

KoMiCo Ltd.
Separate Financial Statements
December 31, 2024 and 2023

	Page(s)
Independent Auditor's Report	1 - 4
Separate Financial Statements	
Separate Statements of Financial Position	5
Separate Statements of Comprehensive Income	6
Separate Statements of Changes in Equity	7
Separate Statements of Cash Flows	8
Notes to the Separate Financial Statements	9 - 90
Independent Auditor's Report on Internal Control over Financial Reporting	91 - 93
Management's Report on the Effectiveness of Internal Control over Financial Reporting	94



Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
KoMiCo Ltd.

Opinion

We have audited the separate financial statements of KoMiCo Ltd. (the "Company"), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2024 and 2023, and its separate financial performance and its separate cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 13, 2025, expressed an unqualified opinion.

Basis for Opinion

We conducted our audits 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 Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the separate 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Occurrence of revenue recognition

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

As set out in Note 2 to the separate financial statements, the Company identifies performance obligations from contract with a customer that are distinct and recognizes revenue when the obligations are satisfied. We identified this area as a key audit matter because the revenue comprises a material portion of the Company's financial statements and, identifying performance obligations and determining when the obligation is satisfied involve significant judgement of management.

How our audit addressed the Key Audit Matter

The audit procedures we performed in relation to the occurrence of revenue recognition are as follows:

- We obtained an understanding and assessed the revenue recognition process and the Company's accounting policies and related controls.
- We assessed the existence of the contract and the appropriateness of the identification of performance obligations from contract through review on contract or PO.
- We assessed the appropriateness of occurrence, timing, and amount of revenue recognition through examining procedure for transaction evidence identified through the revenue recognition process.

(b) Fair value assessment of exchangeable bonds

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

As set out in Note 7 to the separate financial statements, exchangeable bonds, among the financial instruments of the Company, are measured based on unobservable inputs and classified as fair value hierarchy Level 3. Financial instruments classified as Level 3 uses various valuation techniques and variables. We identified this area as a key audit matter because the results of measurement may significantly change depending on the management's determination on the valuation techniques and unobservable inputs.

How our audit addressed the Key Audit Matter

The audit procedures we performed in relation to the fair value assessment of exchangeable bonds are as follows:

- We obtained an understanding of and evaluated the internal control related to fair value measurement process of the Company's management
- We verified qualification and independence of experts engaged by management of the Company
- We evaluated the appropriateness of the valuation method and the reasonableness of input variable assumptions considering the contract conditions
- We verified whether there is a significant difference between the auditor's independent estimate and the management's estimate of the major input variables used in the fair value assessment

for the extracted sample

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 separate financial statements may differ from those generally accepted and applied in other countries.

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

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

In preparing the separate financial statements, management is responsible for assessing the Company'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 Company or to cease operations.

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

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

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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.
- 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 Company'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 separate 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 separate 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 Chang-Hoon Lee, Certified Public Accountant.

Seoul, Korea
March 13, 2025

This report is effective as of March 13, 2025, 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 separate 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.

KoMiCo Ltd.
Separate Statements of Financial Position
December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	4,7,8	₩ 38,967,568,183	₩ 27,803,348,669
Short-term financial instruments	5,7,8	16,028,562,231	12,868,200,000
Trade receivables	7,8,9,37	11,950,652,236	7,577,514,740
Other receivables	7,8,9,37	3,441,122,459	2,961,173,014
Inventories	12	1,038,415,933	1,759,370,839
Other current financial assets	7,8,10	16,091,131,231	-
Other current assets	11	3,456,044,023	550,649,479
		<u>90,973,496,296</u>	<u>53,520,256,741</u>
Non-current assets			
Investments in subsidiaries	13	255,536,828,691	207,422,392,427
Other non-current receivables	7,8,9,37	2,081,462,445	1,357,981,636
Property, plant and equipment	14,15	80,215,226,506	74,359,706,153
Investment properties	16	6,565,705,919	5,777,070,568
Intangible assets	17	5,339,645,707	3,732,530,965
Other non-current financial assets	7,8,10	-	23,485,909,207
Other non-current assets	11	1,369,757,448	1,460,157,538
		<u>351,108,626,716</u>	<u>317,595,748,494</u>
Total assets		<u>₩ 442,082,123,012</u>	<u>₩ 371,116,005,235</u>
Liabilities			
Current liabilities			
Trade payables	7,8,19,37	₩ 3,018,833,924	₩ 2,559,319,422
Short-term borrowings	7,8,22	72,600,000,000	32,600,000,000
Other payables	7,8,19,37	6,525,858,192	4,990,778,867
Other current financial liabilities	7,8,20	9,776,475,863	11,981,383,218
Current portion of long-term borrowings	7,8,22	-	1,250,000,000
Current tax liabilities	33	7,118,494,015	1,068,029,387
Current lease liabilities	6,7,8,15	384,673,475	309,314,344
Other current liabilities	21	5,618,425,582	3,192,475,770
		<u>105,042,761,051</u>	<u>57,951,301,008</u>
Non-current liabilities			
Long-term borrowings	7,8,22	30,000,000,000	68,750,000,000
Post-employment benefit liabilities	23	12,238,241,375	11,109,425,621
Other non-current financial liabilities	7,8,20	1,328,632,418	1,460,157,538
Other non-current liabilities	21	2,119,003,985	1,472,148,945
Non-current lease liabilities	6,7,8,15	359,181,085	313,886,898
Deferred tax liabilities	33	9,682,479,877	5,415,134,453
		<u>55,727,538,740</u>	<u>88,520,753,455</u>
Total liabilities		<u>160,770,299,791</u>	<u>146,472,054,463</u>
Equity			
Issued capital	1,25	5,230,342,000	5,230,342,000
Reserves	25	12,664,109,690	14,402,241,533
Elements of other stockholders equity	27	(11,775,615,432)	(2,914,979,317)
Accumulated other comprehensive income	26	24,677,742,471	8,867,561,298
Retained earnings	28	250,515,244,492	199,058,785,258
Total equity		<u>281,311,823,221</u>	<u>224,643,950,772</u>
Total liabilities and equity		<u>₩ 442,082,123,012</u>	<u>₩ 371,116,005,235</u>

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

KoMiCo Ltd.
Separate Statements of Comprehensive Income
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Revenue	37,38		
Finished goods		₩ 154,991,491,230	₩ 122,692,202,303
Merchandises		<u>4,738,372,336</u>	<u>4,125,976,028</u>
		159,729,863,566	126,818,178,331
Cost of sales	12,29,37		
Finished goods		84,692,035,975	72,219,165,777
Merchandises		<u>3,390,575,743</u>	<u>3,077,807,359</u>
		88,082,611,718	75,296,973,136
Gross profit		71,647,251,848	51,521,205,195
Selling and administrative expenses	29,30,37	45,235,964,689	40,240,594,721
Bad debt expenses (reversal)	29,30	<u>(51,001,309)</u>	<u>(53,966,000)</u>
Operating income		26,462,288,468	11,334,576,474
Other income	31	6,248,149,376	6,080,894,192
Other expenses	31	456,460,595	432,604,795
Finance income	32	6,872,279,481	8,834,681,859
Finance costs	32	4,978,227,630	5,741,420,136
Profits of associates and joint ventures	13	<u>34,452,054,861</u>	<u>14,271,135,736</u>
Profit before income tax		68,600,083,961	34,347,263,330
Income tax expense	33	<u>13,471,354,100</u>	<u>798,050,494</u>
Profit		₩ 55,128,729,861	₩ 33,549,212,836
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of net defined benefit liability		529,758,499	453,875,175
Loss on valuation of financial assets at fair value through other comprehensive income		-	(287,791,758)
<i>Items that may be subsequently reclassified to profit or loss</i>			
Share of other comprehensive income of associates	13	<u>15,810,181,173</u>	<u>1,493,726,976</u>
Other comprehensive income, net of tax		16,339,939,672	1,659,810,393
Total comprehensive income		₩ 71,468,669,533	₩ 35,209,023,229
Earnings per share	34		
Basic earnings per share		₩ 5,331	₩ 3,294
Diluted earnings per share		5,331	3,294

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

KoMiCo Ltd.
Separate Statements of Changes in Equity
Years Ended December 31, 2024 and 2023

(in Korean won)

	Notes	Share capital	Reserves	Other Capital adjustments	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at January 1, 2023		₩ 5,010,223,500	₩ 73,597,635,337	₩ (2,914,979,317)	₩ 7,188,694,618	₩ 175,804,284,247	₩ 258,685,858,385
Total comprehensive income							
Profit		-	-	-	-	33,549,212,836	33,549,212,836
Other comprehensive income							
Remeasurements of net defined benefit liability	23	-	-	-	-	453,875,175	453,875,175
Loss on valuation of financial assets at fair value through other comprehensive income		-	-	-	(287,791,758)	-	(287,791,758)
Transfer of gain (loss) on disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	-	472,931,462	(472,931,462)	-
Share of other comprehensive income of associates	13	-	-	-	1,493,726,976	-	1,493,726,976
Total other comprehensive income		-	-	-	1,678,866,680	(19,056,287)	1,659,810,393
Total comprehensive income		-	-	-	1,678,866,680	33,530,156,549	35,209,023,229
Transactions with owners							
Capital increase		220,118,500	19,758,479,550	-	-	-	19,978,598,050
Annual dividends paid		-	-	-	-	(9,940,569,000)	(9,940,569,000)
Payments for investments in subsidiaries under a common control		-	(78,953,873,354)	-	-	-	(78,953,873,354)
Changes in retained earnings from equity method		-	-	-	-	(335,086,538)	(335,086,538)
Total transactions with owners		220,118,500	(59,195,393,804)	-	-	(10,275,655,538)	(69,250,930,842)
Balance at December 31, 2023		₩ 5,230,342,000	₩ 14,402,241,533	₩ (2,914,979,317)	₩ 8,867,561,298	₩ 199,058,785,258	₩ 224,643,950,772
Balance at January 1, 2024		₩ 5,230,342,000	₩ 14,402,241,533	₩ (2,914,979,317)	₩ 8,867,561,298	₩ 199,058,785,258	₩ 224,643,950,772
Total comprehensive income							
Profit		-	-	-	-	55,128,729,861	55,128,729,861
Other comprehensive income							
Remeasurements of net defined benefit liability	23	-	-	-	-	529,758,499	529,758,499
Share of other comprehensive income of associates	13	-	-	-	15,810,181,173	-	15,810,181,173
Total other comprehensive income		-	-	-	15,810,181,173	529,758,499	16,339,939,672
Total comprehensive income		-	-	-	15,810,181,173	55,658,488,360	71,468,669,533
Transactions with owners							
Business combination of entities under common control	39	-	(1,738,131,843)	-	-	-	(1,738,131,843)
Changes in retained earnings from equity method		-	-	-	-	(49,706,726)	(49,706,726)
Share-based payments	24	-	-	1,136,961,035	-	-	1,136,961,035
Annual dividends paid		-	-	-	-	(4,152,322,400)	(4,152,322,400)
Acquisition of treasury shares		-	-	(9,997,597,150)	-	-	(9,997,597,150)
Total transactions with owners		-	(1,738,131,843)	(8,860,636,115)	-	(4,202,029,126)	(14,800,797,084)
Balance at December 31, 2024		₩ 5,230,342,000	₩ 12,664,109,690	₩ (11,775,615,432)	₩ 24,677,742,471	₩ 250,515,244,492	₩ 281,311,823,221

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

KoMiCo Ltd.
Separate Statements of Cash Flows
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Note	2024	2023
Cash flows from operating activities			
Cash generated from operations	35	₩ 48,847,524,452	₩ 30,264,445,364
Interest received		1,634,010,101	2,157,608,027
Interest paid		(4,608,640,159)	(3,342,563,091)
Income taxes paid		(3,265,416,761)	(3,611,646,003)
Dividends received		3,114,348,507	7,456,429,708
Net cash inflow from operating activities		45,721,826,140	32,924,274,005
Cash flows used in investing activities			
Proceeds from disposal of short-term financial instruments		12,868,200,000	39,000,000,000
Decrease in loans		544,060,900	283,990,800
Proceeds from disposal of property, plant and equipment		291,526,154	892,236,272
Proceeds from disposal of intangible assets		-	281,818,182
Decrease in leasehold deposits provided		2,000,000	189,400,000
Proceeds from disposal of financial assets at fair value through profit or loss		6,151,322,430	-
Receipt of government grants		59,405,346	1,151,455,273
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	1,197,000,000
Payments for short-term financial instruments		(16,002,402,850)	(22,911,700,000)
Increase in loans		(1,308,000,000)	(845,000,000)
Payments for property, plant and equipment		(19,156,757,482)	(10,401,917,804)
Payments for intangible assets		(1,717,364,641)	(432,518,294)
Increase in leasehold deposits provided		(300,139,029)	(282,497,886)
Payments for investments in subsidiaries		-	(120,882,159,405)
Net cash outflow from business combination of entities under common control	39	(3,080,741,985)	-
Net cash outflow from investing activities		(21,648,891,157)	(112,759,892,862)
Cash flows from financing activities			
Proceeds from short-term borrowings		72,600,000,000	35,000,000,000
Proceeds from long-term borrowings		20,000,000,000	70,000,000,000
Increase in leasehold deposits received		272,290,000	165,870,000
Capital increase		-	19,978,598,050
Repayments of short-term borrowings		(32,600,000,000)	(25,000,000,000)
Repayments of current portion of long-term borrowings		(1,250,000,000)	-
Repayments of long-term borrowings		(58,750,000,000)	-
Dividends paid		(4,152,322,400)	(9,940,569,000)
Decrease in leasehold deposits received		-	(86,635,000)
Repayments of lease liabilities		(506,074,035)	(457,582,955)
Acquisition of treasury shares		(9,997,597,150)	-
Net cash inflow (outflow) from financing activities		(14,383,703,585)	89,659,681,095
Net increase in cash and cash equivalents		9,689,231,398	9,824,062,238
Cash and cash equivalents at the beginning of the financial year		27,803,348,669	17,845,007,410
Effects of exchange rate changes on cash and cash equivalents denominated in foreign currencies		1,474,988,116	134,279,021
Cash and cash equivalents at the end of the year		₩ 38,967,568,183	₩ 27,803,348,669

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

KoMiCo Ltd.

Notes to the Separate Financial Statements

December 31, 2024 and 2023

1. General Information

On August 13, 2013, KoMiCo (the Company) was established through split-off from MiCo Ltd., and the Company mainly engages in cleaning and coating of semiconductor equipment components and LCD related precision parts.

On March 23, 2017, the Company listed its ordinary shares on the Korea Securities Dealers Automated Quotations ("KOSDAQ") market, and its headquarters is located in Mosan-ro, Anseong-si, Gyeonggi-do.

After several capital increases, the issued capital of the Company as at December 31, 2024, amounted to ₩ 5,230 million, which was ₩ 3,500 million upon establishment. MiCo Ltd., the Parent Company, holds 41.10% of the Company's issued shares.

The Company's major shareholders are as follows:

	2024		2023	
	Number of shares	Percentage of ownership (%)	Number of shares	Percentage of ownership (%)
MiCo Ltd.	4,299,326	41.10	4,299,326	41.10
Treasury shares	289,328	2.77	79,878	0.76
Others	5,872,030	56.13	6,081,480	58.14
	<u>10,460,684</u>	<u>100.00</u>	<u>10,460,684</u>	<u>100.00</u>

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these separate 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 Company 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 separate 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 Company's financial position, financial performance or cash flows, is not presented in the accompanying separate financial statements.

The separate financial statements of the Company 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

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Republic of Korea.

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

- Certain financial assets and liabilities (including derivative instruments), and
- defined benefit pension plans – plan assets measured at fair value

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

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2024.

(a) Amendments to Korean IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1007 Statement of Cash Flows, Korean IFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments do not have a significant impact on the financial statements.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(c) Amendments to Korean IFRS 1116 Leases – Lease Liability in a Sale and Leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not have a significant impact on the financial statements.

(d) Amendments to Korean IFRS 1001 Presentation of Financial Statements – Disclosure of Cryptographic Assets

The amendments require an additional disclosure if an entity holds cryptographic assets, or holds cryptographic assets on behalf of the customer, or issues cryptographic assets. The amendments do not have a significant impact on the financial statements.

2.2.2 New standards and interpretations not yet adopted by the Company

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company.

(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 should be applied for annual periods beginning on or after January 1, 2025, and earlier application is permitted. The amendments do not have a significant impact on the financial statements.

(b) 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 amendments do not have a significant impact on the financial statements.

- 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

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(c) 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 Company does not expect the amendments to have a significant impact on the 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*

2.3 Foreign Currency Translation

(a) Functional and presentation currency

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

(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 are presented in 'finance income' or 'finance costs' in the statement of comprehensive income.

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

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

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.

2.4 Financial Assets

(a) Classification

The Company 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 Company'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 Company 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 Company 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.

(b) Measurement

At initial recognition, the Company 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 Company's business model for managing the asset and the cash flow characteristics of the asset. The Company 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

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

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 'finance income' or 'finance costs' 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 'finance income' or 'finance costs' in the year in which it arises.

B. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company'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 continue 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 'finance income' or 'finance costs' 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 Company 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, the Company applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables. (Note

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

6.2 provides more detail of how the Company determines there has been a significant increase in credit risk.)

(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Company 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 Company has transferred substantially all the risks and rewards of ownership.

(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 Company or the counterparty.

2.5 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.

2.6 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the gross average method.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

2.7 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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	30 years
Structures	15
Machinery	8
Vehicles, Tools and equipment, Supplies, Facilities	5

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 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.

2.9 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 Company 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.

2.10 Intangible Assets

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

Expenditures incurred from research (or research stage of internal project) are recognized as expenses when they are incurred. Intangible assets incurred from development activities (or development stage of internal project) are recognized only when it is technically feasible to complete the intangible asset so that it will be available for use; management intends to complete the intangible asset and use or sell it; there is the ability to use or sell the intangible asset; it can

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

be demonstrated how the intangible asset will generate probable future economic benefits; adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and the expenditure attributable to the intangible asset during its development can be reliably measured.

Costs of internally generated intangible assets are the aggregate costs recognized after meeting the asset recognition criteria, including any costs directly attributable to preparing the asset for its creation, manufacturing and intended use by management. Internally generated goodwill is not recognized as an asset.

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 Company amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	Useful lives
Software	5 years
Development costs	5 years
Membership rights	Indefinite

2.11 Investment Property

Investment property is property held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. An investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Company depreciates investment properties, except for land, using the straight-line method over their useful lives of 30 years.

2.12 Impairment of Non-financial Assets

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.

2.13 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 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

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

their fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Financial Liabilities

(a) Classification and measurement

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

Covenants that the Company 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 Company 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.

2.15 Financial Guarantee Contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, subsequently at the higher of following and recognized in the statement of financial position within 'other financial liabilities'.

- the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 *Financial Instruments* and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*

2.16 Provisions

Provisions are recognized when the Company 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

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

2.17 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 Company 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 separate 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 Company recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries, except to the extent that the Company 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 Company 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.

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 Company 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.

2.18 Employee Benefits

(a) Post-employment benefits

The Company operates both defined contribution and defined benefit plans.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

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

A defined benefit plan is a pension plan that is not a defined contribution plan. 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.

(b) Share-based payments

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 Company 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.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are recognized as issued capital (nominal value) and share premium.

(c) Other long-term employee benefits

The Company provides long-term employee benefits that are entitled to employees with service period for five 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 Company 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.

2.19 Revenue Recognition

The Company recognizes revenue by applying the following five-step revenue recognition model to all contracts with customers that are included in the scope of Korean IFRS 1115 *Revenue from contracts with customers*.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

A new five-step process must be applied before revenue from contract with customers can be recognized:

- Identify contracts with customers
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

(a) Identify performance obligation

The Company is engaged in the business of precision cleaning and regeneration of semiconductor and LCD-related precision parts and selling them to customers. The Company identifies separate performance obligation (a) if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer, and (b) if the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. For each performance obligation, the Company determines the time of revenue recognition whether it satisfies the performance obligation at a point in time or over time.

(b) A performance obligation is satisfied at a point in time

Revenue from sales of goods is recognized when assets are transferred and then performance obligations are fulfilled. The performance obligation satisfied at a point in time is satisfied at the time of transferring control of the goods or services to the customer. The Company considers following indicators of the transfer of control to determine the point in time at which the entity satisfies a performance obligation.

- The entity has a present right to payment for the asset.
- The customer has legal title to the asset.
- The entity has transferred physical possession of the asset
- The customer has the significant risks and rewards of ownership of the asset
- The customer has accepted the asset

(c) A performance obligation is satisfied over time

The Company is obliged to provide precision cleaning and coating services over the service period; therefore, the Company will recognize the allocated transaction price for each performance obligation over the service period as revenue.

(d) Sales-based or usage-based royalties

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

The Company has entered into a royalty agreement and others with subsidiaries. In accordance with Korean IFRS 1115, the Company recognizes revenue for a sales-based or usage-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale or usage occurs; and
- the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied.

(e) Variable consideration

If the consideration promised in a contract includes a variable amount, the Company shall estimate the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised consideration can also vary if the Company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. For example, an amount of consideration would be variable if either a product was sold with a right of return or a fixed amount is promised as a performance bonus on achievement of a specified milestone.

(f) Significant financing component

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer.

As a practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised goods or services to a customer and when the customer pays for that goods or services will be one year or less.

(g) Allocating the transaction price

The Company allocates the transaction price to various performance obligations identified in one contract based on their relative stand-alone selling prices.

2.20 Leases

(a) Lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(b) Lessee

The Company leases various properties and vehicles. Lease contracts are typically made for fixed periods of 1 to 2 years, but may have extension options as described in (c) below.

Contracts may contain both lease and non-lease components. The Company 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 Company is lessee, the Company 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.

The Company 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 Company 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 payment 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 Company (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Company (the lessee) is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company (the lessee) exercising that option

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.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

starting point, adjusted to reflect changes in financing conditions since third party financing was received, and

- makes adjustments specific to the lease, for example term, country, currency and security.

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.

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 Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases 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 mainly comprise office furniture.

(c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximize operational flexibility in terms of managing contracts.

2.21 Investments in Subsidiaries

The financial statements of the Company are the separate financial statements prepared in accordance with Korean IFRS 1027 *Separate Financial Statements*. Investments in subsidiaries are accounted for using equity method. Also, the Company recognizes dividend income from subsidiaries as a deduction from carrying amounts of investments accounted for using equity method when its right to receive the dividend is established.

2.22 Business Combination of Entities under Common Control

The Company applies the carrying amount method to account for business combinations of entities under 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. In addition, the difference between the sum of consolidated book amounts of

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

the assets and liabilities transferred and accumulated other comprehensive income; and the consideration paid is recognized as reserves.

2.23 Segment Reporting

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker (Note 38). The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

2.24 Approval of Issuance of the Financial Statements

The separate financial statements 2024 were approved for issue by the Board of Directors on February 28, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Company'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 within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

(a) Income taxes

The Company's taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 33).

If certain portion of the taxable income is not used for investments or increase in wages or dividends for a certain period, the Company is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects for such period. As the Company's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(b) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period (Note 7).

(c) Impairment of financial assets

The provisions for impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period (Note 6.2).

(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 (Note 23).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

4. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024	2023
Bank deposits and others	₩ 38,967,568	₩ 27,803,349
	<u>₩ 38,967,568</u>	<u>₩ 27,803,349</u>

5. Short-term Financial Instruments

Short-term financial instruments as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024	2023
Time deposits and instalments	₩ 16,000,000	₩ 12,868,200
Other short-term financial instruments	28,562	-
	<u>₩ 16,028,562</u>	<u>₩ 12,868,200</u>

6. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company'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 Company.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

6.1 Market Risk

(a) Foreign currency risk

The Company operates internationally and is exposed to foreign currency risk, primarily the US dollar. Foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currencies that are not the Company entities' functional currencies. Monetary assets and liabilities denominated in foreign currencies other than functional currencies as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024				2023			
	Foreign amount		Korean won equivalent		Foreign amount		Korean won equivalent	
Assets								
Cash and cash equivalents	USD	5,646,259	₩	8,300,001	USD	8,664,268	₩	11,171,707
	JPY	84,131,320		787,873	JPY	160,830,911		1,467,839
Short-term financial instruments	-	-		-	USD	3,000,000		3,868,200
Trade receivables	USD	2,067,235		3,038,836	USD	400,106		515,896
	JPY	17,348,220		162,463	JPY	13,316,380		121,533
Other receivables	USD	1,377,367		2,024,729	USD	1,276,508		1,645,930
		-		-	CNY	396,820		71,761
			₩	14,313,902			₩	18,862,866
Liabilities								
Trade payables		-	₩	-	USD	575	₩	741
Other payables	USD	118,441		174,109	USD	220,394		284,176
			₩	174,109			₩	284,917

As at December 31, 2024 and 2023, if the currency, Korean won, had increased/decreased by 10% with all other variables held constant against the foreign currency, the impact on pre-tax profit would be as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
USD/Korea won	₩ 1,318,945	₩ (1,318,945)	₩ 1,691,682	₩ (1,691,682)
JPY/Korea won	95,034	(95,034)	158,937	(158,937)
CNY/Korea won	-	-	7,176	(7,176)
	₩ 1,413,979	₩ (1,413,979)	₩ 1,857,795	₩ (1,857,795)

The sensitivity analysis shown above is for monetary assets and liabilities denominated in foreign currency other than the Company's functional currency as at December 31, 2024 and 2023.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(b) Interest rate risk

Interest rate risk of the Company is defined as the risk that the interest expenses arising from borrowings will fluctuate due to changes in future market interest rate. The interest rate risk mainly arises through floating rate short-term borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty caused by fluctuations in interest rates and net interest expenses.

The Company adequately minimizes risks from interest rate fluctuations through various policies, such as sharing excess cash within the Company (internal cash sharing) to minimize external borrowings, avoiding high rate borrowings, reforming capital structure, managing an appropriate ratio of fixed rate borrowings and floating rate borrowings, monitoring a fluctuation of domestic and foreign interest rates daily, weekly and monthly, establishing alternatives, and balancing floating rate short-term borrowings with floating rate deposits.

The exposure of the Company's borrowing to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Amount	Ratio	Amount	Ratio
Borrowings with floating rate	₩ -	-	₩ 5,000,000	5%
Borrowings with fixed rate – maturity dates:				
Less than 1 year	72,600,000	71%	28,850,000	28%
1 to 5 years	30,000,000	29%	68,750,000	67%
	₩ 102,600,000	100%	₩ 102,600,000	100%

As at December 31, 2024 and 2023, if the interest rate had increased/decreased by 1% with all other variables held constant, the impact of interest expenses related to borrowings with floating rate on pre-tax profit would be as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Interest expenses	₩ -	₩ -	₩ (50,000)	₩ 50,000

(c) Price risk

The Company has completed the sale of equity securities held by the Company classified as financial assets at fair value through other comprehensive income during the year ended December 31, 2023.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

6.2 Credit Risk

The Company is exposed to credit risk which arises during the investing activities where other parties fail to discharge an obligation. Credit risk usually arises from outstanding trade and other receivables, debt securities, financial institution deposits and others.

To manage the credit risk, the Company implements and operates policies and procedures for credit enhancements of the financial assets. Also, the Company has been provided collateral and payment guarantees from customer before sales commence and analysis of financial assets past due has been reported, and appropriate measures have been taken to secure the Company's assets.

(a) Risk management

To manage credit risk, the Company establishes and operates policies and procedures for security of financial assets. If corporate customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by corporate customers is regularly monitored by line management. Sales to individual customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(b) Security

Upon the contracts with new customers, the Company has been provided with collateral or payment guarantees from the customers. For delayed collection of financial assets, current state and collection measures are reported, and appropriate actions are taken in accordance with the reason for any delays.

(c) Impairment of financial assets

The Company has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of goods and provision of services, and
- other receivables carried at amortized cost

While cash equivalents are also subject to the impairment requirement, the identified impairment loss was immaterial.

A. Trade receivables

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected allowance for credit losses for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before the end of reporting period, and the corresponding historical credit losses experienced within this period.

On that basis, the allowance for credit losses as at December 31, 2024 and 2023, was determined as follows for trade receivables:

<i>(in thousands of Korean won)</i>	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
December 31, 2024					
Expected loss rate	0.00%	0.00%	0.00%	6.51%	
Gross carrying amount – trade receivables	₩ 9,743,943	₩ 1,416,707	₩ 259	₩ 844,758	₩ 12,005,667
Allowance for credit losses provision	-	-	-	55,015	55,015
December 31, 2023					
Expected loss rate	0.00%	0.00%	0.00%	100.00%	
Gross carrying amount – trade receivables	₩ 7,460,584	₩ 101,047	₩ 15,884	₩ 53,860	₩ 7,631,375
Allowance for credit losses provision	-	-	-	53,860	53,860

Movements in the allowance for credit losses provision for trade receivables for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Beginning balance	₩ 53,860	₩ 53,860
Reversal of bad debt expenses	(1,633)	-
Business combination of entities under common control	2,788	-
Ending balance	<u>₩ 55,015</u>	<u>₩ 53,860</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

Impairment losses on trade receivables are presented as net bad debt expenses in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

B. Other receivables amortized cost

Other receivables at amortized cost include short-term and long-term loans, non-trade receivables, deposits provided and others.

There is no allowance for credit losses provision for other receivables at amortized cost for the years ended December 31, 2024 and 2023.

(d) Maximum exposure of credit risk

The maximum exposure of credit risk to financial assets held by the Company as at December 31, 2024 and 2023, is as follows. However, the value of acquired collaterals and the effects from other security are not considered.

<i>(in thousands of Korean won)</i>		2024		2023
Cash and cash equivalents	₩	38,967,568	₩	27,803,349
Short-term financial instruments		16,028,562		12,868,200
Financial assets at fair value through profit or loss		16,091,131		23,485,909
Trade receivables		11,950,652		7,577,515
Other receivables		5,522,585		4,319,155
	₩	<u>88,560,498</u>	₩	<u>76,054,128</u>
 <i>(in USD)</i>		 2024		 2023
Financial guarantee contracts ¹	USD	98,950,000	USD	77,350,000
	CNY	11,251,200		-

¹ As financial guarantee liabilities and the Company's maximum exposure related to the financial guarantee contracts is the maximum amount that the Company is obliged to pay if the guarantee is called on under the related payment guarantee contracts (Note 36).

6.3 Liquidity Risk

The Company monitors the rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal financial ratio targets and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period at the financial reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest:

(in thousands of Korean won)

	2024			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	₩ 3,018,834	₩ -	₩ -	₩ 3,018,834
Short-term borrowings	74,060,807	-	-	74,060,807
Other payables	6,525,858	-	-	6,525,858
Current lease liabilities	392,738	-	-	392,738
Long-term borrowings	1,301,000	30,697,301	-	31,998,301
Non-current lease liabilities	-	267,149	124,550	391,699
Financial guarantee contracts ¹	147,721,029	-	-	147,721,029
	<u>₩ 233,020,266</u>	<u>₩ 30,964,450</u>	<u>₩ 124,550</u>	<u>₩ 264,109,266</u>

¹ As financial guarantee liabilities to related parties of the Company, it is the maximum amount of financial guarantees and allocated to the earliest period in which the Company can be required to make payments (Note 36).

(in thousands of Korean won)

	2023			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	₩ 2,559,319	₩ -	₩ -	₩ 2,559,319
Derivative liabilities	3,423,901	-	-	3,423,901
Short-term borrowings	33,391,117	-	-	33,391,117
Other payables	4,990,779	-	-	4,990,779
Current portion of long-term borrowings	2,226,668	-	-	2,226,668
Current lease liabilities	314,435	-	-	314,435
Long-term borrowings	2,335,381	5,742,125	67,460,180	75,537,686
Non-current lease liabilities	-	191,967	147,719	339,686
Financial guarantee contracts ¹	99,735,090	-	-	99,735,090
	<u>₩ 148,976,690</u>	<u>₩ 5,934,092</u>	<u>₩ 67,607,899</u>	<u>₩ 222,518,681</u>

¹ As financial guarantee liabilities to related parties of the Company, it is the maximum amount of financial guarantees and allocated to the earliest period in which the Company can be required to make payments (Note 36).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

6.4 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so the Company can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is total borrowings less cash and cash equivalents and short-term financial instruments. Total capital is 'equity' as shown in the separate statement of financial position plus net debt.

The gearing ratios as at December 31, 2024 and 2023, were as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Total borrowings	₩	102,600,000	₩	102,600,000
Less: cash and cash equivalents and short-term financial instruments		54,996,130		40,671,549
Net debt		47,603,870		61,928,451
Total equity		281,311,823		224,643,951
Total capital	₩	328,915,693	₩	286,572,402
Gearing ratio		14.47%		21.61%

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

7. Fair Value

7.1 Fair Value of Financial Instruments by Category

Carrying amount and fair value of financial instruments by category as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Financial assets measured at fair value:				
Other financial assets				
Financial assets at fair value through profit or loss	₩ 16,091,131	₩ 16,091,131	₩ 23,485,909	₩ 23,485,909
Financial assets not measured at fair value ¹ :				
Cash and cash equivalents	₩ 38,967,568	₩ 38,967,568	₩ 27,803,349	₩ 27,803,349
Short-term financial instruments	16,028,562	16,028,562	12,868,200	12,868,200
Trade receivables	11,950,652	11,950,652	7,577,515	7,577,515
Other receivables	5,522,585	5,522,585	4,319,155	4,319,155
	₩ 88,560,498	₩ 88,560,498	₩ 76,054,128	₩ 76,054,128
Liabilities				
Financial liabilities measured at fair value:				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	₩ -	₩ -	₩ 3,423,901	₩ 3,423,901
Financial liabilities not measured at fair value ¹ :				
Trade payables	₩ 3,018,834	₩ 3,018,834	₩ 2,559,319	₩ 2,559,319
Other payables	6,525,858	6,525,858	4,990,779	4,990,779
Borrowings	102,600,000	102,600,000	102,600,000	102,600,000
Other financial liabilities	11,105,108	11,105,108	10,017,639	10,017,639
	₩ 123,249,800	₩ 123,249,800	₩ 123,591,638	₩ 123,591,638
Lease liabilities ¹ :				
Lease liabilities	₩ 743,855	₩ 743,855	₩ 623,201	₩ 623,201

¹ Financial assets and liabilities not measured at fair value and lease liabilities use their carrying amount as fair value as it is determined that the carrying amount is a reasonable approximation of fair value.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

7.2 Fair Value Hierarchy

Items that are measured at fair value or of which fair values are disclosed 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 that an entity can access at the measurement date (Level 1).
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

Fair value hierarchy classifications of the financial instruments that are measured at fair value or of which fair values are disclosed as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	₩	- ₩	- ₩ 16,091,131	₩ 16,091,131

(in thousands of Korean won)

	2023			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	₩	- ₩	- ₩ 23,485,909	₩ 23,485,909
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	₩	- ₩	- ₩ 3,423,901	₩ 3,423,901

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

7.3 Transfers Between Fair Value Hierarchy Levels

Changes in financial instruments classified as level 3 for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Beginning balance	₩ 23,485,909	₩ 3,423,901	₩ 17,036,074	₩ 1,570,892
Amount recognized in other comprehensive income (valuation)	2,411,360	230,915	6,449,835	1,853,009
Acquisition	-	-	-	-
Sell (repayment) ¹	(9,806,138)	(3,654,816)	-	-
Ending balance	₩ 16,091,131	₩ -	₩ 23,485,909	₩ 3,423,901

¹ MiCo Ltd., the Parent Company, fully exercised the put option on the exchangeable bonds for the year ended December 31, 2024 (Note 20).

7.4 Valuation Techniques and the Inputs

Valuation techniques used in the fair value measurements categorized within Level 3 of the fair value hierarchy as at December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>		2024			
		Fair value	Level	Valuation techniques	Range of inputs
Assets					
Financial assets at fair value through profit or loss	₩ 16,091,131	3	Discounted cash flow model,	Volatility	46.29%
			Binomial model approach, and others	Discount rate	11.41%
				Weighted average discount rate	12.56%
				Perpetual growth rate	0.00%

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

7.5 Valuation Processes for Fair Value Measurements Categorized as Level 3

The Company's finance department performs the fair value measurements required for financial reporting purposes, including level 3 fair values. The finance department reports directly to the chief financial officer (CFO) and internal auditor. Discussions of valuation process and result are held between the CFO, internal auditor and the valuation team at quarterly basis, in line with the Company's quarterly reporting periods.

7.6 Sensitivity Analysis for Recurring Fair Value Measurements Categorized as Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the most favorable or most unfavorable amounts are presented.

The results of the sensitivity analysis for the effect on pre-tax profit or loss and pre-tax equity from changes in inputs for each financial instrument for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

		2024	
		Favorable changes	Unfavorable changes
Financial assets			
Financial assets at fair value through profit or loss ¹	₩	1,470,023	₩ (1,446,559)
Financial liabilities			
Financial liabilities at fair value through profit or loss ¹	₩	-	₩ -

(in thousands of Korean won)

		2023	
		Favorable changes	Unfavorable changes
Financial assets			
Financial assets at fair value through profit or loss ¹	₩	2,060,357	₩ (1,944,672)
Financial liabilities			
Financial liabilities at fair value through profit or loss ¹	₩	752,454	₩ (799,187)

¹ For exchangeable bonds, changes in their fair value are calculated by increasing or decreasing share value of underlying assets which are key unobservable inputs by 10%.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

8. Financial Instruments by Category

8.1 Carrying Amounts of Financial Instruments by Category

Carrying amounts of financial assets and liabilities, and lease liabilities by category as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

(in thousands of Korean won)		2024			
		Financial assets at fair value through profit or loss		Total	
Financial assets at amortized cost					
Financial assets					
Cash and cash equivalents	₩	38,967,568	₩	-	₩ 38,967,568
Short-term financial instruments		16,028,562		-	16,028,562
Trade receivables		11,950,652		-	11,950,652
Other receivables		5,522,586		-	5,522,586
Other current financial assets		-		16,091,131	16,091,131
	₩	72,469,368	₩	16,091,131	₩ 88,560,499

(in thousands of Korean won)

(in thousands of Korean won)		2023			
		Financial assets at fair value through profit or loss		Total	
Financial assets at amortized cost					
Financial assets					
Cash and cash equivalents	₩	27,803,349	₩	-	₩ 27,803,349
Short-term financial instruments		12,868,200		-	12,868,200
Trade receivables		7,577,515		-	7,577,515
Other receivables		4,319,155		-	4,319,155
Other non-current financial assets		-		23,485,909	23,485,909
	₩	52,568,219	₩	23,485,909	₩ 76,054,128

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)

	2024			
	Financial liabilities at amortized cost		Financial guarantee liabilities	Total
Financial liabilities				
Trade payables	₩	3,018,834	₩ -	₩ 3,018,834
Short-term borrowings		72,600,000	-	72,600,000
Other payables		6,525,858	-	6,525,858
Other current financial liabilities		-	9,776,476	9,776,476
Long-term borrowings		30,000,000	-	30,000,000
Other non-current financial liabilities		-	1,328,632	1,328,632
	₩	112,144,692	₩ 11,105,108	₩ 123,249,800

(in thousands of
Korean won)

	2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Financial guarantee liabilities	Total
Financial liabilities				
Trade payables	₩ 2,559,319	₩ -	₩ -	₩ 2,559,319
Short-term borrowings	32,600,000	-	-	32,600,000
Other payables	4,990,779	-	-	4,990,779
Other current financial liabilities	-	3,423,901	8,557,482	11,981,383
Current portion of long-term borrowings	1,250,000	-	-	1,250,000
Long-term borrowings	68,750,000	-	-	68,750,000
Other non-current financial liabilities	-	-	1,460,158	1,460,158
	₩ 110,150,098	₩ 3,423,901	₩ 10,017,640	₩ 123,591,639

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

8.2 Net Gains or Losses by Category of Financial Instruments

Net gains or losses on each category of financial instruments for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Financial assets at fair value through profit or loss		
Gain on valuation	₩ 2,411,360	₩ 6,449,835
Financial assets at amortized cost		
Interest income	1,963,652	2,007,415
Foreign exchange gain	794,878	241,896
Gain on foreign currency translation	1,702,389	135,535
Financial liabilities at fair value through profit or loss		
Loss on valuation	(230,914)	(1,853,009)
Financial liabilities at amortized cost		
Interest expenses	(4,585,754)	(3,583,651)
Foreign exchange loss	(110,478)	(210,888)
Loss on foreign currency translation	(17,180)	(68,463)

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

9. Trade Receivables and Other Receivables

Trade and other receivables and their provisions for impairment as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024			2023		
	Trade and other receivables	Allowance for doubtful account	Trade and other receivables, net	Trade and other receivables	Allowance for doubtful account	Trade and other receivables, net
Current assets						
Trade receivables	₩ 12,005,667	₩ (55,015)	₩ 11,950,652	₩ 7,631,375	₩ (53,860)	₩ 7,577,515
Other receivables						
Non-trade receivables	2,354,467	-	2,354,467	2,425,273	-	2,425,273
Accrued income	348,585	-	348,585	77,134	-	77,134
Deposits provided	188,643	-	188,643	128,300	-	128,300
Short-term loans	549,427	-	549,427	330,466	-	330,466
	<u>3,441,122</u>	<u>-</u>	<u>3,441,122</u>	<u>2,961,173</u>	<u>-</u>	<u>2,961,173</u>
Non-current assets						
Other receivables						
Long-term loans	1,548,380	-	1,548,380	1,091,031	-	1,091,031
Deposits provided	533,082	-	533,082	266,950	-	266,950
	<u>2,081,462</u>	<u>-</u>	<u>2,081,462</u>	<u>1,357,981</u>	<u>-</u>	<u>1,357,981</u>
	<u>₩ 17,528,251</u>	<u>₩ (55,015)</u>	<u>₩ 17,473,236</u>	<u>₩ 11,950,529</u>	<u>₩ (53,860)</u>	<u>₩ 11,896,669</u>

Movements in the allowance for doubtful account for trade and other receivables for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024	2023
Beginning balance	₩ 53,860	₩ 53,860
Reversal of bad debt expenses	(1,633)	-
Business combination of entities under common control	2,788	-
Ending balance	<u>₩ 55,015</u>	<u>₩ 53,860</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

10. Other Financial Assets

Details of other financial assets as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Other current financial assets				
Financial assets at fair value through profit or loss	₩	16,091,131	₩	-
Other non-current financial assets				
Financial assets at fair value through profit or loss		-		23,485,909
	₩	16,091,131	₩	23,485,909

Details of financial assets at fair value through profit or loss as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Financial assets at fair value through profit or loss				
Exchangeable bonds ¹	₩	16,091,131	₩	23,485,909

¹ For the year ended December 31, 2022, the Company acquired exchangeable bonds issued by MiCo Ltd., the Parent Company, which can be exchanged with registered ordinary shares of MiCo Ceramics Ltd. Exchangeable bonds held by the Company are measured at fair value as at December 31, 2024 (Note 7). MiCo Ltd., the Parent Company, fully exercised the put option on the exchangeable bonds for the year ended December 31, 2024 (Note 20).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

11. Other Assets

Details of other assets as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Other current assets				
Advance payments ¹	₩	710,581	₩	95,654
Prepaid expenses		711,941		454,995
Contract assets		2,033,522		-
		<u>3,456,044</u>		<u>550,649</u>
Other non-current assets				
Long-term prepaid expenses		1,369,757		1,460,158
		<u>1,369,757</u>		<u>1,460,158</u>
	₩	<u>4,825,801</u>	₩	<u>2,010,807</u>

¹ As at December 31, 2024, ₩ 282,028 thousand (2023: ₩ 331,397 thousand) of allowance for doubtful account are included.

12. Inventories

Inventories as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024			2023		
	Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Finished goods	₩ 245,825	₩ (224,622)	₩ 21,203	₩ 366,536	₩ (68,800)	₩ 297,736
Work in process	-	-	-	723,883	-	723,883
Merchandises	99,403	(3,820)	95,583	45,148	(523)	44,625
Raw materials	958,294	(36,664)	921,630	694,769	(1,642)	693,127
	<u>₩ 1,303,522</u>	<u>₩ (265,106)</u>	<u>₩ 1,038,416</u>	<u>₩ 1,830,336</u>	<u>₩ (70,965)</u>	<u>₩ 1,759,371</u>

Loss on valuation of inventories to net realizable value amounted to ₩ 109,074 thousand (2023: ₩ 5,219 thousand). These were recognized as an expense during the year ended December 31, 2024 and included in 'cost of sales' in profit or loss.

Inventories recognized as an expense during the year ended December 31, 2024, amounted to ₩ 88,082,612 thousand (2023: ₩ 75,296,973 thousand). These were included in 'cost of sales'.

KoMiCo Ltd.

Notes to the Separate Financial Statements

December 31, 2024 and 2023

13. Investments in Subsidiaries

Details of investments in subsidiaries as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	Location	2024			2023		
		Ownership interest (%)	Acquisition cost	Carrying amount	Ownership interest (%)	Acquisition cost	Carrying amount
KoMiCo Technology Inc	USA	100	₩ 19,084,587	₩ 82,459,309	100	₩ 19,084,587	₩ 72,687,433
KoMiCo Technology (Wuxi) Ltd.	China	100	16,386,176	53,960,944	100	16,386,176	44,767,437
KoMiCo Technology Taiwan Ltd.	Taiwan	100	9,101,965	25,783,177	100	9,101,965	23,362,410
KoMiCo Technology Singapore Pte. Ltd	Singapore	100	-	-	100	-	-
MiCoCeramics Ltd. ¹	Korea	47.84	53,018,412	93,333,398	47.84	53,018,412	66,605,112
			<u>₩ 97,591,140</u>	<u>₩ 255,536,828</u>		<u>₩ 97,591,140</u>	<u>₩ 207,422,392</u>

¹ Although the Company owns less than 50% of voting rights of MiCoCeramics Ltd., the Company has concluded that the Company controls the entity. The entity has been classified as a subsidiary, taking into account in the voting rights delegation agreements with other investors.

Changes in investments in subsidiaries for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024							
	Beginning balance	Acquisition	Disposal	Dividends	Share of profit or loss	Share of other comprehen- sive income	Others	Ending balance
KoMiCo Technology Inc.	₩ 72,687,433	₩ -	₩ (35,113)	₩ -	₩ (465,507)	₩ 10,272,496	₩ -	₩ 82,459,309
KoMiCo Technology (Wuxi) Ltd.	44,767,437	-	-	(407,521)	4,532,444	5,068,584	-	53,960,944
KoMiCo Technology Taiwan Ltd.	23,362,410	48,268	-	(101,189)	897,796	1,575,892	-	25,783,177
KoMiCo Technology Singapore Pte.LTD ¹	-	-	-	-	-	-	-	-
MiCoCeramics Ltd.	66,605,112	-	-	(2,605,639)	29,383,632	-	(49,707)	93,333,398
	<u>₩ 207,422,392</u>	<u>₩ 48,268</u>	<u>₩ (35,113)</u>	<u>₩ (3,114,349)</u>	<u>₩ 34,348,365</u>	<u>₩ 16,916,972</u>	<u>₩ (49,707)</u>	<u>₩ 255,536,828</u>

KoMiCo Ltd.

Notes to the Separate Financial Statements

December 31, 2024 and 2023

¹ During the year ended December 31, 2024, the Company recognized ₩ 103,690 thousand of share of gain and ₩ (-)1,106,791 thousand of share of other comprehensive income for financial guarantee contract, which are net investments, among the unrecognized share of losses for KoMiCo Technology Singapore Pte.LTD.

(in thousands of
Korean won)

(in thousands of Korean won)		2023													
		Beginning balance		Acquisition	Disposal	Dividends	Share of profit or loss	Share of other comprehen- sive income	Others	Ending balance					
KoMiCo Technology Inc.															
₩	74,894,795	₩	-	₩	-	₩ (1,769,014)	₩ (1,837,185)	₩	1,398,837	₩	-	₩	72,687,433		
KoMiCo Technology (Wuxi) Ltd.															
	46,378,143		-		(35,355)		(4,514,871)		3,144,135		(204,615)		-		44,767,437
KoMiCo Technology Taiwan Ltd.															
	23,353,336		-		(11,681)		(1,172,545)		806,357		386,943		-		23,362,410
KoMiCo Technology Singapore Pte.LTD ¹															
	-		-		-		-		-		-		-		-
MiCoCeramics Ltd.															
	-		53,018,412		-		-		13,542,520		-		44,180		66,605,112
₩	144,626,274	₩	53,018,412	₩	(47,036)	₩	(7,456,430)	₩	15,655,827	₩	1,581,165	₩	44,180	₩	207,422,392

¹ During the year ended December 31, 2023, the Company recognized ₩ 1,763,956 thousand of share of loss and ₩ (-)87,438 thousand of share of other comprehensive income for financial guarantee contract, which are net investments, among the unrecognized share of losses for KoMiCo Technology Singapore Pte.LTD.

Summarized financial information for subsidiaries as at and for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of
Korean won)

(in thousands of Korean won)	2024						Total comprehensive income					
	Assets		Liabilities		Equity	Sales		Profit				
KoMiCo Technology Inc (consolidated)	₩	142,520,613	₩	59,292,561	₩	83,228,052	₩	51,330,306	₩	(865,711)	₩	9,406,785
KoMiCo Technology (Wuxi) Ltd. (consolidated)		76,508,420		21,883,053		54,625,367		74,448,702		4,045,157		9,432,422
KoMiCo Technology Taiwan Ltd.		54,426,112		29,421,316		25,004,796		20,385,497		399,481		1,975,373
KoMiCo Technology Singapore Pte. Ltd.		6,548,456		15,563,838		(9,015,382)		10,622,207		(14,861)		(1,121,652)
MiCoCeramics Ltd.		358,709,130		156,640,027		202,069,103		220,170,002		63,002,791		62,898,878

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of
Korean won)

	2023						Total comprehensive income
	Assets	Liabilities	Equity	Sales	Profit		
KoMiCo Technology Inc (consolidated)	₩ 109,309,610	₩ 35,488,343	₩ 73,821,267	₩ 53,518,743	₩ (1,219,029)	₩	179,809
KoMiCo Technology (Wuxi) Ltd. (consolidated)	59,286,156	13,685,690	45,600,466	50,661,442	3,269,448		3,064,834
KoMiCo Technology Taiwan Ltd.	29,130,841	6,000,229	23,130,612	17,378,309	944,363		1,331,305
KoMiCo Technology Singapore Pte. Ltd.	4,299,419	12,193,149	(7,893,730)	7,299,633	(1,639,319)		(1,726,757)
MiCoCeramics Ltd.	250,980,595	106,693,891	144,286,704	61,694,962	27,527,811		26,827,308

As at December 31, 2024, the tables below provide a reconciliation of the subsidiaries' net assets to the carrying amount of its interest in the subsidiaries.

(in thousands of
Korean won)

	2024				
	Net assets at the end of the year (A)	Company's share in % (B)	Company's share in KRW(A*B)	Elimination of intergroup transactions and others	Book amount
KoMiCo Technology Inc (consolidated)	₩ 83,228,052	100.00	₩ 83,228,052	₩ (768,743)	₩ 82,459,309
KoMiCo Technology (Wuxi) Ltd. (consolidated)	54,625,367	100.00	54,625,367	(664,423)	53,960,944
KoMiCo Technology Taiwan Ltd.	25,004,796	100.00	25,004,796	778,381	25,783,177
KoMiCo Technology Singapore Pte. Ltd.	(9,015,382)	100.00	(9,015,382)	9,015,382	-
MiCoCeramics Ltd.	202,069,103	47.84	96,659,988	(3,326,590)	93,333,398
	<u>₩ 355,911,936</u>		<u>₩ 250,502,821</u>	<u>₩ 5,034,007</u>	<u>₩ 255,536,828</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

14. Property, Plant and Equipment

Details of property, plant and equipment as at December 31, 2024 and 2023, are as follows:

(in thousands of
Korean won)

	2024				
	Cost	Accumulated depreciation	Accumulated impairment losses	Government grants	Book amount
Land	₩ 16,712,887	₩ -	₩ -	₩ -	₩ 16,712,887
Buildings	25,767,414	(10,999,617)	-	-	14,767,797
Structure	7,181,564	(521,076)	(7,245)	-	6,653,243
Machinery	45,530,434	(26,657,045)	(195,245)	(16,266)	18,661,878
Vehicles	2,852,451	(1,410,726)	-	(6,667)	1,435,058
Facilities	57,517,395	(44,786,762)	(37,161)	(967,379)	11,726,093
Tools and equipment	205,253	(180,630)	(24,595)	-	28
Supplies	5,023,523	(3,407,922)	(13,997)	(255,738)	1,345,866
Construction-in-progress	8,192,041	-	-	-	8,192,041
Right-of-use assets	1,404,089	(672,710)	(11,043)	-	720,336
	<u>₩ 170,387,051</u>	<u>₩ (88,636,488)</u>	<u>₩ (289,286)</u>	<u>₩ (1,246,050)</u>	<u>₩ 80,215,227</u>

(in thousands of Korean won)

	2023			
	Cost	Accumulated depreciation	Government grants	Book amount
Land	₩ 17,356,993	₩ -	₩ -	₩ 17,356,993
Buildings	26,108,817	(10,165,444)	-	15,943,373
Structure	2,129,974	(346,671)	-	1,783,303
Machinery	40,081,181	(22,374,681)	(19,136)	17,687,364
Vehicles	2,546,982	(1,616,669)	(11,667)	918,646
Facilities	54,151,549	(37,422,514)	(436,685)	16,292,350
Tools and equipment	108,913	(108,889)	-	24
Supplies	4,045,193	(2,704,940)	(79,998)	1,260,255
Construction-in-progress	3,598,627	-	(1,093,185)	2,505,442
Right-of-use assets	1,351,869	(739,913)	-	611,956
	<u>₩ 151,480,098</u>	<u>₩ (75,479,721)</u>	<u>₩ (1,640,671)</u>	<u>₩ 74,359,706</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Changes in property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024															
	Beginning balance		Acquisition	Disposal	Depreciation	Transfer ¹	Government grants	Changes due to business combination ²		Ending balance						
Land	₩	17,356,993	₩	-	₩	-	₩	(644,106)	₩	-	₩	-	₩	16,712,887		
Buildings		15,943,373		16,034		-		(860,981)		(330,629)		-		14,767,797		
Structure		1,783,303		5,036,590		-		(166,650)		-		-		6,653,243		
Machinery		17,687,364		4,022,630		(254,317)		(4,166,904)		1,373,100		-	5	18,661,878		
Vehicles		918,646		845,340		-		(328,929)		-		-	1	1,435,058		
Facilities		16,292,350		1,733,904		(25,913)		(6,897,233)		1,516,926		(893,945)	4	11,726,093		
Tools and equipment		24		-		(1)		-		-		-	5	28		
Supplies		1,260,255		481,115		(11,159)		(632,308)		492,601		(244,645)	7	1,345,866		
Construction- in-progress		2,505,442		7,976,041		-		-		(3,382,627)		1,093,185	-	8,192,041		
Right-of-use assets		611,956		592,516		(8,424)		(475,712)		-		-	-	720,336		
	₩	74,359,706	₩	20,704,170	₩	(299,814)	₩	(13,528,717)	₩	(974,735)	₩	(45,405)	₩	22	₩	80,215,227

¹ Includes transfer to investment properties of ₩ 974,735 thousand.

² Includes property, plant and equipment of the lower electrode division that were acquired in 2024(Note 39).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of
Korean won)

	2023						
	Beginning balance	Acquisition	Disposal ¹	Depreciation	Transfer	Government grants	Ending balance
Land	₩ 22,728,488	₩ -	₩ (5,371,495)	₩ -	₩ -	₩ -	₩ 17,356,993
Buildings	17,841,588	501,146	(1,721,541)	(883,320)	205,500	-	15,943,373
Structure	1,720,824	191,276	-	(128,797)	-	-	1,783,303
Machinery	19,390,341	2,106,869	(861,532)	(3,807,264)	858,950	-	17,687,364
Vehicles	727,558	489,833	-	(298,745)	-	-	918,646
Facilities	22,840,068	3,303,680	(1,035,666)	(9,440,182)	624,450	-	16,292,350
Tools and equipment	27	-	(3)	-	-	-	24
Supplies	1,560,281	347,644	(10,673)	(636,997)	-	-	1,260,255
Construction-in- progress	1,688,900	3,598,627	-	-	(1,688,900)	(1,093,185)	2,505,442
Right-of-use assets	617,669	531,984	(102,362)	(435,335)	-	-	611,956
	₩ 89,115,744	₩ 11,071,059	₩ (9,103,272)	₩ (15,630,640)	₩ -	₩ (1,093,185)	₩ 74,359,706

¹ Includes property, plant and equipment of the advanced materials division that were paid as consideration paid when acquiring ordinary shares of MiCoCeramics Ltd. in 2023.

Line items including depreciation in the statements of comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024	2023
Cost of sales	₩ 9,988,740	₩ 10,648,439
Selling and administrative expenses	1,940,718	3,227,610
Research and development	1,599,259	1,754,591
	₩ 13,528,717	₩ 15,630,640

Certain property, plant and equipment of the Company are provided as collateral in relation to borrowings at the end of reporting period (Note 18).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Details of insured assets at the end of reporting period are as follows:

<i>(in thousands of Korean won)</i>	Insured assets	Insured amount	Financial institution
Comprehensive property insurance	Property, plant and equipment and investment properties Inventories	₩ 217,481,891	Samsung Fire & Marine Insurance

The above insurance has been pledged as collateral by Kookmin Bank and Shinhan bank up to a maximum of ₩ 24,416 million. In addition to the above insurance, the Company carries group accident and car insurance for its employees.

15. Leases

Right-of-use assets by category of underlying assets as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Properties	₩ 100,863	₩ 17,427
Vehicles	619,473	594,529
	<u>₩ 720,336</u>	<u>₩ 611,956</u>

Additions to the right-of-use assets during the 2024 financial year were ₩ 592,516 thousand (2023: ₩ 531,984 thousand).

The separate statement of comprehensive income shows the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	2024	2023
Depreciation of right-of-use assets		
Properties	₩ 127,515	₩ 72,419
Vehicles	348,197	362,916
	<u>475,712</u>	<u>435,335</u>
Interest expense relating to lease liabilities	33,901	25,409
Expense relating to short-term leases	223,960	127,633
Expense relating to leases of low-value assets that are not short-term leases	88,225	205,642
	<u>₩ 821,798</u>	<u>₩ 794,019</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Details of lease liabilities as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Beginning	₩	623,201	₩	627,436
Acquisition		592,516		531,984
Interest expenses		33,901		25,409
Payments		(506,074)		(457,583)
Disposal ¹		(8,705)		(104,045)
Changes due to business combination ²		9,016		-
Ending	₩	<u>743,855</u>	₩	<u>623,201</u>

¹ Includes lease liabilities of the advanced materials division that were paid as consideration paid when acquiring ordinary shares of MiCoCeramics Ltd. in 2023.

² Includes lease liabilities of the lower electrode division that were acquired in 2024.

Maturity analysis of the lease liabilities as at December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Within one year	₩	384,674	₩	309,314
Later than one year but not later than two years		234,631		174,638
Later than two years but not later than five years		124,550		139,249
	₩	<u>743,855</u>	₩	<u>623,201</u>

16. Investment Properties

Details of investment properties as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024			2023		
	Cost	Accumulated depreciation	Book amount	Cost	Accumulated depreciation	Book amount
Land	₩ 2,675,833	₩ -	₩ 2,675,833	₩ 2,031,727	₩ -	₩ 2,031,727
Buildings	<u>5,317,262</u>	<u>(1,427,389)</u>	<u>3,889,873</u>	<u>4,959,826</u>	<u>(1,214,484)</u>	<u>3,745,342</u>
	<u>₩ 7,993,095</u>	<u>₩ (1,427,389)</u>	<u>₩ 6,565,706</u>	<u>₩ 6,991,553</u>	<u>₩ (1,214,484)</u>	<u>₩ 5,777,069</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Changes in investment properties for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024				
	Beginning balance	Acquisition	Depreciation	Transfer¹	Ending balance
Land	₩ 2,031,727	₩ -	₩ -	₩ 644,106	₩ 2,675,833
Buildings	3,745,342	-	(186,098)	330,629	3,889,873
	<u>₩ 5,777,069</u>	<u>₩ -</u>	<u>₩ (186,098)</u>	<u>₩ 974,735</u>	<u>₩ 6,565,706</u>

¹ ₩ 974,735 of property, plant and equipment was transferred to investment properties.

<i>(in thousands of Korean won)</i>	2023				
	Beginning balance	Acquisition	Depreciation	Transfer	Ending balance
Land	₩ 2,031,727	₩ -	₩ -	₩ -	₩ 2,031,727
Buildings	3,927,470	-	(182,128)	-	3,745,342
	<u>₩ 5,959,197</u>	<u>₩ -</u>	<u>₩ (182,128)</u>	<u>₩ -</u>	<u>₩ 5,777,069</u>

The depreciation expense of ₩ 186,098 thousand (2023: ₩ 182,128 thousand) has been included in 'other expenses' in the statement of comprehensive income for the year ended December 31, 2024.

Fair value of land is ₩ 6,976,795 thousand at the end of reporting period. The fair value of land is classified in Level 3 based on inputs used in valuation techniques and measured by considering relative valuation model.

During the year, rental income earned from investment property is ₩ 769,332 thousand (2023: ₩ 759,000 thousand), and operating expenses from property that generated rental income are ₩ 186,098 thousand (2023: ₩ 182,128 thousand).

Certain investment properties are provided as collateral in relation to borrowings at the end of reporting period (Note 18).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

17. Intangible Assets

Intangible assets as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024			
	Cost	Accumulated amortization	Government grants	Book amount
Software	₩ 1,964,757	₩ (1,274,173)	₩ (45,762)	₩ 644,822
Facility use rights	4,734,367	(39,543)	-	4,694,824
	<u>₩ 6,699,124</u>	<u>₩ (1,313,716)</u>	<u>₩ (45,762)</u>	<u>₩ 5,339,646</u>

<i>(in thousands of Korean won)</i>	2023			
	Cost	Accumulated amortization	Government grants	Book amount
Software	₩ 1,346,820	₩ (1,188,066)	₩ (53,437)	₩ 105,317
Facility use rights	3,634,938	(7,724)	-	3,627,214
	<u>₩ 4,981,758</u>	<u>₩ (1,195,790)</u>	<u>₩ (53,437)</u>	<u>₩ 3,732,531</u>

Changes in intangible assets for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024				
	Beginning balance	Acquisition	Disposal	Amortization	Ending balance
Software	₩ 105,317	₩ 617,935	₩ (64,430)	₩ (14,000)	₩ 644,822
Facility use rights	3,627,214	1,099,429	(31,819)	-	4,694,824
	<u>₩ 3,732,531</u>	<u>₩ 1,717,364</u>	<u>₩ (96,249)</u>	<u>₩ (14,000)</u>	<u>₩ 5,339,646</u>

<i>(in thousands of Korean won)</i>	2023				
	Beginning balance	Acquisition	Disposal	Amortization	Ending balance
Software	₩ 208,072	₩ 37,300	₩ -	₩ (140,055)	₩ 105,317
Facility use rights	3,330,720	375,218	(71,000)	(7,724)	3,627,214
	<u>₩ 3,538,792</u>	<u>₩ 412,518</u>	<u>₩ (71,000)</u>	<u>₩ (147,779)</u>	<u>₩ 3,732,531</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Line items in the statement of comprehensive income including amortization for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Cost of sales	₩	31,446	₩	82,975
Selling and administration expenses		55,290		44,791
Research and development costs		9,513		20,013
	₩	<u>96,249</u>	₩	<u>147,779</u>

The Company recognized total research and development costs of ₩ 11,914,361 thousand (2023: ₩ 11,119,208 thousand) as selling and administrative expenses.

18. Assets Provided as Collateral

Details of assets provided as collateral for the Company's obligation at the end of reporting period are as follows:

(in thousands of Korean won)

Line item	Secured assets	Provided to	Carrying amount	Secured amount	Detail
Property, plant and equipment and investment properties	Land, Building	Kookmin Bank	₩ 31,894,281	₩ 57,120,000	Assets provided as collateral in relation to borrowings
		Shinhan Bank	2,601,778	6,016,000	Assets provided as collateral in relation to borrowings

19. Trade Payables and Other Payables

Details of trade payables and other payables as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Current liabilities				
Trade payables	₩	3,018,834	₩	2,559,319
Other payables				
Non-trade payables		5,576,539		4,290,864
Accrued expenses		258,869		281,755
Leasehold deposits received		690,450		418,160
	₩	<u>9,544,692</u>	₩	<u>7,550,098</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

20. Other Financial Liabilities

Details of other financial liabilities as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Other current financial liabilities		
Financial guarantee liabilities	₩ 9,776,476	₩ 8,557,482
Derivative liabilities ¹	-	3,423,901
	<u>9,776,476</u>	<u>11,981,383</u>
Other non-current financial liabilities		
Financial guarantee liabilities	1,328,632	1,460,158
	<u>₩ 11,105,108</u>	<u>₩ 13,441,541</u>

¹ For the exchangeable bonds acquired by the Company, 'the issuer and the person designated by the issuer' have the right to request the sales of a portion of exchangeable bonds on the date of each month after 12 months from the issuance date to 30 months. Bond holders are required to sell the bonds they hold according to the issuer's claim. The put options held by the exchangeable bonds issuer are separately recognized as derivative liabilities. MiCo Ltd., the Parent Company, fully exercised the put option on the exchangeable bonds for the year ended December 31, 2024 (Note 10).

21. Other Liabilities

Details of other liabilities as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Other current liabilities		
Withholdings	₩ 2,367,392	₩ 1,172,107
Provision for warranties	169,311	-
Liabilities included in salaries and others	3,081,723	2,020,369
	<u>₩ 5,618,426</u>	<u>₩ 3,192,476</u>
Other non-current liabilities		
Long-term withholdings	₩ 486,315	₩ -
Long-term employee benefits	1,632,689	1,472,149
	<u>₩ 2,119,004</u>	<u>₩ 1,472,149</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

22. Borrowings

Details of short-term borrowings as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

Creditor	Details	Latest maturity date	Annual interest rate (%)	2024	2023
Kookmin Bank	Loans for operating funds	2025-07-02	3.9	₩ 7,600,000	₩ 7,600,000
Kookmin Bank	Facility loans	2025-07-02	3.90	10,000,000	-
Kookmin Bank	Facility loans	2025-07-02	3.90	10,000,000	-
Kookmin Bank	Facility loans	2025-07-08	3.74	20,000,000	-
Shinhan Bank	Loans for operating funds	2025-06-27	3.90	5,000,000	5,000,000
Citibank Korea Inc.	Loans for operating funds/ Swap-linked loan	2025-06-10	4.88	20,000,000	20,000,000
				<u>₩ 72,600,000</u>	<u>₩ 32,600,000</u>

Certain land and buildings of the Company are pledged as collateral for the above short-term borrowings from Kookmin Bank (Note 18).

Details of long-term borrowings as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

Creditor	Details	Latest maturity date	Annual interest rate (%)	2024	2023
Kookmin Bank	Facility loans	-	-	₩ -	₩ 30,000,000
Kookmin Bank	Facility loans	-	-	-	10,000,000
Shinhan Bank	Loans for operating funds	2026-08-16	4.29	20,000,000	20,000,000
KDB	Loans for operating funds	2026-05-10	4.43	10,000,000	10,000,000
				<u>30,000,000</u>	<u>70,000,000</u>
Less: reclassification of current portion				-	(1,250,000)
				<u>₩ 30,000,000</u>	<u>₩ 68,750,000</u>

Certain land and buildings of the Company are pledged as collateral for the above long-term borrowings from Shinhan Bank (Note 18).

Details of annual repayment schedule of long-term borrowings as at December 31, 2024, are as follows:

(in thousands of Korean won)

	Amount
January 1, 2026 ~December 31, 2026	₩ 30,000,000
	<u>₩ 30,000,000</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

23. Post-employment Benefit Obligation

The Company operates both defined benefit plans and defined contribution plans.

23.1 Defined Benefit Obligations

Details of post-employment benefit obligation in the statements of financial position as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Present value of defined benefit obligations	₩ 18,363,827	₩ 16,078,146
Fair value of plan assets	(6,125,586)	(4,968,720)
Net defined benefit liabilities	<u>₩ 12,238,241</u>	<u>₩ 11,109,426</u>

Movements in the defined benefit obligations for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Beginning balance	₩ 16,078,146	₩ 14,000,640
Current service cost	3,334,537	2,809,681
Past service cost	119,178	-
Interest expense	689,727	706,478
Remeasurements:		
Actuarial loss (gain) from change in demographic assumptions	(785,745)	1,279
Actuarial loss (gain) from change in financial assumptions	440,970	(96,337)
Actuarial gain from experience adjustments	(382,801)	(548,331)
Benefit payments	(1,901,360)	(981,640)
Transfer from / to affiliates	771,175	186,376
Ending balance	<u>₩ 18,363,827</u>	<u>₩ 16,078,146</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Movements in the fair value of plan assets for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Beginning balance	₩	4,968,720	₩	4,079,027
Interest income		217,109		208,824
Remeasurements		(51,001)		(58,421)
Contribution paid by user		900,000		1,100,000
Benefit payments		(256,545)		(435,544)
Transfer from / to affiliates		347,303		74,834
Ending balance	₩	<u>6,125,586</u>	₩	<u>4,968,720</u>

There are no contributions expected to be paid with respect to the defined benefit plan during the next reporting period.

Plan assets as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024		2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Deposit and installments and others	₩ 6,125,586	100	₩ 4,968,720	100
	<u>₩ 6,125,586</u>	<u>100</u>	<u>₩ 4,968,720</u>	<u>100</u>

Actual gain on plan assets is as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Plan assets	₩	166,108	₩	150,403

Details of total expenses recognized in profit or loss are as follows.

<i>(in thousands of Korean won)</i>	2024		2023	
Current service cost	₩	3,334,537	₩	2,809,681
Past service cost		119,178		-
Interest expense, net		472,618		497,654
Total expenses included in employee benefits	₩	<u>3,926,333</u>	₩	<u>3,307,335</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Total expenses by each line items recognized as profit or loss are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Cost of sales	₩	1,684,866	₩	1,638,945
Selling and administrative expenses		1,792,994		1,246,923
Research and development		448,473		421,467
	₩	<u>3,926,333</u>	₩	<u>3,307,335</u>

Actuarial gain recognized in other comprehensive income are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Actuarial gain before income tax	₩	676,575	₩	584,968
Tax effects		(146,817)		(131,093)
Actuarial gain, net of tax	₩	<u>529,758</u>	₩	<u>453,875</u>

The significant actuarial assumptions as at December 31, 2024 and 2023, are as follows:

<i>(in percentage)</i>	2024	2023
Discount rate (%)	3.90	4.55
Expected salary growth rate (%)	6.57	6.90
Estimated retirement rates (%)	15.49	13.18
Estimated mortality rate (%)	0.03	0.03

Effects on the defined benefit obligation to changes in the principal assumptions is:

<i>(in thousands of Korean won)</i>	2024		2023	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	₩ (1,070,095)	₩ 1,208,746	₩ (1,199,160)	₩ 1,386,870
Expected salary growth rate	1,167,583	(1,056,169)	1,343,088	(1,186,775)

The weighted average duration of the defined benefit obligation is 6.4253 years. The expected maturity analysis of discounted pension benefits as at December 31, 2024, is as follows:

<i>(in thousands of Korean won)</i>	Less than 2 years	Between 2-5 years	Between 5-10 years	Over 10 years	Total
Benefit payments	₩ 2,689,935	₩ 9,076,464	₩ 13,637,253	₩ 37,230,375	₩ 62,634,027

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

23.2 Defined Contribution Plan

The expense recognized in the current period in relation to defined contribution plans was ₩ 471,099 thousand (2023: ₩ 451,372 thousand).

24. Share Options

24.1 Share Options with Stock Appreciation Rights

The share-based payment of the Company is the share options with stock appreciation rights granted to directors on November 16, 2016, with an exercise price of ₩ 12,000. Right to exercise share options is granted if the employees have been completed service for two years after the grant date.

The share-based payment of the Company was fully exercised within the exercise period and has expired during the year ended December 31, 2023.

Changes in the number of share options outstanding and their related weighted average exercise prices for the year ended December 31, 2023, are as follows:

	Number of options (in shares)		Weighted average exercise price per share option (in Korean won)
	2023		2023
Beginning	44,100	₩	43,100
Granted	-		-
Exercised	(44,100)		50,142
Expired	-		-
Ending	-	₩	-

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

24.2 Equity-settled Share Options

The Company granted restricted stock units (RSU) to executives and employees by resolution of Board of Directors on August 5, 2024. Details are as follows:

<i>(in shares)</i>	Remark
Granted shares	Treasury shares
Number of shares granted	215,500
Exercise price	-
Grant date	August 5, 2024
	August 5, 2027 ~ August 4, 2028
Exercisable period	August 5, 2028 ~ August 4, 2029
	August 5, 2029 ~ August 5, 2030
Vesting condition	Treasury shares will be granted contingent upon maintaining employment from the grant date and throughout the exercisable period, as well as achieving average sales growth and average operating margin for each segment.
Grant method	Treasury shares paid from the date of condition vested

Changes in the number of share options outstanding for the year ended December 31, 2024, are as follows:

<i>(in shares)</i>	2024
Beginning	-
Granted	215,500
Ending	215,500
Number of exercisable options	-

The Company measured the cost of the share options granted by fair value using the binomial model approach. The related assumptions and variables to measure the cost of the share options granted are as follows:

<i>(in Korean won)</i>	2024
Fair value of share options granted	₩ 61,600
Share price at grant date	61,600
Expected price volatility (%) ¹	49.08
Expected option life (years)	4 ~ 6 years
Risk-free interest rate (%)	2.83 ~ 2.86

¹ Applied the volatility of similar companies for the 180 business days.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

During the year ended December 31, 2024, expenses of ₩ 672,681 thousand was recognized in relation to the above share options and an amount of ₩ 464,280 thousand was recognized as a contribution by a subsidiary in accordance with the repayment agreement.

25. Issued capital and Reserves

Details of issued capital as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won and in number of shares)</i>	2024	2023
Total number of authorized shares to be issue	100,000,000	100,000,000
Par value per share <i>(in Korean won)</i>	₩ 500	₩ 500
Total number of shares issued	10,460,684	10,460,684
Issued capital	₩ 5,230,342	₩ 5,230,342

Changes in issued capital and share premium for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won and in number of shares)</i>	Number of shares	Issued capital	Share premium	Total
January 1, 2023	10,020,447	₩ 5,010,224	₩ 61,502,163	₩ 66,512,387
Capital increase ¹	440,237	220,118	19,758,480	19,978,598
December 31, 2023	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>
January 1, 2024	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>
December 31, 2024	<u>10,460,684</u>	<u>₩ 5,230,342</u>	<u>₩ 81,260,643</u>	<u>₩ 86,490,985</u>

¹ MiCo Ltd., the Parent Company, acquired additional 440,237 shares by participating in the Company's capital increase through allocation to a third party in 2023.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Details of reserves as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Share premium	₩ 81,260,643	₩ 81,260,643
Other reserves ^{1,2}	<u>(66,596,533)</u>	<u>(66,858,401)</u>
	<u>₩ 12,664,110</u>	<u>₩ 14,402,242</u>

¹ On July 1, 2023, as a deemed acquisition date, the Company has obtained controls over MiCoCeramics Ltd. by acquiring 2,605,639 ordinary shares (percentage of ownership: 47.84%) of MiCoCeramics Ltd. held by MiCo Ltd., the Parent Company. As a business combination of entities under common control, the carrying amount of investments in subsidiaries from this transaction is recognized as carrying amount in the consolidated financial statements of the ultimate parent company. Also, the difference between the consideration paid and the carrying amount of the investments in subsidiaries was recognized as other reserves.

² The Company acquired the lower electrode division operated by MiCo Ltd., the Parent Company. Following the method for transactions under common control, the carrying amount from this transaction was recognized as carrying amount in the consolidated financial statements of the Parent Company. The difference between the consideration paid and the carrying amount was recognized as other reserves (Note 39).

26. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Share of other comprehensive income of associates	₩ 24,677,742	₩ 8,867,561
	<u>₩ 24,677,742</u>	<u>₩ 8,867,561</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

27. Elements of other stockholders equity

Details of elements of other stockholders equity as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Treasury shares ¹	₩ (12,912,576)	₩ (2,914,979)
Share options ²	1,136,961	-
	<u>₩ (11,775,615)</u>	<u>₩ (2,914,979)</u>

¹ The treasury shares were held by the Company for the purpose of stabilize share prices and enhance the value of shareholders.

² The Company granted restricted stock units (RSU) to executives and employees by resolution of Board of Directors on August 5, 2024 (Note 24).

28. Retained Earnings

Retained earnings as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024	2023
Earned profit reserves ¹	₩ 3,911,391	₩ 3,496,158
Retained earnings before appropriation	<u>246,603,853</u>	<u>195,562,627</u>
	<u>₩ 250,515,244</u>	<u>₩ 199,058,785</u>

¹ The Commercial Code of the Republic of Korea requires the Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital. The reserve is not available for dividends payment, but may be transferred to issued capital or used to reduce accumulated deficit.

The appropriation of retained earnings for the year ended December 31, 2024, is expected to be appropriated on March 31, 2025. The appropriation date for the year ended December 31, 2023, was March 29, 2024.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

The appropriation of retained earnings for the years ended December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Unappropriated retained earnings carried over from prior year	₩ 190,995,073	₩ 162,367,557
Changes in retained earnings from equity method	(49,707)	(335,087)
Transfer to retained earnings due to disposal of financial assets at fair value through other comprehensive income	-	(472,931)
Remeasurements of defined benefit plan	529,758	453,875
Profit	55,128,730	33,549,213
Transfers such as discretionary reserves	-	-
Retained earnings available for appropriation	<u>246,603,854</u>	<u>195,562,627</u>
Appropriation of retained earnings	11,188,492	4,567,554
Earned profit reserves	1,017,136	415,232
Dividends (Cash dividend (%):		
Ordinary share: 2024: ₩ 1,000 (200.0%),		
2023: ₩ 400 (80.0%)	10,171,356	4,152,322
Unappropriated retained earnings to be carried forward	<u>₩ 235,415,362</u>	<u>₩ 190,995,073</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

29. Breakdown of Expenses by Nature

Details of breakdown of expenses by nature for the years ended December 31, 2024 and 2023, as are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Changes in inventories of finished goods and work in process	₩ 1,000,416	₩ (276,139)
Raw materials used	13,565,067	11,305,264
Sales of goods	3,390,576	3,077,807
Employee benefits expenses	53,957,190	43,624,917
Employee benefits	3,719,825	3,693,614
Travel expenses	474,094	364,090
Depreciation and amortization	13,624,966	15,778,420
Commission expenses	4,374,133	3,036,413
Rental expenses	481,449	468,471
Insurance premium	2,887,214	2,354,211
Supplies expenses	6,866,236	6,666,963
Vehicles maintenance expenses	659,547	608,431
Utility expenses	8,861,282	7,931,843
Outsourcing expenses	10,478,562	7,957,975
Repairs expenses	2,027,363	2,956,905
Taxes and dues	2,169,337	2,041,792
Freight expenses	403,974	450,019
Share-based payment expenses	672,681	310,075
Other expenses	3,653,663	3,132,531
	<u>₩ 133,267,575</u>	<u>₩ 115,483,602</u>

Details of employee benefits expenses incurred for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Salaries	₩ 49,559,757	₩ 39,866,209
Post-employment benefits	4,397,433	3,758,708
	<u>₩ 53,957,190</u>	<u>₩ 43,624,917</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

30. Selling and Administrative Expenses

Details of selling and administrative expenses for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024		2023	
Salaries	₩	17,890,394	₩	14,136,738
Post-employment benefits		1,875,307		1,345,517
Employee benefits		1,478,719		1,494,809
Travel expenses		379,901		277,531
Vehicles maintenance expenses		607,819		562,171
Communication expenses		39,778		44,460
Taxes and dues		738,184		688,542
Commission expenses		2,376,581		1,780,931
Rental expenses		82,579		81,362
Depreciation		1,940,717		3,227,610
Amortization		55,290		44,791
Repairs expenses		442,684		530,081
Insurance premium		1,128,022		932,381
Entertainment expenses		1,443,747		927,189
Advertising expense		210,719		202,083
Supplies expenses		434,025		453,976
Utility expenses		176,322		216,966
Training expenses		162,795		177,469
Freight expenses		311,519		303,328
Sales warranties expenses		169,311		-
Research and development		11,914,361		11,119,208
Outsourcing expenses		616,289		558,704
Share-based payment expenses		448,454		310,075
Others		312,448		824,673
	₩	<u>45,235,965</u>	₩	<u>40,240,595</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

31. Other Income and Expenses

Details of other income for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Rental income	₩ 817,225	₩ 809,603
Commissions received	8,790	9,390
Gain on disposal of property, plant and equipment	193,692	351,823
Gain on disposal of intangible assets	-	210,818
Royalty income	5,153,411	4,658,703
Miscellaneous revenues	75,031	40,557
	<u>₩ 6,248,149</u>	<u>₩ 6,080,894</u>

Details of other expenses for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Donations	₩ 40,745	₩ 41,160
Loss on disposal of property, plant and equipment	196,504	233
Depreciation of investment properties	186,099	182,128
Miscellaneous expenses	33,113	31,673
Loss on disposal of assets held for sale	-	177,411
	<u>₩ 456,461</u>	<u>₩ 432,605</u>

32. Finance Income and Finance Costs

Details of finance income for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Interest income	₩ 1,963,652	₩ 2,007,415
Gain on foreign currency transaction	794,878	241,896
Gain on foreign currency translation	1,702,389	135,535
Gain on valuation of financial assets	2,411,360	6,449,835
	<u>₩ 6,872,279</u>	<u>₩ 8,834,681</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Details of finance costs for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Interest expense	₩ 4,619,656	₩ 3,609,060
Loss on foreign currency transaction	110,478	210,888
Loss on foreign currency translation	17,180	68,463
Loss on valuation of derivatives	230,914	1,853,009
	<u>₩ 4,978,228</u>	<u>₩ 5,741,420</u>

33. Tax Expense

Income tax expense for the years ended December 31, 2024 and 2023, consists of:

<i>(in thousands of Korean won)</i>	2024	2023
Current tax on profits for the year	₩ 8,522,909	₩ 2,157,147
Adjustments in respect of prior years	796,667	(310,403)
Deferred tax due to temporary differences	4,215,585	(1,048,694)
Tax credits carried forward	(126,306)	-
Others	62,499	-
Income tax expense	<u>₩ 13,471,354</u>	<u>₩ 798,050</u>

The aggregate current and deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Deferred tax		
Remeasurements of net defined benefit liability	₩ (146,817)	₩ (131,093)
Equity instruments at fair value through other comprehensive income	-	80,228
	<u>₩ (146,817)</u>	<u>₩ (50,865)</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Profit before income tax expense	₩	68,600,084	₩	34,347,263
Income tax based on statutory tax rate		15,384,619		7,472,217
Adjustments:				
Non-taxable income		(327,229)		(1,537,143)
Non-deductible expense		1,302,733		224,582
Effect of difference in tax rate applied to equity method investments and others		(2,402,977)		(1,866,298)
Tax credits carried forward		(126,306)		-
Adjustments in respect of prior years		961,988		(310,401)
Tax credit		(1,726,398)		(2,602,362)
Others		404,924		(582,545)
Income tax expense	₩	13,471,354	₩	798,050
Effective tax rate		19.64%		2.32%

Changes in deferred tax assets and liabilities for the temporary differences for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)		2024						
		Increase (decrease)			Ending balance			
		Beginning balance	Profit or loss	Other comprehensive income				
Accrued revenues	₩	(16,737)	₩	(58,906)	₩	-	₩	(75,643)
Equity method investments		(11,122,392)		(4,079,250)		-		(15,201,642)
Plan assets		(945,367)		(394,952)		11,067		(1,329,252)
Property, plant and equipment		3,513,477		41,951		-		3,555,428
Inventories		15,401		42,127		-		57,528
Intangible assets		114		756		-		870
Annual leave payable		297,442		34,676		-		332,118
Defined benefit obligations		3,488,958		653,877		(157,884)		3,984,951
Long-term employee benefits		319,456		34,837		-		354,293
Allowance for doubtful account		60,852		(20,107)		-		40,745
Derivatives		742,986		(742,986)		-		-
Measured at fair value through profit or loss		(1,841,442)		302,667		-		(1,538,775)
Right-of-use assets		(132,794)		(23,519)		-		(156,313)
Lease liabilities		135,235		26,181		-		161,416

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Others	69,677	(64,187)	-	5,490
Tax credits	-	126,306	-	126,306
	<u>₩ (5,415,134)</u>	<u>₩ (4,120,529)</u>	<u>₩ (146,817)</u>	<u>₩ (9,682,480)</u>

(in thousands of
Korean won)

	2023			
	Increase (decrease)			Ending balance
	Beginning balance	Profit or loss	Other comprehensive income	
Accrued revenues	₩ (51,125)	₩ 34,388	₩ -	₩ (16,737)
Equity method investments	(11,955,752)	833,360	-	(11,122,392)
Plan assets	(889,228)	(68,718)	12,579	(945,367)
Property, plant and equipment	2,482,192	1,031,285	-	3,513,477
Inventories	37,543	(22,142)	-	15,401
Intangible assets	10,532	(10,418)	-	114
Annual leave payable	272,142	25,300	-	297,442
Defined benefit obligations	3,052,140	580,490	(143,672)	3,488,958
Long-term employee benefits	331,800	(12,344)	-	319,456
Allowance for doubtful account	67,632	(6,780)	-	60,852
Share-based payment expenses	299,094	(299,094)	-	-
Derivatives	(86,278)	829,264	-	742,986
Measured at fair value through profit or loss	(15,132)	(1,826,310)	-	(1,841,442)
Measured at fair value through other comprehensive income	51,611	(131,840)	80,228	-
Right-of-use assets	(134,652)	1,858	-	(132,794)
Lease liabilities	136,781	(1,546)	-	135,235
Others	(22,264)	91,941	-	69,677
	<u>₩ (6,412,964)</u>	<u>₩ 1,048,694</u>	<u>₩ (50,865)</u>	<u>₩ (5,415,134)</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Details of unrecognized deductible temporary differences as deferred tax assets as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023	Remarks
Interests in subsidiary ¹	₩ 74,022,570	₩ 87,108,527	No plan for disposal
Others	<u>9,231,676</u>	<u>8,557,482</u>	Uncertainty of future feasibility
	<u>₩ 83,254,246</u>	<u>₩ 95,666,009</u>	

¹ The Company did not recognize deferred tax assets for temporary differences associated with investments in subsidiaries, which would not be reversed in the foreseeable future through disposal of the investments.

The analysis of deferred tax assets and liabilities as at December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	₩ 8,060,981	₩ 7,876,384
Deferred tax asset to be recovered within 12 months	<u>588,133</u>	<u>1,168,401</u>
	<u>8,649,114</u>	<u>9,044,785</u>
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	(16,717,176)	(12,208,934)
Deferred tax liability to be recovered within 12 months	<u>(1,614,418)</u>	<u>(2,250,985)</u>
	<u>(18,331,594)</u>	<u>(14,459,919)</u>
Deferred tax liabilities, net	<u>₩ (9,682,480)</u>	<u>₩ (5,415,134)</u>

34. Earnings per Shares

(a) Basic earnings per share

Details of the calculation of basic earnings per shares for the years ended December 31, 2024 and 2023, are as follows:

<i>(in Korean won and in number of shares)</i>	2024	2023
Profit attributable to ordinary shares	₩ 55,128,729,861	₩ 33,549,212,836
Weighted average number of ordinary shares outstanding	<u>10,341,410</u>	<u>10,184,207</u>
Basic earnings per share	<u>₩ 5,331</u>	<u>₩ 3,294</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: Restricted Stock Units (RSU). For the RSU, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding RSU. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the RSU are exercised. The RSU issued on August 5, 2024, were not included in calculation of diluted earnings per share as they do not have dilutive effects.

Diluted earnings per share as at December 31, 2024 and 2023, consist of:

<i>(in Korean won and in number of shares)</i>	2024	2023
Profit used to determine diluted earnings per share	₩ 55,128,729,861	₩ 33,549,212,836
Weighted average shares for diluted earnings per share	10,341,410	10,184,207
Diluted earnings per share	₩ 5,331	₩ 3,294

Details of profit used to determine diluted earnings per share as at December 31, 2024 and 2023, consist of:

<i>(in Korean won)</i>	2024	2023
Basic earnings per share	₩ 55,128,729,861	₩ 33,549,212,836
Add		
Interest expense and others	-	-
Diluted basic earnings per share	<u>₩ 55,128,729,861</u>	<u>₩ 33,549,212,836</u>

Details of the weighted average number for diluted ordinary shares as at December 31, 2024 and 2023, consist of:

<i>(in number of shares)</i>	2024	2023
The weighted average number of ordinary shares	10,341,410	10,184,207
Dilutive potential ordinary shares		
Effect of share options	-	-
	<u>10,341,410</u>	<u>10,184,207</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

35. Cash Flows

(a) Cash generated from operations

(in thousands of Korean won)

	2024		2023	
Profit	₩	55,128,730	₩	33,549,213
Adjustments for:				
Interest expense		4,619,655		3,609,060
Loss on foreign currency translation		17,180		68,463
Post-employment benefits (defined benefit plan)		3,926,333		3,307,335
Depreciation		13,714,815		15,812,768
Loss on disposal of property, plant and equipment		196,504		233
Amortization		96,249		147,779
Share-based payment expenses		672,681		310,075
Income tax expense		13,471,354		798,050
Reversal of bad debt expenses		(51,001)		(53,966)
Interest income		(1,963,652)		(2,007,415)
Gain on foreign currency translation		(1,702,389)		(135,535)
Loss on valuation of inventories		109,074		5,219
Gain on disposal of property, plant and equipment		(193,692)		(351,823)
Gain on disposal of intangible assets		-		(210,818)
Profits of associates and joint ventures		(34,452,055)		(14,271,136)
Gain on valuation of financial assets at fair value through profit or loss		(2,411,360)		(6,449,835)
Loss on valuation of derivatives		230,914		1,853,009
Loss on disposal of assets held for sale		-		177,411
Others		276,118		277,383
Changes in assets and liabilities due to operating activities:				
Trade receivables		(3,437,302)		2,673,629
Other receivables		1,379,400		(626,677)
Other current assets		(1,524,087)		125,622
Inventories		131,438		(686,751)
Trade payables		427,799		(1,018,408)
Other payables		519,039		(2,423,948)
Other liabilities		2,141,891		(2,825,251)
Benefit payments		(1,644,815)		(400,782)
Transfer from affiliates		68,703		111,541
Contribution to plan assets		(900,000)		(1,100,000)
Cash generated from operations	₩	48,847,524	₩	30,264,445

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(b) Significant transactions not affecting cash flows

<i>(in thousands of Korean won)</i>	2024	2023
Reclassification of financial assets at fair value through other comprehensive income	₩ -	₩ (368,020)
Reclassification of losses on disposal of financial assets at fair value through other comprehensive income	-	133,000
Increase in share of other comprehensive income of associates	15,810,181	1,493,727
Reclassification of current portion of financial assets at fair value through profit or loss	16,091,131	-
Reclassification of current portion of long-term borrowings	-	1,250,000
Transfer of construction-in-process to property, plant and equipment	3,382,627	1,688,900
Reclassification of current portion of long-term loans	809,527	439,540
Reclassification of in non-trade payables related to acquisition of property, plant and equipment and intangible assets	954,895	175,428
Acquisition of right-of-use assets	592,516	531,984
Government grants received	59,405	58,270
Reclassification of assets held for sale to investments in subsidiaries	-	11,090,126

(c) Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024			
	Beginning balance	Cash flows	Non-cash changes	Ending balance
Short-term borrowings	₩ 32,600,000	₩ 40,000,000	₩ -	₩ 72,600,000
Long-term borrowings	68,750,000	(38,750,000)	-	30,000,000
Current portion of long-term liabilities	1,250,000	(1,250,000)	-	-
Lease liabilities	623,201	(506,074)	626,727	743,854
Deposits received	418,160	272,290	-	690,450
	₩ 103,641,361	₩ (233,784)	₩ 626,727	₩ 104,034,304

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)

	2023			
	Beginning balance	Cash flows	Non-cash changes	Ending balance
Short-term borrowings	₩ 22,600,000	₩ 10,000,000	₩ -	₩ 32,600,000
Long-term borrowings	-	70,000,000	(1,250,000)	68,750,000
Current portion of long-term liabilities	-	-	1,250,000	1,250,000
Lease liabilities	627,436	(457,583)	453,348	623,201
Deposits received	338,925	79,235	-	418,160
	₩ 23,566,361	₩ 79,621,652	₩ 453,348	₩ 103,641,361

36. Contingent Liabilities and Commitments

Payment guarantees provided by others

Details of payment guarantees provided by others as at December 31, 2024, are as follows:

(in thousands of Korean won)	Guaranteed amount	Guaranteed by	Remarks
Seoul guarantee insurance company	₩ 400,000	Pyeongtaek Customs Co.	Guarantees for comprehensive customs
Seoul guarantee insurance company	74,300	Samchully Co., Ltd	Guarantees for payments of city gas usage and others
Seoul guarantee insurance company	11,508	Anseong-si, Gyeonggi-do	Safety management deposit for construction
Seoul guarantee insurance company	7,800	Anseong-si, Gyeonggi-do	Guarantees for deposits for authorization of urban planning facilities project

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Payment guaranteed provided by the Company

Details of payment guarantees provided by the Company as at December 31, 2024, are as follows:

(in USD)

	Guaranteed amount		Amount used		Guaranteed by	Remarks
KoMiCo Technology Singapore Pte. Ltd.	USD	9,600,000	USD	6,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Singapore Pte. Ltd.	USD	1,750,000	USD	1,750,000	The Export-Import Bank of Korea	Guarantees for borrowings
KoMiCo Technology Taiwan Ltd.	USD	30,000,000	TWD	27,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Taiwan Ltd.	USD	30,000,000	TWD	30,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Equipment Parts Shenzhen Co.,Ltd	CNY	11,251,200	CNY	9,011,000	INDUSTRIAL BANK OF KOREA	Guarantees for borrowings
KoMiCo Equipment Parts Shenzhen Co.,Ltd	USD	4,800,000	CNY	-	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo HILLSBORO LLC	USD	18,000,000	USD	15,000,000	KDB	Guarantees for borrowings
KoMiCo HILLSBORO LLC	USD	7,200,000	USD	400,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo HILLSBORO LLC	USD	7,200,000	USD	400,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo HILLSBORO LLC	USD	7,200,000	USD	500,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Inc.	USD	3,600,000	USD	500,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Phoenix LLC	USD	24,000,000	USD	17,500,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Phoenix LLC	USD	24,000,000	USD	500,000	Citibank Korea Inc.	Guarantees for borrowings

As at December 31, 2024, the balance of financial guarantee liabilities recognized by the Company in respect of the above payment guarantee is ₩ 11,105 million (2023: ₩ 10,018 million) (Note 20).

The Company has entered into a technology supply agreement with subsidiaries of the Company. According to the agreement, a certain percentage of sales of each subsidiary is received, and this is recognized as royalty income in other income.

To enhance employee welfare and promote company loyalty, the Company operates an employee share ownership plan. Under this plan, the Company makes matching contributions at a certain percentage to the contributions made by executives and employees, and recognizes this as an item of employee benefits.

If the Company decides to sell its shares of MiCoCeramics Ltd., the subsidiary held by the Company, the acquirer of convertible bonds of MiCoCeramics Ltd. possesses the tag-along rights, permitting them to sell all or part of the convertible bonds under the same sales conditions.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Significant agreements which the Company has entered into with financial institution and others as at December 31, 2024, are as follows:

<i>(in thousands of Korean won)</i>	Commitments	Limit amount	Amount used
Kookmin Bank	Loans for operating funds	₩ 7,600,000	₩ 7,600,000
Kookmin Bank	Loans for facility funds	₩ 10,000,000	₩ 10,000,000
Kookmin Bank	Loans for facility funds	₩ 10,000,000	₩ 10,000,000
Kookmin Bank	Loans for facility funds	₩ 20,000,000	₩ 20,000,000
Shinhan Bank	Loans for operating funds	₩ 5,000,000	₩ 5,000,000
Citibank Korea Inc.	Loans for operating funds	₩ 20,000,000	₩ 20,000,000
Shinhan Bank	Loans for operating funds	₩ 20,000,000	₩ 20,000,000
KDB	Loans for operating funds	₩ 10,000,000	₩ 10,000,000

37. Related Party Transaction

Details of the companies that have a controlling or subsidiary relationship with the Company as at December 31, 2024 and 2023, are as follows.

Type	2024	2023	Remark
Parent Company	MiCo Ltd.	MiCo Ltd.	
Subsidiaries	KoMiCo Technology Inc. KoMiCo Technology (Wuxi) Ltd. KoMiCo Technology Taiwan Ltd. KoMiCo Technology Singapore Pte. Ltd. KoMiCo Equipment Parts Shenzhen Co.,Ltd KOMICO HILLSBORO LLC KOMICO PHOENIX LLC	KoMiCo Technology Inc KoMiCo Technology (Wuxi) Ltd. KoMiCo Technology Taiwan Ltd. KoMiCo Technology Singapore Pte. Ltd. KoMiCo Equipment Parts Shenzhen Co.,Ltd KOMICO HILLSBORO LLC KOMICO PHOENIX LLC	KTW holds 100% KTI holds 100% KTI holds 100%
	MiCoCeramics Ltd.	MiCoCeramics Ltd. ¹	Newly included in a subsidiary of the Company by acquiring the shares in 2023
Joint venture	Hubei Ziniu Meike Technology Co., Ltd.	-	Newly included in a joint venture of the subsidiary
Associate	CMTX Co.,Ltd. (formerly, COMA Technology Co., Ltd.) ⁹	COMA Technology Co., Ltd.	An associate of the subsidiary
Other related parties	MiCoPower Ltd.	MiCoPower Ltd.	Established by split-off of the Parent Company
	Micohightech	Micohightech (formerly, SAMYANG CERATECH CO.LTD)	A subsidiary of the Parent Company

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Eco Innovation Co.,Ltd. ²	-	Newly included in a subsidiary of the Parent Company
- ³	MiCo BioMed Co., Ltd.	Excluded from related parties (disposed of shares in 2024)
- ³	MICOBIO INDIA PRIVATE LIMITED.	Excluded from related parties (disposed of shares in 2024)
- ³	Target Health, LLC	Excluded from related parties (disposed of shares in 2024)
AFWP Venture Business Investment Associations No.14		Newly included in an associate of the Parent Company
HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO.,LTD ⁴		Newly included in a subsidiary of the Parent Company
YANTAI HYUNDAI HEAVY INDUSTRIES CO.,LTD ⁴		Newly included in a subsidiary of the Parent Company
Yantai Hyundai Heavy Industries (Penglai) Co.,Ltd. ⁴		Newly included in a subsidiary of the Parent Company
Namyangju Green Engergy No.2 Co.,Ltd. ⁵		Newly included in a joint venture of the Parent Company
- ⁶	SPECLIPSE,INC.	Excluded from related parties (disposed of shares in 2024)
- ⁶	Specclipse Inc.	Excluded from related parties (disposed of shares in 2024)
- ⁶	Specclipse Austrailia Pyt Ltd	Excluded from related parties (disposed of shares in 2024)
- ⁶	Specclipse EuropeGmbH	Excluded from related parties (disposed of shares in 2024)
AI N M NET LTD. (formerly, MiCo Networks Co.,Ltd.)	MiCo Networks Co.,Ltd.	An entity controlled by key management personnel of the Parent Company
AICCESS Co.,Ltd. ⁷	-	A subsidiary of an entity controlled by key executives of the Parent Company
ITFACT Inc. ⁷		A subsidiary of an entity controlled by key executives of the Parent Company
MICOBIO MED USA, Inc ⁸	MICOBIO MED USA, Inc	A subsidiary of an entity controlled by key executives of the Parent Company

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

MICO INTERNATIONAL BRAZIL EMPREENDIMENTOS E PARTICIPACOES LTDA ⁸	MICO INTERNATIONAL BRAZIL EMPREENDIMENTOS E PARTICIPACOES LTDA	A subsidiary of an entity controlled by key executives of the Parent Company
PT. MICO BIOMED INDONESIA ⁸	PT. MICO BIOMED INDONESIA	A subsidiary of an entity controlled by key executives of the Parent Company
Mico Biomed do Brasil Ltda (formerly, Call medical) ⁸	Call medical	A subsidiary of an entity controlled by key executives of the Parent Company
MICo NTH Investment LLC ⁸	MICo NTH Investment LLC	A subsidiary of an entity controlled by key executives of the Parent Company
New Target Health, Inc. ⁸	New Target Health, Inc.	A subsidiary of an entity controlled by key executives of the Parent Company
AIMS ASSET MANAGEMENT CO., LTD. (formerly. Cynerz Investment Co.,Ltd.)	-	An entity controlled by key management personnel of the Parent Company

¹ On July 1, 2023, as a deemed acquisition date, the Company has obtained controls over MiCoCeramics Ltd. by acquiring 2,605,639 ordinary shares (percentage of ownership: 47.84%) of MiCoCeramics Ltd. held by MiCo Ltd., the Parent Company.

² On September 9, 2024, MiCo Ltd., the Parent Company, acquired shares of Eco Innovation Co.,Ltd., and, Eco Innovation Co.,Ltd. has been included in related parties for the year ended December 31, 2024.

³ MiCo Ltd., the Parent Company, disposed of its shares of MiCo BioMed Co., Ltd., on November 29, 2024. Accordingly, MiCo BioMed Co., Ltd. and the subsidiaries of MiCo BioMed Co., Ltd. were excluded from the related parties for the year ended December 31, 2024.

⁴ MiCo Ltd., the Parent Company, acquired shares of HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO.,LTD during the year ended December 31, 2024. Accordingly, HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO.,LTD and the subsidiaries of HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO.,LTD have been included in related parties for the year ended December 31, 2024.

⁵ On March 26, 2024, MiCo Ltd., the Parent Company, acquired shares of Namyangju Green Engergy No.2 Co.,Ltd. Namyangju Green Engergy No.2 Co.,Ltd. has been included in related parties for the year ended December 31, 2024.

⁶ MiCo Ltd., the Parent Company, disposed of its shares of SPECLIPSE,INC., on July 31, 2024. Accordingly, SPECLIPSE,INC. and the subsidiaries of SPECLIPSE,INC. were excluded from the related parties for the year ended December 31, 2024.

KoMiCo Ltd.

Notes to the Separate Financial Statements

December 31, 2024 and 2023

⁷ On April 30, 2024, AI N M NET LTD., an entity controlled by key executives of the Parent Company, acquired shares of AICCESS Co.,Ltd., and AI N M NET LTD. has been included in related parties for the year ended December 31, 2024. AICCESS Co.,Ltd. acquired shares of ITFACT Inc., on June 28, 2024 and has been included in related parties for the year ended December 31, 2024.

⁸ The entities, formerly an associate of the Parent Company, were acquired by AI N M NET LTD., an entity controlled by key executives of the Parent Company, on December 31, 2024.

⁹ Although MiCoCeramics Ltd., a subsidiary, holds less than 20% of the equity shares of CMTX Co.,Ltd. (formerly, COMA Technology Co., Ltd.), it is judged to have significant influence as the entity has a right to designate board members. Therefore, CMTX Co.,Ltd. was included in related parties. In addition, as it is not feasible to substantively access the profits linked to the shares, it was classified as a financial asset measured at fair value through profit or loss.

Sales and purchases with related parties for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

		2024							
Type	Name of entity	Sales	Purchase	Acquisition of assets	Disposal of assets	Other income	Other expense	Acquisition of right-of-use asset	
Parent Company	MiCo Ltd.	₩ 160,072	₩ 9,894,860	₩ -	₩ -	₩ 982,879	₩ 998,462	₩ 119,211	
Subsidiaries	KoMiCo Technology Inc	1,375,562	-	-	25,100	2,230,338	45,313	-	
	KoMiCo Technology Taiwan Ltd.	1,497,649	201	-	-	1,053,137	16,225	-	
	KoMiCo Technology (Wuxi) Ltd.	2,474,582	-	-	-	1,959,319	15,773	-	
	KoMiCo Technology Singapore Pte. Ltd.	1,240,478	-	-	119,418	536,606	18,950	-	
	KoMiCo Equipment Parts Shenzhen Co.,Ltd	358,542	-	-	3,789	330,414	-	-	
	KoMiCo Hillsboro LLC	370,390	-	-	35,929	626,230	-	-	
	MiCoCeramics Ltd	2,284,025	94,939	-	-	1,880,480	223,716	-	
Joint venture	Hubei Ziniu Meike Technology Co., Ltd.	1,849,076	-	-	-	-	-	-	
Associate	CMTX Co.,Ltd. (formerly, COMA Technology Co., Ltd.)	900	435,480	-	-	-	-	-	
Other related parties	MiCoPower Ltd.	-	-	-	-	1,514,011	25,163	-	
	AICCESS Co.,Ltd.	-	-	2,558,744	-	-	-	-	
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO.,LTD	-	-	129,973	-	828	-	-	
	Micohightech	-	-	-	-	1,440	-	-	
		₩ 11,611,276	₩ 10,425,480	₩ 2,688,717	₩ 184,236	₩ 11,115,682	₩ 1,343,602	₩ 119,211	

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)

		2023							
Type	Name of entity	Sales	Purchase	Disposal of assets	Other income	Other expense	Acquisition of right-of-use assets		
Parent Company	MiCo Ltd. ¹	₩ 478	₩ 8,827,691	₩ -	₩ 85,718	₩ 897,641	₩ 21,073		
Subsidiaries	KoMiCo Technology Inc	3,567,260	53,734	171,509	2,392,745	9,837	-		
	KoMiCo Technology Taiwan Ltd.	1,124,920	588	-	1,002,221	23,891	-		
	KoMiCo Technology (Wuxi) Ltd.	1,208,883	2,754	-	1,456,553	15,817	-		
	KoMiCo Technology Singapore Pte. Ltd.	430,750	-	-	379,386	-	-		
	KoMiCo Equipment Parts Shenzhen Co.,Ltd	441,409	-	-	289,884	-	-		
	KoMiCo Hillsboro LLC	133,681	-	-	343,436	130,329	-		
	MiCoCeramics Ltd.	538,340	6,337	-	725,996	102,263	-		
	COMA Technology Co., Ltd.	1,260	13,365	-	-	-	-		
Associate	MiCoCeramics Ltd. ²	542,990	6,340	-	738,518	63,196	-		
Other related parties	MiCoPower Ltd.	-	-	-	1,538,690	-	-		
		₩ 7,989,971	₩ 8,910,809	₩ 171,509	₩ 8,953,147	₩ 1,242,974	₩ 21,073		

¹ On May 30, 2023, the Company entered into a share purchase agreement to purchase 2,605,639 ordinary shares (percentage of ownership: 47.84%) of MiCoCeramics Ltd. held by MiCo Ltd., the Parent Company. The Company paid cash, assets and liabilities of the advanced materials division and 507,614 ordinary shares of MiCo BioMed Co., Ltd. as consideration paid, and the transaction was terminated on July 3, 2023 (deemed acquisition date: July 1, 2023), accordingly, the Company has obtained controls over MiCoCeramics Ltd. (Note 13).

² The amounts are before acquisition of shares (deemed acquisition date: July 1, 2023).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Outstanding balances arising from sales/purchases of goods and services as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

Type	Name of entity	2024					
		Receivables		Payables			Lease liabilities
		Trade receivables	Other receivables	Trade payables	Other payables		
Parent Company	MiCo Ltd.	₩ 176,079	₩ 113,610	₩ 783,166	₩ 119,118	₩	49,654
	KoMiCo Technology Inc	92,604	593,176	-	37,775		-
	KoMiCo Technology Taiwan Ltd.	195,826	314,313	-	-		-
	KoMiCo Technology (Wuxi) Ltd.	241,261	635,268	-	-		-
	KoMiCo Technology Singapore Pte. Ltd.	63,067	201,015	-	-		-
	KoMiCo Equipment Parts Shenzhen Co.,Ltd	-	126,493	-	-		-
	KOMICO HILLSBORO LLC	134,401	2,004,311	-	-		-
	KoMiCo Phoenix LLC	-	23,584	-	-		-
	MiCoCeramics Ltd.	161,442	161,912	67,216	233,889		-
	Hubei Ziniu Meike Technology Co., Ltd.	2,031,746	-	-	-		-
Associate	CMTX Co.,Ltd.	-	-	9,020	-		-
Other related parties	MiCoPower Ltd.	-	132,017	-	504,580		-
	HYUNDAI HEAVY INDUSTRIES POWER SYSTEMS CO.,LTD	-	886	-	-		-
	Micohightech	-	1,541	-	-		-
		₩ 3,096,426	₩ 4,308,126	₩ 859,402	₩ 895,362	₩	49,654

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)

Type	Name of entity	2023			
		Receivables		Payables	
		Trade receivables	Other receivables	Trade payables	Other payables
Parent Company	MiCo Ltd.	₩ -	₩ 19,048	₩ 730,008	₩ 74,840
Subsidiaries	KoMiCo Technology Inc	138,753	549,610	554	-
	KoMiCo Technology Taiwan Ltd.	35,532	218,148	187	153,439
	KoMiCo Technology (Wuxi) Ltd.	302,006	671,449	-	-
	KoMiCo Technology Singapore Pte. Ltd.	30,020	89,517	-	-
	KoMiCo Equipment Parts Shenzhen Co.,Ltd	-	111,954	-	-
	KOMICO HILLSBORO LLC	9,586	1,887,174	-	11,106
	MiCoCeramics Ltd.	149,963	144,885	-	194,434
Other related party	MiCoPower Ltd.	-	406,303	-	252,290
		₩ 665,860	₩ 4,098,088	₩ 730,749	₩ 686,109

Significant fund transactions with related parties for the year ended December 31, 2024, are as follows:

(in thousands of Korean won)

Type	Name of entity	Line item	2024				
			Loan (borrowing) transactions				
			Beginning	Loans/ Borrowings	Collection/ Repayment	Valuation/ Amortization	Ending
Parent Company	MiCo Ltd.	Financial assets at fair value through profit or loss ¹	₩ 23,485,909	₩ -	₩ (9,806,138)	₩ 2,411,360	₩ 16,091,131
	MiCo Ltd.	Financial liabilities at fair value through profit or loss ¹	(3,423,901)	-	3,654,815	(230,914)	-
			₩ 20,062,008	₩ -	₩ (6,151,323)	₩ 2,180,446	₩ 16,091,131

¹ During the year ended December 31, 2024, the option held by the issuer of the exchangeable bonds was exercised. Consequently, the Company derecognized derivative liability associated with exchangeable bonds (Notes 7, 10 and 20).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)

Type	Name of entity	Line item	2023					
			Loan (borrowing) transactions					
			Beginning	Loans/ Borrowings	Collection/ Repayment	Valuation/ Amortization	Ending	
Parent Company	MiCo Ltd.	Financial assets at fair value through profit or loss ¹	₩ 17,036,074	₩ -	₩ -	₩ 6,449,835	₩ 23,485,909	
	MiCo Ltd.	Financial liabilities at fair value through profit or loss ¹	(1,570,892)	-	-	(1,853,009)	(3,423,901)	
			₩ 15,465,182	₩ -	₩ -	₩ 4,596,826	₩ 20,062,008	

¹ During the year ended December 31, 2023, the Company acquired exchangeable bonds issued by MiCo Ltd., the Parent Company, which can be exchanged with ordinary shares of Mi Co Ceramics Ltd. Put option of exchangeable bonds is separately recognized as derivative liabilities (Notes 10 and 20). Meanwhile, the Company notified to MiCo Ltd., the Parent Company, not to exercise the early redemption right of the exchangeable bonds until December 31, 2024.

₩ 1,719,730 thousand (2023: ₩ 3,859,089 thousand) to MiCo Ltd., the Parent Company, in April 2024. A dividend in respect of the year ended December 31, 2023, amounting to ₩ 4,152,322 thousand was paid in April 2024. Meanwhile, the Company received dividends for the year ended December 31, 2023, amounting to ₩ 2,605,639 thousand, ₩ 101,189 thousand and ₩ 407,521 thousand from MiCoCeramics Ltd., KoMiCo Technology Taiwan Ltd. and KoMiCo Technology (Wuxi) Ltd., subsidiaries of the Company, respectively.

The Company acquired lower electrode division operated by MiCo Ltd., the Parent Company. (Note 39).

MiCo Ltd., the Parent Company, acquired additional 440,237 shares by participating in the Company's capital increase through allocation to a third party during the year ended December 31, 2023.

On May 30, 2023, the Company entered into a share purchase agreement to purchase 2,605,639 ordinary shares (percentage of ownership: 47.84%) of MiCoCeramics Ltd. held by MiCo Ltd., the Parent Company. The Company paid cash, assets and liabilities of the advanced materials division and 507,614 ordinary shares of MiCo BioMed Co., Ltd. as consideration paid, and the transaction was terminated on July 3, 2023 (deemed acquisition date: July 1, 2023), accordingly, the Company has obtained controls over MiCoCeramics Ltd. (Note 13).

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Details of payment guarantees provided to related parties by the Company as at December 31, 2024 and 2023, are as follows. There are no collateral and payment guarantees provided by related parties.

<i>(in USD)</i>		2024		
		Guaranteed amount	Guaranteed by	Remarks
KoMiCo Technology Singapore Pte. Ltd.	USD	9,600,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Singapore Pte. Ltd.	USD	1,750,000	The Export-Import Bank of Korea	Guarantees for borrowings
KoMiCo Technology Taiwan Ltd.	USD	30,000,000	Citibank Korea Inc.	Guarantees for borrowings
KoMico Equipmnet Parts Shenzehn Co Ltd	USD	4,800,000	Citibank Korea Inc.	Guarantees for borrowings
KoMico Equipmnet Parts Shenzehn Co Ltd	CNY	11,251,200	INDUSTRIAL BANK OF KOREA	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	18,000,000	KDB	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	7,200,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Inc	USD	3,600,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Phoenix LLC	USD	24,000,000	Citibank Korea Inc.	Guarantees for borrowings

<i>(in USD)</i>		2023		
		Guaranteed amount	Guaranteed by	Remarks
KoMiCo Technology Singapore Pte.LTD	USD	1,750,000	The Export-Import Bank of Korea	Guarantees for borrowings
KoMiCo Technology Singapore Pte.LTD	USD	9,600,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Technology Taiwan Ltd.	USD	8,400,000	Citibank Korea Inc.	Guarantees for borrowings
KoMico Equipment Parts Shenzehn Co Ltd	USD	9,600,000	Citibank Korea Inc.	Guarantees for borrowings
KoMiCo Hillsboro LLC	USD	18,000,000	KDB	Guarantees for borrowings
KoMiCo Technology Inc	USD	30,000,000	Citibank Korea Inc.	Guarantees for borrowings

Key management for employee services for the years ended December 31, 2024 and 2023, consists of:

<i>(in thousands of Korean won)</i>	2024		2023	
Long and short-term employee benefits	₩	2,238,028	₩	1,774,484
Post-employment benefits		171,312		176,100
Share-based payments		139,812		-
	₩	<u>2,549,152</u>	₩	<u>1,950,584</u>

The above key management includes registered executives who have significant authority and responsibilities on activities, planning, operations and controls of the Company.

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

38. Reporting by Segment

The Company management who makes strategic decisions has determined the operating segments. As at December 31, 2024, the Company is a single segment, and the information by segment at the company-wide level is as follows.

(a) Information about revenue

The Company's major source of revenues is revenue from contracts with customers. Details of the revenue from contract with customers for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Revenue of merchandises		
Parts	₩ 3,466,121	₩ 3,676,974
Cleaning	927,686	231,113
Coating	344,566	217,889
Revenue of finished goods		
Cleaning	57,097,418	51,183,232
Coating	97,894,073	71,421,245
Parts	-	87,725
	<u>₩ 159,729,864</u>	<u>₩ 126,818,178</u>
Timing of revenue recognition:		
at a point in time.	₩ 4,738,373	₩ 4,213,701
over time	154,991,491	122,604,477
	<u>₩ 159,729,864</u>	<u>₩ 126,818,178</u>

Details of geographic characteristics of the operating segments as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
South Korea	₩ 148,245,545	₩ 118,061,328
Asia	9,447,643	4,859,217
Europe	271,582	-
USA	1,756,115	3,719,750
Other countries	8,979	177,883
	<u>₩ 159,729,864</u>	<u>₩ 126,818,178</u>

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

(c) Information about key customers

Details of external customers, who contribute more than 10% of the Company's revenue for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i> Type ¹	Revenue		Classification
	2024	2023	
A company	₩ 81,361,627	₩ 66,190,291	Merchandises and finished goods
B company	45,558,093	38,741,667	Merchandises and finished goods

¹ Customers under the same control were considered as a single external customer.

39. Business Combination of Entities under a Common Control

On July 1, 2024, as a deemed acquisition date, the Company acquired lower electrode division operated by MiCo Ltd.

Following the method for transactions under common control, the carrying amount from this transaction was recognized as carrying amount in the financial statements of the Parent Company. The difference between the consideration paid and the carrying amount was recognized as other reserves (Note 25).

<i>(in thousands of Korean won)</i>	2024
Consideration transferred	
Cash and cash equivalents	₩ 3,080,742
	<u>3,080,742</u>
Identifiable assets and liabilities at the acquisition date	
Trade receivables	714,141
Other receivables	478,977
Inventories	616,895
Property, plant and equipment	22
Deferred tax assets	31,249
	<u>1,841,284</u>
Trade payables	31,715
Current lease liabilities	5,795
Other current liabilities	366,291
Post-employment benefit liabilities	29,974
Non-current lease liabilities	3,221
Other non-current liabilities	61,678
	<u>498,674</u>
Total identifiable net assets	1,342,610

KoMiCo Ltd.
Notes to the Separate Financial Statements
December 31, 2024 and 2023

Other reserves	₩	(1,738,132)
----------------	---	-------------

Meanwhile, the Company paid ₩ 48 million in advisory fees and others in relation to this business combination and recognized as reserves.

40. Events After the Reporting Period

On January 16, 2025, the Company fully exercised the exchange rights of the exchangeable bonds related to the shares of MiCoCeramics Ltd. issued by the Parent Company. The number of share exchanged is 250,410.

The Company entered into a trustee contract to acquire treasury shares amounting to 5,000 million on January 2, 2025, with the aim of stabilizing share price and enhancing the value of shareholders.



Independent Auditor's Report on Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
KoMiCo Ltd.

Opinion on Internal Control over Financial Reporting

We have audited KoMiCo Ltd.'s (the Company) Internal Control over Financial Reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2024, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including material accounting policy information, and our report dated March 13, 2025 expressed an unqualified opinion.

Basis for Opinion on Internal Control over Financial Reporting

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting 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.

Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on the Effectiveness of Internal Control over Financial Reporting*.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our responsibility is to express opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention, or timely

detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Chang-Hoon Lee, Certified Public Accountant.

A handwritten signature in black ink that reads "Samil PricewaterhouseCoopers". The script is cursive and fluid, with the words connected together.

Samil PricewaterhouseCoopers
Seoul, Korea

March 13, 2025

<p>This report is effective as at March 13, 2025, 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 Company's internal control over financial reporting 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>

**Management's Report on the
Effectiveness of Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders, Board of Directors and Auditor of
KoMiCo Ltd.

We, as the Chief Executive Officer (CEO) and the Internal Control over Financial Reporting Officer of KoMiCo Ltd. (the Company), assessed the effectiveness of the design and operation of the Company's Internal Control over Financial Reporting (ICFR) for the year ended December 31, 2024.

The Company's management, including ourselves, is responsible for designing and operating ICFR. We assessed the design and operating effectiveness of ICFR in the prevention and detection of an error or fraud which may cause material misstatements in the preparation and disclosure of reliable financial statements. We designed and operated ICFR in accordance with Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (when other standards are used, the name) established by the Operating Committee of Internal Control over Financial Reporting in Korea (the ICFR Committee). And, we conducted an evaluation of ICFR based on Best Practice Guidance for Evaluating and Reporting Internal Control over Financial Reporting established by the ICFR Committee.

Based on the assessment results, we believe that the Company's ICFR, as at December 31, 2024, is designed and operated effectively, in all material respects, in accordance with Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which cause material misunderstandings, and we have reviewed and verified this report with sufficient due care.

February 27, 2025

Yong-Ha Choi,
Chief Executive Officer

Sang-Won Lee,
Internal Control over Financial Reporting Officer