borrowings and debentures	395,589,146	228,375,274
Long-term trade and other payables ¹	8,745,462	8,470,554
Derivative instruments		
Foreign exchange forwards (for trading)	639,950	5,250,755
	<u>₩ 526,369,435</u>	<u>₩ 389,123,080</u>

¹ Trade and other payables exclude liabilities relating to salaries amounting to ₩ 247,814 million (2024: ₩ 122,642 million).

Net gains or losses on each category of financial instruments for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹	2024¹
Financial assets at fair value through profit or loss		
Dividend income	₩ 1,971	₩ 1,965
Gain (loss) on valuation	400,292	(1,398,847)
Financial assets at amortized cost		
Interest income	3,569,565	1,999,085
Bad debt expenses (reversal)	(856,592)	56,403
Gain on foreign currency translations	7,293,384	37,928,310
Gain (loss) on foreign currency transaction	(11,843,656)	9,123,130
Financial liabilities at amortized cost		
Interest expenses	(13,850,714)	(3,492,411)
Loss on foreign currency translations	(169,103)	(2,444,531)
Gain (loss) on foreign currency transaction	521,327	(6,727,131)
Loss on disposal	(33,487)	-
Derivative instruments		
Gain (loss) on valuation of foreign exchange forwards (for trading)	2,041,427	(7,601,626)
Loss on transaction of foreign exchange forwards (for trading)	(5,995,145)	(3,181,400)
	<u>₩ (18,920,731)</u>	<u>₩ 24,262,947</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024 and Vision semiconductor design business discontinued during the year ended December 31, 2025.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

7. Transfer of Financial Assets

There are no transferred financial assets that are not derecognized in their entirety as at December 31, 2025 and 2024.

8. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025		2024	
Cash on hand	₩	2,556	₩	1,106
Demand deposits		219,029,241		153,499,599
Other cash and cash equivalents		29,724,958		253,986
	₩	<u>248,756,755</u>	₩	<u>153,754,691</u>

Details of restricted deposits in use as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024		Remarks
Demand deposits	₩	2,000	₩	-	- Deposit for opening a current account
Demand deposits		28,526		-	- Government grant in relation to a national research project
	₩	<u>30,526</u>	₩	<u>-</u>	

9. Financial Assets

9.1 Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025		2024	
	Current	Non-current	Current	Non-current
Time deposits and others	₩ 19,704,000	₩ -	₩ 55,340,000	₩ -
Equity instruments	-	3,525,026	-	3,124,734
Investments	-	36,253	-	35,413
	₩ 19,704,000	₩ 3,561,279	₩ 55,340,000	₩ 3,160,147

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

9.2 Trade Receivables and Financial Assets at Amortized Cost

Trade receivables and allowance for doubtful account as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Current	Non-current	Current	Non-current
Trade receivables	₩ 553,463,796	₩ 117,929	₩ 456,240,542	₩ 160,770
Allowance for doubtful account	<u>(7,212,000)</u>	<u>(117,929)</u>	<u>(6,522,715)</u>	<u>(160,770)</u>
Trade receivables - net	<u>₩ 546,251,796</u>	<u>₩ -</u>	<u>₩ 449,717,827</u>	<u>₩ -</u>

Movements in the allowance for doubtful account of trade and other receivables for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Beginning balance	₩ 6,683,485	₩ 19,985	₩ 6,408,094	₩ 19,985
Bad debt expenses (reversal)	856,592	-	(56,403)	-
Others	<u>(210,148)</u>	<u>-</u>	<u>331,794</u>	<u>-</u>
Ending balance	<u>₩ 7,329,929</u>	<u>₩ 19,985</u>	<u>₩ 6,683,485</u>	<u>₩ 19,985</u>

Other financial assets and other receivables as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Current	Non-current	Current	Non-current
Other financial assets				
Time deposits and others	₩ -	₩ 439,526	₩ -	₩ 406,382
Other receivables				
Non-trade receivables	6,081,440	-	2,592,820	-
Accrued income	130,593	-	139,124	-
Deposits provided	1,730,509	7,539,761	3,628,751	7,312,548
Loans to employees	<u>56,048</u>	<u>587,300</u>	<u>71,532</u>	<u>1,147,838</u>
	<u>₩ 7,998,590</u>	<u>₩ 8,566,587</u>	<u>₩ 6,432,227</u>	<u>₩ 8,866,768</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

10. Derivatives

The Group has entered into derivative contracts to hedge foreign currency risk and price risk relating to purchase of inventories but hedge accounting is not applied.

Details of derivative financial instruments as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Derivative financial assets				
Foreign exchange forwards (for trading)	₩	2,681,376	₩	-
Derivative financial liabilities				
Foreign exchange forwards (for trading)	₩	639,950	₩	5,250,755

11. Inventories

Inventories as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		
	Acquisition cost	Valuation allowance	Carrying amount
Merchandise	₩ 113,702,290	₩ (38,672,527)	₩ 75,029,763
Finished goods	58,297,233	(12,925,973)	45,371,260
Semi-finished goods	12,269,832	(4,404,394)	7,865,438
Work in progress	44,000,444	-	44,000,444
Raw materials	120,762,415	(21,436,471)	99,325,944
Supplies	602,148	-	602,148
Materials in transit	14,240,903	-	14,240,903
	<u>₩ 363,875,265</u>	<u>₩ (77,439,365)</u>	<u>₩ 286,435,900</u>

<i>(in thousands of Korean won)</i>	2024		
	Acquisition cost	Valuation allowance	Carrying amount
Merchandise	₩ 110,163,468	₩ (27,817,212)	₩ 82,346,256
Finished goods	70,288,686	(10,986,799)	59,301,887
Semi-finished goods	15,183,585	(1,560,437)	13,623,148
Work in progress	29,537,662	-	29,537,662
Raw materials	100,582,454	(19,651,856)	80,930,598
Supplies	582,652	-	582,652
Materials in transit	42,490,793	-	42,490,793
	<u>₩ 368,829,300</u>	<u>₩ (60,016,304)</u>	<u>₩ 308,812,996</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Details of cost of inventories recognized as expense and inventory write-down recognized in cost of sales for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Inventories recognized in cost	₩	765,691,268	₩	228,293,209
Loss on valuation of inventories		18,082,151		7,117,436
	₩	<u>783,773,419</u>	₩	<u>235,410,645</u>

12. Other Assets

Details of other assets as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Current	Non-current	Current	Non-current
Advance payments	₩ 388,465	₩ -	₩ 456,948	₩ -
Prepaid expenses	13,698,583	5,304,911	9,623,349	4,879,869
Others	1,512,452	2,711,961	1,332,698	2,778,300
	<u>₩ 15,599,500</u>	<u>₩ 8,016,872</u>	<u>₩ 11,412,995</u>	<u>₩ 7,658,169</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

13. Property, Plant and Equipment

Changes in property, plant and equipment for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

(in thousands of Korean won)

	2025					
	Land	Buildings and structures	Machinery	Construction-in-progress	Others	Total
Beginning balance	₩ 104,060,897	₩ 55,677,680	₩ 34,118,660	₩ 70,951,593	₩ 39,993,862	₩ 304,802,692
Acquisitions	4,934,353	25,636,953	5,475,904	48,344,541	17,028,736	101,420,487
Disposals	-	(446,008)	(3,655,444)	(2,750,000)	(4,345,492)	(11,196,944)
Depreciation ¹	-	(4,156,058)	(9,645,733)	-	(18,675,539)	(32,477,330)
Impairment loss	-	-	-	-	(3,098,994)	(3,098,994)
Others ²	-	21,328,439	30,087,035	(76,561,883)	25,994,022	847,613
Ending balance	₩ 108,995,250	₩ 98,041,006	₩ 56,380,422	₩ 39,984,251	₩ 56,896,595	₩ 360,297,524
Acquisition cost	₩ 108,995,250	₩ 126,773,401	₩ 85,793,478	₩ 39,984,251	₩ 140,998,866	₩ 502,545,246
Accumulated depreciation	-	(28,732,395)	(29,413,056)	-	(84,102,271)	(142,247,722)

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024 and Vision semiconductor design business discontinued during the year ended December 31, 2025.

² Reclassification and exchange differences are included.

(in thousands of Korean won)

	2024					
	Land	Buildings and structures	Machinery	Construction-in-progress	Others	Total
Beginning balance (spin-off date)	₩ 104,060,897	₩ 55,739,718	₩ 36,353,793	₩ 41,695,190	₩ 44,097,797	₩ 281,947,395
Acquisitions	-	79,665	411,351	32,567,237	2,948,449	36,006,702
Disposals	-	-	(782,719)	(10,500)	(5,628,337)	(6,421,556)
Depreciation ¹	-	(1,053,589)	(2,918,263)	-	(5,794,333)	(9,766,185)
Others ²	-	911,886	1,054,498	(3,300,334)	4,370,286	3,036,336
Ending balance	₩ 104,060,897	₩ 55,677,680	₩ 34,118,660	₩ 70,951,593	₩ 39,993,862	₩ 304,802,692
Acquisition cost	₩ 104,060,897	₩ 81,203,186	₩ 59,963,305	₩ 70,951,593	₩ 117,103,399	₩ 433,282,380
Accumulated depreciation	-	(25,525,506)	(25,844,645)	-	(77,109,537)	(128,479,688)

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024 and Vision semiconductor design business discontinued during the year ended December 31, 2025.

² Reclassification and exchange differences are included.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Line items including depreciation in the consolidated statement of comprehensive income for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹		2024¹	
Cost of sales	₩	9,718,506	₩	3,028,709
Selling and administrative expenses		8,553,737		2,573,518
Research and development expense		14,205,087		4,163,958
	₩	<u>32,477,330</u>	₩	<u>9,766,185</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024 and Vision semiconductor design business discontinued during the year ended December 31, 2025.

Fair value hierarchy classifications of the land that are measured at fair value as at December 31, 2025, are as follows:

<i>(in thousands of Korean won)</i>	2025		
	Level 1	Level 2	Level 3
Land	₩	-	₩ 108,995,250

The recoverable amount of cash-generating unit on Hanwha Semitech Co., Ltd. division, which is managed as a separate cash-generating unit (hereafter 'CGU') of the Group, is calculated on the basis of value in use. Key assumptions for calculation of value in use are as follows:

<i>(in percentage, %)</i>	SMT division	Machine tools division	Semiconductor manufacturing division
Operating profit margin rate ¹	5.2%	2.8%	11.0%
Sales growth rate ²	14.1%	14.8%	106.0%
Discount rate	11.7%	9.7%	13.8%
Perpetual growth rate	1.0%	1.0%	1.0%

¹ The weighted average Operating profit margin for estimating cash flows over the budgeted period.

² The annual sales growth rate for estimating cash flows over the budgeted period.

As a result of the impairment assessment on CGU, it is judged that the carrying amount will not exceed the recoverable amount. Also, as a result of sensitivity analysis from perpetual growth rate and discount rate fluctuation, even if the discount rate and perpetual growth rate change by 0.5%, respectively, the carrying amount does not exceed the recoverable amount.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

14. Intangible Assets

Changes in intangible assets for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

(in thousands of Korean won)	2025							
	Development costs	Goodwill	Industrial property rights	Software	Construction-in-progress	Membership rights	Others	Total
Beginning balance	₩ -	₩ 61,159,889	₩ 7,144,025	₩ 7,814,557	₩ 1,746,632	₩ 7,759,096	₩ -	₩ 85,624,199
Acquisitions	-	-	1,135,442	674,170	1,170,776	-	-	2,980,388
Disposals	-	-	(98,025)	(301,332)	-	(1,707,336)	-	(2,106,693)
Amortization ¹	-	-	(1,492,432)	(3,324,362)	-	-	-	(4,816,794)
Impairment loss	-	-	(5,702)	-	-	-	-	(5,702)
Others ²	-	(98,280)	128,092	2,715,538	(2,713,158)	-	-	32,192
Ending balance	₩ -	₩ 61,061,609	₩ 6,811,400	₩ 7,578,571	₩ 204,250	₩ 6,051,760	₩ -	₩ 81,707,590
Acquisition cost	₩ 65,018,697	₩ 61,061,609	₩ 27,166,710	₩ 32,025,442	₩ 204,250	₩ 6,051,760	₩ 48,479,978	₩ 240,008,446
Accumulated impairment and amortization	(65,018,697)	-	(20,355,310)	(24,446,871)	-	-	(48,479,978)	(158,300,856)

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024 and Vision semiconductor design business discontinued during the year ended December 31, 2025.

² Reclassification and exchange differences are included.

(in thousands of Korean won)	2024							
	Development costs	Goodwill	Industrial property rights	Software	Construction-in-progress	Membership rights	Others	Total
Beginning balance (spin-off date)	₩ 4,926,699	₩ 73,286,661	₩ 7,362,284	₩ 8,260,305	₩ 1,241,797	₩ 7,759,096	₩ -	₩ 102,836,842
Acquisitions	-	-	278,685	111,030	1,015,034	-	-	1,404,749
Disposals	(5,423,686)	-	(10,110)	(245,932)	-	-	-	(5,679,728)
Amortization ¹	-	-	(486,834)	(959,371)	-	-	-	(1,446,205)
Impairment loss	-	(12,503,932)	-	-	-	-	-	(12,503,932)
Others ²	496,987	377,160	-	648,525	(510,199)	-	-	1,012,473
Ending balance	₩ -	₩ 61,159,889	₩ 7,144,025	₩ 7,814,557	₩ 1,746,632	₩ 7,759,096	₩ -	₩ 85,624,199
Acquisition cost	₩ 65,895,820	₩ 73,286,661	₩ 26,155,993	₩ 28,916,838	₩ 1,746,632	₩ 7,759,096	₩ 48,479,978	₩ 252,241,018
Accumulated impairment and amortization	(65,895,820)	(12,126,772)	(19,011,968)	(21,102,281)	-	-	(48,479,978)	(166,616,819)

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025.

² Reclassification and exchange differences are included.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Line items, including amortization, in the consolidated statements of comprehensive income for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹		2024¹	
Cost of sales	₩	232,965	₩	78,398
Selling and administrative expenses		3,802,752		1,101,426
Research and development expense		781,077		266,381
	₩	<u>4,816,794</u>	₩	<u>1,446,205</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024 and Vision semiconductor design business discontinued during the year ended December 31, 2025.

Intangible assets that have indefinite useful lives as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Goodwill	₩	61,061,609	₩	61,159,889
Membership rights		6,051,760		7,759,096
	₩	<u>67,113,369</u>	₩	<u>68,918,985</u>

Impairment test for goodwill

Goodwill is monitored by management at the operating segment level. The table below summarizes goodwill allocation for each operating segment (cash-generating unit). Goodwill allocation for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Security division	₩	57,043,889	₩	57,043,889
Hanwha Techwin Automation Americas, Inc.		4,017,720		4,116,000
	₩	<u>61,061,609</u>	₩	<u>61,159,889</u>

The recoverable amount of CGU on security division is calculated on the basis of value in use. Key assumptions for calculation of value in use are as follows:

<i>(in percentage, %)</i>	Security division
Operating profit margin rate ¹	13.7%
Sales growth rate ²	9.1%
Discount rate	8.4%
Perpetual growth rate	1.0%

¹ The annual operating profit margin for estimating cash flows over the budgeted period.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

² The annual sales growth rate for estimating cash flows over the budgeted period.

As a result of the impairment assessment on CGU, it is judged that the carrying amount will not exceed the recoverable amount. Also, as a result of sensitivity analysis from perpetual growth rate and discount rate fluctuation, even if the discount rate and perpetual growth rate change by 0.5%, respectively, the carrying amount does not exceed the recoverable amount.

15. Leases

Set out below is information for leases when the Group is a lessee.

(a) Amounts recognized in the consolidated statements of financial position

The consolidated statements of financial position show the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	2025		2024
Right-of-use assets			
Properties	₩ 27,614,324	₩	38,996,882
Vehicles	545,411		1,019,820
Others (IT tools and others)	444,631		409,804
	<u>₩ 28,604,366</u>	₩	<u>40,426,506</u>

<i>(in thousands of Korean won)</i>	2025		2024
Lease liabilities			
Current	₩ 12,421,141	₩	13,672,367
Non-current	13,535,594		23,641,296
	<u>₩ 25,956,735</u>	₩	<u>37,313,663</u>

Additions to the right-of-use assets during the year ended December 31, 2025, were ₩ 8,253 million (for the four-month period ended December 31, 2024: ₩ 4,005 million).

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(b) Amounts recognized in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income show the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	2025		2024	
Depreciation of right-of-use assets				
Properties	₩	11,015,521	₩	4,110,953
Vehicles		692,878		279,708
Others (IT tools and others)		264,651		94,527
	₩	<u>11,973,050</u>	₩	<u>4,485,188</u>
Interest expense on lease liabilities (included in finance cost)		1,179,425		454,277
Expense relating to short-term leases (included in cost of sales and selling & administrative expenses)		893,386		92,498
Expense relating to leases of low-value (included in cost of sales and selling & administrative expenses)		41,431		11,001

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025.

The total cash outflow for leases during the year ended December 31, 2025, were ₩ 13,711 million (for the four-month period ended December 31, 2024: ₩ 5,159 million).

16. Trade and Other Payables

Trade and other payables as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Current	Non-current	Current	Non-current
Trade payables	₩ 52,857,672	₩ -	₩ 55,137,058	₩ -
Non-trade payables	19,205,729	-	38,231,415	-
Accrued expenses	109,380,751	186,463,577	104,318,197	71,262,844
Withholdings	5,125,896	-	4,768,175	-
Deposits received	-	4,921,000	-	4,421,000
	<u>₩ 186,570,048</u>	<u>₩ 191,384,577</u>	<u>₩ 202,454,845</u>	<u>₩ 75,683,844</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

17. Borrowings and Debentures

Details of debentures issued by the Group as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	Date of issuance	Maturity date	Annual interest rate (%)	2025	2024
Private bonds	2024.06.27	2025.06.27	5.50	₩ -	₩ 20,000,000
Private bonds	2025.01.24	2026.01.24	5.29	20,000,000	-
Private bonds	2025.05.29	2026.05.29	4.90	10,000,000	-
Private bonds	2025.06.27	2026.06.26	4.90	30,000,000	-
				<u>60,000,000</u>	<u>20,000,000</u>
				<u>(60,000,000)</u>	<u>(20,000,000)</u>
				<u>₩ -</u>	<u>₩ -</u>

Less: current portion of debentures

Details of short-term borrowings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

Creditor	Details	Maturity date	Annual interest rate (%)	2025	2024
NH Nonghyup Bank	General operating fund	2025.04.25	4.64	₩ -	₩ 10,000,000
	General operating fund	2026.04.25	4.34	10,000,000	-
Bank of China	General operating fund	2025.05.16	4.48	-	10,000,000
	General operating fund	2026.05.16	4.22	10,000,000	-
	General operating fund	2025.12.10	4.50	-	30,000,000
Woori Bank	Facility operating fund	2026.12.09	4.33	30,000,000	-
	General operating fund	2025.06.24	5.10	-	10,000,000
	General operating fund	2026.06.24	4.33	10,000,000	-
	General operating fund	2025.06.05	5.59	-	14,700,000
	General operating fund	2026.04.03	4.03	20,000,000	-
	General operating fund	2025.12.11	4.75	-	15,000,000
	General operating fund	2026.12.11	4.64	15,000,000	-
KDB Development Bank	General operating fund	2025.07.14	4.01	-	20,000,000

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

	General operating fund	2026.07.14	4.01	20,000,000	-
KB SECURITIES CO., LTD.	General operating fund	2025.05.30	5.50	-	30,000,000
	General operating fund	2026.05.30	5.00	20,000,000	-
Shinhan Capital Co., Ltd.	General operating fund	2025.10.31	5.70	-	10,000,000
Woori Investment Securities Co., Ltd.	General operating fund	2026.02.28	5.20	10,000,000	-
	General operating fund	2026.02.27	5.00	10,000,000	-
Shinhan Bank	General operating fund	2025.06.06	5.55	-	29,400,000
Bank of Hope	General operating fund	2026.01.15	5.66	14,349,000	-
	General operating fund	2026.01.15	5.66	21,523,500	-
Woori Bank New York Agency	General operating fund	2026.03.05	5.06	14,349,000	-
	General operating fund	2026.03.19	5.00	14,349,000	-
Shinhan Bank New York Branch	General operating fund	2026.03.05	5.01	28,698,000	-
KEB Hana Bank New York Branch	General operating fund	2026.03.20	5.04	28,698,000	-
KEB HANA BANK HANOI BRANCH	General operating fund	2025.03.25	5.00	-	14,628,447
	General operating fund	2025.07.24	4.98	-	14,646,827
	General operating fund	2026.03.25	4.70	14,310,430	-
	General operating fund	2026.07.24	4.46	14,312,216	-
				<u>₩ 305,589,146</u>	<u>₩ 208,375,274</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Details of long-term borrowings as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

Creditor	Details	Maturity date	Annual interest rate (%)	2025		2024	
				₩		₩	
KDB Development Bank	General operating fund	2026.05.18	3.67	₩ 30,000,000	₩	-	-
				30,000,000		-	-
	Current portion of long-term borrowings			(30,000,000)		-	-
				₩ -	₩	-	-

The Group sold trade receivables to Woori Bank and four other banks in accordance with foreign currency purchase agreement and other similar agreements. If the bank has recourse obligations, the amount of receivables which are not due is recorded as short-term borrowings. There are no related short-term borrowings as at December 31, 2025 and 2024.

18. Other Liabilities

Details of other liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	2025		2024	
	Current	Non-current	Current	Non-current
Advances	₩ 10,004,972	₩ -	₩ 10,672,248	₩ -
Value added tax withheld	413,984	-	525,400	-
Provision for product warranty ¹	19,037,970	-	19,860,590	-
Restoration provisions	-	1,195,422	-	-
	₩ 29,456,926	₩ 1,195,422	₩ 31,058,238	₩ -

¹ Provisions include product warranty and construction warranty.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Changes in provisions for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Current	Non-current	Current	Non-current
Beginning balance	₩ 19,860,590	₩ -	₩ 20,493,115	₩ -
Additional Provisions	9,480,018	86,315	1,595,737	-
Used	(10,298,250)	-	(2,258,097)	-
Others	-	1,111,409	-	-
Effects of changes in foreign exchange rates	(4,388)	(2,302)	29,835	-
Ending balance	₩ 19,037,970	₩ 1,195,422	₩ 19,860,590	₩ -

19. Employee Benefits Liabilities

Details of employee benefits liabilities recognized as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Net defined benefit liabilities	₩	78,119,972	₩	100,059,333
Other long-term employee benefits		21,661,054		14,427,915
	₩	99,781,026	₩	114,487,248

Details of net defined benefit liabilities recognized in the statements of financial position as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Present value of defined benefit obligations	₩	153,154,475	₩	145,203,193
Fair value of plan assets		(75,034,503)		(45,143,860)
	₩	78,119,972	₩	100,059,333

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Movements in the present value of the defined benefit obligations for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹	2024¹
Beginning balance	₩ 145,203,193	₩ 146,419,830
Current service cost	15,904,609	5,201,473
Past service cost and gains or losses on settlements	4,415,335	-
Interest expense	6,836,463	2,305,017
Remeasurements:		
Actuarial gain arising from change in demographic assumptions	-	(1,546,877)
Actuarial gain arising from change in financial assumptions	(4,535,357)	(385,770)
Actuarial loss (gain) arising from experience adjustments	4,865,961	(297,214)
Benefit payments	(18,892,159)	(6,525,001)
Others	(643,570)	31,735
Ending balance	<u>₩ 153,154,475</u>	<u>₩ 145,203,193</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025.

Movements in the fair value of plan assets for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹	2024¹
Beginning balance	₩ 45,143,860	₩ 34,906,200
Interest income	2,185,128	557,329
Remeasurements:		
Return on plan assets	(523,176)	(74,587)
Benefit payments	(2,592,847)	(228,104)
Additional contributions	30,837,438	10,000,000
Others	(15,900)	(16,978)
Ending balance	<u>₩ 75,034,503</u>	<u>₩ 45,143,860</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Plan assets as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025		2024	
Principal and interest guaranteed financial instruments	₩	74,979,227	₩	45,073,496
Contributions to the National Pension Fund		55,276		70,364
	₩	<u>75,034,503</u>	₩	<u>45,143,860</u>

The expenses recognized as profit or loss for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹		2024¹	
Past service cost	₩	4,415,335	₩	-
Current service cost		15,904,609		5,201,473
Net interest cost		4,651,336		1,747,688
	₩	<u>24,971,280</u>	₩	<u>6,949,161</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025.

Items included in total expenses for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹		2024¹	
Cost of sales	₩	4,787,011	₩	1,103,559
Selling and administrative expenses		8,806,654		2,557,412
Research and development expense		11,377,615		3,288,190
	₩	<u>24,971,280</u>	₩	<u>6,949,161</u>

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025.

The significant actuarial assumptions as at December 31, 2025 and 2024, are as follows:

<i>(in percentage, %)</i>	2025		2024	
Discount rate	5.2% ~ 5.4%		4.5% ~ 5.0%	
Salary growth rate	4.3% ~ 4.4%		4.3% ~ 4.5%	

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

(in thousands of Korean won)

	Changes in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	₩ (11,668,275)	₩ 13,400,723
Salary growth rate	1.00%	13,658,687	(12,080,611)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized on the statements of financial position.

The Group reviews the funding level on an annual basis and has a policy of eliminating deficit from the fund.

The expected maturity analysis of undiscounted pension benefits as at December 31, 2025, is as follows:

<i>(in thousands of Korean won)</i>	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Benefit payments	₩ 9,248,429	₩ 19,577,935	₩ 35,034,362	₩ 555,538,641	₩ 619,399,367

The weighted average duration of the defined benefit obligation is 7.3 ~ 9.3 years.

The amount of benefit payments made under defined contribution plan for the year ended December 31, 2025, is ₩ 1,041 million.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

20. Tax Expense and Deferred Tax

Income tax income for the year ended December 31, 2025 and the four-month period ended December 31, 2024, consists of:

<i>(in thousands of Korean won)</i>	2025	2024
Current tax:		
Current tax on profits for the period	₩ 18,589,368	₩ 16,499,878
Deferred tax:		
Origination and reversal of temporary differences	(54,401,068)	(12,043,169)
Total tax effect:		
Tax effect directly charged to equity	147,899	(681,519)
Others	<u>(4,490,813)</u>	<u>(13,603,020)</u>
Income tax income	<u>₩ (40,154,614)</u>	<u>₩ (9,827,830)</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Profit before income tax income	₩ 20,989,440	₩ 25,774,540
Tax at domestic tax rates applicable to profits	3,162,414	5,180,880
Tax effects of:		
Income not subject to tax	(197,306)	(3,040)
Expenses not deductible for tax purposes	334,650	238,679
Tax credits and exemptions	(18,357,431)	(8,113,470)
Tax adjustment and additional payments	-	(13,603,020)
Non-recognition of deferred tax, etc.	(9,163,484)	10,560,612
Others	<u>(15,933,457)</u>	<u>(4,088,471)</u>
Income tax income	<u>₩ (40,154,614)</u>	<u>₩ (9,827,830)</u>

The effective tax rate has not been calculated due to recognition of income tax income during the year ended December 31, 2025 and the four-month period ended December 31, 2024.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The aggregate current and deferred tax relating to items that are charged or credited directly to equity for the year ended December 31, 2025 and the four-month period ended December 31, 2024, is as follows:

(in thousands of Korean won)

	2025		
	Before tax	Tax effect	After tax
Loss on remeasurements of net defined benefit liabilities	₩ (785,364)	₩ 190,058	₩ (595,306)
Asset revaluation	-	(258,559)	(258,559)
Restricted Stock Units (RSU)	-	216,400	216,400
	<u>₩ (785,364)</u>	<u>₩ 147,899</u>	<u>₩ (637,465)</u>

(in thousands of Korean won)

	2024		
	Before tax	Tax effect	After tax
Gain on remeasurements of net defined benefit liabilities	₩ 2,155,274	₩ (681,519)	₩ 1,473,755
Asset revaluation	-	-	-
Restricted Stock Units (RSU)	-	-	-
	<u>₩ 2,155,274</u>	<u>₩ (681,519)</u>	<u>₩ 1,473,755</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The movements in deferred tax assets and liabilities for the year ended December 31, 2025 and the four-month period ended December 31, 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(in thousands of Korean won)

	2025			
	Beginning balance	Profit or loss	Equity	Ending balance
Provision for severance benefits	₩ 29,089,322	₩ 4,282,485	₩ 80,006	₩ 33,451,813
Deposits for severance benefits	(7,941,790)	(7,988,315)	110,052	(15,820,053)
Inventories	45,644,259	(8,227,445)	-	37,416,814
Accrued expenses	29,753,421	30,398,114	-	60,151,535
Provision for bonuses	3,181,772	1,915,488	-	5,097,260
Provision for product warranty	4,263,777	975	-	4,264,752
Property, plant and equipment	(1,981,728)	585,474	(258,559)	(1,654,813)
Provision for impairment	558,275	54,570	-	612,845
Right-of-use assets	(6,092,861)	1,582,197	-	(4,510,664)
Lease liabilities	6,561,411	(1,553,835)	-	5,007,576
Allowance for doubtful account	1,452,214	28,856	-	1,481,070
Tax credits carried forward (asset)	14,047,480	16,217,211	-	30,264,691
Advanced depreciation provision	(15,243,650)	(718,614)	-	(15,962,264)
Goodwill	4,245,120	(4,245,120)	-	-
Losses carried forward	15,554,431	728,748	-	16,283,179
Interests in subsidiary	-	21,917,600	-	21,917,600
Others	(1,221,635)	(725,220)	216,400	(1,730,455)
	<u>₩ 121,869,818</u>	<u>₩ 54,253,169</u>	<u>₩ 147,899</u>	<u>₩ 176,270,886</u>

(in thousands of Korean won)

	2024			
	Beginning balance	Profit or loss	Equity	Ending balance
Provision for severance benefits	₩ 30,269,844	₩ (487,749)	₩ (692,773)	₩ 29,089,322
Deposits for severance benefits	(5,578,984)	(2,374,060)	11,254	(7,941,790)
Inventories	33,955,209	11,689,050	-	45,644,259
Accrued expenses	29,976,179	(222,758)	-	29,753,421
Provision for bonuses	2,569,149	612,623	-	3,181,772
Provision for product warranty	4,400,863	(137,086)	-	4,263,777
Property, plant and equipment	(2,148,711)	166,983	-	(1,981,728)
Provision for impairment	558,275	-	-	558,275
Right-of-use assets	(8,315,793)	2,222,932	-	(6,092,861)
Lease liabilities	8,873,006	(2,311,595)	-	6,561,411

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Allowance for doubtful account	2,347,632	(895,418)	-	1,452,214
Tax credits carried forward	11,143,467	2,904,013	-	14,047,480
Advanced depreciation provision	(15,243,650)	-	-	(15,243,650)
Business transfer	14,076,740	(9,831,620)	-	4,245,120
Losses carried forward	6,562,605	8,991,826	-	15,554,431
Others	(3,619,182)	2,397,547	-	(1,221,635)
	<u>₩ 109,826,649</u>	<u>₩ 12,724,688</u>	<u>₩ (681,519)</u>	<u>₩ 121,869,818</u>

Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024	Remarks
Interests in subsidiary	₩ 318,046,213	₩ 298,399,190	Uncertainty of future taxable profit
Deficit carried forward	101,345,009	82,196,325	Uncertainty of future taxable profit

The expected timings for recovery and settlement of deferred tax assets and liabilities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	₩ 160,308,427	₩ 80,545,172
Deferred tax asset to be recovered within 12 months	78,651,243	84,295,936
	<u>238,959,670</u>	<u>164,841,108</u>
Deferred tax liabilities		
Deferred tax liability to be settled after more than 12 months	(62,196,541)	(42,971,290)
Deferred tax liability to be settled within 12 months	(492,243)	-
	<u>(62,688,784)</u>	<u>(42,971,290)</u>
Deferred tax assets (liabilities), net	<u>₩ 176,270,886</u>	<u>₩ 121,869,818</u>

Impact of Pillar Two income taxes

The Group is subject to the Global Minimum Tax under the Pillar Two legislation; however, no amounts have been recognized as current tax for the year in accordance with the legislation. The Group expects that most jurisdictions in which its constituent entities operate either meet transitional CbCR Safe Harbour or that no material additional tax will arise. The Group applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to Pillar Two income taxes.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

21. Issued Capital and Capital Surplus

The Parent Company's total number of authorized shares is 200,000,000 shares and the total number of ordinary shares issued is 50,488,390 shares with a par value of ₩ 500 per share. There were no changes in issued capital during the year. As at December 31, 2025, 110,848 of the issued shares are held by the Parent Company as treasury shares.

Details of capital surplus as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Share premium	₩ 500,058,935	₩ 500,058,935
Restricted Stock Units (RSU)	4,847,150	-
Other capital surplus	195,971,087	198,506,976
	<u>₩ 700,877,172</u>	<u>₩ 698,565,911</u>

Restricted Stock Units (RSU)

Details of the Restricted Stock Units (RSU) granted to directors and employees as at December 31, 2025, are as follows:

<i>(in millions of Korean won)</i>	2025		
	Cash-settled 1	Cash-settled 2	Equity-settled
Base shares	Ordinary shares of Hanwha Aerospace Co., Ltd.	Ordinary shares of Hanwha Vision CO., LTD.	Ordinary shares of Hanwha Vision CO., LTD.
Number of base shares (<i>in shares</i>)	193,630	9,650	146,506
Total grants	₩ 10,880	₩ 305	₩ 4,631
Exercise price		Not applicable	
Grant date	2020 – 2024	2024	2023 – 2024
The weighted average remaining contractual maturity (<i>in years</i>)	5.5	3.2	2.8

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Changes in the number of Restricted Stock Units (RSU) for the year ended December 31, 2025, are as follows. There were no changes for the four-month period ended December 31, 2024:

<i>(in number of shares)</i>	2025		
	Ordinary shares of Hanwha Aerospace Co., Ltd.	Ordinary shares of Hanwha Vision CO., LTD.	Ordinary shares of Hanwha Vision CO., LTD.
Type	Cash-settled	Cash-settled	Equity-settled
Beginning balance	205,860	-	-
Modifications ¹	(12,230)	9,650	146,506
Ending balance	193,630	9,650	146,506

¹At the beginning of the current year, the Group partially modified the settlement types and the base shares of its Restricted Stock Units (RSUs). In addition, the number of RSUs granted was adjusted during the year ended December 31, 2025, as a result of the capital increase of Hanwha Aerospace Co., Ltd.

Book amount of liabilities and intrinsic value recognized in relation to cash-settled Restricted Stock Units (RSU) are as follows.

<i>(in thousands of Korean won)</i>	2025		2024	
Book amount of liabilities	₩	182,639,115	₩	67,213,290
Intrinsic value ¹ <i>(in Korean won)</i>		898,461		326,500

¹The intrinsic value is measured at the market price of the shares traded on the securities market at the end of each reporting period.

Restricted Stock Units (RSU) recognized as expenses for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Cash-settled	₩	120,056,575	₩	7,513,890

22. Capital Adjustments

The Group's capital adjustments consist entirely of treasury shares and there are 110,848 treasury shares amounting to ₩ 3,924 million as at December 31, 2025 and 2024. Treasury shares are restricted from exercising voting rights in accordance with the Commercial Act.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

23. Accumulated Other Comprehensive Income

Accumulated other comprehensive income as at December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Revaluation surplus	₩	74,794,396	₩	75,052,955
Exchange differences on translation of foreign operations		<u>11,593,279</u>		<u>15,629,514</u>
	₩	<u>86,387,675</u>	₩	<u>90,682,469</u>

Changes in accumulated other comprehensive income for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		
	Beginning balance	Decrease	Ending balance
Revaluation surplus	₩ 75,052,955	₩ (258,559)	₩ 74,794,396
Exchange differences on translation of foreign operations	<u>15,629,514</u>	<u>(4,036,235)</u>	<u>11,593,279</u>
	₩ <u>90,682,469</u>	₩ <u>(4,294,794)</u>	₩ <u>86,387,675</u>

<i>(in thousands of Korean won)</i>	2024		
	Beginning balance (spin-off date)	Increase	Ending balance
Revaluation surplus	₩ 75,052,955	₩ -	₩ 75,052,955
Exchange differences on translation of foreign operations	<u>252,257</u>	<u>15,377,257</u>	<u>15,629,514</u>
	₩ <u>75,305,212</u>	₩ <u>15,377,257</u>	₩ <u>90,682,469</u>

24. Retained Earnings

Retained earnings as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	2025		2024	
Unappropriated retained earnings	₩	<u>57,295,525</u>	₩	<u>12,301,008</u>
	₩	<u>57,295,525</u>	₩	<u>12,301,008</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

25. Construction Contracts

Changes in the remaining balance of construction contracts for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Beginning balance	₩	41,330,721	₩	4,442,147
Increase/Decrease		31,377,188		42,948,563
Revenue		<u>(50,602,230)</u>		<u>(6,059,989)</u>
Ending balance	₩	<u>22,105,679</u>	₩	<u>41,330,721</u>

Details of recognized construction profit or loss for ongoing construction contracts as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Accumulated contract revenue	₩	64,445,293	₩	52,769,083
Accumulated contract cost		45,023,472		39,649,768
Accumulated contract profit		19,421,821		13,119,315

Amounts due from and due to customers for contract work as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Due from customers ¹	₩	7,547,243	₩	4,474,209
Due to customers ²		407,151		2,362,543

¹ Amounts are recognized as trade and other receivables in the statements of financial position.

² Amounts are recognized as other current liabilities in the statements of financial position.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Due to cost escalation factors during the year ended December 31, 2025 and the four-month period ended December 31, 2024, the estimated total contract costs for contracts in progress as at December 31, 2025 have changed, and the amounts affecting profit or loss for the current and future periods and due to customers are as follows:

<i>(in thousands of Korean won)</i>	Changes in estimated total contract revenue	Changes in estimated total contract costs	Impact on profit or loss for the current period	Impact on profit or loss for future periods	Changes in due from customers	Changes in due to customers
2025	₩ 19,812,709	₩ 13,556,688	₩ 4,284,055	₩ 1,971,966	₩ 4,365,317	₩ 81,263
2024	94,811	71,621	23,473	(283)	26,383	2,910

The following table provides information on significant contracts as at December 31, 2025, whose contract revenue exceeds 5% of the previous year's revenue. Comparative information for the prior period is not available as there was no preceding fiscal year.

(in thousands of Korean won)

Contract	Contract amount	Contract date	Construction period	Percentage of completion	Due from customers		Trade receivable (Construction Receivables)	
					Amount	Allowance for doubtful account	Amount	Allowance for doubtful account
Construction project for integrated control center of Hanwha Ocean	₩ 60,659,600	2024.09.09	2026.06.30	68.53%	₩ 5,759,186	₩ -	₩ 6,837,738	₩ -

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

26. Operating Segment Information

The Group classifies its operating segments by nature of products. Revenue-generating goods and services, and major clients by operating segment are summarized as follows:

	Major products and services	Major customer
Security	Manufacture and sale of CCTV and others	Domestic and foreign others (general)
Industrial machinery	Manufacture and sale of SMT	SAMSUNG ELECTRONICS CO., LTD and foreign others
Semiconductor design ¹	Image processing SoC and NPU design	Domestic and foreign others (general)

¹ During the year ended December 31, 2025, the Group decided to discontinue the semiconductor design segment and classified it as discontinued operations. Please refer to Note 35 for profit or loss from discontinued operations.

Key financial performance by operating segment for the year ended December 31, 2025 and the four-month period ended December 31, 2024, is as follows:

(in thousands of Korean won)

	2025				
	Security	Industrial machinery	Semiconductor design¹	Consolidation adjustment¹	Total¹
Revenue	₩ 2,200,628,554	₩ 491,811,283	₩ 15,753,004	₩ (917,270,972)	₩ 1,790,921,869
Operating profit (loss)	122,487,148	(20,928,740)	(14,333,861)	59,853,150	147,077,697
Segment profit (loss) before tax	(10,733,935)	(69,425,150)	(147,186,763)	229,794,274	2,448,426
Segment profit (loss) for the period	14,268,386	(38,042,654)	(147,170,047)	213,564,069	42,619,754
Interest income	2,259,343	1,265,765	44,456	-	3,569,564
Interest expenses	6,778,036	7,624,768	87,319	540,016	15,030,139
Depreciation/Amortization	23,683,763	18,378,734	1,310,086	5,894,592	49,267,175
Segment assets	2,017,049,118	683,724,644	4,574,734	(895,954,989)	1,809,393,507
Segment liabilities	921,939,909	417,950,934	2,384,792	(399,101,911)	943,173,724

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025. Please refer to Note 35 for profit or loss from discontinued operations.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(in thousands of Korean won)

	2024				
	Security	Industrial machinery	Semiconductor design¹	Consolidation adjustment¹	Total¹
Revenue	₩ 801,542,229	₩ 118,350,271	₩ 12,827,124	₩ (439,397,261)	₩ 493,322,363
Operating profit (loss)	81,553,599	(31,252,132)	(18,062,574)	(43,984,711)	(11,745,818)
Segment profit (loss) before tax	49,203,675	(23,410,228)	(85,002,701)	52,592,216	(6,617,038)
Segment profit (loss) for the period	45,616,874	(22,347,755)	(85,002,701)	64,944,375	3,210,793
Interest income	1,222,797	748,136	28,152	-	1,999,085
Interest expenses	2,626,361	1,261,632	58,696	-	3,946,689
Depreciation/Amortization	5,066,487	3,736,212	535,615	427,871	9,766,185
Segment assets	2,193,351,986	593,267,696	113,223,847	(1,308,697,347)	1,591,146,182
Segment liabilities	924,163,547	339,124,440	20,279,596	(517,148,175)	766,419,408

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and Vision semiconductor design business discontinued during the year ended December 31, 2025. Please refer to Note 35 for profit or loss from discontinued operations.

27. Selling and Administrative Expenses

Details of selling and administrative expenses for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Salaries and allowances	₩ 202,771,698	₩ 59,109,815
Bonuses	28,243,055	12,100,677
Post-employment benefits	9,456,072	2,939,274
Employee welfare benefits	17,648,257	5,744,869
Depreciation	8,502,155	2,562,319
Amortization	3,780,070	1,092,771
Depreciation of right-of-use assets	8,975,214	3,019,211
Sample expenses	13,038,405	5,240,285
Advertising expenses	39,863,368	9,093,283
Social expenses	5,019,883	1,843,642
Bad debt expenses (reversal)	856,592	(56,403)
Distribution expenses	43,452,433	15,357,050
Insurance expenses	4,963,637	1,392,778
Service costs	7,905,262	1,991,461

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Taxes and dues	8,901,903	2,411,502
Supplies	1,736,401	684,900
Repairs and maintenance expenses	1,137,228	870,919
Travel expenses	17,646,401	6,090,728
Rent expenses	4,888,273	1,013,634
IT expenses	10,123,138	3,337,633
Commission expenses	66,602,279	19,881,769
Sales promotion expenses	9,079,153	3,393,108
Conference expenses	2,608,231	821,147
Others	4,848,394	1,410,011
	₩ 522,047,502	₩ 161,346,383

28. Breakdown of Expenses by Nature

Details of breakdown of expenses by nature for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Changes in inventories of finished goods, work in progress and semi-finished goods	₩ 43,853,578	₩ 5,487,504
Purchase of merchandise	164,553,016	10,653,435
Raw materials and consumables used	389,806,028	153,703,746
Salary and wages ¹	434,043,866	134,162,297
Employee welfare benefits	38,222,021	12,838,520
Depreciation of property, plant and equipment	31,697,690	9,207,180
Amortization	4,725,667	1,410,173
Depreciation of right-of-use assets	11,533,732	4,445,568
Custody charges	45,765,978	15,984,137
Taxes and dues	10,163,316	2,979,093
Repairs and maintenance expenses	2,786,991	1,464,929
Rent expenses	7,621,080	2,734,939
IT expenses	30,217,011	9,710,796
Commission expenses	100,810,795	29,709,787
Royalty expenses	40,529,881	15,806,183
Outsourcing fees	156,744,593	4,698,073
Others	115,579,422	72,859,829
	₩ 1,628,654,665	₩ 487,856,189

¹ Salary and post-employment benefits are included.

The amounts include cost of sales, selling and administrative expenses and research and development expenses in the consolidated statement of comprehensive income.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

29. Other Income and Expenses

Details of other income and expenses for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Other income		
Commission income	₩ 133,093	₩ 33,184
Rental income	61,249	1,968
Gain on foreign currency transactions	31,172,800	15,269,184
Gain on foreign currency translations	11,385,721	34,776,129
Dividend income	1,971	1,965
Gain on disposal of property, plant and equipment	1,638,583	809,468
Gain on disposal of intangible assets	75,500	4,168
Gain on disposal of right-of-use assets	9,794	-
Government grants income	346,846	127,692
Miscellaneous income	5,640,195	2,151,007
	<u>₩ 50,465,752</u>	<u>₩ 53,174,765</u>
Other expenses		
Loss on foreign currency transactions	₩ 42,911,056	₩ 11,782,461
Loss on foreign currency translations	4,395,123	-
Loss on disposal of trade receivables	33,487	-
Loss on disposal of subsidiary	2,146,459	-
Loss on disposal of property, plant and equipment	702,818	241,855
Loss on disposal of intangible assets	72,036	5,406,310
Donations	6,570,524	576,604
Miscellaneous expenses	407,848	404,078
	<u>₩ 57,239,351</u>	<u>₩ 18,411,308</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

30. Finance Income and Costs

Details of finance income and costs for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Finance income		
Interest income	₩ 3,525,109	₩ 1,970,932
Gain on foreign currency transactions	5,491,721	3,591,452
Gain on foreign currency translations	-	867,472
Gain on valuation of financial assets at fair value through profit or loss	400,292	-
Gain on valuation of derivatives	2,681,376	-
Gain on derivatives transactions	5,973,955	2,170,000
	<u>₩ 18,072,453</u>	<u>₩ 8,599,856</u>
Finance costs		
Interest expenses	₩ 14,942,820	₩ 3,887,993
Payment guarantee fee	1,029	131,609
Loss on foreign currency transactions	4,967,144	4,683,472
Loss on valuation of financial assets at fair value through profit or loss	-	1,398,847
Loss on valuation of derivatives	639,950	7,601,626
Loss on derivatives transactions	11,969,100	5,351,400
Loss on valuation of other financial liabilities	120,056,575	-
	<u>₩ 152,576,618</u>	<u>₩ 23,054,947</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

31. Earnings (Loss) per Share

Basic earnings (loss) per share for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in Korean won)</i>	2025	2024
Profit from continuing operations attributable to the ordinary equity holders of the Parent Company	₩ 61,144,053,197	₩ 35,602,370,483
Loss from discontinued operations attributable to the ordinary equity holders of the Parent Company	(15,554,230,498)	(25,006,471,622)
Weighted-average number of ordinary shares outstanding	50,524,048 shares	50,377,542 shares
Earnings (loss) per share		
Earnings per share from continuing operations	₩ 1,210	₩ 707
Loss per share from discontinued operations	(308)	(496)

Weighted average number of ordinary shares for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in shares)</i>	2025	2024
Beginning balance	50,488,390	50,488,390
Effect of treasury shares	(110,848)	(110,848)
Equity-settled RSU	146,506	-
Weighted average number of ordinary shares	<u>50,524,048</u>	<u>50,377,542</u>

32. Related Party

Details of the Group's related parties as at December 31, 2025, are as follows:

Type	Name of entity
Parent Company	Hanwha Corp.
Other related parties ¹	Hanwha Aerospace Co., Ltd. and others

¹ Include certain entities that belong to the large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act. The same applies in the following.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Sales and purchases with related parties for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

(in thousands of Korean won)

Type	Name of entity	2025											
		Sales and others		Disposal of assets and others		Other income		Purchases and others		Acquisition of assets and others		Other expenses	
Parent	Hanwha Corp.	₩	-	₩	-	₩	138,052	₩	114,436	₩	537,490	₩	7,634,301
Other related parties	Hanwha Aerospace Co., Ltd.		-		-		940,272		-		849,332		6,096,677
	Hanwha Power Systems Co., Ltd.		-		-		315,435		-		-		35,381
	Hanwha Systems Co., Ltd.		-		-		-		-		3,495,024		16,193,405
	Hanwha Japan Co., Ltd.		12,747,473		-		-		42,518		-		234,524
	Hanwha Q CELLS Georgia, Inc.		2,811,378		-		-		-		-		-
	Hanwha Europe GmbH		14,283,872		-		-		-		-		2,283,245
	Hanwha Galleria Corporation		-		-		-		-		-		2,069,201
	Hanwha Eagles Professional Baseball Club		-		-		-		-		-		12,177
	Hanwha Hotels & Resorts Co., Ltd.		-		1,668,000		-		-		22,477,548		885,861
	Hanwha Solutions Corporation		2,578,392		-		-		-		-		293,737
	Hanwha Life Insurance Co., Ltd.		-		-		1,375,523		-		-		110,093
	Hanwha General Insurance Co., Ltd.		-		-		20,421		17,214		-		878,999
	Carrot General Insurance Co., Ltd.		-		-		-		-		-		1,139,002
	Hanwha Holdings(USA), Inc.		-		-		-		-		-		66,136
	Hanwha International India Pvt. Ltd.		-		-		-		-		-		1,610,461
	Hanwha B&B Co., Ltd.		-		-		-		-		-		354
	Hanwha Robotics Co., Ltd.		-		-		1,198		-		-		-
	Hanwha Q CELLS America Inc.		-		-		-		-		-		3,052,507
	Hanwha Machinery Americas, Inc.		4,867,799		-		289,814		-		-		-
	Hanwha REIT Co., Ltd.		-		-		-		-		-		73,496

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Hanwha Ocean Co., Ltd.	38,981,242	-	-	-	-	17,921
Hanwha Foodtech	-	-	91,599	-	-	11,283
FG Korea Inc.	-	-	-	-	-	10,013
Hanwha Momentum Co., Ltd.	578,840	90,501	114,067	-	23,306	814,744
Hanwha Life Insurance Company Limited (Vietnam)	-	-	-	-	-	1,362
Hanwha Aviation Pte. Ltd.	-	-	37,375	-	-	-
Hanwha Momentum Americas Corp.	-	-	1,126,628	-	-	-
Woorijip F&B Co., Ltd.	-	-	7,862	-	-	-
Our Home Co., Ltd.	-	-	-	-	-	70,253
Ourhome Vietnam Co., Ltd.	-	-	-	-	-	16,296
Jeongsan Bukhansan Resort Co., Ltd.	-	-	-	-	7,569,544	-
Hanwha Foundation of Culture	-	-	-	-	-	4,852,000
Bugil Educational Foundation	-	-	-	-	-	820,000
	<u>₩ 76,848,996</u>	<u>₩ 1,758,501</u>	<u>₩ 4,458,246</u>	<u>₩ 174,168</u>	<u>₩ 34,952,244</u>	<u>₩ 49,283,429</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

(in thousands of Korean won)

		2024									
Type	Name of entity	Sales and others	Disposal of assets and others	Other income	Purchases and others	Acquisition of assets and others	Other expenses				
Parent	Hanwha Corp.	₩	-	₩	-	₩	57,090	₩	728,090	₩	1,999,525
Other related parties	Hanwha Aerospace Co., Ltd.		-	3,615,653	175,525	-	738,819		1,723,550		
	Hanwha Power Systems Co., Ltd.		-	-	77,908	-	-		30,311		
	Hanwha Systems Co., Ltd.		-	-	-	-	2,864,448		5,114,025		
	Hanwha Japan Co., Ltd.		3,257,627	-	-	3,241	-		-		
	Hanwha Q CELLS Georgia, Inc.		7,388,695	-	-	-	-		-		
	Hanwha Europe GmbH		2,751,845	-	-	-	-		-		224,525
	Hanwha International LLC.		-	-	193,202	-	-		-		-
	Hanwha Galleria Corporation		-	-	-	-	-		-		763,751
	Hanwha Eagles Professional Baseball Club		-	-	18,320	-	-		-		3,040
	Hanwha Hotels & Resorts Co., Ltd.		-	-	-	-	19,131,100		223,756		
	Hanwha Solutions Corporation		-	-	-	-	-		-		2,113,733
	Hanwha Life Insurance Co., Ltd.		-	-	424,615	-	-		-		39,381
	Hanwha General Insurance Co., Ltd.		-	-	-	5,706	-		-		270,461
	Hanwha Totalenergies Petrochemical Co., Ltd.		344,000	-	-	-	-		-		-
	Hanwha Holdings(USA), Inc.		-	-	-	-	-		-		66,351
	Hanwha International India Pvt. Ltd.		-	-	-	-	-		-		595,847
	Hanwha B&B Co., Ltd.		-	-	-	-	-		-		257
	Hanwha Futureproof LLC		-	-	-	-	-		-		127,484
	Hanwha Q CELLS America Inc.		-	-	-	-	-		-		196,131
	Hanwha Machinery Americas, Inc.		1,478,068	-	65,683	-	-		-		15,968
	Hanwha REIT Co., Ltd.		-	-	-	-	-		-		28,195

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Hanwha Ocean Co., Ltd.	5,006,790	-	-	-	-	-
Hanwha Foodtech	-	-	-	-	-	4,269
FG Korea Inc.	-	-	-	-	-	19,274
Hanwha Momentum Co., Ltd.	257,057	-	57,354	-	-	184,831
Hanwha Power Systems Vietnam Company Limited	-	-	-	-	-	530
Hanwha Life Insurance Company Limited (Vietnam)	-	-	-	-	-	24,282
Hanwha Foundation of Culture	-	-	-	-	-	322,000
Bugil Educational Foundation	-	-	-	-	-	300,000
	<u>₩ 20,484,082</u>	<u>₩ 3,615,653</u>	<u>₩ 1,012,607</u>	<u>₩ 66,037</u>	<u>₩ 23,462,457</u>	<u>₩ 14,391,477</u>

Outstanding balances arising from sales/purchases of goods and services with related parties as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

		2025					
		Receivables and others			Payables and others		
Type	Name of entity	Trade receivables	Non-trade receivables	Others	Trade payables	Non-trade payables	Others
Parent	Hanwha Corp.	₩ -	₩ -	₩ 775,409	₩ 28,967	₩ 6,326	₩ 2,651,238
Other related parties	Hanwha Aerospace Co., Ltd.	-	67,244	2,519,780	3,974	504,523	3,197,469
	Hanwha Power Systems Co., Ltd.	-	20,353	-	-	246	38,000
	Hanwha Systems Co., Ltd.	-	-	-	-	3,011,630	-
	Hanwha Japan Co., Ltd.	3,664,295	-	-	-	-	-
	Hanwha Q CELLS Georgia, Inc.	7,543,186	-	-	-	-	520
	Hanwha Europe GmbH	4,392,818	-	-	-	-	-
	Hanwha Galleria Corporation	-	-	-	-	9,722	-
	Hanwha Eagles Professional Baseball Club	-	106,590	-	-	-	-
	Hanwha Hotels & Resorts Co., Ltd.	-	-	2,469,000	-	67,174	-
	Hanwha Solutions Corporation	288,200	-	3,500,000	-	-	634,753

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Hanwha Life Insurance Co., Ltd.	-	-	45,722,749	-	-	-
Hanwha International India Pvt. Ltd.	-	-	-	-	113,666	-
Hanwha Q CELLS America Inc.	-	-	-	-	60,075	-
Hanwha Machinery Americas, Inc. ¹	7,528,269	75,622	-	-	-	-
Hanwha Ocean Co., Ltd.	12,596,924	-	-	-	2,062	-
Hanwha Foodtech	-	100,759	-	-	-	-
Hanwha Momentum Co., Ltd.	-	-	107,415	601,316	156,700	375,147
Hanwha Momentum Americas Corp.	-	39,956	-	-	-	-
Our Home Co., Ltd.	-	-	-	-	75,569	-
Ourhome Vietnam Co., Ltd.	-	-	-	-	50,457	-
	<u>₩ 36,013,692</u>	<u>₩ 410,524</u>	<u>₩ 55,094,353</u>	<u>₩ 634,257</u>	<u>₩ 4,058,150</u>	<u>₩ 6,897,127</u>

¹ Trade receivables of Hanwha Machinery Americas, Inc. as at December 31, 2025, do not include allowance for credit losses. The Group recognized allowance for credit losses amounting to ₩ 1,320 million as at December 31, 2025.

(in thousands of Korean won)

		2024						
		Receivables and others			Payables and others			
Type	Name of entity	Trade receivables	Non-trade receivables	Others	Trade payables	Non-trade payables	Others	
Parent	Hanwha Corp.	₩ -	₩ -	₩ 635,323	₩ 29,589	₩ 37,259	₩ 2,837,271	
Other related parties	Hanwha Aerospace Co., Ltd.	-	21,295	2,516,131	-	981,911	7,802,830	
	Hanwha Power Systems Co., Ltd.	-	22,441	-	17,553	1,129	38,000	
	Hanwha Systems Co., Ltd.	-	-	-	11,540	2,677,915	-	
	Hanwha Japan Co., Ltd.	1,645,841	-	-	-	-	-	
	Hanwha Q CELLS Georgia, Inc.	5,624,169	-	-	-	-	-	
	Hanwha Europe GmbH	4,167,394	-	-	-	-	-	
	Hanwha Eagles Professional Baseball Club	-	22,009	-	-	-	-	
	Hanwha Hotels & Resorts Co., Ltd.	-	-	4,137,000	-	12,159,514	-	
	Hanwha Solutions Corporation	-	-	3,500,000	-	-	1,880,403	

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Hanwha Life Insurance Co., Ltd.	-	-	36,133,600	-	-	-
Hanwha B&B Co., Ltd.	-	-	-	-	57	-
Hanwha Futureproof LLC	-	-	-	-	130,593	-
Hanwha Q CELLS America Inc.	-	-	-	-	101,177	-
Hanwha Machinery Americas, Inc. ¹	9,234,064	52,053	-	-	-	-
Hanwha Ocean Co., Ltd.	5,068,901	-	-	-	-	-
Hanwha Momentum Co., Ltd.	-	-	1,912,274	591,067	52,069	476,224
Hanwha Power Systems Vietnam Company Limited	-	-	-	541	-	-
	<u>₩ 25,740,369</u>	<u>₩ 117,798</u>	<u>₩ 48,834,328</u>	<u>₩ 650,290</u>	<u>₩ 16,141,624</u>	<u>₩ 13,034,728</u>

¹ Trade receivables of Hanwha Machinery Americas, Inc. as at December 31, 2024, do not include allowance for credit losses. The Group recognized allowance for credit losses amounting to ₩ 477 million as at December 31, 2024.

Fund transactions with related parties for the year ended December 31, 2025, are as follows. There are no fund transactions with related parties for the four-month period ended December 31, 2024:

(in thousands of Korean won)

Type	Name of entity	2025						
		Loan transactions		Investments	Dividends paid	Dividends received	Disposals	
Loans	Repayments							
Other Related party	PT. Hanwha Mining Services Indonesia	₩	- ₩	- ₩	- ₩	- ₩	1,971 ₩	-

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Lease fund transactions with related parties for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

(in thousands of Korean won)

		2025				
Type	Name of entity	Beginning balance	Increase (decrease)	Lease payments	Interest expenses	Ending balance
Parent	Hanwha Corp.	₩ 2,837,271	₩ 537,490	₩ (818,422)	₩ 94,899	₩ 2,651,238
Other related parties	Hanwha Momentum	464,508	23,306	(128,898)	16,232	375,148
	Hanwha Aerospace Co., Ltd.	7,719,830	(1,401,660)	(3,040,951)	229,292	3,506,511
		<u>₩ 11,021,609</u>	<u>₩ (840,864)</u>	<u>₩ (3,988,271)</u>	<u>₩ 340,423</u>	<u>₩ 6,532,897</u>

(in thousands of Korean won)

		2024				
Type	Name of entity	Beginning balance (spin-off date)	Increase (decrease)	Lease payments	Interest expenses	Ending balance
Parent	Hanwha Corp.	₩ 2,327,809	₩ 728,090	₩ (254,129)	₩ 35,501	₩ 2,837,271
Other related parties	Hanwha Momentum	1,219,219	-	(764,909)	10,198	464,508
	Hanwha Aerospace Co., Ltd.	7,874,300	738,819	(1,000,919)	107,630	7,719,830
		<u>₩ 11,421,328</u>	<u>₩ 1,466,909</u>	<u>₩ (2,019,957)</u>	<u>₩ 153,329</u>	<u>₩ 11,021,609</u>

The compensation paid or payable to key management for employee services for the year ended December 31, 2025 and the four-month period ended December 31, 2024, consists of:

(in thousands of Korean won)

	2025	2024
Short-term employee benefits	₩ 13,775,670	₩ 4,561,377
Incentive	3,654,025	451,403
Post-employment benefits	1,669,376	708,175
Share-based payments (cash-settled)	29,476,366	5,010,760
Other salaries	4,701	1,309
	<u>₩ 48,580,138</u>	<u>₩ 10,733,024</u>

Key management includes all registered executives and general executives who have significant authority and responsibility for planning, directing and controlling the Group's business activities.

The Group provides home mortgage loans to its employees as at December 31, 2025.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

33. Commitments and Contingencies

Details of agreements with financial institution as at December 31, 2025, are as follows:

<i>(in thousands of Korean won and in USD and CNY)</i>	Currency	Limit	Details
DB Savings Bank Co. Ltd.	KRW	10,000,000	Private bonds
Industrial Bank of Korea	KRW	2,000,000	Line of credit for Plus electronic bill
	USD	14,000,000	Selling trade receivables denominated in foreign currencies
IBK Capital	KRW	30,000,000	Private bonds
KB Securities	KRW	20,000,000	General operating fund
KEB Hana Bank	USD	3,500,000	Comprehensive import agreement
	USD	5,000,000	Others (payment guarantee)
	USD	10,000,000	Derivatives guarantee exemption agreement
	USD	20,000,000	Selling trade receivables denominated in foreign currencies
Kookmin Bank	KRW	20,000,000	Line of credit for trade finance
	USD	25,000,000	Selling trade receivables denominated in foreign currencies
NH Nonghyup Bank	KRW	10,000,000	General operating fund
Korea Development Bank	KRW	10,000,000	Line of credit for operating fund
	KRW	20,000,000	Line of credit for industrial working capital
	KRW	20,000,000	General operating fund
	KRW	30,000,000	Industrial working capital loan
	USD	1,000,000	Selling trade receivables denominated in foreign currencies (non-recourse OA)
Shinhan Bank	USD	3,000,000	Derivatives guarantee exemption agreement
	KRW	500,000	Credit sales facility
	KRW	10,000,000	Line of credit for general loan
	CNY	6,000,000	Others (payment guarantee)
Woori Bank	KRW	25,000,000	General operating fund
	KRW	20,000,000	Working capital loan
	KRW	20,000,000	Line of credit for working capital
	KRW	20,000,000	Line of credit for general loan
	USD	3,000,000	Others (payment guarantee)
	USD	10,000,000	Selling trade receivables denominated in foreign currencies
	USD	10,000,000	Selling trade receivables denominated in foreign currencies (O/A)
	KRW	20,000,000	General operating fund
Woori Investment Securities Co., Ltd.	KRW	10,000,000	General operating fund
	KRW	20,000,000	Line of credit for working capital
	KRW	30,000,000	Facility fund
Hana Capital, Co, Ltd	KRW	20,000,000	Private bonds
Woori Bank New York Agency	USD	20,000,000	Line of credit for general operating fund
Shinhan Bank New York Branch	USD	20,000,000	Line of credit for general operating fund
Bank of Hope	USD	25,000,000	Line of credit for general operating fund
KEB Hana Bank New York Agency	USD	20,000,000	Line of credit for general operating fund

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

<i>(in thousands of Korean won and in USD and CNY)</i>	Currency	Limit	Details
KEB Hana Bank Hanoi Branch	USD	20,000,000	Line of credit for general operating fund

Details of guarantees provided by others as at December 31, 2025, are as follows:

<i>(in thousands of Korean won and in USD)</i>	Details	Currency	Amount
KEB Hana Bank	Other foreign currency payment guarantee	USD	298,985
Seoul Guarantee Insurance Company	Contract guarantee insurance	KRW	40,139
	Performance guarantee insurance	KRW	1,821,688
	Payment guarantee insurance	KRW	197,500
	Warranty guarantee insurance	KRW	375,044

Details of property, plant and equipment provided as collateral as at December 31, 2025, are as follows:

(in thousands of Korean won)

Secured party	Secured assets	Details	Currency	Secured amount	Carrying amount
SK hynix Inc.	Land and buildings of Hanwha Semitech Co., Ltd.	Performance guarantee for a supply contract	KRW	100,000,000	112,231,071

As at December 31, 2025, the contract amount for the acquisition of property, plant and equipment and intangible assets not yet incurred amounts to KRW 126 million.

The newly established corporations (Hanwha Industrial Solutions, Hanwha Vision Co., Ltd. (Hanwha Techwin Co., Ltd., at the time of spin-off), Hanwha Semitech Co., Ltd. (Hanwha Precision Machinery Co., Ltd. at the time of spin-off) should take a joint responsibility for the liabilities (including liabilities before the spin-off) with the remaining company (Hanwha Aerospace Co., Ltd.) in accordance with paragraph 1 of Article 530-9 of the Commercial Act.

As at December 31, 2025, the Group is involved in 6 cases including matters related to the wage peak system and claims for patent infringement and damages as a defendant or an intervenor for a defendant with an aggregate claim amount of KRW 5,958 million. Management is unable to predict the outcome of the cases as at December 31, 2025.

The Parent Company was incorporated through a spin-off from Hanwha Aerospace Co., Ltd. (remaining company) on September 1, 2024.

In accordance with Articles 530-2 to 530-11 of the Commercial Act, the Parent Company was established through a spin-off, whereby shareholders of the remaining company were allocated shares of the newly established corporation in proportion to their shareholding as of the allocation date. The Parent Company was formed as a holding company to manage investments in subsidiaries engaged in the production and sales of security, chip mounters, semiconductor equipment, and to pursue new investments.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

The Parent Company should take a joint responsibility for the liabilities (including liabilities before the spin-off) with the remaining company in accordance with paragraph 1 of Article 530-9 of the Commercial Act.

- i. Assets and liabilities transferred to a newly established corporation through spin-off are recognized at their book amounts.
- ii. Deferred tax assets (liabilities) related to such transferred assets and liabilities are transferred to a newly established corporation only for items that are eligible for transfer under the Corporate Tax Act.
- iii. The differences between the book amount of net assets transferred and share capital of a newly established corporation are recognized as share premium and other capital surplus.

34. Cash Flows

Details of cash generated from operations for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025¹		2024¹	
Profit	₩	42,619,754	₩	3,210,793
Adjustment for:				
Income tax income		(40,171,329)		(9,827,831)
Depreciation		32,477,330		9,766,185
Amortization		4,816,794		1,446,205
Depreciation on right-of-use assets		11,973,050		4,485,188
Post-employment benefits		24,351,831		6,949,161
Other long-term employee benefits		9,582,539		3,876,904
Loss on valuation of other financial liabilities		120,056,575		-
Share-based payments		-		7,513,890
Technical license fees		3,761,011		1,538,995
Interest expenses		15,030,138		3,946,689
Loss on valuation of financial assets at fair value through profit or loss		-		1,398,847
Loss on disposal of property, plant and equipment		1,211,265		2,715,451
Loss on disposal of intangible assets		72,040		5,406,310
Impairment loss on property, plant and equipment		3,098,994		-
Impairment loss on intangible assets		5,702		12,503,932
Loss on disposal of trade receivables		33,487		-
Loss on foreign currency translations		4,463,437		-
Loss on valuation of inventories		18,082,151		7,117,436
Loss on foreign currency transactions from financing		-		3,066,000

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

activities		
Provision	9,566,333	1,595,737
Bad debt expenses (reversal)	804,815	(56,403)
Commission expenses	144,887	(160,354)
Miscellaneous expenses	7	(389)
Dividend income	(1,971)	(1,965)
Gain on foreign currency translations	(11,587,718)	(35,483,778)
Interest income	(3,569,565)	(1,999,085)
Gain on disposal of property, plant and equipment	(1,638,583)	(809,468)
Gain on disposal of intangible assets	(75,500)	(4,168)
Gain on disposal of right-of-use assets	(9,794)	-
Miscellaneous gain	(222,606)	(1,331)
Gain on valuation of financial assets at fair value through profit or loss	(400,292)	-
Loss on valuation of derivatives	639,950	7,601,626
Gain on valuation of derivatives	(2,681,376)	-
Loss on derivatives transactions	11,969,100	-
Gain on derivatives transactions	(5,973,955)	-
Change in operating assets and liabilities		
Trade receivables	(99,163,730)	91,713,254
Non-trade receivables	(203,419)	5,256,292
Inventories	(3,323,229)	(30,712,720)
Deposits provided	(191,432)	6,087,023
Other current assets	(7,607,631)	4,491,063
Other non-current assets	105,616	433,374
Trade payables	4,034,551	(46,876,438)
Non-trade payables	(10,868,794)	637,958
Accrued expenses	4,497,111	7,599,201
Withholdings	319,100	(112,610)
Other current liabilities	(15,414,451)	(7,117,798)
Other non-current liabilities	1,652,105	4,180,519
Other long-term employee benefits liabilities	(2,349,400)	(1,640,000)
Payments of post-employment benefits	(16,299,312)	(6,296,897)
Changes in defined benefit obligations due to transfer from (to) affiliates	-	(11,546)
Contributions to plan assets	(30,837,438)	(10,000,000)
Cash generated from operations	₩ 72,778,148	₩ 53,425,252

¹ The amounts include the gain or loss from the NPU semiconductor design business discontinued during the four-month period ended December 31, 2024, and the Vision semiconductor design business discontinued during the year ended December 31, 2025.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

Details of major non-cash transactions for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Reclassification of construction-in-progress and machinery-in-transit to property, plant and equipment	₩ 82,753,024	₩ 2,693,791
Increase (decrease) in non-trade payables related to acquisition of assets	(6,010,568)	11,270,972
Reclassification of long-term prepaid expenses to intangible assets	758,621	182,747

Changes in liabilities arising from financing activities for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025				
	Short-term borrowings	Long-term borrowings	Current portion of debentures	Lease liabilities	Total
Beginning balance	₩ 208,375,274	₩ -	₩ 20,000,000	₩ 37,313,663	₩ 265,688,937
Borrowings (repayments)	99,149,015	30,000,000	40,000,000	(11,597,369)	157,551,646
Transfer to current portion	30,000,000	(30,000,000)	-	-	-
Others ¹	(1,935,143)	-	-	240,441	(1,694,702)
Ending balance	₩ 335,589,146	₩ -	₩ 60,000,000	₩ 25,956,735	₩ 421,545,881

¹ Effects of exchange rate changes are included.

<i>(in thousands of Korean won)</i>	2024				
	Short-term borrowings	Long-term borrowings	Current portion of debentures	Lease liabilities	Total
Beginning balance (spin-off date)	₩ 244,299,930	₩ 53,419,560	₩ 20,000,000	₩ 37,241,114	₩ 354,960,604
Borrowings (repayments)	(43,595,659)	(55,108,560)	-	(4,601,488)	(103,305,707)
Transfer to current portion	-	-	-	-	-
Others ¹	7,671,003	1,689,000	-	4,674,037	14,034,040
Ending balance	₩ 208,375,274	₩ -	₩ 20,000,000	₩ 37,313,663	₩ 265,688,937

¹ Effects of exchange rate changes are included.

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

35. Discontinued Operations

On September 13, 2024, the Parent Company decided to discontinue the development of NPU semiconductors and initiate the dissolution and liquidation of its subsidiaries, A123 Corporation, Neubla Corporation, and NEUBLA UK Ltd.

As at December 31, 2025, Neubla Corporation was liquidated completely and NEUBLA UK Ltd. is in the process of liquidation. A123 Corporation will be liquidated upon the completion of the liquidation of the aforementioned subsidiary.

On October 30, 2025, the Group decided to discontinue the development of Vision semiconductors and dissolve VISIONEXT CO., LTD.. As a result, the entire semiconductor design segment was discontinued and has been classified as discontinued operations.

Details of profit or loss from discontinued operations recognized in the statement of comprehensive income for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Revenue	₩	-	₩	-
Cost of sales		-		-
Gross profit		-		-
Selling and administrative expenses		3,112,303		443,321
Research and development expenses		12,077,204		16,768,671
Operating loss		<u>(15,189,507)</u>		<u>(17,211,992)</u>
Other income		534,056		82,936
Other expenses		3,857,935		15,228,254
Finance income		65,699		28,293
Finance costs		93,327		62,561
Loss before tax		<u>(18,541,014)</u>		<u>(32,391,578)</u>
Income tax expenses		<u>(16,715)</u>		-
Loss from discontinued operations	₩	<u>(18,524,299)</u>	₩	<u>(32,391,578)</u>

Cash flows related to the discontinued operations for the year ended December 31, 2025 and the four-month period ended December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
Cash flows used in operating activities	₩	(22,928,372)	₩	(20,708,065)
Cash flows from investing activities		2,929,895		2,859,339
Cash flows from financing activities		9,652,077		18,733,541
Increase (decrease) in cash	₩	<u>(10,346,400)</u>	₩	<u>884,815</u>

Hanwha Vision CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

36. Events after the Reporting Period

The Parent Company entered into a real estate purchase agreement on January 16, 2026. The agreed purchase price amounts to ₩ 280,000 million, and the property is expected to be used as the Parent Company's headquarters upon acquisition.

The Parent Company issued debt securities through a public offering on February 12, 2026, with total proceeds of ₩ 90,000 million.