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Quarterly Report

(1Q, The 5th)

Fiscal Year	January 1, 2024	To
	March 31, 2024	Until

Financial Services Commission

May 12, 2024

Messrs. Korea Exchange

Type of Corporation subject to submission :	Stock listed Corporation
Occurrence of reason for exemption:	Not applicable
Company Name :	Philenergy Co., Ltd.
Representative Director:	Kim Kwang il
Location of Head Office:	1-19, Jigotjungang-ro, Osan-si, Gyeonggi-do (Office Phone) +82-31-789-9000 (Website) http://www.philenergy.co.kr
Person in charge of preparation:	(Position) Executive Director (Name) Choi Yong Sock (Tel) +82-31-789-9000

I. Company Overview

1. Company Overview

A. Overview of Subsidiary Companies Subject to Consolidation

(1) Status of Subsidiary Companies Subject to Consolidation

As of the reporting date, our company has three subsidiaries.

(Unit : companies)

Classification	Number of consolidated companies				Number of major subsidiaries
	Beginning of period	Increase	Decrease	End of period	
Listed company	-	-	-	-	-
Unlisted company	3	-	-	3	-
Total	3	-	-	3	-

(2) Changes in Companies Subject to Consolidation

Classification	Subsidiaries	Details
New consolidated	-	-
	-	-
Exclude consolidated	-	-
	-	-

B. Legal and Commercial Names of the Company

Our company name is written as “Philenergy Co., Ltd.” It is written in English as "Philenergy Co., Ltd."

C. Date of Establishment and Period of Existence

The Company was established on April 1, 2020 by the Energy Division of Philoptics Co., Ltd. for the purpose of manufacturing and selling secondary battery processing equipment such as stacking equipment, laser notching, and 46XX cylindrical winders. and is a stock-listed corporaten listed on the KOSDAQ market on July 14, 2023. We do not set a separate period of existence.

D. Head Office Address, Tel, Number, Website Address

Classification	Details
Head Office’s Address	1-19, Jigokjungang-ro, Osan-si, Gyeonggi-do (Segyo-dong)
Tel	+82-31-789-9000

Website	http://www.philenergy.co.kr

E. Applicable as Small and Medium Enterprise, Etc.

Small and medium enterprise applicable		Not applicable
	Venture enterprise applicable	Not applicable
Middle market enterprise applicable		applicable

F. Details of the Main Businesses

Based on our proprietary laser process technology and precision control technology, we develop and supply stacking equipment, laser notching equipment, and cylindrical battery manufacturing equipment, which are core equipment for the secondary battery assembly process. For more details, please refer to 'II. Contents of Business' in this report.

Business Division	Main Products
secondary battery process equipment	Stacking equipment, Laser notching equipment, and Cylindrical battery manufacturing equipment etc.

G. Credit Rating Information

Here is the credit evaluation for the past three years.

Date of Rating	Rating Agency	Credit Rating	Etc.
Apr. 19, 2024	E-credible Co., Ltd.	BB+	Settlement date : Dec. 31, 2023 Expiration date : Apr. 18, 2025
Sep. 25, 2023	E-credible Co., Ltd	B+	Settlement date : Dec. 31, 2022 Expiration date : May 5, 2024
May 6, 2023	E-credible Co., Ltd	B+	Settlement date : Dec. 31, 2022 Expiration date : May 5, 2024
Sep. 29, 2022	E-credible Co., Ltd	BB	Settlement date : Dec. 31, 2021 Expiration date : May 5, 2023
May 6, 2022	E-credible Co., Ltd	BB	Settlement date : Dec. 31, 2021 Expiration date : May 5, 2023

H. Matters Concerning Whether the Company's Stock Certificates are Listed (or Registered or Designated) and Special Listing

Whether Listed	Date Listed	Type of Special Listing
Listed on KOSDAQ	July 14, 2023	Not applicable

2. Company History

A. The main changes in the company are as follows:

Date	Contents
Oct. 2009	Registered as a partner of Samsung SDI
Apr. 2015	Development of laser notching equipment for secondary battery manufacturing
Jan. 2016	Mass Production of laser notching equipment for secondary battery manufacturing
Feb. 2018	Development of assembly equipment (WFC) for secondary battery manufacturing
Mar. 2018	Joined Samsung SDI Partner Company Council (SSP)
Dec. 2019	Development of stacking equipment for secondary battery manufacturing
Apr. 2020	Established Philenergy Co., Ltd.
Jul. 2020	Received Samsung SDI Best Partner Award
Aug. 2020	Mass Production of stacking equipment for secondary battery manufacturing
Oct. 2020	paid-in capital increase (third party allocation)
Jan. 2021	Osan Segyo new headquarters relocation
Feb. 2021	Convertible bond issue
Apr. 2021	ISO 9001 (Quality Management System) Certification
Oct. 2021	ISO 45001 (Safety and Health Management System) Certification
Mar. 2022	Stock split (5,000 won → 500 won)
Apr. 2022	Received order for stacking equipment for all-solid manufacturing
May 2022	Received order for Notching+Stacking all-in-one equipment
Jul. 2022	Received order for Laser Notching equipment
Oct. 2022	(1:1.5) Bonus issue
Jul. 2023	Listed on KOSDAQ
Jul. 2023	Exercise of convertible bonds
Oct. 2023	(1:1) Bonus issue
Mar. 2024	Completed plant 2

B. Location of the company's head office and changes there to

Date	Address	Remarks
Apr. 1, 2020	161, Saneop-ro 155beon-gil, Gwonseon-gu, Suwon-si, Gyeonggi-do (Gosaek-dong)	Establishment
Jan. 26, 2021	1-19, Jigokjungang-ro, Osan-si, Gyeonggi-do (Segyo-dong)	New H.Q relocation

C. Major Changes in Management and Auditor

Date of change	Types of shareholders' meeting	Appointment		Period expiration or dismissal
		New appointment	Reappointment	
Apr. 2, 2020	general meeting of shareholders	inside director Han Kisu inside director Kim Doyoung inside director Cho Taehyoung auditor Cho Mansik	-	-
Oct. 21, 2020	extraordinary meeting of shareholders	other non-executive directors Song Hojun	-	-
Feb. 28, 2022	extraordinary meeting of shareholders	inside director Kim Gwangil outside director Park Jeongho outside director Lee Hyeseon	-	inside director Han Kisu
Mar. 25, 2022	general meeting of shareholders	-	-	auditor Cho Mansik
May 24, 2022	extraordinary meeting of shareholders	other non-executive directors Lee Seungwon	-	other non-executive directors Song Hojun
Mar. 7, 2023	extraordinary meeting of shareholders	other non-executive directors Oh Jehun	-	-
Mar. 29, 2023	general meeting of shareholders	-	inside director Kim Doyoung inside director Cho Taehyoung	-
Feb. 26, 2024	-	-	-	inside director Cho Taehyoung
Mar. 26, 2024	general meeting of shareholders	inside director Lee Hyeongno other non-executive directors Lee Myeongho	-	-

3. Changes in capital

A. Changes in capital

(Unit: KRW, Stocks)

Type	Classification	The 5th (1Q 2024)	The 4th (2023)	The 3th (2023)
Common Stock	Total number of issued shares	21,247,382	21,208,882	7,500,000
	Par value	500	500	500
	Capital stock	10,623,691,000	10,604,441,000	3,750,000,000
Preferred Stock	Total number of issued shares	-	-	-
	Par value	-	-	-
	Capital stock	-	-	-
Others	Total number of issued shares	-	-	-
	Par value	-	-	-
	Capital stock	-	-	-
Total	capital stock	10,623,691,000	10,604,441,000	3,750,000,000

4. Total Number of Shares, Etc.

A. Total Number of shares

(As of: 2024.03.31) (Unit: Stocks)

Classification		Type of Stock			Notes
		common shares	preference shares	Total	
Ⅰ. Total number of shares to be issued		50,000,000	-	50,000,000	-
Ⅱ. Total number of shares issued to date		21,247,382	-	21,247,382	-
Ⅲ. Total number of shares decreased to date		-	-	-	-
	1. Reduction of capital	-	-	-	-
	2. Retirement of shares	-	-	-	-
	3. Repayment of redeemable share	-	-	-	-
	4. Other	-	-	-	-
Ⅳ. Total number of issued shares (Ⅱ-Ⅲ)		21,247,382	-	21,247,382	-
Ⅴ. Total number of treasury stock		-	-	-	-
Ⅵ. Total number of shares outstanding (Ⅳ-Ⅴ)		21,247,382	-	21,247,382	-

B. Status of the Treasury Stock Acquisition and Disposal

(As of: 2024.03.31)

(Unit: Stocks)

Acquisition method			Type of shares	Beginning quantity	Changes quantity			End quantity	Remarks
					Aquisition(+)	Disposal(-)	Retirement(-)		
Acquisition within profit available for dividend range	Direct acquisition	inside direct acquisition	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
		outside direct acquisition	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
		Tender Offer	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
		Subtotal(a)	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
	Acquisition by trust contract	fiduciary holdings	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
		spot holdings	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
		Subtotal(b)	common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
Other aquisition(c)			common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-
Total(a+b+c)			common shares	-	-	-	-	-	-
			preference shares	-	-	-	-	-	-

5. Matters Concerning the Articles of Incorporation

A. History of the Changes Made to the Articles of Incorporation

The following is the history of changes in the articles of incorporattion over the past three years.

Articles of Incorporation Amendment Date	Name of the Relevant General Meeting of Shareholders	Major Changes	Details
Feb. 19, 2021	extraordinary meeting of shareholders	–	–
Mar. 25, 2022	general meeting of	–	–

	shareholders		
Mar. 26, 2024	general meeting of shareholders	-	-

B. Current Business Purpose

Classification	Business Purpose	Business Activities
1	Manufacturing businesses of automated secondary battery process equipment	Leading
2	Manufacturing businesses of electronic components	Leading
3	Manufacturing businesses of equipment components	Leading
4	Service businesses	Leading
5	Businesses of photovoltaic power generaten	Leading
6	Sales, wholesale, retail, and distribution businesses related to each item	Leading
7	Import/export business and trade business related to each item	Leading
8	All the incidental business related to each item	Leading

B. Status of additional business purpose in the article of incorporation

Classification	Purpose of Business	Revision Date
1	Businesses of photovoltaic power generaten	Mar. 26, 2024

II. Details of the Business

1. Business Overview

As a company that manufactures key equipment during the assembly process of secondary batteries, Our main business is developing and supplying equipment that Laser notching equipment to form tabs, stacking equipment to produce jelly rolls by cutting cathode and anode plates to appropriate sizes and stacking them alternately with separators, integrates laser notching and winding machines to form tabs for cylindrical batteries and wind jelly rolls.

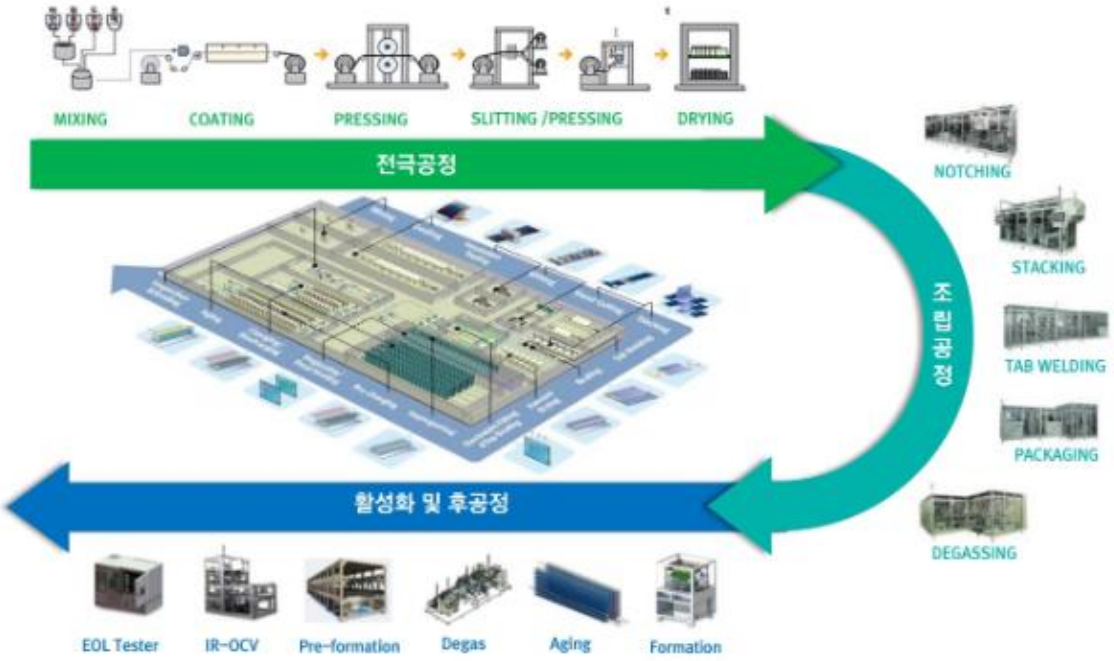
Division	Main Products
secondary battery process equipment	Stacking equipment, Laser notching equipment, and Cylindrical battery manufacturing equipment etc.

Secondary battery consists of a cathode and a cathode, an electrolyte necessary for the movement of charged ions between the anode and the cathode, and a separator to prevent the anode and cathode from touching each other. Secondary batteries are used in various fields such as electric vehicles, laptops, smartphones, and ESS (Energy Storage System) due to their ability to charge and discharge.

Secondary battery manufacturing processes can be broadly classified into three categories. 1) Electrode process in which electrodes are manufactured by applying the active materials of the

positive and negative electrode materials, which are the main materials of secondary batteries, to aluminum and copper, the current collector plates of each electrode. 2) The battery is formed by assembling the positive and negative electrode plates together with a separator into a cell shape. It can be divided into the assembly process that produces the battery cells, 3) the activation process that gives electrical characteristics to the battery cells to activate them and inspect for defects after stabilizing the cells, and other post-processes that include automation, inspection, and testing.

[Order of secondary battery manufacturing process]



※ Source: Daishin Securities Research Center

Our company has been manufacturing and supplying Laser Notching mass production equipment since 2015 and has received trust and recognition from customers. After research and development efforts, we have developed and supplied stacking equipment, a key equipment in the secondary battery assembly process for electric vehicles, in 2020, and have developed high-speed precision control technology and We are establishing ourselves as a leading EV battery equipment manufacturing company based on stable quality. In particular, stacking equipment has been supplied in large quantities to the customer's European factory starting in 2021, and is being shipped to the customer's American factory starting in 2023. In addition, we built a second factory to expand production facilities in line with market changes and are focusing on research and development to secure future technologies. Recently, we began making full-fledged inroads into the European laser notching market by developing laser notching equipment and supplying it to European customers. We are also pursuing diversification of sales channels targeting overseas customers in Europe and the United States by developing a 46XX cylindrical battery winder. In addition, we are focusing on advancing technology to enter the next-generation battery market, such as supplying facilities that can stack all-solid materials to our customers' pilot lines. We plan to enter the all-solid-state market by supplying large quantities of all-solid stacking facilities to mass production lines in the future. no see. In addition, we plan to diversify our product portfolio and business areas by developing post-processing equipment that applies laser technology in the electrode process.

2. Key Products and Services

A. Status of Major Products, etc.

(Unit: Million KRW, %)

Business sector	Main products	1Q 2024 (The 5th)		2023 (The 4th)		2022 (The 3th)	
		Sales	Rate(%)	Sales	Rate(%)	Sales	Rate(%)
Secondary Battery Process Equipment	Stacking & Laser Notching Secondary Battery Process Equipment, etc.	53,556	93.4	177,244	90.1	181,937	95.9
Other	Remodeling/Components	3,773	6.6	19,471	9.9	7,773	4.1
Total		57,329	100	196,715	100	189,710	100

B. Changes in Prices of Major Products

In the case of our products, it is difficult to simply calculate the price per product because the price difference is large due to the items required by each customer and the various requirements even within the same item. Additionally, because specific price changes based on specifications need to be protected for business purposes, the unit price for each product is not listed.

3. Raw Materials and Production Facilities

A. Matters Concerning the Key Raw Materials

(Unit: %)

Division	Type of Purchase	Item	Purpose of Use	Amount of Purchase	Note
Secondary Battery Process Equipment (Philenergy)	Raw materials	Optical components, mechanical components, etc.	Secondary Battery Process Equipment, etc.	72.1	-
	Raw materials	Instrument processing products, etc.	Secondary Battery Process Equipment, etc.	27.9	-
Total				100.00	-

B. Production Capacity, Production Performance, Rate of operation

Most of the products produced are non-standard, custom-made products, and it is inappropriate to properly calculate and display production capacity and production performance, so their description is omitted.

C. Matters Related to Facilities

(Unit: %)

Classification	Land	Buildings	Structures	Machinery	Vehicles	Tools & Equipment	Office equipment	Construction in progress	Total
Acquisition cost :									
Beginning of period amount	4,510,812	1,531,715	-	3,533,752	557,964	375,952	1,092,505	28,356,322	39,959,022
Acquisition amount	-	-	-	2,137	275,629	107,915	294,112	2,020,795	2,700,589
Disposal amount	-	-	-	-	-	-	-	-	-
Replacement amount	-	-	-	-	-	-	-	68,955	68,955
Foreign currency translation difference	-	-16,426	-	-17	3,530	-	-103	-1,329	-14,345
Business combinations	-	-	-	-	-	-	-	-	-
End of period amount	4,510,812	1,515,289	-	3,535,872	837,123	483,867	1,386,514	30,444,744	42,714,221
Accumulated depreciation & Accumulated Impairment loss :									
Beginning of period amount	-	5,004	-	85,640	256,014	125,493	511,405	-	983,556
Disposal amount	-	-	-	-	-	-	-	-	-
Depreciation	-	30,552	-	176,535	39,116	21,858	58,973	-	327,033
Replacement amount	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-300	-	-10	425	-	-227	-	-112
Business combinations	-	-	-	-	-	-	-	-	-
End of period amount	-	35,257	-	262,165	295,555	147,350	570,150	-	1,310,477
Book amount :									
Beginning of period amount	4,510,812	1,526,711	-	3,448,112	301,950	250,459	581,101	28,356,322	38,975,466
End of period amount	4,510,812	1,480,033	-	3,273,707	541,568	336,517	816,363	30,444,744	41,403,744

4. Statues of Revenue and Order

A. Revenue Performance

(Unit: Million KRW)

Type of sales	Items		1Q 2024 (The 5th)	2023 (The 4th)	2022 (The 3th)
Sales	Secondary Battery Process Equipment	Domestic	53,556	177,244	181,937
		Export	-	-	-
		Total	53,556	177,244	181,937
	Remodeling/Components	Domestic	1,521	16,445	6,182
		Export	2,252	3,026	1,591
		Total	3,773	19,471	7,773

Total	Domestic	55,077	193,689	188,119
	Export	2,252	3,026	1,591
	Total	57,329	196,715	189,710

B. Sales Method and Conditions

(1) Sales organization
As of the report submission date, our sales organization consists of a sales group and a marketing department, and the sales group is conducting domestic and overseas sales activities. The sales group is promoting technology and field sales, including facility demonstrate, sample response, and customer management tasks, for domestic and overseas battery customers. We are also carrying out tasks such as order and sales management, project management, and sales-related data analysis.
The marketing team under the sales group carries out activities such as analyzing and researching secondary battery trends, identifying market size, and researching and discovering new companies and products for domestic and overseas battery manufacturing customers.

(2) Sales channels
Most of the items we supply are received directly from customers, manufactured, delivered and set-up directly. In order to target overseas markets in earnest, we are responding by establishing a related department in January 2022, and there are cases where orders and deliveries are made through local agents.

Types of Revenue	Item	Classification	Sales Route
Products	Stacking	Domestic	Our direct sales
	Laser Notching	Domestic	Our direct sales
		Export	Our direct sales or sales through local agencies
	46XX cylindrical winders	Domestic	Our direct sales
		Export	Our direct sales or sales through local agencies
Other equipment and Components		Domestic / Export	Our direct sales

C. Status of order

(Unit: Million KRW)

Items	Date of order	Date of delivery	Total order amount		Pre-delivery amount		Order Backlog	
			Quantity	Amount	Quantity	Amount	Quantity	Amount
Secondary Battery	-	-	-	348,500	-	57,329	-	291,171

Process Equipment								
Total			_	348,500	_	57,329	_	291,171

5. Risk Management and Derivative Transactions

The consolidated entity is exposed to various financial risks, such as market risk, credit risk, and liquidity risk, including interest rate risk, foreign exchange risk, and price risk in relation to financial products. The purpose of risk management of the consolidated entity is to identify potential risks that affect the financial performance of the consolidated entity and reduce, eliminate and avoid them to an acceptable level. The consolidated entity establishes and operates company-wide risk management policies and procedures, and the consolidated entity's financial division is responsible for overall risk management. In addition, the consolidated entity's internal audit continuously reviews compliance with risk management policies and procedures and risk exposure limits. The consolidated entity's overall financial risk management strategy is the same as in the previous period.

(1) Market risk
Market risk is the risk that the fair value of future cash flows of financial products will fluctuate due to changes in market prices. The objective of market price management is to manage and control market risk exposure within acceptable limits while optimizing returns. Market risk consists of three types of risk: interest rate risk, foreign exchange risk, and price risk. The main financial products affected by market risk are borrowings and deposits.
The book value of borrowings exposed to interest rate fluctuation risk of the consolidated entity at the end of the current quarter and previous year is as follows.

(Unit: Thousand KRW)

Classification	end of the current quarter	end of the previous year
Variable interest borrowings	21,669,880	21,673,200

A. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial product will fluctuate due to changes in market interest rates. The consolidated entity is exposed to market interest rate fluctuation risk related to long-term floating interest borrowings. Accordingly, the management of the consolidated entity periodically reviews the interest rate status to maintain an appropriate balance between fixed interest rate borrowings and variable interest rate borrowings.

If other variables are constant and the interest rate changes by 100bp as of the end of the reporting period, the impact on current interest expenses due to floating rate borrowings is as follows.

(Unit: Thousand KRW)

Classification	end of the current quarter		end of the previous year	
	In 100bp rising	On 100bp decline	In 100bp rising	On 100bp decline
Interest expense	216,699	(216,699)	216,732	(216,732)

B. Foreign exchange risk
Foreign exchange risk is the risk that the fair value of future cash flows of financial products may fluctuate due to exchange rate fluctuations. The consolidated entity is exposed to exchange rate fluctuation risk due to its operating activities (when revenue or expenses are incurred in a currency

different from the consolidated entity's functional currency). The consolidated entity manages foreign exchange risk with the goal of minimizing risks caused by exchange rate fluctuations in foreign currency-denominated assets and liabilities and realizing management stability through sound financial structure and predictable management.

As of the end of the current quarter and the end of the previous year, all other variables are constant and the impact of changes in the exchange rate of the Korean Won against each foreign currency on net profit before corporate tax expenses is as follows.

(Unit: Thousand KRW)

Classification	end of the current quarter		end of the previous year	
	In 10% rising	On 10% decline	In 10% rising	On 10% decline
USD	139,216	(139,216)	126,222	(126,222)
EUR	259,266	(259,266)	465,049	(465,049)
HUF	115,734	(115,734)	50,717	(50,717)
CNH	1	(1)	1	(1)

The above sensitivity analysis targeted monetary assets and liabilities denominated in a foreign currency other than the functional currency of the consolidated entity as of the end of the reporting period.

The book values of monetary assets and monetary liabilities denominated in foreign currencies as of the end of the current quarter and previous year are as follows.

(Unit: Thousand KRW)

Division	end of the current quarter		end of the previous year	
	Assets	Liabilities	Assets	Liabilities
USD	1,446,991	54,831	1,262,219	-
EUR	2,592,663	-	4,650,489	-
HUF	1,182,828	25,484	534,502	27,335
CNH	13	-	13	-
Total	5,222,495	80,315	6,447,223	27,335

C. Price risk

Price risk is the risk that the fair value or future cash flow of a financial product will fluctuate due to changes in market prices other than interest rate risk or foreign exchange risk, and the impact of this risk on the consolidated entity is not significant.

(2) Credit risk

Credit risk is managed at the consolidated entity level. Credit risk arises from cash and cash equivalents, deposits at banks and financial institutions, as well as credit risk for customers, including held receivables and confirmed contracts. In the case of banks and financial institutions, we only transact with those with excellent credit ratings from independent credit rating agencies. In the case of general business partners, we evaluate credit by considering other factors such as the customer's financial status and past experience.

The maximum exposure to credit risk of the consolidated entity as of the end of the current quarter and previous year is as follows.

(Unit: Thousand KRW)

Classification	end of the current quarter	end of the previous year
Cash and cash equivalents	43,923,967	110,804,027
Trade and other receivables	3,776,965	5,029,548

Other current financial assets	3,082,544	1,108,456
Other non-current financial assets	1,902,993	3,461,419
Total	52,686,469	120,403,450

(3) Liquidity risk

Cash flow forecasts are performed by the consolidated entity's finance team. The consolidated entity's finance team constantly monitors current forecasts to ensure that unused borrowing limits are maintained at an appropriate level and operating capital needs can be met to ensure that there are no violations of borrowing limits or agreements.

The details of the consolidated entity's financial liabilities classified by maturity according to the remaining period from the end of the current quarter and previous year to the contract maturity date are as follows.
The cash flows shown in the table below are without present value discount.

<End of the current quarter>

(Unit: Thousand KRW)

Division	1 year or less	More than 1 year & less than 2 years	More than 2 year & less than 5 years	More than 5 years
Trade Payables	32,471,172	114,356	-	-
Borrowings	14,604,807	621,609	9,185,583	-
Lease liabilities	839,739	543,784	1,103,825	1,162,700
Total	47,915,718	1,279,749	10,289,408	1,162,700

<End of the previous year>

(Unit: Thousand KRW)

Division	1 year or less	More than 1 year & less than 2 years	More than 2 year & less than 5 years	More than 5 years
Trade Payables	48,003,862	69,753	-	-
Borrowings	14,787,557	629,184	9,302,383	-
Lease liabilities	1,292,878	605,654	1,129,564	1,247,000
Total	64,084,297	1,304,591	10,431,947	1,247,000

(4) Capital risk management

The main purpose of equity management is to maintain a high credit rating and a sound equity rate in order to maintain the consolidated entity's business activities and maximize shareholder value. The consolidated entity is revising its equity structure in accordance with changes in the economic environment, determines whether the equity structure is appropriate in accordance with

changes in the business environment, and periodically inspects the need for dividend policy, liabilities equity financing and repayment, capital reduction and equity increase. There were no changes to the purpose, policies and procedures of equity management during the current quarter.

The liabilities rate and net borrowing rate as of the end of the current quarter and previous year are as follows.

(Unit: Thousand KRW)

Classification	end of the current quarter	end of the previous year
Liabilities (A)	87,770,173	121,237,353
Equity (B)	131,583,021	128,612,259
Cash and cash equivalents & Deposits for current financial institution (C)	43,923,967	110,829,211
Borrowings (D)	24,830,196	25,400,590
Liabilities rate (A/B)	66.70%	94.27%
Net borrowing rate ((D-C)/B)	-14.51%	-66.42%

6. Major Contracts and R&D Activities

A. Major contracts in terms of management, etc.

Not applicable.

B. R&D Activities

(1) R&D organizations

As of the report submission date, our company is comprised of the Advanced Development Office, Product Development Office, and Technology Planning Team under the Equipment Development Division. We are operating a specialized organization with the goal of leading manufacturing process innovation in the next-generation battery market.

<R & D organization chart>

(2) R&D expense

(Unit: thousand KRW, %)

Classification	1Q 2024 The 5th	2023 The 4th	2022 The 3th

Asset processing	Cost of raw materials	39,773	2,487,428	682,336
	Personal expenses	29,182	681,462	-
	Consignment service cost	-	-	-
	Other expenses	-	-	-
	Sub total	68,955	3,168,890	682,336
Cost processing	Manufacturing cost	-	-	-
	Selling general administrative expenses	2,061,003	4,889,668	2,723,207
Total		2,129,958	8,058,558	3,405,543
R&D expenses / Revenue rate [R&D expenses total ÷ Revenue × 100]		3.72%	4.10%	1.80%

(3) R&D performance

No	Research project name	Research results and Expectations	Commercialization applicable	Development period
1	Laser notching equipment development	Development of Laser Notching mass production equipment that processes the tab shape by processing the metal base using a laser	Commercialization	Apr. 2015~Jan. 2016
2	Stacking equipment development	Contributes to increasing productivity and battery performance by developing automation equipment that realizes the world's fastest tact time based on control design technology	Commercialization	Oct. 2018~Jun. 2019
3	WFC equipment development (ultrasonic)	This is a equipment that welds multiple tabs and current collector plates, implementing a systematic process management system by applying the Linear Track System.	Commercialization	Feb. 2018~Oct. 2018

(4) Ongoing Status of R&D

No	Research project name	Present condition of R&D
1	Development of Laser Notching for the cathode laminated (coating)	Product development and commercialization through the notching process of the cathode laminated (coating) using a laser
2	46XX winder development	Development of equipment that use laser to process non-coating cutting and winding technologies
3	All-solid stacking equipment development	Developed equipment capable of stacking using related materials such as anode, cathode, and all solids.

7. Other Notes

A. Related to intellectual property rights

(As of: 2024.03.31)

No	Division	Contents	Right holder	Application date	Competent authorities
1	patent	Deburring apparatus for using electrode plate of secondary battery	Philenergy	Aug. 29, 2022	Korean Intellectual Property Office
2	patent	Separator Tension Retaining Apparatus For Manufacturing Secondary Battery and Method Thereof	Philenergy	Aug. 29, 2022	Korean Intellectual Property Office
3	patent	Device for preventing spatter stick generated by laser processing	Philenergy	Aug. 29, 2022	Korean Intellectual Property Office
4	patent	Connecting device for secondary battery electrode and method thereof	Philenergy	Sep. 29, 2022	Korean Intellectual Property Office
5	patent	Half-cathode flattening device for secondary battery and method thereof	Philenergy	Apr. 5, 2023	Korean Intellectual Property Office
6	patent	Flattening device improved precision of foil for secondary battery electrodes and method thereof	Philenergy	Apr. 5, 2023	Korean Intellectual Property Office
7	patent	Notching control system according to the secondary battery plate route and method thereof	Philenergy	May 10, 2023	Korean Intellectual Property Office
8	patent	Secondary battery electrode scrap recovery device and method	Philenergy	May 10, 2023	Korean Intellectual Property Office

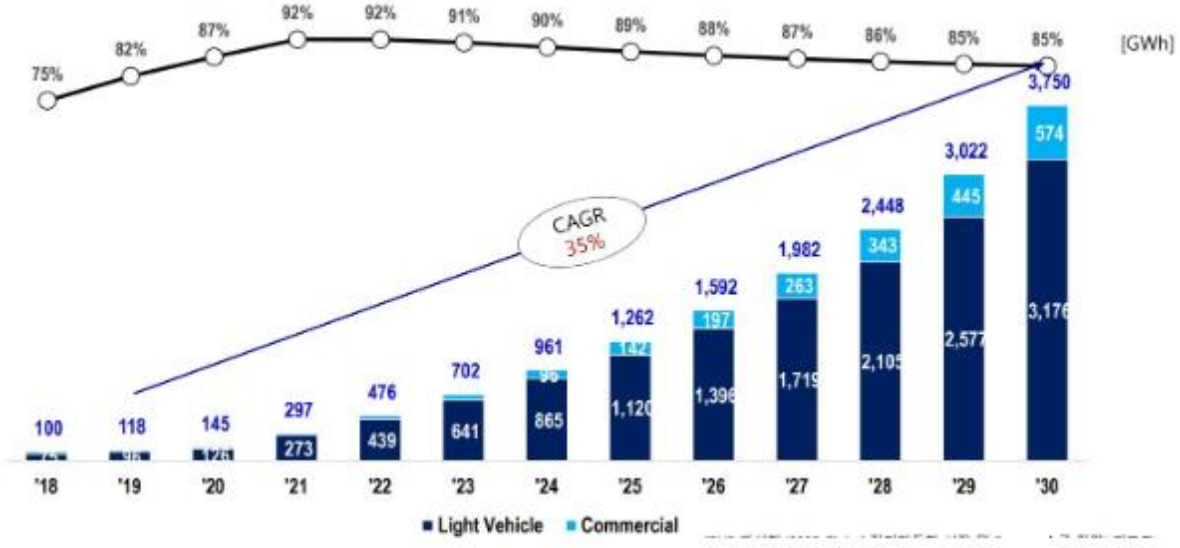
9	patent	DEBURRING APPARATUS AND METHOD FOR ELECTRODE PLATE OF SECONDARY BATTERY	Philenergy	Aug. 29, 2023	Korean Intellectual Property Office
10	patent	Electrode plate manufacturing apparatus, electrode manufactured using the same, and method thereof	Philenergy	Oct. 24, 2023	Korean Intellectual Property Office
11	patent	Connecting device for secondary battery electrode and method thereof	Philenergy	Jul. 11, 2019	Korean Intellectual Property Office
12	patent	Connecting device for separation film of secondary battery	Philenergy	Jul. 16, 2019	Korean Intellectual Property Office

B. Status and forecast of industry

(1) Characteristics of market

1) Overview of secondary battery industry

According to recently released data, global demand for EV batteries is expected to reach 3,750 GWh per year by 2030. However, regional demand will decrease due to the recently announced carbon emissions reduction and carbon footprint policy in Europe and the US inflation reduction law. There will be unsatisfactory supply. Based on European standards, approximately 937GWh capacity is required, accounting for 25% of total demand, but the expansion plan currently announced in Europe is expected to be approximately 700-800GWh, and additional expansion plans by each battery manufacturer are expected to be announced in the future.



2) Characteristics of secondary battery industry

Secondary batteries are divided into prismatic, cylindrical, and pouch types depending on their appearance. For electric vehicles, each company adopts each type of battery according to the type preferred. Representatively, Tesla electric vehicles have circular batteries. , BMW and Volkswagen vehicles use the square type, and Hyundai Kia and Ford electric vehicles use the pouch type.

Each battery manufacturer produces different battery types, and this is a natural trend between electric vehicle manufacturers and battery manufacturers. Automobile manufacturers are announcing joint investment in Giga-factories with battery companies to meet stable battery demand, and are also announcing Giga-factory plans for internalization.

(2) Market Size and Forecast

The secondary battery equipment market is expected to grow 44 percent annually from 2021 to 2025, reaching 51 trillion won. This is due to global production capacity, which is constantly being upgraded. It is expected to grow more rapidly than the average annual growth of 36% between 2019 and 2021. Until 2025, the two major mountain ranges of Korean and Chinese cell companies will continue, but European and other new companies have begun to expand in earnest. By country, the CAGR growth rate is expected to be 51 percent in Korea, 41 percent in China, and 43 percent in Europe and other countries, which is attributed to the high production capacity growth of Korean cell companies due to the blooming of the U.S. market.

C. Status of competition

The secondary battery manufacturing equipment industry that our company operates in requires high technology and excellent quality for delivery. In addition, there is a high barrier to entry for new companies because customers require a long verification period to determine reliability. Therefore, this is an industry where an oligopolistic market is formed where a small number of companies compete for each equipment required for each process. The secondary battery manufacturing equipment industry is divided into groups of companies that can meet the product level and quality level required by each secondary battery manufacturer, and competition is taking place.

D. Status of main equipment

① Stacking equipment

While unwinding the reel-shaped electrode plate, it is cut to an appropriate size according to the production machine. Jelly rolls are produced by alternately stacking the cut anode and cathode together with the separator supplied in a Z shape, and then fixed by bonding and taping to prevent the shape of the stacked jelly roll from being deformed. The characteristic of the stacking

equipment developed by our company is high-speed stacking technology using a motion controller based on Zig-Zag type stacking technology, providing technology to stack plates twice as high at the same speed as other companies. Currently, we mainly supply integrated equipment that manufactures the notching and stacking processes in one equipment, contributing to improving the quality of our customers' products and maximizing space efficiency.

② Laser Notching equipment

While unwinding the reel-shaped electrode plate with positive and negative electrode active materials applied to the metal base, the metal base (uncoated area) is processed using a laser to create a tab shape. Compared to the existing method of replacing molds when changing production models, hardware replacement is not required, improving the convenience of facility operation, and utilizing fiber lasers to reduce maintenance and repair costs. Currently, our company is focusing on developing technology to speed up laser notching of cathode composite parts and apply laser notching of anode composite parts to mass production, and we expect to be able to supply equipment that can laser notching anode and cathode compound parts to mass production lines for the first time.

③ 46XX battery winder

Based on the laser notching technology and winding equipment technology accumulated over many years, our company is developing a 46XX battery winder to enter the cylindrical secondary battery market. The facility that our company is developing is based on the concept of laser processing the anode and cathode tabs to a uniform width and supplying and winding the three base materials of the cathode, separator, and anode. We expect that the development of this facility will enable us to enter the cylindrical secondary battery market and diversify our customer base.

④ All-solid-state stacking equipment

All-solid-state batteries, also called dream batteries, are batteries that are in a solid state rather than a liquid. Structurally, unlike lithium-ion batteries, they contain a solid electrolyte instead of a liquid electrolyte, and the solid electrolyte even acts as a separator. The liquid electrolyte used in current lithium-ion batteries poses a risk of damage to the battery, such as expansion of the battery due to temperature changes or leakage due to external shock. On the other hand, all-solid-state batteries are structurally strong and stable, and can further increase stability because they can maintain their shape even if the electrolyte is damaged.

We developed equipment that can laminate all-solid materials and supplied it to our customer's pilot line. We are focusing on technological advancement through continuous research and development, and plan to diversify our business by entering the all-solid-state market by supplying mass production lines of all-solid stacking equipment in the future.

Ⅲ. Financial Matters

1. Summary financial information

A. Summary consolidated financial statements

Classification	1Q, 5th Period	The 4h Period	The 3th Period
	End of March 2024	End of December 2023	End of December 2022
Accounting Standards	K-IFRS	K-IFRS	K-IFRS
[Current assets]	163,648,415,703	196,160,620,640	120,088,812,961
Quick assets	64,029,702,310	123,328,271,982	53,874,119,627
inventories	99,618,713,393	72,832,348,658	66,214,693,334
[Non-current assets]	55,704,778,851	53,688,991,253	20,106,035,167
Property, plant and equipment	41,403,743,521	38,975,466,074	12,162,479,434
Intangible assets	5,284,479,945	5,157,564,506	476,106,892
Other non-current financial assets	1,902,993,403	3,461,419,476	2,349,768,025
Other non-current assets	7,113,561,982	6,094,541,197	5,117,680,816
Total assets	219,353,194,554	249,849,611,893	140,194,848,128
[Current liabilities]	77,647,256,157	110,609,035,013	79,067,397,424
[Non-current liabilities]	10,122,917,188	10,628,317,662	36,576,586,441
Total liabilities	87,770,173,345	121,237,352,675	115,643,983,865
[Equity attributable to owners of parent]	130,943,408,473	127,786,772,687	24,550,864,263
[Issued capital]	10,623,691,000	10,604,441,000	3,750,000,000
[Capital surplus]	115,861,242,806	115,631,982,825	14,079,550,195
[Elements of other stockholder's equity]	3,673,544,144	1,736,909,489	492,129,454
[Other Comprehensive income/loss accumulated amount]	124,735,357	(11,409,478)	(12,391,406)
[Retained earnings (deficit)]	660,195,166	(175,151,149)	6,241,576,020
[Non-controlling interests]	639,612,736	825,486,531	-
Total equity	131,583,021,209	128,612,259,218	24,550,864,263
Division	(Jan. to end of Mar. 2024)	(Jan. to end of Dec. 2023)	(Jan. to end of Dec. 2022)
Revenue	57,329,186,392	196,715,168,088	189,709,754,189
Operating income(loss)	981,899,126	15,311,910,704	16,812,053,025
Profit (loss) before tax	1,261,279,000	(3,622,211,107)	7,366,876,217

Profit (loss)	649,472,520	(6,416,727,169)	3,723,210,924
Profit (loss), attributable to owners of parent	835,346,315	(6,416,727,169)	3,723,210,924
Profit (loss), attributable to non-controlling interests	-185,873,795	981,928	(7,421,018)
Total comprehensive income	785,617,355	(6,415,745,241)	3,715,789,906
Earnings (loss) per share(won)	39	(358)	248

B. Summarized financial information

Classification	1Q, 5th Period	The 4h Period	The 3th Period
	End of March 2024	End of December 2023	End of December 2022
Accounting Standards	K-IFRS	K-IFRS	K-IFRS
[Current assets]	159,023,307,574	190,880,252,478	119,823,834,586
Quick assets	60,563,336,397	119,188,193,051	53,609,141,252
inventories	98,459,971,177	71,692,059,427	66,214,693,334
[Non-current assets]	57,636,294,631	55,714,291,631	20,488,862,737
Property, plant and equipment	39,452,743,537	37,275,648,699	12,159,911,080
Intangible assets	3,609,882,750	3,482,967,311	476,106,892
Other non-current financial assets	3,709,010,111	5,386,337,239	2,343,248,807
Other non-current assets	10,864,658,233	9,569,338,382	5,509,595,958
Total assets	216,659,602,205	246,594,544,109	140,312,697,323
[Current liabilities]	75,409,207,325	108,332,571,806	79,042,153,340
[Non-current liabilities]	9,631,303,678	10,125,509,431	36,576,586,441
Total liabilities	85,040,511,003	118,458,081,237	115,618,739,781
[Issued capital]	10,623,691,000	10,604,441,000	3,750,000,000
[Capital surplus]	115,861,242,806	115,631,982,825	14,079,550,195
[Elements of other stockholder's equity]	3,673,544,144	1,736,909,489	492,129,454
[Retained earnings (deficit)]	1,460,613,252	163,129,558	6,372,277,893
Total equity	131,619,091,202	128,136,462,872	24,693,957,542
Valuation Method for Investments in Subsidiaries, Associates, and Joint Ventures	Cost methods	Cost methods	Cost methods
Division	(Jan. to end of Mar. 2024)	(Jan. to end of Dec. 2023)	(Jan. to end of Dec. 2022)
Revenue	56,536,080,271	196,715,168,088	189,709,754,189
Operating income(loss)	1,381,560,155	15,487,363,342	16,842,728,110

Profit (loss) before tax	1,692,099,184	(3,414,632,273)	7,411,822,868
Profit (loss)	1,297,483,694	(6,209,148,335)	3,768,226,016
Total comprehensive income	1,297,483,694	(6,209,148,335)	3,768,226,016
Earnings (loss) per share(won)	61	(511)	502

2. Consolidated Financial Statements

A. Consolidated Financial Statements

The 1Q of 5th Period as of March 31, 2024

The 4th as of December 31. 2023

(Unit: KRW)

	1Q, 5th Period	The 4th Period
Assets		
Current assets	163,648,415,703	196,160,620,640
Cash and cash equivalents	43,923,966,675	110,804,027,217
Trade and other current receivables	3,776,965,172	5,029,548,326
iInventories	99,618,713,393	72,832,348,658
Other current financial assets	3,082,544,337	1,108,455,672
Other current assets	13,246,226,126	6,386,240,767
Non-current assets	55,704,778,851	53,688,991,253
Property, plant and equipment	41,403,743,521	38,975,466,074
Right-of-use assets	2,719,565,403	3,290,788,078
Intangible assets other than goodwill	5,284,479,945	5,157,564,506
Other non-current financial assets	1,902,993,403	3,461,419,476
Deferred tax assets	4,334,204,301	2,768,113,119
Other non-current assets	59,792,278	35,640,000
Total assets	219,353,194,554	249,849,611,893
Liabilities		
Current liabilities	77,647,256,157	110,609,035,013
Trade Payables	27,690,835,176	44,314,664,671
Current borrowings	13,100,000,000	13,100,000,000
Current Long-term borrowings, gross	1,219,920,000	700,000,000
Current tax liabilities	687,892,425	470,076,281

Current provisions	3,525,379,617	3,102,288,220
Other current financial liabilities	7,912,086,123	6,701,074,868
Other current liabilities	22,900,918,233	41,076,189,132
Curent portion of finance lease liabilities	610,224,583	1,144,741,841
Non-current liabilities	10,122,917,188	10,628,317,662
Long-term borrowings, gross	7,649,960,000	8,173,200,000
Non-current lease liabilities	2,250,090,941	2,282,648,324
Other non-current financial liabilities	114,355,573	69,752,911
Long-term provisions for employee benefits	108,510,674	102,716,427
Total liabilities	87,770,173,345	121,237,352,675
Equity		
Equity attributable to owners of parent	130,943,408,473	127,786,772,687
Issued capital	10,623,691,000	10,604,441,000
Capital surplus	115,861,242,806	115,631,982,825
Elements of other stockholder's equity	3,673,544,144	1,736,909,489
Other Comprehensive income/loss accumulated amount	124,735,357	-11,409,478
Retained earnings (deficit)	660,195,166	-175,151,149
Non-controlling interests	639,612,736	825,486,531
Total equity	131,583,021,209	128,612,259,218
Total equity and liabilities	219,353,194,554	249,849,611,893

B. Consolidated Statement of Comprehensive Income

The 1Q of 17th 2024.01.01 - 2024.03.31

The 1Q of 16th 2023.01.01 - 2023.03.31

(Unit: KRW)

	1Q, 5th Period		1Q, 4th Period	
	3 months	Accumulation	3 months	Accumulation
Revenue(Sales)	57,329,186,392	57,329,186,392	73,012,476,124	73,012,476,124
Cost of sales	49,045,935,452	49,045,935,452	61,361,284,290	61,361,284,290
Gross profit	8,283,250,940	8,283,250,940	11,651,191,834	11,651,191,834

Selling general administrative expenses	7,301,351,814	7,301,351,814	4,104,653,940	4,104,653,940
Operating income(loss)	981,899,126	981,899,126	7,546,537,894	7,546,537,894
Other gains	29,347,750	29,347,750	407,703,654	407,703,654
Other losses	119,894,644	119,894,644	896,387	896,387
Finance income	427,950,408	427,950,408	107,234,049	107,234,049
Finance costs	58,023,640	58,023,640	807,046,788	807,046,788
Profit (loss) before tax	1,261,279,000	1,261,279,000	7,253,532,422	7,253,532,422
Tax expense (income)	611,806,480	611,806,480	1,593,778,174	1,593,778,174
Profit (loss)	649,472,520	649,472,520	5,659,754,248	5,659,754,248
Other comprehensive income	136,144,835	136,144,835	25,130,263	25,130,263
Other comprehensive income that will be reclassified to profit or loss, net of tax	136,144,835	136,144,835	25,130,263	25,130,263
Gains (losses) on exchange differences on translation of foreign operations, net of tax	136,144,835	136,144,835	25,130,263	25,130,263
Total comprehensive income	785,617,355	785,617,355	5,684,884,511	5,684,884,511
Profit (loss), attributable to				
Profit (loss), attributable to owners of parent	835,346,315	835,346,315	5,659,754,248	5,659,754,248
Profit (loss), attributable to non-controlling interests	(185,873,795)	(185,873,795)		
Comprehensive income attributable to				
Comprehensive income, attributable to owners of parent	971,491,150	971,491,150	5,684,884,511	5,684,884,511
Comprehensive income, attributable to non-controlling interests	(185,873,795)	(185,873,795)		
Earnings per share				
Basic earnings (loss) per share	39	39	755	755
Diluted earnings (loss) per share	38	38	747	747

C. Consolidated Statement of Changes in Equity

The 1Q of 5th 2024.01.01 - 2024.03.31
The 1Q of 4th 2023.01.01 - 2023.03.31

(Unit: KRW)

Equity								
	Equity attributable to owners of parent [member]						Non-controlling interests	Total equity
	Issued capital	Capital surplus	Elements of other stockholders equity	Other Comprehensive income/loss accumulated amount	Retained earnings	Equity attributable to owners of parent		
Jan. 1, 2023 (Equity at beginning of period)	3,750,000,000	14,079,550,195	492,129,454	(12,391,406)	6,241,576,020	24,550,864,263		24,550,864,263
Profit (loss)					5,659,754,248	5,659,754,248		5,659,754,248
Gains (losses) on exchange differences on translation				25,130,263		25,130,263		25,130,263
Share-based payment transactions, equity			136,552,229			136,552,229		136,552,229
Exercise of stock option								
Mar. 31, 2023 (Equity at end of period)	3,750,000,000	14,079,550,195	628,681,683	12,738,857	11,901,330,268	30,372,301,003		30,372,301,003
Jan. 1, 2024 (Equity at beginning of period)	10,604,441,000	115,631,982,825	1,736,909,489	(11,409,478)	(175,151,149)	127,786,772,687	825,486,531	128,612,259,218
Profit (loss)					835,346,315	835,346,315	(185,873,795)	649,472,520
Gains (losses) on exchange differences on translation				136,144,835		136,144,835		136,144,835
Share-based payment transactions, equity			2,029,027,136			2,029,027,136		2,029,027,136
Exercise of stock option	19,250,000	229,259,981	(92,392,481)			156,117,500		156,117,500
Mar. 31, 2024 (Equity at end of period)	10,623,691,000	115,861,242,806	3,673,544,144	124,735,357	660,195,166	130,943,408,473	639,612,736	131,583,021,209

D. Consolidated Statement of Cash Flows

The 1Q of 5th 2024.01.01 - 2024.03.31

The 1Q of 4th 2023.01.01 - 2023.03.31

(Unit: KRW)

	1Q, 5th Period	1Q, 4th Period
Cash flows from (used in) operating activities	(63,097,350,733)	(4,878,806,556)
cash generated from operations	(63,068,292,662)	(2,919,181,726)
Interest received	314,286,765	8,178,970
Interest paid, classified as operating activities	(297,356,696)	(605,740,798)
Income taxes paid	(45,988,140)	(1,362,063,002)
Cash flows from (used in) investing activities	(3,301,327,590)	(6,183,454,654)
Decrease in loans	6,666,720	3,333,360
Decrease in guarantee deposits	13,829,020	204,201,500
Purchase of long-term financial instruments	(3,150,000)	
Increase in loans	(80,000,000)	(20,000,000)
Increase in guarantee deposits	353,000,265	85,753,908
Purchase of property, plant and equipment	(2,700,588,713)	(6,162,922,406)

Purchase of intangible assets	(185,084,352)	(122,313,200)
Cash flows from (used in) financing activities	(555,594,021)	4,473,866,594
Proceeds from short term borrowings		8,000,000,000
Proceeds from exercise of share options	156,117,500	
Repayments of short term borrowings		(3,000,000,000)
Repayments of long term borrowings	(4,980,000)	
Payments of finance lease liabilities	(706,731,521)	(526,133,406)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(66,954,272,344)	(6,588,394,616)
Effect of exchange rate changes on cash and cash equivalents	74,211,802	89,507,743
Net increase (decrease) in cash and cash equivalents after effect of exchange rate changes	(66,880,060,542)	(6,498,886,873)
Cash and cash equivalents at beginning of period	110,804,027,217	8,499,504,446
Cash and cash equivalents at end of period	43,923,966,675	2,000,617,573

3. Note to the Consolidated Financial Statements

1. General Information

The consolidated financial statements for the reporting period ending on March 31, 2024, consist of the parent company and its subsidiaries (hereinafter referred to as the 'consolidated entity').

(1) Overview of the Parent Company

Phil Energy Co., Ltd. (hereinafter referred to as the 'Parent Company') was established on April 1, 2020, through a spin-off from Phil Optics Co., Ltd. with the business objective of manufacturing automation machinery for secondary battery processes. The headquarters of the Parent Company is located at 1-19, Jigot Central Road, Osan-si, Gyeonggi-do, South Korea

As of March 31, 2024, the Parent Company's capital is 10,624 million KRW, and the major shareholders are as follows

Shareholder name	Number of shares (shares)	Shareholding percentage
Philoptics	10,125,000	47.65%

Shareholder name	Number of shares (shares)	Shareholding percentage
Samsung SDI	3,000,000	14.12%
employee stock ownership association	365,278	1.72%
Others	7,757,104	36.51%
Total	21,247,382	100%

(2) Overview of Subsidiaries

1) Status
the status of the Company's subsidiaries subject to consolidation is as follows.

(Unit : Thousand KRW)

Name of Subsidiaries	Location	End of current quarter	End of previous year	Month ended	Principal operating activities
		Ownership ratio (%)	Ownership ratio (%)		
PHILENERGY-HUNGARY KFT.	Hungary	100	100	December	Maintenance
PHILENERGY U.S.A., INC	U.S.A	100	100	December	Maintenance
DOWON WIZTECH Co., Ltd.	South Korea	50.00125	50.00125	December	Other special purposes machine manufacturing

2) Summary financial information
Summary financial information of consolidated subsidiaries for the current quarter and previous year is as follows

<The current quarter >

(Unit: Thousand KRW)

Company name	Asset	Dept	Capital	Sales	Net Profit and Loss	Total comprehensive income
PHILENERGY-HUNGARY KFT.	2,875,023	2,740,954	134,069	576,026	(67,492)	(67,492)
PHILENERGY U.S.A., INC	1,332,878	72,667	1,260,211	-	(87,936)	(87,936)
DOWON WIZTECH Co., Ltd.	3,947,139	2,728,294	1,218,845	1,041,160	(432,170)	(432,170)

<Previous year>

(Unit: Thousand KRW)

Company name	Asset	Dept	Capital	Sales	Net Profit and Loss	Total comprehensive income
PHILENERGY-HUNGARY KFT.	2,173,088	2,110,040	63,049	610	(210,062)	(210,062)
PHILENERGY U.S.A., INC	1,330,360	38,508	1,291,853	-	2,483	2,483
DOWON WIZTECH Co., Ltd.	4,721,512	3,070,498	1,651,014	-	-	-

The above summary financial information is the amount after taking into account adjustments in accounting policies with the parent company, but before eliminating internal transactions.

2. Significant Accounting Policies

The following are the significant accounting policies applied in the preparation of the financial

statements. Unless otherwise stated, these policies have been consistently applied to the periods presented.

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2.1 Standards for Financial Statements Preparation

The condensed consolidated financial statements for the three-month period ending March 31, 2024, have been prepared in accordance with Korean Accounting Standard No. 1034, 'Interim Financial Reporting.' These condensed consolidated financial statements have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) effective as of March 31, 2024, or adopted early

The financial statements of the consolidated entity are separate financial statements prepared in accordance with Korean Accounting Standard No. 1027, 'Separate Financial Statements.' Investments in subsidiaries, joint ventures, and associates are measured at cost based on direct equity investments, and dividends received from subsidiaries, joint ventures, and associates are recognized in profit or loss at the point when the right to receive the dividend is established.

2.1.1 Adoption of New/Revised Standards and Interpretations
The consolidated entity has adopted the following new and amended standards and interpretations from the beginning of the accounting period on January 1, 2024.

(1) K-IFRS No. 1001, 'Indication of Financial Statement' (Revised) - Disclosure of an 'Accounting Policy'
Important accounting policy information (important accounting policy information refers to the level of influence on the decision-making of major users of the consolidated financial statements when considered together with other information included in the consolidated financial statements) was defined and disclosed. The revision of the standard does not have a significant impact on the consolidated financial statements.

(2) K-IFRS No. 1008, 'Accounting Policies and the Change and Errors of Accounting Estimates' - Definition of 'Accounting Estimates'
The amendment clarifies the definition of accounting estimates and distinguishes them from changes in accounting policies.
The revision of the standard does not have a significant impact on the consolidated financial statements.

(3) K-IFRS No. 1012 'Corporate Income Taxes' - Deferred Income Taxes for Assets and Liabilities Arising from Single Transactions
The amendment adds a condition that assets or liabilities should not generate temporary differences to be recognized simultaneously with the initial recognition of the transaction in order to qualify as an exception to the initial recognition requirements for assets or liabilities The revision of the standard does not have a significant impact on the consolidated financial statements.

(4) K-IFRS No. 1008 'Insurance Contract'
Corporate Accounting Standard No. 1117 'Insurance Contracts' replaces Corporate Accounting Standard No. 1104 'Insurance Contracts'. It requires that all cash flows under insurance contracts be estimated, and insurance liabilities be measured using a discount rate that reflects the assumptions and risks at the reporting date. Moreover, it requires that revenue is recognized on an accrual basis, reflecting the services (insurance coverage) provided to the policyholder for each fiscal year. It also excludes investment elements (surrender/maturity refunds) paid to policyholder regardless of the occurrence of insurance events from insurance income and clearly distinguishes between insurance profit and investment profit to allow information users to verify the sources of profit This standard is applied from the first fiscal year beginning on January 1, 2023. Companies that have applied Corporate Accounting Standard No. 1109 'Financial

Instruments' are allowed to apply this standard early. The Company does not anticipate significant effects on the financial statements due to this revision.

(5) Corporate Accounting Standard No. 1001 'Financial Statement Presentation' - Disclosure of the Valuation Profit and Loss of Financial Liabilities with an Exercise Price Adjustment Condition

In cases where all or part of financial instruments with conditions that adjust the exercise price according to the issuer's stock price fluctuations are classified as financial liabilities, it is stipulated that the book amount of the financial liability and the related profit or loss should be disclosed. This revision is applied from the fiscal year beginning on January 1, 2023, and early application is permitted. The Company does not anticipate significant effects on the financial statements due to this revision

2.1.2 Enactment/amendment standards and interpretations not applied by the company

The enacted or amended standards and interpretations that have been enacted or published, but have not been applied because the effective date has not arrived are as follows:

(1) K-IFRS No. 1001, 'Indication of Financial Statement' (Revised)- - Classification of Liabilities as Current or Non-current
Liabilities are classified as current or non-current based on the rights that exist at the end of the reporting period, without considering the exercise possibility of the right to defer payment or management's expectations. Furthermore, the transfer of equity instruments as part of the settlement of liabilities is included. However, if an option exists within a compound financial instrument to settle the liability by transferring equity instruments, and this option meets the definition of an equity instrument, the liability is recognized separately and not as part of the equity instrument. In addition, covenants that a company must comply with after the end of the reporting period do not affect the classification of the liability, and if liabilities that must comply with covenants within 12 months after the reporting period are classified as non-current liabilities, the debt must be repaid within 12 months after the reporting period. Information about possible risks must be disclosed. This amendment is effective for fiscal years beginning on or after January 1, 2024, and early application is permitted. The consolidated company is reviewing the impact of this revision on its consolidated financial statements

2.2 Accounting Policy
The significant accounting policies and measurement methods applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the prior year's financial statements, except for changes resulting from the application of the standards and amendments described in Note 2.1.1 and the matters explained in the following paragraphs.

2.2.1 Corporate Tax
The income tax expense for the interim period is calculated by applying the best estimate of the weighted average annual tax rate, that is, the estimated average annual effective tax rate, to the pre-tax income for the interim period.

3. Major Accounting Estimates and Assumptions
The preparation of financial statements requires the use of assumptions and estimates about the future, and management's judgment is required to apply the Company's accounting policies. These estimates and assumptions are continually evaluated and are based on reasonable predictions of future events considering the past experience and current circumstances. The

results of accounting estimates may deviate from actual results, and therefore, they inherently carry significant risks that could lead to major adjustments.
The following are management's estimates and assumptions regarding items that could impact the adjustment of asset and liability book values in the next accounting year. Additional information concerning significant judgments and estimates for specific items is disclosed in the individual notes.

4. Risk Management

The consolidated company is exposed to various financial risks, including market risks such as interest rate risk, foreign exchange risk, and price risk related to financial instruments, as well as credit risk and liquidity risk. Risk management of the consolidated company aims to identify potential risks affecting its financial performance and to reduce, eliminate, or mitigate these risks to levels acceptable to the company. The consolidated company has established risk management policies and procedures at the corporate level to oversee risk management activities, and the financial department of the consolidated company is responsible for overall risk management. Additionally, internal audit of the consolidated company continuously reviews compliance with risk management policies and procedures and monitors risk exposure limits. The overall financial risk management strategy of the consolidated company remains consistent with the previous fiscal year.

(1) Market risk
Market risk refers to the risk of changes in market prices causing fluctuations in the fair value of financial instruments' future cash flows. The objective of market price management is to optimize returns while managing and controlling market risk exposure within acceptable limits. Market risk comprises three types of risks: interest rate risk, foreign exchange risk, and price risk. The primary financial products affected by market risk include borrowings and deposits.

The carrying amounts of borrowings exposed to interest rate fluctuation risk for the consolidated company as of the end of the current quarter and the end of the previous year are as follows..

(Unit: Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Variable-rate borrowings	21,669,880	21,673,200

A. Interest rate risk

Interest rate risk is the risk that changes in market interest rates will cause fluctuations in the fair value or future cash flows of financial instruments. The consolidated company is exposed to interest rate fluctuation risk associated with variable-rate long-term borrowings. Accordingly, the company's management periodically reviews the status of interest rates to maintain an appropriate balance between fixed-rate and variable-rate borrowings.

As of the end of the reporting period, assuming all other variables remain constant, the impact on interest income and interest expense for one year due to a 100 basis point change in interest rates on variable-rate borrowings and deposits is as follows.

(Unit: Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Interest expense	502,982	(502,982)	502,982	502,982

B. Foreign exchange risk

Foreign exchange risk is the risk that changes in exchange rates will cause fluctuations in the fair value of financial instruments' future cash flows. The consolidated company is exposed to foreign exchange risk due to its operating activities (when revenue or expenses are denominated in currencies other than the company's functional currency). The company manages foreign exchange risk to minimize the risk associated with fluctuations in exchange rates of foreign currency-denominated assets and liabilities, aiming to achieve financial stability and predictable management through sound financial structure and risk management practices.

The impact of exchange rate fluctuations against the Korean won on pre-tax net income, assuming all other variables remain constant, as of the end of the current quarter and the end of the previous quarter is as follows.

(Unit: Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	10% increase	10% decrease	10% increase	10% decrease
USD	139,216	(139,216)	126,222	(126,222)
EUR	259,266	(259,266)	465,049	(465,049)
HUF	115,734	(115,734)	50,717	(50,717)
CNH	1	(1)	1	(1)

The sensitivity analysis above pertains to foreign currency-denominated monetary assets and liabilities other than the functional currency of the consolidated company as of the end of the reporting period.

The carrying amounts of monetary assets and monetary liabilities denominated in foreign currency as of the end of the current quarter and the end of the previous quarter are as follows

(Unit: Thousand KRW)

Currency	the end of the current quarter		the end of the previous year	
	Asset	Debt	Asset	Debt
USD	1,446,991	54,831	1,262,219	-
EUR	2,592,663	-	4,650,489	-
HUF(*)	1,182,828	25,484	534,502	27,335
CNH	13	-	13	-
Total	5,222,495	80,315	6,447,223	27,335

(*)The currency unit of Hungary is the Forint.

C. Price risk

Price risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, excluding interest rate risk or foreign exchange risk. The impact of such risk on the consolidated company is not significant.

(2) Credit risk

Credit risk is managed at the Company-wide level. It encompasses not only the credit risk associated with trade receivables, including those from wholesale and retail customers, but also cash and cash equivalents, contractual cash flows of financial liabilities, favorable derivative instruments, and financial institution deposits. For financial institutions such as banks, the credit risk from these entities is limited as the Company deals with institutions with excellent credit ratings. For general counterparties, their creditworthiness is evaluated based on factors such as their financial condition and past experience. Individual risk limits are determined based on internally or externally assigned credit ratings, and the utilization of credit limits is periodically reviewed.

The book values of financial assets represent the maximum exposure to credit risk. The exposure to credit risk at the end of the current quarter and previous period is as follows:

(Unit: Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Cash and Cash Equivalents	43,923,967	110,804,027
Trade and Other Receivables (*)	3,776,965	5,029,548
Other Current Financial Assets	3,082,544	1,108,456

Classification	the end of the current quarter	the end of the previous year
Other Non-Current Financial Assets	1,902,993	3,461,419
Total	52,686,469	120,403,450

(*) Contract assets are included in trade receivables.

(3) Liquidity Risk

Cash flow forecasting is performed by the accounting team of the consolidated company. The accounting team continuously monitors liquidity forecasts to ensure that unused borrowing limits are maintained at appropriate levels and that operational funding needs are met, thereby preventing any breaches of borrowing limits or covenants.

The details of the consolidated company's financial liabilities, classified by maturity based on the remaining period from the end of the current quarter and the previous year-end to the contractual maturity date, are as follows. The cash flows shown in the table are undiscounted amounts.

<The end of the current quarter>

(Unit: Thousand KRW)

Classification	Less than 1 Year	More than 1 Year and Less than 2 Years	More than 2 Years and Less than 5 Years	Total
Trade and Other Payables (*)	32,471,172	114,356	-	-
Borrowings	14,604,807	621,609	9,185,583	-
Lease Liabilities	839,739	543,784	1,103,825	1,162,700
Total	47,915,718	1,279,749	10,289,408	1,162,700

(*) Liabilities not related to financial debts such as employee benefits are excluded.

<The end of the previous year>

(Unit: Thousand KRW)

Classification	Less than 1 Year	More than 1 Year and Less than 2 Years	More than 2 Years and Less than 5 Years	Total
Trade and Other Payables (*)	48,003,862	69,753	-	-
Borrowings	14,787,557	629,184	9,302,383	-
Lease Liabilities	1,292,878	605,654	1,129,564	1,247,000
Total	64,084,297	1,304,591	10,431,947	1,247,000

(*) Liabilities not related to financial debts such as employee benefits are excluded.

(4) Capital Risk Management

The primary objective of capital management is to maintain the operational activities of the consolidated company and maximize shareholder value by sustaining high credit ratings and healthy capital ratios. The consolidated company adjusts its capital structure in response to changes in the economic environment and evaluates the adequacy of the capital structure in response to changes in the business environment. It regularly reviews dividend policies, external capital raising and repayment, share buybacks, and the need for capital increases. During the current quarter, there have been no changes to the objectives, policies, and procedures of capital management.

The current and previous period's debt-to-equity ratio and net debt-to-equity ratio are as follows.

(Unit: Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Debt (A)	87,770,173	121,237,353
Equity (B)	131,583,021	128,612,259
Cash and Cash Equivalents (C)	43,923,967	110,829,211
Borrowings (D)	24,830,196	25,400,590
Debt-to-Equity Ratio (A/B)	66.70%	94.27%
Net Debt-to-Equity Ratio ((D-C)/B) (*)	-14.51%	-66.42%

(*1) The amount of lease liabilities under K-IFRS 1116 at the end of the current interim period and the end of the prior year are 2,860 million KRW and 3,428 million KRW, respectively.

5. Fair Value

During the current quarter, there have been no significant fluctuations in the business environment or economic conditions that would impact the fair value of the consolidated company's financial assets and financial liabilities.

(1) The book value and fair value details of financial instruments are as follows:

(Unit: Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	Book value	Fair value	Book value	Fair value
Financial Assets:				
Recognized at Amortized Cost				
- Cash and cash equivalents	43,923,967	43,923,967	110,804,027	110,804,027
- Trade and other receivables (*1)	3,776,965	3,776,965	5,029,548	5,029,548
- Other financial assets	4,985,538	4,985,538	4,569,875	4,569,875
Subtotal of Recognized at Amortized Cost	52,686,470	52,686,470	120,403,451	120,403,451
Total Financial Assets	52,686,470	52,686,470	120,403,451	120,403,451
Financial Liabilities				
The Financial liabilities recognized at amortized cost				
- Borrowings (Current)	13,100,000	13,100,000	13,100,000	13,100,000
- Current Portion of Long-Term Borrowings	1,219,920	1,219,920	700,000	700,000
- Long-Term Borrowings	7,649,960	7,649,960	8,173,200	8,173,200
- Trade and other payables (*2)	32,585,528	32,585,528	48,073,615	48,073,615
Subtotal of Financial liabilities recognized at amortized cost	54,555,408	54,555,408	70,046,815	70,046,815

Classification	the end of the current quarter		the end of the previous year	
	Book value	Fair value	Book value	Fair value
Total Financial Liabilities	54,555,408	54,555,408	70,046,815	70,046,815
Lease Liabilities				
- Lease Liabilities	2,860,316	2,860,316	3,427,390	3,427,390

(*1) Trade receivables include the amount of contract assets
(*2) Liabilities not related to financial debts, such as employee-related liabilities, are excluded

6. Categorized Financial Products

(1) At the end of the current quarter and the previous quarter, the categorization of financial products is as follows:

A. Asset

(Unit: Thousand KRW)

Assets on the Balance Sheet	the end of the current quarter	the end of the previous year
Amortized Cost Financial Assets		
Trade and Other Receivables (*)	3,776,965	5,029,548
Other Financial Assets	4,985,538	4,569,875
Cash and Cash Equivalents	43,923,967	110,804,027
Total	52,686,470	120,403,450

(*) Trade Receivables include Contract Assets.

B. Liabilities

(Unit: Thousand KRW)

Assets on the Balance Sheet	the end of the current quarter	the end of the previous year
Amortized Cost Financial Liabilities		

Assets on the Balance Sheet	the end of the current quarter	the end of the previous year
Accounts Payable	27,690,835	44,314,665
Other Financial Liabilities (Current and Non-current) (*)	4,894,693	3,758,951
Borrowings (Current)	13,100,000	13,100,000
Borrowings (Non-current)	1,219,920	700,000
Long-term Borrowing	7,649,960	8,173,200
Total	54,555,408	70,046,816
Others		
Lease Liabilities (Current)	610,225	1,144,742
Lease Liabilities (Non-current)	2,250,091	2,282,648
Total	2,860,316	3,427,390
Subtotal	57,415,724	73,474,206

(*) Liabilities not related to financial debts, such as employee-related liabilities, are excluded

(2) At the end of the current quarter and the previous quarter, the categorization of financial products is as follows:

< The end of the current quarter >

(Unit : Thousand KRW)

Classification	Financial Assets at Fair Value Through Profit or Loss	Financial Liabilities at Fair Value Through Profit or Loss	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Lease Liabilities	Total
Foreign currency translation gain	-	-	70,179	-	-	70,179
Foreign currency translation loss	-	-	1,087	86	-	1,173
Foreign exchange gain	-	-	35,187	2,966	-	38,153
Foreign exchange loss	-	-	24,682	1,121	-	25,803

Classification	Financial Assets at Fair Value Through Profit or Loss	Financial Liabilities at Fair Value Through Profit or Loss	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Lease Liabilities	Total
Interest income	-	-	319,618	-	-	319,618
Interest expense	-	-	-	(356,539)	59,202	(297,337)

< The end of the previous year >

(Unit : Thousand KRW)

Classification	Financial Assets at Fair Value Through Profit or Loss	Financial Liabilities at Fair Value Through Profit or Loss	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Lease Liabilities	Total
Foreign currency translation gain	-	-	85,157	-	-	85,157
Foreign currency translation loss	-	-	-	367	-	367
Foreign exchange gain	-	-	4,398	3,743	-	8,141
Foreign exchange loss	-	-	868	3,330	-	4,198
Interest income	-	-	13,937	-	-	13,937
Interest expense	-	-	-	744,705	57,777	802,482

7. Cash and Cash Equivalents

At the end of the current quarter and the previous quarter, the details of cash and cash equivalents are as follows:

(Unit: Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Cash	2,751	1,891
Demand Deposits	43,921,215	110,802,136
Total	43,923,966	110,804,027

8. Accounts Receivable and Other Receivables

(1) At the end of the current quarter and the previous quarter, the details of accounts receivable are as follows:

(Unit: Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Accounts Receivable	975,012	3,056,613
Contract Assets	1,577,657	1,577,657
Allowance for Doubtful Accounts	-	-
Net Accounts Receivable	2,552,669	4,634,270

(2) At the end of the current quarter and the previous quarter, the details of other receivables are as follows:

(Unit: Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Accrued Income	15,905	10,574
Accounts Receivable	1,208,391	384,704
Total	1,224,296	395,278

(3) At the end of the current quarter and the previous quarter, the aging analysis and impairment recognition details for accounts receivable are as follows:

(Unit: Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	Accounts Receivable	Other Receivables	Accounts Receivable	Other Receivables
Less than 3 months	2,322,518	1,224,296	4,217,881	395,278
3 months to 6 months	-	-	171,155	-
6 months to 9 months	173,258	-	245,234	-

Classification	the end of the current quarter		the end of the previous year	
	Accounts Receivable	Other Receivables	Accounts Receivable	Other Receivables
More than 1 year	56,892	-	-	-
Total	2,552,668	1,224,296	4,634,270	395,278

(4) The changes in the allowance for doubtful accounts for accounts receivable during the current and previous quarters are as follows:

(Unit: Thousand KRW)

Classification	Accounts receivables	Other receivables
Beginning Allowance for Doubtful Accounts	-	-
Bad Debt Expense (Reversal)	-	-
Ending Allowance for Doubtful Accounts	-	-

9. Other Current Assets and Other Non-current Assets

At the end of the current quarter and the previous quarter, the details of other current assets and other non-current assets are as follows:

(Unit: Thousand KRW)

Classification	Amount	
	the end of the current quarter	the end of the previous year
Current:		
Prepayments	9,219,950	6,182,810
Prepaid Expenses	171,740	169,495
Value-added Tax Refundable	3,854,536	33,937
Subtotal	13,246,226	6,386,242
Non-current:		

Classification	Amount	
	the end of the current quarter	the end of the previous year
Long-term Prepaid Expenses	59,792	35,640
Subtotal	59,792	35,640
Total	13,306,018	6,421,882

10. Other Financial Asset

At the end of the current quarter and the previous quarter, the details other finanacial asset is as follows:

(Unit : Thousand KRW)

Classification	Types	Counterparty	the end of the current quarter		the end of the previous year	
			Current	Non-current	Current	Non-current
Loans	loans	executives and employees	40,834	494,407	47,500	414,407
	allowance for doubtful accounts	-	-	(19,292)	-	(19,292)
Other financial instrument	fixed deposit	Korea Securities Finance Corporation	604,000	-	604,000	-
	corporate insurance	Kyobo Life Insurance	-	9,111	-	5,961
rental deposit	accommodation deposit, Etc.	-	2,437,711	1,390,236	456,955	3,044,762
Other deposit	facility management deposit, Etc.	-	-	28,532	-	15,582
Total			3,082,545	1,902,994	1,108,455	3,461,420

(2) The details of the deposits currently provided as collateral as of the end of this quarter are as follows :

(Unit : Thousand KRW)

classification	collateral provider	Collateral asset	the end of the current quarter	the end of the previous quarter	details of limitations
Short-term financial instrument	Korea Securities Finance Corporation	fixed deposit	604,000	604,000	collateral for loans used to acquire employee stock ownership

classification	collateral provider	Collateral asset	the end of the current quarter	the end of the previous quarter	details of limitations
total			604,000	604,000	

11. Inventories

At the end of the current quarter and the previous quarter, the details of inventories are as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter			the end of the previous year		
	Acquisition Cost	Allowance	Book Value	Acquisition Cost	Allowance	Book Value
Raw Materials	33,434,988	(186,598)	33,248,390	7,963,950	(304,524)	7,659,426
Work in Progress	69,288,805	(2,918,482)	66,370,323	68,436,613	(3,263,690)	65,172,923
Total	102,723,793	(3,105,080)	99,618,713	76,400,563	(3,568,214)	72,832,349

In the current quarter, the consolidated company recognized an inventory valuation loss of 463 million KRW (previous quarter: 760 million KRW) based on the net realizable value of inventory. This loss was included in the 'Cost of Sales' in the income statement.

12. Tangible Assets

(1) The changes in the book value of tangible assets for the current and previous quarters are as follows:

< The current quarter >

(Unit : Thousand KRW)

Classification	Land	Building	Structures	Machinery	Vehicles	Tools and Equipment	Equipment	Site Under Construction	Total
Acquisition Cost:									
Beginning Amount	4,510,812	1,531,715	-	3,533,752	557,964	375,952	1,092,505	28,356,322	39,959,022
Acquisition Amount	-	-	-	2,137	275,629	107,915	294,112	2,020,795	2,700,589
Disposal Amount	-	-	-	-	-	-	-	-	-
Replacement Amount	-	-	-	-	-	-	-	68,955	68,955
Exchange Difference	-	(16,426)	-	(17)	3,530	-	(103)	(1,329)	(14,345)
Changes due to Business Acquisition	-	-	-	-	-	-	-	-	-
Ending Amount	4,510,812	1,515,289	-	3,535,872	837,123	483,867	1,386,514	30,444,744	42,714,221

Classification	Land	Building	Structures	Machinery	Vehicles	Tools and Equipment	Equipment	Site Under Construction	Total
Accumulated Depreciation and Impairment Loss									
Beginning Amount	-	5,004	-	85,640	256,014	125,493	511,405	-	983,556
Disposal Amount	-	-	-	-	-	-	-	-	-
Depreciation Expense (*1)	-	30,552	-	176,535	39,116	21,858	58,973	-	327,033
Replacement Amount	-	-	-	-	-	-	-	-	-
Impairment Loss	-	(300)	-	(10)	425	-	(227)	-	(112)
Exchange Difference	-	-	-	-	-	-	-	-	-
Changes due to Business Acquisition	-	35,257	-	262,165	295,555	147,350	570,150	-	1,310,477
Book value									
Beginning Amount	4,510,812	1,526,711	-	3,448,112	301,950	250,459	581,101	28,356,322	38,975,466
Ending Amount	4,510,812	1,480,033	-	3,273,707	541,568	336,517	816,363	30,444,744	41,403,744

<The previous year>

(Unit : Thousand KRW)

Classification	Land	Building	Structures	Machinery	Vehicles		Tools and Equipment	Equipment	Site Under Construction	Total
Acquisition Cost:										
Beginning Amount	4,510,812	-	-	27,200	344,837		213,148	782,555	6,914,181	12,792,732
Acquisition Amount	-	1,531,715	-	229,400	169,773		162,804	293,553	21,550,403	23,937,649
Disposal Amount	-	-	-	-	(22,529)		-	-	-	(22,529)
Replacement Amount	-	-	-	3,277,152	-		-	-	(108,262)	3,168,890
Exchange Difference	-	-	-	-	-		-	657	-	657
Changes due to Business Acquisition	-	-	-	-	65,884		-	15,739	-	81,623
Ending Amount	4,510,812	1,531,715	-	3,533,752	557,964		375,952	1,092,505	28,356,322	39,959,022
Accumulated Depreciation and Impairment Loss										
Beginning Amount	-	-	-	27,198	198,671		68,949	335,435	-	630,253
Disposal Amount	-	-	-	-	(17,265)		-	-	-	(17,265)

Classification	Land	Building	Structures	Machinery	Vehicles		Tools and Equipment	Equipment	Site Under Construction	Total
Depreciation Expense (*1)	-	4,964	-	58,442	60,478		56,543	173,294	-	353,722
Replacement Amount	-	-	-	-	-		-	-	-	-
Impairment Loss	-	40	-	-	3		-	500	-	543
Exchange Difference	-	-	-	-	14,127		-	2,176	-	16,303
Changes due to Business Acquisition	-	5,004	-	85,640	256,014		125,493	511,405	-	983,556
Book value										
Beginning Amount	4,510,812	-	-	2	146,166		144,199	447,120	6,914,181	12,162,479
Ending Amount	4,510,812	1,526,711	-	3,448,112	301,950		250,459	581,101	28,356,322	38,975,466

(2) The amounts by account category that include depreciation expenses are as follows :

(Unit : Thousand KRW)

	the end of the current quarter	the end of the previous quarter
COGS	46,436	21,275
SG&A	85,990	27,870
R&D expenses	194,607	9,027
total	327,033	58,172

(3) The details of the publicly announced land prices as of the end of this quarter are as follows :

(Unit : Thousand KRW)

	area(㎡)	Book value	Fair value
424-6, Segyo-dong, Osan-si	2,395.5	2,659,025	933,047
424-9, Segyo-dong, Osan-si	134.5	149,320	55,011
512-5, Segyo-dong, Osan-si	1,533.5	1,702,467	597,298
total	4,063.5	4,510,812	1,585,356

(4) During the current quarter, the capitalized borrowing costs for qualifying tangible assets amount to 328 million KRW, and the capitalization rate used to determine the capitalizable borrowing costs is 6.32%

(5) The details of the assets provided as collateral for the liabilities of the consolidated entity as of the end of this quarter are as follows:

(Unit : Thousand KRW)

collateral assets	Accounts	Book value	collateral amount	Related liabilities	amount of loan drawn	collateral holder
Segyo-dong, Osan-si 424-6 Segyo-dong, Osan-si 424-9 Segyo-dong, Osan-si 512-5	Land	4,510,812	9,600,000	Short-term borrows	8,000,000	Kookmin Bank

13. Intangible asset

(1) The composition of intangible assets for the consolidated entity as of the end of the current quarter and the end of the previous quarter is as follows :

(Unit : thousand KRW)

Account categories		the end of the current quarter					the end of the previous year				
		Acquisition Cost	Accumulated Depreciation	Government Subsidies	Accumulated Impairment Losses	Book Value	Acquisition Cost	Accumulated Depreciation	Government Subsidies	Accumulated Impairment Losses	Book Value
Limited Lifetime	Software	1,056,641	(464,411)	(9,503)	-	582,727	871,557	(418,464)	(11,180)	-	441,913
	Patents	76,000	(4,524)	-	-	71,476	76,000	(1,810)	-	-	74,190
	Other Intangible Assets	290,410	(166,400)	(18,830)	-	105,180	290,410	(151,893)	(22,153)	-	116,364
비한정내용년수	Membership Rights	2,987,187	-	-	(136,687)	2,850,500	2,987,187	-	-	(136,687)	2,850,500
	Business Rights	1,674,597	-	-	-	1,674,597	1,674,597	-	-	-	1,674,597
Total		6,084,835	(635,335)	(28,333)	(136,687)	5,284,480	5,899,751	(572,167)	(33,333)	(136,687)	5,157,564

(2) The changes in intangible assets of the consolidated company are as follows.

< The current quarter >

(Unit : thousand KRW)

Classification	Beginning of Period	Acquisition	Replacement (*1)	Business Combination	Intangible Assets Depreciation Expense (*2)	Impairment Loss	Government Subsidies Derpeciation	End of Period
Software	441,913	185,084	-	-	(45,947)	-	1,677	582,727
Patents	74,190	-	-	-	(2,714)	-	-	71,476
Other Intangible Assets	116,364	-	-	-	(14,507)	-	3,323	105,180
Membership Rights	2,850,500	-	-	-	-	-	-	2,850,500
Business Rights	1,674,597	-	-	-	-	-	-	1,674,597
total	5,157,564	185,084	-	-	(63,169)	-	5,000	5,284,480

< The previous year >

(Unit : thousand KRW)

Classification	Beginning of Period	Acquisition	Replacement (*1)	Business Combination	Intangible Assets Depreciation Expense (*2)	Impairment Loss	Government Subsidies Derpeciation	End of Period
Software	332,869	246,059	-	-	(143,724)	-	6,708	441,913
Patents	-	76,000	-	-	(1,810)	-	-	74,190
Other Intangible Assets	143,238	16,000	-	-	(56,166)	-	13,292	116,364
Membership Rights	-	2,987,187	-	-	-	(136,687)	-	2,850,500
Business Rights	-	-	-	1,674,597	-	-	-	1,674,597
total	476,107	3,325,246	-	1,674,597	(201,700)	(136,687)	20,000	5,157,564

14. Lease

If the company is the lessee in a lease agreement, the information regarding the lease is as follows:

(1) The amount recognized in the balance sheet

The amount recognized in the balance sheet related to leases is as follows:

(Unit: Thousand KRW)

Classification	The end of the current quarter	The end of the previous year
Right-of-use assets		
Real estate	2,504,715	3,038,237
Vehicle transportation equipment	214,850	252,551
Total	2,719,565	3,290,788

The amount recognized in the balance sheet related to leases liabilities is as follows:

(Unit: Thousand KRW)

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Lease liability	610,225	2,250,091	1,144,742	2,282,648

(2) The amount recognized in the income statement

The amount recognized in the income statement related to leases is as follows.

(Unit: Thousand KRW)

Classification	The current quarter	The previous year
Amortization expense of right-of-use assets		
Real estate	587,548	411,924
Vehicle transportation equipment	64,130	72,652
Total	651,678	484,576
Interest expense on lease liabilities (included in financial costs)	59,202	57,777

Classification	The current quarter	The previous year
Short-term lease payments (included in cost of sales and administrative expenses)	164,752	216,227
Low-value lease payments not in short-term leases (included in administrative expenses)	4,393	1,920

15. Accounts Payable and Other Financial Liabilities

The details of accounts payable and other financial liabilities as of the end of the current quarter and the end of the previous period are as follows.

(Unit : Thousand KRW)

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Purchases on Credit	27,690,835	-	44,314,665	-
Accounts Payable	7,012,511	114,356	6,201,424	69,753
Accrued Expenses	899,575	-	499,651	-
Total	35,602,921	114,356	51,015,740	69,753

16. Other Current Liabilities

The details of other current liabilities as of the end of the current quarter and the end of the previous period are as follows.

(Unit : Thousand KRW)

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Deposits	451,725	-	576,662	-
Value Added Tax Receivable	86,634	-	2,756,703	-
Contract Liabilities	22,269,861	-	37,742,824	-

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Prepayments	92,698	-	-	-
long-term employee benefits liability	-	108,511	-	102,716
total	22,900,918	108,511	41,076,189	102,716

17. Borrowings

(1) The details of short-term borrowings as of the end of the current quarter and the end of the previous period are as follows.

(Unit : Thousand KRW)

Classification	Borrower	Description	Annual Interest Rate (%)	Maturity Date	The end of the current quarter	The end of the previous year
Short-term borrowings	Hana Bank	Operating Capital Loan	2024-05-24	5.640%	1,000,000	1,000,000
	Kook Min Bank	Operating Capital Loan	2024-09-14	5.210%	12,000,000	12,000,000
	Industrial Bank of Korea	Working Capital Revolving Loan for Small and Medium Enterprises	2024-05-15	7.080%	100,000	100,000
total					13,100,000	13,100,000

(2) The details of long-term borrowings as of the end of the current quarter and the end of the previous fiscal year are as follows.

(Unit : Thousand KRW)

Classification	Borrower	Description	Annual Interest Rate (%)	Maturity Date	The end of the current quarter	The end of the previous year
Long-term borrowings	Korea Development Bank	Facility Financing Loan	2028-10-14	5.840%	8,000,000	8,000,000
Long-term borrowings	Industrial Bank of Korea	Loans for small and medium-sized enterprises	2025-09-05	6.162%	49,880	53,200

Classification	Borrower	Description	Annual Interest Rate (%)	Maturity Date	The end of the current quarter	The end of the previous year
Long-term borrowings	Industrial Bank of Korea	Loans for small and medium-sized enterprises	2025-09-05	6.162%	60,000	60,000
Long-term borrowings	Industrial Bank of Korea	Loans for small and medium-sized enterprises	2025-09-05	6.162%	60,000	60,000
Long-term borrowings	Industrial Bank of Korea	Loans for small and medium-sized enterprises	2024-09-13	4.710%	500,000	500,000
Long-term borrowings	Industrial Bank of Korea	Loans for small and medium-sized enterprises	2024-05-16	6.529%	200,000	200,000
Less: Current portion of long-term borrowings					(1,219,920)	(700,000)
total					7,649,960	8,173,200

(3) The repayment schedule for long-term borrowings as of the end of the current quarter is as follows.

(Unit : Thousand KRW)

The year	Amount
2024/04/01~2025/03/31	1,219,920
2025/04/01~2026/03/31	2,149,960
2026/04/01~2027/03/31	2,000,000
2027/04/01~2028/03/31	2,000,000
2028/04/01~2029/03/31	1,500,000
Total	8,869,880

18. Defined contribution plan

In the current quarter, the total amount recognized as expenses related to the defined contribution plan is 361 million won, broken down as follows: 98 million won in selling and administrative expenses, 57 million won in R&D expenses, and 206 million won in manufacturing expenses. This represents an increase from the previous quarter's total of 280 million won.

19. Corporate income tax expense

(1) The composition of the corporate income tax expense for the consolidated entity for the current and previous quarters is as follows :

(Unit : Thousand KRW)

Classifiacation	The end of the current quarter	The end of the previous quarter
current tax expense :		
current tax expense on current period profit	263,805	2,045,808
Subtotal	263,805	2,045,808
deferred income tax :		
change in temporary differences	(1,566,091)	(425,825)
income tax expense directly recognized in equity	1,914,093	(26,205)
Subtotal	348,001	(452,030)
corporate tax expense	611,806	1,593,778

(2) The income tax expense has been calculated by considering adjustments recognized in the current period for income tax on prior periods, deferred income tax expense (income) arising from the occurrence and reversal of temporary differences, and income tax expense (income) related to items recognized outside of current period profit or loss. The average effective tax rate for the current period's income tax expense is 48.5%.

20. other provisions

The changes in other provisions for the current and previous periods are as follows :

< The current quarter >

(Unit : Thousand KRW)

classification	beginning of the current quarter	transfer-in	usage amount	end of the current quarter
warranty provision	3,102,288	2,035,538	(1,612,446)	3,525,380
total	3,102,288	2,035,538	(1,612,446)	3,525,380

<The previous year>

(Unit : Thousand KRW)

classification	beginning of the previous fiscal year	transfer-in	usage amount	end of the previous fiscal year
warranty provision	7,034,144	(2,673,879)	1,257,977	3,102,288
total	7,034,144	(2,673,879)	1,257,977	3,102,288

21. Equity

(1) As of the end of the current quarter and the end of the previous fiscal year, the details of common stock capital are as follows:

(Unit : Stocks, KRW, Thousand KRW)

Classification	The end of the current quarter	The end of the previous year
Number of shares to be issued	50,000,000	50,000,000
Number of shares issued (*1)	21,247,382	21,208,882
Amount per share	500	500
Common stock capital	10,623,691	10,604,441

(2) As of the end of the current quarter and the end of the previous fiscal year, the details of retained earnings, other components of equity, and accumulated earnings are as follows:

(Unit : Thousand KRW)

Classification	The end of the current quarter	The end of the previous year
Additional paid-in capital		
Additional paid-in capital	115,861,243	115,631,983
Subtotal	115,861,243	115,631,983
Other components of equity		
Stock acquisition rights	3,673,544	1,736,909

Classification	The end of the current quarter	The end of the previous year
Subtotal	3,673,544	1,736,909
Accumulated other comprehensive income		
Foreign operations translation differences	124,735	(11,409)
Subtotal	124,735	(11,409)
Retained earnings		
Unappropriated retained earnings	660,195	(175,151)
Subtotal	660,195	(175,151)
Non-controlling	639,613	825,487
Subtotal	639,613	825,487

22. Stock-based compensation

(1) The consolidated company has granted stock options to its employees based on a resolution of the shareholders' meeting. The key details are as follows:

1) Type of stock issued under stock options: Registered common stock
2) Method of grant: Issuance of new common shares
3) Number of shares to be issued under stock options and exercise price per share

(Unit :KRW,Stocks)

Classification	Grant date	Exercise end date	Exercise price	Number of shares granted	
				End of the current quarter	End of the previous year
First	2022-02-28	2029-02-28	4,055 won	549,500	585,000
Second	2022-05-24	2029-05-24	4,055won	150,000	150,000
total				699,500	735,000

(2) As a result of granting stock options, the expenses recognized for the current year and the compensation cost to be recognized in subsequent quarters are as follows :

(Unit : Thousand KRW)

Classification	1st	2nd	Total
Recognized compensation expense as of the previous quarter	837,877	134,683	972,561
Compensation expense recognized in the current quarter	93,959	20,976	114,935

Classification	1st	2nd	Total
Compensation expense to be recognized after the current quarter	593,592	133,661	727,253
Total	1,525,428	289,320	1,814,748

(3) The consolidated entity has determined the compensation cost for stock options using the fair value approach. The methods and assumptions used in the valuation are as follows :

Classification	1st	2nd
risk-free interest rate	2.64%	3.17%
expected exercise period	5year	5year
expected stock price volatility	55.70%	53.44%
expected dividend yield	-	-
fair value per share	2,514 Won	1,929 Won

(4) The changes in stock options of the consolidated entity during the current quarter are as follows :

(Unit : Stocks)

Classification	1st	2nd	Total
Beginning of the current quarter	585,000	150,000	735,000
Exercise the stock option	38,500	-	38,500
End of the current quarter	549,500	150,000	699,500

23. Selling and administrative expenses

The details of selling and administrative expenses for the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Account categories	The current quarter	The previous quarter
Salary	1,462,604	760,412

Account categories	The current quarter	The previous quarter
Severance pay	98,482	113,026
Welfare expenses	212,508	148,965
Travel and transportation expenses	45,566	24,366
Water, electricity, and heating expenses	19,811	3,531
Taxes and public dues	51,737	26,769
Depreciation expense	222,274	54,456
Insurance premiums	33,915	17,983
General research and development expenses	2,321,423	1,024,661
Vehicle maintenance expenses	27,680	15,846
Consumables	53,848	17,673
Commission payments	106,394	247,448
Amortization of intangible assets	10,890	4,952
Transfer (reversal) of defect repair reserve	2,050,422	1,041,383
Stock-based compensation	73,978	81,118
Other	509,819	522,067
Total	7,301,351	4,104,656

24. Other operating income and other operating expense

(1) The details of other operating income for the current quarter and the previous quarter are as follows

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Miscellaneous income	29,348	407,704
Total	29,348	407,704

(2) The details of other operating expenses for the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Donations	30,000	-
Miscellaneous losses	89,895	896
Total	119,895	896

25. financial income and financial expenses

(1) The financial income and financial expenses for the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Financial Income		
Foreign exchange gain	38,153	8,141
Foreign currency translation gain	70,179	85,157
Interest income	319,618	13,937
Subtotal of financial income	427,950	107,234
Financial Expenses		
Foreign exchange loss	25,803	4,198
Foreign currency translation loss	1,173	367

Classification	The current quarter	The previous quarter
Interest expense	31,047	802,482
Subtotal of financial expenses	58,023	807,047

(2) The details of interest income included in financial income are as follows :

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
deposits with financial institutions	294,763	10,692
other interest income	24,855	3,245
Total	319,618	13,937

(3) The details of interest expense included in financial costs are as follows :

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
interest expense on borrowings from financial institutions	(28,155)	464,102
Convertible bond interest expenses	-	280,603
Lease liabilities interest expenses	59,202	57,777
Total	31,047	802,482

26. Cash flows from operating activities

(1) Cash flows from operating activities

(Unit : Thousand KRW)

Account categories	The current quarter		The previous quarter	
I. Cash Flows from Operating Activities		(63,068,293)		(19,071,264)
1. Net profit (loss)		649,473		5,659,754
2. Adjustments for income and expenses		2,978,447		5,715,691
Added cost		3,368,245		5,814,784
Depreciation expense	978,711		542,747	
Amortization of intangible assets	58,169		40,875	
Transfer (reversal) of defect repair provision	2,035,538		1,670,007	
Inventory write-down	(463,134)		1,036,936	
Interest expense	31,047		802,482	
Foreign exchange loss	1,173		367	
Stock-based compensation expense	114,935		127,592	
Income tax expense (revenue)	611,806		1,593,778	
Less the profit		(389,797)		(99,093)
Interest income	(319,618)		(13,937)	
Fair value gain on financial assets at fair value through profit or loss	(70,179)		(85,157)	
3. Changes in operating capital		(66,696,212)		(14,294,627)
Decrease (increase) in accounts receivable	2,251,276		(26,931,231)	
Decrease (increase) in other receivables	(772,483)		(880,732)	
Decrease (increase) in inventory	(26,323,230)		16,152,083	

Account categories	The current quarter		The previous quarter	
Decrease (increase) in other current assets	(6,714,626)		(268,973)	
Decrease (increase) in other non-current assets	(24,152)		6,683	
Increase (decrease) in accounts payable	(16,838,452)		(9,545,886)	
Increase (decrease) in other financial liabilities	1,506,398		(1,199,993)	
Increase (decrease) in other current liabilities	(18,168,496)		9,012,203	
Increase (decrease) in other provisions	(1,612,446)		(638,780)	

(2) The significant items of transactions without cash inflows or outflows during the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Item	The current quarter	The previous quarter
liquidity replacement of security deposits	2,130,140	-
Increase in lease liabilities related to right-of-use assets	80,678	1,768,982
Liquidity replacement of long-term borrowings	519,920	-

(3) The adjustments to liabilities arising from financing activities are as follows:

(Unit : Thousand KRW)

classification	Liabilities from investment activities						total
	Short-term borrowings	current portion of long-term liabilities	long-term borrowings	Convertible bond	Lease Liabilities (Current)	Lease Liabilities (Non-Current)	
Beginning of the quarter	13,100,000	700,000	8,173,200	-	1,144,742	2,282,648	25,400,590

classification	Liabilities from investment activities						total
	Short-term borrowings	current portion of long-term liabilities	long-term borrowings	Convertible bond	Lease Liabilities (Current)	Lease Liabilities (Non-Current)	
Interest expernses	-	-	-	-	59,654	-	59,654
Borrowing	-	-	-	-	-	-	-
Repayment	-	-	(4,980)	-	(706,732)	-	(711,712)
otehrnon-financial fluctuations	-	-	1,660	-	85,639	(5,636)	81,663
liquidity substitution	-	519,920	(519,920)	-	26,921	(26,921)	-
End ot the quarter	13,100,000	1,219,920	7,649,960	-	610,224	2,250,091	24,830,195

27. Earnings Per Share

(1) The basic earnings per share of the consolidated entity is calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding. The calculation details are as follows :

(Unit : KRW, Stocks)

classification	The current quarter	The previous quarter
net income (loss) attributable to common shareholders of the parent	835,346,315	5,659,754,248
weighted average number of common shares outstanding	21,214,805	7,500,000
Basic Earnings per share	39	755

(2) The details of the calculation of the weighted average number of shares outstanding are as follows :

< The current quarter >

(Unit : Stocks)

Classification	Date	Number of shares	Number of days
Beginning	2024-01-01	21,208,882	91
Exercise of 1st stock option	2024-03-18	38,500	14
total			
weighted average number of common shares outstanding			

< The previous quarter >

(Unit : Stocks)

Classification	Date	Number of shares	Number of days
Beginning	2023-01-01	7,500,000	90
total			
weighted average number of common shares outstanding			

(3) Diluted earnings per share is calculated using the weighted average number of shares outstanding, adjusted to assume that all potentially dilutive common shares are converted into common shares. The diluted potential common shares held by the consolidated entity include stock options. The number of shares from stock options is determined by calculating the number of shares to be held based on the fair value if the options were acquired at their intrinsic value. This number of shares is then compared to the number of shares that would be issued if the stock options were exercised, and the calculation is based on this comparison.

The details of the calculation of diluted earnings per share are as follows :

(Unit : KRW, Stocks)

classification	The current quarter	The previous quarter
Common earnings per share	835,346,315	5,659,754,248

classification	The current quarter	The previous quarter
diluted earnings per common share	835,346,315	5,659,754,248
weighted average number of common shares outstanding	21,214,805	7,500,000
adjustment details		
Stock option	539,684	74,587
weighted average number of common shares outstanding for the calculation of diluted earnings per share	21,754,489	7,574,587
diluted earnings per share	38	747

28. Payment guarantee

(1) At the end of the current quarter, there were no instances of payment guarantees provided by the consolidated subsidiary to third parties.

(Unit : Thousand KRW)

Provider	Recipient	Amount Guaranteed	Details
CEO of the parent company	Kookmin bank	7,810,000	Operating capital loan guarantees
parent company	Korea Development Bank	9,600,000	Facility Loan Guarantee
Seoul Guarantee Insurance	Ohsan City Hall	278,000	Approval and Licensing
Seoul Guarantee Insurance	Ohsan City Hall	204,620	Construction Safety Management Deposit Guarantee
Kim daesik	Industrial Bank of Korea	240,000	Small and medium-sized enterprise (SME) loans

Provider	Recipient	Amount Guaranteed	Details
Kim daesik	Industrial Bank of Korea	120,000	Small and medium-sized enterprise (SME) loans
Technology Guarantee Fund	Industrial Bank of Korea	161,386	Small and medium-sized enterprise (SME) loans
Technology Guarantee Fund	Industrial Bank of Korea	475,000	Small and medium-sized enterprise (SME) loans

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29. Contingent liabilities and commitments

(1) The financial agreements currently in effect at the end of this quarter for the consolidated entity are as follows :

(Unit : Thousand KRW)

Financial institution	Limit	Details
Hana Bank	4,000,000	Operating capital
Kookmin Bank (KB Bank)	12,000,000	Operating capital
Korea Development Bank	8,000,000	Facility financing
Industrial Bank of Korea (IBK)	100,000	Small and medium-sized enterprise working capital loan
Industrial Bank of Korea (IBK)	200,000	Small and medium-sized enterprise loan
Industrial Bank of Korea (IBK)	200,000	Small and medium-sized enterprise loan
Industrial Bank of Korea (IBK)	500,000	Small and medium-sized enterprise loan

Financial institution	Limit	Details
Hana Bank	1,000,000	Electronic installment sales receivables collateral loan
Woori Bank	300,000	Woori Cooperative Partner Loan

30. Related party

(1) The status of related parties for the consolidated entity at the end of this quarter is as follows :

Classification	Name of related party	Note
Parent Company	Philoptics Co., Ltd	
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	
Other Related Parties	Philmaterials Co., Ltd, PHILOPTICS VIETNAM CO.,LTD, PHILOPTICS USA,INC, PHILOPTICS CHINA CO.,LTD	Philoptics Co., Ltd. and its Subsidiaries

(2) The significant transactions with related parties during this quarter and the previous quarter are as follows :

<the current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Parent Company	Philoptics Co., Ltd	-	817,664	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	55,958,433	-	-

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Total		55,958,433	817,664	-

<the previous quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Parent Company	Philoptics Co., Ltd	-	541,924	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	72,968,760	-	-
Total		72,968,760	541,924	-

(3) Significant Receivables and Payables from Transactions with Related Parties as of the End of This Quarter and Last Fiscal Year are as Follows :

<the current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	Loans
Parent Company	Philoptics Co., Ltd	-	1,466,000	-	-	291,179	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	2,318,848	-	-	-	18,745,351	-
Other Related Parties	Executives and employees	-	-	535,240	-	-	-

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	Loans
Total		2,318,848	1,466,000	535,240	-	19,036,530	-

<the previous quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	Loans
Parent Company	Philoptics Co., Ltd	-	1,466,000	-	-	346,576	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	2,869,758	258	-	-	34,271,054	-
Other Related Parties	Executives and employees	-	-	461,907	-	-	-
Total		2,869,758	1,466,258	461,907	-	34,617,630	-

(4) The financial transactions with related parties during this quarter and the previous quarter are as follows :

<the current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Financial Lending Transaction		Financial Borrowing Transaction	
		Lending	Collection	Borrowing	Repayment
Other Related Parties	Executives and employees	80,000	6,667	-	-
Total		80,000	6,667	-	-

<the previous quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Financial Lending Transaction		Financial Borrowing Transaction	
		Lending	Collection	Lending	Collection
Other Related Parties	Executives and employees	20,000	3,333	-	-
Total		20,000	3,333	-	-

(5) The details of collateral and guarantees provided by related parties to the consolidated entity as of the end of this quarter and the end of the previous fiscal year are as follows :

<the current quarter>

(Unit : Thousand KRW)

Name of related party	List	Limit
Philoptics Co., Ltd	Industrial Facility Loan Guarantee	9,600,000
Philoptics Co., Ltd	Provision of Land Security for National Operation Fund Loans	9,600,000
CEO of Philoptics Co., Ltd	Guarantee of payment of national working capital loan	7,810,000

<the previous quarter>

(Unit : Thousand KRW)

Name of related party	List	Limit
Philoptics Co., Ltd	Industrial Facility Loan Guarantee	9,600,000
Philoptics Co., Ltd	Provision of Land Security for National Operation Fund Loans	9,600,000

Name of related party	List	Limit
CEO of Philoptics Co., Ltd	Guarantee of payment of national working capital loan	7,810,000

(6) The consolidated entity considers executives with significant authority and responsibility over the planning, operation, and control of business activities as key management personnel, and the compensation amounts for key management personnel (registered executives) for this quarter and the previous quarter are as follows:

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
short-term employee benefits	705,857	174,813
retirement benefit	39,462	25,022
Stock-based compensation	114,935	127,592
Total	860,254	327,427

31. Business sector

At the end of the current quarter, the major business activities of each business sector within the consolidated subsidiary are as follows.

(1) The consolidated entity has determined that the entire entity is a single reporting segment, considering the nature of the goods or services that generate revenue.

Classification	Main business details
Single Reporting Segment	Equipment Manufacturing, Sales, and Installation Services

(2) The details of regional sales revenue for the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Korea	54,708,738	72,594,502
China	238,488	6,195
Hungary	2,086,860	411,779
Others	295,100	-
Total	57,329,186	73,012,476

(3) The revenue from major customers accounting for more than 10% of consolidated company income in the current quarter is as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
A company	56,020,522	72,968,760
Total	56,020,522	72,968,760

(4) The consolidated entity considers the reporting segment as a single segment at the overall company level, and the segment information is as follows:

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Sales Revenue	53,991,908	68,496,379
Service revenue	3,272,490	4,467,581
Other revenue	64,788	48,516
Total	57,329,186	73,012,476

4. Financial Statements

4-1. Financial Statements

Financial Statements

The 1Q of 5th Period as of March 31, 2024

The 4th Period as of December 31, 2023

(Unit : KRW)

	Q1 of 5th period	4th period
Assets		
Current assets	159,023,307,574	190,880,252,478
Cash and cash equivalents	41,166,608,042	108,329,762,970
Trade and other current receivables	3,216,951,156	3,573,250,894
ilnventories	98,459,971,177	71,692,059,427
Other current financial assets	3,060,954,337	937,481,460
Other current assets	13,118,822,862	6,347,697,727
Non-current assets	57,636,294,631	55,714,291,631
Investments in subsidiaries reported in separate financial statements	4,239,040,142	4,239,040,142
Property, plant and equipment	39,452,743,537	37,275,648,699
Right-of-use assets	2,276,109,000	2,788,223,599
Intangible assets other than goodwill	3,609,882,750	3,482,967,311
Other non-current financial assets	3,709,010,111	5,386,337,239
Deferred tax assets	4,289,716,813	2,506,434,641
Other non-current assets	59,792,278	35,640,000
Total assets	216,659,602,205	246,594,544,109
Liabilities		
Current liabilities	75,409,207,325	108,332,571,806
Trade Payables	27,783,416,105	44,624,560,466
Current borrowings	13,000,000,000	13,000,000,000
Current Long-term borrowings, gross	500,000,000	
Current tax liabilities	687,819,776	470,002,845
Current provisions	3,525,379,617	3,102,288,220
Other current financial liabilities	7,264,601,780	6,230,930,997

Other current liabilities	22,275,790,780	40,024,374,572
Current lease liabilities	372,199,267	880,414,706
Non-current liabilities	9,631,303,678	10,125,509,431
Long-term borrowings, gross	7,500,000,000	8,000,000,000
Long-term provisions for employee benefits	108,510,674	102,716,427
Non-current lease liabilities	2,022,793,004	2,022,793,004
Total liabilities	85,040,511,003	118,458,081,237
Equity		
Issued capital	10,623,691,000	10,604,441,000
Capital surplus	115,861,242,806	115,631,982,825
Elements of other stockholder's equity	3,673,544,144	1,736,909,489
Retained earnings (deficit)	1,460,613,252	163,129,558
Total equity	131,619,091,202	128,136,462,872
Total equity and liabilities	216,659,602,205	246,594,544,109

4-2. Comprehensive Income

Comprehensive Income

The 1Q of 5th Period as of March 31, 2024

The 1Q pf 4th Period as of December 31. 2023

(Unit : KRW)

	1Q, 5th Period		1Q, 4th Period	
	3 months	cumulative	3 months	cumulative
Revenue(Sales)	56,536,080,271	56,536,080,271	73,012,476,124	73,012,476,124
Cost of sales	48,451,494,302	48,451,494,302	61,361,284,290	61,361,284,290
Gross profit	8,084,585,969	8,084,585,969	11,651,191,834	11,651,191,834
Selling general administrative expenses	6,703,025,814	6,703,025,814	4,082,296,760	4,082,296,760
Operating income(loss)	1,381,560,155	1,381,560,155	7,568,895,074	7,568,895,074
Other gains	28,859,056	28,859,056	407,703,643	407,703,643
Other losses	115,445,435	115,445,435		
Finance income	434,405,745	434,405,745	107,026,666	107,026,666
Finance costs	37,280,337	37,280,337	807,039,175	807,039,175
Profit (loss) before tax	1,692,099,184	1,692,099,184	7,276,586,208	7,276,586,208

Tax expense (income)	394,615,490	394,615,490	1,593,778,174	1,593,778,174
Profit (loss)	1,297,483,694	1,297,483,694	5,682,808,034	5,682,808,034
Total comprehensive income	1,297,483,694	1,297,483,694	5,682,808,034	5,682,808,034
Earnings per share				
Basic earnings (loss) per share	61	61	758	758
Diluted earnings (loss) per share	60	60	750	750

4-3. Statement of Changes in Equity

Statement of Changes in Equity

The 1Q of 5th Period as of March 31, 2024

The 1Q pf 4th Period as of December 31. 2023

(Unit: won)

	Issued capital	Capital surplus	Elements of other stockholders equity	Retained earnings	Total equity
Jan. 1, 2023 (Equity at beginning of period)	3,750,000,000	14,079,550,195	492,129,454	6,372,277,893	24,693,957,542
Profit (loss)				5,682,808,034	5,682,808,034
Share-based payment transactions, equity			136,552,229		136,552,229
Exercise of stock option					
Mar. 31, 2023 (Equity at end of period)	3,750,000,000	14,079,550,195	628,681,683	12,055,085,927	30,513,317,805
Jan. 1, 2024 (Equity at beginning of period)	10,604,441,000	115,631,982,825	1,736,909,489	163,129,558	128,136,462,872
Profit (loss)				1,297,483,694	1,297,483,694
Share-based payment transactions, equity			2,029,027,136		2,029,027,136
Exercise of stock option	19,250,000	229,259,981	-92,392,481		156,117,500
Mar. 31, 2024 (Equity at end of period)	10,623,691,000	115,861,242,806	3,673,544,144	1,460,613,252	131,619,091,202

4-4. Statement of Cash Flows

Statement of Cash Flows

The 1Q of 5th Period as of March 31, 2024

The 1Q pf 4th Period as of December 31. 2023

(Unit : KRW)

	1Q, 5th Period	1Q, 4th Period
Cash flows from (used in) operating activities	(63,734,813,727)	(4,864,607,166)
cash generated from operations	(63,703,058,653)	(2,904,980,346)
Interest received	300,205,854	8,176,980

Interest paid, classified as operating activities	(285,972,788)	(605,740,798)
Income taxes paid	(45,988,140)	(1,362,063,002)
Cash flows from (used in) investing activities	(2,971,291,616)	(6,183,454,654)
Decrease in loans	6,666,720	3,333,360
Decrease in guarantee deposits	13,829,020	204,201,500
Increase in loans	(80,000,000)	(20,000,000)
Increase in guarantee deposits	349,765,489	85,753,908
Purchase of property, plant and equipment	(2,376,937,515)	(6,162,922,406)
Purchase of intangible assets	(185,084,352)	(122,313,200)
Cash flows from (used in) financing activities	(483,795,609)	4,473,866,594
Proceeds from short term borrowings		8,000,000,000
Proceeds from exercise of share options	156,117,500	
Repayments of short term borrowings		(3,000,000,000)
Payments of finance lease liabilities	(639,913,109)	(526,133,406)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(67,189,900,952)	(6,574,195,226)
Effect of exchange rate changes on cash and cash equivalents	26,746,024	62,517,915
Net increase (decrease) in cash and cash equivalents after effect of exchange rate changes	(67,163,154,928)	(6,511,677,311)
Cash and cash equivalents at beginning of period	108,329,762,970	8,238,168,930
Cash and cash equivalents at end of period	41,166,608,042	1,726,491,619

5. Notes to the Financial Statements

1. General Information

Phil Energy Co., Ltd. (hereinafter referred to as the 'Parent Company') was established on April 1, 2020, through a spin-off from Phil Optics Co., Ltd. with the business objective of manufacturing automation machinery for secondary battery processes. The headquarters of the Parent Company is located at 1-19, Jigot Central Road, Osan-si, Gyeonggi-do, South Korea.

As of March 31, 2024, the Parent Company's capital is 10,624 million KRW, and the major shareholders are as follows

Shareholder name	Number of shares (shares)	Shareholding percentage
Philoptics	10,125,000	47.65%
Samsung SDI	3,000,000	14.12%
employee stock ownership association	365,278	1.72%
Others	7,757,104	36.51%
Total	21,247,382	100%

2. Significant Accounting Policies

The following are the significant accounting policies applied in the preparation of the financial statements. Unless otherwise stated, these policies have been consistently applied to the periods presented.

2.1 Standards for Financial Statements Preparation

The condensed consolidated financial statements for the three-month period ending March 31, 2024, have been prepared in accordance with Korean Accounting Standard No. 1034, 'Interim Financial Reporting.' These condensed consolidated financial statements have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) effective as of March 31, 2024, or adopted early

The financial statements of the consolidated entity are separate financial statements prepared in accordance with Korean Accounting Standard No. 1027, 'Separate Financial Statements.' Investments in subsidiaries, joint ventures, and associates are measured at cost based on direct equity investments, and dividends received from subsidiaries, joint ventures, and associates are recognized in profit or loss at the point when the right to receive the dividend is established.

2.1.1 Adoption of New/Revised Standards and Interpretations

The consolidated entity has adopted the following new and amended standards and interpretations from the beginning of the accounting period on January 1, 2024.

(1) K-IFRS No. 1001, 'Indication of Financial Statement' (Revised) - Disclosure of an 'Accounting Policy'

Important accounting policy information (important accounting policy information refers to the level of influence on the decision-making of major users of the consolidated financial statements when considered together with other information included in the consolidated financial statements) was defined and disclosed. The revision of the standard does not have a significant impact on the consolidated financial statements.

(2) K-IFRS No. 1008, 'Accounting Policies and the Change and Errors of Accounting Estimates' - Definition of 'Accounting Estimates'

The amendment clarifies the definition of accounting estimates and distinguishes them from changes in accounting policies.

The revision of the standard does not have a significant impact on the consolidated financial statements.

(3) K-IFRS No. 1012 'Corporate Income Taxes' - Deferred Income Taxes for Assets and Liabilities Arising from Single Transactions
The amendment adds a condition that assets or liabilities should not generate temporary differences to be recognized simultaneously with the initial recognition of the transaction in order to qualify as an exception to the initial recognition requirements for assets or liabilities The revision of the standard does not have a significant impact on the consolidated financial statements.

(4) K-IFRS No. 1117 'Insurance Contract'
Corporate Accounting Standard No. 1117 'Insurance Contracts' replaces Corporate Accounting Standard No. 1104 'Insurance Contracts'. It requires that all cash flows under insurance contracts be estimated, and insurance liabilities be measured using a discount rate that reflects the assumptions and risks at the reporting date. Moreover, it requires that revenue is recognized on an accrual basis, reflecting the services (insurance coverage) provided to the policyholder for each fiscal year. It also excludes investment elements (surrender/maturity refunds) paid to policyholder regardless of the occurrence of insurance events from insurance income and clearly distinguishes between insurance profit and investment profit to allow information users to verify the sources of profit This standard is applied from the first fiscal year beginning on January 1, 2023. Companies that have applied Corporate Accounting Standard No. 1109 'Financial Instruments' are allowed to apply this standard early. The Company does not anticipate significant effects on the financial statements due to this revision.

(5) Corporate Accounting Standard No. 1001 'Financial Statement Presentation' - Disclosure of the Valuation Profit and Loss of Financial Liabilities with an Exercise Price Adjustment Condition
In cases where all or part of financial instruments with conditions that adjust the exercise price according to the issuer's stock price fluctuations are classified as financial liabilities, it is stipulated that the book amount of the financial liability and the related profit or loss should be disclosed. This revision is applied from the fiscal year beginning on January 1, 2023, and early application is permitted. The Company does not anticipate significant effects on the financial statements due to this revision

2.1.2 Enactment/amendment standards and interpretations not applied by the company

The enacted or amended standards and interpretations that have been enacted or published, but have not been applied because the effective date has not arrived are as follows:

(1) K-IFRS No. 1001, 'Indication of Financial Statement' (Revised)- - Classification of Liabilities as Current or Non-current
Liabilities are classified as current or non-current based on the rights that exist at the end of the reporting period, without considering the exercise possibility of the right to defer payment or management's expectations. Furthermore, the transfer of equity instruments as part of the settlement of liabilities is included. However, if an option exists within a compound financial instrument to settle the liability by transferring equity instruments, and this option meets the definition of an equity instrument, the liability is recognized separately and not as part of the equity instrument. In addition, covenants that a company must comply with after the end of the reporting period do not affect the classification of the liability, and if liabilities that must comply with covenants within 12 months after the reporting period are classified as non-current liabilities,

the debt must be repaid within 12 months after the reporting period. Information about possible risks must be disclosed. This amendment is effective for fiscal years beginning on or after January 1, 2024, and early application is permitted. The consolidated company is reviewing the impact of this revision on its consolidated financial statements

2.2 Accounting Policy
The significant accounting policies and measurement methods applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the prior year's financial statements, except for changes resulting from the application of the standards and amendments described in Note 2.1.1 and the matters explained in the following paragraphs.

2.2.1 Corporate Tax
The income tax expense for the interim period is calculated by applying the best estimate of the weighted average annual tax rate, that is, the estimated average annual effective tax rate, to the pre-tax income for the interim period.

3. Major Accounting Estimates and Assumptions
The preparation of financial statements requires the use of assumptions and estimates about the future, and management's judgment is required to apply the Company's accounting policies. These estimates and assumptions are continually evaluated and are based on reasonable predictions of future events considering the past experience and current circumstances. The results of accounting estimates may deviate from actual results, and therefore, they inherently carry significant risks that could lead to major adjustments.
The following are management's estimates and assumptions regarding items that could impact the adjustment of asset and liability book values in the next accounting year. Additional information concerning significant judgments and estimates for specific items is disclosed in the individual notes.

4. Risk Management
The consolidated company is exposed to various financial risks, including market risks such as interest rate risk, foreign exchange risk, and price risk related to financial instruments, as well as credit risk and liquidity risk. Risk management of the consolidated company aims to identify potential risks affecting its financial performance and to reduce, eliminate, or mitigate these risks to levels acceptable to the company. The consolidated company has established risk management policies and procedures at the corporate level to oversee risk management activities, and the financial department of the consolidated company is responsible for overall risk management. Additionally, internal audit of the consolidated company continuously reviews compliance with risk management policies and procedures and monitors risk exposure limits. The overall financial risk management strategy of the consolidated company remains consistent with the previous fiscal year.

(1) Market risk
Market risk refers to the risk of changes in market prices causing fluctuations in the fair value of financial instruments' future cash flows. The objective of market price management is to optimize returns while managing and controlling market risk exposure within acceptable limits. Market risk comprises three types of risks: interest rate risk, foreign exchange risk, and price risk. The primary financial products affected by market risk include borrowings and deposits.

The carrying amounts of borrowings exposed to interest rate fluctuation risk for the consolidated company as of the end of the current quarter and the end of the previous year are as follows :

(Unit : Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Variable-rate borrowings	21,000,000	21,000,000

A. Interest rate risk
Interest rate risk is the risk that changes in market interest rates will cause fluctuations in the fair value or future cash flows of financial instruments. The consolidated company is exposed to interest rate fluctuation risk associated with variable-rate long-term borrowings. Accordingly, the company's management periodically reviews the status of interest rates to maintain an appropriate balance between fixed-rate and variable-rate borrowings.

As of the end of the reporting period, assuming all other variables remain constant, the impact on interest income and interest expense for one year due to a 100 basis point change in interest rates on variable-rate borrowings and deposits is as follows.

(Unit : Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Interest expense	210,000	(210,000)	210,000	(210,000)

B. Foreign exchange risk

Foreign exchange risk is the risk that changes in exchange rates will cause fluctuations in the fair value of financial instruments' future cash flows. The consolidated company is exposed to foreign exchange risk due to its operating activities (when revenue or expenses are denominated in currencies other than the company's functional currency). The company manages foreign exchange risk to minimize the risk associated with fluctuations in exchange rates of foreign currency-denominated assets and liabilities, aiming to achieve financial stability and predictable management through sound financial structure and risk management practices.

The impact of exchange rate fluctuations against the Korean won on pre-tax net income, assuming all other variables remain constant, as of the end of the current quarter and the end of the previous quarter is as follows.

(Unit : Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	10% increase	10% decrease	10% increase	10% decrease
USD	20,986	(20,986)	-	-
EUR	255,984	(255,984)	464,933	(464,933)

The sensitivity analysis above pertains to foreign currency-denominated monetary assets and liabilities other than the functional currency of the consolidated company as of the end of the reporting period.

The carrying amounts of monetary assets and monetary liabilities denominated in foreign currency as of the end of the current quarter and the end of the previous quarter are as follows

(Unit : Thousand KRW)

Currency	the end of the current quarter		the end of the previous year	
	Asset	Dept	Asset	Dept
USD	223,815	13,960	-	-
EUR	2,559,838	-	4,649,332	-
Total	2,783,653	13,960	4,649,333	-

C. Price risk
Price risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, excluding interest rate risk or foreign exchange risk. The impact of such risk on the consolidated company is not significant.

(2) Credit risk
Credit risk is managed at the Company-wide level. It encompasses not only the credit risk associated with trade receivables, including those from wholesale and retail customers, but also cash and cash equivalents, contractual cash flows of financial liabilities, favorable derivative instruments, and financial institution deposits. For financial institutions such as banks, the credit risk from these entities is limited as the Company deals with institutions with excellent credit ratings. For general counterparties, their creditworthiness is evaluated based on factors such as their financial condition and past experience. Individual risk limits are determined based on internally or externally assigned credit ratings, and the utilization of credit limits is periodically reviewed.

The book values of financial assets represent the maximum exposure to credit risk. The exposure to credit risk at the end of the current quarter and previous period is as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Cash and Cash Equivalents	41,166,608	108,329,763
Trade and Other Receivables (*)	3,216,951	3,573,251
Other Current Financial Assets	3,060,954	937,481
Other Non-Current Financial Assets	3,728,302	5,405,630
Total	51,172,815	118,246,125

(*) Contract assets are included in trade receivables.

(3) Liquidity Risk

Cash flow forecasting is performed by the accounting team of the consolidated company. The accounting team continuously monitors liquidity forecasts to ensure that unused borrowing limits are maintained at appropriate levels and that operational funding needs are met, thereby preventing any breaches of borrowing limits or covenants.

The details of the consolidated company's financial liabilities, classified by maturity based on the remaining period from the end of the current quarter and the previous year-end to the contractual maturity date, are as follows. The cash flows shown in the table are undiscounted amounts.

< The end of the current quarter >

(Unit : Thousand KRW)

Classification	Less than 1 Year	More than 1 Year and Less than 2 Years	More than 2 Years and Less than 5 Years	Total
Trade and Other Payables (*)	32,065,951	-	-	-
Borrowings	13,760,352	467,200	9,185,583	-
Lease Liabilities	615,160	395,228	1,014,172	1,162,700
Total	46,441,463	862,428	10,199,755	1,162,700

(*) Liabilities not related to financial debts such as employee benefits are excluded.

<The end of the previous year>

(Unit : Thousand KRW)

Classification	Less than 1 Year	More than 1 Year and Less than 2 Years	More than 2 Years and Less than 5 Years	Total
Trade and Other Payables (*)	47,994,167	-	-	-
Borrowings	13,930,525	467,200	9,302,383	-
Lease Liabilities	1,062,885	423,797	1,019,222	1,247,000
Total	62,987,577	890,997	10,321,605	1,247,000

(*) Liabilities not related to financial debts such as employee benefits are excluded.

(4) Capital Risk Management

The primary objective of capital management is to maintain the operational activities of the consolidated company and maximize shareholder value by sustaining high credit ratings and healthy capital ratios. The consolidated company adjusts its capital structure in response to changes in the economic environment and evaluates the adequacy of the capital structure in response to changes in the business environment. It regularly reviews dividend policies, external capital raising and repayment, share buybacks, and the need for capital increases. During the current quarter, there have been no changes to the objectives, policies, and procedures of capital management.

The current and previous period's debt-to-equity ratio and net debt-to-equity ratio are as follows.

(Unit : Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Debt (A)	85,040,511	118,458,081
Equity (B)	131,619,091	128,136,463
Cash and Cash Equivalents (C)	41,166,608	108,329,763
Borrowings (D)	23,394,992	23,903,208

Classification	the end of the current quarter	the end of the previous year
Debt-to-Equity Ratio (A/B)	64.61%	92.45%
Net Debt-to-Equity Ratio ((D-C)/B)	-13.50%	-65.89%

5. Fair Value

During the current quarter, there have been no significant fluctuations in the business environment or economic conditions that would impact the fair value of the consolidated company's financial assets and financial liabilities.

(1) The book value and fair value details of financial instruments are as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter		the end of the previous year	
	Book value	Fair value	Book value	Fair value
Financial Assets:				
Recognized at Amortized Cost				
- Cash and cash equivalents	41,166,608	41,166,608	108,329,763	108,329,763
- Trade and other receivables (*1)	3,216,951	3,216,951	3,573,251	3,573,251
- Other financial assets	6,769,964	6,769,964	6,323,819	6,323,819
Subtotal of Recognized at Amortized Cost	51,153,524	51,153,524	118,226,833	118,226,833
Total Financial Assets	51,153,524	51,153,524	118,226,833	118,226,833
Financial Liabilities				
The Financial liabilities recognized at amortized cost				
- Borrowings (Current)	13,000,000	13,000,000	13,000,000	13,000,000

Classification	the end of the current quarter		the end of the previous year	
	Book value	Fair value	Book value	Fair value
- Current Portion of Long-Term Borrowings	500,000	500,000	-	-
- Long-Term Borrowings	7,500,000	7,500,000	8,000,000	8,000,000
- Trade and other payables (*2)	32,065,951	32,065,951	47,994,167	47,994,167
Subtotal of Financial liabilities recognized at amortized cost	53,065,951	53,065,951	68,994,167	68,994,167
Total Financial Liabilities	53,065,951	53,065,951	68,994,167	68,994,167
Lease Liabilities				
- Lease Liabilities	2,394,992	2,394,992	2,903,208	2,903,208

(*1) Trade receivables include the amount of contract assets
(*2) Liabilities not related to financial debts, such as employee-related liabilities, are excluded

6. Categorized Financial Products

(1) At the end of the current quarter and the previous quarter, the categorization of financial products is as follows:

A. Asset

(Unit : Thousand KRW)

Assets on the Balance Sheet	the end of the current quarter	the end of the previous year
Amortized Cost Financial Assets		
Trade and Other Receivables (*)	3,216,951	3,573,251
Other Financial Assets	6,769,964	6,323,819
Cash and Cash Equivalents	41,166,608	108,329,763
Total	51,153,524	118,226,833

B. Liabilities

(Unit : Thousand KRW)

Assets on the Balance Sheet	the end of the current quarter	the end of the previous year
Amortized Cost Financial Liabilities		
Accounts Payable	27,783,416	44,624,560
Other Financial Liabilities (Current and Non-current) (*)	4,282,535	3,369,606
Borrowings (Current)	13,000,000	13,000,000
Borrowings (Non-current)	500,000	-
Long-term Borrowing	7,500,000	8,000,000
Total	53,065,951	68,994,167
Others		
Lease Liabilities (Current)	372,199	880,415
Lease Liabilities (Non-current)	2,022,793	2,022,793
Total	2,394,992	2,903,208
Subtotal	55,460,944	71,897,375

(*) Liabilities not related to financial debts, such as employee-related liabilities, are excluded

(2) At the end of the current quarter and the previous quarter, the categorization of financial products is as follows :

Classification	the current quarte						The previous quarter					
	Financial Assets at Fair Value Through Profit or Loss	Financial Liabilities at Fair Value Through Profit or Loss	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Lease Liabilities	Total	Financial Assets at Fair Value Through Profit or Loss	Financial Liabilities at Fair Value Through Profit or Loss	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Lease Liabilities	Total
Foreign currency translation gain	-	-	67,814	-	-	67,814	-	-	85,157	-	-	85,157
Foreign currency translation loss	-	-	1,042	86	-	1,128	-	-	-	367	-	367
Foreign exchange gain	-	-	34,825	2,966	-	37,791	-	-	4,398	3,537	-	7,935
Foreign exchange loss	-	-	24,370	899	-	25,269	-	-	868	3,322	-	4,190
Interest income	-	-	328,801	-	-	328,801	-	-	13,935	-	-	13,935
Interest expense	-	-	-	(369,891)	52,842	(317,049)	-	-	-	744,705	57,777	802,482

7. Cash and Cash Equivalents

At the end of the current quarter and the previous quarter, the details of cash and cash equivalents are as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Cash	2,476	1,613
Demand Deposits	41,164,132	108,328,150
Total	41,166,608	108,329,763

8. Accounts Receivable and Other Receivables

(1) At the end of the current quarter and the previous quarter, the details of accounts receivable are as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Accounts Receivable	807,951	1,573,627
Contract Assets	1,577,657	1,577,657
Allowance for Doubtful Accounts	-	-
Net Accounts Receivable	2,385,608	3,151,284

(2) At the end of the current quarter and the previous quarter, the details of other receivables are as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter	the end of the previous year
Accrued Income	67,109	38,513
Accounts Receivable	764,234	383,453
Total	831,343	421,966

(3) At the end of the current quarter and the previous quarter, the aging analysis and impairment recognition details for accounts receivable are as follows

<The end of the current quarter>

(Unit : Thousand KRW)

Classification	the end of the current quarter	
	Accounts Receivable	Other Receivables
Less than 3 months	2,155,457	831,343
3 months to 6 months	-	-
6 months to 9 months	173,258	-

Classification	the end of the current quarter	
	Accounts Receivable	Other Receivables
More than 1 year	56,892	-
Impaired Amount	-	-
Total	2,385,607	831,343

< The end of the previous year>

(Unit : Thousand KRW)

Classification	the end of the previous year	
	Accounts Receivable	Other Receivables
Less than 3 months	2,924,268	421,967
3 months to 6 months	171,155	-
6 months to 9 months	55,861	-
More than 1 year	-	-
Impaired Amount	-	-
Total	3,151,284	421,967

(4) The changes in the allowance for doubtful accounts for accounts receivable during the current and previous quarters are as follows:

(Unit : Thousand KRW)

Classification	Accounts receivables	Other receivables
Beginning Allowance for Doubtful Accounts	-	-
Bad Debt Expense (Reversal)	-	-
Ending Allowance for Doubtful Accounts	-	-

9. Other Current Assets and Other Non-current Assets

At the end of the current quarter and the previous quarter, the details of other current assets and other non-current assets are as follows:

(Unit : Thousand KRW)

the end of the previous year	the end of the previous year	
	the end of the previous year	the end of the previous year
Current		
Prepayments	9,217,765	6,182,810
Prepaid Expenses	118,000	164,888
Value-added Tax Refundable	3,783,058	-
Subtotal	13,118,823	6,347,698
Non-current:		
Long-term Prepaid Expenses	59,792	35,640
Subtotal	59,792	35,640
Total	13,178,615	6,383,338

10. Other Financial Asset

At the end of the current quarter and the previous quarter, the details other financial asset is as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter			the end of the previous year		
	Current	Non-current	Total	Current	Non-current	Total
Loans	40,834	2,528,509	2,569,342	47,500	2,411,633	2,459,133

Classification	the end of the current quarter			the end of the previous year		
	Current	Non-current	Total	Current	Non-current	Total
Short-term financial instrument	604,000	-	604,000	604,000	-	604,000
security deposit	2,416,121	1,199,793	3,615,914	285,981	2,993,997	3,279,978
Total book value	3,060,954	3,728,302	6,789,257	937,481	5,405,630	6,343,111
Deduction: Allowance for Doubtful Accounts	-	(19,292)	(19,292)	-	(19,292)	(19,292)
Amortized Cost	3,060,954	3,709,010	6,769,964	937,481	5,386,337	6,323,819

(2) The details of the deposits currently provided as collateral as of the end of this quarter are as follows :

(Unit : Thousand KRW)

classification	collateral provider	Collateral asset	the end of the current quarter	the end of the previous quarter	details of limitations
Short-term financial instrument	Korea Securities Finance Corporation	fixed deposit	604,000	604,000	collateral for loans used to acquire employee stock ownership
total			604,000	604,000	

11. Inventories

At the end of the current quarter and the previous quarter, the details of inventories are as follows:

(Unit : Thousand KRW)

Classification	the end of the current quarter			the end of the previous year		
	Acquisition Cost	Allowance	Book Value	Acquisition Cost	Allowance	Book Value
Raw Materials	32,653,546	(186,598)	32,466,948	7,477,477	(304,524)	7,172,953
Work in Progress	68,865,386	(2,872,363)	65,993,023	67,564,645	(3,045,538)	64,519,107
Total	101,518,932	(3,058,961)	98,459,971	75,042,122	(3,350,063)	71,692,059

In the current quarter, the consolidated company recognized an inventory valuation loss of 291 million KRW (previous quarter: 1,037 million KRW) based on the net realizable value of inventory. This loss was included in the 'Cost of Sales' in the income statement.

12. Tangible Assets

(1) The changes in the book value of tangible assets for the current and previous quarters are as follows:

< The current quarter >

(Unit : Thousand KRW)

Classification	Land	Building	Structures	Machinery	Vehicles	Tools and Equipment	Equipment	Site Under Construction	Total
Acquisition Cost:									
Beginning Amount	4,510,812	-	-	3,533,752	408,072	375,952	1,045,002	28,345,561	38,219,150
Acquisition Amount	-	-	-	-	118,346	107,915	280,321	1,870,355	2,376,938
Disposal Amount	-	-	-	-	-	-	-	-	-
Replacement Amount	-	-	-	-	-	-	-	68,955	68,955
Ending Amount	4,510,812	-	-	3,533,752	526,418	483,867	1,325,323	30,284,871	40,665,043
Accumulated Depreciation and Impairment Loss									
Beginning Amount	-	-	-	85,640	240,853	125,493	491,516	-	943,502
Disposal Amount	-	-	-	-	-	-	-	-	-
Depreciation Expense (*1)	-	-	-	175,327	18,984	21,858	52,628	-	268,798

Classification	Land	Building	Structures	Machinery	Vehicles	Tools and Equipment	Equipment	Site Under Construction	Total
Replacement Amount	-	-	-	-	-	-	-	-	-
Impairment Loss	-	-	-	-	-	-	-	-	-
Ending Amount	-	-	-	260,968	259,837	147,350	544,144	-	1,212,299
Book value									
Beginning Amount	4,510,812	-	-	3,448,112	167,219	250,459	553,486	28,345,561	37,275,649
Ending Amount	4,510,812	-	-	3,272,784	266,580	336,517	781,180	30,284,871	39,452,744

<The previous quarter>

(Unit : Thousand KRW)

Classification	Land	Building	Structures	Machinery	Vehicles	Tools and Equipment	Equipment	Site Under Construction	Total
Acquisition Cost:									
Beginning Amount	4,510,812	-	-	27,200	344,837	213,148	776,206	6,914,181	12,786,383
Acquisition Amount	-	-	-	229,400	85,764	162,804	268,796	24,708,532	25,455,297
Disposal Amount	-	-	-	-	(22,529)	-	-	-	(22,529)
Replacement Amount	-	-	-	3,277,152	-	-	-	(3,277,152)	-
Ending Amount	4,510,812	-	-	3,533,752	408,072	375,952	1,045,002	28,345,561	38,219,150
Accumulated Depreciation and Impairment Loss									
Beginning Amount	-	-	-	27,198	198,671	68,949	331,654	-	626,472
Disposal Amount	-	-	-	-	(17,265)	-	-	-	(17,265)
Depreciation Expense (*1)	-	-		58,442	59,447	56,543	159,862	-	334,294
Replacement Amount	-	-	-	-	-	-	-	-	-
Impairment Loss	-	-	-	-	-	-	-	-	-

Classification	Land	Building	Structures	Machinery	Vehicles	Tools and Equipment	Equipment	Site Under Construction	Total
Ending Amount	-	-	-	85,640	240,853	125,493	491,516	-	943,502
Book value									
Beginning Amount	4,510,812	-	-	2	146,166	144,199	444,552	6,914,181	12,159,911
Ending Amount	4,510,812	-	-	3,448,112	167,219	250,459	553,486	28,345,561	37,275,649

(2) The amounts by account category that include depreciation expenses are as follows :

(Unit : Thousand KRW)

	the end of the current quarter	the end of the previous quarter
COGS	42,028	21,275
SG&A	32,163	27,538
R&D expenses	194,607	9,027
total	268,798	57,840

(3) As of the end of the current term, the declared land price is as follows

(Unit : Thousand KRW)

	area(㎡)	Book value	Fair value
424-6, Segyo-dong, Osan-si	2,395.5	2,659,025	933,047
424-9, Segyo-dong, Osan-si	134.5	149,320	55,011
512-5, Segyo-dong, Osan-si	1,533.5	1,702,467	597,298
total	4,063.5	4,510,812	1,585,356

(4) During the current quarter, the capitalized borrowing costs for qualifying tangible assets amount to 328 million KRW, and the capitalization rate used to determine the capitalizable borrowing costs is 6.32%

(5) The details of the assets provided as collateral for the liabilities of the consolidated entity as of the end of this quarter are as follows:

(Unit : Thousand KRW)

collateral assets	Accounts	Book value	collateral amount	Related liabilities	amount of loan drawn	collateral holder
Segyo-dong, Osan-si 424-6 Segyo-dong, Osan-si 424-9 Segyo-dong, Osan-si 512-5	Land	4,510,812	9,600,000	Short-term borrows	8,000,000	Kookmin Bank

13. Intangible asset

(1) The composition of intangible assets for the consolidated entity as of the end of the current quarter and the end of the previous quarter is as follows :

Account categories		the end of the current quarter					the end of the previous year				
		Acquisition Cost	Accumulated Depreciation	Government Subsidies	Accumulated Impairment Losses	Book Value	Acquisition Cost	Accumulated Depreciation	Government Subsidies	Accumulated Impairment Losses	Book Value
Limited Lifetime	Software	1,056,641	(464,411)	(9,503)	-	582,727	871,557	(418,464)	(11,180)	-	441,913
	Patents	76,000	(4,524)	-	-	71,476	76,000	(1,810)	-	-	74,190
	Other Intangible Assets	290,410	(166,400)	(18,830)	-	105,180	290,410	(151,893)	(22,153)	-	116,364
unLimited Lifetime	Membership Rights	2,987,187	-	-	(136,687)	2,850,500	2,987,187	-	-	(136,687)	2,850,500
Total		4,410,238	(635,335)	(28,333)	(136,687)	3,609,883	4,225,154	(572,167)	(33,333)	(136,687)	3,482,967

(2) The changes in intangible assets of the consolidated company are as follows.

< The current quarter >

(Unit : Thousand KRW)

Classification	Beginning of Period	Acquisition	disposal	Intangible Assets Depreciation Expense (*2)	Impairment Loss	Government Subsidies Derpeciation	End of Period
Software	441,913	185,084	-	(45,947)	-	1,677	582,727
Patents	74,190	-	-	(2,714)	-	-	71,476
Other Intangible Assets	116,364	-	-	(14,507)	-	3,323	105,180
Membership Rights	2,850,500	-	-	-	-	-	2,850,500
total	3,482,967	185,084	-	(63,169)	-	5,000	3,609,883

< The previous year >

(Unit : Thousand KRW)

Classification	Beginning of Period	Acquisition	disposal	Intangible Assets Depreciation Expense (*2)	Impairment Loss	Government Subsidies Derpeciation	End of Period
Software	332,869	246,059	-	(143,724)	-	6,708	441,913
Patents	-	76,000	-	(1,810)	-	-	74,190
Other Intangible Assets	143,238	16,000	-	(56,166)	-	13,292	116,364
Membership Rights	-	2,987,187	-	-	(136,687)	-	2,850,500
total	476,107	3,325,246	-	(201,700)	(136,687)	20,000	3,482,967

14. Lease

If the company is the lessee in a lease agreement, the information regarding the lease is as follows:

(1) The amount recognized in the balance sheet

The amount recognized in the balance sheet related to leases is as follows:

(Unit: Thousand KRW)

Classification	The end of the current quarter	The end of the previous year
Right-of-use assets		
Real estate	2,098,744	2,579,622
Vehicle transportation equipment	177,365	208,602
Total	2,276,109	2,788,224

The amount recognized in the balance sheet related to leases liabilities is as follows:

(Unit : Thousand KRW)

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Lease liability	372,199	2,022,793	880,415	2,022,793

(2) The amount recognized in the income statement

The amount recognized in the income statement related to leases is as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous year
Amortization expense of right-of-use assets		
Real estate	533,304	411,924
Vehicle transportation equipment	57,666	72,652
Total	590,970	484,575

Classification	The current quarter	The previous year
Interest expense on lease liabilities (included in financial costs)	52,842	57,777
Short-term lease payments (included in cost of sales and administrative expenses)	160,852	216,227
Low-value lease payments not in short-term leases (included in administrative expenses)	3,394	1,920

15. Accounts Payable and Other Financial Liabilities

The details of accounts payable and other financial liabilities as of the end of the current quarter and the end of the previous period are as follows.

(Unit : Thousand KRW)

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Purchases on Credit	27,783,416	-	44,624,560	-
Accounts Payable	6,397,964	-	5,774,601	-
Accrued Expenses	866,638	-	456,330	-
Total	35,048,018	-	50,855,491	-

16. Other Current Liabilities

The details of other current liabilities as of the end of the current quarter and the end of the previous period are as follows

(Unit : Thousand KRW)

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Deposits	418,939	-	537,583	-
Value Added Tax Receivable	-	-	2,722,461	-

Classification	The end of the current quarter		The end of the previous year	
	Current	Non-current	Current	Non-current
Contract Liabilities	21,856,851	-	36,764,331	-
long-term employee benefits liability	-	108,511	-	102,716
total	22,275,790	108,511	40,024,375	102,716

17. Borrowings

(1) The details of short-term borrowings as of the end of the current quarter and the end of the previous period are as follows.

(Unit : Thousand KRW)

Classification	Borrower	Description	Annual Interest Rate (%)	Maturity Date	The end of the current quarter	The end of the previous year
Short-term borrowings	Hana Bank	Operating Capital Loan	2024-05-24	5.640%	1,000,000	1,000,000
	Kook Min Bank	Operating Capital Loan	2024-09-14	5.210%	12,000,000	12,000,000
Total					13,000,000	13,000,000

(2) The details of long-term borrowings as of the end of the current quarter and the end of the previous fiscal year are as follows.

(Unit : Thousand KRW)

Classification	Borrower	Description	Annual Interest Rate (%)	Maturity Date	The end of the current quarter	The end of the previous year
Long-term borrowings	Korea Development Bank	Facility Financing Loan	2028-10-14	5.840%	8,000,000	8,000,000
Less: Current portion of long-term borrowings					(500,000)	-
Total					7,500,000	8,000,000

(3) The repayment schedule for long-term borrowings as of the end of the current quarter is as follows.

(Unit : Thousand KRW)

The year	Amount
2025/01/01 ~ 2025/12/31	2,000,000
2026/01/01 ~ 2026/12/31	2,000,000
2027/01/01 ~ 2027/12/31	2,000,000
2028/01/01 ~ 2028/12/31	2,000,000
Total	8,000,000

18. Defined contribution plan

In the current quarter, the total amount recognized as expenses related to the defined contribution plan is 334 million won, broken down as follows: 87 million won in selling and administrative expenses, 50 million won in R&D expenses, and 197 million won in manufacturing expenses. This represents an increase from the previous quarter's total of 280 million won.

19. Corporate income tax expense

(1) The composition of the corporate income tax expense for the consolidated entity for the current and previous quarters is as follows :

(Unit : Thousand KRW)

Classifiacation	The end of the current quarter	The end of the previous quarter
current tax expense on current period profit	263,805	2,045,808
change in temporary differences	(1,783,282)	(425,825)
income tax expense directly recognized in equity	1,914,093	(26,205)
corporate tax expense	394,615	1,593,778

(2) The income tax expense has been calculated by considering adjustments recognized in the current period for income tax on prior periods, deferred income tax expense (income) arising from the occurrence and reversal of temporary differences, and income tax expense (income) related to items recognized outside of current period profit or loss. The average effective tax rate for the current period's income tax expense is 23.3%.

20. Other provisions

The changes in other provisions for the current and previous periods are as follows :

< The current quarter >

(Unit : Thousand KRW)

classification	beginning of the current quarter	transfer-in	usage amount	end of the current quarter
warranty provision	3,102,288	-	(423,091)	3,525,380
total	3,102,288	-	(423,091)	3,525,380

<The previous year>

(Unit : Thousand KRW)

classification	beginning of the current quarter	transfer-in	usage amount	end of the current quarter
warranty provision	7,034,144	(2,673,879)	1,257,977	3,102,288
total	7,034,144	(2,673,879)	1,257,977	3,102,288

21. Equity

(1) As of the end of the current quarter and the end of the previous fiscal year, the details of common stock capital are as follows:

(Unit : stocks, KRW)

Classification	The end of the current quarter	The end of the previous year
Number of shares to be issued	50,000,000	50,000,000
Number of shares issued	21,247,382	21,208,882
Amount per share	500	500
Common stock capital	10,623,691	10,604,441

(2) As of the end of the current quarter and the end of the previous fiscal year, the details of retained earnings, other components of equity, and accumulated earnings are as follows:

(Unit : Thousand KRW)

Classification	The end of the current quarter	The end of the previous year
Additional paid-in capital		
Additional paid-in capital	115,861,243	115,631,983
Subtotal	115,861,243	115,631,983
Other components of equity		
Stock acquisition rights	3,673,544	1,736,909
Subtotal	3,673,544	1,736,909
Accumulated other comprehensive income	-	-
Subtotal	-	-
Net income		

Classification	The end of the current quarter	The end of the previous year
Retained earnings	-	-
Unappropriated retained earnings	1,460,613	163,130
Subtotal	1,460,613	163,130

22. Stock-based compensation

(1) The consolidated company has granted stock options to its employees based on a resolution of the shareholders' meeting. The key details are as follows:
1) Type of stock issued under stock options: Registered common stock
2) Method of grant: Issuance of new common shares
3) Number of shares to be issued under stock options and exercise price per share

(Unit : KRW,Stocks)

Classification	Grant date	Exercise end date	Exercise price	Number of shares granted	
				End of the current quarter	End of the current quarter
First	2022-02-28	2029-02-28	4,055 Won	549,500	585,000
Second	2022-05-24	2029-05-24	4,055 Won	150,000	150,000
total				699,500	735,000

(2) As a result of granting stock options, the expenses recognized for the current year and the compensation cost to be recognized in subsequent quarters are as follows :

(Unit : Thousand KRW)

Classification	1st	2nd	Total
Recognized compensation expense as of the previous quarter	837,877	134,683	972,561
Compensation expense recognized in the current quarter	93,959	20,976	114,935
Compensation expense to be recognized after the current quarter	593,592	133,661	727,253
Total	1,525,428	289,320	1,814,749

(3) The consolidated entity has determined the compensation cost for stock options using the fair value approach. The methods and assumptions used in the valuation are as follows :

Classification	1st	2nd
risk-free interest rate	2.64%	3.17%
expected exercise period	5 년	5 년
expected stock price volatility	55.70%	53.44%
expected dividend yield	-	-
fair value per share	2,514 원	1,929 원

(4) The changes in stock options of the consolidated entity during the current quarter are as follows :

(단위:주)

Classification	1st	2nd	Total
Beginning of the current quarter	585,000	150,000	735,000
Exercise the stock option	35,500	-	35,500
End of the current quarter	549,500	150,000	

23. Selling and administrative expenses

The details of selling and administrative expenses for the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Account categories	The current quarter	The previous quarter
Salary	1,322,693	752,131
Severance pay	86,955	113,026

Account categories	The current quarter	The previous quarter
Welfare expenses	180,762	147,888
Travel and transportation expenses	44,078	24,366
Water, electricity, and heating expenses	10,203	3,531
Taxes and public dues	45,748	26,769
Depreciation expense	155,390	54,125
Insurance premiums	20,215	17,983
General research and development expenses	2,061,003	1,024,661
Vehicle maintenance expenses	16,589	15,846
Consumables	53,811	17,019
Commission payments	90,694	241,755
Amortization of intangible assets	10,890	4,952
Transfer (reversal) of defect repair reserve	2,035,538	1,041,383
Stock-based compensation	73,978	81,118
Other	494,478	515,746
Total	6,703,025	4,082,299

24. Other operating income and other operating expense

(1) The details of other operating income for the current quarter and the previous quarter are as follows

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Miscellaneous income	28,859	407,704
Total	28,859	407,704

(2) The details of other expenses in the current quarter and the previous quarter are as follows

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Donations	30,000	-
Miscellaneous losses	85,445	-
Total	115,445	-

25. financial income and financial expenses

(1) The financial income and financial expenses for the current quarter and the previous quarter are as follows

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Financial Income		
Foreign exchange gain	37,791	7,935
Foreign currency translation gain	67,814	85,157
Interest income	328,801	13,935
Subtotal of financial income	434,406	107,027
Financial Expenses		
Foreign exchange loss	25,269	4,190
Foreign currency translation loss	1,128	367
Interest expense	10,884	802,482

Classification	The current quarter	The previous quarter
Subtotal of financial expenses	37,281	807,039

(2) The details of interest income included in financial income are as follows :

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
deposits with financial institutions	303,946	10,690
other interest income	24,855	3,245
Total	328,801	13,935

(3) The details of interest expenses included in financial expenses are as follows :

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
interest expense on borrowings from financial institutions	(41,958)	464,102
Convertible bond interest expenses	-	280,603
Lease liabilities interest expenses	52,842	57,777
Total	10,884	802,482

26. Cash flows from operating activities

(1) Cash flows from operating activities

(Unit : Thousand KRW)

Account categories	The current quarter		The previous quarter	
I. Cash Flows from Operating Activities		(63,703,059)		(2,904,981)

Account categories	The current quarter		The previous quarter	
1. Net profit (loss)		1,297,484		5,682,808
2. Adjustments for income and expenses		2,787,320		5,715,360
Added cost		3,183,935		5,814,452
Depreciation expense	859,768		542,415	
Amortization of intangible assets	58,169		40,875	
Transfer (reversal) of defect repair provision	2,035,538		1,670,007	
Inventory write-down	(291,101)		1,036,936	
Interest expense	10,884		802,482	
Foreign exchange loss	1,128		367	
Stock-based compensation expense	114,935		127,592	
Income tax expense (revenue)	394,615		1,593,778	
Less the profit		(396,615)		(99,091)
Interest income	(328,801)		(13,935)	
Fair value gain on financial assets at fair value through profit or loss	(67,814)		(85,157)	
3. Changes in operating capital		(67,787,862)		(14,303,150)
Decrease (increase) in accounts receivable	768,826		(26,931,231)	
Decrease (increase) in other receivables	(380,781)		(880,732)	

Account categories	The current quarter		The previous quarter	
Decrease (increase) in inventory	(26,476,810)		16,152,083	
Decrease (increase) in other current assets	(6,771,125)		(255,356)	
Decrease (increase) in other non-current assets	(24,152)		6,683	
Increase (decrease) in accounts payable	(16,841,144)		(9,545,886)	
Increase (decrease) in other financial liabilities	1,292,561		(1,206,871)	
Increase (decrease) in other current liabilities	(17,742,790)		8,996,941	
Increase (decrease) in other provisions	(1,612,446)		(638,780)	

(2) The significant items of transactions without cash inflows or outflows during the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Item	The current quarter	The previous quarter
liquidity replacement of security deposits	2,130,140	-
Increase in lease liabilities related to right-of-use assets	78,855	1,768,982
Liquidity replacement of long-term borrowings	500,000	-

(3) The adjustments to liabilities arising from financing activities are as follows:

(Unit : Thousand KRW)

classification	Liabilities from investment activities					total
	Short-term borrowings	current portion of long-term liabilities	long-term borrowings	Convertible bond	Lease Liabilities (Current)	
Beginning of the quarter	13,000,000	-	8,000,000	880,415	2,022,793	23,903,208
Interest expernses	-	-	-	52,842	-	52,842
Borrowing	-	-	-	-	-	-
Repayment	-	-	-	(639,913)	-	(639,913)
otehrnon-financial fluctuations	-	-	-	78,855	-	78,855
liquidity substitution	-	500,000	(500,000)	-	-	-
End ot the quarter	13,000,000	500,000	7,500,000	372,199	2,022,793	23,394,992

27. Earnings Per Share

(1) The basic earnings per share of the consolidated entity is calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding. The calculation details are as follows:

(Unit : KRW, Stocks)

classification	The current quarter	The previous quarter
net income (loss) attributable to common shareholders of the parent	1,297,483,694	5,682,808,034
weighted average number of common shares outstanding	21,214,805	7,500,000
Basic Earning per share	61	758

(2) The details of the calculation of the weighted average number of shares outstanding are as follows :

< The current quarter >

(Unit : KRW, Stocks)

Classification	Date	Number of shares	Number of days
Beginning	2024-01-01	21,208,882	91
Exercise of 1st stock option	2024-03-18	38,500	14
total			
weighted average number of common shares outstanding			

< The previous quarter >

(Unit : KRW, Stocks)

Classification	Date	Number of shares	Number of days
Beginning	2023-01-01	7,500,000	90
total			
weighted average number of common shares outstanding			

(3) Diluted earnings per share is calculated using the weighted average number of shares outstanding, adjusted to assume that all potentially dilutive common shares are converted into common shares. The diluted potential common shares held by the consolidated entity include stock options. The number of shares from stock options is determined by calculating the number of shares to be held based on the fair value if the options were acquired at their intrinsic value. This number of shares is then compared to the number of shares that would be issued if the stock options were exercised, and the calculation is based on this comparison.

The details of the calculation of diluted earnings per share are as follows :

(Unit : KRW, Stocks)

classification	The current quarter	The previous quarter
Common earnings per share	1,297,483,694	5,682,808,034
diluted earnings per common share	1,297,483,694	5,682,808,034

classification	The current quarter	The previous quarter
weighted average number of common shares outstanding	21,214,805	7,500,000
adjustment details		
Stock option	539,684	74,587
weighted average number of common shares outstanding for the calculation of diluted earnings per share	21,754,489	7,574,587
diluted earnings per share	60	750

28. Payment guarantee

(1) At the end of the current quarter, there were no instances of payment guarantees provided by the consolidated subsidiary to third parties.

(Unit : Thousand KRW)

Provider	Recipient	Amount Guaranteed	Details
CEO of the parent company	Kookmin bank	7,810,000	Operating capital loan guarantees
parent company	Korea Development Bank	9,600,000	Facility Loan Guarantee
Seoul Guarantee Insurance	Ohsan City Hall	278,000	Approval and Licensing
Seoul Guarantee Insurance	Ohsan City Hall	204,620	Construction Safety Management Deposit Guarantee

29. Contingent liabilities and commitments

(1) The financial agreements currently in effect at the end of this quarter for the consolidated entity are as follows :

(Unit : Thousand KRW)

Financial institution	Limit	Details
Hana Bank	4,000,000	Operating capital
Kookmin Bank	12,000,000	Operating capital
Korea Development Bank	8,000,000	Facility financing

30. Related party

(1) The status of related parties for the consolidated entity at the end of this quarter is as follows :

Classification	Name of related party	Note
Parent Company	Philoptics Co., Ltd	
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	
Other Related Parties	Philmaterials Co., Ltd, PHILOPTICS VIETNAM CO.,LTD, PHILOPTICS USA,INC, PHILOPTICS CHINA CO.,LTD	Philoptics Co., Ltd. and its Subsidiaries
Subsidiaries	PHILENERGY-HUNGARY KFT PHILENERGY U.S.A., INC, DOWON WIZTECH Inc.	

(2) At the End of the Current Quarter and the End of the Previous Fiscal Year, the Details of Investments in Subsidiaries Are as Follows

(Unit : Thousand KRW)

Name of Subsidiaries	Location	Main business	The end of current quarter		The end of previous year	
			Ownership Percentage (%)	Book value	Ownership Percentage (%)	Book value
PHILENERGY-HUNGARY KFT.	Hungary	Maintenance	100	391,915	100	391,915
PHILENERGY U.S.A., INC	USA	Maintenance	100	1,347,000	100	1,347,000
DOWON WIZTECH Co., Ltd.	Republic of korea	Manufacture of Other Special Purpose Machinery	50.00125	2,500,125	50.00125	2,500,125

(3) Changes in Investments in Subsidiaries at the End of the Current Quarter and the End of the Previous Fiscal Year Are as Follows

(Unit : Thousand KRW)

Classification	The end of the current quarter	The end of the previous year
Beginning Balance	4,239,040	391,915
Acquisitions	-	3,847,125
Others	-	-
Book value	4,239,040	4,239,040

(4) The significant transactions with related parties during this quarter and the previous quarter are as follows :

<the current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Parent Company	Philoptics Co., Ltd	-	817,664	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	55,382,407	-	-

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
subsidiaries	PHILENERGY-HUNGARY KFT.	541,490	-	-
subsidiaries	DOWON WIZTECH Co., Ltd.	-	289,672	-
total		55,923,897	1,107,336	-

<the previous year>

(Unit : Thousand KRW)

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Parent Company	Philoptics Co., Ltd	-	1,836,195	42,864
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	189,009,852	-	-
subsidiaries	PHILENERGY-HUNGARY KFT.	-	25,526	-
total		189,009,852	1,861,721	42,864

(5) The outstanding balances of significant receivables and payables from related parties at the end of the current quarter and fiscal year-end are as follows.

<the end of current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	borrowing
Parent Company	Philoptics Co., Ltd	-	1,466,000	-	-	291,179	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	1,836,862	-	-	-	18,745,351	-

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	borrowing
Other Related Parties	Executives and employees	-	-	535,240	-	-	-
subsidiaries	PHILENERGY-HUNGARY KFT.	541,490	51,204	2,034,102	-	-	-
	DOWON WIZTECH Co., Ltd.	-	-	-	166,137	43,659	-
Total		2,378,352	1,517,204	2,569,342	166,137	19,080,189	-

<the end of the previous year>

(Unit : Thousand KRW)

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	borrowing
Parent Company	Philoptics Co., Ltd	-	1,466,000	-	-	346,576	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	2,869,758	258	-	-	34,271,054	-
Other Related Parties	Executives and employees	-	-	461,907	-	-	-
subsidiaries	PHILENERGY-HUNGARY KFT.	-	27,939	1,997,226	-	-	-
	DOWON WIZTECH Co., Ltd.	-	-	380,285	-	-	-
Total		2,869,758	1,494,197	2,459,133	380,285	34,617,630	-

(6) Funds Transactions with Related Parties for the Current Quarter and the Previous Quarter Are as Follows.

<the end of current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Financial Lending Transaction		Financial Borrowing Transaction	
		Lending	Collection	Borrowing	Repayment
Other Related Parties	Executives and employees	80,000	6,667	-	-
Subsidiaries	Philenergy-Hungary Kft	-	-	-	-
total		80,000	6,667	-	-

<the end of the previous quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Financial Lending Transaction		Financial Borrowing Transaction	
		Lending	Collection	Borrowing	Repayment
Other Related Parties	Executives and employees	20,000	8,333	-	-
Subsidiaries	Philenergy-Hungary Kft	-	-	-	-
total		20,000	8,333	-	-

(7) The details of collateral and guarantees currently provided by us from related parties at the end of the current quarter and fiscal year-end are as follows.

<The end of the current quarter>

(Unit : Thousand KRW)

Name of related party	List	Limit
Philoptics Co., Ltd	Industrial Facility Loan Guarantee	9,600,000
Philoptics Co., Ltd	Provision of Land Security for National Operation Fund Loans	9,600,000
CEO of Philoptics Co., Ltd	Guarantee of payment of national working capital loan	7,810,000

<the end of the previous year>

(Unit : Thousand KRW)

Name of related party	List	Limit
Philoptics Co., Ltd	Industrial Facility Loan Guarantee	9,600,000
Philoptics Co., Ltd	Provision of Land Security for National Operation Fund Loans	9,600,000
CEO of Philoptics Co., Ltd	Guarantee of payment of national working capital loan	7,810,000

(8) The Company Considers Executives Who Have Significant Authority and Responsibility for Planning, Operating, and Controlling Business Activities as Key Management Personnel, and the Compensation for Key Management Personnel (Executive Officers) for the Current Quarter and the Previous Quarter Is as Follows

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
short-term employee benefits	647,909	340,673
retirement benefit	32,532	49,332
Stock-based compensation	114,935	255,184
Total	795,375	645,190

31. Business sector

(1) At the end of the current quarter, the major business activities of each business sector within the consolidated subsidiary are as follows.

Classification	Main business details
Single Reporting Segment	Equipment Manufacturing, Sales, and Installation Services

(2) The details of regional sales revenue for the current quarter and the previous quarter are as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Korea	54,287,673	72,594,502
China	227,776	6,195
Hungary	2,020,631	411,779
Total	56,536,080	73,012,476

(3) The revenue from major customers accounting for more than 10% of consolidated company income in the current quarter is as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
A company	55,382,671	72,968,760
Total	55,382,671	72,968,760

(4) Our reporting segment is a single segment, and the information regarding business units at the enterprise level is as follows.

(Unit : Thousand KRW)

Classification	The current quarter	The previous quarter
Sales Revenue	53,555,873	68,496,379
Service revenue	2,968,497	4,467,581
Other revenue	11,710	48,516
Total	56,536,080	73,012,476

6. Matters Concerning Dividends

A. Matters Concerning Dividends

In accordance with the Articles of Incorporation, the Company conducts dividends through resolutions of the Board of Directors and the General Meeting of Shareholders, and determines an appropriate dividend rate within the range of distributable profits, taking into account the investment for sustainable growth, enhancement of shareholder value, and business environment. The contents of the Company's Articles of Incorporation regarding dividends are as follows.

Article 12 (Equal Dividends on New Shares)
The Company shall pay equal dividends on all shares of the same class issued (including those converted) as of the dividend reference date, regardless of the date of issue.

Article 53 (Disposition of Profits)
The Company shall dispose of its profits (including retained earnings carried forward) as follows
1. to retained earnings (commercial law retained earnings)
2. other statutory reserves
3. dividends
4. discretionary reserves
5. other disposals of retained earnings
6. Retained earnings carried forward to the next year

Article 54 (Distribution of Profits)
① Distribution of profits may be made in money, stock, and other property. However, the distribution of profits in shares shall not exceed an amount equal to one-twoth of the total amount of profit distribution.
② If the distribution of profits is made in shares, if the Company has issued several types of shares, it may also be made in other types of shares by resolution of the general meeting of shareholders.
Dividends under Paragraph (1) shall be paid to the shareholders or registered holders of interests listed in the shareholders' register as of the ex-dividend date determined by the Board of Directors.

B. Major Indicator of dividend

Division	Types of shares	Current period	Previous period	Previous transfer period
		Q1 of 5th period	4th period	3th period
Face amount per share (won)		500	500	500
(Consolidated) Profit (million won)		649	-6,417	3,723
(Separate) Profit (million won)		1,297	-6,209	3,768
(Consolidated) Earnings per share (won)		39	-358	248

Total cash dividends (million won)		-	-	-
Total share dividends (million won)		-	-	-
(Consolidated) Propensity to cash dividends (%)		-	-	-
Cash dividends yield ratio(%)	Common Shares	-	-	-
	Preference shares	-	-	-
Share dividends yield ratio(%)	Common Shares	-	-	-
	Preference shares	-	-	-
Cash dividends per share (won)	Common Shares	-	-	-
	Preference shares	-	-	-
Share dividends per share (share)	Common Shares	-	-	-
	Preference shares	-	-	-

C. History of Dividends

(Unit : number, %)

Number of consecutive dividend		Average dividend yield ratio	
Quarterly (interim) dividends	Settlement dividends	Last 3 years	Last 5 years
-	-	-	-

7. Matters Concerning Financing via the Issuance of Securities

7-1. Performance in Financing via the Issuance of Securities

[Matters related to the issuance of equity securities, etc.]

A. Status of capital increase (reduction)

(As of : 2024.03.31) (Unit: KRW, Stocks)

Issuing(reduction) shares date	issuance (reduction) form	Contents of issued (reduced) shares				
		Types of shares	Quantity of shares	Face amount per share	Issuance (reduction) amount per share	Remark
Apr. 1, 2020	-	Common Shares	240,000	5,000	5,000	establish

Oct. 22, 2020	Issue of equity (Allotment to the third party)	Common Shares	60,000	5,000	83,334	-
Apr. 11, 2022	Stock divide	Common Shares	3,000,000	500	500	Face amount 5,000won → 500won
Oct. 11, 2022	Bonus issue	Common Shares	4,500,000	500	500	Bonus issue(1:1.5)
Jul. 11, 2023	Issue of equity (Ordinary public offering)	Common Shares	1,904,412	500	34,000	Issue of public offering stock
Jul. 14, 2023	Exercise of convertible right	Common Shares	1,200,029	500	13,333	Convertible Bond Exercise of convertible right
Oct. 4, 2023	Bonus issue	Common Shares	10,604,441	500	500	Bonus issue(1:1)
Mar. 18, 2024	Exercise of stock options	Common Shares	38,500	500	4,055	Exercise of stock options

B. Status of Outstanding Convertible Bonds

As of the report submission date, we do not applicable.

[Matters related to issuance of debt securities]

Debt securities issuance performance

(As of : 2024.03.31) (Unit: Million KRW, shares)

Issuing company	Securities type	Issuance method	Issue date	Total face amount	Interest Rate	Evaluation grade	Expiration date	Redemption status	Host company
-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Outstanding balance of commercial paper securities

(As of : 2024.03.31) Unit: Million KRW, shares)

Remaining maturity	10 days or less	More than 10 days but less than 30 days	More than 30 days but less than 90 days	More than 90 days but less than 180 days	More than 180 days but less than 1 year	More than 1 year but less than 2 year	More than 2 year but less than 3 year	More than 3 years	Total

Outstanding balance	Public offering	-	-	-	-	-	-		-	-
	Private placement	-	-	-	-	-	-		-	-
	Total	-	-	-	-	-	-		-	-

Outstanding balance of short-term bonds

(As of : 2024.03.31) Unit: Million KRW, shares)

Remaining maturity		10 days or less	More than 10 days but less than 30 days	More than 30 days but less than 90 days	More than 90 days but less than 180 days	More than 180 days but less than 1 year	Total	Issuance limits	Remaining limits
Outstanding balance	Public offering	-	-	-	-	-	-		-
	Private placement	-	-	-	-	-	-		-
	Total	-	-	-	-	-	-		-

Outstanding balance of corporate bonds

(As of : 2024.03.31) Unit: Million KRW, shares)

Remaining maturity		1 year or less	More than 1 year but less than 2 year	More than 2 year but less than 3 year	More than 3 year but less than 4 year	More than 4 year but less than 5 year	More than 5 year but less than 10 year	More than 10 years	Total
Outstanding balance	Public offering	-	-	-	-	-	-		-
	Private placement	-	-	-	-	-	-		-
	Total	-	-	-	-	-	-		-

Outstanding balance of hybrid bond

(As of : 2024.03.31) Unit: Million KRW, shares)

Remaining maturity		1 year or less	More than 1 year but less than 5 year	More than 5 year but less than 10 year	More than 10 year but less than 15 year	More than 15 year but less than 20 year	More than 20 year but less than 30 year	More than 30 years	Total
Outstanding balance	Public offering	-	-	-	-	-	-		-
	Private placement	-	-	-	-	-	-		-
	Total	-	-	-	-	-	-		-

7-2. The use of capital financed through the issuance of securities

A. Details of use of public offering funds

(As of : 2024.03.31) Unit: Million KRW)

Division	Round	Payment date	Plans for the use of funds in securities reports, etc		Actual funds usage details		Reasons for differences, etc.
			Purpose of use	Procurement Amount	Contents	Amount	
IPO (Listed on KOSDAQ)	1	Jul. 11, 2023	나. Refer to details of public offering funds	63,029	나. Refer to details of public offering funds	60,267	나. Refer to details of public offering funds

B. Details of public offering funds

Division	Detailed use plan on securities report	Use plan on securities report	Actual usage details	Differences	Remark
Facilities Investment	Establishment of a factory dedicated to manufacturing secondary battery equipment	15,000	15,000	-	-
Operating funds	Repayment of borrowings & purchasing raw materials, etc	39,529	39,529	-	-
R&D	Laser notching equipment advancement	4,045	2,945	1,100	-
R&D	Development of new technology for cylindrical secondary battery manufacturing automation	2,466	1,779	687	-
R&D	Securing all-solid-state battery manufacturing equipment technology	1,989	1,014	975	-
Total		63,029	60,267	2,762	-

C. Operation details of unused funds

Type	Operating product name	Operating amount	Contract period	Actual investment period
Checking account & Savings account	Short-term checking account	2,762	Jul. 2023 ~ Jun. 2024	12 months
Total		2,762		-

8. Other Matters Concerning Finance

A. Cautions for repreparation of financial statements, etc..

(1) When financial statements are restated, the reason for restatement, contents, and impact on financial statements
As of the reporting date, our company does not have any relevant information.

(2) Merger, division, asset transfer, business transfer
As of the reporting date, our company does not have any relevant information.

(3) Matters related to accounting treatment of asset sales and contingent liabilities related to asset securitization
As of the reporting date, our company does not have any relevant information.

(4) Other matters to keep in mind when using financial statements
As of the reporting date, our company does not have any relevant information.

B. Status of the setting of the bad debt provisions (based on the consolidated financial statements)

(1) Details of setting allowance for bad debts by account subject in the last three business years

(Unit: thousand KRW)

Classification	Account title	Amount of receivables	Allowance for bad debts	Provision ratio for bad debt
Q1 of 5th period	Trade Receivable	2,552,668	-	-
	Other Receivables	1,208,391	-	-
	Total	3,761,059	-	-
4th period	Trade Receivable	4,634,270	-	-
	Other Receivables	384,704	-	-
	Total	5,018,974	-	-
3th period	Trade Receivable	42,539,259	-	-
	Other Receivables	74,428	-	-
	Total	42,613,687	-	-

(2) Status of changes in allowance for bad debts (trade receivable) for the last three business

years

(Unit: thousand KRW)

Division	Q1 of 5th period	4th period	3th period
1. Total Allowance for bad debt at the beginning of period	-	-	-
2. Net bad debt disposal amount (①-②±③)	-	-	-
① Bad debt disposal amount(bad debt amount)	-	-	-
② Bad debt recovery amount	-	-	-
③ Other increase/decrease amount	-	-	-
3. Bad debt expenses accounting (returned) amount	-	-	-
4. Total Allowance for bad debt at the end of period	-	-	-

(3) Policy for setting allowances for bad debts related to trade receivables
The company sets the loan loss allowance for the balance of receivables, including trade receivables, as of the end of the reporting period using the past loan loss experience rate and transition rate.

(4) Status of trade receivable balance by elapsed period as of the end of the current quarter

(Unit: thousand won)

Division	3 months or less	More than 3 months but less than 6 monthsr	More than 6 months but less than 1 year	More than 1 year	Total
amount	2,322,518	-	173,258	56,892	2,552,668
composition ratio	90.98%	-	6.79%	2.23%	100.00%

C. Status of inventories

(1) Status of Inventory by Business Sector

(Unit: thousand KRW)

Business sector	Accounting subject	Q1 of 5th period	4th period	3th period	Remark
secondary battery business sector	Raw materials	33,248,390	7,659,426	587,762	-
	Work in progress, gross	66,370,323	65,172,923	65,626,931	-
	Goods in transit, gross	-	-	-	-
	Total	99,618,713	72,832,349	66,214,693	-
Ratio of inventory assets to total assets (%) [Total inventory assets ÷ Total end of period assets × 100]		45.41%	29.15%	47.23%	-
Inventory turnover rate (recovery) [Annualized Cost of Sales ÷ {(Inventory at beginning of period + Inventory at end of period) ÷ 2}]		2.28	2.45	3.03	-

(2) Inventory due diligence details
1) Date of due diligence
- As of the end of December every year, inventory assets are due diligence by external auditors.
- If the due diligence date is different from the reporting period end date, the inventory assets as of the reporting period end date are identified by reflecting the changes in the period.

2) Due diligence method
- During the end-of-period inventory count, an external auditor attends and confirms our company's inventory count and extracts samples of some items to confirm their reality and completeness.

(3) Status of long-term inventory, etc.

(Unit: thousand KRW)

Accounting subject	Acquisition cost	Provision	Book value	Remark
Raw materials	33,434,988	(186,598)	33,248,390	-
Work in progress, gross	69,288,805	(2,918,482)	66,370,323	-
Total	102,723,793	(3,105,080)	99,618,713	-

(4) Collateral details of inventory
As of the reporting date, our company does not have any relevant information.

D. Fair value evaluation method and details

During the current quarter, there were no significant changes in the business or economic environment that affected the fair value of the consolidated entity's financial assets and financial liabilities.

(1) Book amount and fair value details of financial products

(Unit: thousand KRW)

Division	End of current quarter		End of previous year	
	Book amount	Fair value	Book amount	Fair value
Financial assets				
Financial assets at amortised cost				
- Cash and cash equivalents	43,923,967	43,923,967	110,804,027	110,804,027
- Trade and other receivables	3,776,965	3,776,965	5,029,548	5,029,548
- Other financial assets	4,985,538	4,985,538	4,569,875	4,569,875
Financial assets at amortised cost Sub total	52,686,470	52,686,470	120,403,451	120,403,451
Financial assets total	52,686,470	52,686,470	120,403,451	120,403,451
Financial liabilities				
Financial liabilities at amortised cost				
- Short-term borrowings	13,100,000	13,100,000	13,100,000	13,100,000
- Current portion of long-term borrowings	1,219,920	1,219,920	700,000	700,000
- Long-term borrowings	7,649,960	7,649,960	8,173,200	8,173,200
- Trade and other payables	32,585,528	32,585,528	48,073,615	48,073,615
Financial liabilities at amortised cost Sub total	54,555,408	54,555,408	70,046,815	70,046,815
Financial liabilities total	54,555,408	54,555,408	70,046,815	70,046,815
Lease liabilities				
- Lease liabilities	2,860,316	2,860,316	3,427,390	3,427,390

IV. Management Diagnosis & Analysis and Opinions of the Directors

In accordance with the corporate disclosure form standards, our company does not include this item in the quarterly or semi-annual reports.

V. Audit Opinion of the Auditor, Etc.

1. Matters Concerning External Audit

A. Auditor's name and audit opinion

The accounting auditor's name and audit opinion (including review opinion; hereinafter the same shall apply in this Article) shall be stated according to the table below.

Fiscal year	auditor	auditors opinion		Emphasis, etc.	Key audit matters
Q1 of 5th period (Current period)	Hanul Accounting Corporation	-		-	-
4th period (Previous period)	Ichon Accounting Corporation	unqualified		-	Facts of product sales accrual
3th period (Previous transfer period)	Samil Accounting Corporation	unqualified		-	-

B. Status of audit engagement contracts

The status of audit service contracts is recorded according to the table below.

Fiscal year	auditor	Contents	Audit contract details		Actual performance details	
			Remuneration	Time	Remuneration	Time
Q1 of 5th period (Current period)	Hanul Accounting Corporation	Quarterly/semi-annual financial statement review Audit of consolidated and separate financial statements Internal accounting management system audit	115 million won	-	115 million won	-
4th period (Previous period)	Ichon Accounting Corporation	Quarterly/semi-annual financial statement review Audit of consolidated and separate financial statements Internal accounting management system audit	95 million won	1,352	95 million won	1,352
3th period (Previous transfer period)	Samil Accounting Corporation	Quarterly/semi-annual financial statement review Audit of consolidated and separate financial statements Internal accounting management system audit	204 million won	1,700	204 million won	1,092

C. Status of non-audit service contracts with accounting auditors

The status of non-audit service contracts with accounting auditors is recorded according to the table below.

Fiscal year	Contract conclusion date	Service details	Service performance period	Service remuneration	Remark
Q1 of 5th period (Current period)	-	-	-	-	-
	-	-	-	-	-
4th period (Previous period)	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

3th period (Previous transfer period)	-	-	-	-	-

D. Results of the internal audit organization's discussions with the auditors

The results of the internal audit organization's discussions with the accounting auditor regarding matters in the financial statements that could have a significant effect on the judgment of stakeholders are presented in the following table.₩

Division	Date	Attendee	Method	Main discussion content
1	Sep. 27, 2023	Company: Audit Committee Auditor: Director of engagement, accountant in charge	written meeting	Audit team composition, audit time and remuneration, management and auditor responsibilities, auditor independence, significant risks, key audit matters, etc.
2	Dec. 12, 2023	Company: Audit Committee Auditor: Director of engagement, accountant in charge	written meeting	Audit team composition, audit time and remuneration, management and auditor responsibilities, auditor independence, significant risks, key audit matters, etc.
3	Mar. 7, 2024	Company: Audit Committee Auditor: Director of engagement, accountant in charge	written meeting	Key audit matters, matters related to group audit, independence, follow-up events, written statements, audit corrections and uncorrected misstatements, etc.

E. Change of accounting auditor

For the purpose of listing on KOSDAQ in 2022, our company designated Samil Accounting Corporation as a designated auditor and conducted a designated accounting audit in 2022. As the contract period with the external auditor expires, our company appoints Ichon Accounting Firm as an external auditor for one fiscal year for the 4th period (January 1, 2023 - December 31, 2023) in accordance with Article 4 of the Act on External Audit of Stock Companies, etc. He was appointed as a replacement.

As the contract period with the external auditor expired, the company held an external auditor selection committee on February 7, 2024, and determined that Hanul Accounting Corporation was suitable, starting from the 5th period (January 1, 2024 - December 31, 2024). External auditors were replaced for three fiscal years from the 7th period (2026.01.01 to 2026.12.31).

2. Matters Concerning Internal control

The accounting auditor audited the company's internal accounting management system as of December 31, 2023 based on the "Conceptual Framework for Design and Operation of the Internal Accounting Management System" in accordance with the accounting auditing standards of the Republic of Korea, and in the audit report dated March 13, 2024 An appropriate opinion was expressed.

VI. Matters Related to Company Organizations Including the Board of Directors

1. Matters Related to the Board of Directors

A. Overview of the Composition of the Board of Directors

The Board of Directors of the Company resolves matters stipulated by laws and regulations or the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, basic policies of the Company's management, and major matters related to the execution of duties, and supervises the execution of duties of directors and management. As of the date of submission of this report, the Board of Directors consists of seven directors (three inside directors, two outside directors, and two other non-executive directors), and is chaired by Mr. Kim Kwang-il, CEO.

(Unit : person)

Number of directors	Number of outside directors	Status of changes in outside directors		
		Appointment	Dismissal	Resignation
7	2	-	-	-

B. Details of major resolutions and activities of the Board of Directors

(1) Internal director

Round	Holding date	Agenda contents	Approve or not	Internal director		
				Kim Kwang il (attendance rate: 100%)	Kim Do young (attendance rate: 100%)	Lee Hyoung No (attendance rate: 100%)
				Agree or not		
1	Feb. 7, 2024	Agenda 1: Approval of the fourth annual financial statements and operating report Agenda 2: Approval of holding the 4th Annual General Meeting of Shareholders Item 3: Approval of the introduction of electronic voting system Agenda 4: Approval of dormitory construction ※ Report item 1. Report on the operation status of the internal accounting management system 2. Report on the evaluation of the	Approve	Agree	Agree	-

		operation of the internal accounting management system				

(2) Outside director

Round	Holding date	Agenda contents	Approve or not	Outside director	
				Park Jeong Ho (attendance rate: 100%)	Lee Hye Seon (attendance rate: 100%)
				Agree or not	
1	Feb. 7, 2024	Agenda 1: Approval of the fourth annual financial statements and operating report Agenda 2: Approval of holding the 4th Annual General Meeting of Shareholders Item 3: Approval of the introduction of electronic voting system Agenda 4: Approval of dormitory construction ※ Report item 1. Report on the operation status of the internal accounting management system 2. Report on the evaluation of the operation of the internal accounting management system	Approve	Agree	Agree

C. Committees within the Board of Directors

Please refer to the table below for details of major activities of the Internal Transactions Committee as of the submission date of this report.

Committee name	Holding date	Agenda contents	Approve or not			

				Park Jeong Ho (attendance rate: 100%)	Lee Hye Seon (attendance rate: 100%)	Kim Do young (attendance rate: 80%)
				Agree or not		
Internal Transactions Committee	Feb. 9, 2023	Agenda 1: Approval of stakeholder transaction limits for 23.1Q	Approve	Agree	Agree	Agree
Internal Transactions Committee	May 17, 2023	Agenda 1: Approval of stakeholder transaction limits for 23.2Q	Approve	Agree	Agree	Agree
Internal Transactions Committee	Aug. 16, 2023	Agenda 1: Approval of stakeholder transaction limits for 23.3Q	Approve	Agree	Agree	Agree
Internal Transactions Committee	Oct. 25, 2023	Agenda 1: Approval of stakeholder transaction limits for 23.4Q	Approve	Agree	Agree	-
Internal Transactions Committee	Feb. 7, 2024	Agenda 1: Approval of stakeholder transaction limits for 23.1Q	Approve	Agree	Agree	Agree

D. Independence of Directors

In order to secure the independence of directors, our company discloses the personal information of director candidates before the general shareholders' meeting and appoints them at the general shareholders' meeting. Directors are appointed by a majority of the voting rights of shareholders present at the general shareholders' meeting.

Division	Name	Recommender	Responsibilities	Transactions with the Company	Relationship with the largest shareholder, etc.	Term of office	Reappointment
CEO	Kim Kwang il	Board of Directors	CEO	-	Registered officer	3 years	-
Internal director	Kim Do young	Board of Directors	Internal director	-	Registered officer	3 years	Reappointment (1 time)
Internal director	Lee Hyoung No	Board of Directors	Internal director	-	Registered officer	3 years	-
Outside director	Lee Hye Seon	Board of Directors	Outside director	-	Registered officer	3 years	-
Outside director	Park Jeong Ho	Board of Directors	Outside director	-	Registered officer	3 years	-
Other non-executive directors	Oh Je hoon	Board of Directors	Other non-executive directors	-	Registered officer	3 years	-
Other non-executive directors	Lee Myoung Ho	Board of Directors	Other non-executive directors	-	Registered officer	3 years	-

E. Details of non-implementation of training for outside directors

Whether training is provided for outside directors	Reasons for non-implementation of training for outside directors
Non-implementation	Our outside directors are experts in their respective fields. - Park Jeong-ho: Master's degree from Dong-A University Law School, current attorney, Park Jeong-ho Law Office - Lee Hyeseon: Master's degree from the Graduate School of Taxation at the University of Seoul, currently a certified public accountant at Woori Accounting Firm In lieu of training, we provide materials in advance so that the relevant agenda items can be thoroughly reviewed before the board meeting is held, and information is provided on a regular basis regarding major internal issues and requests. We plan to actively participate in appropriate job-related training if opportunities arise in the future.

2. Matters related to the audit system

A. Status of audit committee members

As of the reporting date, our company has established and is operating an audit committee in accordance with Article 415-2 of the Commercial Act. The audit committee consists of two outside directors and one non-executive director.

Name	Outside director or not	Career	Regarding accounting & financial experts		
			Applicable or not	Expert type	Related career
Lee Hye Seon	Yes	Hangil Accounting Corporation Woori Accounting Corporation	Yes	Certified Public Accountant	- Jul. 2006~Apr. 2020 : Hangil Accounting Corporation - jun. 2020~Present : Woori Accounting Corporation
Park Jeong Ho	Yes	Samsung Electronics Co., Ltd. Attorney Park Jeong-ho Law Office	-	-	-
Oh Je hoon	-	Samsung SDI Co., Ltd. Professor at Hanyang University	-	-	-

B. Independence of Audit Committee Members

Main contents of selection criteria	Whether selection criteria are satisfy	Related laws, etc.
- Consisting of 3 or more directors	Satisfy(3 people)	Article 415-2 (2) of the Commercial law
- Outside directors make up more than two-thirds of the committee members	Satisfy(2 outside directors, 1 other non-executive director)	

- At least one member is an accounting or financial expert	Satisfy(Lee Hye Seon, 1 person)	Article 542-11 (2) of the Commercial law
- The representative of the audit committee is an outside director	Satisfy	
- External disqualification requirements (related parties of the largest shareholder, etc.)	Satisfy(Not applicable)	Article 542-11 (3) of the Commercial law

C. Details of major resolutions and activities of Audit Committee

Please refer to the table below for the main activities of the Audit Committee as of the submission date of this report.

Committee name	Holding date	Agenda contents	Approve or not	Park Jeong Ho (attendance rate: 100%)	Lee Hye Seon (attendance rate: 100%)	Oh Je hoon (attendance rate: 50%)
				Agree or not		
Audit committee members	Feb. 9, 2023	Appointment of external auditor	Approve	Agree	Agree	-
Audit committee members	Feb. 7, 2024	Appointment of external auditor	Approve	Agree	Agree	Agree

D. Details of non-implementation of training for Audit Committee

Whether training is provided for Audit Committee	Reasons for non-implementation of training for Audit Committee
Non-implementation	Our audit committee members are experts in their respective fields. - Park Jeong-ho: Master's degree from Dong-A University Law School, current attorney, Park Jeong-ho Law Office - Hyeseon Lee: Master's degree from the Graduate School of Taxation at the University of Seoul, currently a certified public accountant at Woori Accounting Firm - Oh Je-hoon: Ph.D. in Mechanical Engineering from KAIST, currently Professor of Mechanical Engineering at Hanyang University In lieu of training, we provide materials in advance so that the relevant agenda items can be thoroughly reviewed before the board meeting is held, and information is provided on a regular basis regarding major internal issues and requests. We plan to actively participate in appropriate job-related training if opportunities arise in the future.

E. Status of Audit Committee Support Organization

Department (team) name	Number of employees (persons)	Position (years of service)	Main activity details
Management Planning Team	2	Principal Manager 1 person (2 year) Principal Manager 1 person (1 year)	Board of Directors operation and outside director duties All related support tasks

F. Status of compliance supporter support organizations

Since our company has not appointed a compliance officer as of the reporting date, there is no separate organization to support the compliance officer.

3. Matters Related to General Meeting of shareholder, Etc.

A. Status of the voting system

Types of voting systems	Cumulative voting system	Written voting system	Electronic voting system
Introduction or not	Exclusion	Not introduced	introduction
Implementation or not	-	-	4th (23rd) Annual General Meeting of Shareholders

B. voting rights proxy recommendation system

Implementation or not	Delegation Method
4th (23rd) Annual General Meeting of Shareholders	1. How to delegate voting rights electronically (electronic proxy) - Korea Securities Depository: https://evote.ksd.or.kr 2. How to issue a power of attorney form - Mail or facsimile transmission (FAX) - Post the power of attorney form on the Internet website, etc. - Send power of attorney form via e-mail

C. Whether or not to exercise minority shareholder rights

As of the report submission date, our company has not exercised minority shareholder rights during the period subject to disclosure.

D. competition for management rights

As of the report submission date, our company has no information regarding competition for management rights during the period subject to disclosure.

E. Voting rights status

(As of : 2024.03.31) (Unit: Stocks)

Division	Types of shares	Number of shares	Remark
Total number of issued shares (A)	Common Shares	21,247,382	-
	Preference shares	-	-
Number of shares without voting rights (B)	Common Shares	-	-
	Preference shares	-	-
Number of shares excluded from exercising voting rights by the Articles of Incorporation (C)	Common Shares	-	-
	Preference shares	-	-
Number of shares for which voting rights are restricted by other laws (D)	Common Shares	-	-
	Preference shares	-	-
Number of shares with restored voting rights (E)	Common Shares	-	-
	Preference shares	-	-
Number of shares eligible to exercise voting rights (F = A - B - C - D + E)	Common Shares	21,247,382	-
	Preference shares	-	-

F. Stock affairs

Contents of warrant	Article 10 (Warrant) ① Shareholders have the right to be allocated new shares in proportion to the number of shares they own. ② Notwithstanding the provisions of paragraph 1, the company may allocate new shares to persons other than shareholders by resolution of the board of directors in any of the following cases. 1. When new shares are issued through general public capital increase in accordance with Article 165-6 of the Financial Investment Services and Capital Markets Act within the scope not exceeding 20/100 of the total number of issued shares. 2. When new shares are issued due to the exercise of stock options pursuant to Article 542-3 of the Commercial Act 3. When stocks are preferentially allocated to employee stock ownership association members within the range of 20/100 of the total number of stocks issued. 4. When new shares are issued due to the exercise of employee stock purchase options pursuant to Article 39 of the Framework Act on Labor Welfare. 5. When new stocks are issued to domestic and foreign financial institutions or institutional investors for urgent financing within the scope of not exceeding 20/100 of the total number of issued stocks. 6. When new stocks are issued to the other party for the introduction of technology, research and development, production, sales, and capital partnership that are important to the business within the scope of not exceeding 20/100 of the total number of issued stocks.

	7. When new shares are allocated to employee stock ownership association members to improve the welfare of workers within the scope of not exceeding 10/100 of the total number of issued shares. 8. When new shares are raised or an underwriter is requested to list them on the stock market or KOSDAQ market. 9. When new shares are issued pursuant to Article 10-2 (New Share Preemptive Rights) of the Regulations on Securities Underwriting, etc. ③ When new shares are issued pursuant to any of the provisions of Paragraph 2, the type, number, and issuance price of shares to be issued shall be determined by resolution of the Board of Directors. ④ The method of handling shares resulting from the abandonment or loss of preemptive rights and fractional shares arising from new share allocation shall be determined by a resolution of the Board of Directors.		
Settlement date	December 31	Annual General Meeting of Shareholders	Within March
Types of Sovereignty	According to the 「Act on Electronic Registration of Stocks, Bonds, etc.」, the rights to be indicated on stock certificates and preemptive rights certificates are mandatory electronically registered, so the 'type of stock certificate' is not stated.		
Title transfer agent	Name of agent: Kookmin Bank Office handling location: 26 Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul		
Shareholder Perks	-	Newspaper with announcements	Maeil Business Newspaper
Announcement internet homepage: The company's internet homepage(http://www.philenergy.co.kr)			

G. Summary of shareholders' meeting minutes

Division	Contents of the bill	Approve or not	main discussion content
1st annual general meeting of shareholders (Mar. 26, 2021)	Agenda 1: Approval of 1st financial statements Agenda 2: Approval of revision of severance pay job regulations Agenda 3: Approval of director remuneration limit Agenda 4: Approval of auditor compensation limit	Approve Approve Approve Approve	-
2nd annual general meeting of shareholders (Mar. 25, 2022)	Agenda 1: Approval of 2nd financial statements Agenda 2: Splitting of issued stocks and partial changes to Articles of Incorporation Agenda 3: Approval of director remuneration limit Agenda 4: Approval of auditor compensation limit	Approve Approve Approve Approve	-
extraordinary general meeting of shareholders (Mar. 7, 2023)	Agenda 1: Appointment of other non-executive directors to become members of the Audit Committee	Approve	-
3rd annual	Agenda 1: Approval of 3rd period financial	Approve	-

general meeting of shareholders (Mar. 29, 2023)	statements and consolidated financial statements Agenda 2: Matters regarding reappointment of directors Agenda 2-1: Reappointment of executive director Kim Do-young Agenda 2-2: Reappointment of executive director Cho Tae-hyoung Agenda 3: Approval of director remuneration limit Agenda 4: Approval of auditor compensation limit	Approve Approve Approve Approve Approve	
4th annual general meeting of shareholders (Mar. 256 2024)	Agenda 1: Approval of 4th financial statements (consolidated/individual) Agenda 2: Amendment of Articles of Incorporation Agenda 3: Appointment of Directors Agenda 3-1: Appointment of executive director Hyoung-no Lee Agenda 3-2: Appointment of Myoung-ho Lee as other non-executive director Agenda 4: Approval of director remuneration limit Agenda 5: Approval of compensation limit for audit committee members	Approve Approve Approve Approve Approve Approve Approve	-

VII. Matters concerning shareholders

1. Stock ownership status of the largest shareholder and related parties

(As of : 2024.03.31) (Unit : Stocks, %)

Name	Relationship	Tpes of stock	Number of shares owned and share ratio				Remark
			beginning of period		end of period		
			Number of shares	Share ratio	Number of shares	Share ratio	
Philoptics Co., Ltd	largest shareholder	Common Shares	10,125,000	47.74	10,125,000	47.65	-
Total		Common Shares	10,125,000	47.74	10,125,000	47.65	-
		Preference shares	-	-	-	-	-

2. Major career and overview of the largest shareholder

A. Basic information of the largest shareholder (corporation or organization)

Name	Number of shareholders (people)	CEO (representative union member)		Executor (executive member)		Largest shareholder (largest investor)	
		Name	Ownership share	Name	Ownership share	Name	Ownership share
Philoptics Co., Ltd	26,104	Han Ki Su	25.12	-	-	Han Ki Su	25.12

		-	-	-	-	-	-

B. Summary of shareholders' meeting minutes

(Unit : million KRW)

Division	
Name of corporation or organization	Philoptics Co., Ltd
Total assets	450,911
Total liabilities	219,005
Total equity	231,906
Revenue	300,001
Operating income	10,265
Profit	-8,120

C. Main contents that may affect the stability of the company, such as the status of the business

We are not concerned as of the date of submission of the report.

3. Overview of the largest shareholder (corporation or organization)

We are not concerned as of the date of submission of the report.

4. Details of changes in largest shareholder

We are not concerned as of the date of submission of the report.

5. Distribution of stocks

A. Stock ownership status

(As of : 2024.03.31) (Unit : Stocks)

Division	Shareholder Name	Number of shares owned	share ratio(%)	Remark
5% or more shareholders	Philoptics Co., Ltd	10,125,000	47.65	largest shareholder
	Samsung SDI Co., Ltd	3,000,000	14.12	-
Employee Stock Ownership Association		365,278	1.72	-

B. Stock ownership status

(As of : 2024.03.31) (Unit : Stocks)

Division	Shareholder			Ownership stock			Remark
	Number of minority	Total number of	Ratio(%)	Number of	Total number of	Ratio(%)	

	shareholders	shareholders		minority shares	shares issued		
minority shareholders	52,230	52,236	99.99	6,921,438	21,208,882	32.63	-

C. Stock ownership status

(Base date : Mar. 31, 2024) (Unit: won, shares)

Type		Oct. 2023	Nov. 2024	Dec. 2023	Jan. 20424	Feb. 2024	Mar. 024
Common Shares	Highest	29,500	20,250	18,760	23,450	22,000	32,800
	Lowest	17,130	16,350	17,050	16,880	16,980	20,100
Monthly trading volume		5,396,974	13,331,600	4,239,023	18,676,051	13,365,890	62,321,395

VIII. Matters Concerning Executives and Employees, Etc.

1. Status of Executives and Employees, Etc.

A. Status of executives

(As of : Dec. 31, 2023) (Unit : Stocks

Name	Gender	Birth date	Position	Registered executive or not	Full-time status	Responsibilities	Main Career	Number of shares owned		Relationship with the largest shareholder	Period of employment	Term expiration date
								Number of shares with voting rights	Number of shares without voting rights			
Kim Kwang Il	male	Dec. 1961	CEO	Internal director	Full-time	CEO	Samsung SDI Co., Ltd Philoptics Co., Ltd	5,000	-	-	2 years 2 months	2025-02-28
Kim Do young	male	Apr. 1967	vice president	Internal director	Full-time	Head of Management Division	Samsung SDI Co., Ltd Philoptics Co., Ltd	-	-	-	3 years 1 months	2026-03-29
Lee Hyoung No	male	Apr. 1970	vice president	Internal director	Full-time	Business generalization	Samsung SDI Co., Ltd	-	-	-	2 years	2027-03-26
Park Jeong Ho	male	Mar. 1967	Outside director	Outside director	Part-time	Management advisory	Samsung Electronics Co., Ltd. Attorney Park Jeong-ho Law Office	-	-	-	2 years 1 months	2025-02-28
Lee Hye Seon	Female	May 1969	Outside director	Outside director	Part-time	Management advisory	Hangil Accounting Corporation Woori Accounting Corporation	-	-	-	2 years 1 months	2025-02-28
Oh Je hoon	male	Jan. 1974	Other non-executive directors	Other non-executive directors	Part-time	Management advisory	Samsung SDI Co., Ltd. Professor at Hanyang University	-	-	-	1 years	2026-03-07
Lee Myoung Ho	male	Oct. 1976	Other non-executive directors	Other non-executive directors	Part-time	Management advisory	Samsung SDI Co., Ltd	-	-	-	-	2027-03-26
Cho Tae Hyung	male	Mar. 1970	Senior Managing Director	Unregistered	Full-time	Strategic Purchasing Manager	Samsung SDI Co., Ltd	3,000	-	-	3 years 11 months	
Yu Young Sung	male	May 1968	Senior Managing Director	Unregistered	Full-time	Hungarian Corporation president	Philoptics Co., Ltd	-	-	-	2 years 5 months	

Hwang Ji Sang	male	Jan. 1973	Senior Managing Director	Unregistered	Full-time	Head of Equipment Development Division	Samsung SDI Co., Ltd	-	-	-	2 years	
Moon Jong Nam	male	Oct. 1970	Managing Director	Unregistered	Full-time	Control Manager	Philoptics Co., Ltd	4,000	-	-	3 years 11 months	
Choi Young Seok	male	Jan. 1972	Managing Director	Unregistered	Full-time	Management Planning Manager	Philoptics Co., Ltd	-	-	-	2 years 5 months	
Kim Dong Woo	male	Apr. 1974	Managing Director	Unregistered	Full-time	Advanced R&D Manager	Samsung SDI Co., Ltd	-	-	-	1 years 11 months	
Gal Gyung Soo	male	Jul. 1975	Managing Director	Unregistered	Full-time	Business management Manager	Philoptics Co., Ltd	-	-	-	3 years 2 months	
Kim Si Jin	male	Jan. 1965	Managing Director	Unregistered	Full-time	U.S.A Corporation president	Samsung SDI Co., Ltd	-	-	-	9 months	
Jang Jae Ho	male	Nov. 1977	Managing Director	Unregistered	Full-time	Design Manager	Philoptics Co., Ltd	-	-	-	3 years 11 months	
Moon Hui Seung	male	Mar. 1976	Director	Unregistered	Full-time	Manufacturing Technology Manager	Philoptics Co., Ltd	-	-	-	3 years 11 months	
Kim Young Hwan	male	Feb. 1980	Director	Unregistered	Full-time	Product Development Manager	Philoptics Co., Ltd	1,500	-	-	3 years 11 months	

B. Current status of executives holding concurrent positions in other companies

Dual-position holder"			A company holding dual positions		
Name	Position	Whether Full time or not	Name of Company	Position	Whether Full time or not
Kim Do young	Vice President	Full-time	DOWON WIZTECH Co., Ltd.	Other non-executive directors	a part-time employee

C. Current status of employees and other personnel

(As of : 2024.03.31) (Unit : KRW, person)

Employees										Non-affiliated employees			note
Business Division	Gender	Number of employees				Total	Average number of years of continuous service	total amount of annual salaries	average salary per person	Male	Female	Total	
		Employees with no fixed term contract		Employees with fixed term contract									
		Overall	(Short-term workers)	Overall	(Short-term workers)								
All employees	Male	256	-	6	-	262	2	4,149	15	-	-	-	-
All employees	Female	30	-	-	-	30	1	317	10				-
total		286	-	6	-	292	2	4,466	15				-

Footnote 1) The total salary includes bonuses and wages for temporary workers, and the annual total salary is the cumulative amount paid until the end of March 2024.
Footnote 2) The average salary per person was calculated by simply averaging the total compensation by the number of individuals.
Footnote 3) The number of employees excludes registered executives.

D. Status of the unregistered executives' remuneration

(As of : 2024.03.31) (Unit : Million KRW)

Classification	Number of people	Total amount of annual salaries	Amount of salary per person	Note
Unregisterd executive	11	701	63	-

2. Remuneration of the Executives, Etc.

< Status of the remuneration for all directors and auditors >

1. Approved through General Meeting

(Unit : Million KRW)

Classification	Number of people	Amount approved at and by the general meeting of shareholders	Note
Registered executive	7	3,000	-

2. Amount of remuneration paid

2-1. For all directors and auditors

(million KRW)

Number of people	Total amount of remuneration	Average amount of remuneration per person	Note
7	647	92	-

2-2. By type

(million KRW)

Classification	Number of people	Total amount of remuneration	Average amount of remuneration per person	Note
Registered director (excluding outside directors and members of the Audit Committee)	4	631	157	-
Outside director (excluding members of the Audit Committee)	-	-	-	-
Member of the Audit Committee	3	16	5	-
Auditor	-	-	-	-

< Individual Compensation Details for Directors and Auditors Receiving Compensation of 500 Million Won or More >

1. Individual Compensation Payment Amounts

(Unit: million KRW)

Name	Position	Total Compensation Amount	Compensation Excluded from Total Compensation Amount
-	-	-	-

2. Criteria and method of calculation

Not Applicable

< Status of the stock options granted and exercised, etc.>

< Chart 1>

(Unit : Thousand KRW)

Classification	Number of people to whom stock options were granted	Total fair value of stock options	note
Registered director (excluding outside directors and members of the Audit Committee)	3	597,144	-

Classification	Number of people to whom stock options were granted	Total fair value of stock options	note
Outside director (excluding members of the Audit Committee)	-	-	-
Member of the Audit Committee or auditor	-	-	-
Person who instructs another person to conduct business, etc.	19	1,162,749	-
total	22	1,759,893	-

< Chart 2>

(As of:2024.03.31)

Grantee	Relationship	Date of grant	Method of grant	Type of stock	Quantity initially granted	Quantity changed during the current period		Total quantity changed		Quantity unexercised at the end of period	Period of exercise	Exercise price	Whether it is mandatory holding	Mandatory holding period
						Exercised	Revoked	Exercised	Revoked					
Kim Gwang il	registered executive	2022.02.28	Issuance of new shares	Common stock	105,000	-	-	-	-	105,000	2024.03.01~2029.02.28	4,055	X	-
Kim do young	registered executive	2022.02.28	Issuance of new shares	Common stock	75,000	-	-	-	-	75,000	2024.03.01~2029.02.28	4,055	X	-
Cho Tae Hyung	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	45,000	3,000	-	3,000	-	42,000	2024.03.01~2029.02.28	4,055	X	-
Yu Young Sung	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	30,000	-	-	-	-	30,000	2024.03.01~2029.02.28	4,055	X	-
Moon Jong Nam	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	30,000	4,000	-	4,000	-	26,000	2024.03.01~2029.02.28	4,055	X	-
Choi Young Seok	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	30,000	-	-	-	-	30,000	2024.03.01~2029.02.28	4,055	X	-
Gal Gyung Soo	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	30,000	-	-	-	-	30,000	2024.03.01~2029.02.28	4,055	X	-
문희승	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	15,000	-	-	-	-	15,000	2024.03.01~2029.02.28	4,055	X	-
Jang Jae Ho	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	45,000	-	-	-	-	45,000	2024.03.01~2029.02.28	4,055	X	-
Kim Young Hwan	Unregistered executive	2022.02.28	Issuance of new shares	Common stock	30,000	1,500	-	1,500	-	28,500	2024.03.01~2029.02.28	4,055	X	-
Employer 9	employer	2022.02.28	Issuance of new shares	Common stock	150,000	27,000	-	27,000	-	123,000	2024.03.01~2029.02.28	4,055	X	-

Grantee	Relationship	Date of grant	Method of grant	Type of stock	Quantity initially granted	Quantity changed during the current period		Total quantity changed		Quantity unexercised at the end of period	Period of exercise	Exercise price	Whether it is mandatory holding	Mandatory holding period
						Exercised	Revoked	Exercised	Revoked					
Employer 2	employer	2022.02.28	Issuance of new shares	Common stock	90,000	3,000	-	3,000	-	87,000	2024.03.01~2029.02.28	4,055	X	-
Lee Hyung Ro	registered executive	2022.05.24	Issuance of new shares	Common stock	75,000	-	-	-	-	75,000	2024.05.25~2029.05.25	4,055	X	-
Hwang Ji Sang	Unregistered executive	2022.05.24	Issuance of new shares	Common stock	37,500	-	-	-	-	37,500	2024.05.25~2029.05.25	4,055	X	-
Kim Dong Woo	Unregistered executive	2022.05.24	Issuance of new shares	Common stock	37,500	-	-	-	-	37,500	2024.05.25~2029.05.25	4,055	X	-

IX. Matters Concerning Affiliates, Etc.

1. Status of the Affiliates (summarized)

(As of :2024.03.31) (Unit : Company)

Name of corporate group	Number of affiliates		
	Listed	Unlisted	Total
Philenergy	-	3	3

2. Status of Investments in Other Corporations

(As of : 2024.03.31) (Unit: Thousand KRW)

Investment purpose	Number of companies invested in			Total amount of investment			
	Listed	Unlisted	Total	Book amount at beginning of period	Increase		Book amount at end of period
					Acquired (disposed)	Gain and loss on valuation	
Management participation	-	3	3	4,239,040	-	-	4,239,040
General investment	-	-	-	-	-	-	-

Investment purpose	Number of companies invested in			Total amount of investment			
	Listed	Unlisted	Total	Book amount at beginning of period	Increase		Book amount at end of period
					Acquired (disposed)	Gain and loss on valuation	
Simple investment	-	-	-	-	-	-	-
Total	-	3	3	4,239,040	-	-	4,239,040

X. Details of Transactions with Major Shareholders, Etc.

1. Credit Exposure for Major Shareholders, Etc.

A. Temporary Payment, Loan, Temporary receivable

- Not applicable

B. Details of collateral provided, etc.

- Not applicable

C. Details of debt guarantees provided, etc.

- Not applicable

D. Details of borrowings, etc.

- Not applicable

2. Transfer of Assets with Major Shareholders, Etc.

- Not applicable

3. Business Transactions with Major Shareholders

A. Statues of Related Party

Classification	Name of related party	Note
Parent Company	Philoptics Co., Ltd	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	-
Other Related Parties	Philmaterials Co., Ltd, PHILOPTICS VIETNAM CO.,LTD, PHILOPTICS USA,INC, PHILOPTICS CHINA CO.,LTD	Philoptics Co., Ltd. and its Subsidiaries

B. Transactions with Related Party

<the current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Parent Company	Philoptics Co., Ltd	-	817,664	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	55,958,433	-	-
Total		55,958,433	817,664	-

< the previous quarter >

(Unit : Thousand KRW)

Classification	Name of related party	Sales, Etc.	Purchase, Etc.	Acquisition of Fixed Assets
Parent Company	Philoptics Co., Ltd	-	541,924	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	72,968,760	-	-
Total		72,968,760	541,924	-

C. Significant Receivables and Payables from Transactions with Related Parties

< the current quarter>

(Unit : Thousand KRW)

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	Loans
Parent Company	Philoptics Co., Ltd	-	1,466,000	-	-	291,179	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	2,318,848	-	-	-	18,745,351	-
Other Related Parties	Executives and employees	-	-	535,240	-	-	-
total			1,466,000	535,240	-	19,036,530	-

< the previous quarter >

(Unit : Thousand KRW)

Classification	Name of related party	Receivable			Debt		
		Accounts Receivable	Other Receivable	Loans	Accounts Receivable	Other Receivable	Loans
Parent Company	Philoptics Co., Ltd	-	1,466,000	-	-	346,576	-
Company with Significant Influence over the Consolidated Entity	Samsung SDI Co., Ltd. and its Subsidiaries	2,869,758	258	-	-	34,271,054	-
Other Related Parties	Executives and employees	-	-	461,907	-	-	-
Total		2,869,758	1,466,258	461,907	-	34,617,630	-

D. The financial transactions with related parties

< the current quarter >

(Unit : Thousand KRW)

Classification	Name of related party	Financial Lending Transaction		Financial Borrowing Transaction	
		Lending	Collection	Borrowing	Repayment
Other Related Parties	Executives and employees	80,000	6,667	-	-
Total		80,000	6,667	-	-

< the previous quarter >

(Unit : Thousand KRW)

Classification	Name of related party	Financial Lending Transaction		Financial Borrowing Transaction	
		Lending	Collection	Borrowing	Repayment
Other Related Parties	Executives and employees	20,000	3,333	-	-
Total		20,000	3,333	-	-

E. The details of collateral and guarantees provided by related parties

< the current quarter >

(Unit : Thousand KRW)

Name of related party	List	Limit
Philoptics Co., Ltd	Industrial Facility Loan Guarantee	9,600,000
Philoptics Co., Ltd	Provision of Land Security for National Operation Fund Loans	9,600,000
CEO of Philoptics Co., Ltd	Guarantee of payment of national working capital loan	7,810,000

< the previous quarter >

(Unit : Thousand KRW)

Name of related party	List	Limit
Philoptics Co., Ltd	Industrial Facility Loan Guarantee	9,600,000
Philoptics Co., Ltd	Provision of Land Security for National Operation Fund Loans	9,600,000
CEO of Philoptics Co., Ltd	Guarantee of payment of national working capital loan	7,810,000

4. Transactions with Stakeholders other than Major Shareholders

- Not applicable

XI. Other Matters Required for the Investor Protection

1. Progress of and Changes in the Disclosure Content

Date of filing	Title	Report content	Status of the report
2023.09.25	Signing of a single sales or supply contract	1. Sales and Supply Contract Details: - 2. Counterparty: : - 3. Contract Amount: : 159,696,000,000KRW 4. Sales Ratio: 84.18% 5. Supply Contract Date: 2023. 09. 22	Ongoing

Date of filing	Title	Report content	Status of the report
		6. Contract Expiry Date: 2024.07.29	
2023.11.17	Signing of a single sales or supply contract	1. Sales and Supply Contract Details: - 2. Counterparty: : - 3. Contract Amount: : 99,812,000,000 KRW 4. Sales Ratio: 52.61% 5. Supply Contract Date: 2023.11.17 6. Contract Expiry Date: 2025.01.05	Ongoing
2024.03.19	Signing of a single sales or supply contract	1. Sales and Supply Contract Details: - 2. Counterparty: : - 3. Contract Amount: : 99,810,000,000KRW 4. Sales Ratio: 50.74% 5. Supply Contract Date: 2024.03.18 6. Contract Expiry Date: 2025.01.06	Ongoing

2. Matters Concerning Contingent Liabilities, Etc.

A. Important litigations

- Not applicable

B. Status of the notes and checks for pledge or security

As of the end of the quarter, the current consolidated company has received payment guarantees from third parties as follows:

(Unit : Thousand KRW)

Guarantor	Recipient of the guarantee	Guaranteed amount	Guarantee details
CEO of Philoptics Co., Ltd	Kookmin bank	7,810,000	working Capital Loan Guarantee

Guarantor	Recipient of the guarantee	Guaranteed amount	Guarantee details
Philoptics Co., Ltd	Korea development bank	9,600,000	funds for equipment.
Seoul guarantee insurance company	Osan city hall	278,000	Other permits and guarantees
Seoul guarantee insurance company	Osan city hall	204,620	Construction Safety Management Deposit Bond
Kim Dae Sik	Industrial bank of Korea	240,000	Small and Medium-sized Enterprises (SMEs) Funding Loan
Kim Dae Sik	Industrial bank of Korea	120,000	Small and Medium-sized Enterprises (SMEs) Funding Loan
Korea technology finance corporation	Industrial bank of Korea	161,386	Small and Medium-sized Enterprises (SMEs) Funding Loan
Korea technology finance corporation	Industrial bank of Korea	475,000	Small and Medium-sized Enterprises (SMEs) Funding Loan

As of the end of the quarter, the current consolidated company has the following financial agreement terms in place:

(Unit : Thousand KRW)

Financial institution	Limit	Details
KEB Hana bank	4,000,000	working Capital Loan Guarantee
Kookmin bank	12,000,000	working Capital Loan Guarantee
Korea development bank	8,000,000	funds for equipment.
Industrial bank of Korea	100,000	Small and Medium-sized Enterprises Working Capital Revolving Loan
Industrial bank of Korea	200,000	Small and Medium-sized Enterprises (SMEs) Funding Loan
Industrial bank of Korea	200,000	Small and Medium-sized Enterprises (SMEs) Funding Loan

Financial institution	Limit	Details
Industrial bank of Korea	500,000	Small and Medium-sized Enterprises (SMEs) Funding Loan
KEB Hana bank	1,000,000	Electronic installment sales receivables collateralized loan
Woori bank	300,000	Woori Bank's Partner Loan

3. Matters Related to Sanctions, Etc.

A. status of sanctions

- Not applicable

B. Sanctions received from the Korea Exchange

- Not applicable

B. Status of Locked-Up Share

(As of : 2024.03.31) (Unit : Stocks)

Types of Stocks	Number of Deposited Share	Depostied Date	Expected Return Date	Lock-up Period	Reason for Lock-up	Total Number of Issued Shares
Common Stock	365,278	2023.07.14	2024.07.14	1 year	Deposit of Employee Stock Ownership	21,247,382

XII. Detailed Table

1. Status of Subsidiary Companies Subject to Consolidation (Details)

(Unit :Thousand KRW)

Company name	Date of establishment	Address	Main business	Total assets at the end of the most recent fiscal year	Basis of control	Status of major subsidiaries
PHILENERGY-HUNGARY KFT.	2020.07.29	1068 Budapest, kiraly street 80. ground floor. 11th	Equipment maintenance and parts distribution	2,173,088	Ownership of a majority of voting rights	Not relevant
PHILENERGY USA Inc.	2023.09.13	Kokomo City, Indiana, USA	Maintenance and parts distribution	1,330,360	Ownership of a majority of voting rights	Not relevant
Dowon Wiztech	2023.11.30	124-23, Mallyeon-ro 98beon-gil, Jeongnam-myeon, Hwaseong-si, Gyeonggi-do, South Korea	Development and Manufacturing of Winding Equipment, etc	4,721,512	Ownership of a majority of voting rights	Not relevant

2. Status of Subsidiary Companies (Details)

(As of :2024.03.31) (Unit : Company)

Listed or non-listed	Number of companies	Company Name	Corporate Registration Number
listed	-	-	-
		-	-
Non-listed	3	PHILENERGY-HUNGARY KFT.	Foreign Corporation"
		PHILENERGY USA Inc.	Foreign Corporation"
		Dowon Wiztech	134811-0469876

【 Confirmation of the Expert 】

1. Confirmation of the Expert

- Not applicable

2. Interests Regarding the Expert

- Not applicable