

# **HARIM CORPORATION**

**FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2025 AND 2024**

**WITH INDEPENDENT AUDITORS' REPORT**

**Deloitte Anjin LLC**

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# Independent Auditors' Report

To the Shareholders and Board of Directors of  
Harim Corporation

## Audit Opinion

We have audited the financial statements of Harim Corporation (“the Company”), which comprise the statements of financial position as of December 31, 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Korea International Financial Reporting Standards (“K-IFRS”).

We, also, audited the Internal Control over Financial Reporting of Harim Corporation as of December 31, 2025 based on the ‘Design and Operation Concept System of Internal Control over Financial Reporting and expressed unqualified opinion in the audit report dated on Mar. 13, 2026.

## Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as of and for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

## Occurrence of Revenue from Contracts with Customers

### A. Reason decided as a key audit matter

As described in Note 2 to the financial statements, the Company’s primary business activities include broiler processing and feed manufacturing, and the Company recognizes revenue at the point in time when control of the goods is transferred to the customer. Revenue is a key performance indicator used in disclosing the Company’s

operating results and has a highly significant impact on information users. In particular, due to the nature of a business structure where frequent product deliveries occur through a nationwide distribution network and a large number of customers, we determined that verifying the existence of transaction records regarding the occurrence of revenue is significant for the audit. Therefore, considering the potential risk of material misstatement related to the occurrence of revenue, we have identified this as a key audit matter.

## **B. How to address the key audit matters in Audit**

We conducted audit procedures including the below to respond to the key audit matters

- Review of the appropriateness of accounting policies regarding the Company's revenue recognition criteria and the actual occurrence of transactions.
- Obtain an understanding of the Company's accounting systems and revenue recognition processes, and evaluate the design and operating effectiveness of related internal controls.
- Perform the substantive procedures to verify the existence of contracts, identification of performance obligations and fulfillment of performance obligations for a sample of customers.
- Obtain the confirmation of accounts receivable balances for a sample of customers and perform the alternative procedures for non-responding customers.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Kim Seung Yeol.

# **Deloitte Anjin LLC**

**Representative Director Hong Jong Seong**

10 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul

March 13, 2026

This report is effective as of the audit report date (March 13, 2026). Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

# **HARIM CORPORATION**

## **FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**

“The accompanying financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.”

**Kim Hongkuk & Jeong Hoseok  
Representative Director  
HARIM CORPORATION**

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**Harim Corporation**  
**Statements of Financial Position**  
**As of December 31, 2025 and 2024**

(In thousands of Korean won)

Account	Note	December 31, 2025		December 31, 2024	
<b>Assets</b>					
<b>I. Current Assets</b>					
			336,992,090		299,838,757
Cash and cash equivalents	4,5,6,7	69,501,827		36,303,343	
Short-term financial instruments	4,5,6,7,8	3,000,000		10,000,000	
Trade and other receivables	4,5,6,11	106,732,860		89,324,534	
Other financial assets	4,5,6,8	1,078,000		-	
Inventories	9	94,656,774		118,534,576	
Biological assets	10	49,696,879		41,367,032	
Current tax assets	33	-		308,918	
Other current assets	12	12,325,750		4,000,354	
<b>II. Non-current assets</b>					
			494,214,035		506,459,606
Long-term financial instruments	4,5,6,7,8	-		22,512,169	
Long-term trade and other receivables	4,5,6,8	8,581,349		8,689,807	
Other non-current financial assets	4,5,6	10,979,058		-	
Investment in subsidiaries	13	27,021,635		26,053,025	
Investment properties	14	19,713,122		20,400,184	
Property, plant and equipment (PP&E)	15	401,286,047		405,207,494	
Intangible assets	17	7,166,698		1,956,730	
Other non-current assets	12	1,392,343		2,369,924	
Deferred tax assets	33	11,060,971		15,027,034	
Right-of-use asset	16	4,298,513		4,152,344	
Defined benefit assets	22	2,714,299		90,895	
<b>Total Assets</b>			<b>831,206,125</b>		<b>806,298,363</b>
<b>Liabilities</b>					
<b>I. Current Liabilities</b>					
			491,028,225		513,423,941
Trade and other payables	4,5,6,18	116,274,537		103,276,256	
Short-term borrowings	4,5,6,19	340,840,459		405,413,176	
Other current financial liabilities	4,5,6,20	-		609,130	
Current tax liabilities	33	1,479,079		-	
Other current liabilities	21	30,404,253		1,886,607	
Short-term lease liabilities	4,16	2,029,897		2,238,772	
<b>II. Non-current liabilities</b>					
			30,585,479		17,191,740
Long-term trade and other payables	4,5,6,18	429,153		1,464,357	
Long-term borrowings	4,5,6,19	25,999,000		14,080,000	
Other non-current liabilities	21	1,933,276		-	
Long-term lease liabilities	4,16	2,224,050		1,647,383	
<b>Total Liabilities</b>			<b>521,613,704</b>		<b>530,615,681</b>

Account	Note	December 31, 2025		December 31, 2024	
Equity					
I. Capital	4,24		53,104,851		53,104,851
II. Capital surplus	4,24		256,293,544		256,293,544
III. Other capital items	25		(27,437,961)		(27,437,961)
IV. Retained earnings	26		27,631,987		(6,277,752)
Total Equity			309,592,421		275,682,682
Total Liabilities and Equity			831,206,125		806,298,363

*The accompanied notes are an integral part of the financial statements.*

**Harim Corporation**  
**Statements of Comprehensive Income**  
**For Years Ended December 31, 2025 and 2024**

(In thousands of Korean won)

Account	Note	2025	2024
I. Sales	27	1,392,608,677	1,233,745,815
II. Cost of sales	30	1,181,513,613	1,055,319,177
III. Gross profit		211,095,064	178,426,638
IV. Selling and administrative expenses	29,30	164,495,857	156,307,437
V. Operating profits		46,599,207	22,119,201
VI. Other income or loss	31	2,118,329	8,352,663
Other profits		3,303,701	9,482,720
Other expenses		1,185,372	1,130,057
VII. Financial income or loss	32	(5,652,839)	(55,472,424)
Financial income		29,439,911	16,994,642
Financial expenses		35,092,750	72,467,066
VIII. Income before tax		43,064,697	(25,000,560)
IX. Income tax expense	33	7,480,534	(7,034,703)
X. Net Income		35,584,163	(17,965,857)
XI. Other comprehensive income		(1,674,424)	(3,859,163)
Items not subsequently reclassified to profit or loss:			
Remeasurements of defined benefit plans	22,33	(1,674,424)	(3,859,163)
XII. Total comprehensive income		33,909,739	(21,825,020)
XIII. Earnings per share	34		
Basic earnings per share		335	(169)

*The accompanied notes are an integral part of the financial statements.*

**Harim Corporation**  
**Statements of Changes in Shareholders' Equity**  
**For Years Ended December 31, 2025 and 2024**

(In thousands of Korean won)

Account	Capital	Capital surplus	Other capital components	Retained earnings	Subtotal
Balance at Jan 1, 2024	53,104,851	256,293,544	(27,437,961)	18,732,883	300,693,317
Net loss	-	-	-	(17,965,857)	(17,965,857)
Dividend payment	-	-	-	(3,185,615)	(3,185,615)
Remeasurements for net defined benefit plans	-	-	-	(3,859,163)	(3,859,163)
Balance at Dec 31, 2024	53,104,851	256,293,544	(27,437,961)	(6,277,752)	275,682,682
Balance at Jan 1, 2025	53,104,851	256,293,544	(27,437,961)	(6,277,752)	275,682,682
Net income	-	-	-	35,584,163	35,584,163
Remeasurements for net defined benefit plans	-	-	-	(1,674,424)	(1,674,424)
Balance at Dec 31, 2025	53,104,851	256,293,544	(27,437,961)	27,631,987	309,592,421

*The accompanied notes are an integral part of the financial statements.*

**Harim Corporation**  
**Statements of Cash Flows**  
For the Years ended December 31, 2025 and 2024

(In thousands of Korean won)

Account	2025		2024	
I. Cash flow from operating activities		123,794,608		74,401,262
(1) Net income (loss)	35,584,163		(17,965,857)	
(2) Adjustment	79,946,047		118,822,931	
Income tax expense (profit)	7,480,534		(7,034,703)	
Depreciation	38,890,801		40,809,831	
Depreciation of investment property	687,062		687,061	
Amortization of intangible assets	227,025		274,480	
Depreciation of right-of-use assets	3,447,526		3,413,540	
Depreciation of biological assets for production	21,102,015		19,367,644	
Loss(reversal) on valuation of inventories	850,104		1,392,856	
Loss on valuation of derivatives	-		609,130	
Gain on valuation of derivatives	(1,687,130)		-	
Loss on transaction of derivatives	13,781,769		32,428,925	
Gain on transaction of derivatives	(17,011,025)		(13,828,440)	
Retirement benefits	8,389,334		7,465,599	
Loss on disposal of PP&E	96,585		88,938	
Gain on disposal of PP&E	(19,152)		(114,207)	
Loss on disposal of intangible assets	-		1	
Gain on disposal of investment property	-		(9,061)	
Gain on disposal of right-of-use assets	(19,026)		(25,301)	
Loss on disposal of right-of-use assets	72,040		-	
Bad debt expenses	18,477		400,768	
Interest income	(2,183,703)		(2,874,495)	
Interest expense	17,388,618		20,646,658	
Changes in fair value of biological assets held for consumption	(6,869,511)		(3,457,037)	
Gain on foreign currency translation	(311,910)		(4,158)	
Loss on foreign currency translation	2,437,198		10,001,268	
Gain on foreign currency transaction	(7,772,159)		(194,303)	
Loss on foreign currency transaction	1,037,199		8,771,619	
Greenhouse gas emission liabilities	155,492		6,318	
Gain on valuation of financial assets	(254,108)		-	
Loss on valuation of financial assets	11,992		-	
(3) Changes in net working capital	25,205,952		(4,984,546)	
Decrease (increase) in trade receivables	(30,783,059)		(6,992,978)	
Decrease (increase) in other receivables	7,866,720		(7,966,872)	
Decrease (increase) in inventories	18,194,311		10,300,875	
Decrease (increase) in biological assets for consumption	3,184,804		(448,257)	
Decrease (increase) in other assets	(3,211,418)		(763,718)	
Increase (decrease) in trade payables	21,253,945		9,575,797	
Increase (decrease) in other payables	(5,112,915)		5,946,473	
Increase (decrease) in other liabilities	26,972,998		(1,630,594)	
Payment of severance pay	(8,103,864)		(6,709,226)	
Decrease (increase) in plan assets	(5,055,570)		(6,296,046)	
(4) Receipt of interest	1,966,848		1,978,242	
(5) Payment of interest	(17,654,202)		(22,068,128)	
(6) Income tax refund (payment amount)	(1,254,200)		(1,381,380)	
II. Cash flow from investing activities		(39,625,887)		(73,638,374)
Decrease in short-term financial instruments	7,000,000		17,170,000	
Increase in short-term financial instruments	-		(2,000,000)	
Decrease in short-term security deposits	14,815,100		5,718,657	

Increase in short-term security deposits	(11,347,115)		(29,239,552)	
Decrease in long-term financial instruments	15,371,043		44,882	
Increase in long-term financial instruments	(3,009,738)		(15,315,993)	
Decrease in long-term deposit	452,451		1,747,529	
Increase in long-term deposit	(205,217)		(3,164,727)	
Decrease in other financial assets	-		2,110	
Increase in investment in subsidiary shares	(968,610)		-	
Disposal of investment property	-		110,000	
Disposal of PP&E	64,095		185,733	
Receipt of government grants	212,866		166,860	
Acquisition of PP&E	(37,430,579)		(27,551,014)	
Acquisition of intangible assets	(3,557,837)		(190,016)	
Increase in biological assets for production	(20,913,767)		(21,799,943)	
Settlement of derivatives	(39,379)		477,100	
Acquisition of financial assets at FVTPL	(69,200)		-	
<b>III. Cash flow from financing activities</b>		(50,970,237)		(4,966,483)
Increase in short-term borrowings	302,801,886		275,201,359	
Repayment of short-term borrowings	(312,089,647)		(263,594,225)	
Repayment of current portion of long-term liabilities	(41,812,500)		(16,784,000)	
Increase in long-term borrowings	27,809,000		6,200,000	
Repayment of long-term borrowings	(4,877,500)		-	
Repayment of current bonds	(20,000,000)		-	
Payment of dividends	-		(3,185,615)	
Repayment of lease liabilities	(2,801,476)		(2,804,002)	
<b>IV. Effect of exchange rate fluctuation on cash and cash equivalents</b>			-	3,847
<b>V. Increase in cash and cash equivalents (I + II + III + IV)</b>		33,198,484		(4,199,748)
<b>VI. Cash and cash equivalents at beginning of the year</b>		36,303,343		40,503,091
<b>VII. Cash and cash equivalents at end of the year</b>		69,501,827		36,303,343

*The accompanied notes are an integral part of the financial statements.*

# Notes to the Financial Statements

For the Years ended December 31, 2025 and 2024

## Harim Corporation

### 1. Overview of the Company

Harim Corporation (hereinafter referred to the “Company”) was established by spin-off of Harim Corporation (before spin-off) into Harim Holdings (Surviving entity after spin-off) to engage in the investment division and the new corporation, the Company to engage in the chicken processing and fee manufacturing business with a record date of January 1, 2011.

After the spin-off, the shares of the Company have been re-listed on the KOSDAQ market in May 2, 2011 and the major shareholders as of Dec 31, 2025 consist of Harim Holdings Co., Ltd. (57.37%) and others.

### 2. Basis of Preparation of Financial Statements and Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Korean International Financial Reporting Standards (“K-IFRS”), which is the accounting treatment standard adopted by the Republic of Korea based on the International Financial Reporting Standards issued by the International Accounting Standards Board, as prescribed in Article 5(1)(1) of the Act on External Audit of Stock Companies, etc.

The financial statements of the Company are separate financial statements pursuant to the K-IFRS No. 1027 ‘Separate Financial Statements’ and presented the investment assets by accounting standards based on the direct investment in shares not based on performance and net assets.

The financial statements of the Company were approved by the Board of Directors on February 11, 2026, and which are subject to final approval at the general meeting of shareholders to be held on March 26, 2026

#### (1) Basis of measurement

The financial statements have been prepared on the basis of historical cost, except for the major items in the statement of financial position listed below.

- ① Derivatives measured at fair value
- ② Biological assets for consumption measured at fair value less the cost of sales
- ③ Defined benefit plans and plan assets measured at fair value

#### (2) Functional and presentation currency

The financial statements of the Company have been prepared in functional currency, which is the currency of the main economic environment in which the operations of the Company are conducted. The financial statements of the Company are prepared and reported in Korean Won (KRW), which is the functional and presentation currency.

## **2.2 Changes in Accounting Policies and Disclosures**

### **2.2.1 Enacted and/or Amended Standards and Interpretations adopted by the Company**

The Company has newly applied the following enacted and/or amended standards and interpretations for the accounting period beginning on January 1, 2024.

(1) Amendments to K-IFRS No. 1021 ‘The Effects of Changes in Foreign Exchange Rates’ and K-IFRS No. 1101 ‘First-time Adoption of K-IFRS’ – Lack of Exchangeability

These amendments define the circumstances in which a currency is exchangeable into another currency for accounting purposes and clarify the requirements for assessing exchangeability, estimating the spot exchange rate when exchangeability is lacking, and related disclosures. If a currency is not exchangeable, the spot exchange rate must be estimated at the measurement date, using either an observable exchange rate without adjustment or other estimation techniques. The adoption of these amendments has no material impact on the consolidated financial statements.

(2) Amendments to K-IFRS No. 1117 ‘Insurance Contracts’ – Disclosures on Lapse Rates for Non-dividend/Low-surrender Value Insurance Products

An additional paragraph has been added to require disclosure of the differences and their impact on the financial statements if the estimation techniques for inputs used to measure insurance contracts differ from the principle-based techniques required by insurance regulations, provided such information is deemed relevant and material to users. These amendments are effective from December 31, 2025, and apply to the first fiscal year ending after the effective date. They remain in effect until the fiscal year that includes December 31, 2029. The adoption of these amendments has no material impact on the consolidated financial statements.

### **2.2.2 Enacted and/or Amended Standards and Interpretations not applied by the Company**

The following newly enacted or amended standards and interpretations have not been applied, as their effective dates have not yet arrived.

(1) Amendments to K-IFRS No. 1109 ‘Financial Instruments’ and K-IFRS No. 1107 ‘Financial Instruments: Disclosures’ – Classification and Measurement of Financial Instruments

- Derecognition of financial liabilities settled through electronic transfer

These amendments permit financial liabilities (or a portion of financial liabilities) settled through an electronic payment system to be considered extinguished (and thus derecognized) before the settlement date, provided specific criteria are met. If this accounting policy is selected, it should be applied consistently to all settlements made through the same electronic payment system.

- Classification of financial assets

- Contractual terms consistent with a basic lending arrangement

These amendments provide guidance on how to assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to support entities in applying the contractual cash flow characteristics assessment requirements to financial assets with features linked to Environmental, Social, and Governance (ESG) factors.

- Non-recourse financial assets

These amendments supplement the explanation of the term ‘non-recourse’ clarifying that a financial asset has non-recourse characteristics particularly when the entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specific assets.

- Contractually linked instruments

These amendments clarify the characteristics that distinguish contractually linked instruments from other transactions. Specifically, they emphasize that in such instruments, the priority of payments to holders of multiple contractually linked instruments (tranches) is established through a waterfall payment structure, which results in the concentration of credit risk and the disproportionate allocation of losses among different tranche holders. Furthermore, the amendments explain that not all multi-debt instrument transactions meet the requirements for multiple contractually linked instrument transactions

and clarify that the underlying pool of assets may include financial assets that do not fall within the scope of the classification requirements of this standard.

- Disclosures

- Investments in equity instruments designated at FVOCI

The requirements of K-IFRS No. 1107 have been amended to require disclosure of the fair value gains or losses presented in other comprehensive income during the reporting period, while separately presenting fair value gains or losses related to investments derecognized during the period and those related to investments held at the end of the reporting period.

- Contractual terms that could change the timing or amount of contractual cash flows

These amendments require disclosure of contractual terms under which the timing or amount of contractual cash flows could change based on the occurrence (or non-occurrence) of a contingent event that is not directly related to changes in basic lending risks and costs. This requirement applies to each class of financial assets measured at amortized cost or FVOCI, and each class of financial liabilities measured at amortized cost.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. If an entity elects to early adopt these amendments, it is required to apply either.

- All amendments simultaneously and disclose that fact; or
- Only the amendments regarding the classification of financial assets and disclose that fact.

Except for specified exceptions, these amendments must be applied retrospectively in accordance with K-IFRS No. 1008. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

(2) Amendments to K-IFRS No. 1101 'First-time Adoption of K-IFRS' – Application of Hedge Accounting.

These amendments specify that the conditions for applying hedge accounting should refer to specific paragraphs of K-IFRS No. 1109 'Financial Instruments' and have aligned the related terminology. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

(3) Amendments to K-IFRS No. 1107 'Financial Instruments: Disclosures'

- Gains and losses on derecognition

These amendments refer to K-IFRS No. 1113 'Fair Value Measurement' regarding fair value measurement and have aligned the related terminology.

- Disclosures when the difference between fair value and transaction price is not recognized in profit or loss at initial recognition

These amendments improve the consistency of terminology within the standard by aligning terms between paragraphs of the Implementation Guidance of K-IFRS No. 1107.

- Credit risk disclosures

These amendments clarify that the Implementation Guidance does not explain all requirements of the standard and have streamlined the content related to credit risk disclosures.

(4) Amendments to K-IFRS No. 1109 'Financial Instruments' – Accounting for Derecognition of Lease Liabilities and Definition of Transaction Price

These amendments clarify that gains or losses arising from the derecognition of a lease liability must be recognized in profit or loss. Additionally, the definition of 'transaction price' has been amended to be consistent with K-IFRS No. 1115. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

(5) Amendments to K-IFRS No. 1110 'Consolidated Financial Statements' – Determination of De Facto Agents

These amendments resolve inconsistencies between paragraphs of the standard by revising the wording in K-IFRS No.

1110 regarding the judgment of a de facto agent and clarify that a de facto agent relationship is one example where judgment is required. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

(6) Amendments to K-IFRS No. 1007 'Statement of Cash Flows' – Cost Method

Through these amendments, the term 'cost method' has been deleted and replaced with 'cost.' These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

(7) Amendments to K-IFRS No. 1109 'Financial Instruments' and K-IFRS No. 1107 'Financial Instruments: Disclosures' – Contracts for Electricity Dependent on Nature

- Amendments to K-IFRS No. 1109 'Financial Instruments'

- The 'own-use' requirements of K-IFRS No. 1109 have been amended to include factors to be considered when applying the standard to contracts for the purchase and delivery of renewable electricity where the source of production is dependent on nature.
- The hedge accounting requirements of K-IFRS No. 1109 have been amended to allow the following when using renewable electricity contracts dependent on nature that meet specified characteristics as hedging instruments.
- Designating a variable quantity of expected electricity transactions as a hedged item, provided specific requirements are met.
- Measuring the hedged item using the same quantity assumptions as those used for the hedging instrument

- Amendments to K-IFRS No. 1107 'Financial Instruments: Disclosures' and K-IFRS No. 1119 'Subsidiaries without Public Accountability: Disclosures'

- K-IFRS No. 1107 and No. 1119 have been amended to introduce disclosure requirements regarding electricity contracts dependent on nature that meet specified characteristics.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. Amendments regarding the own-use exception are to be applied retrospectively in accordance with K-IFRS No. 1008, reflecting the facts and circumstances at the date of initial application. Amendments regarding hedge accounting requirements are to be applied prospectively to new hedging relationships designated after the date of initial application. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

(8) Enactment of K-IFRS No. 1118 'Presentation and Disclosures in Financial Statements'

K-IFRS No. 1118 replaces K-IFRS No. 1001. K-IFRS No. 1118 carries forward many requirements of K-IFRS No. 1001 without change while adding new requirements. Some paragraphs of K-IFRS No. 1001 have been moved to K-IFRS No. 1008 and No. 1107, and K-IFRS No. 1007 and No. 1033 have been partially amended.

K-IFRS No. 1118 introduces the following new requirements.

- Presentation of specified categories and defined subtotals in the statement of profit or loss
- Provision of disclosures related to Management-defined Performance Measures (MPMs) within the notes to the financial statements
- Improvements to aggregation and disaggregation

The new standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The amendments to K-IFRS No. 1007 and No. 1033, as well as the amended K-IFRS No. 1008 and No. 1107, will be effective at the time K-IFRS No. 1118 is applied. K-IFRS No. 1118 requires retrospective application and provides specific transitional provisions. The Company is currently reviewing the impact of these amendments on the consolidated financial statements.

## 2.3 Significant Accounting Policies

The significant accounting policies applied by the Company in preparation of its financial statements pursuant to the K-IFRS are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for those as described in Note 3.

### (1) Investment in subsidiaries and affiliates

The financial statements of the Company are the separate financial statements pursuant to the K-IFRS No. 1027. In relation to the investment assets in subsidiaries and affiliates, the Company uses the cost method pursuant to the K-IFRS No. 1027. Meanwhile, the dividends received from the subsidiaries and affiliates are recognized as gain or loss at the time of confirming the right to the dividends payments.

### (2) Cash and cash equivalents

The Company classifies investment assets with maturities within 3 months from the acquisition date as cash and cash equivalents. Equity instruments are excluded from cash equivalents but may be included in cash equivalents if they are actually cash equivalents, such as preferred shares with a fixed redemption date and a short period from the acquisition date to redemption date.

### (3) Biological assets

#### ① Biological assets for consumption

Biological assets for consumption are measured at fair value less costs to sell which is the fair value less estimated cost of sales at the time of initial recognition and at the end of each reporting period. In addition, crops harvested from biological assets are measured and evaluated at fair value less costs to sell at the time of harvest.

Valuation gains and losses arising from changes in the fair value less costs to sell of biological assets for consumption are reflected in profit or loss in the period in which they arise.

#### ② Biological assets for production

Biological assets are measured at acquisition cost less accumulated depreciation and accumulated impairment losses.

Biological assets for production are depreciated using the straight-line method over the useful life of 10 months, which is the breeding period, with a residual value of zero (“0”) from the time when they can be spawned.

### (4) Inventories

The unit cost of inventories is determined by the gross average method and acquisition cost includes purchase costs, conversion costs and other costs necessary to prepare inventories in a ready-to-use condition. Fixed manufacturing overhead costs included in the cost of products or work-in-process are allocated based on the normal operating level of production facilities.

Inventories are measured at the lower of acquisition cost or net realizable value. Loss on valuation of inventories written down to net realizable value and all losses on spoilage are recognized as expenses in the period in which the write-down or spoilage occurred. Reversal of loss on valuation of inventories due to an increase in the net realizable value of inventories is deducted from the cost of sales for inventories recognized as an expense in the period in which the reversal occurred.

### (5) Non-derivative financial assets

#### ① Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset excluding trade receivables without a significant financing component is initially measured at fair value plus, for an item not at financial assets measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## ② Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortized cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss.

- it is held within a business model whose objective is achieved by both collection contractual cash flows and selling financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. However, once elected, it cannot be cancelled. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. However, once elected, it cannot be cancelled.

The Company evaluates the objectives of business model held at the portfolio level of financial assets because it best reflects how the business is managed and information is provided to management. Such information considers followings:

- Accounting policies and objectives specified for the portfolio and the actual operation of these policies which include management's strategies focused on obtaining a nominal interest income, maintaining a certain level of interest rate, matching the duration of the liabilities to finance the financial asset with the duration of the financial asset, and outflow or realization of the expected cash flow through sale of the assets
- Method of evaluating the performance of financial assets held in the business model and reporting the evaluation to key management
- Risks that affect the performance of the business model (and financial assets held in the business model) and how those risks are managed
- Compensation method for management (for example, based on the fair value of the assets under management or based

on the contractual cash flows received)

- Frequency, amount, timing, reason, and forecast of future sales activities of financial assets in the past period

For this purpose, a transaction that transfers a financial asset to a third party, which does not qualify for derecognition, is not considered as a sale.

Portfolios of financial assets that meet the definition of trading or whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial assets: Assessment of whether contractual cash flows consist only of principal and interest.

“Principal” is defined as the fair value of a financial asset on initial recognition. Interest consists of consideration for the time value of money, consideration for the credit risk associated with the principal balance in a specified period and other basic lending risks and considerations for costs (e.g., liquidity risk and operating costs) as well as profits.

When assessing whether contractual cash flows consist solely of principal and interest, the Company considers the contractual terms of the instrument. If a financial asset contains a contractual condition that changes the timing or amount of contractual cash flows, it should be determined whether the contractual cash flows that would arise over the life of the instrument because of the contractual condition consist solely of payment of principal and interest.

In evaluating this, the Company considers:

- Conditional circumstances that change the amount or timing of cash flows
- Provisions to adjust contractual nominal interest rates including floating interest rate characteristics
- Early repayment characteristics and maturity extension characteristics
- Contractual conditions limiting the Company’s claim to cash flows from specific assets (e.g., non-recourse)

If the early redemption amount substantially represents the outstanding principal and interest over the outstanding principal and includes reasonable compensation for early termination of the contract, the early redemption characteristic is consistent with the conditions for paying the principal and interest on a specific date.

In addition, for financial assets acquired at a significant discount or premium to the contractual nominal amount, the early redemption amount substantially represents the contractual nominal value and contractual interest accrued (but not paid) (in this case, it is necessary for early termination of the contract). If the fair value of the early redemption characteristic is insignificant at the time of initial recognition of a financial asset, it is determined that these conditions are satisfied.

Financial assets: Subsequent measurement and profit or loss

Financial assets measured at FVPL	These assets are subsequently measured at fair value. Net income including interest or dividend income is recognized in profit or loss.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment loss. Interest income, gain/loss on foreign currency translation and impairment losses are recognized in profit or loss. Gains or losses on derecognition are recognized in profit or loss.
Debt instruments measured at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method and gain or loss on foreign currency translation and impairment losses are recognized in profit or loss. Other net income is recognized in other comprehensive income. Gain or loss on derecognition is reclassified to profit or loss from accumulated other comprehensive income.
Equity instruments measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless there is an explicit recovery of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

### ③ Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the contractual rights to receive the cash flows from the financial asset are transferred and the Company has

substantially transferred all the risks and rewards of ownership of the transferred financial asset, or when the Company has neither retained nor transferred substantially all the risks and rewards of ownership and has not retained control of the financial asset.

If the Company transfers assets recognized in the statement of financial position but retains most of the risks and rewards of ownership of the transferred assets, the transferred assets are not derecognized.

#### ④ Offset

The Company offsets financial assets and liabilities only when the Company currently has a legally enforceable right of set-off against the recognized assets and liabilities and intends to settle the difference or settle the liabilities simultaneously with the realization of the assets, and it is presented as a net amount in the statement of financial position.

#### (6) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign exchange and interest rate exposures. Embedded derivatives are accounted for separately and separated from the main contract when the main contract is not a financial asset and certain requirements are met.

Derivatives are initially recognized at fair value initially. After initial recognition, it is measured at fair value and changes are generally recognized in profit or loss.

The Company designates certain derivatives and non-derivative financial liabilities as hedging instruments to hedge the volatility of cash flows related to future forecast transactions that are highly likely to arise from fluctuations in exchange rates and interest rates.

At the inception of the hedge, the Company documents the objectives and strategies for risk management for the hedge. The Company documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform.

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Company assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Company assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Company assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform. The Company will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument.

- to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or
- when the hedging relationship is discontinued.

For its highly probable assessment of the hedged item, the Company will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

#### ① Cash flow hedging

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognized in other comprehensive income and accumulated as hedging reserve. The effective part of the change in the fair value of the derivatives recognized in other comprehensive income is limited to the cumulative change in the fair value of the hedged item, determined based on the present value, from the inception of the hedge. Ineffective

parts of changes in the fair value of derivatives are recognized immediately in profit or loss.

The Company designates only changes in the fair value of the spot component of a forward exchange transaction as a hedging instrument in a cash flow hedging relationship. Changes in the fair value of the forward component of a forward exchange transaction are separately accounted as hedging costs and recognized in the cost of hedging in equity.

If the hedged forecast transaction is subsequently recognized in a non-financial asset such as inventories, the accumulated hedge reserve and the cost of the hedging are included directly in the initial cost of the non-financial asset when the non-financial asset is recognized.

For other hedged transactions, the accumulated hedging reserves and the hedging cost are reclassified to profit or loss in the same period or in the period in which the hedged expected future cash flows affect profit or loss.

Hedging accounting is discontinued prospectively when the hedging no longer meets the criteria or when the hedging instrument is sold, extinguished, terminated or exercised.

If the non-financial item is a recognized hedging transaction, when cash flow hedge accounting is discontinued, the accumulated hedge reserve and the cost of the hedging remains in equity items until the non-financial item is initially recognized and is included in the cost of the non-financial item. In the case of a cash flow hedge that does not fall under these circumstances, the amount is reclassified as hedge reserve by reclassification adjustment during the period in which the hedged future expected cash flows affect profit or loss and the cost is reclassified as profit or loss.

When the hedged future cash flows are no longer expected to occur, the accumulated cash flow hedge reserve and the cost of the hedge are immediately reclassified to profit or loss.

## ② Net investment hedging

When a derivative or non-derivative financial liability is designated as a hedging instrument for a net investment in a foreign operation, the effective part of the change in the fair value of the hedging instrument for a derivative instrument, and the effective part of the gain or loss on foreign currency translation for a non-derivative instrument is recognized in other comprehensive income and presented as transaction reserve in equity. Ineffective parts are recognized immediately in profit or loss.

The amount recognized in other comprehensive income is reclassified to profit or loss through reclassification adjustment at the time of disposal of the foreign operation site.

## (7) Impairment of financial assets

### ① Financial instruments and contract assets

The Company recognizes allowance for expected credit losses on the following assets:

- financial assets measured at amortized cost

With the exception of the following financial assets, which are measured in 12-month expected credit loss, the Company measures the allowance for loss at an amount equivalent to lifetime expected credit loss.

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The loss allowance for trade receivables and contract assets is always measured at the amount equivalent to the lifetime expected credit loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk of financial assets increases significantly when the number of overdue days

exceeds 90 days.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security
- the number of overdue days of financial assets exceeds 365 days

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

## ② Measurement of expected credit losses

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

## ③ Credit-impaired financial assets

At the end of each reporting period, the Company assesses whether financial assets measured at amortized cost and debt instrument measured at fair value through other comprehensive income are credit-impaired. A financial asset is deemed credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that a financial asset or group of financial assets are impaired includes:

- significant financial difficulty of the issuer or borrower
- a breach of contract such as a default or delinquency more than 90 days
- concessions granted due to economic or contractual reasons related to the borrower's financial difficulty that would not otherwise be considered
- a high possibility that the borrower will enter bankruptcy or other financial reorganization
- disappearance of an active market for the financial assets due to financial difficulties

## ④ Presentation of allowance for ECL in the statements of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

## ⑤ Write-off

A financial asset is written off when there is no reasonable expectation of recovery of all or part of its contractual cash flows. For individual customers, the Company writes off the carrying amount based on past experience with the recovery of similar assets, and for corporate customers, the timing and amount of each write-off are evaluated individually by assessing whether there is a reasonable expectation for recovery. The Company has no expectation that the write-off will be significantly recovered. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## (8) Property, Plant and Equipment (PP&E)

Property, plant and equipment are initially measured and recognized at cost. The cost of property, plant and equipment includes costs directly attributable to bringing the asset to the location and condition necessary to operate it in the manner intended by management and the estimated cost of dismantling, removing the assets or restoring the site.

After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Among PP&E, land is not depreciated. Other property, plant and equipment are amortized using the straight-line method, which best reflects the expected consumption patterns of future economic benefits inherent in the asset over the useful life as shown below for the amount obtained by deducting the residual value from the acquisition cost of the asset.

If the cost of a part of property, plant and equipment is significant compared to the total cost of the property, plant and equipment, such a part is separately depreciated.

Gain or loss on the derecognition of property, plant and equipment is determined as the difference between the net sale amount and the carrying amount, and the difference is recognized in profit or loss.

Estimated useful lives for the years ended December 31, 2025 and 2024 are as follows.

Account	Estimated useful life	Account	Estimated useful life
Building	20 ~ 40 years	Facility and equipment	12 years
Structures	20 ~ 40 years	Vehicles	5 years
Machinery	8 ~ 12 years	Others	5 years

At the end of each reporting period, the Company reexamines the residual value, useful life and depreciation method of an asset, and if it is judged appropriate to change it as a result of the review, it is treated as a change in accounting estimates.

Subsequent expenditure is capitalized only when it is probable that future economic benefits related to the expenditure will flow to the Company.

#### (9) Intangible assets

Intangible assets are initially measured at cost, and after initial recognition, the carrying amount is recognized at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized using the straight-line method over their useful lives of 5 years with a residual value of zero ("0") from the time they are available for use. However, as there are no foreseeable limits to the periods over which club memberships are expected to be available for use, this intangible asset is determined as having an indefinite useful life and not amortized.

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. Intangible assets are treated as change in accounting change if is proper to change by reviewing whether the evaluation that the useful lives of intangible assets are indefinite and it is determined that the change is reasonable.

Subsequent expenses are capitalized only when the future economic benefits belonging to the specific asset concerned increase, and other expenses, including internally generated goodwill and brand names, are expensed immediately upon occurrence.

#### (10) Government grants

Government grants are recognized only when the Company has reasonable assurance that it will receive the grant and comply with the conditions incidental to the grant.

The Company receives a government grant subject to the basic condition that it be used to acquire or construct a non-current asset. When calculating the carrying amount of the asset, the government grant is deducted and recognized in profit or loss over the useful life of the depreciable asset.

### (11) Investment property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. Transaction costs are included in the initial measurement. Subsequently, investment property is carried at depreciated cost less any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of investment property at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Among investment property, land is not depreciated, and investment property excluding land, is depreciated using the straight-line method over 20 ~ 40 years depending on the economic useful life.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate. The change is accounted for as a change in an accounting estimate.

### (12) Impairment of non-financial assets

All non-financial assets, except for assets arising from employee benefits, biological assets, inventories, and deferred tax assets, are reviewed at the end of each reporting period for any indications of impairment and, if there is any such indication, the recoverable amount of the asset is estimated. However, goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount.

Management estimates the recoverable amount of an individual asset. If it is impossible to measure the individual recoverable amount of an asset, then management estimates the recoverable amount of cash-generating unit ("CGU"). The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. The value-in-use is estimated by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

### (13) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for considerations.

#### ① As a lessee

At inception or reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, the Company accounts for the non-lease component related to the lease component as a single lease component by applying the practical expedient that does not separate the non-lease component for real estate leases.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for

certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the followings:

- fixed payments (including the fixed lease payments)
- variable lease payments that depend on an index or a rate, which is measured the index or rate (interest rate) of the lease commencement date initially
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. A lease liability is a change in the future lease payments due to a change in an index or rate (interest rate) and remeasured in the event of a change in the amount expected to be paid under the residual value guarantee, a change in the evaluation of whether to exercise purchase, extension or termination options, or a change in the actual fixed lease payment.

When the lease liability is remeasured, the related right-of-use asset is adjusted. Of the carrying amount of the right-of-use asset decreases to zero ("0"), the remeasurement amount is recognized in profit or loss.

In the statement of financial position, right-of-use assets that do not meet the definition of investment property are presented separately from tangible assets, and lease liabilities are presented as 'other financial liabilities'.

Short-term leases and small-value underlying asset leases

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases not exceeding 12 months, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

② As a lessor

At inception or the effective date of a modification that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies K-IFRS No. 1115 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in K-IFRS No. 1109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment of the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

#### (14) Non-derivative financial liabilities

The Company classifies non-derivative financial liabilities into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost in accordance with the substance of the contractual arrangement and the definitions of financial liabilities and recognizes financial liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of the financial liability.

##### ① Financial liabilities measured at fair value through profit or loss

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

##### ② Other financial liabilities

Non-derivative financial liabilities other than financial liabilities measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost. At the date of initial recognition, financial liabilities measured at amortized cost are measured at fair value after deducting transaction costs that are directly attributable to the acquisition. Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method subsequently to initial recognition.

##### ③ Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### (15) Employee benefits

##### ① Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Company during an accounting period, the Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as profit or loss.

##### ② Other long-term employee benefits

Other long-term employee benefits include employee benefits that are settled beyond 12 months after the end of the period in which the employees render the related service, and are calculated at the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any related assets. Any actuarial gains and losses are recognized in profit or loss in the period in which they arise.

##### ③ Retirement benefit: Defined benefit plan

For defined contribution plans, when an employee has rendered service to the Company during a period, the Company recognizes the contribution payable to a defined contribution plan in exchange for that service as an accrued expense, after deducting any contributions already paid. If the contributions already paid exceed the contribution due for service before the end of the reporting period, the Company recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

#### ④ Retirement benefits: Defined benefit plans

As of the end of the reporting period, defined benefit liabilities related to defined benefit plans are recognized by deducting the fair value of plan assets from the present value of the defined benefit obligations.

The calculation is performed annually by an independent actuary using the projected unit credit method. When the fair value of plan assets exceeds the present value of the defined benefit obligation, the Company recognizes an asset, to the extent of the present value of the total of cumulative any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan.

Remeasurements of net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments, net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss in curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### (16) Greenhouse Gases Emission Right

The Company has been accounted for the greenhouse gases emission right and emission liability occurring pursuant to the Act on Allocation and Transaction of Greenhouse Gas Emission Right, as follows.

##### ① Emission rights

Greenhouse gas emissions rights consist of the allowances received free of charge from the government and the ones purchased. the allowances received free of charge from the government is measured and recognized as zero (“o”) and the cost of the greenhouse gas emissions rights includes expenditures arising directly from the acquisition and any other costs incurred during normal course of the acquisition.

Greenhouse gas emissions rights are held by the Company to fulfill the legal obligation and recorded as intangible assets. To the extent that the portion to be submitted to the government within one year from the end of reporting period, the greenhouse gas emissions rights are classified as current assets. Greenhouse gas emissions rights recorded as intangible assets are initially measured at cost and substantially remeasured at cost less accumulated impairment losses.

Emission rights held for the purpose of performing the obligation are classified as intangible asset and initially measured at cost and subsequently carried at cost less accumulated impairment losses.

The Company derecognizes an emission right asset when the emission allowance is unusable, disposed or submitted to government when the future economic benefits are no longer expected to be probable.

##### ② Emission liability

Emission liability is an amount of estimated obligations for emission rights to be submitted to the government for the performing period. The emission liability is measured based on the expected quantity of emission for the performing period in excess of emission allowance in possession and the unit price for such emission rights in the market at the end of the reporting period. The emission liability is derecognized when submitted to the government.

#### (17) Foreign currency

Foreign currency transactions are initially recorded using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are

translated using the exchange rate at the date of the original transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date fair value was initially determined.

All exchange differences arising from the conversion of monetary items are recognized in profit or loss, excluding foreign exchange differences at the time of settlement of monetary items, differences in the translation of net investments in foreign operations, or differences in financial liabilities designated as cash flow hedges. When gains or losses on non-monetary items are recognized in other comprehensive income, exchange components of those gains or losses are recognized in other comprehensive income. Conversely, when gains or losses on non-monetary items are recognized in profit or loss, exchange components of those gains or losses are recognized in profit or loss.

#### (18) Paid-in capital

Common shares are classified as equity, and incremental costs directly related to capital transactions are deducted from equity at a net amount reflecting tax effects.

When the Company reacquires treasury equity instruments, these equity instruments are directly deducted from equity as treasury stock. No gain or loss is recognized in profit or loss on the purchase, sale, issuance, or cancellation of treasury equity instruments. When the Company acquires and holds treasury stock, consideration paid or received is recognized directly in equity.

#### (19) Revenue from contracts with customers

Revenue is measured based on the consideration promised in the contract with the customer. The Company recognizes revenue when control of a good or service transfers to a customer. The characteristics and timing of performance obligations in contracts with customers, significant payment terms and related revenue recognition policies are as follows:

Goods/Service	Characteristics of goods or services, timing of performance obligations, and significant payment terms	Revenue recognition policy
Chicken meat products	Control of fresh meat and processed meat products are transferred when they are stocked at distribution stores and agencies, and when they are sold (chicks, feed, etc.) to customers, and are recognized as revenue at this point.	Revenue was recognized when the product transfers to the customer and control transfers to the customer. Discounts such as sales incentives are deducted from revenue because they do not correspond to the transaction price in revenue to the extent that there is a very high probability that a significant return will not occur to the accumulated revenue.
Computer maintenance service	For IT computer maintenance service, the service is provided during the contract period, and the service charge tax invoice is issued and processed on the last day of each month and recognized as revenue.	Revenue was recognized over the period in which the services are provided.

Meanwhile, the Company supplies feed, chicks and etc. to specific farms at cost (hereinafter referred to as “Customer-supplies at cost”), purchases additionally processed customer-supplies, etc. from these farms and sells them to the outside after additional processing of the Company. Since the customer-supplies at cost supplied to specific farms are still controlled by the Company through contracts, they are recognized as assets of the Company and are treated as payment of fees when importing processed customer-supplies from such farms.

## (20) Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- net income or loss on financial assets measured at fair value through profit or loss;
- gain or loss on foreign currency translation on financial assets and financial liabilities;

Interest income or expense is recognized using the effective interest method.

The effective interest method is an interest rate that accurately matches the present value of future cash payments or receivables, estimated over the expected life of a financial instrument, with the total carrying amount of financial assets or amortized cost of financial liabilities.

When calculating interest income or interest expense, the effective interest rate is applied to the total carrying amount of the asset (if the asset is not impaired) or the amortized cost of the liability. However, for financial assets with subsequent impairment after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial assets. If the asset is no longer considered to be impaired, interest income is calculated by applying the effective interest rate to its gross carrying amount.

## (21) Borrowing costs

The Company capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Financial assets and inventories that are manufactured or otherwise produced over a short period of time are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. The Company immediately recognizes other borrowing costs as an expense. To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Company capitalizes during a period shall not exceed the amount of borrowing costs incurred during that period.

## (22) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

### ① Current income tax

Current income tax is the expected income tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit of future periods, and non-taxable or non-deductible items from the accounting profit.

The Company offsets current tax assets and current tax liabilities if, and only if, the Company:

- has a legally enforceable right to set off the recognized amounts, and

- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## ② Deferred income tax

The measurement of deferred income tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. The Company recognizes a deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Company recognizes a deferred income tax asset for deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

A deferred income tax asset is recognized for the carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilized. The future taxable profit depends on reversing taxable temporary differences. When there are insufficient taxable temporary differences to recognize the deferred tax assets completely, the probability of reversing temporary differences and the business plans of subsidiaries within the Company are considered in the future taxable income.

Temporary differences relating to right-of-use assets and lease liabilities are considered as a single transaction for the purposes of recognizing deferred tax.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. When measuring deferred income tax assets and deferred income tax liabilities, income tax effects are reflected according to the method in which the Company expects to recover or settle the carrying amounts of the related assets and liabilities as of the end of the reporting period. Deferred income tax assets and liabilities are offset only if there is a legally enforceable right to offset the related current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current income tax liabilities and assets on a net basis. Any additional income tax expenses incurred as a result of the payment of dividends are recognized when liabilities related to the payment of dividends are recognized.

## (23) Earnings per share

The Company calculates basic earnings per share of common shares in terms of profit or loss and presents it in the statement of comprehensive income. Basic earnings per share are calculated by dividing the profit or loss attributable to common shares by the weighted average number of common shares issued and outstanding during the reporting period.

## (24) Operating segment

The Company classifies segments based on internal reporting data that is periodically reviewed by the chief operating decision maker to make decisions on resources to be allocated to the segments and evaluate their performances. As described in Note 6, there are 3 reporting segments, each of which is a strategic unit of the Company. Strategic units provide different products and services and are operated separately because the technology and marketing strategies required for each business unit are different.

Segment information reported to CEO includes items directly attributable to the division and items that can be reasonably allocated. The unallocated items are mainly common assets such as the headquarters building, expenses related to the headquarters, and corporate tax assets and corporate tax liabilities.

### **3. Significant Accounting Estimates and Assumptions**

The preparation of financial statements requires assumptions and estimates about the future, and management is required to make judgments in applying the accounting policies of the Company. Estimates and assumptions are continuously evaluated, taking into account reasonably foreseeable future events, based on past experience and the current situation. The results of accounting estimates are rarely identical to actual results, thus carrying significant risks that may lead to material adjustments.

Management's judgments and estimates of significant risks that may affect the adjustments to the carrying amounts of assets and liabilities in the next fiscal year are as follows. Additional information on significant judgments and estimates for some items is included in the individual notes.

#### **(1) Recoverable Amount of Cash-generating Units**

The recoverable amount of cash-generating units, which is used to assess whether impairment exists, is determined based on the calculation of their value in use.

#### **(2) Realizability of Deferred Tax Assets**

The carrying amount of deferred tax assets is reviewed at each reporting period end, and the carrying amount of deferred tax assets is reduced if it is no longer probable that sufficient taxable income will be generated to allow all or part of the deferred tax assets to be recovered.

#### **(3) Fair Value of Biological Assets**

The fair value of biological assets that are not traded in an active market is primarily determined using valuation techniques. The Company makes judgments on the selection and determination of various valuation techniques based on significant market conditions as of the end of the reporting period.

## 4. Financial Risk Management

### 4.1 Components of Financial Risk Management

In relation to financial instruments, the Company is exposed to credit risk, liquidity risk and market risk. This note discloses information on the above risks to which the Company is exposed, as well as the Company's risk management objectives, policies, and risk assessment and management procedures. Additional quantitative information is disclosed throughout the financial statements.

#### (1) Risk Management System

The Board of Directors is responsible for establishing and supervising the risk management system of the Company and carries out implementation activities such as establishing risk management policies and identifying, evaluating and managing risks from the enterprise-level perspective.

The Company's risk management policy has been established to identify and analyze the risks the Company faces, to set appropriate risk thresholds and controls, and to prevent risks from exceeding the thresholds. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims at establishing a strict and structured control environment in which all employees can understand their roles and responsibilities through training and management standards and procedures.

The Company's audit committee supervises how management manages compliance with the Company's risk management policies and procedures, and reviews whether the Company's risk management system is appropriate. Internal audit assists the audit committee's supervisory function, conducts regular and special reviews on risk management controls and procedures, and reports the results to the audit committee.

#### (2) Credit Risk

"Credit Risk" refers to the risk that the Company will suffer financial loss due to failure of performing contractual obligations by customers or counterparties to financial instruments. It mainly arises from debt securities and trade receivables payable by customers.

##### ① Trade receivables

The Company's exposure to credit risk is mainly affected by the characteristics of each customer, but the customer distribution, such as bankruptcy risk in the industry and country in which the customer operates, is also considered as a factor affecting credit risk. As the Company's exposure is dispersed among multiple customers, credit risk is not concentrated.

Many of the Company's customers have the continuous business relationships, so losses do not occur frequently. When reviewing credit risk for customers, the Company classifies them according to characteristics such as whether the customer is an individual or a corporation, whether the customer is a wholesaler, retailer, or consumer, credit, and previous financial difficulties. Most of the trade receivables arise from the Company's wholesale customers. Customers classified as "high risk" are included in the restricted customer list for management, and future sales are possible only when paying the operation security deposit or paying an advance payment.

The Company has established an allowance for losses expected to occur on trade receivables. This allowance consists of the specific impairment losses on individually significant items and an impairment loss that has arisen but has not yet been identified on a group of financial assets with similar characteristics. Allowance for a group of financial assets is determined based on historical data on the recovery of similar financial assets.

##### ② Debt securities

The Company limits exposure to credit risk by investing only in regional development bonds and national housing bonds.

##### ③ Guarantee

It is the policy of the Company to provide guarantees only to related parties or business partners who need support for business. As of December 31, 2024, the guarantees provided by the Company are described in Note 23.

### (3) Liquidity risk

“Liquidity Risk” refers to the risk that the Company will have difficulties in meeting its obligations related to financial liabilities. The Company’s liquidity management method is to maintain sufficient liquidity to pay off its liabilities at maturity without the risk of incurring unacceptable losses or damaging the Company’s reputation even in financially difficult circumstances.

The Company has sufficient demand deposits to cover the expected operating costs, including repayment of financial liabilities, and credit limits at financial institutions with high credit ratings. This does not include potential effects due to extreme conditions that cannot be reasonably foreseen.

### (4) Market risk

“Market Risk” refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to fluctuations in market prices such as exchange rates, interest rates, and price of equity securities. The objective of market price management is to manage and control market risk exposure within acceptable limits while optimizing returns.

#### ① Currency risk

The Company is exposed to foreign exchange risk on sales, purchases and borrowings denominated in currencies other than the functional currency of the Company. The primary currency in which these transactions are presented is USD.

#### ② Interest rate risk

The Company manages interest rate risk by periodically reviewing interest rate fluctuations and repaying or refinancing related liabilities to manage interest rate risk.

### (5) Capital Management

The Company’s capital management policy is to maintain sound capital for the trust of investors, creditors, and the market and the future development of the business. The Company strives to maintain a balance between sound financial positions. The Company’s capital structure consists of equity and net liabilities after deducting cash and cash equivalents and short- and long-term financial instruments from borrowings. The details of capital management as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Total borrowings	366,839,459	419,493,176
Less:		
Cash and cash equivalents	69,501,827	36,303,343
Short-term financial instruments	3,000,000	10,000,000
Long-term financial instruments	-	22,512,169
Adjusted borrowings	294,337,632	350,677,664
Equity	309,592,421	275,682,682
Adjusted debt ratio	95.07%	127.20%

## 4.2 Foreign Currency Risk

### (1) Exposure to Foreign Currency Risk

The Company's exposure to foreign currency risk as of December 31, 2025 and 2024 are as follows:

(Unit: USD, JPY, KRW 1,000)						
Account	Dec 31, 2025			Dec 31, 2024		
	Foreign currency		KRW equivalent	Foreign currency		KRW equivalent
Cash and cash equivalents	USD	159,343	228,641	USD	23,838	35,042
	JPY	76,490,100	701,896	JPY	19,230,360	180,088
Total foreign currency assets			930,537			215,130
Short-term borrowings	USD	59,593,323	85,510,459	USD	87,240,624	128,243,717
Total foreign currency liabilities			85,510,459			128,243,717

### (2) Sensitivity Analysis

The Company internally measures the foreign exchange risk of exchange rate fluctuations on a regular basis. When assuming that all other variables are constant as of December 31, 2025 and 2024, the results of sensitivity analysis on the effects of potential fluctuations in exchange rates on the Company's pre-tax net income and equity to the reasonable extent are as follows:

(In thousands of Korean won)					
Currency	FX rate change	Dec 31, 2025		Dec 31, 2024	
		Up	Down	Up	Down
USD	10%	(8,528,182)	8,528,182	(12,820,867)	12,820,867
JPY	10%	70,190	(70,190)	18,009	(18,009)
Total		(8,457,992)	8,457,992	(12,802,858)	12,802,858

### 4.3 Interest Rate Risk

The Company is exposed to interest rate risk because it has floating interest rate financial liabilities.

(1) The carrying amounts of floating interest rate financial liabilities held by the Company as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Floating interest rate financial liabilities:		
Short-term borrowings	308,950,459	246,493,717
Long-term borrowings	19,000,000	67,500,000
Total	327,950,459	313,993,717

(2) Cash flow sensitivity analysis of floating interest rate financial liabilities

If the interest rate would have changed by 100 basis points, the Company's equity and profit or loss should have increased or decreased at the end of the reporting period accordingly. Assuming that other variables such as exchange rates do not change, the specific amounts of changes in capital and profit or loss are as follows:

(In thousands of Korean won)								
Item	Dec 31, 2025				Dec 31, 2024			
	Profit or loss		Capital		Profit or loss		Capital	
	100bp Up	100bp Down	100bp Up	100bp Down	100bp Up	100bp Down	100bp Up	100bp Down
Short-term borrowings	(3,089,505)	3,089,505	(3,089,505)	3,089,505	(2,464,937)	2,464,937	(2,464,937)	2,464,937
Long-term borrowings	(190,000)	190,000	(190,000)	190,000	(675,000)	675,000	(675,000)	675,000
Total	(3,279,505)	3,279,505	(3,279,505)	3,279,505	(3,139,937)	3,139,937	(3,139,937)	3,139,937

#### 4.4 Credit Risk

##### (1) Exposure to credit risk

The carrying amount of a financial asset represents the maximum exposure to credit risk. The maximum exposure to credit risk of the Company as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Cash and cash equivalents	69,501,827	36,303,343
Short-term financial instruments	3,000,000	10,000,000
Long-term financial instruments	-	22,512,169
Trade and other receivables	106,732,860	87,647,216
Long-term trade and other receivables	8,581,349	8,689,807
Other financial assets	1,078,000	-
Other non-current financial assets	10,979,058	-
Total	199,873,094	165,152,535

As of December 31, 2025, the maximum exposure to credit risk of financial guarantees provided by the Company is KRW 2,463,100,000 (Note 23).

On the other hand, since the Company maintains ordinary deposits in financial institutions with excellent credit ratings, it is expected that the credit risk from financial institutions is not high.

##### (2) Impairment loss

The ages of trade receivables and other receivables as of December 31, 2025 and 2024, and the amounts of expected credit loss for receivables by age are as follows:

(In thousands of Korean won)						
Item	Dec 31, 2025			Dec 31, 2024		
	Total receivables	Impaired receivables	Carrying amount	Total receivables	Impaired receivables	Carrying amount
0-3 months	106,155,333	230,993	105,924,340	86,570,742	54,914	86,515,828
4-6 months	903,269	125,027	778,242	1,060,835	70,045	990,790
7-9 months	22,550	5,645	16,905	178,955	41,690	137,265
10-12 months	69,020	55,649	13,371	10,394	7,059	3,335
Over 12 months	8,995,457	414,106	8,581,351	10,082,907	1,393,100	8,689,807
Total	116,145,629	831,420	115,314,209	97,903,833	1,566,808	96,337,025

#### 4.5 Liquidity Risk

Contractual maturities of financial liabilities as of December 31, 2025 and 2024 are as follows:

① Dec 31, 2025

(In thousands of Korean won)						
Item	Carrying amount	Contractual cash flow	Within 3 months	3 months ~ 1 year	1-2 years	Over 2 years
Trade and other payables	116,274,537	116,274,536	108,225,682	8,048,854	-	-
Short-term borrowings	340,840,459	346,412,383	107,973,887	238,438,496	-	-
Long-term trade and other payables	429,153	429,153	-	-	429,153	-
Long-term borrowings	25,999,000	27,181,820	199,451	591,849	26,390,520	-
Other financial liabilities	-	-	-	-	-	-
Lease liabilities	4,253,947	4,704,964	706,127	1,569,681	1,547,667	881,489
Total	487,797,096	495,002,856	217,105,147	248,648,880	28,367,340	881,489

② Dec 31, 2024

(In thousands of Korean won)						
Item	Carrying amount	Contractual cash flow	Within 3 months	3 months ~ 1 year	1-2 years	Over 2 years
Trade and other payables	103,276,256	103,276,255	94,698,702	8,577,553	-	-
Short-term borrowings	405,413,176	412,000,088	104,975,007	307,025,081	-	-
Long-term trade and other payables	1,464,357	1,464,357	-	-	445,000	1,019,357
Long-term borrowings	14,080,000	15,259,462	128,897	393,853	10,584,041	4,152,671
Other financial liabilities	609,130	609,130	609,130	-	-	-
Lease liabilities	3,886,155	4,282,459	755,633	1,704,632	936,977	885,217
Total	528,729,074	536,891,751	201,167,369	317,701,119	11,966,018	6,057,245

The management of the Company believes that financial liabilities can be repaid by cash flows from operating activities and cash inflows from financial assets. Meanwhile, the Company enters into a credit limit contract with the major bank to manage liquidity risks that may arise temporarily.

## 5. Fair Value

### 5.1 Carrying Amount and Fair Value of Financial Instruments by Category

(1) The carrying amounts and fair values of financial instruments as of December 31, 2025 and 2024, are as follows

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Financial assets recognized at amortized cost				
Cash and cash equivalents	69,501,827	69,501,827	36,303,343	36,303,343
Short-term financial instruments	3,000,000	3,000,000	10,000,000	10,000,000
Long-term financial instruments	-	-	22,512,169	22,512,169
Trade and other receivables	106,732,860	106,732,860	87,647,218	87,647,218
Long-term trade and other receivables	8,581,349	8,581,349	8,689,807	8,689,807
Financial assets measured at fair value				
Derivatives assets	1,078,000	1,078,000	-	-
Other non-current financial assets	10,979,058	10,979,058	-	-
<b>Total financial assets</b>	<b>199,873,094</b>	<b>199,873,094</b>	<b>165,152,537</b>	<b>165,152,537</b>
Financial Liabilities:				
Financial liabilities not measured at fair value				
Trade and other payables	116,274,537	116,274,537	103,276,256	103,276,256
Long-term trade and other payables	429,153	429,153	1,464,357	1,464,357
Short-term borrowings	340,840,459	340,840,459	405,413,176	405,413,176
Long-term borrowings	25,999,000	25,999,000	14,080,000	14,080,000
Financial liabilities measured at fair value				
Derivatives liabilities	-	-	609,130	609,130
<b>Total financial liabilities</b>	<b>483,543,149</b>	<b>483,543,149</b>	<b>524,842,919</b>	<b>524,842,919</b>

## 5.2 Fair Value Hierarchy

Fair values are categorized into the following levels.

Category	Significance of input variables
Level 1	Quoted price in an active market for identical assets or liabilities
Level 2	Directly or indirectly observable inputs to an asset or liability
Level 3	Inputs to assets or liabilities that are not based on observable market data

The fair value measurement by fair value level for each type of financial instrument measured at fair value as of December 31, 2025 and 2024, is as follows:

### 1) Dec 31, 2025

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives assets	-	1,078,000	-	1,078,000
Other non-current financial assets	-	10,909,858	69,200	10,979,058
Total	-	11,987,858	69,200	12,057,058

### 2) Dec. 31, 2024

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives assets	-	609,130	-	609,130

### 3) Descriptions on valuation method and inputs of Level 2 of the fair value hierarchy

Valuation technics and inputs of assets/liabilities classified as Level 2 of the fair value hierarchy among assets and liabilities measured at fair values as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025	Dec 31, 2024	Valuation method	Inputs
Financial assets				
Derivatives assets	1,078,000	-	Market approach	FX rate, remaining maturity, etc.
Other non-current financial assets	10,909,858	-	Market approach	Interest rate, remaining maturity, etc.
Financial liabilities				
Derivatives liabilities		609,130	Market approach	FX rate, remaining maturity, etc.

## 6. Financial Instrument Category

### 6.1 Classification of Financial Instruments by Category

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

① Dec 31, 2025

(In thousands of Korean won)				
Item	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial assets measured at fair value	Financial liabilities measured at fair value
Cash and cash equivalents	69,501,827	-	-	-
Short-term financial instruments	3,000,000	-	-	-
Trade and other receivables	106,732,860	-	-	-
Long-term trade and other receivables	8,581,349	-	-	-
Other financial assets	-	-	1,078,000	-
Other non-current financial assets	-	-	10,979,058	-
<b>Total financial assets</b>	<b>187,816,036</b>	<b>-</b>	<b>12,057,058</b>	<b>-</b>
Trade and other payables	-	116,274,537	-	-
Long-term trade and other payables	-	429,153	-	-
Short-term borrowings	-	340,840,459	-	-
Long-term borrowings	-	25,999,000	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>483,543,149</b>	<b>-</b>	<b>-</b>

② Dec 31, 2024

(In thousands of Korean won)				
Item	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial assets measured at fair value	Financial liabilities measured at fair value
Cash and cash equivalents	36,303,343	-	-	-
Short-term financial instruments	10,000,000	-	-	-
Long-term financial instruments	22,512,169	-	-	-
Trade and other receivables	87,647,218	-	-	-
Long-term trade and other receivables	8,689,807	-	-	-
<b>Total financial assets</b>	<b>165,152,537</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade and other payables	-	103,276,256	-	-
Long-term trade and other payables	-	1,464,357	-	-
Short-term borrowings	-	405,413,176	-	-
Long-term borrowings	-	14,080,000	-	-
Other financial liabilities	-	-	-	609,130
<b>Total financial liabilities</b>	<b>-</b>	<b>524,233,789</b>	<b>-</b>	<b>609,130</b>

## 6.2 Profit or Loss on Financial Instruments by Category

Details of financial incomes and financial expenses by category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	2025	2024
Financial assets measured at amortized cost:		
Interest income	2,183,703	2,874,495
Gain on foreign currency transactions	336,131	93,245
Loss on foreign currency transactions	(438,064)	(9,465)
Gain on foreign currency translation	-	4,158
Loss on foreign currency translation	-	(311)
Reversal of allowance for bad debt (bad debt expenses)	160,211	(449,979)
Financial assets measured at fair value:		
Gain on trading of derivatives	17,011,025	13,828,441
Loss on trading of derivatives	(13,781,769)	(32,428,926)
Gain on valuation of derivatives	1,687,130	-
Loss on valuation of derivatives	-	(609,130)
Financial assets measured at fair value:		
Gain on valuation of financial assets	254,108	-
Loss on valuation of financial assets	(11,992)	-
Financial liabilities measured at amortized cost:		
Interest expense	(17,388,618)	(20,646,658)
Gain on foreign currency transactions	7,805,718	194,303
Loss on foreign currency transactions	(1,245,596)	(8,771,619)
Gain on foreign currency translation	311,910	-
Loss on foreign currency translation	(2,437,198)	(10,000,957)
Total	(5,553,301)	(55,922,403)

## 7. Cash and Cash Equivalents

### 7.1 Details of Cash and Cash Equivalents

Details of cash and cash equivalents as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Ordinary deposits	69,501,827	36,303,343

### 7.2 Details of Restricted Deposits

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

(In thousands of Korean won)				
Item	Dec 31, 2025	Dec 31, 2024	Financial institution	Remarks
Short-term financial instruments	2,000,000	2,000,000	Nonghyup Bank	Win-win loans
	-	7,000,000	Nonghyup Bank	
Long-term financial instruments	-	-	Nonghyup Bank	Collaterals for borrowings
	-	3,000,000	Gyobo Life Insurance	
	-	7,600,000	Shinhan Bank	
	-	7,600,000	Shinhan Bank	
Total	2,000,000	27,200,000		

## 8. Financial Assets

### 8.1 Other Financial Assets

The composition of short-term and long-term financial assets as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)			
Item	Descriptions	Dec 31, 2025	Dec 31, 2024
Short-term financial assets	Periodical deposits	3,000,000	10,000,000
Long-term financial assets	Long-term deposits	-	22,512,169
Total		3,000,000	32,512,169

### 8.2 Derivatives

(1) The composition of derivatives as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Derivatives assets:				
Currency futures	1,078,000	-	-	-
Total	1,078,000	-	-	-
Derivatives liabilities:				
Currency futures	-	-	609,130	-
Total	-	-	609,130	-

(2) The details of derivatives as of December 31, 2025 and 2024 is as follows:

① Dec 31, 2025

(In thousands of Korean won, USD)				
Purpose	Item	Contracting Party	Amount	Derivatives assets (liabilities)
Trading	Currency futures	NEXT Securities	USD 35,000,000	1,078,000
Total			USD 35,000,000	1,078,000

② Dec 31, 2024

(In thousands of Korean won, USD)				
Purpose	Item	Contracting Party	Amount	Derivatives assets (liabilities)
Trading	Currency futures	Samsung Futures	USD 29,150,000	(130,570)
		SI Securities	USD 99,700,000	(478,560)
Total			USD 128,850,000	(609,130)

(3) Profit or loss on trading of derivatives for years ended December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Item	Gain or loss on valuation		Gain or loss on trading	
	2025	2024	2025	2024
Know out Forward	-	-	-	(241,600)
Forward Exchange	-	-	(599,379)	-
CAP(Capped Forward)	-	-	(17,000)	718,700
Currency Futures	1,687,130	(609,130)	3,845,635	(19,077,585)
Total	1,687,130	(609,130)	3,229,256	(18,600,485)

## 9. Inventories

The composition of inventories as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)						
Item	Dec 31, 2025			Dec 31, 2024		
	Acquisition cost	Valuation loss	Carrying amount	Acquisition cost	Valuation loss	Carrying amount
Goods	4,011,379	-	4,011,379	2,617,433	-	2,617,433
Products	34,114,009	(3,546,538)	30,567,471	37,783,941	(2,696,433)	35,087,508
Work in progress	1,310,527	-	1,310,527	4,415,920	-	4,415,920
Raw materials	9,409,737	-	9,409,737	66,100,790	-	66,100,790
Subsidiary materials	4,042,573	-	4,042,573	2,457,565	-	2,457,565
Stored goods	4,593,946	-	4,593,946	7,855,360	-	7,855,360
Goods in transit	40,721,141	-	40,721,141	-	-	-
Total	98,203,312	(3,546,538)	94,656,774	121,231,009	(2,696,433)	118,534,576

As inventories are valued at net realizable value, the loss on valuation of inventories additionally added to the cost of sales during the current year is KRW850,104,000.

## 10. Biological Assets

### 10.1 Composition of Biological Assets

The composition of biological assets as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Biological assets for production	13,869,460	12,769,371
Biological assets for consumption	35,827,419	28,597,661
Total	49,696,879	41,367,032

### 10.2 Changes in Biological Assets for Production

Changes in biological assets for production for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)			
Item	GPS	PS	Total
Acquisition cost:			
Beginning balance	8,306,244	11,300,155	19,606,399
Acquisition cost	2,721,045	-	2,721,045
Increase due to breeding	417,466	18,099,754	18,517,220
Disposal amount	(5,723,013)	(22,600,311)	(28,323,324)
Changes	-	963,838	963,838
Ending balance	5,721,742	7,763,436	13,485,178
Accumulated depreciation:			
Beginning balance	(2,379,387)	(4,457,641)	(6,837,028)
Depreciation	(5,893,515)	(15,208,500)	(21,102,015)
Disposal amount	5,723,013	22,600,312	28,323,325
Ending balance	(2,549,889)	2,934,171	384,282
Carrying amount:			
Beginning balance	5,926,857	6,842,514	12,769,371
Ending balance	3,171,853	10,697,607	13,869,460

② 2024

(In thousands of Korean won)			
Item	GPS	PS	Total
<b>Acquisition cost:</b>			
Beginning balance	5,885,095	9,548,221	15,433,316
Acquisition cost	6,581,663	-	6,581,663
Increase due to breeding	631,308	15,218,280	15,849,588
Disposal amount	(4,791,822)	(13,466,346)	(18,258,168)
Ending balance	8,306,244	11,300,155	19,606,399
<b>Accumulated depreciation:</b>			
Beginning balance	(1,836,289)	(3,891,263)	(5,727,552)
Depreciation	(5,334,920)	(14,032,724)	(19,367,644)
Disposal amount	4,791,822	13,466,346	18,258,168
Ending balance	(2,379,387)	(4,457,641)	(6,837,028)
<b>Carrying amount:</b>			
Beginning balance	4,048,806	5,656,958	9,705,764
Ending balance	5,926,857	6,842,514	12,769,371

### 10.3 Changes in Biological Assets for Consumption

Changes in biological assets for consumption for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Beginning carrying amount	28,597,661	24,692,368
Increase due to breeding	536,180,278	527,118,518
Increase due to purchasing	15,597,015	18,205,981
Changes in net fair value of harvest	151,918,498	72,003,204
Changes in net fair value of biological assets held	6,869,511	3,457,037
Transfer to inventories after harvest	(703,335,544)	(616,879,447)
Ending carrying amount	35,827,419	28,597,661

## 10.4 Fair Value of Biological Assets for Consumption

### 10.4.1 Fair Value Hierarchy

The measurement of fair values of biological assets measured at fair value as of December 31, 2025 and 2024 is as follows:

i) Dec 31, 2025

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Biological assets for consumption – Live chickens	-	-	31,876,956	31,876,956

ii) Dec 31, 2024

(In thousands of Korean won)				
Item	Level 1	Level 2	Level 3	Total
Biological assets for consumption – Live chickens	-	-	28,597,661	28,597,661

### 10.4.2 Valuation Techniques and Inputs of Fair Value Hierarchy

Valuation techniques for repetitive fair value measurements classified as Level 3 in the fair value hierarchy and inputs used in fair value measurement are as follows:

Item	Valuation techniques	Unobservable inputs	Correlation between key unobservable variables and fair value
Biological assets for consumption	Fair value to be determined by a market approach	- Unit price per kg: Adjusted unit price using the market price of Korea Broiler Association, Korea Chicken Association, and Korea Native Chicken Association as of the end of the reporting period: - Unit per kg: Application of estimated average weight	As the estimate of unit price per kg increases, the estimate of fair value increases.

### **10.4.3 Fair value measurement methods and assumptions for biological assets for consumption**

In the case of live chickens, the biological assets for consumption that are subject to fair value evaluation, as there is no active trading market, the market value publicly announced by the association is applied to the fair value per unit. In addition, in the case of live chickens that are growing, since there is no transaction price, it is assumed that the market price according to the average weight is linearly distributed.

### **10.5 Risks exposed in relation to biological assets**

The Company is exposed to the following various risks in relation to biological assets.

#### **① Regulatory and environmental risks**

The Company complies with the laws and regulations of Korea and others regions where the business sites are located. The Company enacts and implements environmental policies to comply with local environmental and other laws and management of the Company conducts periodic reviews to identify environmental risks and to ensure that the Company's policies are appropriate to manage these risks.

#### **② Supply and demand risk**

The Company is exposed to financial risks arising from changes in the price of biological assets. The Company does not anticipate that the price of biological assets will not decrease significantly in the foreseeable future by breeding them depending on the size of supply and demand requested in the market.

In addition, the management periodically reviews the outlook for the price of biological assets by analyzing industry trends to ensure that the expected breeding scale and expected demand are consistent.

#### **③ Climate and other risks**

The Company may be financially affected from diseases and other risks of biological assets held by the Company. The Company monitors the possibility of disease on a regular basis and, if there are signs of disease, prevents the spread of the disease through extensive quarantine and mass cull. In addition, to strengthen immunity to disease, the Company improves breeding facilities and supply high-quality feed for biological assets.

## 11. Trade and Other Receivables

### 11.1 Details of Trade and Other Receivables

The composition of trade and other receivables as of December 31, 2025 and 2024, is as follows.

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Trade receivable	103,191,032	-	73,006,764	-
Allowance for trade receivables	(742,117)	-	(1,535,531)	-
Loans	-	-	-	-
Allowance for loans	-	-	-	-
Account receivables	132,402	-	8,018,905	-
Allowance for account receivables	(44,459)	-	(26,797)	-
Accrued income	59,622	-	931,622	-
VAT paid for others	-	-	1,677,316	-
Security deposits	4,181,222	8,800,033	7,252,255	9,053,466
Allowance for security deposits	-	-	-	(4,480)
Unrealized security deposits	(44,842)	(218,684)	-	(359,179)
Total	106,732,860	8,581,349	89,324,534	8,689,807

### 11.2 Changes in allowance for bad debts for trade and other receivables

Changes in allowance for bad debts for trade and other receivables for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Beginning balance	1,566,808	1,116,829
Bad debt expenses	38,446	449,979
Reversal of allowance for bad debt	(620,022)	-
Writ-off of allowance for bad debt	(198,656)	-
Ending balance	786,576	1,566,808

## 12. Other Assets

### 12.1 Details of Other Assets

The composition of other assets as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Advance payment	136,177	240,000	178,978	1,217,581
Advance payment for breeding	5,513,627	-	3,084,860	-
Allowance for breeding advance payment	(272,719)	-	(129,175)	-
Prepaid expenses	2,113,695	1,152,343	865,691	1,152,343
VAT paid	761,070	-	-	-
Others	4,073,900	-	-	-
Total	12,325,750	1,392,343	4,000,354	2,369,924

### 12.2 Changes in allowance for bad debts in other assets

Changes in allowance for bad debts in other assets for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Beginning balance	129,175	178,387
Bad debt expenses	178,688	-
Writ-off of allowance for bad debt	(35,144)	-
Reversal of allowance for bad debt	-	(49,212)
Ending balance	272,719	129,175

### 13. Investment in subsidiaries

#### 13.1 Details of Investment in Subsidiaries

(1) Details of investment in subsidiaries as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)								
Item	Company Name	Location	Month	Main business activity	Dec 31, 2025		Dec 31, 2024	
					Holding Ratio	Carrying amount	Holding Ratio	Carrying amount
Subsidiary	HBC Co., Ltd.	Korea	Dec.	Poultry farming	100.00%	8,001,210	100.00%	7,032,600
Subsidiary (*)	Sing Green FS Corporation	Korea	Dec.	Poultry farming	100.00%	19,020,425	100.00%	19,020,425
Total								26,053,025

(\*) Lower-tier subsidiaries controlled by the relevant subsidiary were excluded from the scope.

#### 13.2 Changes in Investment in Subsidiaries

Changes in investment in subsidiaries as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Beginning amount	26,053,025	26,053,025
Acquisition amount	968,610	-
Ending balance	27,021,635	26,053,025

(\*) Harim Animal Clinic Co., Ltd., a subsidiary, completed its dissolution and liquidation during the prior year. The difference between the net residual asset value received after liquidation and the carrying amount of the investment in subsidiaries was recognized as a loss on disposal of investment in subsidiaries.

## 14. Investment Property

### 14.1 Changes in Investment Property

Changes in investment property for the years ended December 31, 2025 and 2024 are as follow:

(In thousands of Korean won)						
Item	2025			2024		
	Land	Building	Total	Land	Building	Total
Acquisition cost:						
Beginning	5,820,091	29,092,816	34,912,907	5,361,174	29,092,816	34,453,990
Disposal	-	-	-	(100,939)	-	(100,939)
Changes (*)	-	-	-	559,856	-	559,856
Ending	5,820,091	29,092,816	34,912,907	5,820,091	29,092,816	34,912,907
Accumulated depreciation:						
Beginning	-	(14,512,723)	(14,512,723)	-	(13,825,661)	(13,825,661)
Depreciation	-	(687,062)	(687,062)	-	(687,062)	(687,062)
Ending	-	(15,199,785)	(15,199,785)	-	(14,512,723)	(14,512,723)
Carrying amount:						
Beginning	5,820,091	14,580,093	20,400,184	5,361,174	15,267,155	20,628,329
Ending	5,820,091	13,893,031	19,713,122	5,820,091	14,580,093	20,400,184

(\*) Changes are the amount which is transferred from PP&E to investment property.

### 14.2 Lease revenues/expenses arising from investment property

Details recognized as gain or loss related to investment properties for the years ended December 31, 2025 and 2024 are as follow:

(In thousands of Korean won)		
Item	2025	2024
Lease revenue	1,439,875	1,351,971
Cost of lease	(1,174,516)	(1,208,712)
Total	265,359	143,259

### 14.3 Fair Value of Investment Property

Fair value and carrying amount of investment property as of December 31, 2025 are as follow:

(In thousands of Korean won)		
Item	Fair value	Carrying amount
Land	5,508,485	5,820,091
Building	25,017,663	13,893,031
Total	30,526,148	19,713,122

As of December 31, 2025, the fair value of investment property was determined using information such as officially published real estate prices.

## 15. Property, Plant and Equipment (PP&E)

### 15.1 Changes in PP&E

(1) Changes in PP&E for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)									
Item	Land	Building	Structures	Machinery	Facilities and equipment	Vehicles	Others	Construction in progress (*)	Total
Acquisition cost:									
Beginning balance	17,190,274	240,793,668	18,242,731	252,039,665	250,682,657	978,700	27,973,808	10,942,752	818,844,255
Acquisition	-	-	-	816,215	5,245,541	-	1,490,601	29,650,547	37,202,904
Disposal	-	(10,228)	(493,495)	(2,885,592)	(1,226,567)	(129,840)	(1,098,667)	-	(5,844,389)
Other changes	-	6,431,272	-	1,984,087	18,202,639	129,398	2,240,529	(30,867,081)	(1,879,156)
Ending balance	17,190,274	247,214,712	17,749,236	251,954,375	272,904,270	978,258	30,606,271	9,726,218	848,323,614
Accumulated depreciation:									
Beginning balance	-	(76,070,598)	(11,182,692)	(160,444,344)	(128,618,350)	(878,421)	(22,450,352)	-	(399,644,757)
Disposal	-	7,657	493,471	2,872,737	1,157,366	129,836	1,041,746	-	5,702,813
Depreciation	-	(5,986,038)	(730,259)	(12,524,392)	(17,680,030)	(54,913)	(2,219,490)	-	(39,195,122)
Ending balance	-	(82,048,979)	(11,419,480)	(170,095,999)	(145,141,014)	(803,498)	(23,628,096)	-	(433,137,066)
Accumulated impairment losses									
Beginning balance	-	(2,328,826)	(31,516)	(1,341,154)	(1,865,574)	-	(66,434)	-	(5,633,504)
Disposal	-	-	-	-	-	-	48	-	48
Ending balance	-	(2,328,826)	(31,516)	(1,341,154)	(1,865,574)	-	(66,386)	-	(5,633,456)
Government grants:									
Beginning balance	-	(8,034,860)	-	(126,179)	(197,461)	-	-	-	(8,358,500)
Acquisition	-	-	-	-	(212,866)	-	-	-	(212,866)
Depreciation	-	239,192	-	32,992	32,137	-	-	-	304,321
Ending balance	-	(7,795,668)	-	(93,187)	(378,190)	-	-	-	(8,267,045)
Carrying amount:									
Beginning balance	17,190,274	154,359,384	7,028,523	90,127,988	120,001,272	100,279	5,457,022	10,942,752	405,207,494
Ending balance	17,190,274	155,041,239	6,298,240	80,424,035	125,519,492	174,760	6,911,789	9,726,218	401,286,047

(\*) Other changes in construction in progress are the amount transferred to PP&E and intangible assets.

## ② 2024

(In thousands of Korean won)									
Item	Land	Building	Structures	Machinery	Facilities and equipment	Vehicles	Others	Construction in progress (*)	Total
Acquisition cost:									
Beginning balance	17,750,131	240,793,668	19,205,797	259,218,483	243,948,001	1,322,719	36,585,858	6,096,333	824,920,990
Acquisition	-	-	-	394,310	3,015,284	-	1,775,313	22,572,599	27,757,506
Disposal	-	-	(963,065)	(15,447,093)	(4,212,659)	(344,020)	(11,066,455)	-	(32,033,292)
Other changes	(559,856)	-	-	7,873,968	7,932,032	-	679,089	(17,726,180)	(1,800,947)
Ending balance	17,190,275	240,793,668	18,242,732	252,039,668	250,682,658	978,699	27,973,805	10,942,752	818,844,257
Accumulated depreciation:									
Beginning balance	-	(70,179,557)	(11,389,892)	(161,748,042)	(115,038,803)	(1,168,108)	(30,832,643)	-	(390,357,045)
Disposal	-	-	963,046	15,345,108	4,194,380	343,988	11,013,233	-	31,859,755
Depreciation	-	(5,891,042)	(755,849)	(14,041,411)	(17,773,924)	(54,300)	(2,630,943)	-	(41,147,469)
Ending balance	-	(76,070,599)	(11,182,695)	(160,444,345)	(128,618,347)	(878,420)	(22,450,353)	-	(399,644,759)
Accumulated impairment losses:									
Beginning balance	-	(2,328,824)	(31,516)	(1,351,600)	(1,866,926)	-	(67,710)	-	(5,646,576)
Disposal	-	-	-	10,446	1,352	-	1,275	-	13,073
Ending balance	-	(2,328,824)	(31,516)	(1,341,154)	(1,865,574)	-	(66,435)	-	(5,633,503)
Government grants:									
Beginning balance	-	(8,274,054)	-	(204,446)	(50,779)	-	-	-	(8,529,279)
Acquisition	-	-	-	-	(166,860)	-	-	-	(166,860)
Depreciation	-	239,192	-	78,268	20,178	-	-	-	337,638
Ending balance	-	(8,034,862)	-	(126,178)	(197,461)	-	-	-	(8,358,501)
Carrying amount:									
Beginning balance	17,750,131	160,011,233	7,784,389	95,914,395	126,991,493	154,611	5,685,505	6,096,333	420,388,090
Ending balance	17,190,275	154,359,383	7,028,521	90,127,991	120,001,276	100,279	5,457,017	10,942,752	405,207,494

(\*) Other changes in construction in progress are the amount transferred to PP&E and intangible assets.

## 15.2 Cash-Generating Unit Impairment Review

The Company performed an impairment review due to the continuous operating losses in the meat processing segment's cash-generating unit. Since the recoverable amount exceeded the carrying amount of the cash-generating unit, no impairment loss was recognized.

(In millions of Korean won)	
Item	Contents
Cash flow estimation period	Estimation of cash flows for 5 years based on the future business plans
Perpetual growth rate	Application of 1% in the light of industry average growth rate
Weighted average cost of capital	8.5%
Comparison target carrying value	90,816
Recoverable value (use value)	114,112
Impairment amount	23,296

The results of the sensitivity analysis for the use value with respect to changes in the discount rate and the perpetual growth rate, which are the key variables, are as follows;

(In millions of Korean won)				
Item		Discount Rate (WACC)		
		7.5%	8.5%	9.5%
Permanent growth rate	0.0%	121,261	103,868	90,253
	1.0%	135,581	114,112	97,817
	2.0%	155,103	127,506	107,397

## 16. Lease

### 16.1 Amount recognized in financial statements

The composition of leasehold right-of-use assets as of December 31, 2025 and 2024 are as follows:

① Dec 31, 2025

(In thousands of Korean won)			
Item	Acquisition amount	Accumulated depreciation	Carrying amount
Building	3,523,506	(2,624,912)	898,594
Facilities and equipment	1,280,158	(253,509)	1,026,649
Vehicles	4,403,814	(2,030,553)	2,373,261
Others	87	(78)	9
Total	9,207,565	(4,909,052)	4,298,513

② Dec 31, 2024

(In thousands of Korean won)			
Item	Acquisition amount	Accumulated depreciation	Carrying amount
Building	2,623,304	(1,315,800)	1,307,504
Facilities and equipment	406,588	(67,765)	338,823
Vehicles	3,755,478	(1,286,142)	2,469,336
Others	132,054	(95,373)	36,681
Total	6,917,424	(2,765,080)	4,152,344

## 16.2 Amount recognized in Income Statement

Expenses incurred from leases for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		
Item	2025	2024
Interest expense incurred on lease liabilities	348,454	282,505
Short-term lease related expenses	464,219	480,644
Costs related to small asset lease	1,922,857	1,855,434
Variable lease payments not included in lease assets and liabilities (*)	181,310	222,414
Total expense	2,916,840	2,840,997

(\*) In applying the recognition exemption criteria for leases under K-IFRS 1116, the difference between purchases and sales in the form of transactions where chicks and feed are sold to farmers for contract farming and livestock is recognized as a fee for the facilities excluded from lease accounting under the variable lease requirements. This includes expenses related to rearing such as fuel, electricity, water, veterinary medicine, and labor costs, and may vary depending on the quality of the live chickens. Therefore, due to the difficulty in measuring lease expenses for such cases in practice, the amount of such cases was not separately calculated and disclosed.

## 16.3 Changes in Right-of-Use Assets

Changes in the carrying amount of leasehold right-of-use assets for the years ended December 31, 2025 and 2024, are as follows:

### ① 2025

(In thousands of Korean won)				
Item	Beginning	Increase/ decrease	Depreciation	Ending balance
Building	1,307,503	1,117,000	(1,525,909)	898,594
Facilities and equipment	338,824	1,032,901	(345,075)	1,026,650
Vehicles	2,469,336	1,451,976	(1,548,052)	2,373,260
Others	36,681	(8,182)	(28,490)	9
Total	4,152,344	3,593,695	(3,447,526)	4,298,513

### ② 2024

(In thousands of Korean won)				
Item	Beginning	Increase/ decrease	Depreciation	Ending balance
Building	1,314,968	1,577,821	(1,585,286)	1,307,503
Facilities and equipment	318,322	406,588	(386,087)	338,823
Vehicles	2,331,814	1,535,672	(1,398,149)	2,469,337
Others	80,699	-	(44,018)	36,681
Total	4,045,803	3,520,081	(3,413,540)	4,152,344

## 16.4 Changes in Lease Liabilities

Changes in lease liabilities for the years ended December 31, 2025 and 2024, are as follows:

① 2025

(In thousands of Korean won)					
Item	Beginning	Change	Interest expense	Payments	Ending balance
Lease liability	3,886,155	3,169,268	348,455	(3,149,931)	4,253,947

② 2024

(In thousands of Korean won)					
Item	Beginning	Change	Interest expense	Payments	Ending balance
Lease liability	3,771,309	2,918,848	282,505	(3,086,507)	3,886,155

## 17. Intangible Assets

Changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)									
Item	2025					2024			
	Membership (*1)	Software	Industrial property rights	Intangible assets under development	Total	Membership (*1)	Software	Industrial property rights	Total
Acquisition cost:									
Beginning	1,317,551	9,785,978	103,884	-	11,207,413	546,791	10,337,162	96,695	10,980,648
Acquisition	-	31,450	-	3,526,387	3,557,837	-	190,016	-	190,016
Disposal	-	-	-	-	-	-	(863,500)	-	(863,500)
Other changes (*2)	-	39,963	8,010	1,831,182	1,879,155	770,760	122,300	7,189	900,249
Ending	1,317,551	9,857,391	111,894	5,357,569	16,644,405	1,317,551	9,785,978	103,884	11,207,413
Accumulated amortization:									
Beginning	-	(9,182,816)	(67,867)	-	(9,250,683)	-	(9,786,013)	(53,689)	(9,839,702)
Amortization	-	(213,795)	(13,229)	-	(227,024)	-	(260,302)	(14,178)	(274,480)
Disposal	-	-	-	-	-	-	863,499	-	863,499
Ending	-	(9,396,611)	(81,096)	-	(9,477,707)	-	(9,182,816)	(67,867)	(9,250,683)
Carrying amount:									
Beginning	1,317,551	603,162	36,017	-	1,956,730	546,791	551,149	43,006	1,140,946
Ending	1,317,551	460,780	30,798	5,357,569	7,166,698	1,317,551	603,162	36,017	1,956,730

(\*1) As there is no foreseeable limit on the period over which it is expected to be used, the estimated useful life of membership is indefinite and not amortized accordingly.

(\*2) Other changes are the amounts transferred from PP&E.

## 18. Trade and Other Payables

The composition of trade and other payables as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Trade payables (*)	59,752,401	-	38,611,654	-
Account payables	43,450,823	-	37,292,910	-
Accrued expenses	5,022,458	-	21,925,773	1,019,357
Deposits received	-	-	1,529,696	-
Import deposit	8,048,855	12,000	3,916,223	445,000
Present value discount on other deposits	-	417,153	-	-
Total	116,274,537	429,153	103,276,256	1,464,357

(\*) In accordance with agreements with financial institutions, when it is determined that the terms of a liability have been substantially changed due to the financial provider paying suppliers on behalf of the Company, the trade payables are derecognized and short-term borrowings are recognized (refer to Note 19). As of Dec. 31, 2024, the supplier finance arrangement liabilities included in trade payables amount to KRW 9,526,000,000 (2023: KRW 14,217,000,000).

## 19. Borrowings

### 19.1 Details of Borrowings

The composition of borrowings as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Short-term borrowings (*)	332,450,459	-	322,233,717	-
Long-term borrowings (*)	8,390,000	25,999,000	63,190,000	14,080,000
Bonds	-	-	20,000,000	-
Discount on bonds payables	-	-	(10,541)	-
Total	340,840,459	25,999,000	405,413,176	14,080,000

(\*) As of December 31, 2025, financial assets, inventories, PP&E and investment properties were provided as collaterals for borrowings from banks (refer to Note 23).

### 19.2 Details of Short-term Borrowings

(1) The composition of short-term borrowings as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)				
Lender	Type	Interest rate (%)	Dec 31, 2025	Dec 31, 2024
Nonghyup Bank	General loan	MOR+1.62	9,000,000	9,000,000
	General loan	MOR+1.63	1,940,000	1,940,000
	General loan	MOR+1.64	12,000,000	-
KEB Hana Bank	General loan	CD (3M) 1.325~1.638	35,000,000	20,000,000
	Facility Loan	Finance Bond (6M) + 1.545	10,500,000	18,750,000
KDB	General loan	CD (3M) + 1.2	10,000,000	-
	General loan	Industrial Finance Bond (3M) + 1.2	57,000,000	57,000,000
Export-Import Bank of Korea	General loan	Fixed 3.61~3.92	23,500,000	25,800,000
	General loan	Fund Bond (3M) + 0.68~0.97	50,000,000	8,500,000
	General loan	Export-Import Bank Bond (3M) + 1.2~1.13	38,000,000	40,000,000
SH Bank	General loan	MOR + 1.74	-	13,000,000
Kookmin Bank	Import L/C	Term SOFR + 1.00	85,510,459	128,243,717
Total			335,450,459	330,233,717

## (2) Supplier Finance Arrangement Liabilities

Supplier finance arrangements are characterized by one or more financial institutions paying the amounts owed by the Company to suppliers, and the Company paying the financial institutions according to the terms of the arrangement after the suppliers receive payment. These arrangements provide the Company with extended payment terms beyond the due date of the related invoices or allow the Company's suppliers to receive payment earlier.

The Company has entered into supplier finance arrangements with several financial institutions, under which the banks acquire rights to specific trade receivables from suppliers. The following terms have been changed as a result of the arrangements, while other terms are the same as the terms of trade payables to the respective suppliers:

- The payment due date is 180 days after the invoice date and can be extended in 90-day increments.
- The trade payables acquired by the banks can no longer be offset against credits received from the suppliers.

Scope of Payment Due	Dec 31, 2025	Dec 31, 2024
Supplier Finance Arrangement Liabilities	After 180 days from the date of invoice	After 180 days from the date of invoice
Trade payables not a part of Supplier Finance Arrangement Liabilities	Within 30 days from the date of invoice	Within 30 days from the date of invoice

Carrying amount of supplier finance arrangements liabilities is as follow:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Supplier Finance Arrangement Liabilities	95,036,297	142,460,455
Supplier finance arrangement liabilities for which financial institutions have paid suppliers	85,510,459	128,243,717

There were no significant business combinations or exchange rate differences that affected the supplier finance arrangement liabilities, and these liabilities are considered short-term, so their carrying amount is a reasonable approximation of their fair value.

## (3) Significant Judgement – Supplier Finance Arrangements

The Company has entered into supplier finance arrangements, agreeing to support the cash flows of its suppliers. Under these arrangements, banks acquire rights to specific trade receivables of the suppliers. Following this acquisition, the Company can no longer make early direct payments to the suppliers and cannot offset the debt against receivables from the suppliers. The Company has judged it appropriate to derecognize the existing financial liability, trade payables, in the statement of financial position and recognize a new financial liability (short-term borrowings), considering that the terms of the liability have been substantially changed upon payment by the financial institutions.

In the statement of cash flows, the management has considered the financial institutions to be settling payments on behalf of the Company. Therefore, the amounts paid by the financial institutions are presented as cash outflows from operating activities and cash inflows from financing activities. Subsequent payments made by the Company to the financial institutions are presented as cash outflows from financing activities (refer to Note 35).

### 19.3 Details of Long-term Borrowings

The composition of long-term borrowings as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)				
Lender	Type	Interest rate (%)	Dec 31, 2025	Dec 31, 2024
Nonghyup Bank	General loan	3.00	380,000	570,000
	General loan	0.00	8,459,000	45,000,000
	General loan	3.00	6,550,000	6,200,000
KEB Hana Bank	Facility loan	CD (3M) + 1.54	-	14,250,000
KDB	Facility loan	Industrial Finance Bond (6M) +1.98	-	11,250,000
Shinhan Bank	Facility loan	Finance Bond (6M) + 1.45%	19,000,000	-
Subtotal			34,389,000	77,270,000
Liquidity Substitution			(8,390,000)	(63,190,000)
Total			25,999,000	14,080,000

### 19.4 Details of Bonds

Details of bonds as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)					
Item	Date of issue	Maturity	Interest rate (%)	Dec 31, 2025	Dec 31, 2024
5 <sup>th</sup> Non-Guaranteed Bonds (*)	2022-06-30	2025-06-30	4.80%	-	20,000,000
Total				-	20,000,000

(\*) Regarding bonds other than the 5th private placement bonds, there is a covenant stipulating that if the benefit of time is lost for those other bonds, the benefit of time will also be lost for the 5th private placement bonds.

### 19.5 Repayment Schedule of Borrowings

The repayment schedule of borrowings as of December 31, 2025 is as follows:

(In thousands of Korean won)					
Item	Within 1 year	1~2 years	2-3 years	Over 3 years	Total
Short-term borrowings	332,450,459	-	-	-	332,450,459
Long-term borrowings	8,390,000	25,999,000	-	-	34,389,000
Total	340,840,459	25,999,000	-	-	366,839,459

## 20. Other Financial Liabilities

The composition of other financial liabilities as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Current	Non-current	Current	Non-current
Derivatives Liabilities	-	-	609,130	-

## 21. Other Liabilities

The composition of other liabilities as of December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)				
Item	Dec 31, 2025		Dec 31, 2024	
	Advances received	4,589,017	226,793	1,755,210
Withholdings	1,069,935	-	-	-
Accrued annual leave liabilities	5,121,764	-	-	-
Long-term employee benefit liabilities	19,477,188	1,706,483	-	-
Greenhouse gas emission liability	146,349	-	85,397	-
Other	-	-	46,000	-
Total	30,404,253	1,933,276	1,886,607	-

## 22. Employee Benefits

### 22.1 Details of liabilities related to defined benefit liability and other employee benefit

Net assets and liabilities related to employee benefits to be recognized in the statements of financial position as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Defined benefit liability (assets)	(2,714,299)	(90,895)
Annual paid leave allowance liabilities	5,121,764	4,661,331
Other long-term employee benefit liabilities	1,706,483	1,019,357

### 22.2 Changes in defined benefit liability and plan assets

Adjustments to defined benefit liabilities (assets) for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)						
Item	Defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities (assets)	
	2025	2024	2025	2024	2025	2024
Beginning balance	59,160,105	51,542,057	(59,251,000)	(50,972,119)	(90,895)	569,938
Recognized as expense for the year:						
Current service cost	8,392,046	7,444,292	-	-	8,392,046	7,444,292
Interest cost (income)	1,717,106	1,726,475	(1,719,819)	(1,705,168)	(2,713)	21,307
Subtotal	10,109,152	9,170,767	(1,719,819)	(1,705,168)	8,389,333	7,465,599
Recognized in other comprehensive income:						
Loss (gain) on remeasurement						
- Actuarial gain or loss						
Demographic assumptions	-	(572)	-	-	-	(572)
Financial assumptions	(810,173)	3,613,847	-	-	(810,173)	3,613,847
Experience adjustment	3,221,269	1,543,232	-	-	3,221,269	1,543,232
- Loss on plan assets	-	-	(264,398)	(277,666)	(264,398)	(277,666)
Subtotal	2,411,096	5,156,507	(264,398)	(277,666)	2,146,698	4,878,841
Others						
Contributions paid	-	-	(11,100,000)	(12,000,000)	(11,100,000)	(12,000,000)
Wages paid	(8,106,474)	(6,609,437)	6,006,055	5,567,028	(2,100,419)	(1,042,409)
Transfer from affiliates	54,964	47,248	-	-	54,964	47,248
Transfer to affiliates	(52,354)	(147,037)	38,374	136,925	(13,980)	(10,112)
Subtotal	(8,103,864)	(6,709,226)	(5,055,571)	(6,296,047)	(13,159,435)	(13,005,273)
Ending balance	63,576,489	59,160,105	(66,290,788)	(59,251,000)	(2,714,299)	(90,895)

### 22.3 Composition of Plan Assets

The composition of plan assets as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Equity securities	2,609,965	2,796,051
Debt securities	3,952,233	2,125,027
Financial instruments such as term and periodic deposits	59,125,733	52,193,479
Transfer to National Pension	6,293	6,424
Others	596,564	2,130,019
Total	66,290,788	59,251,000

Amounts related to defined benefit liabilities as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Defined benefit obligation	63,576,489	59,160,105
Plan assets	(66,290,788)	(59,251,000)
Under-accumulated amount of plan assets	(2,714,299)	(90,895)
Reconciliation of differences between original estimates and actual values related to defined benefit obligations	(2,411,096)	(5,156,507)
Adjustment of differences between original estimates and actual values related to plan assets	264,398	277,666

### 22.4 Key Actuarial Assumptions

Details of the key assumptions used to evaluate the remeasurement components of the defined benefit plan as of December 31, 2025 and 2024 are as follows:

Item	Dec 31, 2025	Dec 31, 2024
Discount rate	3.49%	3.19%
Future wage growth rate	4.14%	4.06%

As of December 31, 2024, the weighted average maturity of the defined benefit liabilities is 4.46 years.

## 22.5 Sensitivity Analysis of Defined Benefit Obligation

The impact on the defined benefit obligation if each significant actuarial assumption as of the end of the current period were to change within its reasonably possible range is as follow:

### ① Sensitivity analysis according to discount rate

(In thousands of Korean won)			
Item	Discount rate 1% down	Dec 31, 2025	Discount rate 1% up
Present value of defined benefit obligation	66,414,843	63,576,489	60,984,327
Applicable discount rate	2.49%	3.49%	4.49%
Increase or decrease	2,838,354	-	(2,592,162)

### ② Sensitivity analysis according to the wage growth rate

(In thousands of Korean won)			
Item	Wage growth rate 1% down	Dec 31, 2025	Wage growth rate 1% up
Present value of defined benefit obligation	60,944,019	63,576,489	66,405,875
Applicable wage growth rate	3.14%	4.14%	5.14%
Increase or decrease	(2,632,470)	-	2,829,386

## 22.6 Impact of Defined Benefit Plan on Future Cash Flows

Meanwhile, the expected contributions to be paid in the following year (2026) related to the defined benefit plan amount to KRW 8,648,701,000.

## 23. Contingent Liabilities and Commitments

### 23.1 Details of Pending Lawsuits and Non-lawsuit Claims as Defendant

The pending lawsuits of the Company as of December 31, 2025 are as follows, and the outcome of the lawsuits is unpredictable.

(In thousands of Korean won)					
Court	Plaintiff	Defendant	Descriptions	Value	Progress
Seoul Central Court	-	Harim Corporation	Case of Violation of the Monopoly Regulation and Fair Trade Act (Criminal Litigation)	-	1 <sup>st</sup> trial in progress
Seoul Central Court	Leo Burnett Co., Ltd.	Harim Corporation	Litigation for claim of service fees	104,799	1 <sup>st</sup> trial in progress

### 23.2 Status of Borrowing Limit Commitments

Commitments with financial institutions as of December 31, 2024 are as follow:

(In USD, thousands of Korean won)			
Lender	Descriptions	Amount used	Limit
KEB Hana Bank	Import L/C Guarantee	USD 11,983,312	USD 12,500,000
Woori Bank		USD 6,745,050	USD 13,840,000
KDB		USD 11,301,450	USD 30,000,000
Kookmin Bank		USD 6,680,123	USD 20,000,000
Nonghyup Bank		USD 3,276,506	USD 12,000,000
Fisheries Cooperative Federation		USD 0	USD 10,000,000
Export-Import Bank of Korea		USD 6,709,807	USD 26,000,000
Shinhan Bank		USD 4,160,448	USD 15,000,000
Jeonbuk Bank		USD 6,852,845	USD 10,000,000
IM Bank		USD 1,883,781	USD 10,000,000
Export-Import Bank of Korea		Import loan	30,500,000
	15,000,000		USD 10,500,000
	66,000,000		66,000,000
KEB Hana Bank	Working capital & facility	45,500,000	62,250,000
	Working capital	USD 0	USD 3,000,000
KDB	Working capital & facility	67,000,000	67,000,000
Shinhan Bank	General foreign currency loan	19,000,000	19,000,000
Nonghyup Bank	Working capital	38,329,000	38,329,000
Total		USD 59,593,322	USD 195,840,000
		KRW 281,329,000	KRW 252,579,000

### 23.3 Details of Assets provided as Collateral

(1) Details of assets provided as collateral for liabilities of the Company as of the December 31, 2024 are as follows:

(In USD, thousands of Korean won)					
Collateralized assets	Carrying amount	Collateralized amount	Type	Borrowing amount	Provided to
Land, building, machinery and etc.	404,186,404	160,000,000	General Funds	45,500,000	KEB Hana Bank
		18,328,000	General Funds	10,940,000	Nonghyup Bank
		8,270,000	General Funds	USD 6,745,050	Woori Bank
		133,521,000	General Funds	67,000,000	KDB
				USD 11,301,450	
84,000,000	General Funds	15,000,000	Export-Import Bank of Korea		
Inventories	94,656,774	USD 63,700,000	Import Usance	USD 6,709,807	Export-Import Bank of Korea
				30,500,000	
		20,800,000		16,000,000	
Total	-	USD 63,700,000		USD 24,756,307	
	KRW 498,843,178	KRW 424,919,500		KRW 184,940,000	

(2) As of Dec. 31, 2025, there are no assets pledged as collateral for related parties.

### 23.4 Details of Assets Received as Collateral

As of Dec. 31, 2025, there are no assets received as collateral.

### 23.5 Details of Guarantees provided for Others

Details of payment guarantee provided for the 3<sup>rd</sup> parties (individual farmers) other than related parties as of December 31, 2025 are as follows:

(In thousands of Korean won)				
Beneficiary	Guarantee limit	Drawn amount	Guarantee details	Issuing Bank
8 parties other than Gimje Farm	2,463,100	958,484	Debt Guarantee	Eco Capital Corporation

### 23.6 Details of Guarantees received from Others

Details of guarantees received from others as of December 31, 2025 are as follow.

(In thousands of Korean won)		
Guarantor	Guaranteed Amount (Insured Amount)	Details of Guarantee Provided
Seoul Guarantee Insurance	2,234,600	Performance Guarantee (Permit and License Bond)

### 23.7 Others

Details of outstanding derivative financial instrument contracts as of the December 31, 2025 and 2024 are as follows:

(In USD)		
Item	Dec 31, 2025	Dec 31, 2024
Currency futures	35,000,000	125,850,000

### 23.8 Trademark License Agreement

Details of the trademark license agreement under which trademark royalties are payable as of as of the December 31, 2025 are as follows:

Contracting Party	Contract Details	
	Contract Period	Trademark Royalty
Harim Holdings	3 years from January 1, 2024	(Sales - Sales unrelated to trademark - Advertising expenses) X Royalty rate (0.4%) ※ Sales are categorized by business segment (Broiler, Processing, Bio, etc.)

## 24. Capital and Capital Surplus

### 24.1 Details of Capital

(1) The composition of capital as of December 31, 2025 and 2024 is as follow:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Number of authorized shares	200,000,000 shares	200,000,000 shares
Number of shares issued	106,209,702 shares	106,209,702 shares
Value per share	KRW500	KRW500
Capital – common share	53,104,851	53,104,851

(2) There are no changes in the number of shares issued by the controlling entity for the years ended December 31, 2025 and 2024.

### 24.2 Capital Surplus

The composition of capital surplus as of December 31, 2025 and 2024 is as follow:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Capital surplus in excess of par value (*1,2)	256,293,544	256,293,544

(\*1) On January 1, 2011, the Company adopted a proportional share allocation method for its demerger from Harim Holdings Co., Ltd. As a result, the assets and liabilities acquired from the demerged company (formerly Harim Corporation) were accounted for at carrying amount, and the carrying amount of the acquired net assets included an amount of KRW151,396,892,000 that exceeded the par value of the shares issued by the Company.

(\*2) On March 3, 2020, the Company issued new shares for the purpose of a business combination, resulting in an amount of KRW39,875,991,000 that exceeded the par value of the shares issued by the Company.

## 25. Capital Adjustment and Other Accumulated Comprehensive Income

The composition of other equity items as of December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Other capital adjustments (*1)	(27,360,647)	(27,360,647)
Treasury stock (*2,3)	(77,314)	(77,314)
Total	(27,437,961)	(27,437,961)

(\*1) Upon the business combination with Green Bio Tech Co., Ltd. in 2020, the Company adjusted capital by the difference between the consideration transferred and the carrying amount of the net assets acquired.

(\*2) When allocating new shares to existing shareholders due to spin-off, the Company paid in cash the amount calculated based on the closing price traded in the stock market as of the date of suspension of trading of old shares to the shareholders of fractional shares less than a share, which were acquired by the Company.

(\*3) In the business combination with Green Bio Tech Co., Ltd. in 2020, the Company acquired 19,053 shares through the exercise of appraisal rights by shareholders at a cost of KRW 52,700,000, which were recorded as treasury shares. As of the end of the current period, the number of treasury shares held by the Company is 22,520 shares

## 26. Retained Earnings

### 26.1 Details of Retained Earnings

The composition of retained earnings as of December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	Dec 31, 2025	Dec 31, 2024
Legal reserve (*)	1,388,922	1,388,922
Unappropriated retained earnings	26,243,065	(7,666,674)
Total	27,631,987	(6,277,752)

(\*) According to the Commercial Act, the legal reserve is required to accumulate at least 10% of the profit dividends in each settlement period until it reaches 50% of its capital. The legal reserve shall not be distributed in cash and may only be used to compensate for losses carried forward and transfer to capital by resolution of the general meeting of shareholders

Changes in retained earnings for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Beginning balance	(6,277,752)	18,732,883
Annual dividends	35,584,163	(17,965,857)
Net Income (loss)	-	(3,185,615)
Remeasurements for net defined benefit plans	(1,674,424)	(3,859,163)
Ending balance	27,631,987	(6,277,752)

## 26.2 Statement of Appropriation of Retained Earnings (Deficit)

Statement of Appropriation of Retained Earnings for the years ended December 31, 2025 and 2024 is as follows:

Item	(In thousands of Korean won)			
	2025		2024	
	Expected date of appropriation: Mar. 26, 2026		Fixed date of appropriation: Mar. 27, 2025	
I. Unappropriated retained earnings		26,243,065		(7,666,674)
Unappropriated retained earnings carried from the prior year	(7,666,674)		14,158,346	
Current net income	35,584,163		(17,965,857)	
Remeasurements for net defined benefit plans	(1,674,424)		(3,859,163)	
II. Appropriation of retained earnings		4,672,236		-
Dividend	4,247,487		-	
Legal reserve	424,749		-	
III. Unappropriated retained earnings carried forward to subsequent year		21,570,829		(7,666,674)

## 26.3 Dividends

Details of calculation for dividends payout for the years ended December 31, 2025 and 2024 are as follows:

Item	(In thousands of Korean won)	
	2025	2024
Number of shares to be received	106,187,182 shares	106,187,182 shares
Par value per share	500	500
Dividend rate per share	8%	0%
Dividends	4,247,487,280	-

Details of the calculation for the dividend payout ratio for the years ended December 31, 2025 and 2024 are as follows:

Item	(In thousands of Korean won)	
	2025	2024
Dividends	4,247,487,280	-
Net income (Loss)	35,584,163,208	(17,965,856,701)
Dividend payout ratio	11.94%	0.00%

Details of the calculation for the dividend yield for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Dividend per share	40	-
Closing price at year-end	3,015	2,805
Dividend yield	1.33%	0.00%

## 27. Revenue from Contracts with Customers

### 27.1.1 Composition of Revenue Sources

The composition of revenue sources for the years ended December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		
Item	2025	2024
Revenue from contracts with customers	1,233,820,668	1,158,285,574
Revenue from changes in fair value less cost to sell of biological assets	158,788,009	75,460,241
Total	1,392,608,677	1,233,745,815

Revenues generated from contracts with customers depending on major geographic markets, major product and service contracts, and revenue recognition timing are as follows:

(In thousands of Korean won)		
Item	2025	2024
<b>(1) Major geographic markets</b>		
Republic of Korea	1,224,970,242	1,149,334,608
United States of America	5,735,742	6,234,241
Canada	1,148,073	697,450
Japan	622,632	495,169
Hong Kong	442,884	347,031
Others	901,095	1,177,075
Total	1,233,820,668	1,158,285,574
<b>(2) Major product and service lines</b>		
Revenue from sale of products	1,113,379,933	1,059,130,931
Revenues from sale of goods	81,871,037	63,417,827
Other sales	38,569,698	35,736,816
Total	1,233,820,668	1,158,285,574
<b>(3) Timing of revenue recognition</b>		
Fulfillment at one point	1,232,838,143	1,157,404,812
Fulfillment over time	982,525	880,762
Total	1,233,820,668	1,158,285,574

The above table does not include income from changes in fair value less cost to sell of biological assets.

## 28. Greenhouse Gas Emission Liabilities

### 28.1 Greenhouse gas emission rights held for the fulfillment of obligations

#### 28.1.1 The number of emission rights allocated free of charge for the 3<sup>rd</sup> planning period (2021-2025)

The number of emission rights allocated free of charge for the 3<sup>rd</sup> planning period (2021-2025) as of Dec 31, 2024 is as follows.

(Unit: Ton (tCO <sub>2</sub> -eq))						
Item	2021	2022	2023	2024	2025	Total
Free allotted emission rights	77,180	77,180	77,180	76,456	76,456	384,452

#### 28.1.2 Changes and carrying amounts of emission rights

Changes and carrying amounts of emission rights as of December 31, 2024 are as follows:

Item	(Unit: Ton (tCO <sub>2</sub> -eq), In thousands of Korean won)					
	2023		2024		2025	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Free allocation at beginning of the year	77,180	-	76,456	-	76,456	-
Additional allocation (*)	15,210	-	15,210	-	15,170	-
Purchase (Sell)	7,981	73,660	9,333	94,540	-	-
Submit to the government	(100,371)	(73,660)	(100,999)	(94,540)	(105,698)	-
Carried forward	-	-	-	-	(14,072)	-
Ending balance	77,180	-	76,456	-	76,456	-

(\*) Due to the addition of the Bio Headquarters (Iksan, Jeongeup), Processing Plant 2 and Livestock Processing Facility, the Company plans to apply for additional free allocation in 2025. The estimated emissions for 2025 are 105,698 tons, and the shortfall of 14,072 tons is expected to be purchased from the market.

### 28.1.3 Provision of Collaterals

There are no emission rights provided as collaterals as of Dec 31, 2024.

## 28.2 Emission Liability

### 28.2.1 Estimated greenhouse gas emissions for the compliance year

As of the end of the current period, the Company's estimated greenhouse gas emissions for 2024 are 105,698 tons (tCO<sub>2</sub>-eq). An emissions allowance liability has been recognized for the shortfall of 14,072 tons (tCO<sub>2</sub>-eq), reflecting the year-end market price.

### 28.2.2 Changes in emission liabilities and the carrying amount

Changes in emission liabilities for the years ended December 31, 2025 and 2024 are as follows:

Item	(In thousands of Korean won)	
	2025	2024
Beginning balance	85,397	79,078
Transfer	155,492	85,397
Reversal	(94,540)	(79,078)
Ending balance	146,349	85,397

## 29. Selling and Administrative Expenses

The composition of selling and administrative expenses for the years ended December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	2025	2024
Wage	43,315,072	37,407,765
Retirement benefits	2,898,351	2,573,822
Employee benefits	7,048,151	5,278,600
Travel and transportation	834,332	708,216
Vehicle maintenance	1,457,030	1,264,477
Entertainment	356,726	320,340
Rents	1,994,081	1,814,599
Taxes and dues	1,117,241	3,016,641
Freight	54,587,892	54,543,316
Export expenses	533	1,271
Storage fees	487,460	566,770
Sales promotion	670,295	333,945
Advertising	4,984,011	5,129,008
Commissions	11,032,105	10,184,705
Service fees	17,441,431	17,074,997
Water and utilities	574,917	45,940
Depreciation	5,555,542	5,837,563
Depreciation on investment property	687,062	687,062
Depreciation on right-of-use assets	2,484,858	2,472,726
Amortization	215,075	257,852
Bad debt expenses (Reversal)	(198,656)	400,768
Training expenses	94,682	227,316
Books and printing	106,263	126,029
Communication	627,692	535,075
Insurance premiums	301,362	618,200
Repairs	2,452,972	1,078,079
Supplies	2,204,008	2,229,814
Ordinary research and development	1,165,369	1,062,001
Other selling and administrative expenses	-	510,540
Total	164,495,857	156,307,437

### 30. Expenses by Nature

Expenses (including cost of sales and selling & administrative expenses) by nature for the years ended December 31, 2025 and 2024 are as follows:

#### (1) 2025

(In thousands of Korean won)			
Item	Selling & administrative expenses	Cost of sales	Total
Changes in products and work in progress	-	11,881,577	11,881,577
Amount of raw materials used	-	791,343,765	791,343,765
Cost of goods sold	-	144,055,507	144,055,507
Employee benefits	53,261,574	114,701,896	167,963,470
Depreciation	5,555,542	33,335,259	38,890,801
Depreciation of investment properties	687,062	-	687,062
Amortization of intangible assets	215,075	11,950	227,025
Amortization of right-of-use assets	2,484,858	962,668	3,447,526
Depreciation of biological assets	-	21,102,015	21,102,015
Other expenses	102,291,746	64,118,976	166,410,722
Total	164,495,857	1,181,513,613	1,346,009,470

#### (2) 2024

(In thousands of Korean won)			
Item	Selling & administrative expenses	Cost of sales	Total
Changes in products and work in progress	-	(2,586,713)	(2,586,713)
Amount of raw materials used	-	609,946,708	609,946,708
Cost of goods sold	-	53,335,864	53,335,864
Employee benefits	45,260,187	96,778,542	142,038,729
Depreciation	5,837,563	34,972,268	40,809,831
Depreciation of investment properties	687,062	-	687,062
Amortization of intangible assets	257,852	16,628	274,480
Amortization of right-of-use assets	2,472,726	940,814	3,413,540
Depreciation of biological assets	-	19,367,644	19,367,644
Other expenses	101,792,047	242,547,422	344,339,469
Total	156,307,437	1,055,319,177	1,211,626,614

### 31. Other Operating Income

#### 31.1 Other Operating Revenue

The composition of other income for the years ended December 31, 2025 and 2024 is as follows.

(In thousands of Korean won)		
Item	2025	2024
Gain on disposal of investment properties	-	9,061
Gain on disposal of PP&E	19,152	114,207
Gain on foreign currency transaction	33,560	-
Gain on foreign currency translation	116,255	-
Rents income	34,179	34,101
Gain on disposal of right-of-use assets	19,026	25,301
Miscellaneous income	3,081,529	9,300,050
Total	3,303,701	9,482,720

#### 31.2 Other Operating Expenses

The composition of other operating expenses for the years ended December 31, 2025 and 2024 is as follows.

(In thousands of Korean won)		
Item	2025	2024
Loss on disposal of PP&E	96,022	88,938
Impairment loss on PP&E	564	-
Loss on disposal of intangible assets	-	1
Loss on foreign currency transaction	208,397	-
Loss on foreign currency translation	2,091	-
Other bad debt expenses	217,134	-
Donation	329,182	528,920
Loss on disposal of right-of-use assets	72,040	-
Miscellaneous losses	259,942	512,198
Total	1,185,372	1,130,057

## 32. Financial Income and Financial Expenses

### 32.1 Financial Income

The composition of financial income for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Interest income	2,183,703	2,874,495
Gain on foreign currency transactions	8,108,290	287,548
Gain on foreign currency translation	195,655	4,158
Gain on trading of derivatives	17,011,025	13,828,441
Gain on valuation of derivatives	1,687,130	-
Gain on valuation of financial assets	254,108	-
Total	29,439,911	16,994,642

### 32.2 Financial Expenses

The composition of financial expenses for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Interest expense	17,388,618	20,646,658
Loss on foreign currency transactions	1,475,263	8,781,084
Loss on foreign currency translation	2,435,107	10,001,268
Loss on trading of derivatives	13,781,769	32,428,925
Loss on valuation of derivatives	-	609,131
Loss on valuation of financial assets	11,993	-
Total	35,092,750	72,467,066

### 33. Income Tax Expenses

#### 33.1 Composition of Income Tax Expenses

The composition of income tax expenses for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Current income tax	3,042,197	-
Adjustments recognized in the current period for current income tax for the prior periods	-	(160,943)
Changes in deferred income tax due to the occurrence and disappearance of temporary differences, etc.	1,327,322	116,076
Changes in deferred income tax due to tax losses carried forward	2,638,742	(8,009,514)
Total income tax expense	7,008,261	(8,054,381)
Income tax expense related to items recognized as other than profit or loss	472,273	1,019,678
Income tax expense	7,480,534	(7,034,703)

#### 33.2 Relationship between Income Tax Expense and Accounting Income

The relationship between income tax expense and accounting income for the years ended December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		
Item	2025	2024
Net income before tax	43,064,697	(25,000,560)
Tax burden according to applicable tax rate	9,947,945	(5,225,117)
Adjustments:		
Income tax effect of non-taxable income and non-deductible expenses for tax purposes	83,045	(1,461,067)
Tax credits and tax reductions	(2,552,216)	(277,357)
Income tax refund	-	(160,943)
Others	1,760	89,781
Income tax expense	7,480,534	(7,034,703)
Average effective tax rate	17.37%	(*)

(\*) The average effective tax rate was not calculated as there was net loss before income tax expense for the current period.

### 33.3 Income Tax Effect directly reflected in other comprehensive income and capital

Current income tax and deferred income tax related to items recognized as other than current income or loss for the years ended December 31, 2025 and 2024 are as follows.

(In thousands of Korean won)		
Item	2025	2024
Current income tax:		
- Remeasurements for defined benefit plans (*)	472,273	1,019,678
Income tax expense related to items recognized as other than the current profit or loss	472,273	1,019,678

(\*) Income tax related to the remeasurements of the defined benefit plan was recognized in other comprehensive income.

### 33.4 Timing of collection and payment of deferred income tax assets and liabilities

Times of collection and payment of deferred income tax assets and liabilities are as follows:

(In thousands of Korean won)		
Item	2025	2024
Deferred income tax assets		
Deferred income tax assets to be collected after 12 months	30,530,348	31,252,450
Deferred income tax assets to be collected within 12 months	2,432,025	2,072,318
Sub-total	32,962,373	33,324,768
Current income tax liabilities		
Deferred income tax liabilities to be collected after 12 months	(19,304,521)	(17,069,367)
Deferred income tax liabilities to be collected within 12 months	(2,596,881)	(1,228,367)
Sub-total	(21,901,402)	(18,297,734)
Net amount of deferred income tax assets (liabilities)	11,060,971	15,027,034

### 33.5 Changes in deferred income tax assets (liabilities)

(1) Changes in deferred income tax assets (liabilities) for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)						
Item	Beginning	Reflection in profit or loss	Directly reflected in capital	Ending balance		
				Net amount	Deferred tax assets	Deferred tax liabilities
PP&E	(614,804)	(138,858)	-	(753,662)	1,052,595	(1,806,257)
Allowance for bad debt	194,190	(194,190)	-	-	-	-
Others	656,216	412,221	-	1,068,437	3,332,777	(2,264,340)
Temporary provision for loss	(344,817)	3,170	-	(341,647)	-	(341,647)
Defined benefit obligation	-	(472,273)	472,273	-	13,985,443	(13,985,443)
Allowance for inventory valuation	563,555	216,683	-	780,238	780,238	-
Gain on valuation of biological assets	(1,033,658)	(1,125,671)	-	(2,159,329)	-	(2,159,329)
Gain on valuation of derivatives	127,308	(498,477)	-	(371,169)	-	(371,169)
Investment in subsidiaries	-	72,428	-	72,428	72,428	-
Long-term deposit present value discount difference.	75,068	(17,092)	-	57,976	57,976	-
Gain on insurance adjustment	(998,845)	25,628	-	(973,217)	-	(973,217)
Accrued expenses (long-term employee benefits)	213,046	162,380	-	375,426	375,426	-
Greenhouse gas emission liabilities	17,848	14,349	-	32,197	32,197	-
Tax loss carried forward	15,894,570	(2,638,742)	-	13,255,828	13,255,828	-
Tax credit carried forward	277,357	(259,892)	-	17,465	17,465	-
Deferred income tax before off-set	15,027,034	(4,438,336)	472,273	11,060,971	32,962,373	(21,901,402)
Off-set effect	-	-	-	-	(21,901,402)	21,901,402
Net deferred income tax assets (liabilities)	15,027,034	-	-	11,060,971	11,060,971	-

② 2024

(In thousands of Korean won)						
Item	Beginning	Reflection in profit or loss	Directly reflected in capital	Ending balance		
				Net amount	Deferred tax assets	Deferred tax liabilities
PP&E	(658,918)	44,114	-	(614,804)	1,110,698	(1,725,502)
Allowance for bad debt	66,413	127,777	-	194,190	194,190	-
Others	498,292	435,283	-	933,575	2,765,367	(1,831,793)
Temporary provision for loss	(365,070)	20,253	-	(344,817)	-	(344,817)
Defined benefit obligation	119,117	(1,138,795)	1,019,678	-	12,363,119	(12,363,119)
Allowance for inventory valuation	272,448	291,107	-	563,555	563,555	-
Gain on valuation of biological assets	205,139	(1,238,797)	-	(1,033,658)	-	(1,033,658)
Gain on valuation of derivatives	(57,082)	184,390	-	127,308	127,308	-
Long-term deposit present value discount difference.	85,470	(10,402)	-	75,068	75,068	-
Gain on insurance adjustment	(1,073,135)	74,290	-	(998,845)	-	(998,845)
Accrued expenses (long-term employee benefits)	139,339	73,707	-	213,046	213,046	-
Greenhouse gas emission liabilities	16,527	1,321	-	17,848	17,848	-
Tax loss carried forward	7,885,057	8,009,512	-	15,894,569	15,894,569	-
Deferred income tax before off-set	7,133,597	6,873,760	1,019,678	15,027,035	33,324,768	(18,297,734)
Off-set effect	-	-	-	-	(18,297,734)	18,297,734
Net deferred income tax assets (liabilities)	7,133,597	-	-	15,027,035	15,027,034	-

(2) Deferred income tax expenses due to occurrence and disappearance of temporary differences for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Deferred income tax assets at the end of the year	11,060,971	15,027,034
Deferred income tax assets at the beginning of the year	15,027,035	7,133,597
Deferred tax expense due to occurrence and disappearance of temporary differences, etc.	3,966,064	(7,893,437)

(3) The income tax effect of temporary differences as of December 31, 2025 was calculated by applying the expected future tax rate for the fiscal year in which the temporary differences are extinguished.

(4) Deferred income tax assets and deferred income tax liabilities of the Company are offset and presented in the statement of financial position only when they relate to income taxes levied by the same taxation authority and the Company has a legally enforceable right and intention to offset current income tax assets and current income tax liabilities.

(5) Deferred income tax assets and liabilities and current income tax assets and liabilities based on the total amount before offset as of December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Deferred income tax assets	32,962,373	33,324,768
Deferred income tax liabilities	(21,901,402)	(18,297,734)
Total	11,060,971	15,027,034
Current income tax assets	-	308,918
Current income tax liabilities	(1,479,079)	-
Total	(1,479,079)	308,918

### 33.6 Details of temporary differences unrecognized as deferred income tax assets (liabilities)

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

(In thousands of Korean won)			
Item	2025	2024	Reason
Investment in subsidiaries	11,450,069	11,779,287	No disposal plan
Total	11,450,069	11,779,287	

## 34. Earnings per share

### 34.1 Calculation details of earnings per share

Calculation details of basic earnings per share for the years ended December 31, 2025 and 2024 are as follows:

(In Korean won)		
Item	2025	2024
Net income attributable to common shares	35,584,163,208	(17,965,856,701)
Weighted average number of common shares issued and outstanding (*)	106,187,182 shares	106,187,182 shares
Basic earnings per share	335	(169)

(\*) The weighted average number of common shares issued and outstanding is the number of common shares adjusted to the number of treasury shares acquired during the accounting period or newly issued common shares considering the weights according to each circulation period to the number of common shares issued outstanding at beginning of the year.

### 34.2 Calculation details of diluted earnings per share

Basic earnings per share and diluted earnings per share are the same as the Company has no dilutive potential common shares.

## 35 Statement of Cash Flows

### 35.1 Adjustments of liabilities arising from financial activities

Adjustments of liabilities arising from financial activities for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)							
Item	Beginning	Cash flow (*)	Non-cash change				Ending
			FX rate change	Transfer to current portion	Interest expense amortization	Change	
<b>Current liabilities</b>							
Short-term borrowings	322,233,717	(16,022,719)	2,239,460	-	-	24,000,000	332,450,458
Current portion of long-term borrowings	63,190,000	(41,812,500)	-	11,012,500	-	(24,000,000)	8,390,000
Current bonds	19,989,459	(20,000,000)	-	-	10,541	-	-
Current portion of lease liabilities	2,238,772	(2,643,732)	-	497,388	348,454	1,589,014	2,029,896
<b>Non-current liabilities</b>							
Long-term borrowings	14,080,000	22,931,500	-	(11,012,500)	-	-	25,999,000
Non-current lease liabilities	1,647,383	(506,199)	-	(497,388)	-	1,580,254	2,224,050
Total	423,379,331	(58,053,650)	2,239,460	-	358,995	3,169,268	371,093,404

(\*) The cash flows from short-term borrowings include KRW 155,400,000,000 paid by financial institutions to suppliers under supplier finance arrangements (increase (decrease) in trade payables in operating activities and cash inflow from financing activities) and KRW 174,940,000,000 paid by the Company to financial institutions at the maturity date of the supplier finance arrangement liabilities.

② 2024

(In thousands of Korean won)							
Item	Beginning	Cash flow (*)	Non-cash change				Ending
			FX rate change	Transfer to current portion	Interest expense amortization	Change	
<b>Current liabilities</b>							
Short-term borrowings	292,048,309	11,607,135	18,578,274	-	-	-	322,233,718
Current portion of long-term borrowings	21,784,000	(16,784,000)	-	63,190,000	-	(5,000,000)	63,190,000
Current bonds	-	-	-	19,978,996	10,463	-	19,989,459
Current portion of lease liabilities	2,044,396	(2,804,002)	-	637,895	282,505	2,077,978	2,238,772
<b>Non-current liabilities</b>							
Long-term borrowings	71,070,000	6,200,000	-	(63,190,000)	-	-	14,080,000
Bonds	19,968,900	-	-	(19,978,996)	10,096	-	-
Non-current lease liabilities	1,726,913	-	-	(637,895)	-	558,365	1,647,383
Total	408,642,518	(1,780,867)	18,578,274	-	303,064	(2,363,657)	423,379,332

(\*) The cash flows from short-term borrowings include KRW 176,417,000,000 paid by financial institutions to suppliers under supplier finance arrangements (increase (decrease) in trade payables in operating activities and cash inflow from financing activities) and KRW 182,648,000,000 paid by the Company to financial institutions at the maturity date of the supplier finance arrangement liabilities.

### 35.2 Significant Non-cash Investing and Financing Activities

The significant non-cash transactions arising from investing and financing activities for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Transfer from construction in progress	29,035,899	17,726,179
Reclassification of borrowings to current portion	11,012,500	83,168,996

### 36. Related Parties

#### 36.1 Status of related parties with transactions

(1) Details of the companies that have a special relationship with the Company as of December 31, 2024 are as follows:

Category	Company Name
Controlling Entity	Harim Holdings Co., Ltd.
Subsidiary	HBC Co., Ltd. Singgreen FS Co., Ltd. Singgreen Vina Co., Ltd.
Other related parties	Related parties of Harim Holdings Co., Ltd.

### 36.2 Transactions such as sale and purchase with related parties

The Company engages in transactions with related parties, such as sale of goods and provision of services, and transactions such as sale and purchase with related parties for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)							
Category	Company	Sales	Other income	Purchase of raw materials	Purchase of goods	Other expenses	Acquisition of PP&E
Controlling Entity	Harim Holdings Co., Ltd.	298,119	-	-	-	5,677,153	-
Subsidiaries	HBC Co., Ltd.	12,519	-	-	772,498	62,918	-
	Singgreen FS Co., Ltd.	2,902,356	1,033	1,566,182	-	78,062	-
Other related parties	Excello Equine R&D Center	4,306	-	-	-	-	-
	Glyde Co., Ltd.	69,174	-	174	248	-	-
	Donglim Corporation	5,363	-	-	-	38,416	210,000
	Maxican Co., Ltd.	13,462,485	-	-	-	348	-
	Sunjin Corporation	310,738	-	386,806	730	1,200	-
	Sunjin FS Co., Ltd.	86,633	-	10,209	120,882	-	-
	Sunjin Farm Co., Ltd.	1,272	-	-	-	-	-
	Ceti Co., Ltd.	-	-	-	-	102,675	-
	Aegree Robotek	-	-	-	-	-	7,872
	Ever Miracle Co., Ltd.	-	-	-	4,020	214,177	-
	Eco Capital Co., Ltd.	8,899	-	-	-	-	-
	ND Co., Ltd.	176,490	-	-	-	-	-
	N Bicorn Co., Ltd.	166,348	-	-	-	66,328	-
	NS Shopping Co., Ltd.	3,680,055	-	-	-	958,599	-
	ORPUM Co., Ltd.	4,632,969	31,763	391,630	81,543	144,205	-
	Charm Trading Co., Ltd.	6,917,589	-	2,132,636	38,689	1,391	-
	Farmsco Co., Ltd.	1,914,756	-	284,296	2,248,312	19,664	-
	POSSM Co., Ltd.	13,804	297	-	-	-	-
	Harim Industry Co., Ltd.	5,478,674	30,880	877,976	2,056,582	3,605,381	-
	Harim Pet Food Co., Ltd.	1,168,870	-	-	9,367	-	-
	Harim Food Co., Ltd.	264	-	-	-	-	-
	Hangang Food Co., Ltd.	38,938,136	16,842	1,472,161	-	-	-
	PAN OCEAN TRADING & LOGISTICS PTE. LTD.	-	-	22,847,738	-	-	-
	Sunjin Hanmaeul Co., Ltd.	20,686	-	-	-	-	-
	Soonwoori Co., Ltd.	6,052	510	-	28,595	-	-
	Joowonsan Ducks Co., Ltd.	697,264	-	11,731	4,363,704	10,988	-
	Harim Animal Clinic Center	2,075	-	-	-	50,380	-
	Jeil Feed Co., Ltd.	1,625,634	-	4,645,466	5,817,351	819,878	-
	G-Fore Co., Ltd.	1,664	-	-	-	-	-
	Pan Ocean Co., Ltd.	174,498	-	-	-	-	-
Korea Thumb Vet Co., Ltd.	180,647	-	14,706,277	-	176,996	-	
Total		82,958,339	81,325	49,333,282	15,542,521	12,028,759	217,872

② 2024

(In thousands of Korean won)							
Category	Company	Sales	Other income	Purchase of raw materials	Purchase of goods	Other expenses	Acquisition of PP&E
Controlling Entity	Harim Holdings Co., Ltd.	426,161	-	-	-	4,834,070	-
Subsidiaries	HBC Co., Ltd.	68,935	-	2,596,990	126,558	122,237	93,248
	Singgreen FS Co., Ltd.	2,286,289	37,388	1,876,026	-	123	-
Other related parties	Excello Equine R&D Center	3,603	-	-	-	-	-
	Glyde Co., Ltd.	252,457	-	-	-	40,598	-
	Donglim Corporation	2,988	-	-	-	100,640	791,310
	DD F&B Co., Ltd.	8,300	-	-	-	-	-
	Maxican Co., Ltd.	4,719,985	-	-	-	263	-
	Sunjin Corporation	334,009	-	253,411	-	1,200	-
	Sunjin FS Co., Ltd.	71,155	-	21,249	213,628	5,990	-
	Sunjin Farm Co., Ltd.	32,869	-	-	-	-	-
	Ceti Co., Ltd.	-	-	-	-	-	590,000
	Ever Miracle Co., Ltd.	-	-	-	6,864	280,188	-
	Eco Capital Co., Ltd.	4,808	-	-	-	-	-
	ND Co., Ltd.	190,800	-	-	-	-	-
	N Bicorn Co., Ltd.	116,030	-	-	-	44,871	-
	NS Shopping Co., Ltd.	4,533,590	-	-	-	984,815	-
	ORPUM Co., Ltd.	5,862,521	46,604	1,722,815	121,633	-	-
	Charm Trading Co., Ltd.	6,955,208	-	2,395,177	34,520	12,608	-
	Farmsco Co., Ltd.	1,903,664	-	35,883	854,922	26,622	-
	POSSM Co., Ltd.	14,637	-	-	-	-	-
	Harim Industry Co., Ltd.	2,347,254	297,971	563,661	3,373,918	858,099	-
	Harim Distribution Co., Ltd.	3,744,429	-	-	-	-	-
	Harim Pet Food Co., Ltd.	1,142,186	-	-	7,637	-	-
	Harim Food Co., Ltd.	1,659	-	-	-	-	-
	Hangang Food Co., Ltd.	36,152,459	16,842	1,171,527	312,675	6,056	-
	PAN OCEAN TRADING & LOGISTICS PTE. LTD.	-	-	24,963,204	-	-	-
	Sunjin Hanmaeul Co., Ltd.	13,795	-	-	-	-	-
	Soonwoori Co., Ltd.	3,723	-	-	2,197	2,190	-
	Joowonsan Ducks Co., Ltd.	683,095	-	2,528	4,273,942	2,208	-
	Farmsco Bio Inte Co., Ltd.	2,999	-	-	-	-	-
	Harim Animal Clinic Center	642	-	-	-	-	-
	Jeil Feed Co., Ltd.	1,513,447	-	-	494,048	1,082,903	-
	G-Fore Co., Ltd.	1,307	-	-	-	-	-
	Pan Ocean Trading & Logistics Pte. Ltd. (Korea Office)	918	-	-	-	-	-
Pan Ocean Co., Ltd.	107,188	-	-	-	-	-	
Korea Thumb Vet Co., Ltd.	158,643	-	14,058,672	-	142,776	-	
Total		73,661,753	398,805	49,661,143	9,822,542	8,548,457	1,474,558

### 36.3 Details of Financial Transaction with Related Parties

Details of financial transaction with related parties for the years ended December 31, 2025 and 2024 are as follows:

① 2025

(In thousands of Korean won)		
Category	Company	Dividend payment
Controlling entity	Harim Holdings Co., Ltd.	-
Others	Major Management and Others	-

② 2024

(In thousands of Korean won)		
Category	Company	Dividend payment
Controlling entity	Harim Holdings Co., Ltd.	1,827,853
Others	Major Management and Others	48,498

### 36.4 Details of Receivables from and Payables to Related Parties

Details of receivables from and payables to related parties as of December 31, 2025 and 2024 are as follows:

① Dec 31, 2025

(In thousands of Korean won)						
Category	Company	Receivables			Payables	
		Trade receivable	Security deposits	Account receivables	Trade payables	Account payables
Controlling Entity	Harim Holdings Co., Ltd.	19,823	4,671,810	1,047,584	-	2,759,069
Subsidiaries	HBC Co., Ltd.	108,626	-	-	-	76,967
	Singgreen FS Co., Ltd.	261	-	-	-	-
Other related parties	Donglim Corporation	-	-	-	-	920
	Maxican Co., Ltd.	319	-	-	-	3,487
	Sunjin Corporation	29,990	-	-	24,992	-
	Sunjin FS Co., Ltd.	8,198	-	-	24,728	-
	Ever Miracle Co., Ltd.	-	-	-	1,750	10,888
	N Bicorn Co., Ltd.	9,572	-	-	-	-
	NS Shopping Co., Ltd.	77,004	-	-	-	-
	ORPUM Co., Ltd.	644,726	-	1,685	2,830	34,758
	Charm Trading Co., Ltd.	403,627	-	-	112,398	-
	Farmsco Co., Ltd.	191,742	-	-	5,905	-
	Harim Industry Co., Ltd.	647,072	-	699	324,819	343,847
	Harim Pet Food Co., Ltd.	105,799	-	-	679	-
	Hangang Food Co., Ltd.	5,813,850	-	1,544	143,066	-
	Soonwoori Hanwoo Co., Ltd.	92	-	-	12,675	-
	Joowonsan Ducks Co., Ltd.	34,924	-	-	255,191	11,074
	Harim Animal Clinic Center	-	-	-	-	4,580
	Jeil Feed Co., Ltd.	99,901	1,541,262	-	2,773,676	12,736
Korea Thumb Vet Co., Ltd.	12,303	-	-	-	1,310,286	
Total		8,207,829	6,213,072	1,051,512	3,682,709	4,568,612

② Dec 31, 2024

(In thousands of Korean won)						
Category	Company	Receivables			Payables	
		Trade receivable	Security deposits	Account receivables	Trade payables	Account payables
Controlling Entity	Harim Holdings Co., Ltd.	30,151	4,671,810	1,047,584	-	2,479,691
Subsidiaries	HBC Co., Ltd.	-	-	9,352	-	15,990
	Singgreen FS Co., Ltd.	148,881	-	714	99,830	10,000
Other related parties	Excello Equine R&D Center	88	-	-	-	-
	Glyde Co., Ltd.	22,584	-	-	-	-
	Maxican Co., Ltd.	22,189	-	-	-	-
	Sunjin Corporation	30,043	-	-	13,718	-
	Sunjin FS Co., Ltd.	7,035	-	-	13,256	-
	Sunjin Farm Co., Ltd.	1,720	-	-	-	-
	Ever Miracle Co., Ltd.	-	-	-	674	19,185
	N Bicorn Co., Ltd.	8,206	-	-	-	-
	NS Shopping Co., Ltd.	127,813	-	-	-	-
	ORPUM Co., Ltd.	291,046	-	23,685	18,796	-
	Charm Trading Co., Ltd.	250,807	-	-	195,077	13,385
	Farmsco Co., Ltd.	10,199	-	-	2,913	-
	Harim Industry Co., Ltd.	159,833	-	67,238	207,343	372,964
	Harim Pet Food Co., Ltd.	92,944	-	-	643	-
	Hangang Food Co., Ltd.	5,567,799	-	1,544	75,818	-
	Soonwoori Hanwoo Co., Ltd.	129	-	-	-	-
	Joowonsan Ducks Co., Ltd.	47,134	-	-	246,675	125
	Jeil Feed Co., Ltd.	93,058	1,583,255	-	15,941	157,832
Korea Thumb Vet Co., Ltd.	11,666	-	-	818,774	16,280	
Total		6,923,325	6,255,065	1,150,117	1,709,458	3,085,452

**36.5 There are no guarantees and collaterals provided by the Company to related parties as of Dec 31, 2024.**

**36.6 There are no guarantees received from related parties as of Dec 31, 2024.**

### **36.7 Remuneration for Major Management**

The Company has determined that registered officers with important authorities and responsibilities for the planning, operation and control of its activities are the major management, and the remunerations paid for major management for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		
Item	2025	2024
Short-term employee wage	3,089,095	2,436,852
Other long-term employee benefits	796	213
Retirement benefits	226,666	202,107
Total	3,316,557	2,639,172

### **37. Operating Segments**

The Company has three (3) reporting segments, which are strategic business units. The information related to these segments is disclosed in the consolidated financial statements of the Company.

### **38. Events After the Reporting Period**

Based on the resolution of the Board of Directors on January 22, 2026, the Company decided to merge with its subsidiary, HBC Agricultural, through an absorption merger to increase management efficiency and maximize synergy. The merger is expected to be completed in March 2026, and the key details are as follows.

Merged Entity: HBC Agricultural

Merger Method: Absorption merger of HBC Agricultural by the Company (Small-scale merger)

Merger Ratio: The Company : HBC Agricultural = 1 : 0 (Merger without issuance of new shares)

March 31, 2026 (Expected)

The aforementioned merger is a merger between entities under common control within the Group; therefore, it has no impact on the consolidated financial statements.

## **Audit or Review Opinion on Internal Control over Financial Reporting**

This Independent Auditor's Report on Internal Control over Financial Reporting is attached in accordance with the Article 8 of the Act on External Audit for Stock Companies of the Republic of Korea, as a result of auditing the Internal Control over Financial Reporting in connection with the audit of its financial statements for the fiscal year ended December 31, 2025.

Attachment:      1. Independent Auditor's Report on Internal Control over Financial Reporting  
                         2. Report on Operating Status of Internal Control over Financial Reporting

# **Independent Auditors' Report on Internal Control over Financial Reporting**

To the Shareholders and Board of Directors of

Harim Corporation

## **Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting ("ICFR") of Harim Corporation (hereinafter referred to as the "Company") based on the Conceptual Framework for Design and Operation of ICFR as of December 31, 2025.

In our opinion, the Company's ICFR has been effectively designed and operated, in all material respects, as of December 31, 2025 in accordance with the Conceptual Framework for Design and Operation of ICFR.

We also have audited, in accordance with Korean Standards on Auditing ("KSA"), the statement of financial position as of December 31, 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information of the Company and our report dated March 13, 2026 expressed an unqualified opinion thereon.

## **Basis for Opinion on ICFR**

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of ICFR section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of ICFR in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of Management and Those Charged with Governance for ICFR**

Management is responsible for designing, implementing, and maintaining an effective ICFR, and for assessing the effectiveness of the ICFR included in the accompanying Report on the Operation Status of the ICFR.

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

## **Auditors' Responsibilities for the Audit of ICFR**

Our responsibility is to express an opinion of the Company's ICFR based on our audit. We conducted our audit in accordance with KSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective ICFR was maintained in all material respects.

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

## **Definition and Inherent Limitations of ICFR**

ICFR of the Company is implemented by those charged with governance, management, and other employees and is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“K-IFRS”). ICFR of the Company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with KIFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets of the Company that could have a material effect on the financial statements.

Because of its inherent limitations, ICFR may not prevent or detect misstatements of the financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that ICFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditors’ report is CPA, Lim Seung Yeol.

## **Deloitte Anjin LLC**

**Representative Director Hong Jong Seong**

10 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul

Mar. 13, 2026

This report is effective as of the audit report date (March 13, 2026). Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company’s Internal Control over Financial Reporting. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

## **Report on Operating Status of Internal Control over Financial Reporting**

To the Shareholders, Board of Directors and Audit Committee of Harim Corporation

We, as the Chief Executive Officer and the Internal Control Manager of the Company, assessed operating status of the Company's Internal Control over Financial Reporting("ICFR") for the year ended December 31, 2025.

Design and operation of ICFR is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Control Manager (collectively, "We", "Our" or "Us").

We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.

We used the Conceptual Framework for Design and Operation of Internal Control over Financial Reporting established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criteria for design and operation of the Company's ICFR.

In addition, we conducted an evaluation of ICFR based on the Management Guideline for Evaluation and Reporting of Effectiveness of Internal Control over Financial Reporting established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR is designed and operated effectively as of December 31, 2025, in all material respects, in accordance with the Conceptual Framework for Design and Operation of Internal Control over Financial Reporting

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

February 09, 2026

Representative Director Jeong Hoseok  
Internal Control Manager Hong Seokjin

Annexure

**Internal Control over Financial Reporting (ICFR)**

Control Activities and Test Results

Category	Control Activities Performed by the Company	Details of Test Execution (Dept., Timing, etc.)
Entity-Level Control	<Management of Segregation of Duties(SoD)> Management establishes standards for the segregation of duties. When newly designing or changing control activities, the appropriateness of the SoD system is reviewed to ensure that proper segregation of duties and access restrictions are maintained.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Monitoring> The Internal Audit Department performs periodic audit activities. In addition, audit plans and results are periodically reported to the Audit Committee.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Assessment of Fraud Risk> Management periodically identifies and assesses potential fraud risks by considering changes in the internal and external environment. These assessments are properly reflected in the internal controls.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Operation of Fraud Prevention> The Company operates a whistleblowing system that guarantees anonymity. A process is in place to report to the CEO and the Audit Committee upon receipt of reports related to accounting fraud or internal accounting matters.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Education on ICFR> The Company conducts annual group-wide training for employees regarding the Internal Control over Financial Reporting (ICFR) system.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Bank Account Management	<Account Registration/Modification> The Treasury Team Manager reviews and approves the proposal for opening new accounts, which must include the reason for opening.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Control of Seal Impression> The General Affairs Team restricts physical access to the corporate seal and assets required for deposits/withdrawals. The department head of the applicant reviews the draft for the purpose of use and approval from the requesting department before sealing.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Deposit and Withdrawal Management	<Segregation of Duties (SoD) for Approval of Fund Execution Vouchers> The person inputting the fund withdrawal and the person approving it are segregated. A process is in place to carry out the final execution via an OTP stored in a safe.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Approval of Daily Fund Reports> The person in charge of funds records daily deposit/withdrawal details and plans in a daily fund report and obtains approval from the Treasury Team Manager.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Management of Daily Deposits/Withdrawals> The Treasury Team Manager verifies that the balance in the fund statement matches the balance of each financial institution account checked through internet banking, and then provides approval.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)

Category	Control Activities Performed by the Company	Details of Test Execution (Dept., Timing, etc.)
Deposit and Withdrawal Management	<Segregation of Duties (SoD) for Approval of Fund Execution Vouchers> The person inputting the fund withdrawal and the person approving it are segregated. A process is in place to carry out the final execution via an OTP stored in a safe.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Approval of Daily Fund Reports> The person in charge of funds records daily deposit/withdrawal details and plans in a daily fund report and obtains approval from the Treasury Team Manager.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
	<Management of Daily Deposits/Withdrawals> The Treasury Team Manager verifies that the balance in the fund statement matches the balance of each financial institution account checked through internet banking, and then provides approval.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Borrowings and Repayments	<Review of Fund Raising> The Treasury Team Manager reviews and approves the appropriateness of key terms in proposals for borrowings and bond issuances. Matters requiring Board resolution are submitted to the Board of Directors.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Corporate Card Management	<Corporate Card Management> The person in charge in the Treasury Team obtains approval from the authorized person for corporate card registration, cancellation, or limit changes. In the case of retired employees, retrieval measures are taken to prevent indiscriminate use in advance.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Acquisition and Management of Financial Instruments	<Acquisition and Management of Financial Instruments> The person in charge in the Treasury Team reflects essential information regarding the acquisition and disposal of financial instruments and proceeds with the process following the approval procedure by the authorized person.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Vendor Master Creation and Modification	<Review of Vendor Master Creation/Modification> Upon request for creation or modification of a Vendor Master, the Treasury Team reviews whether key information (business registration number, address, etc.) matches the supporting documents before providing approval.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)
Derivatives	<Valuation of Derivative> The person in charge in the Accounting Team receives the derivative valuation statement from the financial institution and reviews its appropriateness. The Accounting Team Manager approves the journal entry for recognizing derivative valuation gains or losses.	As a result of the test, no material weaknesses were identified (Compliance Management Team, Apr, Jul, Oct 2025, Jan 2026)

## Information on External Audit

This Information on External Audit is attached pursuant to the provision of the Article 18(3) of  
the “Act on External Audit of Stock Companies”.

### 1. Scope of Audit

Company	Harim Corporation
Audited fiscal year	For the Year Ended December 31, 2025

### 2. Number of Audit Participants and Audit Hours

(Unit: person, time)

Participants / No. of personnel and time		Quality control reviewer		CPA responsible for audit						Experts in IT- audit/tax/ valuation, etc.		Experts in order- made industry including construction contract, etc.		Total	
				Director in charge (Engagement Partner)		Registered CPA		Probation CPA							
				2025	2024	2025	2024	2025	2024						
No. of personnel input		7	5	1	1	10	10	1	4	11	5	-	-	30	25
Time	Quarter/half year review	60	17	13	60	1,494	903	0	69	32	-	-	-	1,599	1,049
	Audit	84	97	231	86	2,400	1,522	120	230	426	353	-	-	3,261	2,288
	Total	144	114	244	146	3,894	2,425	120	299	458	353	-	-	4,860	3,337

### 3. Major Descriptions on Audit

Classification	Details										
Overall audit plan (start phase)	Period		2025.04.14 ~ 2025.04.18		5		days				
	Contents		Decision on procedures and timing of audit based on the overall understanding of the Company and industry								
Major information on field audit	Period			Input				Descriptions on major audit works			
			Full time		Part time						
	2025.06.09~ 2025.06.13		5	days	5	persons	2	persons	Evaluation of design of internal control over financial reporting, early demonstration audit		
	2025.11.10~ 2025.11.14		5	days	5	persons	2	persons	Evaluation of design of internal control over financial reporting, early demonstration audit		
2026.01.19~ 2026.02.03		10	days	5	persons	2	persons	Performance of financial statement verification and audit completion procedures			
Due diligence on inventories (attendance)	Time		2025-01-12				1		day		
	Location		Head Office in Iksan, Factory in Jeoneup								
	Target		Whole of Inventories								
Due diligence on financial assets (attendance)	Time		2025-01-12				1		day		
	Location		Head Office in Iksan								
	Target		Membership and etc.								
External investigations	Financial transactions		O		Payables & Receivables		O		Investigation through lawyers		O
	Other investigation		Inventories stored in other places								
Communications with those charged with governance	Communication		4		Times						
	Period		2025.5.8 / 2025.8.7 / 2025.11.30 / 2026.2.11								
Use of external experts	Activity		-								
	Period		-						-		day

### 4. Communications with Auditor (Audit Committee)

No.	Date	Attendees	Method	Descriptions on major discussions
1	2025.05.08	Company: Audit Committee External Auditors: Responsible Director and CPA in charge	Physically Meeting	Annual audit schedule, discussion on overall audit strategy, and discussion on quarterly review matters
2	2025.08.07	Company: Audit Committee External Auditors: Responsible Director and CPA in charge	Physically Meeting	Audit plan for financial statements and internal control over financial reporting (ICFR), and preliminary views on Key Audit Matters (KAMs)
3	2025.11.30	Company: Audit Committee External Auditors: Responsible Director and CPA in charge	Physically Meeting	Status of annual financial statement and ICFR audits, selection of Key Audit Matters (KAMs), and related audit execution plans, Discussion on quarterly review matters and other communication items
4	2026.02.11	Company: Audit Committee External Auditors: Responsible Director and CPA in charge	Physically Meeting	Audit results for year-end audit and Key Audit Matters (KAMs), and other mandatory communication items at the audit completion stage