Orion Corporation and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024

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Independent Auditors' Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Orion Corporation

Opinion

We have audited the accompanying consolidated financial statements of Orion Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

(1) Impairment test of Orion Nutritionals Private Limited CGUs

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

As described in Note 1 to the consolidated financial statements, the Group performed an impairment test in accordance with Korean IFRS 1036, considering the operating performance and competitive market conditions of the Orion Nutritionals Private Limited CGU during the current year. The Group engaged independent external experts to assist with the impairment assessment of the above-mentioned cash-generating unit (CGU). Considering that management's significant judgments are involved in selecting valuation methods and determining assumptions such as future business forecasts and discount rates when estimating the recoverable amount of the CGU, we included this matter as a key audit matter.

How our audit addressed the Key Audit Matter

We have performed the following audit procedures to address the Key Audit Matter:

- Assessed the competence and objectivity of management's experts involved in estimating the recoverable amount
- Obtained an understanding of, and evaluated, the procedures and key controls over management's recoverable amount estimate.
- Evaluated whether management appropriately applied the requirements of K-IFRS 1036 in relation to the recoverable amount estimation.
- Assessed the appropriateness of the valuation models used by the Group in estimating the recoverable amount.
- Confirmed that the future cash flows underlying the recoverable amount estimates were based on management-approved business plans.
- Evaluated the reasonableness of key assumptions and variables used in the recoverable amount estimation.
- Tested the accuracy of calculations and assessed the results of sensitivity analyses.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2024, were audited by Samjong KPMG in accordance with the Korean Standards on Auditing, and this auditor expressed an unqualified opinion on those statements in their audit report dated March 18, 2025.

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

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

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

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

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

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

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

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

auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Sung-soo Kim, Certified Public Accountant.

March 18, 2026
Seoul, Korea

Samil PricewaterhouseCoopers

This report is effective as of March 18, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Orion Corporation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

(In Korean won)	**Notes**		**2025**		**2024**
Assets					
Property, plant and equipment	6	₩	1,716,028,601,401	₩	1,701,534,303,103
Intangible assets	7		64,846,197,376		44,970,456,176
Goodwill	8		25,371,716,852		25,149,516,270
Investment property	9		39,900,885,383		35,014,589,327
Right-of-use assets	10		97,347,300,747		89,292,579,144
Investments in associates and joint ventures	11		722,593,209,088		728,250,061,050
Financial assets at fair value through other comprehensive income	12,33		5,020,596,359		6,038,842,686
Long-term deposits	16,33,35		2,000,000		3,139,948,180
Net defined benefit asset	26		7,871,886,684		4,808,423,636
Other non-current financial assets	15,33,35,37		48,696,833,517		20,397,901,912
Other non-current assets	13		3,954,344,657		2,444,419,186
Deferred income tax assets	34		2,209,746		27,514,821
Total non-current assets			2,731,635,781,810		2,661,068,555,491
Inventories	14		321,414,683,283		316,592,199,403
Other current assets	13		28,585,443,363		25,822,384,214
Other current financial assets	15,33,35,37		31,192,701,875		64,195,222,505
Current tax assets	34		1,368,742,844		760,391,360
Trade receivables	15,33,35,37		181,999,325,832		177,313,941,701
Financial assets at fair value through profit or loss	12,33		5,000,000,000		5,000,000,000
Short-term deposits	16,33,35		986,075,622,834		606,419,818,686
Cash and cash equivalents	16,33,35		311,390,944,459		451,277,283,648
Total current assets			1,867,027,464,490		1,647,381,241,517
Total assets		₩	4,598,663,246,300	₩	4,308,449,797,008

Orion Corporation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

(In Korean won)	Notes		2025		2024
Equity					
Capital stock	1,17	₩	19,768,066,000	₩	19,768,066,000
Capital surplus			598,172,192,205		598,172,192,205
Treasury shares	18		(604,361,381)		(604,361,381)
Other capital	19		874,205,592,286		821,232,516,093
Reserves	20		784,149,610,537		528,310,385,082
Unappropriated retained earnings	20		1,532,972,298,314		1,504,356,610,183
Equity attributable to owners of the Parent			3,808,663,397,961		3,471,235,408,182
Non-controlling interest	4		103,543,703,388		102,810,459,437
Total equity			3,912,207,101,349		3,574,045,867,619
Liabilities					
Non-current lease liabilities	10,33,35,37		21,820,294,542		25,790,378,178
Deferred tax liabilities	34		164,113,294,027		169,792,036,166
Other non-current liabilities	27		2,054,285,368		988,422,043
Other non-current financial liabilities	23,33,35,37		277,432,971		218,049,266
Total non-current liabilities			188,265,306,908		196,788,885,653
Short-term borrowings	25,33,35		-		1,148,616,411
Trade payables	33,35,37		145,821,145,167		163,191,290,408
Current lease liabilities	10,33,35,37		13,695,740,434		12,936,730,619
Current tax liabilities	34		54,778,270,301		59,180,504,431
Other current liabilities	24,27		83,886,182,687		100,578,643,582
Other current financial liabilities	23,33,35,37		199,469,757,522		200,579,258,285
Derivative financial liabilities	33,35		539,741,932		-
Total current liabilities			498,190,838,043		537,615,043,736
Total liabilities			686,456,144,951		734,403,929,389
Total equity and liabilities		₩	4,598,663,246,300	₩	4,308,449,797,008

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

Orion Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2025 and 2024

(In Korean won, except earnings per share)	Notes		2025		2024
Revenue	5,28,37	₩	3,332,442,536,373	₩	3,104,338,576,129
Cost of sales	28,32,37		(2,109,116,436,904)		(1,908,164,043,915)
Gross profit			1,223,326,099,469		1,196,174,532,214
Selling expenses	29,32		(488,322,410,861)		(496,065,565,834)
General and administrative expenses	29,32,37		(176,745,661,416)		(156,521,188,139)
Operating profit			558,258,027,192		543,587,778,241
Net other expense	30,37		(5,488,640,793)		(28,951,492,483)
Net finance income	31,33,37		21,255,407,760		182,215,007,112
Share of loss of associates and joint ventures	11		(27,472,419,166)		(4,635,010,589)
Profit before income tax			546,552,374,993		692,216,282,281
Income tax expense	34		(155,954,811,819)		(158,986,729,859)
Profit for the year			390,597,563,174		533,229,552,422
Other comprehensive income:			68,975,146,212		141,576,025,468
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations			64,265,739,883		140,520,023,757
Changes in equity from applying the equity method	11		506,233,202		3,736,791,174
Items that will not be subsequently reclassified to profit or loss					
Remeasurements of net defined benefit liability	26		1,678,363,504		(3,651,608,461)
Loss on valuation of financial assets at fair value through other comprehensive income			(1,122,959,205)		-
Share of other comprehensive income of associates and joint ventures	11		4,784,739,893		-
Share of remeasurements of net defined benefit liability of associates and joint ventures	11		(740,742,166)		127,297,443
Income tax of other comprehensive income	34		(396,228,899)		843,521,555
Other comprehensive income (loss) for the year, net of tax			68,975,146,212		141,576,025,468
Total comprehensive income for the year		₩	459,572,709,386	₩	674,805,577,890

Orion Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2025 and 2024

(In Korean won, except earnings per share)	**Notes**		**2025**		**2024**
Profit attributable to:					
Owners of the Parent		₩	382,705,010,974	₩	524,592,568,051
Non-controlling interests	4		7,892,552,200		8,636,984,371
Profit for the year		₩	390,597,563,174	₩	533,229,552,422
Total comprehensive income attributable to:					
Owners of the Parent		₩	450,741,086,529	₩	658,246,803,337
Non-controlling interests			8,831,622,857		16,558,774,553
Total comprehensive income for the year		₩	459,572,709,386	₩	674,805,577,890
Earnings per share:	21				
Basic earnings per share		₩	9,682	₩	13,271
Diluted earnings per share			9,682		13,271

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

Orion Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2025 and 2024

(In Korean won)		Capital stock		Capital surplus		Treasury shares		Other capital		Reserves		Retained earnings		Non-controlling interests		Total equity
Balance at January 1, 2024	₩	19,768,066,000	₩	598,172,192,205	₩	(604,361,381)	₩	684,882,469,455	₩	332,275,963,649	₩	1,227,905,259,917	₩	93,077,359,503	₩	2,955,476,949,348
Comprehensive income:																
Profit for the year		-		-		-		-		-		524,592,568,051		8,636,984,371		533,229,552,422
Other comprehensive income:																
Exchange differences on translating foreign operations		-		-		-		132,788,314,030		-		-		7,731,709,727		140,520,023,757
Changes in equity from applying the equity method		-		-		-		3,561,732,608		-		-		175,058,566		3,736,791,174
Share of remeasurements of net defined benefit liability of associates and joint ventures		-		-		-		-		-		112,275,554		15,021,889		127,297,443
Remeasurements of net defined benefit liability		-		-		-		-		-		(2,808,086,906)		-		(2,808,086,906)
Total comprehensive income for the year		-		-		-		136,350,046,638		-		521,896,756,699		16,558,774,553		674,805,577,890
Total transactions with owners of the Company, recognized directly in equity:																
Dividends paid		-		-		-		-		-		(49,410,985,000)		(6,825,674,619)		(56,236,659,619)
Addition to legal reserves		-		-		-		-		4,662,323,948		(4,662,323,948)		-		-
Addition to discretionary reserves		-		-		-		-		191,372,097,485		(191,372,097,485)		-		-
Total transactions with owners of the Company, recognized directly in equity		-		-		-		-		196,034,421,433		(245,445,406,433)		(6,825,674,619)		(56,236,659,619)
Balance at December 31, 2024	₩	19,768,066,000	₩	598,172,192,205	₩	(604,361,381)	₩	821,232,516,093	₩	528,310,385,082	₩	1,504,356,610,183	₩	102,810,459,437	₩	3,574,045,867,619

Orion Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2025 and 2024

(In Korean won)	Capital stock	Capital surplus	Treasury shares	Other capital	Reserves	Retained earnings	Non-controlling interests	Total equity
Balance at January 1, 2025	₩ 19,768,066,000	₩ 598,172,192,205	₩ (604,361,381)	₩ 821,232,516,093	₩ 528,310,385,082	₩ 1,504,356,610,183	₩ 102,810,459,437	₩ 3,574,045,867,619
Comprehensive income:								
Profit for the year	-	-	-	-	-	382,705,010,974	7,892,552,200	390,597,563,174
Other comprehensive income:								
Loss on valuation of financial assets at fair value through other comprehensive income	-	-	-	(1,068,525,330)	-	-	(54,433,875)	(1,122,959,205)
Exchange differences on translating foreign operations	-	-	-	63,503,752,161	-	-	761,987,722	64,265,739,883
Changes in equity from applying the equity method	-	-	-	476,169,787	-	-	30,063,415	506,233,202
Share of other comprehensive income of associates and joint ventures	-	-	-	4,552,806,325	-	-	231,933,568	4,784,739,893
Share of remeasurements of net defined benefit liability of associates and joint ventures	-	-	-	-	-	(710,261,993)	(30,480,173)	(740,742,166)
Remeasurements of net defined benefit liability	-	-	-	-	-	1,282,134,605	-	1,282,134,605
Total comprehensive income for the year	-	-	-	67,464,202,943	-	383,276,883,586	8,831,622,857	459,572,709,386
Total transactions with owners of the Company, recognized directly in equity:								
Dividends paid	-	-	-	-	-	(98,821,970,000)	(7,370,832,161)	(106,192,802,161)
Addition to legal reserves	-	-	-	-	1,927,073,707	(1,927,073,707)	-	-
Addition to discretionary reserves	-	-	-	-	253,912,151,748	(253,912,151,748)	-	-
Changes arising from business combinations of subsidiaries	-	-	-	(209,539,770)	-	-	-	(209,539,770)
Changes arising from business combinations of associates	-	-	-	(14,281,586,980)	-	-	(727,546,745)	(15,009,133,725)
Total transactions with owners of the Company, recognized directly in equity	-	-	-	(14,491,126,750)	255,839,225,455	(354,661,195,455)	(8,098,378,906)	(121,411,475,656)
Balance at December 31, 2025	₩ 19,768,066,000	₩ 598,172,192,205	₩ (604,361,381)	₩ 874,205,592,286	₩ 784,149,610,537	₩ 1,532,972,298,314	₩ 103,543,703,388	₩ 3,912,207,101,349

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

Orion Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

(In Korean won)		2025		2024
Cash flows from operating activities				
Profit for the year	₩	390,597,563,174	₩	533,229,552,422
Adjustments for:				
Retirement benefits		14,315,466,996		11,998,538,161
Depreciation of property, plant and equipment		146,875,397,092		144,518,960,453
Amortization		2,660,896,575		3,168,520,015
Depreciation of investment property		216,630,645		170,828,646
Depreciation of right-of-use assets		14,862,970,393		12,593,089,117
Bad debt expenses of trade receivables		594,667,114		624,651,239
Other bad debt expenses		639,230		1,290,933,024
Loss on sale of property, plant and equipment		5,416,367,914		7,767,204,612
Loss on sale of intangible assets		25,188,730		-
Loss on disposal of investment in associates		-		4,424,031,203
(Reversal of) Share-based compensation expense		(23,503,977)		695,000,091
Foreign currency translation loss		2,204,427,485		1,153,265,732
Loss on valuation of derivatives		539,741,932		-
Interest expense		14,838,893,972		1,013,761,838
Income tax expense		155,954,811,819		158,986,729,859
Other expenses		4,534,809,208		1,344,227,998
Gain on sale of property, plant and equipment		(295,886,118)		(476,868,356)
Gain on valuation of derivatives		-		(152,800,148,829)
Foreign currency translation gain		(4,326,812,751)		(4,528,943,252)
Interest income		(39,161,908,542)		(30,960,243,187)
Share of loss of associates and joint ventures		27,472,419,166		4,635,010,589
Other income		(1,192,832,454)		(570,711,286)
Changes in:				
Trade receivables		2,300,500,337		16,508,504,105
Other current financial assets		(238,244,563)		2,480,697,342
Other current assets		(1,935,402,245)		(1,747,126,184)
Inventories		567,420,523		(42,297,636,235)
Other non-current assets		(4,573,750,460)		1,869,817,373
Other non-current financial assets		(180,290,577)		(49,012,611)
Trade payables		(18,965,991,931)		30,144,710,854
Other current liabilities		(19,073,751,574)		46,947,465,521
Other current financial liabilities		(14,899,400,738)		23,772,991,877
Plan assets		(6,002,235,820)		(1,610,701,278)
Payment of defined benefit obligations		(6,985,385,250)		(7,280,460,627)
Interest received		40,278,386,239		34,636,543,180
Interest paid		(520,375,895)		(701,636,732)
Income tax paid		(168,553,290,739)		(149,363,110,123)
Net cash inflow from operating activities	₩	537,328,134,910	₩	651,588,436,551

Orion Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

(In Korean won)		2025		2024
Cash flows used in investing activities				
Collection of short-term loans	₩	199,900,000	₩	(10,201,335,689)
Proceeds from disposal of property, plant and equipment		1,105,027,287		2,095,496,197
Proceeds from disposal of intangible assets		193,318,393		1,600,000,000
Decrease in rental deposits		700,641,828		2,348,057,149
Decrease in operation deposits		128,000,000		132,056,950
Increase (decrease) in financial deposits		(372,809,297,532)		175,522,866,882
Dividend received		-		901,900,000
Increase in short-term loans		(3,987,465,924)		-
Acquisition of property, plant and equipment		(122,555,594,615)		(106,937,398,828)
Acquisition of intangible assets		(23,759,527,941)		(16,220,508,501)
Increase in rental deposits		(1,222,162,870)		(1,774,962,101)
Increase in operation deposits		(137,559,000)		(112,000,000)
Reduction arising from business combinations		(10,737,930,000)		-
Purchase of investments in associates and joint ventures		(32,274,470,000)		(552,222,276,325)
Receipt of government grants		937,249,988		-
Net cash outflow from investing activities	₩	(564,219,870,386)	₩	(504,868,104,266)
Cash flows used in financing activities				
Increase in short-term borrowings	₩	676,302,569	₩	8,892,088,228
Redemption of short-term borrowings		(2,088,466,831)		(11,557,003,091)
Redemption of lease liabilities		(13,224,632,431)		(11,218,930,430)
Decrease in leasehold deposits		(52,000,000)		-
Dividends paid		(106,192,802,161)		(56,236,659,619)
Net cash outflow from financing activities	₩	(120,881,598,854)	₩	(70,120,504,912)
Effect of exchange rate fluctuations on cash held, and others		7,886,995,141		8,827,786,434
Net increase (decrease) in cash and cash equivalents		(139,886,339,189)		85,427,613,807
Cash and cash equivalents at the beginning of the period		451,277,283,648		365,849,669,841
Cash and cash equivalents at the end of the period	₩	311,390,944,459	₩	451,277,283,648

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

1. General Information

These financial statements are consolidated financial statements prepared by Orion Corporation ("the Company" or the "Parent Company") and its subsidiaries (collectively referred to as the “Group”), which are subject to consolidation, in accordance with Korean IFRS 1110 *Consolidated Financial Statements*.

Description of the Controlling Company

Orion Corporation (the Company or the Parent Company) was established on June 1, 2017, based on the Orion Holdings Co.’s resolution of the general meeting of shareholders on March 31, 2017, by splitting the manufacturing and sales of confectionery of Orion Holdings Co. and listed on the Korea Exchange on July 7, 2017.

The Company is manufacturing and selling various kinds of confectionery with its headquarters in Baekbumro, Yongsan-gu, Seoul, and a factory in Iksan, Jeollabuk-do, and others. As at December 31, 2025, the Company's capital stock is ₩ 19,768 million. Major shareholders of the Company are Orion Holdings Co., Ltd. (37.37%) and seven other related parties (6.43%).

The Company and its consolidated subsidiaries as at December 31, 2025 and 2024, are as follows:

			Percentage of ownership					
			2025			2024		
Name	Location	Immediate controlling party	The Company	Subsidiary	Total	The Company	Subsidiary	Total
Orion Corporation	Korea	Parent Company	-	-	-	-	-	-
PAN ORION Corp. Limited.	Hong Kong	Orion Corporation	95.15%	-	95.15%	95.15%	-	95.15%
Orion International Euro LLC.	Russia	Orion Corporation, PAN ORION Corp. Limited.	73.27%	26.73%	100.00%	73.27%	26.73%	100.00%
Orion Food Vina Co., Ltd.	Vietnam	Orion Corporation	100.00%	-	100.00%	100.00%	-	100.00%
Orion Nutritionals Private Limited	India	Orion Corporation	100.00%	-	100.00%	100.00%	-	100.00%
Orion Food Co., Ltd.	China	PAN ORION Corp. Limited.	-	100.00%	100.00%	-	100.00%	100.00%
Orion Food (Shanghai) Co., Ltd.	China	PAN ORION Corp. Limited.	-	100.00%	100.00%	-	100.00%	100.00%
Orion Food (Guangzhou) Co., Ltd.	China	PAN ORION Corp. Limited.	-	100.00%	100.00%	-	100.00%	100.00%
Orion Food (Shen yang) Co., Ltd.	China	PAN ORION Corp. Limited.	-	100.00%	100.00%	-	100.00%	100.00%
Orion Agro Co., Ltd.	China	Orion Food Co., Ltd.	-	100.00%	100.00%	-	100.00%	100.00%

Name	Location	Immediate controlling party	Percentage of ownership 2025 The Company	Subsidiary	Total	2024 The Company	Subsidiary	Total
Orion Agro DuoLun Co., Ltd.	China	Orion Food Co., Ltd.	-	100.00%	100.00%	-	100.00%	100.00%
LangFang Green Eco Packaging Co., Ltd.	China	Orion Food Co., Ltd.	-	100.00%	100.00%	-	100.00%	100.00%
ORION F&B US, INC.	United States of America	Orion Corporation	100.00%	-	100.00%	100.00%	-	100.00%

Financial information of the Company and its consolidated subsidiaries as at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024 is summarized as follows:

(In millions of Korean won)

Name	Main business	2025 Total assets	Total liabilities	Total equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
Orion Corporation [1]	Manufacturing and selling confectioneries	₩ 1,945,314	₩ 184,594	₩ 1,760,720	₩ 1,145,838	₩ 400,312	₩ 401,438
PAN ORION Corp. Limited [1]	Holding company	1,263,214	5,227	1,257,987	223,464	211,680	211,680
Orion International Euro LLC.	Manufacturing and selling confectioneries	324,034	38,218	285,816	339,436	44,391	44,391
Orion Food Vina Co., Ltd. [2]	Manufacturing and selling confectioneries	483,180	79,149	404,031	538,097	86,453	86,453
Orion Nutritionals Private Limited	Manufacturing and selling confectioneries	40,539	9,362	31,177	27,525	(14,359)	(14,359)
Orion Food Co., Ltd. [1]	Manufacturing and selling confectioneries	787,126	218,157	568,969	1,321,812	148,549	148,549
Orion Food (Shanghai) Co., Ltd.	Manufacturing confectioneries	237,293	46,711	190,582	278,982	21,996	21,996
Orion Food (Guangzhou) Co., Ltd.	Manufacturing confectioneries	188,179	28,249	159,930	140,276	6,959	6,959
Orion Food (Shen yang) Co., Ltd.	Manufacturing confectioneries	203,379	24,972	178,407	98,761	6,034	6,034
Orion Agro Co., Ltd.	Manufacturing food and beverages	9,341	995	8,346	13,017	519	519
Orion Agro DuoLun Co., Ltd.	Processing the agricultural products	6,546	2,536	4,010	5,955	(1,087)	(1,087)
LangFang Green Eco Packaging Co., Ltd.	Manufacturing packaging	27,985	6,186	21,799	34,441	2,699	2,699
ORION F&B US, INC.	Selling confectioneries	4,421	3,040	1,381	12,095	107	107
Total		₩ 5,520,551	₩ 647,396	₩ 4,873,155	₩ 4,179,699	₩ 914,253	₩ 915,379

[1] Above summarized financial information is based on the separate financial statements.

[2] For the year ended December 31, 2025, the Group's subsidiary, Orion Food Vina Co., Ltd., acquired 100% equity interest in MY PHUOC 3 Confectionery Co., Ltd. for the purpose of securing a new factory site, pursuant to a resolution of the Board of Directors dated March 17, 2025, thereby obtaining control. Subsequently, MY PHUOC 3 Confectionery Co., Ltd. was merged with Orion Food Vina Co., Ltd. as approved by the Board of Directors on October 31, 2025, effective November 7, 2025. The financial information presented is based on the consolidated financial statements after the merger (Note 40).

(In millions of Korean won)

Name	Main business	2024					
		Total assets	Total liabilities	Total equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
Orion Corporation [1]	Manufacturing and selling confectioneries	₩ 1,653,145	₩ 195,042	₩ 1,458,103	₩ 1,097,613	₩ 355,542	₩ 352,740
PAN ORION Corp. Limited [1]	Holding company	1,202,593	5,823	1,196,770	186,115	338,583	338,583
Orion International Euro LLC.	Manufacturing and selling confectioneries	200,548	24,493	176,055	230,468	34,896	34,896
Orion Food Vina Co., Ltd.	Manufacturing and selling confectioneries	527,125	78,272	448,853	514,477	88,687	88,687
Orion Nutritionals Private Limited	Manufacturing and selling confectioneries	41,702	8,511	33,191	21,149	(17,154)	(17,154)
Orion Food Co., Ltd. [1]	Manufacturing and selling confectioneries	839,965	269,176	570,789	1,273,387	146,906	146,906
Orion Food (Shanghai) Co., Ltd.	Manufacturing confectioneries	242,674	46,675	195,999	239,938	20,472	20,472
Orion Food (Guangzhou) Co., Ltd.	Manufacturing confectioneries	203,396	30,349	173,047	146,268	8,591	8,591
Orion Food (Shen yang) Co., Ltd.	Manufacturing confectioneries	202,807	24,615	178,192	92,991	7,535	7,535
Orion Agro Co., Ltd.	Manufacturing food and beverages	9,662	1,343	8,319	11,337	676	676
Orion Agro DuoLun Co., Ltd.	Processing the agricultural products	6,005	958	5,047	5,379	313	313
LangFang Green Eco Packaging Co., Ltd.	Manufacturing packaging	27,741	6,424	21,317	31,054	2,703	2,703
ORION F&B US, INC.	Selling confectioneries	2,512	1,207	1,305	10,130	741	741
Total		₩ 5,159,875	₩ 692,888	₩ 4,466,987	₩ 3,860,306	₩ 988,491	₩ 985,689

[1] Above summarized financial information is based on the separate financial statements.

For the year ended December 31, 2025, the Group's subsidiary, Orion Nutritionals Private Limited, performed an impairment test on its cash-generating unit. As a result of the impairment assessment, it was concluded that the carrying amount of the cash-generating unit does not exceed its recoverable amount.

The recoverable amount of the cash-generating unit is determined based on its value in use, and the key assumptions used in the value-in-use calculations as at December 31, 2025 and 2024 are as follows:

	Gross Profit Margin[1]	Growth rate of sales[2]	Permanent growth rate[3]	Pre-tax discount rate[4]
December 31, 2025	21.18%	37.12%	2.00%	12.88%
December 31, 2024	13.46%	42.42%	2.00%	13.00%

[1] This is the average gross profit margin for the next five years.
[2] This is the average growth rate of sales for the next five years.
[3] This is the permanent growth rate expected after 5 years.
[4] This is the pre-tax discount rate applied to the expected future cash flows.

The estimates used in the value-in-use calculation are as follows.

Projected cash flows were based on a five-year financial budget approved by management. For the period beyond five years, a growth rate of 2% was assumed, reflecting a high growth rate for the confectionery industry in India in line with the country's projected GDP growth and consumer price inflation.

The Group considered increased market uncertainty, which has widened the volatility of key indicators when estimating the discount rate. The discount rate (weighted average cost of capital) for the entity being valued was reasonably estimated by applying the CAPM method to calculate the cost of equity and then weighting it together with the cost of debt.

The sensitivity analysis of the recoverable amount to changes in key assumptions as at December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)	2025		2024	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
Permanent growth rate	₩ 11,727,579	₩ (9,753,826)	₩ 10,750,651	₩ (8,959,482)
Pre-tax discount rate	(14,412,230)	17,568,450	(12,987,617)	15,854,681

2. Significant Accounting Policies

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

2.1 Basis of Preparation

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

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

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

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

- Certain financial assets and liabilities (including derivative instruments)

- Defined benefit pension plans – plan assets measured at fair value

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

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Group

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

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

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

(b) Amendments to Korean IFRS 1117 Insurance Contracts

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

2.2.2 New standards and interpretations not yet adopted by the Group

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

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

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

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

(b) Annual Improvements to Korean IFRS -Volume 11

Annual Improvements to Korean IFRS - Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements.

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

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

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that ‘contracts to buy or sell such electricity’ are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements.

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

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

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

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

2.3 Consolidation

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

(a) Subsidiaries

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

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

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

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

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

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

(b) Associates

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

(c) Joint Arrangements

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

2.4 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

(c) Translation to the presentation currency

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period,
- income and expenses for each statement of profit or loss are translated at average exchange rates,
- equity is translated at the historical exchange rate, and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the end of the reporting period.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

2.6 Financial assets

(a) Classification

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

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

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

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

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

(b) Measurement

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

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

A. Debt instruments

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

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'finance income or costs' and impairment losses are presented in 'finance costs'.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the consolidated statement of comprehensive income within 'finance income or costs' in the year in which it arises.

B. Equity instruments

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

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

(c) Impairment

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

(d) Recognition and Derecognition

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

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Group classified the financial liability as ‘borrowings’ in the consolidated statement of financial position.

(e) Offsetting of financial instruments

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

2.7 Trade receivables

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

2.8 Inventories

The cost of inventories is determined by the specific identification method for materials-in-transit and by the weighted average method for all other inventories. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The allocation of fixed manufacturing overheads which are included in the costs of products and work-in-process is based on the normal capacity of the production facilities.

The carrying amount of inventories is recognized as cost of sales during the period when revenue from the sale of related goods is recognized. Inventories are stated at the lower of cost and net realizable value. Amounts of inventory written down to net realizable value due to losses occurring in the normal course of business are recognized as cost of sales and are deducted as an allowance from the carrying value of inventories. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense (cost of sales) in the period in which the reversal occurs.

2.9 Property, plant and equipment

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

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

Asset	Useful lives (years)
Buildings	15 ~ 55
Structures	10 ~ 30
Machinery	5 ~ 17
Others	4 ~ 10, Indefinite

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

2.10 Borrowing Costs

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

2.11 Government Grants

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

2.12 Intangible assets

Goodwill is measured as described in Note 2.3 (a), and carried at cost less accumulated impairment losses.

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

Membership rights that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Asset	Useful lives (years)
Industrial property rights	10
Others	5, Indefinite

2.13 Investment property

Investment property is property (including right-of-use assets) held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Group depreciates investment properties, except for land, using the straight-line method over their useful lives of 30 ~55 years.

2.14 Impairment of non-financial assets

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

2.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.16 Financial liabilities

(a) Classification and measurement

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

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

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

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

(b) Derecognition

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

2.17 Provisions

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

2.18 Current and deferred tax

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

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

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

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

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

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

2.19 Employee benefits

(a) Post-employment benefits

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

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

A defined benefit plan is a pension plan that is not a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

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

(b) Share-based payments

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

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

For share-based payment transactions among group entities, the entity receiving the goods or services measures the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing: (a) the nature of the awards granted, and (b) its own rights and obligations.The amount recognized by the entity receiving the goods or services may differ from the amount recognized by the consolidated group or by another group entity settling the share-based payment transaction.

The entity receiving the goods or services measures the goods or services received as an equity-settled share-based payment transaction when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction.

(c) Other long-term employee benefits

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

2.20 Revenue from contracts with customers

(a) Revenue from contracts with customers

Revenue from the sale of goods, rendering of services or use of the Group assets is measured at the fair value of the consideration received or receivable.Trade discounts and volume rebates are recognized as a reduction of revenue.

Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

- Variable consideration

The Group estimates an amount of variable consideration by using the method that the Group expects to better predict the amount of consideration to which it will be entitled for discount, incentive, penalty and others to be paid to customers.

- Consideration payable to a customer

The Group accounts for consideration payable to a customer as an expense or reduction of the revenue, depending on whether the payment to the customer is in exchange for a distinct good or service.

2.21 Leases

(a) Lessor

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

(b) Lessee

The Group leases various offices, cars and others. Lease contracts are typically made for fixed periods, but may have extension options.

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

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

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

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

exercising that option

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

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

To determine the incremental borrowing rate, the Group :

uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and makes adjustments specific to the lease, for example term and security.

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

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

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

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

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

(c) Extension and termination options

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

2.22 Operating segment

All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. As described in Note 5, the Group has a single confectioneries segment which is the Group's strategic operating segment unit. The strategic operating segment unit is operated sperately from others because strategic operating segments provide different products and render different services and each segments require different technology and marketing strategy.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.23 Approval of issuance of the consolidated financial statements

The consolidated financial statements were approved for issue by the Board of Directors on February 11, 2026, and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Critical Accounting Estimates and Assumptions

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

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

Russia's war on Ukraine is continuing and Russia is imposed to the international sanctions. As a result, the Group has not identified any material impacts on its financial or operating assets such as a decrease in value, an increase in the collection period for receivables, restrictions on fund transfers, or a decrease in revenue related to the conflict countries. However, the future effects of these events are currently not determinable and cannot be reliably predicted.

Significant accounting estimates and assumptions applied in the preparation of the financial statements can be adjusted depending on changes in the uncertainty from conflicts between Russia and Ukraine and international sanctions against Russia. Also, the ultimate effect of such conflict and sanctions to the Group's business, financial position and financial performance cannot presently be determined.

(a) Income taxes

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

If certain portion of the taxable income is not used for investments or increase in wages or dividends in accordance with the *Tax System for Recirculation of Corporate Income*, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new tax system. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

(b) Net defined benefit liability

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

(c) Impairment of non-financial assets

The recoverable amount used to assess impairment of non-financial assets is determined based on the higher of value in use and fair value less costs of disposal.

4. Non-Controlling Interests

The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Group for the years ended December 31, 2025 and 2024, is as follows.

Information on the Group's subsidiaries that has material non-controlling interests is summarized as follows:

Subsidiary	Location	Non-controlling interests percentage 2025	Non-controlling interests percentage 2024
PAN ORION Corp. Limited	Hong Kong	4.85%	4.85%

Cumulative non-controlling interests and dividends paid to non-controlling interests as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025					
Subsidiary		**Profit allocated to non-controlling interests**		**Cumulative non-controlling interests**		**Dividends paid to non-controlling interests**
PAN ORION Corp. Limited	₩	7,892,552	₩	103,543,703	₩	7,370,832

(In thousands of Korean won)	2024					
Subsidiary		**Profit allocated to non-controlling interests**		**Cumulative non-controlling interests**		**Dividends paid to non-controlling interests**
PAN ORION Corp. Limited	₩	8,636,984	₩	102,810,459	₩	6,825,675

Financial position and financial performance as at and for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)

	2025				
Subsidiary	**PAN ORION Corp. Limited**	**Orion Food Co., Ltd.**	**Orion Food (Shanghai) Co., Ltd.**	**Orion Food (Guangzhou) Co., Ltd.**	**Orion Food (Shen yang) Co., Ltd.**
Current assets	₩ 87,916,675	₩ 467,560,239	₩ 76,786,581	₩ 37,005,181	₩ 48,320,265
Non-current assets	1,175,297,144	319,566,062	160,505,960	151,174,098	155,058,557
Current liabilities	5,226,445	180,601,244	28,436,443	12,506,430	8,867,369
Non-current liabilities	33,168,738	37,556,142	18,274,489	15,742,994	16,104,352
Equity	1,224,818,636	568,968,915	190,581,609	159,929,855	178,407,101
Revenue	223,464,419	1,321,811,810	278,981,286	140,276,412	98,761,108
Profit for the year	211,679,563	148,549,317	21,995,984	6,959,019	6,034,450
Total comprehensive income	211,679,563	148,549,317	21,995,984	6,959,019	6,034,450

(In thousands of Korean won)

	2024				
Subsidiary	**PAN ORION Corp. Limited**	**Orion Food Co., Ltd.**	**Orion Food (Shanghai) Co., Ltd.**	**Orion Food (Guangzhou) Co., Ltd.**	**Orion Food (Shen yang) Co., Ltd.**
Current assets	₩ 75,616,396	₩ 493,343,318	₩ 72,465,461	₩ 41,809,425	₩ 37,710,503
Non-current assets	1,126,976,743	346,621,406	170,208,295	161,586,775	165,096,207
Current liabilities	5,820,749	225,726,478	27,436,145	13,761,562	8,125,575
Non-current liabilities	2,271	43,449,850	19,238,574	16,587,641	16,489,754
Equity	1,196,770,119	570,788,396	195,999,037	173,046,997	178,191,381
Revenue	186,114,657	1,273,387,464	239,938,309	146,268,368	92,990,706
Profit for the year	338,583,276	146,905,873	20,472,291	8,591,322	7,534,823
Total comprehensive income	338,583,276	146,905,873	20,472,291	8,591,322	7,534,823

The Company owns 95.15% shares of PAN ORION Corp. Ltd. Pan ORION Corp. Ltd owns 100% shares of 7 companies including Orion Food Co., Ltd. In addition to the above significant subsidiaries, 3 companies including LangFang Green Eco Packaging Co., Ltd are not indicated because their non-controlling interests are not material.

Cash flow:

(In thousands of Korean won)

	2025									
Subsidiary		**PAN ORION Corp. Limited[1]**		**Orion Food Co., Ltd. [1]**		**Orion Food(Shanghai) Co., Ltd.**		**Orion Food (Guangzhou) Co., Ltd.**		**Orion Food (Shen yang) Co., Ltd.**
Cash flows from operating activities	₩	201,809,125	₩	164,323,487	₩	33,700,510	₩	18,589,840	₩	16,054,548
Cash flows from investing activities		(50,121,746)		(77,401,538)		(22,412,929)		(12,723,675)		(1,307,113)
Cash flows from financing activities		(150,391,666)		(165,007,911)		(30,511,488)		(22,563,911)		(8,810,574)
Effect of exchange rate fluctuations on cash held		478,938		(1,180,083)		(239,225)		(245,071)		326,363
Net increase (decrease) in cash and cash equivalents		1,774,651		(79,266,045)		(19,463,132)		(16,942,817)		6,263,224

[1] The summarized financial information is based on the separate financial statements.

(In thousands of Korean won)

	2024									
Subsidiary		**PAN ORION Corp. Limited[1]**		**Orion Food Co., Ltd. [1]**		**Orion Food(Shanghai) Co., Ltd.**		**Orion Food (Guangzhou) Co., Ltd.**		**Orion Food (Shen yang) Co., Ltd.**
Cash flows from operating activities	₩	174,803,398	₩	286,083,269	₩	44,775,258	₩	22,098,379	₩	6,506,958
Cash flows from investing activities		(11,585,534)		(278,426,922)		(30,245,638)		(12,060,488)		(22,815,383)
Cash flows from financing activities		(140,211,727)		(140,256,658)		(25,701,444)		(21,737,422)		-
Effect of exchange rate fluctuations on cash held		1,187,639		15,083,060		3,064,773		2,531,982		1,404,577
Net increase (decrease) in cash and cash equivalents		24,193,776		(117,517,251)		(8,107,051)		(9,167,549)		(14,903,848)

[1] The summarized financial information is based on the separate financial statements.

5. Operating Segments

The Group has a single confectioneries segment which is the Group's strategic operating segment unit. The Group's CEO reviews internal management reports on at least a quarterly basis.

Segment sales for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025					
		Confectioneries		**Elimination**		**Consolidated Total**
Total segment sales	₩	4,179,698,938	₩	(847,256,402)	₩	3,332,442,536
Intersegment sales		(847,256,402)		847,256,402		-
External sales		3,332,442,536		-		3,332,442,536
Depreciation and others [1]		160,950,545		3,665,350		164,615,895
Operating profit		556,927,199		1,330,828		558,258,027

[1] Includes depreciation of property, plant and equipment and intangible assets, investment property, and the right-of-use assets.

(In thousands of Korean won)	2024					
		Confectioneries		**Elimination**		**Consolidated Total**
Total segment sales	₩	3,860,305,951	₩	(755,967,375)	₩	3,104,338,576
Intersegment sales		(755,967,375)		755,967,375		-
External sales		3,104,338,576		-		3,104,338,576
Depreciation and others [1]		157,515,518		2,935,880		160,451,398
Operating profit		543,387,767		200,011		543,587,778

[1] Includes depreciation of property, plant and equipment and intangible assets, investment property, and the right-of-use assets.

Segment assets and liabilities as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025					
		Confectioneries		**Elimination**		**Consolidated Total**
Total assets	₩	5,520,550,863	₩	(921,887,617)	₩	4,598,663,246
Total liabilities		647,396,211		39,059,934		686,456,145
Items included in segment assets:						
Investments in associates and joint ventures		870,722,675		(148,129,466)		722,593,209
Increase (decrease) of non-current assets[1]		92,712,458		(49,548,327)		43,164,131

[1] The non-current assets above exclude financial assets, goodwill, net defined benefit assets, and deferred tax assets, and include investments in associates and joint ventures.

(In thousands of Korean won)		2024				
		Confectioneries		**Elimination**		**Consolidated Total**
Total assets	₩	5,159,874,737	₩	(851,424,940)	₩	4,308,449,797
Total liabilities		692,887,914		41,516,015		734,403,929
Items included in segment assets:						
Investments in associates and joint ventures		827,097,829		(98,847,768)		728,250,061
Increase (decrease) of non-current assets[1]		837,353,612		(69,651,773)		767,701,839

[1] The non-current assets above exclude financial assets, goodwill, net defined benefit assets, and deferred tax assets, and include investments in associates and joint ventures.

The Group analyses and categorizes its revenue and non-financial assets according to geographical locations. The information on revenue from each segment is specified based on the regions where the related revenue is earned and the information on non-financial assets from each segment is based on where the listed assets are located.

Information on regional sales for the years ended December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		2025		2024
Domestic	₩	1,096,681,582	₩	1,060,287,274
China		1,316,352,022		1,265,157,571
Other		919,408,932		778,893,731
Total	₩	3,332,442,536	₩	3,104,338,576

Information on regional non-current assets as at December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		2025		2024
Domestic	₩	782,629,495	₩	709,280,797
China		1,408,263,979		1,500,650,444
Other		453,777,065		391,575,167
Total	₩	2,644,670,539	₩	2,601,506,408

See Note 28 for detailed information on revenues of the Group for the years ended December 31, 2025 and 2024.

There is no main customer who contributes more than 10% of the Group’s revenues for the years ended December 31, 2025 and 2024.

6. Property, Plant and Equipment

Changes in property, plant and equipment for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025													
		Land		**Buildings**		**Structures**		**Machinery**		**Others**		**Construction in-progress**		**Total**
Acquisition cost														
Balance at January 1, 2025	₩	237,550,911	₩	958,779,830	₩	26,487,903	₩	1,820,656,105	₩	198,635,258	₩	38,340,163	₩	3,280,450,170
Additions		4,967,942		260,880		-		7,217,178		8,088,559		115,708,171		136,242,730
Disposals		(3,062)		(75,685)		(735)		(41,811,403)		(8,038,977)		-		(49,929,862)
Transferred to investment property		-		(7,346,535)		-		-		-		-		(7,346,535)
Transfers		125,000		20,149,255		120,233		53,036,568		4,213,513		(77,644,569)		-
Others[1]		476,147		22,503,382		3,186,361		33,615,093		(886,469)		(1,234,545)		57,659,969
Balance at December 31, 2025	₩	243,116,938	₩	994,271,127	₩	29,793,762	₩	1,872,713,541	₩	202,011,884	₩	75,169,220	₩	3,417,076,472
Accumulated depreciation and others														
Balance at January 1, 2025	₩	-	₩	(270,715,098)	₩	(15,856,643)	₩	(1,164,505,624)	₩	(127,838,502)	₩	-	₩	(1,578,915,867)
Depreciation		-		(24,891,083)		(969,457)		(103,808,625)		(17,206,232)		-		(146,875,397)
Disposals		-		45,500		734		36,107,134		7,550,985		-		43,704,353
Transferred to investment property		-		2,522,310		-		-		-		-		2,522,310
Others[1]		-		(3,388,471)		(1,034,018)		(17,654,240)		593,459		-		(21,483,270)
Balance at December 31, 2025	₩	-	₩	(296,426,842)	₩	(17,859,384)	₩	(1,249,861,355)	₩	(136,900,290)	₩	-	₩	(1,701,047,871)
Book amount														
Balance at January 1, 2025	₩	237,550,911	₩	688,064,732	₩	10,631,260	₩	656,150,481	₩	70,796,756	₩	38,340,163	₩	1,701,534,303
Balance at December 31, 2025	₩	243,116,938	₩	697,844,285	₩	11,934,378	₩	622,852,186	₩	65,111,594	₩	75,169,220	₩	1,716,028,601

[1] Others mainly include fluctuation due to foreign currency translation of foreign operations.

(In thousands of Korean won)		2024												
		Land		**Buildings**		**Structures**		**Machinery**		**Others**		**Construction in-progress**		**Total**
Acquisition cost														
Balance at January 1, 2024	₩	173,585,893	₩	886,201,317	₩	27,245,537	₩	1,713,559,126	₩	173,184,029	₩	81,266,950	₩	3,055,042,852
Additions		1,102,325		991,755		4,180		8,191,881		18,682,643		82,672,433		111,645,217
Disposals		-		(41,049)		(99,011)		(61,576,924)		(8,413,562)		-		(70,130,546)
Transferred from investment property		-		1,091,180		-		-		-		-		1,091,180
Transfers		62,990,000		8,760,547		74,139		51,860,062		4,116,145		(127,800,893)		-
Others[1]		(127,307)		61,776,080		(736,942)		108,621,960		11,066,003		2,201,673		182,801,467
Balance at December 31, 2024	₩	237,550,911	₩	958,779,830	₩	26,487,903	₩	1,820,656,105	₩	198,635,258	₩	38,340,163	₩	3,280,450,170
Accumulated depreciation and others														
Balance at January 1, 2024	₩	-	₩	(230,494,231)	₩	(15,154,826)	₩	(1,040,058,457)	₩	(110,949,361)	₩	-	₩	(1,396,656,875)
Depreciation		-		(23,688,599)		(1,015,377)		(103,072,551)		(16,742,433)		-		(144,518,960)
Disposals		-		7,293		99,008		53,379,436		7,258,977		-		60,744,714
Transferred from investment property		-		(167,322)		-		-		-		-		(167,322)
Others[1]		-		(16,372,239)		214,552		(74,754,052)		(7,405,685)		-		(98,317,424)
Balance at December 31, 2024	₩	-	₩	(270,715,098)	₩	(15,856,643)	₩	(1,164,505,624)	₩	(127,838,502)	₩	-	₩	(1,578,915,867)
Book amount														
Balance at January 1, 2024	₩	173,585,893	₩	655,707,086	₩	12,090,711	₩	673,500,669	₩	62,234,668	₩	81,266,950	₩	1,658,385,977
Balance at December 31, 2024	₩	237,550,911	₩	688,064,732	₩	10,631,260	₩	656,150,481	₩	70,796,756	₩	38,340,163	₩	1,701,534,303

[1] Others mainly include fluctuation due to foreign currency translation of foreign operations.

As at December 31, 2025, the Group has made purchase agreements with respect to buildings, machinery and equipment and others and it is expected to spend ₩ 296,704 million (2024: ₩ 11,454 million) in the future.

As at December 31, 2025, the Group has fire insurance and other coverage to protect inventories, property, plant and equipment against losses caused by fire and other risks. In addition to the above, the Group maintains insurance policies covering cash theft, loss and liability arising from gas accidents, products, directors' and officers' liability, and automobile accidents on vehicles owned by the Group.

7. Intangible Assets

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

(In thousands of Korean won)	2025				
	Rights to use facility	**Industrial property rights**	**Other intangible assets**	**Construction in progress**	**Total**
Acquisition cost					
Balance at January 1, 2025	₩ 17,773,054	₩ 23,837,419	₩ 32,258,591	₩ 17,762,778	₩ 91,631,842
Additions	1,324,352	-	26,419	21,487,503	22,838,274
Disposals	(258,767)	-	(431,163)	-	(689,930)
Transfers	-	425,428	494,288	(919,716)	-
Others[1]	12,679	23,014	354,085	(247,112)	142,666
Balance at December 31, 2025	₩ 18,851,318	₩ 24,285,861	₩ 32,702,220	₩ 38,083,453	₩ 113,922,852
Accumulated amortization and others					
Balance at January 1, 2025	₩ (1,551,840)	₩ (20,804,766)	₩ (24,304,780)	₩ -	₩ (46,661,386)
Amortization	-	(862,787)	(1,798,110)	-	(2,660,897)
Disposals	233,578	-	237,845	-	471,423
Others[1]	4,122	(21,335)	(208,582)	-	(225,795)
Balance at December 31, 2025	₩ (1,314,140)	₩ (21,688,888)	₩ (26,073,627)	₩ -	₩ (49,076,655)
Book amount					
Balance at January 1, 2025	₩ 16,221,214	₩ 3,032,653	₩ 7,953,811	₩ 17,762,778	₩ 44,970,456
Balance at December 31, 2025	₩ 17,537,178	₩ 2,596,973	₩ 6,628,593	₩ 38,083,453	₩ 64,846,197

[1]Others mainly include fluctuation due to foreign currency translation of foreign operations.

(In thousands of Korean won)	2024				
	Rights to use facility	**Industrial property rights**	**Other intangible assets**	**Construction in progress**	**Total**
Acquisition cost					
Balance at January 1, 2024	₩ 17,791,975	₩ 23,392,513	₩ 29,313,069	₩ 1,058,189	₩ 71,555,746
Additions	1,470,556	-	56,117	17,237,126	18,763,799
Disposals	(1,600,000)	-	(10,611)	-	(1,610,611)
Transfers	-	310,183	484,275	(794,458)	-
Others[1]	110,523	134,723	2,415,741	261,921	2,922,908
Balance at December 31, 2024	₩ 17,773,054	₩ 23,837,419	₩ 32,258,591	₩ 17,762,778	₩ 91,631,842
Accumulated amortization and others					
Balance at January 1, 2024	₩ (1,527,712)	₩ (19,767,767)	₩ (20,348,713)	₩ -	₩ (41,644,192)
Amortization	-	(924,890)	(2,243,630)	-	(3,168,520)
Disposals	-	-	10,611	-	10,611
Others[1]	(24,128)	(112,109)	(1,723,048)	-	(1,859,285)
Balance at December 31, 2024	₩ (1,551,840)	₩ (20,804,766)	₩ (24,304,780)	₩ -	₩ (46,661,386)
Book amount					
Balance at January 1, 2024	₩ 16,264,263	₩ 3,624,746	₩ 8,964,356	₩ 1,058,189	₩ 29,911,554
Balance at December 31, 2024	₩ 16,221,214	₩ 3,032,653	₩ 7,953,811	₩ 17,762,778	₩ 44,970,456

[1]Others mainly include fluctuation due to foreign currency translation of foreign operations.

As at December 31, 2025, the Group has made purchase agreements with respect to other intangible asset and it is expected to spend ₩ 4,675 million (2024: ₩ 24,350 million) in the future.

8. Goodwill

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

(In thousands of Korean won)	**2025**	**2024**
Balance at beginning of year	₩ 25,149,516	₩ 23,848,783
Fluctuations due to foreign currency translation	222,201	1,300,733
Balance at end of year	₩ 25,371,717	₩ 25,149,516

Impairment tests for goodwill

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

(In thousands of Korean won)

CGUs	**2025**	**2024**	**Acquisitor**	**Description**
Orion Corp.	₩ 12,335,100	₩ 12,335,100	Orion Corp.	Transferred when Orion Snack International Corp. was merged into Orion Corp.
LangFang Green Eco Packaging Co., Ltd.[1]	13,036,617	12,814,416	Orion Food Co., Ltd.	Acquired in a business combination with LANGFANG IPACK Co., Ltd
	₩ 25,371,717	₩ 25,149,516		

[1] The amount represents goodwill arising from business combination with STELLA WAY LIMITED (including LANGFANG IPACK Co., Ltd) and the CGU was reallocated to LangFang Green Eco Packaging Co., Ltd due to liquidation of STELLA WAY LIMITED prior to the year ended December 31, 2024.

The Group assesses goodwill for impairment at the end of each reporting period. As a result of performing the annual impairment test, the Group concluded that the book amount of cash generating units did not exceed the recoverable amount.

The recoverable amount of the CGU is based on its value in use. The value in use is determined by discounting the future pre-tax cash flows which were based on the estimated financial budget for the next five years and the financial budget is confirmed by the management. The expected growth rate of sales for the next five years and the permanent growth rate for the years after the next five years do not exceed the long-term average growth rate of the industry that the cash generating unit belongs to. The assumption of constant growth rate is used in order to calculate the expected future cash flow.

As at December 31, 2025 and 2024, the key assumptions used for calculating the cash generating units which significant goodwill was allocated to, are as follows:

	2025			
	Gross Profit Margin[1]	**Growth rate of sales[2]**	**Permanent growth rate[3]**	**Pre-tax discount rate[4]**
Orion Corp.	38.65%	5.12%	1.00%	9.19%
LangFang Green Eco Packaging Co., Ltd.	12.92%	0.83%	1.50%	12.30%

	2024			
	Gross Profit Margin[1]	**Growth rate of sales[2]**	**Permanent growth rate[3]**	**Pre-tax discount rate[4]**
Orion Corp.	40.57%	5.37%	1.00%	9.85%
LangFang Green Eco Packaging Co., Ltd.	14.06%	1.65%	1.50%	13.41%

[1] This is the average gross profit margin for the next five years.
[2] This is the average growth rate of sales for the next five years.
[3] This is the permanent growth rate expected after 5 years later.
[4] This is the pre-tax discount rate applied to the expected future cash flows.

9. Investment Property

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

(In thousands of Korean won)		2025				
		Land		Buildings		Total
Acquisition cost						
Balance at January 1, 2025	₩	28,319,494	₩	7,904,858	₩	36,224,352
Transfer from property, plant and equipment		-		7,346,535		7,346,535
Others[1]		-		396,341		396,341
Balance at December 31, 2025	₩	28,319,494	₩	15,647,734	₩	43,967,228
Accumulated depreciation and others						
Balance at January 1, 2025	₩	-	₩	(1,209,763)	₩	(1,209,763)
Depreciation		-		(216,631)		(216,631)
Transfer from property, plant and equipment		-		(2,522,310)		(2,522,310)
Others[1]		-		(117,639)		(117,639)
Balance at December 31, 2025	₩	-	₩	(4,066,343)	₩	(4,066,343)
Book amount						
Balance at January 1, 2025	₩	28,319,494	₩	6,695,095	₩	35,014,589
Balance at December 31, 2025	₩	28,319,494	₩	11,581,391	₩	39,900,885

[1]Others mainly include fluctuation due to foreign currency translation of foreign operations.

(In thousands of Korean won)		2024				
		Land		Buildings		Total
Acquisition cost						
Balance at January 1, 2024	₩	28,319,494	₩	8,145,436	₩	36,464,930
Transfer to property, plant and equipment		-		(1,091,180)		(1,091,180)
Others[1]		-		850,602		850,602
Balance at December 31, 2024	₩	28,319,494	₩	7,904,858	₩	36,224,352
Accumulated depreciation and others						
Balance at January 1, 2024	₩	-	₩	(1,083,613)	₩	(1,083,613)
Depreciation		-		(170,829)		(170,829)
Transfer to property, plant and equipment		-		167,322		167,322
Others[1]		-		(122,643)		(122,643)
Balance at December 31, 2024	₩	-	₩	(1,209,763)	₩	(1,209,763)
Book amount						
Balance at January 1, 2024	₩	28,319,494	₩	7,061,823	₩	35,381,317
Balance at December 31, 2024	₩	28,319,494	₩	6,695,095	₩	35,014,589

[1]Others mainly include fluctuation due to foreign currency translation of foreign operations.

Income or expense relates to the investment property for the years ended December 31, 2025, and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Rental income	₩	4,271,705	₩	4,189,891
Rental cost[1]		216,631		170,829

[1] Rental cost includes depreciation of investment property.

As at December 31, 2025, total fair value of investment property is ₩ 103,263 million (2024: ₩ 94,203 million).

As at December 31, 2025, the Group's investment properties are covered by fire insurance policies with Hyundai Marine & Fire Insurance Co., Ltd. to protect against losses caused by fire and other risks. In addition to the above, the Group maintains directors' and officers' liability insurance.

Operating lease

The investment properties are leased to tenants under operating leases with rentals payable monthly. There are no other variable lease payments that depend on an index or rate.

The future minimum lease payments expected to be received in relation to the above operating lease agreement for investment property as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Within one year	₩	4,574,257	₩	4,290,702
Later than 1 year Within 5 years		16,814,549		16,822,767
Later than 5 years		176,319,111		180,337,780
	₩	197,707,917	₩	201,451,249

10. Leases

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

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

The consolidated statement of financial position shows the following amounts relating to leases:

(In thousands of Korean won)		2025		2024
Right-of-use assets				
Properties	₩	94,463,427	₩	86,665,706
Machinery		-		18,963
Vehicles		2,883,874		2,607,910
	₩	97,347,301	₩	89,292,579

(In thousands of Korean won)		2025		2024
Lease liabilities				
Current	₩	13,695,740	₩	12,936,731
Non-current		21,820,295		25,790,378
	₩	35,516,035	₩	38,727,109

Additions to the right-of-use assets in 2025 were ₩ 12,583 million (2024: ₩ 35,837 million).

(b) Amounts recognized in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

(In thousands of Korean won)		2025		2024
Depreciation of right-of-use assets				
Properties	₩	13,384,421	₩	11,027,479
Machinery		4,234		6,044
Vehicles		1,474,315		1,559,566
	₩	14,862,970	₩	12,593,089
Interest expense on lease liabilities (recognized in finance cost)	₩	1,690,875	₩	932,379
Expense relating to short-term leases (recognized in cost of goods sold, selling expenses and general and administrative expenses)		13,235,678		15,778,836
Expense relating to leases of low-value assets excluding short-term leases of low-value assets (recognized in cost of goods sold, selling expenses and general and administrative expenses)		615,833		643,627
Expenses relating to variable lease payments not included in the measurement of lease liabilities (recognized in cost of goods sold, selling expenses and general and administrative expenses)		3,404,419		1,691,858

The total cash outflow for leases in 2025 is ₩ 32,171 million (2024: ₩ 30,266 million).

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

(In thousands of Korean won)	2025						
	Beginning balance	Increase	Business combination	Decrease	Depreciation	Others[1]	Ending balance
Property	₩ 86,665,706	₩ 10,752,061	₩ 10,339,743	₩ (382,568)	₩ (13,384,421)	₩ 472,906	₩ 94,463,427
Machinery	18,963	-	-	(14,629)	(4,235)	(99)	-
Vehicles	2,607,910	1,831,345	-	(79,142)	(1,474,314)	(1,925)	2,883,874
	₩ 89,292,579	₩ 12,583,406	₩ 10,339,743	₩ (476,339)	₩ (14,862,970)	₩ 470,882	₩ 97,347,301

[1] Fluctuations due to foreign currency translation of foreign operations are included in others.

(In thousands of Korean won)	2024					
	Beginning balance	Increase	Decrease	Depreciation	Others[1]	Ending balance
Property	₩ 59,129,729	₩ 35,156,168	₩ (2,943,061)	₩ (11,027,479)	₩ 6,350,349	₩ 86,665,706
Machinery	2,257	21,727	-	(6,044)	1,023	18,963
Vehicles	4,172,339	658,768	(734,654)	(1,559,566)	71,023	2,607,910
	₩ 63,304,325	₩ 35,836,663	₩ (3,677,715)	₩ (12,593,089)	₩ 6,422,395	₩ 89,292,579

[1] Fluctuations due to foreign currency translation of foreign operations are included in others.

11. Investments in Associate and Joint ventures

Investments in associates and joint ventures as at December 31, 2025 and 2024, are summarized as follows:

(*in thousands of Korean won*)

		2025		2024	
	Name	Percentage of ownership	Book value	Percentage of ownership	Book value
Associate	LigaChem Biosciences Inc.[1]	25.58%	₩655,780,042	25.58%	₩692,237,809
Associate	Shanghai Anilam Biologics Co., Ltd	23.00%	3,296,106	23.00%	3,028,349
Joint venture	Delfi-Orion Pte., Ltd.	50.00%	960,276	50.00%	1,047,644
Joint venture	Orion Nonghyup Agri, inc.	50.00%	32,705,109	50.00%	31,936,259
Joint venture	Orionsuhyup Fisheries Inc.[2]	50.00%	29,851,676	-	-
			₩722,593,209		₩728,250,061

[1] For the year ended December 31, 2024, the Group acquired equity interests in LigaChem Biosciences Inc. As the acquisition transaction qualifies as a derivative forward contract, it was measured at fair value and included in the acquisition cost of the investment in an associate.

[2] For the year ended December 31, 2025, the Group acquired equity interests in Orionsuhyup Fisheries Inc.

Shares held by the Group in joint ventures may not be transferred to a third party without the prior written consent of co-investors in accordance with the joint investment agreement.

The Group concluded to classify them as joint ventures since all the joint arrangements which the Group has the joint control of are structured through a separate vehicle and the parties that have joint control of the arrangement have rights to the net assets of the arrangements.

The reporting date of the financial statments of joint ventures which are used in order to prepare the consolidated financial statements is December 31, 2025.

Changes in investments in associates and joint ventures for the years ended December 31, 2025 and 2024, are as follows:

(*in thousands of Korean won*)

	2025				
Name	Balance at beginning of year	Acquisition	Share of profit (loss) of associate and joint ventures	Others [1]	Balance at end of year
LigaChem Biosciences Inc.	₩ 692,237,809	₩ -	₩ (26,224,775)	₩ (10,232,992)	₩ 655,780,042
Shanghai Anilam Biologics Co., Ltd	3,028,349	2,274,470	(2,066,562)	59,849	3,296,106
Delfi-Orion Pte., Ltd.	1,047,644	-	(61,802)	(25,566)	960,276
Orion Nonghyup Agri, inc.	31,936,259	-	880,793	(111,943)	32,705,109
Orionsuhyup Fisheries Inc.	-	30,000,000	(73)	(148,251)	29,851,676
	₩ 728,250,061	₩ 32,274,470	₩ (27,472,419)	₩ (10,458,903)	₩ 722,593,209

[1] Others mainly include fluctuation due to foreign currency translation of foreign joint ventures and changes arising from derivative valuations.

(In thousands of Korean won)		2024					
Name	Balance at beginning of year	Acquisition	Share of profit (loss) of associate and joint ventures	Dividend	Disposal	Others [1]	Balance at end of year
LigaChem Biosciences Inc.	₩ -	₩ 549,009,677	₩ (5,147,987)	₩ -	₩ (4,424,031)	₩ 152,800,150	₩ 692,237,809
Shanghai Anilam Biologics Co., Ltd	-	3,212,599	(329,927)	-	-	145,677	3,028,349
Delfi-Orion Pte., Ltd.	861,186	-	61,088	-	-	125,370	1,047,644
Orion Nonghyup Agri, inc.	32,238,945	-	781,815	(901,900)	-	(182,601)	31,936,259
	₩ 33,100,131	₩ 552,222,276	₩ (4,635,011)	₩ (901,900)	₩ (4,424,031)	₩ 152,888,596	₩ 728,250,061

[1] Others mainly include fluctuation due to foreign currency translation of foreign joint ventures and changes arising from derivative valuations.

Summary of financial information of associates and joint ventures is as follows:

(In thousands of Korean won)	2025					
	Assets	Liabilities	Equity	Revenue	Profit (loss) for the year	Total comprehen-sive income
LigaChem Biosciences Inc.	₩ 701,814,921	₩ 160,694,610	₩ 541,120,311	₩ 141,553,069	₩ (91,552,141)	₩ (71,360,791)
Shanghai Anilam Biologics Co., Ltd	15,895,044	1,564,150	14,330,894	-	(8,985,052)	(8,985,052)
Delfi-Orion Pte., Ltd.	3,551,351	1,630,797	1,920,554	7,751,358	(123,603)	(123,603)
Orion Nonghyup Agri, inc.	73,889,777	8,262,573	65,627,204	51,104,437	1,634,776	1,410,891
Orionsuhyup Fisheries Inc.	59,703,351	-	59,703,351	-	(147)	(147)

Financial information of 2025 represents financial position as at December 31, 2025 and financial performance for the year ended December 31, 2025.

(In thousands of Korean won)	2024					
	Assets	Liabilities	Equity	Revenue	Profit (loss) for the year	Total comprehen-sive income
LigaChem Biosciences Inc.	₩ 738,382,908	₩ 122,384,802	₩ 615,998,106	₩ 125,898,141	₩ 7,800,100	₩ 6,471,190
Shanghai Anilam Biologics Co., Ltd	14,476,494	1,308,535	13,167,959	-	(1,434,464)	(1,434,464)
Delfi-Orion Pte., Ltd.	3,969,412	1,874,123	2,095,289	6,972,234	122,175	122,175
Orion Nonghyup Agri, inc.	73,862,761	9,756,662	64,106,099	48,932,373	1,584,820	1,219,619

Financial information of 2024 represents financial position as at December 31, 2024 and financial performance for the year ended December 31, 2024.

The details of investments in associates and joint ventures as at December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)

Name		2025 Net assets	Percentage of ownership(%)		Group's share of net assets		Goodwill		Others		Book amount
LigaChem Biosciences Inc.	₩	541,120,311	25.58%	₩	138,418,576	₩	399,947,143	₩	117,414,323	₩	655,780,042
Shanghai Anilam Biologics Co., Ltd		14,330,894	23.00%		3,296,106		-		-		3,296,106
Delfi-Orion Pte., Ltd.		1,920,554	50.00%		960,276		-		-		960,276
Orion Nonghyup Agri, inc.		65,627,204	50.00%		32,813,602		-		(108,493)		32,705,109
Orionsuhyup Fisheries Inc.		59,703,351	50.00%		29,851,676		-		-		29,851,676

(In thousands of Korean won)

Name		2024 Net assets	Percentage of ownership(%)		Group's share of net assets		Goodwill		Others		Book amount
LigaChem Biosciences Inc.	₩	615,998,106	25.58%	₩	157,572,316	₩	399,947,143	₩	134,718,350	₩	692,237,809
Shanghai Anilam Biologics Co., Ltd		13,167,959	23.00%		3,028,631		-		(282)		3,028,349
Delfi-Orion Pte., Ltd.		2,095,289	50.00%		1,047,645		-		(1)		1,047,644
Orion Nonghyup Agri, inc.		64,106,099	50.00%		32,053,049		-		(116,790)		31,936,259

The details of marketable investments in associates as at December 31, 2025 and 2024 are as follows:

(in thousands of Korean won)		2025 Market price		2025 Book amount		2024 Market price		2024 Book amount
LigaChem Biosciences Inc.	₩	1,626,402,257	₩	655,780,042	₩	1,020,597,847	₩	692,237,809

12. Financial Assets at Fair Value Through Profit or Loss and Financial Assets at Fair Value Through Other Comprehensive Income

(a) Financial assets at fair value through profit or loss

Details of financial assets at fair value through profit or loss as at December 31, 2025 and 2024, are summarized as follows:

(In thousands of Korean won)		2025		2024
Current				
Debt instruments	₩	5,000,000	₩	5,000,000

(b) Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as at December 31, 2025 and 2024, are summarized as follows:

(In thousands of Korean won)	2025		2024	
	Book amount	**Fair value**	**Book amount**	**Fair value**
Unlisted stock				
Shandong Lukang Biotechnology Development Co., Ltd.	₩ 5,020,596	₩ 5,020,596	₩ 6,038,843	₩ 6,038,843

13. Other Assets

Other assets as at December 31, 2025 and 2024, are summarized as follows:

(In thousands of Korean won)	2025		2024	
	Current	**Non-current**	**Current**	**Non-current**
Prepayments	₩ 7,567,331	₩ -	₩ 5,854,983	₩ -
Prepaid expenses	6,442,400	3,780,285	4,800,691	2,402,365
Prepaid value added tax	14,507,748	-	13,951,238	-
Others	67,964	174,060	1,215,472	42,054
	₩ 28,585,443	₩ 3,954,345	₩ 25,822,384	₩ 2,444,419

14. Inventories

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

(In thousands of Korean won)	2025			2024		
	Amount before write-down	**Provision for write-down**	**Carrying amount**	**Amount before write-down**	**Provision for write-down**	**Carrying amount**
Merchandise	₩ 4,017,522	₩ (401,338)	₩ 3,616,184	₩ 1,455,826	₩ (286,848)	₩ 1,168,978
Finished goods	124,470,611	(34,116)	124,436,495	115,775,699	(2,027)	115,773,672
Work-in-progress	9,841,565	-	9,841,565	10,660,606	-	10,660,606
Raw materials	158,736,027	-	158,736,027	139,099,540	-	139,099,540
Supplies	1,724,539	-	1,724,539	2,171,266	-	2,171,266
Raw materials-in-transit	23,059,873	-	23,059,873	47,718,137	-	47,718,137
	₩ 321,850,137	₩ (435,454)	₩ 321,414,683	₩ 316,881,074	₩ (288,875)	₩ 316,592,199

The amount of inventories recognized as an expense and included as part of cost of sales during 2025 is ₩ 1,532,209 million (2024: ₩ 1,558,368 million).

15. Trade and Other Receivables and Other financial assets

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

(In thousands of Korean won)	2025		2024	
	Current	Non-current	Current	Non-current
Trade receivables	₩ 188,940,873	₩ -	₩ 183,590,998	₩ -
Allowance for bad debts	(6,941,547)	-	(6,277,056)	-
	₩ 181,999,326	₩ -	₩ 177,313,942	₩ -

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

(In thousands of Korean won)	2025		2024	
	Current	Non-current	Current	Non-current
Other receivables	₩ 9,501,574	₩ -	₩ 6,539,745	₩ -
Allowance for bad debts	(1,322,472)	-	(1,321,928)	-
Accrued income	4,772,097	-	6,354,555	-
Guarantee deposits	3,343,932	19,875,427	1,303,607	20,397,902
Loans	14,897,571	28,821,407	51,319,244	-
	₩ 31,192,702	₩ 48,696,834	₩ 64,195,223	₩ 20,397,902

Trade receivables and other financial assets are financial instruments incurred in the ordinary course of business and consist of trade receivables, other receivables and others. The Group holds the trade receivables and other financial assets with the objective to collect the contractual cash flows and, therefore, measures them subsequently at amortized cost. Details about the Group’s impairment policies and the calculation of the loss allowance are provided in Note 35.

16. Cash and Cash Equivalents, and Restricted Deposits

Cash and cash equivalents as at December 31, 2025 and 2024, are summarized as follows:

(In thousands of Korean won)	2025	2024
Cash on hand	₩ 46,587	₩ 48,261
Demand deposits	311,344,357	451,229,023
	₩ 311,390,944	₩ 451,277,284

Deposits which are restricted in use as at December 31, 2025 and 2024, are summarized as follows:

(In thousands of Korean won)	2025	2024	Restriction
Long-term deposits	₩ 2,000	₩ 2,000	Deposit for checking account

17. Capital stock

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

(In Korean won)		2025		2024
Number of ordinary shares:				
- Authorized		480,000,000		480,000,000
- Issued		39,536,132		39,536,132
Capital stock	₩	19,768,066,000	₩	19,768,066,000
Par value per share	₩	500	₩	500

According to its Articles of Incorporation, cumulative participating preferred shares can be issued as non-voting registered shares for up to 240,000,000 shares with dividend rate of more than 5% preferred dividend rates based on the face amount with the approval of the Board of Directors. As at December 31, 2025, no preferred shares have been issued.

According to its Articles of Incorporation, the Company is allowed to grant stock options within 15/100 of the total number of shares issued with the approval from the shareholders and within 3/100 of the total number of shares issued with the approval of the Board of Directors to its employees who contribute or are able to shares to the performance of the Company.

According to its Articles of Incorporation, the Company can issue convertible bonds and bonds with stock warrants up to the face value of ₩ 300 billion with the approval from the Board of Directors. As at December 31, 2025, no convertible bonds or bonds with stock warrants have been issued.

18. Treasury Shares

The Group has 7,344 treasury shares as at December 31, 2025 with the acquisition cost of ₩ 604,361 thousand, which were odd-lot shares acquired at the market price resulted from spin-off. The Group intends to dispose of the treasury shares in the future depending on the market conditions.

19. Other Capital

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

(In thousands of Korean won)		2025		2024
Changes from equity transactions	₩	624,451,038	₩	624,451,038
Others		(2,071,744)		(2,071,744)
Exchange differences on translating foreign operations		258,701,969		195,198,217
Share of other comprehensive income of associates and joint ventures		8,657,658		3,628,682
Gain (loss) of financial assets at fair value through other comprehensive income		(1,068,525)		-
Changes arising from business combinations of subsidiaries and associates		(14,491,127)		-
Changes in percentage of ownership due to acquisition of subsidiaries		26,323		26,323
	₩	874,205,592	₩	821,232,516

20. Retained Earnings

Details of retained earnings as at December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		2025		2024
Legal reserves	₩	62,959,686	₩	61,032,612
Discretionary reserves		721,189,925		467,277,773
Retained earnings before appropriation		1,532,972,298		1,504,356,610
	₩	2,317,121,909	₩	2,032,666,995

21. Earnings per Share

(a) Basic earnings per share

(In Korean won, except share information)		2025		2024
Profit for the year attributable to owners of the Parent Company	₩	382,705,010,974	₩	524,592,568,051
Weighted-average number of ordinary shares		39,528,788		39,528,788
Basic earnings per share	₩	9,682	₩	13,271

Weighted average number of ordinary shares

(In shares)	2025	2024
Beginning balance	39,536,132	39,536,132
Treasury shares	(7,344)	(7,344)
Weighted average number of ordinary shares	39,528,788	39,528,788

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at December 31, 2025 and 2024, there are no dilutive potential ordinary shares, and basic earnings per share of 2025 and 2024 are identical to diluted earnings per share of 2025 and 2024.

22. Share-based Payments

PAN ORION Corp. Limited, a subsidiary of the Group, has granted share-based payments to the management and employees of certain entities in the Group of Orion Holdings Co., Ltd, the Parent Company of the Group, with the approval of the Board of Directors. The entities including the Company, which received services from the management and employees recognized the share-based payments and obligation to settle the share-based payment transaction lies with PAN ORION Corp. Limited.

Details of the contract for share-based payments, which the Group granted as at December 31, 2025, are as follows:

PAN ORION Corp. Limited

Classification	Share-based payments	Cash-settled share-based payments
Granted date	October 19, 2020	October 19, 2020
Number of shares initially granted	160,014,000 shares	30,135,667 shares
Number of shares exercised	-	-
Number of shares cancelled	-	-
Number of shares as at December 31, 2025	160,014,000 shares	30,135,667 shares
Exercisable number of shares as at December 31, 2025[1]	160,014,000 shares	30,135,667 shares
Exercise price	HKD 1.31	HKD 1.31
Maturity date	October 19, 2030	October 19, 2030
Vesting conditions[1]	Period of service provided: 1.5 months	Period of service provided: 12.5 months

[1] Disposal or similar transaction of shares acquired by exercising the option is prohibited during the period from the effective date and ending on the 180th after the date on which dealings in the first commence on the Hong Kong Stock Exchange Market.

Details of information used to measure fair value of the share-based payments of PAN ORION Corp. Limited at granted date, as at December 31, 2025 and 2024, are as follows:

PAN ORION Corp. Limited

(in HKD)	2025	
Classification	Share-based payments	Cash-settled share-based payments
Granted date	October 19, 2020	October 19, 2020
Fair value as at granted date	0.59 HKD, 0.64HKD, 1.39 HKD	0.54 HKD
Fair value as at settlement date	0.59 HKD, 0.64HKD, 1.39 HKD	0.68 HKD
Risk-free rate (%)	3.22	1.58
Applied volatility (%)	32.8	30.63
Model	Binomial price model	Binomial price model

(in HKD)	2024	
Classification	**Share-based payments**	**Cash-settled share-based payments**
Granted date	October 19, 2020	October 19, 2020
Fair value as at granted date	0.59 HKD, 0.64HKD, 1.39 HKD	0.54 HKD
Fair value as at settlement date	0.59 HKD, 0.64HKD, 1.39 HKD	0.66 HKD
Risk-free rate (%)	3.22	1.49
Applied volatility (%)	32.8	31.6
Model	Binomial price model	Binomial price model

23. Other financial liabilities

Other financial liabilities as at December 31, 2025 and 2024 are summarized as follows:

(In thousands of Korean won)	2025		2024	
	Current	**Non-current**	**Current**	**Non-current**
Other payables	₩ 114,025,945	₩ 181,033	₩ 108,144,851	₩ 205,276
Accrued expenses	85,390,313	-	92,229,709	12,773
Leasehold deposit	53,500	96,400	204,698	-
	₩ 199,469,758	₩ 277,433	₩ 200,579,258	₩ 218,049

24. Assets and Liabilities related to Contracts with Customers

Details of liabilities related to contracts with customers as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025	2024
Contract liabilities[1]	₩ 51,417,672	₩ 70,862,180

[1] The contract liabilities are recognized as other current liabilities in consolidated statements of financial position.

Revenue recognized that was included in the contract liability balance at the end of the previous year amounted to ₩ 70,862 million.

25. Borrowings

Borrowings as at December 31, 2025 and 2024 are summarized as follows:

(In thousands of Korean won)	2025		2024	
	Current	Non-current	Current	Non-current
Short-term borrowings in Korean won	₩ -	₩ -	₩ 499,026	₩ -
Short-term borrowings in foreign currency	-	-	649,590	-
Total	₩ -	₩ -	₩ 1,148,616	₩ -

Short-term borrowings as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won, US dollars)	Interest rate (%)	2025	2024
Kookmin Bank			
Purchased foreign exchange	-	₩ -	₩ 649,590 (USD 441,898.28)
Hyundai Card			
Bond purchase card	-	-	499,026
		₩ -	₩ 1,148,616

Book amount and fair value of borrowings as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025		2024	
	Book amount	Fair value	Book amount	Fair value
Short-term borrowings	₩ -	₩ -	₩ 1,148,616	₩ 1,148,616

The fair values of short-term borrowings equal their book amounts as the impact of discounting is not significant.

26. Net defined benefit asset

The Group operates a defined benefit plan and a defined contribution plan as a retirement benefit plan for employees, and the actuarial evaluation of the defined benefit obligation was performed by qualified independent actuaries using the projected unit credit method.

The retirement benefit expenses for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025	2024
Contributions to defined contribution plans	₩ 1,397,914	₩ 1,963,735
Expenses related to post-employment defined benefit plans	14,315,467	11,998,538
	₩ 15,713,381	₩ 13,962,273

The details of net defined benefit liability (asset) as at December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		2025		2024
Defined benefit obligation	₩	121,310,441	₩	115,581,887
Fair value of plan assets		(129,182,328)		(120,390,311)
Net defined benefit liability (asset)		(7,871,887)		(4,808,424)

The details of defined benefit plan costs recognized in the consolidated statements of comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		2025		2024
Current service costs	₩	14,975,770	₩	12,357,053
Net interest cost (income)		(660,303)		(358,515)
	₩	14,315,467	₩	11,998,538

Changes in net defined benefit liability (asset) for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2025	2024	2025	2024	2025	2024
Beginning balance	₩ 115,581,887	₩ 103,050,806	₩ (120,390,311)	₩ (114,085,929)	₩ (4,808,424)	₩ (11,035,123)
Included in profit or loss:						
Current service costs	14,975,770	12,674,597	-	-	14,975,770	12,674,597
Interest costs (income)	3,384,400	3,580,572	(4,044,703)	(4,256,631)	(660,303)	(676,059)
	18,360,170	16,255,169	(4,044,703)	(4,256,631)	14,315,467	11,998,538
Included in other comprehensive income:						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:	(855,411)	4,121,811	-	-	(855,411)	4,121,811
Experience adjustment	(479,979)	311,869	-	-	(479,979)	311,869
Demographic assumptions	664,110	2,421	-	-	664,110	2,421
Financial assumptions	(1,039,542)	3,807,521	-	-	(1,039,542)	3,807,521
- Return on plan assets excluding interest income	-	-	(822,953)	(470,203)	(822,953)	(470,203)
	(855,411)	4,121,811	(822,953)	(470,203)	(1,678,364)	3,651,608
Others:						
Contributions paid by the employer	-	-	(13,100,000)	(9,100,000)	(13,100,000)	(9,100,000)
Transferred from/to a related party	1,796,157	(1,087,391)	(2,462,817)	242,429	(666,660)	(844,962)
Benefits paid	(13,572,362)	(6,758,508)	11,638,456	7,280,023	(1,933,906)	521,515
	(11,776,205)	(7,845,899)	(3,924,361)	(1,577,548)	(15,700,566)	(9,423,447)
Ending balance	₩ 121,310,441	₩ 115,581,887	₩ (129,182,328)	₩ (120,390,311)	₩ (7,871,887)	₩ (4,808,424)

The components of plan assets as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Debt securities	₩	97,961,836	₩	114,867,398
Others		31,220,492		5,522,913
	₩	129,182,328	₩	120,390,311

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

	2025	2024
Discount rate	3.73%	3.41%
Future salary growth	2.00% ~ 5.74%	2.00% ~ 5.35%

For the purpose of calculating present value of defined benefit obligation, the Group used the discount rate determined based on the yield rate of bonds with good ratings which are in line with defined benefit obligations in terms of currency and maturity.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(In thousands of Korean won)	2025			
		1% increase		1% decrease
Discount rate	₩	(6,820,812)	₩	7,777,330
Future salary growth		7,771,729		(6,942,276)

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The weighted average duration of the defined benefit obligations is 6.86 years (2024: 6.35 years) as at December 31, 2025.

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

(In thousands of Korean won)		Less than 1 year		Between 1-2 years		Between 2-5 years		Over 5 years		Total
Pension benefits	₩	10,682,281	₩	12,094,981	₩	62,529,787	₩	234,349,110	₩	319,656,159

Expected contributions to post-employment benefit plans for the year ending December 31, 2026 is ₩ 11,118 million.

27. Other Liabilities

Other liabilities as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025		2024	
	Current	**Non-current**	**Current**	**Non-current**
Advances received	₩ 51,417,672	₩ -	₩ 70,862,180	₩ -
Unearned revenue	3,094,943	3,564	780	-
Provision for warranty	971,381	-	1,057,917	-
Withholdings	6,742,166	-	6,100,620	-
Value added tax withheld	16,325,107	-	13,572,525	-
Others	5,334,914	2,050,721	8,984,622	988,422
	₩ 83,886,183	₩ 2,054,285	₩ 100,578,644	₩ 988,422

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

(In thousands of Korean won)	2025	2024
Beginning balance	₩ 1,057,917	₩ 2,735,238
Increase	1,346,278	1,245,149
Decrease	(1,432,814)	(2,922,470)
Ending balance	₩ 971,381	₩ 1,057,917

28. Sales and Cost of Sales

The amounts recognized as revenue for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Revenue from contracts with customers	₩	3,327,818,352	₩	3,099,808,831
Revenue from other sources		4,624,184		4,529,745
	₩	3,332,442,536	₩	3,104,338,576

Details of revenue from contracts with customers for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025			
	Sale of goods	Royalty	Service and others	Total
Recognized at a point in time	₩ 3,265,882,420	₩ -	₩ 4,790,616	₩ 3,270,673,036
Recognized over time	-	144,624	57,000,692	57,145,316
	₩ 3,265,882,420	₩ 144,624	₩ 61,791,308	₩ 3,327,818,352

(In thousands of Korean won)	2024			
	Sale of goods	Royalty	Service and others	Total
Recognized at a point in time	₩ 3,043,750,932	₩ -	₩ 3,977,053	₩ 3,047,727,985
Recognized over time	-	61,570	52,019,276	52,080,846
	₩ 3,043,750,932	₩ 61,570	₩ 55,996,329	₩ 3,099,808,831

Details of cost of sales for the years ended December 31, 2025 and 2024, are as follows.

(In thousands of Korean won)		2025		2024
Sale of goods	₩	2,047,255,002	₩	1,858,339,828
Service costs and others		61,861,435		49,824,216
	₩	2,109,116,437	₩	1,908,164,044

29. Selling Expenses and General and Administrative Expenses

Details of selling expenses for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Salaries	₩	175,210,452	₩	178,960,238
Retirement benefits		5,908,677		5,122,268
Employee welfare		37,567,628		37,709,483
Travel expenses		5,752,402		6,630,264
Taxes and dues		21,086,722		20,116,671
Rental expenses		16,008,370		16,758,015
Depreciation of property, plant and equipment		11,635,357		10,618,971
Amortization		1,480,199		1,742,733
Advertising expenses		24,331,590		33,299,082
Ordinary development expense		1,322,095		1,019,309
Freight expenses		103,216,620		99,393,553
Commissions		46,242,468		45,495,423
Promotion		7,516,750		9,705,646
Bad debt expenses		594,667		624,651
Depreciation of right-of-use assets		4,916,272		4,870,166
Others		25,532,142		23,999,093
	₩	488,322,411	₩	496,065,566

Details of general and administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Salaries	₩	62,564,107	₩	63,850,275
Share-based payments		(23,504)		695,000
Retirement benefits		6,709,378		5,690,416
Employee welfare		18,269,340		15,531,109
Travel expenses		1,975,728		1,741,612
Taxes and dues		3,708,602		3,421,981
Rental expenses		4,816,529		4,485,834
Depreciation of property, plant and equipment		5,760,173		5,068,719
Amortization		1,158,089		1,395,775
Commissions		53,254,960		36,920,475
Depreciation of right-of-use assets		8,365,534		7,237,434
Others		10,186,725		10,482,558
	₩	176,745,661	₩	156,521,188

30. Other Income and Other Expenses

Details of other income and other expenses for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		2025		2024
Other income				
Foreign currency transaction gain	₩	3,258,480	₩	2,645,798
Foreign currency translation gain		3,877,261		4,259,154
Gain on sale of property, plant and equipment		295,886		476,868
Others		3,074,149		2,906,996
		10,505,776		10,288,816
Other expenses				
Foreign currency transaction loss		(4,689,240)		(2,656,201)
Foreign currency translation loss		(1,091,622)		(952,051)
Loss on sale of property, plant and equipment		(5,416,368)		(7,767,205)
Loss on sale of intangible assets		(25,189)		-
Donation		(3,026,510)		(3,080,993)
Other bad debt expenses		(639)		(1,290,933)
Loss on disposal of investment in associates		-		(4,424,031)
Others		(1,744,849)		(19,068,894)
		(15,994,417)		(39,240,308)
Net other expense	₩	(5,488,641)	₩	(28,951,492)

31. Finance income and costs

Details of finance income and costs for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Finance income				
Interest income	₩	39,161,909	₩	30,960,243
Foreign currency transaction gain		1,926,768		1,856,543
Foreign currency translation gain		449,552		269,789
Gain on valuation of derivatives		-		152,800,149
		41,538,229		185,886,724
Finance cost				
Interest expense		(14,838,894)		(1,013,762)
Foreign currency transaction loss		(3,791,380)		(2,456,740)
Foreign currency translation loss		(1,112,805)		(201,215)
Loss on valuation of derivatives		(539,742)		-
		(20,282,821)		(3,671,717)
Net finance income	₩	21,255,408	₩	182,215,007

32. Expenses by Nature

Details of expenses by nature for the years ended December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)	2025			2024		
	Cost of sales	Selling, general and administrative expense	Total	Cost of sales	Selling, general and administrative expense	Total
Raw materials and consumables used	₩ 1,395,673,994	₩ -	₩ 1,395,673,994	₩ 1,289,975,524	₩ -	₩ 1,289,975,524
Purchasing merchandise	132,581,769	-	132,581,769	265,782,581	-	265,782,581
Changes in inventories of finished goods and merchandise	3,953,187	-	3,953,187	2,610,068	-	2,610,068
Employee benefits expense	131,150,827	250,369,110	381,519,937	112,298,452	254,318,197	366,616,649
Taxes and dues	19,290,992	24,795,324	44,086,316	18,237,711	23,538,652	41,776,363
Rental expenses	1,266,415	20,824,899	22,091,314	848,996	21,243,849	22,092,845
Depreciation and amortization	129,719,106	20,033,818	149,752,924	129,032,111	18,826,198	147,858,309
Depreciation of right-of-use assets	1,581,165	13,281,805	14,862,970	485,489	12,107,600	12,593,089
Advertising expenses	-	24,331,590	24,331,590	-	33,299,082	33,299,082
Freight and custody	2,412,447	103,216,620	105,629,067	2,673,384	99,393,553	102,066,937
Maintenance cost of vehicles	316,023	3,469,367	3,785,390	292,601	3,574,098	3,866,699
Commission	73,633,165	99,497,428	173,130,593	67,240,214	82,415,898	149,656,112
Others	217,537,347	105,248,111	322,785,458	18,686,913	103,869,627	122,556,540
	₩ 2,109,116,437	₩ 665,068,072	₩ 2,774,184,509	₩ 1,908,164,044	₩ 652,586,754	₩ 2,560,750,798

33. Financial Instruments by Categories

Finance income and cost by categories for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	2025				
	Finance income	**Finance cost**	**Net income (loss)**	**Other comprehensive income (before income tax)**	**Total**
Financial assets					
Financial assets at amortized cost	₩ 40,426,441	₩ -	₩ 40,426,441	₩ -	₩ 40,426,441
Financial assets at fair value through profit or loss	154,742	-	154,742	-	154,742
	40,581,183	-	40,581,183	-	40,581,183
Financial liabilities					
Financial liabilities measured at amortized cost	957,046	(18,052,204)	(17,095,158)	-	(17,095,158)
Lease liabilities	-	(1,690,875)	(1,690,875)	-	(1,690,875)
Derivative financial liabilities	-	(539,742)	(539,742)	-	(539,742)
	957,046	(20,282,821)	(19,325,775)	-	(19,325,775)
	₩ 41,538,229	₩ (20,282,821)	₩ 21,255,408	₩ -	₩ 21,255,408

(In thousands of Korean won)	2024				
	Finance income	**Finance cost**	**Net income (loss)**	**Other comprehensive income (before income tax)**	**Total**
Financial assets					
Financial assets at amortized cost	₩ 32,022,791	₩ -	₩ 32,022,791	₩ -	₩ 32,022,791
Financial assets at fair value through profit or loss	166,599	-	166,599	-	166,599
Derivative financial assets	152,800,149	-	152,800,149	-	152,800,149
	184,989,539	-	184,989,539	-	184,989,539
Financial liabilities					
Financial liabilities measured at amortized cost	897,185	(2,739,338)	(1,842,153)	-	(1,842,153)
Lease liabilities	-	(932,379)	(932,379)	-	(932,379)
	897,185	(3,671,717)	(2,774,532)	-	(2,774,532)
	₩ 185,886,724	₩ (3,671,717)	₩ 182,215,007	₩ -	₩ 182,215,007

The book amount and the fair value of financial instruments as at December 31, 2025 and 2024, are summarized as follows:

(In thousands of Korean won)	2025		2024	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Financial assets at amortized cost[1]	₩ 1,559,357,429	₩ 1,559,357,429	₩ 1,322,744,117	₩ 1,322,744,117
Financial assets at fair value through profit or loss[1]	5,000,000	5,000,000	5,000,000	5,000,000
Financial assets at fair value through other comprehensive income	5,020,596	5,020,596	6,038,843	6,038,843
	1,569,378,025	1,569,378,025	1,333,782,960	1,333,782,960
Financial liabilities				
Financial liabilities measured at amortized cost[1]	324,764,803	324,764,803	338,752,713	338,752,713
Lease liabilities[2]	35,516,035	35,516,035	38,727,109	38,727,109
Derivative financial liabilities	539,742	539,742	-	-
	₩ 360,820,580	₩ 360,820,580	₩ 377,479,822	₩ 377,479,822

[1] The book value is considered a reasonable approximation of fair value, and therefore, the book value has been disclosed as the fair value.
[2] It is lease liabilities that are not financial liabilities categorized.

The Group estimates the book amounts of financial assets, other than long-term borrowings and financial assets at fair value through other comprehensive income, at reasonable amounts that approximate fair values.

The levels of the fair value hierarchy and its application to financial assets and liabilities are described below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs, other than quoted prices, that are observable from market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value measurements classified by fair value hierarchy as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2025				
Financial assets at fair value through profit or loss[1]	₩ -	₩ 5,000,000	₩ -	₩ 5,000,000
Financial assets at fair value through other comprehensive income	-	-	5,020,596	5,020,596
Derivative financial liabilities	-	539,742	-	539,742
December 31, 2024				
Financial assets at fair value through profit or loss[1]	₩ -	₩ 5,000,000	₩ -	₩ 5,000,000
Financial assets at fair value through other comprehensive income	-	-	6,038,843	6,038,843

[1] For items classified as Level 2, the book value is considered a reasonable approximation of fair value and, therefore, has been disclosed as fair value.

Valuation techniques and inputs used in the recurring and non-recurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025			
		Fair value	Level	Valuation techniques	Inputs
Financial assets at fair value through other comprehensive income	₩	5,020,596	3	Discounted cash flow method	Weighted average cost of capital
Derivative financial liabilities	₩	539,742	2	Discounted cash flow method	Discount rate

[1] In the case where the fair value of the financial instruments cannot be measured reliably, its acquisition cost was determined as a reasonable approximation of the fair value.

(In thousands of Korean won)		2024			
		Fair value	Level	Valuation techniques	Inputs
Financial assets at fair value through other comprehensive income	₩	6,038,843	3	Discounted cash flow method	Weighted average cost of capital
Derivative financial liabilities	₩	-	2	Discounted cash flow method	Discount rate

Valuation techniques and input variables are not disclosed for items where the book value, considered a reasonable approximation of fair value, is disclosed as fair value.

34. Income Taxes and Deferred tax expense

Income tax expense and deferred tax expense for the years ended December 31, 2025 and 2024, consists of:

(In thousands of Korean won)		2025		2024
Current income tax expense	₩	161,792,484	₩	134,616,908
Adjustments to income tax of prior periods		211,994		5,199,008
Origination and reversal of temporary differences		(5,653,437)		18,327,292
Total income tax effect		156,351,041		158,143,208
Income taxes related to items recognized outside profit or loss		(396,229)		843,522
Total income tax expense	₩	155,954,812	₩	158,986,730

Origination and reversal of temporary differences for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Deferred tax liabilities net, ending balance	₩	(164,113,294)	₩	(169,792,036)
Deferred tax liabilities net, beginning balance		(169,792,036)		(151,443,253)
Deferred tax assets net, ending balance		2,210		27,515
Deferred tax assets net, beginning balance		27,515		6,024
Origination and reversal of temporary differences	₩	(5,653,437)	₩	18,327,292

Income taxes related to items recognized outside profit or loss for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Remeasurements of the defined benefit liability	₩	(396,229)	₩	843,522

Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2025 and 2024, is as follows:

(In thousands of Korean won)		2025		2024
Profit before income tax	₩	546,552,375	₩	692,216,282
Income tax using the Group's statutory tax rate		238,914,809		239,968,107
Adjustments :				
Non-deductible expense		1,133,372		2,138,595
Non-taxable income		(75,618,996)		(89,664,556)
Tax credits		(10,363,255)		(7,072,257)
Adjustments to income tax of prior periods		211,994		5,199,008
Tax effect on profit or loss of subsidiaries and others		(547,714)		7,879,985
Effects of changes in tax rates		1,362,047		223,105
Others		862,555		314,743
Income tax expense	₩	155,954,812	₩	158,986,730
Effective tax rate		28.53%		22.97%

The net deferred tax liabilities and current tax liabilities are reflected in the consolidated statements of financial position after offsetting assets and liabilities only if there is the legal right to offset current tax assets and liabilities and they are levied by the same taxing authority.

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

(In thousands of Korean won)	2025							
		Beginning balance		Profit or loss		Other comprehensive income		Ending balance
Bad debt expense	₩	1,521,768	₩	190,294	₩	-	₩	1,712,062
Provision for warranty		343,052		2,433,844		-		2,776,896
Accumulated depreciation		(109,596,528)		6,826,078		-		(102,770,450)
Defined benefit liability		(40,974)		(57,101)		(396,229)		(494,304)
Land		(10,732,068)		(511,051)		-		(11,243,119)
Investments in subsidiaries		(56,960,349)		1,942,629		-		(55,017,720)
Others		5,700,578		(4,775,027)		-		925,551
	₩	(169,764,521)	₩	6,049,666	₩	(396,229)	₩	(164,111,084)

(In thousands of Korean won)	2024							
		Beginning balance		Profit or loss		Other comprehensive income		Ending balance
Bad debt expense	₩	974,706	₩	547,062	₩	-	₩	1,521,768
Provision for warranty		1,156,544		(813,492)		-		343,052
Accumulated depreciation		(102,650,912)		(6,945,616)		-		(109,596,528)
Defined benefit liability		123,143		(1,007,639)		843,522		(40,974)
Land		(10,732,068)		-		-		(10,732,068)
Investments in subsidiaries		(43,752,575)		(13,207,774)		-		(56,960,349)
Others		3,443,933		2,256,645		-		5,700,578
	₩	(151,437,229)	₩	(19,170,814)	₩	843,522	₩	(169,764,521)

The amount of deductible temporary differences for which deferred tax assets are not recognized as at December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		2025		2024
Investments in subsidiaries	₩	66,113,217	₩	66,113,217
Other		875,193		701,084

The Group does not recognize any deferred tax asset for the deductible temporary differences stated above as these are not probable to reverse in the foreseeable future and sufficient future taxable profits will not be available against which tax loss carry-forwards can be used.

The amounts of taxable temporary differences for which no deferred tax liabilities are recognized as at December 31, 2025 and 2024 are as follows:

(In thousands of Korean won)		2025		2024
Investments in subsidiaries	₩	(12,652,675)	₩	(12,652,675)

The Group does not recognize any deferred tax liability for the above, because the Group is able to control the timing of the reversal of taxable temporary differences related to investments of subsidiaries and it is probable that the temporary difference will not reverse in the foreseeable future.

The analysis of deferred tax assets and liabilities as at December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)		2025		2024
Deferred tax assets				
Deferred tax asset to be recovered after more than 12 months	₩	29,431,011	₩	34,015,745
Deferred tax asset to be recovered within 12 months		3,819,673		1,385,830
		33,250,684		35,401,575
Deferred tax liabilities				
Deferred tax liability to be recovered after more than 12 months		(197,278,894)		(205,083,222)
Deferred tax liability to be recovered within 12 months		(82,874)		(82,874)
		(197,361,768)		(205,166,096)
Deferred tax liabilities, net	₩	(164,111,084)	₩	(169,764,521)

The global minimum tax is expected to be paid by the ultimate parent company, Orion Holdings Corporation. Accordingly, the Group has not recognized any income tax expense related to the global minimum tax for the year ended December 31, 2025.

35. Financial Risk Management

The levels of risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Interest risk
- Other price risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further qualitative disclosures and quantitative disclosures are included throughout these consolidated financial statements.

Risk management activities

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Finance Department has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Finance Department; these limits are reviewed quarterly.

1) Exposure to credit risk

The carrying amount of financial assets is maximum exposure to credit risk. The maximum exposure to credit risk as at December 31, 2025 and 2024 is as follows:

(In thousands of Korean won)		2025		2024
Short-term deposits	₩	986,075,623	₩	606,419,819
Long-term deposits		2,000		3,139,948
Trade and other receivables		181,999,326		177,313,942
Other financial assets		79,889,535		84,593,124
Cash equivalents [1]		311,344,357		451,229,023
	₩	1,559,310,841	₩	1,322,695,856

[1] The remainder from cash and cash equivalents on the consolidated statements of financial position is cash hold by the Group.

As at December 31, 2025 and 2024, there are no significant concentrations of credit risk, and such risk is diversified across various customers. Meanwhile, the Group maintains deposits of cash and cash equivalents with financial institutions, such as Shinhan Bank, that have high credit ratings. Therefore, the credit risk from financial institutions is limited.

Besides above, as at December 31, 2025, the Group is obligated to repay spin-off debt (₩ 487 million) in solidarity with Orion Holdings Corporation (formerly, Orion Corporation) as of the spin-off date (June 1, 2017) by the Commercial Law Article 530-9 (1) in Republic of Korea. Above liability is allocated to the earliest period in which the Group is required to pay.

2) Impairment of financial assets

(a) Trade receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before December 31, 2025, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information affecting the ability of the customers to settle the receivables.

The loss allowance as at December 31, 2025 and 2024, was determined as follows for trade receivables:

(In thousands of Korean won)		Current		More than 60 days past due		More than 90 days past due		More than 120 days past due		Bad debt[1]		Total
December 31, 2025												
Expected loss rate		0.01%		0.02%		2.84%		0.46%		49.04%		3.67%
Gross carrying amount	₩	171,616,467	₩	3,067,924	₩	57,930	₩	83,170	₩	14,115,382	₩	188,940,873
Loss allowance provision		15,915		753		1,645		385		6,922,849		6,941,547
December 31, 2024												
Expected loss rate		0.00%		0.09%		0.28%		4.29%		25.29%		3.42%
Gross carrying amount	₩	151,913,339	₩	6,090,961	₩	59,402	₩	908,054	₩	24,619,242	₩	183,590,998
Loss allowance provision		5,812		5,640		164		38,958		6,226,482		6,277,056

[1] The Group analyzed individual bad debt and recognized loss allowance.

Movements in the loss allowance provision for trade receivables for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Beginning balance	₩	6,277,056	₩	5,194,370
Increase in loss allowance recognized in profit or loss during the year		594,667		624,651
Receivables written off during the year as uncollectible		(28,168)		(15,225)
Others		97,992		473,260
Ending balance	₩	6,941,547	₩	6,277,056

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

Impairment on trade receivables is presented on a net basis as impairment losses on trade receivables in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are recognized as 'other income'.

(b) Other financial assets

Movements in loss allowance provision for other receivables at amortized cost for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024[1]
Beginning balance	₩	1,321,928	₩	30,222
Increase (decrease) in loss allowance recognized in profit or loss during the year		639		1,290,933
Receivables written off during the year as uncollectible		(100)		(305)
Others		5		1,078
Ending balance	₩	1,322,472	₩	1,321,928

As at December 31, 2025 and 2024, other financial assets at amortized cost include other receivables, leasehold deposits received and others. The Group recognizes the loss allowance on credit-impaired other receivables.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.The Group's management manages liquidity risk by setting both short-term and long-term fund management plan, and immunizing the maturity of financial assets and financial liabilities by reviewing and analyzing cash out flow forecasts and realized cash outflows consistently. The Group's management believes that the Group has sufficient liquid resources from operating cash flows and financial assets to meet finance charges and principal repayments on its debt instruments. Meanwhile, in order to manage the Group's liquidity risks, the group have entered into an overdraft protection provided by Shinhanbank and etc.

Details of analysis of liquidity risk as at December 31, 2025 and 2024, are as follows. The tables below analyze the Group’s financial liabilities into relevant maturity groupings, and the amounts disclosed in the table are the contractual undiscounted cash flows.

(In thousands of Korean won)	Book Value	Contractual cash flow	Within 6 months	6-12 months	1-2 years	Over 2 years
December 31, 2025						
Trade payables	₩ 145,821,145	₩ 145,821,145	₩ 145,821,145	₩ -	₩ -	₩ -
Other current financial liabilities	199,469,758	199,469,758	199,416,258	53,500	-	-
Other non-current financial liabilities	277,433	277,433	-	-	277,433	-
Lease liabilities	35,516,035	39,900,720	7,261,568	6,636,970	10,261,668	15,740,514
Derivative financial liabilities	539,742	539,742	539,742	-	-	-
	₩ 381,624,113	₩ 386,008,798	₩ 353,038,713	₩ 6,690,470	₩ 10,539,101	₩ 15,740,514
December 31, 2024						
Borrowings	₩ 1,148,616	₩ 1,148,616	₩ 1,148,616	₩ -	₩ -	₩ -
Trade payables	163,191,290	163,191,290	163,191,290	-	-	-
Other current financial liabilities	200,579,258	200,579,258	200,374,560	204,698	-	-
Other non-current financial liabilities	218,049	218,049	-	-	218,049	-
Lease liabilities	38,727,109	43,522,490	6,955,181	6,204,684	10,858,238	19,504,387
	₩ 403,864,322	₩ 408,659,703	₩ 371,669,647	₩ 6,409,382	₩ 11,076,287	₩ 19,504,387

The Group does not expect that this cash flow will appear substantially earlier than or substantially different in amounts from what the Group forecasts.

Besides above As at December 31, 2025, the Group is obligated to repay spin-off debt (₩ 487 million) in solidarity with Orion Holdings Corporation (formerly, Orion Corporation) as of the spin-off date (June 1, 2017) by the Commercial Law Article 530-9 (1) in Republic of Korea. Above liability is allocated to the earliest period in which the Group is required to pay.

Currency risk

The Group’s exposure to foreign currency risk occurs on the assets and liabilities that are not presented with functional currency. The Group’s exposure to foreign currency risk is as follows based on notional amounts:

(In thousands of Korean won)		USD		JPY		EUR
December 31, 2025						
Cash and cash equivalents	₩	288,541,307	₩	708,988	₩	1,573,266
Trade and other financial assets		14,227,200		-		602,216
Trade and other financial liabilities		(18,597,789)		-		(1,034,205)
	₩	284,170,718	₩	708,988	₩	1,141,277
December 31, 2024						
Cash and cash equivalents	₩	96,901,543	₩	-	₩	361,232
Trade and other financial assets		11,088,215		-		190
Trade and other financial liabilities		(30,270,256)		(40,643)		(4,827,925)
Borrowings		(649,590)		-		-
	₩	77,069,912	₩	(40,643)	₩	(4,466,503)

(In thousands of Korean won)		RUB		VND		CNY
December 31, 2025						
Cash and cash equivalents	₩	1,034	₩	240	₩	6,112,907
Trade and other financial assets		-		-		-
Trade and other financial liabilities		-		-		(248,045)
	₩	1,034	₩	240	₩	5,864,862
December 31, 2024						
Cash and cash equivalents	₩	762	₩	254	₩	1,057,312
Trade and other financial assets		-		-		38,258
Trade and other financial liabilities		-		-		(64,362)
Borrowings		-		-		-
	₩	762	₩	254	₩	1,031,208

(In thousands of Korean won)		HKD		MMK		INR
December 31, 2025						
Cash and cash equivalents	₩	2,924	₩	-	₩	6
Trade and other financial assets		11,815		-		-
Trade and other financial liabilities		(8,845)		(121)		-
	₩	5,894	₩	(121)	₩	6
December 31, 2024						
Cash and cash equivalents	₩	4,212	₩	7,037	₩	6
Trade and other financial assets		-		-		-
Trade and other financial liabilities		-		(2,249)		-
Borrowings		-		-		-
	₩	4,212	₩	4,788	₩	6

As at December 31, 2025 and 2024, the effects of a 10% appreciating or depreciating of foreign currencies against functional currency on profit before tax are as follows:

(In thousands of Korean won)	2025		2024	
	10% strengthening	**10% weakening**	**10% strengthening**	**10% weakening**
USD	₩ 28,417,072	₩ (28,417,072)	₩ 7,706,991	₩ (7,706,991)
JPY	70,899	(70,899)	(4,064)	4,064
EUR	114,128	(114,128)	(446,650)	446,650
RUB	103	(103)	76	(76)
VND	24	(24)	25	(25)
CNY	586,486	(586,486)	103,121	(103,121)
HKD	589	(589)	421	(421)
MMK	(12)	12	479	(479)
INR	-	-	1	(1)
	₩ 29,189,289	₩ (29,189,289)	₩ 7,360,400	₩ (7,360,400)

Interest rate risk

At the reporting date, the variable rate financial liabilities are as follows:

(In thousands of Korean won)	2025	2024
Short-term borrowings	₩ -	₩ 649,590

As at December 31, 2025 and 2024, the effects of a 100bp fluctuation of the interest rates on profit (loss) were as follows:

(In thousands of Korean won)	2025		2024	
	100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**
Net finance cost	₩ -	₩ -	₩ (6,496)	₩ 6,496

Since the Group operates financial deposits for the purpose of obtaining interest income at December 31, 2025, the size of interest income may be affected by changes in the market interest rates applied when depositing financial instruments.

Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's main objective is to maximize shareholder's profit and monitoring the level of dividends as a mean of capital management. The capital structure of the Group consists of total debt and total equity.

As at December 31, 2025 and 2024, the Group's liabilities-to-equity ratio is as follows:

(In thousands of Korean won)	2025	2024
Total liabilities (A)	₩ 686,456,145	₩ 734,403,929
Equity (B)	3,912,207,101	3,574,045,868
Liabilities-to-equity ratio (A/B)	17.55%	20.55%

36. Financial Commitments and Contingencies

Financial commitments to financial institutions as at December 31, 2025 and 2024 are as follows:

(In thousands of Korean won, US dollars, Chinese yuan, European euro)

Contract Company	Lender	Type of commitment	Currency	2025	2024
Orion Corporation	Kookmin Bank	Usance	USD	10,000,000	10,000,000
		Purchase loan	KRW	20,000,000	20,000,000
	Shinhan Bank	Bank overdraft	KRW	5,000,000	5,000,000
		Usance	USD	5,900,000	5,900,000
		Credit loan	KRW	30,000,000	30,000,000
	NongHyup Bank	Purchase loan	KRW	20,000,000	20,000,000
		Credit loan	KRW	30,000,000	30,000,000
	Hana Bank	Collateralized loans on trade receivables	KRW	5,000,000	5,000,000
	Mizuho Bank	Credit loan	KRW	-	20,000,000
	Hyundai Card	Group purchase card	KRW	-	12,000,000
Orion Food Co., Ltd.	BANK OF CHINA	Usance	CNY	60,000,000	60,000,000
		General loan	CNY	80,000,000	80,000,000
Orion Food (Shanghai) Co., Ltd.	AGRICULTURAL BANK CHINA	Usance	CNY	60,000,000	60,000,000
	BANK OF CHINA	Usance	CNY	55,000,000	55,000,000
Orion Food (Shen yang) Co., Ltd.	Hana Bank	Usance	EUR	1,000,000	1,000,000
Orion Food (Guangzhou) Co., Ltd.	Hana Bank	Usance	EUR	3,000,000	3,000,000
Orion Food VINA Co., Ltd.	Shinhan Bank	Usance	USD	-	5,000,000
Total			KRW	110,000,000	142,000,000
			USD	15,900,000	20,900,000
			CNY	255,000,000	255,000,000
			EUR	4,000,000	4,000,000

As at December 31, 2025 and 2024, the Group has factoring agreements with Woori Bank, for trade receivables of Coupang Corp. The trade receivables provided by the Group in the factoring transaction which meet the requirements for asset derecognition, were derecognized because there is no recourse obligation for the above trade receivables in case of debtors' default and accordingly Woori Bank retains substantially all the risks and rewards. There were no derecognized amounts for the year ended December 31, 2025.

The Group has entered into supplier finance arrangements with one or more financial institutions, whereby the financial institutions pay the amount due to the suppliers on the maturity date of promissory notes issued by the Group, and the Group makes payment to the financial institutions on the same day the suppliers receive the payment. Under these arrangements, suppliers may request early payment from the financial institutions prior to the maturity of the promissory notes, allowing them to receive funds earlier.

Such agreements effectively extend the Group's payment terms by extending the maturity of the relevant promissory notes and provide suppliers with the option to receive early payment.

The supplier finance arrangements entered into between the Group and the financial institutions include purchase loans, accounts receivable-backed loans, and win-win settlement system agreements. Under these agreements, the financial institutions acquire rights to specific trade receivables from the suppliers.

The following terms have been amended under these agreements, while all other terms remain consistent with the contractual terms of the Group's trade payables to the respective suppliers:

- Suppliers may request early payment prior to the maturity of the promissory notes.

Range of payment due dates	2025	2024
Liabilities under supplier finance arrangement	15-30 days after invoice date	15-30 days after invoice date
Trade payables that are not part of the supplier finance arrangement (same line of business)	5-30 days after invoice date	5-30 days after invoice date

The maturity periods of promissory notes classified as short-term do not show a significant difference between payables settled under supplier finance arrangements and those settled outside of such arrangements.

As at December 31, 2025 and 2024, the outstanding balances of trade payables and other payables to be settled through supplier finance arrangements are as follows.

(in thousands of Korean won)	2025	2024
Trade payables	₩ 21,586,434	₩ 20,324,241
Accounts payable	20,654,964	5,347,527

There are no liabilities under supplier finance arrangements for which financial institutions have made payments to suppliers.

As at December 31, 2025, guarantees of ₩ 3,296 million (2024: ₩ 836 million) are provided to the Group by Seoul Guarantee Insurance Company etc. for the performance of contracts.

As at December 31, 2025, the Group has entered into purchase agreements and other contracts with PARSONS Pvt. Ltd.

As at December 31, 2025, the Group is obligated to repay spin-off debt(₩ 487 million) in solidarity with Orion Holdings Corporation (formerly, Orion Corporation) as of the spin-off date (June 1, 2017) by the Commercial Law Article 530-9 (1) in Republic of Korea.

As at December 31, 2025, Orion Holdings Corporation, a Parent Company of the Group and Orion Food Co., Ltd., a subsidiary, have entered into a joint investment contract for Shandong Lukang Pharmaceutical Co., Ltd.

Details of lawsuit pending as at December 31, 2025 are summarized as follows.

(In thousands of Korean won)

Plaintiff	Defendant	Contents		Amounts[1]	Progress
Orion Corp.	Director of Seoul Customs	Cancellation of customs duties and other impositions	₩	5,550,507	First trial in progress
All of the employees	Orion Corp.	Compensation for damages		2,730,674	First trial in progress
Korea Customs Service	Orion Corp. and two others	Violation of Customs Act		15,000	First trial in progress
Orion Food Co., Ltd.	Zhejiang Hualun Co., Ltd.	Claim for payment of receivables		3,744,186	Waiting for second trial
Orion Food Co., Ltd.	Liaoning Hualun Co., Ltd.	Claim for payment of receivables		3,699,669	First trial in progress
Orion Food Co., Ltd.	Shaanxi Hualun Co., Ltd.	Claim for payment of receivables		5,837,507	First trial in progress
Shanghai Mengxin E-commerce Co., Ltd.	Orion Food Co., Ltd.	Claim for payment of receivables		562,347	Waiting for first trial
Tianjin Ogao Preferred E-commerce Co., Ltd.	Orion Food Co., Ltd.	Claim for payment of receivables		304,694	Waiting for first trial
Orion Food Co., Ltd.	Suguo Supermarket Co., Ltd.	Claim for payment of receivables		146,718	Waiting for first trial
Liaoning Yatong Xindao Supply Chain Management Co., Ltd.	Orion Food Co., Ltd.	Claim for payment of receivables		212,525	Waiting for first trial
Beijing Hongchang Hongda Trading Co., Ltd.	Orion Food Co., Ltd.	Claim for payment of receivables		2,014,441	First trial in progress
Orion Food Co., Ltd.	Jiangxi Huarun Co., Ltd.	Claim for payment of receivables		52,379	Waiting for first trial
Orion Food Co., Ltd.	Gamwon Foods Co., Ltd.	Trademark Infringement and Unfair Competition Lawsuit		4,095,200	First trial in progress
Orion International Euro LLC.	Vyborg Customs	Lawsuit Challenging Customs Duty Reassessment		2,446,045	Waiting for second trial

[1] The lawsuit amount is translated to Korean won.

The ultimate outcome of the above litigations cannot be determined. However, effects of the litigation outcome on the financial statements are expected to be insignificant.

37. Related Party Transactions

Related parties as at December 31, 2025 and 2024, are as follows, excluding subsidiaries:

Relationship	2025 Related Party
Parent	Orion Holdings Corp.
Joint ventures	Delfi-Orion Pte., Ltd., Orion Nonghyup Agri, Inc., Orionsuhyup Fisheries Inc.[1]
Associates	LigaChem Biosciences Inc., Shanghai Anilam Biologics Co., Ltd
Parent's subsidiaries[2]	Showbox Corp., Orion JeJu Yongam Soo Corp, ORION BIOLOGICS CO., LTD., SHOWBOX Inc.
Parent's joint venture	Shandong Lukang Biotechnology Development Co., Ltd.
Others	Orion Foundation, Capitalone Showbox-iMBC Contents Fund, AntibodyChem Biosciences, Inc., Iksuda Therapeutics Limited[3], Rising ASEAN Contents Venture Investment Fund No. 1[4] and major shareholders and others.

[1] Orionsuhyup Fisheries Inc., a joint venture of the Group, was newly added in 2025.
[2] Supreme Star Investment Limited, a subsidiary of Orion Holdings Corporation, a Parent Company of the Group, was liquidated in 2025.
[3] A subsidiary of LigaChem Biosciences Inc., an associate of the Group, was newly added in 2025.
[4] Rising ASEAN Contents Venture Investment Fund No. 1, an associate of Showbox Corp., a subsidiary of Orion Holdings Corporation, a Parent Company of the Group, was newly added in 2025.

Relationship	2024 Related Party
Parent	Orion Holdings Corp.
Joint ventures	Delfi-Orion Pte., Ltd., Orion Nonghyup Agri, Inc.
Associates	LigaChem Biosciences Inc.[1], Shanghai Anilam Biologics Co., Ltd[2]
Parent's subsidiaries[3]	Showbox Corp., Supreme Star Investment Limited, Orion JeJu Yongam Soo Corp, ORION BIOLOGICS CO., LTD., SHOWBOX Inc.
Parent's joint venture	Shandong Lukang Biotechnology Development Co., Ltd.
Others[3]	Orion Foundation, Capitalone Showbox-iMBC Contents Fund, and major shareholders.

[1] The Group newly acquired equity interests in LigaChem Biosciences Inc. in 2024.
[2] Orion Holdings Corporation, a Parent Company of the Group, established Shanghai Anilam Biologics Co., Ltd. in 2024.
[3] Beijing Zhongguan Megabox Cinema Co., Ltd., a subsidiary of Orion Holdings Corporation, a Parent Company of the Group, was liquidated in 2024.

Significant transactions which occurred in the normal course of business with related parties for the years ended December 31, 2025 and 2024, are summarized as follows:

Sales etc.

(In thousands of Korean won)

Relationship	Related party	Transaction		2025		2024
Parents	Orion Holdings Corp.	Sales	₩	4,167,799	₩	4,187,146
		Other income etc.		420,163		456,837
Parents' subsidiaries	Showbox Corp.	Sales		24,160		15,331
	Orion JeJu Yongam Soo Corp	Sales		4,800		4,691
		Interest income		1,332,049		1,634,514
	ORION BIOLOGICS CO., LTD.	Sales		10,332		10,284
Joint ventures	Delfi-Orion Pte., Ltd.	Sales		7,500,616		6,646,562
	Orion Nonghyup Agri, inc.	Sales		19,623		17,136
Parent's joint venture	Shandong Lukang Biotechnology Development Co., Ltd.	Interest income		355,792		64,233
Others	Orion Foundation	Sales		313,864		396,378
	Major shareholders	Sales		40,496		45,468
			₩	14,189,694	₩	13,478,580

Purchase etc.

(In thousands of Korean won)

Relationship	Related party	Transaction		2025		2024
Parents	Orion Holdings Corp.	Other expense	₩	28,726,572	₩	16,180,596
Parents' subsidiaries	Orion JeJu Yongam Soo Corp	Purchase		17,003,152		14,997,057
		Other expense		-		2,965
Joint venture	Orion Nonghyup Agri, inc.	Purchase		45,034,307		41,249,846
Others	Orion Foundation	Other expense		1,000,000		1,000,000
			₩	91,764,031	₩	73,430,464

Accounts receivable and accounts payable balances with related parties as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

		2025						
		Receivables				Payables		
Relationship	Related party	Trade receivables	Other receivables	Leasehold deposits	Loans	Trade payables	Accounts payable[1]	Other payables
Parents	Orion Holdings Corp.	₩ 382,048	₩ 204,772	₩ 16,170,000	₩ -	₩ -	₩ 8,096,939	₩ -
Parents' subsidiaries	Orion JeJu Yongam Soo Corp	-	27,568	-	41,218,188	1,367,428	-	-
	ORION BIOLOGICS CO., LTD.	949	-	-	-	-	-	-
Joint ventures	Delfi-Orion Pte., Ltd.	1,024,251	-	-	-	-	-	-
	Orion Nonghyup Agri, inc.	-	467,753	-	-	4,694,183	21,065	-
Parent's joint venture	Shandong Lukang Biotechnology Development Co., Ltd.	-	-	-	14,484,132	-	-	-
Others	Major shareholders	3,709	-	-	-	-	-	4,980,251
		₩ 1,410,957	₩ 700,093	₩ 16,170,000	₩ 55,702,320	₩ 6,061,611	₩ 8,118,004	₩ 4,980,251

[1] As at December 31, 2025, other payables include ₩ 208 million that will be paid in January 2026, among the recognized lease liabilities of ₩ 3,638 million, related to lease transactions with Orion Holdings Corp.

(in thousands of Korean won)

		2024						
		Receivables				Payables		
Relationship	Related party	Trade receivables	Other receivables	Leasehold deposits	Loans	Trade payables	Accounts payable[1]	Other payables
Parents	Orion Holdings Corp.	₩ 383,812	₩ 132,859	₩ 16,170,000	₩ -	₩ -	₩ 4,485,686	₩ -
Parents' subsidiaries	Orion JeJu Yongam Soo Corp	-	9,098	-	40,515,651	1,309,526	981	-
	Showbox Corp.	-	9,030	-	-	-	-	-
	ORION BIOLOGICS CO., LTD.	943	-	-	-	-	-	-
Joint ventures	Delfi-Orion Pte., Ltd.	1,147,716	-	-	-	-	-	-
	Orion Nonghyup Agri, inc.	-	553,547	-	-	4,672,141	19,334	-
Parent's joint venture	Shandong Lukang Biotechnology Development Co., Ltd.	-	-	-	10,803,593	-	-	-
Others	Major shareholders	4,161	-	-	-	-	-	4,919,285
		₩ 1,536,632	₩ 704,534	₩ 16,170,000	₩ 51,319,244	₩ 5,981,667	₩ 4,506,001	₩ 4,919,285

[1] As at December 31, 2024, other payables include ₩ 208 million that will be paid in January 2025, among the recognized lease liabilities of ₩ 5,949 million, related to lease transactions with Orion Holdings Corp.

Fund transactions with related parties as at December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)

Relationship	Related party	Transaction		2025		2024
Parents	Orion Holdings Corp.	Payment of dividends	₩	36,937,848	₩	18,468,924
		Redemption of lease liabilities		2,494,090		2,523,475
Parents' joint venture	Shandong Lukang Biotechnology Development Co., Ltd	Loan issuance		3,374,127		10,201,336
Joint ventures	Orion Nonghyup Agri, inc.	Receipt of dividends		-		901,900
	Orionsuhyup Fisheries Inc.	Contribution in cash		30,000,000		-
Associates	Shanghai Anilam Biologics Co., LTD.	Contribution in cash		2,274,470		-
Others	Major shareholders	Payment of dividends		13,729,817		10,005,167

Details of key management personnel (executive directors and controlling interest holder) compensation for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Short-term employee benefits	₩	8,469,893	₩	9,977,853
Post-employment benefits		2,140,063		2,118,056
	₩	10,609,956	₩	12,095,909

Key management consists of registered executive officers and auditors who have the authority and responsibility in the planning, directing and control of the Group's operations.

As at December 31, 2025, the Group has recognized ₩ 3,976 million of right-of-use assets, ₩ 2,450 million of lease liabilities, and ₩ 1,188 million of non-current lease liabilities related to lease transactions with related parties, and recognized ₩ 2,808 million of depreciation of right-of-use assets and ₩ 183 million of interest expense during the year.

As at December 31, 2025, the Group is obligated to jointly repay the debts of Orion Holdings Corporation, the spun-off company, as of the spin-off date (June 1, 2017), under Article 530-9 (1) of the Commercial Act of the Republic of Korea, and the remaining debt amounts to ₩487 million.

38. Cash flows

The principal non-cash transactions for the years ended December 31, 2025 and 2024, are as follows:

(In thousands of Korean won)		2025		2024
Reclassification from construction in progress to property, plant and equipment	₩	77,644,569	₩	127,800,893
Reclassification from construction in progress to intangible assets		919,716		794,458
Increase in other payables regarding the acquisition of property, plant and equipment		13,687,134		4,707,818
Increase (decrease) in other payables regarding the acquisition of intangible assets		(921,254)		2,543,290
Increase (decrease) in other payables regarding the defined benefit obligations		1,741,573		(521,953)
Decrease of right-of-use assets from changes in lease agreement conditions		(476,339)		(3,677,716)
Decrease of lease liabilities from changes in lease agreement conditions		(436,134)		(3,785,423)
Increase of right-of-use assets from new lease contracts		12,583,406		35,836,663
Increase of lease liabilities from new lease contracts		8,029,118		25,956,597
Reclassification from lease liabilities to current portion		8,633,536		6,156,147
Reclassification of short-term loans to long-term loans		39,813,114		-

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

(In thousands of Korean won)	2025						
			Non cashflow activities				
	Beginning Balance	Cash flows from financing activities	Deprecia-tion etc	Effects on foreign currency change	Reclassifi-cation	Others	Ending balance
Short-term borrowings	₩ 1,148,616	₩ (1,412,164)	₩ -	₩ 263,548	₩ -	₩ -	₩ -
Current leasehold deposits received	204,698	(52,000)	802	-	(100,000)	-	53,500
Leasehold deposits received	-	-	1,531	-	100,000	(5,131)	96,400
Current lease liabilities	12,936,731	(13,224,632)	-	260,739	8,633,536	5,089,366	13,695,740
Non-current lease liabilities	25,790,378	-	-	417,964	(8,633,536)	4,245,489	21,820,295
	₩ 40,080,423	₩ (14,688,796)	₩ 2,333	₩ 942,251	₩ -	₩ 9,329,724	₩ 35,665,935

(In thousands of Korean won)	2024						
			Non cashflow activities				
	Beginning Balance	**Cash flows from financing activities**	**Deprecia-tion etc**	**Effects on foreign currency change**	**Reclassifi-cation**	**Others**	**Ending balance**
Short-term borrowings	₩ 3,812,744	₩ (2,664,915)	₩ -	₩ 787	₩ -	₩ -	₩ 1,148,616
Current leasehold deposits received	125,500	-	659	-	78,539	-	204,698
Leasehold deposits received	76,602	-	1,937	-	(78,539)	-	-
Current lease liabilities	10,499,671	(11,218,930)	-	648,548	6,156,147	6,851,295	12,936,731
Non-current lease liabilities	14,296,468	-	-	1,179,479	(6,156,147)	16,470,578	25,790,378
	₩ 28,810,985	₩ (13,883,845)	₩ 2,596	₩ 1,828,814	₩ -	₩ 23,321,873	₩ 40,080,423

The Group has presented cash inflows and outflows on a net basis for items such as deposits with financial institutions, which involve large total amounts due to frequent transactions and mature in a short period.

39. Business Combination

The Group's subsidiary, Orion Food VINA Co., Ltd., acquired 100% equity interest in MY PHUOC 3 Confectionery Co., Ltd. for ₩ 10,738 million pursuant to a resolution of the Board of Directors dated March 17, 2025, for the purpose of securing a new factory site and thereby obtained control.

The consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date are as follows.

(In thousands of Korean won)	**Amount**
Consideration transferred	
Cash	₩ 10,738,104
Total consideration	₩ 10,738,104
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	₩ 174
Other current assets	548,183
Right-of-use assets	10,339,743
Other current financial liabilities	(149,996)
Net identifiable assets acquired	10,738,104
Goodwill	-
	₩ 10,738,104

The amounts of assets and liabilities recognized in the consolidated financial statements as a result of the above business combination are provisional as the final valuation has not yet been completed, and these amounts are subject to change in the future.

40. Merger

The Group's subsidiary, Orion Food Vina Co., Ltd., absorbed and merged MY PHUOC 3 Confectionery Co., Ltd. with the merger effective date of November 7, 2025, pursuant to a resolution of the Board of Directors dated October 31, 2025.

This merger is a business combination between subsidiaries under common control of the same Group.

The assets and liabilities of MY PHUOC 3 Confectionery Co., Ltd. acquired through the merger were recognized at the book amounts as of the merger date recorded in the consolidated financial statements of the ultimate parent company of the Group.

(In thousands of Korean won)		Amount
Cash and cash equivalents	₩	8,003
Other current assets		284,226
Right-of-use assets		10,803,270
Other current financial liabilities		(30,030)
Book amount of the ultimate parent company at the merger date	₩	11,065,469

41. Reclassification of Prior Period Financial Statements

The Group has reclassified ₩ 902 million in the comparative consolidated statements of cash flows from operating activities to investing activities in order to correct the misclassification of dividend receipts in the prior period consolidated statement of cash flows. This reclassification did not affect the net profit or net assets reported in the prior period.

42. Events After the Reporting Period

Orion International Euro LLC., a subsidiary of the Group, entered into a construction contract on January 19, 2026, for the construction of the Tver Plant No. 2. The total contract amount is approximately ₩ 115.3 billion, and the completion is scheduled for September 2027.