
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2026

Commission file number: 001-42648

K WAVE MEDIA LTD.

**c/o Maples Corporate Services Limited
PO Box 309, Uglund House
Grand Cayman, KY1-1104
Cayman Islands
(703) 790-0717**
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Explanatory Note

As previously disclosed, on December 19, 2025, Playverse Co. Ltd. (“Playverse”), an indirect wholly owned subsidiary of K Wave Media Ltd. (the “Company”), entered into a Share Purchase Agreement (the “Hansol Purchase Agreement”) with Hansol Holdings Co., Ltd. (“Hansol Holdings”), Lee Mi-sung and Cho Hyun-seung (collectively, the “Hansol Sellers”), pursuant to which Playverse agreed to purchase from the Hansol Sellers and the Hansol Sellers agreed to sell to Playverse an aggregate of 5,864,088 shares common stock (the “Hansol Shares”) of Hansol Inticube Co., an AI language and software development company with core capabilities in AI contact center solutions, voice recognition, chatbots, smart solutions and platform technologies (“Hansol”).

On March 10, 2026, Playverse consummated the purchase of the Hansol Shares pursuant to the terms and conditions of the Hansol Purchase Agreement. The Hansol Shares represent approximately 42.25% of the outstanding shares of common stock of Hansol.

Pursuant to the Hansol Purchase Agreement, the aggregate purchase price for the Hansol Shares was KRW15,000,337,104. The Hansol Purchase Agreement contained customary representations, warranties and covenants by the parties and customary indemnification obligations of the parties.

Pursuant to the Hansol Purchase Agreement, Hansol Holdings caused Hansol to convene an annual general meeting of Hansol’s shareholders for the purpose of electing individuals designated by the Company to serve as members of the Hansol board of directors, and such Company designees now hold a majority of the seats on the Hansol board of directors.

Filed herewith as Exhibit 99.1 are the audited financial statements of Hansol for the year ended December 31, 2025. Additionally, filed herewith as Exhibit 99.2 is unaudited pro forma condensed combined balance sheet information regarding the Company and Hansol as of December 31, 2025, and unaudited pro forma condensed combined statements of operation for the year ended December 31, 2025.

The unaudited pro forma condensed combined financial information included in this Form 6-K is presented for illustrative purposes only, contains a variety of adjustments, assumptions and estimates, and is not necessarily indicative of what the combined company’s actual financial position or results of operations would have been had the transactions been completed on the date indicated. The combined company’s actual results and financial position may differ materially and adversely from the unaudited pro forma condensed combined financial information included in this Form 6-K. Important factors that may affect actual results include, but are not limited to, risks and uncertainties relating Hansol’s or the Company’s business, as applicable (including each company’s ability to achieve strategic goals, objectives, and targets over applicable periods), industry performance, and general business and economic conditions.

Forward Looking Statements

This Form 6-K includes forward-looking statements that involve risks and uncertainties. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements, including those set forth in any subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”). Copies of the Company’s filings with the SEC are available on the SEC’s website, www.sec.gov. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company’s expectations or any change in events, conditions or circumstances on which any statement is based.

Exhibit No.	Description of Exhibit
99.1	Audited financial statements of Hansol Inticube Co. for the year ended December 31, 2025
99.2	Unaudited pro forma condensed combined balance sheet of the Company and Hansol Inticube Co. as of December 31, 2025, and unaudited pro forma condensed combined statements of operation of the Company and Hansol Inticube Co. for the year ended December 31, 2025.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

K Wave Media Ltd.

Date: May 22, 2026

By: /s/ Ted Kim

Name: Ted Kim

Title: Chief Executive Officer

Hansol Inticube Co. Ltd.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2025

	Note	December 31, 2025 (In Korean won)
Assets		
Cash and cash equivalents	5,34	₩ 2,295,358,918
Short-term financial instruments	34	5,836,575
Trade and other receivables	7,34,35	11,294,243,542
Contract assets	15	3,815,286,232
Inventories, net	8	901,244,164
Current tax assets		45,540
Other current assets	9,15	4,357,182,863
Total current assets		22,669,197,834
Long-term other receivables	7,34	595,593,357
Financial assets at fair value through profit or loss	6,10,34	1,005,980,280
Property and equipment	11	1,222,485,688
Right-of-use assets	16	1,043,820,293
Intangible assets other than goodwill	12	3,761,304,163
Deferred tax assets	30	2,282,215,631
Other non-current assets	9	369,646,310
Total non-current assets		10,281,045,722
Total assets		32,950,243,556
Liabilities		
Trade and other payables	13,34,35	9,725,481,984
Current contract liabilities	15	4,719,110,717
Current Lease liabilities	16,34,36	769,706,446
Other current non-financial liabilities	18	1,456,444,515
Other current provisions	19	432,506,512
Current tax liabilities	30	1,618,947
Total current liabilities		17,104,869,121
Defined benefit liabilities	17	854,834,500
Provision for long-term employee benefits	17	176,138,476
Contract liabilities	15	861,164,337
Non-current Lease liabilities	16,34,36	272,137,059
Other non-current provisions	19	173,497,772
Total non-current liabilities		2,337,772,144
Total liabilities		19,442,641,265
Equity		
Share capital	20	6,939,760,500
Other reserves	21,32	10,436,120,041
Accumulated deficit	22	(4,346,336,892)
Equity attributable to owners of the Parent Company		13,029,543,649
Non-controlling interest	1	478,058,642
Total equity		13,507,602,291
Total liabilities and equity		₩ 32,950,243,556

The accompanying notes are an integral part of these consolidated financial statements.

Hansol Inticube Co. Ltd.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2025

	Note	2025 (in Korean won)
Revenues	4,23	64,818,242,303
Cost of revenues	24,31	49,281,096,476
Gross profit		15,537,145,827
Selling, general and administrative expenses	25,31	14,490,163,763
Other income	28	164,109,772
Other expenses	29	112,552,103
Operating profit		1,098,539,733
Finance income	26	132,849,548
Finance costs	27	187,577,073
Profit before income tax		1,043,812,208
Income tax expense	30	148,133,704
Profit for the year		₩ 895,678,504
Other comprehensive loss		
Items that will not be reclassified to income or loss:		
Remeasurement of defined benefit liabilities	17,30	(344,105,471)
Total comprehensive income for the year		₩ 551,573,033
Profit attributable to:		
Owners of the Parent Company		794,130,344
Non-controlling interest	1	101,548,160
Total comprehensive income attributable to:		
Owners of the Parent Company		463,538,939
Non-controlling interest		88,034,094
Earnings per share		
Basic earnings per share	33	₩ 58
Diluted earnings per share	33	58

The accompanying notes are an integral part of these consolidated financial statements.

Hansol Inticube Co. Ltd.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2025

	Attributable to owners of the Parent Company				Total	Non-controlling interest	Total equity
	Share capital	Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit			
Balance at January 1, 2025	6,939,760,500	10,462,865,404	(400,825)	(4,809,875,831)	12,592,349,248	390,024,548	12,982,373,796
Remeasurement of defined benefit liabilities ₩	-	-	-	(330,591,405)	(330,591,405)	(13,514,066)	(344,105,471)
Profit for the year	-	-	-	794,130,344	794,130,344	101,548,160	895,678,504
Stock option granted	-	2,394,958	-	-	2,394,958	-	2,394,958
Stock option cancelled	-	(28,739,496)	-	-	(28,739,496)	-	(28,739,496)
Balance at December 31, 2025 ₩	<u>6,939,760,500</u>	<u>10,436,520,866</u>	<u>(400,825)</u>	<u>(4,346,336,892)</u>	<u>13,029,543,649</u>	<u>478,058,642</u>	<u>13,507,602,291</u>

The accompanying notes are an integral part of these consolidated financial statements.

Hansol Inticube Co. Ltd.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025
	(in Korean won)
Cash flows from operating activities	
Net income for the year	₩ 895,678,504
Adjustments to reconcile net income to net cash provided by operating activities	3,155,306,521
Severance Benefits	1,282,641,573
Depreciation	1,315,020,883
Amortization	246,413,748
Reversal of Inventory valuation gains	(1,499,309)
Interest expenses	187,577,073
Reversal of mileage provision	(46,153,570)
Losses on foreign currency translation	2,912,628
Losses on disposal of property and equipment	7,357,574
Long-term employee benefits	43,071,589
Provision for warranty obligations	183,250,784
Income taxes	148,133,704
Interest income	(113,054,229)
Gains on foreign currency translation	(5,467,918)
Reversal of loss provision on service contracts	(21,693,760)
Gains on disposal of property, plant and equipment	(27,064,392)
Gains on valuation of financial assets at fair value through profit or loss	(19,795,319)
Reversal of share-based payments expenses	(26,344,538)
Changes in assets and liabilities from operating activities	(1,795,689,397)
Trade receivables	(2,446,600,729)
Other receivables	(1,759,672)
Contract assets	2,438,206,617
Inventories, net	719,990,699
Other assets	(641,035,118)
Trade payables	1,801,153,623
Other payables	22,304,842
Contract liabilities	(2,091,279,532)
Other liabilities	361,081,649
Defined benefit liabilities	(1,927,751,776)
Provision for long-term employee benefits	(30,000,000)
Interest received	43,473,972
Interest paid (other than lease)	(30,880,345)
Interest paid (lease)	(52,376,533)
Income tax refund (paid)	10,485,670
Net cash inflow from operating activities	<u>2,225,998,392</u>
Cash flows from investing activities	
Cash flows provided by investing activities	132,411,910
Decrease in Short-term financial instruments	12,600,000
Proceeds from disposal of property and equipment	49,450,310
Collection of deposits	70,361,600
Cash flows used in investing activities	(436,171,931)
Increase in Short-term financial instruments	(5,970,000)
Purchase of property and equipment	(280,684,528)
Purchase of intangible assets	(49,155,803)
Increase in deposits	(20,361,600)
Acquisition of financial assets at fair value through profit or loss	(80,000,000)
Net cash outflow from investing activities	<u>(303,760,021)</u>
Cash flows from financing activities	
Cash flows provided by financing activities	10,572,600,441
Increase in Short-term borrowings	10,572,600,441
Cash flows used in financing activities	(12,493,017,757)
Decrease in Short-term borrowings	(11,650,896,200)
Repayment of lease liabilities	(842,121,557)
Net cash outflow from financing activities	<u>(1,920,417,316)</u>
Net increase in cash and cash equivalents	<u>1,821,055</u>
Cash and cash equivalents at beginning of the year	<u>2,293,537,863</u>
Cash and cash equivalents at end of the year	<u>₩ 2,295,358,918</u>

The accompanying notes are an integral part of these consolidated financial statements.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

A. Company overview

Hansol Inticube Co., Ltd. (the “Parent Company”) was incorporated on December 15, 2003, as a result of the spin-off of the business divisions of Locus Co., Ltd., the enterprise communications and wireless internet businesses. In accordance with applicable laws and regulations, the Parent Company applied for re-registration of its shares with the Korea Securities Dealers Association on December 24, 2003, and trading of its shares on the KOSDAQ market resumed on January 8, 2004. On June 27, 2008, the Parent Company changed its corporate name from Inticube Co., Ltd. to Hansol Inticube Co., Ltd.

The Parent Company’s paid-in capital is Korean Won 6,939,761 thousand and major shareholders and their respective percentage of ownership as of December 31, 2025 are as follows:

	December 31, 2025	
	Number of shares	Ownership (%)
Hansol Holdings Co., Ltd.	4,719,037	34.00%
Cho Hyun Seung	356,526	2.57%
Lee Mi Sung	788,525	5.68%
Employee Stock Ownership Association	64,456	0.46%
Treasury shares	217,045	1.56%
Others	7,733,932	55.72%
Total	<u>13,879,521</u>	<u>100.00%</u>

On March 10, 2026, the Group was acquired by the Playverse Co., Ltd. (“Playverse”). The purpose of these financial statements is to meet the reporting requirements of Rule 3-05 of Regulation S-X of the Securities and Exchange Commission (SEC). As a result, these financial statements do not include comparative figures, which constitutes a departure from International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

B. Consolidated subsidiaries

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

Subsidiary	Location	Percentage of ownership (%)	Main business	Incorporation Year	Fiscal year end
STICKUS CORPORATION	Seoul	60.08%	Manufacture of pet food and pet healthcare services	2019	December

Condensed financial information of the subsidiaries as of and for the year ended December 31, 2025 is as follows:

Subsidiary	December 31, 2025					Total comprehensive profit for the year
	(In thousands of Korean Won)					
	₩	Total assets	Total liabilities	Revenues	Profit for the year	
STICKUS CORPORATION		2,083,672	1,005,232	4,567,430	256,856	223,006

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The percentage of ownership held by the non-controlling interests in the subsidiaries as of December 31, 2025 and the subsidiaries' results of operations attributable to the non-controlling interests are as follows.

	STICKUS CORPORATION (In thousands of Korean Won)
Ownership percentage of non-controlling interests	39.92%
Beginning balance of non-controlling interests	390,025
Actuarial gains and losses attributable to non-controlling interests	(13,514)
Profit attributable to non-controlling interests	101,548
Ending balance of non-controlling interests	478,059

2. Basis of Accounting

The followings are material accounting policies applied on the consolidated financial statements. Unless mentioned otherwise, these policies are consistent throughout the accounting periods denoted.

2.1 New and amended standards or interpretations 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.

IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments that require exchangeability of two currencies should be assessed in order to clarify reporting of foreign currency transactions in the absence of normal-functioning foreign exchange market. The amendments also require applicable spot exchange rate should be determined when the assessment indicates two currencies lack exchangeability. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted. The amendments do not have a significant impact on the financial statements.

IFRS 17 Insurance Contracts

If the estimation techniques applied to the input variables used in the measurement of insurance contracts differ from the estimation methodologies principally required under applicable insurance laws and regulations, the Group discloses the nature of such differences and their effects on the financial statements to the extent that such information is considered relevant and material to users of the financial statements.

2.2 new and amended standards or interpretations not yet adopted by the Group

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

IFRS 9 Financial Instruments - IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

The amendments clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

classified at fair value through OCI. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted, with an option to early adopt the amendments for contingent features only. The Group does not expect that these amendments have a significant impact on the financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

The amendments are annual improvements to the following standards:

- IFRS 1 First-time adoption of International Financial Reporting Standards;
- IFRS 7 Financial instruments: Disclosures;
- IFRS 9 Financial instruments;
- IFRS 10 Consolidated financial statements; and
- IAS 7 Statement of cash flows

The new standard 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 this new standard on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

Items in the statement of profit or loss will need to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. IFRS 18 requires the Group to present specified totals and subtotals: ‘Operating profit or loss’, ‘Profit or loss’ and ‘Profit or loss before financing and income taxes’. Information related to management-defined performance measures should be disclosed. IFRS 18 also provides enhanced guidance on the principles of aggregation and disaggregation which focus on grouping items based on their shared characteristics. The new standard should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. The Group is in review for the impact of this new standard on the financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements* replaces IAS 1 *Presentation of Financial Statements*. The new presentation requirements introduced by IFRS 18 are expected to enhance comparability of financial performance among peer entities, particularly with respect to the definition and presentation of operating profit or loss. In addition, the disclosure requirements related to management-defined performance measures are expected to improve transparency. The standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. In accordance with the retrospective application requirements of the standard, comparative information for the year ended December 31, 2026 will be restated to conform IFRS 18.

The Group has not yet adopted IFRS 18 and is currently assessing the potential impact of the application of the standard on its consolidated financial statements. The Group is developing an implementation plan and is preparing, as scheduled, to present its first interim financial statements under IFRS 18 for the period ending March 31, 2027, and its first annual financial statements under the standard for the year ending December 31, 2027.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2.3 Accounting policies

(1) Basis of consolidation

The Group prepares its consolidated financial statements in accordance with IFRS 10, Consolidated Financial Statements.

1) Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Group controls the corresponding investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins from the date the Group obtains control of a subsidiary and ceases when the Group loses control of the subsidiary.

2) Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) Revenue recognition

1) Product revenue

The Group recognizes the revenue at the point in time when the significant risks and rewards of ownership of goods are transferred to the customer.

2) Service revenue

The Group recognizes the service revenue over the time, typically over the period that the services are performed.

3) Construction revenue

The Group recognizes the construction revenue over time as the Group's activities that involve development tailored to customer specifications result in the creation of, or an enhancement to, assets that the customer controls as the service is performed.

Construction revenue is recognized over time using an input method based on costs incurred, that is, in proportion to the costs incurred to date relative to total estimated contract costs. Management believes that the use of the input method appropriately estimates the Group's measure of progress in satisfying its performance obligations under IFRS 15 *Revenue from Contracts with Customers*.

When the outcome of the construction revenue can be estimated reliably, the Group recognizes contract revenue and contract costs, respectively, as revenue and expenses by using the measure of progress at the end of the reporting period. The progress is measured as the ratio of cumulative contract costs incurred to date for work performed to estimated total contract costs, excluding contract costs that do not reflect the stage of completion.

Contract modifications, claims, and incentive payments are included in construction revenue when the amounts can be measured reliably and it is probable that the related consideration will be collected.

(3) Foreign currency translation

These consolidated financial statements are presented in the currency of the primary economic environment in which the Group operates (the "functional currency"). The Group's financial performance and financial position are presented in Korean won, which is the Parent Company's functional and presentation currency.

Transactions in foreign currencies are translated into the respective functional currencies of Company companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(4) Employee benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. Remeasurements of the net defined benefit liability recognized in the consolidated statement of comprehensive income are recognized immediately in retained earnings and are not subsequently reclassified to profit or loss subsequently. Past service costs are recognized as profit or loss for the year and the net interest expense (income) on the net defined benefit liability (asset) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability (asset). The components of defined benefit cost consist of service cost (comprising current service cost, past service cost, and gains or losses from settlements), net interest expense (income), and remeasurements of the net defined benefit liability.

Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. Remeasurement components are recognized in other comprehensive income. Gains or losses on curtailments of the plan are recognized as past service cost.

The Group presents the actual underfunded or overfunded status of the defined benefit plans in the consolidated financial statements. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

A liability for termination benefits is recognized at the earlier of the date when the Group can no longer withdraw the offer of termination benefits or the date when the Group recognizes costs related to a restructuring that involves the payment of termination benefits.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of a plan specify contributions from employees or third parties, the accounting for such contributions depends on whether the contributions are linked to the provision of service.

If contributions are not linked to the service (for example, contributions paid to reduce a deficit resulting from losses on plan assets or actuarial losses), such contributions affect the remeasurement of the net defined benefit liability (asset).

If contributions are linked to the service, such contributions reduce service cost. For contributions whose amounts vary based on years of service, the Group allocates the contributions over the service period in accordance with the attribution method required by paragraph 70 of IAS 19 *Employee Benefits* based on total remuneration. Conversely, for contributions whose amounts are independent of years of service, the Group recognizes such contributions as a reduction of service cost in the period in which the related service is rendered.

(5) Share-based payments

Equity-settled share-based payments granted to employees and employee-equivalent service providers are estimated at fair value of equity instruments at the grant date.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The number of equity instruments expected to vest is remeasured at the end of the reporting period, with any changes from the original remeasurement recognized in profit or loss for the year and equity.

Equity-settled share-based payments granted to non-employee counterparties are measured at the fair value of the goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the goods or services are measured based on the fair value of the equity instruments granted, determined at the date the goods or services are received.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For cash-settled share-based payments, the liability for goods or services received is initially recognized at fair value. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share-based payment arrangements. Any changes in the liability are recognized in profit or loss.

(6) Income tax expense

Income tax expense for the period consists of current and deferred tax.

1) Current income tax

Income taxes are calculated based on the Group's taxable income for the year. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit (tax loss) of future periods, and non-taxable or non-deductible items from the accounting profit. The amount of current tax payable is measured using tax rates enacted or substantively enacted at the reporting date.

2) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Group recognizes that a deferred tax liability for all taxable temporary differences. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. However, deferred tax is not recognized for:

- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiary, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and deferred income tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

3) Recognition of current and deferred tax

It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Income tax effects arising from a business combination are included as part of the accounting for the business combination.

(7) Property and equipment

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less government grants, accumulated depreciation, and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, as well as the initial estimate of costs expected to be incurred to dismantle and remove the asset and to restore the site on which it is located.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of the replaced parts are derecognized and the repairs and maintenance expenses are recognized in profit or loss in the period they are incurred.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Land is not depreciated.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

Building	20 ~ 30 years
Machinery	5 ~ 6 years
Vehicles	4 ~ 5 years
Furniture and fixtures	4 years
Office equipment	4 ~ 5 years
Leasehold improvements	2 years

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The depreciation method, residual values and useful lives of property and equipment are reviewed and adjusted at each financial year-end, if appropriate, accounted for as changes in accounting estimates.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal, and the carrying amount is removed from the consolidated statement of financial position. Any gain or loss arising from derecognition is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss at the time the asset is derecognized.

(8) Leases

1) Definition of a lease

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

2) As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

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

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

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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets (leases for which the underlying asset is valued at USD 5,000 or less) and short-term leases (leases that have a lease term of 12 months or less at the commencement date), including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

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

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'. The Group applies another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

The Group capitalizes initial direct costs incurred in negotiating and arranging operating leases as part of the carrying amount of the underlying asset and recognizes such costs as an expense over the lease term on the same basis as lease income.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

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(9) Intangible assets and goodwill

1) Separately acquired intangible assets

Separately acquired intangible assets with finite useful lives are recorded at cost less accumulated amortization and accumulated impairment losses. Such intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives and amortization methods of intangible assets are reviewed at the end of each reporting period, and any changes deemed appropriate are accounted for as changes in accounting estimates.

2) Internally generated intangible assets – Research and development cost

Expenditures on research activities are expensed as incurred.

Expenditures related to development activities (or the development phase of internal projects) are recognized as intangible assets only when the results of the development plan are intended to result in the development of a new product or a substantial improvement in functionality, and when the Group can demonstrate the technical and commercial feasibility of completing the development, as well as the ability to reliably measure the expenditures attributable to the development.

The cost of internally generated intangible assets comprises the aggregate of expenditures incurred from the date when the intangible asset first meets the recognition criteria described above. Development costs that do not meet the criteria for recognition as internally generated intangible assets are expensed as incurred.

Subsequent to initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

3) Derecognition

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss in the period in which the intangible asset is derecognized.

4) Useful life

Amortization is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Software	5 years
Other intangible assets	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(10) Impairment of non-financial assets other than goodwill

At each reporting date, the Group reviews the carrying amounts of its non-financial assets other than goodwill to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The Group estimates the recoverable amount of each individual asset. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Corporate assets are allocated to individual CGUs on a reasonable and consistent basis. When corporate assets cannot be allocated to individual CGUs, they are allocated to the smallest group of CGUs to which a reasonable and consistent allocation can be made.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication of impairment.

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. When the recoverable amount of an asset (or CGU) is less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognized in profit or loss for the period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

When a previously recognized impairment loss is reversed, the carrying amount of the individual asset (or CGU) is increased to the revised recoverable amount or to the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized in prior periods, whichever is lower. The reversal of the impairment loss is recognized immediately in profit or loss for the period.

(11) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out allocation method, and includes expenditures incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

Cost of sales is recognized at the carrying amount of inventories in the period in which the related revenue from the sale of such inventories is recognized. Inventory write-downs to net realizable value and inventory obsolescence losses are recognized as expenses in the period in which they are incurred. Reversals of inventory write-downs resulting from an increase in net realizable value are recognized as a reduction of cost of sales in the period in which the reversal occurs.

(12) 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

If it is expected that some or all of the expenditure required to settle a provision will be reimbursed by a third party, the Group recognizes the reimbursement as an asset when it is virtually certain that reimbursement will be received upon settlement of the obligation and the amount can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

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(13) Financial assets

1) 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 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 the investments in equity instruments that are not accounted for as other comprehensive income are recognized in profit or loss.

2) 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.

① 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

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impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other non-operating income or expenses', and impairment losses are presented in 'other non-operating expenses'.

- Fair value through profit or loss

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

② 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 and 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.

3) 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 losses to be recognized from initial recognition of the receivables

4) 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 classifies the financial liability as 'borrowings' in the consolidated statement of financial position.

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5) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention 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.

(14) Financial liabilities

1) 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 hedging instruments and an embedded derivative that is separated are also classified as held for trading.

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

Preferred shares that require mandatory redemption at a particular date are classified as liabilities. Interest expenses on these preferred shares using the effective interest method are recognized in the consolidated statement of comprehensive income as 'finance costs', together with interest expenses recognized from other financial liabilities.

2) Derecognition

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

(15) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. In estimating the fair value of assets or liabilities, the Group considers the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Except for measurements that are similar to fair value but are not fair value, such as share-based payment transactions within the scope of IFRS 2 *Share-based Payment*, lease transactions within the scope of IAS 17 *Leases*, net realizable value of inventories under IAS 2 *Inventories*, and value in use under IAS 36 *Impairment of Assets*, fair value measurements or disclosures are determined in accordance with the principles described above.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

(16) Approval of the financial statements

The consolidated financial statements of the Group was initially approved by the Board of Directors on January 26, 2026, which is subject to change with approval at the annual shareholders' meeting.

3. Critical accounting estimates and assumptions

The preparation of 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.

(1) Revenue recognition

Revenue from construction contracts is recognized over time using the percentage-of-completion method. The stage of completion is determined based on the proportion of actual cumulative contract costs incurred to date relative to the estimated total contract costs for each contract. Total contract revenue is initially measured based on the contract price agreed with the customer; however, contract revenue may increase as a result of approved variations and incentive payments, or decrease due to liquidated damages incurred when completion is delayed for reasons attributable to the Group. Accordingly, the measurement of contract revenue is subject to various uncertainties related to the outcomes of future events. Contract revenue is included only to the extent that it is highly probable that the customer will approve variations and the related amount of revenue, or that the Group will satisfy the performance criteria for incentive payments, and the amount can be measured reliably. The amount of construction revenue recognized is affected by the stage of completion measured based on actual cumulative contract costs incurred, and estimated total contract costs are determined based on future expectations regarding material costs, labor costs, construction periods, and other relevant factors.

(2) Income taxes

The taxable income generated from the Group's operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 30).

(3) Net defined benefit liabilities (assets)

The present value of net defined benefit liabilities (assets) depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 17).

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4. Segment Information

A. Types of products and services from which the reportable segment derives its revenue

The Group's management determines operating segments based on information reported to the chief operating decision maker for the purpose of allocating resources and assessing segment performance. The Group's operating segments consist of the AI-based Digital Contact Center segment and the Pet Healthcare segment.

In accordance with IFRS 8, the reportable segments of the Group are as follows:

Classification	AI-based Digital Contact Center	Pet Healthcare Segment
Services provided	CRM solutions, SMS and MMS infrastructure development and operation services	Pet food manufacturing and sales
Major customers	Banks and financial institutions, general corporations, wired and wireless telecommunications operators	General consumers
Sales channels	RFP and public bidding	Websites and social commerce

B. Segment revenue and operating results

The revenue and operating profit (loss) by reportable segments for the year ended December 31, 2025 are as follows:

	December 31, 2025			
	AI-based Digital Contact Center	Pet Healthcare Segment	Intersegment	Total
	(In thousands of Korean won)			
Revenue	₩ 60,250,812	4,567,430	-	64,818,242
Depreciation	1,007,447	304,416	3,158	1,315,021
Amortization of intangible assets	243,661	2,753	-	246,414
Operating profit (loss)	₩ 786,977	263,163	(3,158)	1,046,982

C. Segment assets and liabilities

The assets and liabilities by reportable segments as of December 31, 2025 are as follows:

	December 31, 2025			
	AI-based Digital Contact Center	Pet Healthcare Segment	Adjustments	Total
	(In thousands of Korean won)			
Total assets	₩ 31,862,422	2,083,672	(995,850)	32,950,244
Non-current assets (*)	7,130,946	261,619	(995,309)	6,397,256
Total liabilities	₩ 18,437,410	1,005,231	-	19,442,641

(*) Non-current assets exclude financial assets, deferred tax assets, net defined benefit assets, and contract assets.

D. Information about geographical areas

The Group operates only in the domestic market. Accordingly, all major non-current assets related to operations are located in Korea.

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E. Information about major customers

Information about external customers accounting for 10% or more of the Group's revenue for the year ended December 31, 2025 is as follows:

		December 31, 2025
		(In thousands of Korean won)
Customer A	₩	14,567,098
Customer B		10,717,103
Customer C	₩	9,166,524

5. Cash and Cash Equivalents and Short-term financial instruments

Details of cash and cash equivalents and short-term financial instruments as of December 31, 2025 are as follows:

		December 31, 2025
		(In thousands of Korean won)
Deposit in banks	₩	2,295,359
Short-term financial instruments		5,837
Total	₩	2,301,196

6. Restricted financial assets

Details of restricted financial assets as of December 31, 2025 are as follows:

			December 31, 2025
Account	Description		(In thousands of Korean won)
Financial assets at fair value through profit or loss	Pledge provided in connection with project performance guarantees and others (*)	₩	625,980

(*) The entire investment contribution is provided as collateral. (See Notes 10 and 37)

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7. Trade and other receivables

A. Details of trade and other receivables

Details of trade and other receivables as of December 31, 2025 are as follows:

		December 31,	
		2025	
		Current	Non-Current
		(In thousands of Korean won)	
Trade receivables	₩	11,323,305	-
Less: Allowance for doubtful accounts		(33,000)	-
Subtotal: Trade receivables		<u>11,290,305</u>	<u>-</u>
Other receivables		3,634	-
Accrued income		305	-
Guarantee deposits		-	627,587
Less: Present value discount		-	(31,994)
Subtotal: Guarantee deposits		<u>-</u>	<u>595,593</u>
Total	₩	<u>11,294,244</u>	<u>595,593</u>

B. Credit risk and allowance for doubtful accounts

The above trade receivables and other receivables are measured at amortized cost.

The average credit period for sales is 90 days. However, receivables that are expected to be collected after 90 days due to contractual terms are not considered past due. The Group applies the simplified approach to recognize lifetime expected credit losses for trade receivables. Expected credit losses are measured by grouping receivables based on shared credit risk characteristics and days past due, using historical credit loss experience.

As of December 31, 2025, receivables from LG Uplus Corp. amount to Korean won 4,705,651 thousand, representing 41.56% of total trade receivables. Other customers accounting for more than 5% of total trade receivables include KT Corp. and SK Broadband Co., Ltd.

- i. There are no past-due but not impaired trade receivables as of December 31, 2025.
- ii. The aging analysis of impaired trade receivables and other receivables as of December 31, 2025 is as follows:

		Over one year	
		December 31,	
		2025	
		(In thousands of Korean won)	
Trade receivables	₩	33,000	
Less: Allowance for doubtful accounts		(33,000)	
Total	₩	<u>-</u>	

- iii. There were no changes in the allowance for doubtful accounts for trade receivables and other receivables during the year ended December 31, 2025 (Korean won 33,000 thousand).
- iv. In assessing the recoverability of trade receivables, the Group considers changes in credit quality from the date of initial recognition to the end of the reporting period. As the Group has a large number of customers with no significant interrelationships, concentration of credit risk is limited. The recognized impairment loss represents the difference between the carrying amount and the recoverable amount of receivables deemed unlikely to be collected, based on past experience and credit evaluations.

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8. Inventories

Details of inventories as of December 31, 2025 are as follows:

		December 31, 2025		
		Cost	Allowance for valuation (*1), (*2)	Carrying Amount
(In thousands of Korean won)				
Raw materials	₩	517,618	(21,964)	495,654
Merchandise		322,796	-	322,796
Finished goods		82,794	-	82,794
Goods in transit		-	-	-
Total	₩	923,208	(21,964)	901,244

(*1) For the year ended December 31, 2025, the Group disposed of inventories amounting to Korean won 942,718 thousand for which full impairment losses had been recognized in prior periods.

(*2) For the year ended December 31, 2025, the Group recognized a reversal of inventory write-downs to net realizable value amounting to Korean won 1,499 thousand, which is included in cost of sales.

9. Other Assets

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

		December 31, 2025	
		Current	Non-Current
(In thousands of Korean won)			
Prepayments	₩	77,439	-
Prepaid expenses (*)		4,279,744	369,646
Total	₩	4,357,183	369,646

(*) Prepaid expenses include costs to fulfill contracts related to projects. (see Note 15).

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10. Financial assets at fair value through profit or loss

A. Financial assets at FVTPL

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

	December 31, 2025 (In thousands of Korean won)
Membership contributions	₩ 1,005,980

B. Details of financial assets at FVTPL

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

	December 31, 2025		
	Ownership (%)	Acquisition cost	Carrying amount
(In thousands of Korean won)			
Korea Information and Communications Mutual Aid Association (*1)	0.01	₩ 15,565	32,195
Software Mutual Aid Association (*1)	0.09	437,715	593,785
Dandi Hamo Startup Investment Fund No. 1 (*2)	3.00	300,000	300,000
Busan Regional Innovation TIPS Fund No. 1	0.01	80,000	80,000
Total	₩	833,280	1,005,980

(*1) The full amount of the membership contributions has been pledged as collateral (see Notes 6 and 37).

(*2) The Group determined that cost may be an appropriate estimate of fair value for these equity instruments in accordance with the "Fair Value Measurement Guidelines for Unlisted Shares."

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11. Property and equipment

A. Details of property, plant and equipment

Details of the carrying amounts of property, plant and equipment as of December 31, 2025 are as follows:

	December 31, 2025			
	Acquisition Cost	Accumulated Depreciation	Accumulated impairment loss	Carrying amount
	(In thousands of Korean won)			
Land	₩ 27,191	-	-	27,191
Buildings	1,219,525	(628,827)	-	590,698
Machinery	893,478	(739,214)	(22,829)	131,435
Facilities	205,353	(167,857)	-	37,496
Vehicles	61,444	(42,434)	-	19,010
Furniture and fixtures	3,603,690	(3,172,379)	(14,655)	416,656
Leasehold improvements	161,154	(161,154)	-	-
Total	₩ 6,171,835	(4,911,865)	(37,484)	1,222,486

B. Changes in property, plant and equipment

Changes in the carrying amounts of property, plant and equipment for the year ended December 31, 2025 are as follows:

	2025				
	Beginning	Additions	Disposals	Depreciation	Ending balance
	(In thousands of Korean won)				
Land	₩ 27,191	-	-	-	27,191
Buildings	631,352	-	-	(40,654)	590,698
Machinery	220,190	40,549	(10,200)	(119,104)	131,435
Facilities	78,567	-	-	(41,071)	37,496
Vehicles	25,439	-	-	(6,429)	19,010
Furniture and fixtures	391,659	252,260	(19,544)	(207,719)	416,656
Total	₩ 1,374,398	292,809	(29,744)	(414,977)	1,222,486

Depreciation expense of Korean won 544,465 thousand is included in selling and administrative expenses and includes depreciation of right-of-use assets (see Note 31).

C. Assets Pledged as Collateral

As of December 31, 2025, none of the above property, plant and equipment has been pledged as collateral.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. Intangible assets

A. Details of intangible assets

Details of the carrying amounts of intangible assets as of December 31, 2025 are as follows:

		December 31, 2025			
		Cost	Accumulated amortization	Accumulated impairment Loss	Carrying amount
(In thousands of Korean won)					
Goodwill	₩	5,344,787	-	(2,606,030)	2,738,757
Industrial property rights		71,643	(71,643)	-	-
Software		960,555	(958,440)	-	2,115
Membership rights		537,535	-	-	537,535
Other intangible assets		3,750,935	(3,268,038)	-	482,897
Total	₩	<u>10,665,455</u>	<u>(4,298,121)</u>	<u>(2,606,030)</u>	<u>3,761,304</u>

B. Changes in intangible assets

Changes in the carrying amounts of intangible assets for the year ended December 31, 2025 is as follows:

		2025			
		Beginning Balance	Additions	Amortization	Ending Balance
(In thousands of Korean won)					
Goodwill (*1)	₩	2,738,757	-	-	2,738,757
Industrial property rights		2,753	-	(2,753)	-
Software		4,335	-	(2,220)	2,115
Membership rights		537,535	-	-	537,535
Other intangible assets		619,192	105,146	(241,441)	482,897
Total	₩	<u>3,902,572</u>	<u>105,146</u>	<u>(246,414)</u>	<u>3,761,304</u>

(*1) The Group performed impairment tests for the year ended December 31, 2025, and no impairment loss was recognized as the carrying amount did not exceed the recoverable amount.

(*2) Amortization expense of Korean won 231,757 thousand is included in selling and administrative expenses (see Note 31).

C. Impairment Test of Goodwill

During the year ended December 31, 2025, the Group identified each subsidiary as a separate cash-generating unit and performed an impairment test. The recoverable amount of the cash-generating unit was determined based on value in use, which was calculated using estimated future cash flows derived from management's business plans. The revenue growth rate, terminal growth rate and post-tax discount rate used for the significant cash-generating unit are as follows:

	Revenue Growth Rate	Terminal Growth Rate	Post-tax Discount Rate
Stickers Corporation Co., Ltd.	11.1% ~ 38.8%	1.00%	9.94%

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity analysis of value in use to changes in key assumptions is as follows:

	Change in Assumption	Increase in Assumption	Decrease in Assumption
	(In thousands of Korean won)		
Discount rate	1.00%	(579,969)	726,099
Long-term growth rate	1.00%	788,835	(630,079)
Revenue growth rate	1.00%	664,575	(657,412)

D. Impairment Test of Membership Rights

Membership rights are intangible assets with indefinite useful lives and are not amortized. Instead, they are tested for impairment annually, irrespective of whether there is any indication of impairment. No impairment loss was recognized for the year ended December 31, 2025.

13. Trade and other payables

Details of trade and other payables as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won)
Trade payables	₩ 6,422,262
Other payables	790,271
Accrued expenses	2,512,949
Total	₩ 9,725,482

14. Short-term borrowings

A. Details of short-term borrowings

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

	December 31, 2025
	(In thousands of Korean won)
Supplier finance liabilities	₩ -

(*) Supplier finance liabilities are short-term in nature, and their carrying amounts are considered to approximate their fair values.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B. Supplier finance arrangement liabilities

The Group has entered into supplier finance arrangements with financial institutions and renews the contractual terms annually. Under these arrangements, the financial institutions obtain rights to certain trade receivables from suppliers. The arrangements modify the payment terms as follows, while all other terms remain consistent with those of trade payables to the respective suppliers.

	December 31, 2025
Supplier finance liabilities	180 days from invoice issuance
Trade payables not part of supplier finance arrangements (same business)	30 days from invoice issuance

The terms of the supplier finance arrangements entered into by the Group with financial institutions as of December 31, 2025 are as follows:

Financial Institution	Contract Type	Maturity	Credit Limit	Amount Drawn	Interest Rate
Shinhan Bank	USANCE	2026-05-15	USD 3,000,000	-	-

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. Contract Assets and Contract Liabilities

A. Details of contract assets and liabilities

Details of contract assets and contract liabilities as of December 31, 2025 are as follows:

Segment	Category	December 31, 2025					
		Contract Assets			Contract Liabilities		
		Current	Non-current	Total	Current	Non-current	Total
(In thousands of Korean won)							
AI-based Digital Contact Center	Construction-type contracts	₩ 2,542,405	-	2,542,405	1,822,846	-	1,822,846
AI-based Digital Contact Center	Maintenance and others	1,272,881	-	1,272,881	2,839,735	794,733	3,634,468
	Subtotal	3,815,286	-	3,815,286	4,662,581	794,733	5,457,314
Pet Healthcare Business	Content services	-	-	-	56,529	66,432	122,961
	Total	₩ 3,815,286	-	3,815,286	4,719,110	861,165	5,580,275

B. Changes in estimates for contracts in progress

For contracts in progress to which the cost-based input method is applied for revenue recognition over time, changes in estimates of total contract revenue and total contract costs during the year ended December 31, 2025, and the effects of such changes on profit or loss for the year ended December 31, 2025 are as follows:

	Change in Estimated Total Contract Revenue	2025		Change in Estimated Total Contract Cost
		Current	Future	
		(In thousands of Korean won)		
AI-based Digital Contact Center	(65,729)	318,703	4,387	(388,819)

C. Major contracts in progress

Contracts in progress to which the cost-based input method is applied for revenue recognition over time and whose contract amounts exceed 5% of revenue for the prior period are as follows:

	Contract Amount	Contract Date	2025			
			Project Period	Progress (%)	Contract Assets	Trade Receivables
Mirae Asset Securities / IPT and IPCC reconstruction	6,117,500	2024-07-01	2024-07-01 ~ 2025-09-30	100	-	-
Shinhan Financial Plus / TM Center integration	8,041,588	2025-01-02	2025-01-02 ~ 2026-06-30	76	862,268	1,491,341
NS Home Shopping / AICC enhancement	2,875,001	2024-09-09	2024-09-09 ~ 2025-07-31	100	-	-
S-1 Corporation / IPCC enhancement	2,590,620	2025-04-07	2025-04-07 ~ 2025-11-28	100	-	2,668,710

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

D. Revenue recognized from contract liabilities

Revenue recognized for the year ended December 31, 2025 that was included in the contract liability balance at the beginning of the period is as follows:

	December 31, 2025
	(In thousands of Korean won)
Construction-type contracts	₩ 2,669,399
Maintenance and others	2,908,593

E. Contract fulfillment costs recognized as assets

In addition to the contract balances disclosed above, the Group has recognized assets for costs incurred to fulfill project contracts. These are presented as other assets in the statement of financial position.

	December 31, 2025
	(In thousands of Korean won)
Contract fulfillment costs recognized as assets (*)	₩ 4,555,213

(*) The above contract fulfillment costs represent only the costs directly attributable to the Group's subscription-based projects, which have been classified from prepaid expenses.

F. Remaining performance obligations

The following represents the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of December 31, 2025 for long-term contracts with fixed prices:

	December 31, 2025
	(In thousands of Korean won)
Transaction price allocated to remaining performance obligations	₩ 19,909,003

All other long-term service contracts have original expected durations of one year or less and are billed based on time incurred. In accordance with the practical expedient in IFRS 15, the transaction price allocated to the remaining performance obligations for such contracts has not been disclosed.

16. Leases

A. Lease amounts recognized

Amounts recognized in the statement of financial position in relation to leases as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won)
Right-of-use assets:	
Buildings	₩ 989,956
Vehicles	53,864
Total	1,043,820
Lease liabilities:	
Current	769,707
Non-current	272,137
Total	₩ 1,041,844

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B. Changes in right-of-use assets

Changes in right-of-use assets for the year ended December 31, 2025 are as follows:

		2025			Ending balance
		Beginning balance	Additions	Depreciation	
(In thousands of Korean won)					
Buildings	₩	417,064	1,437,287	(864,395)	989,956
Vehicles		65,409	24,104	(35,649)	53,864
Total	₩	<u>482,473</u>	<u>1,461,391</u>	<u>(900,044)</u>	<u>1,043,820</u>

C. Changes in lease liabilities

Changes in lease liabilities for the year ended December 31, 2025 are as follows:

		2025						
		Beginning balance	Additions	Interest expense	Payments	Ending balance	Current	Non- current
(In thousands of Korean won)								
Buildings	₩	379,207	1,413,677	49,021	(855,446)	986,459	742,448	244,011
Vehicles		66,977	24,104	3,356	(39,052)	55,385	27,259	28,126
Total	₩	<u>446,184</u>	<u>1,437,781</u>	<u>52,377</u>	<u>(894,498)</u>	<u>1,041,844</u>	<u>769,707</u>	<u>272,137</u>

D. Lease-related expenses

Expenses relating to short-term leases and leases of low-value assets for the year ended December 31, 2025 are as follows:

		2025 (In thousands of Korean won)
Short-term lease expenses	₩	47,086
Low-value asset lease expenses		22,532
Total	₩	<u>69,618</u>

E. Cash outflows for leases

Total cash outflows related to leases for the year ended December 31, 2025 are as follows:

		2025 (In thousands of Korean won)
Lease payments – buildings	₩	806,425
Lease payments – vehicles		35,696
Interest paid on lease liabilities		52,377
Short-term lease expenses		47,086
Low-value asset lease expenses		22,532
Total	₩	<u>964,116</u>

HANSOL INTICUBE CO., LTD.
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17. Net Defined Benefit Liability

A. Defined Benefit Plan

The Group operates a defined benefit retirement plan for employees who meet certain eligibility requirements. Under this plan, employees receive a lump-sum payment at the time of retirement based on the average salary of the final three months and the length of service provided. The Group is exposed to investment risk, interest rate risk, and salary risk under this plan.

The most recent actuarial valuation of the defined benefit obligation was performed by an external actuary in January 2026. The present value of the defined benefit obligation, together with the related current service cost and past service cost, has been measured using the projected unit credit method.

- i. The principal actuarial assumptions used as of December 31, 2025 are as follows:

	December 31, 2025
Discount rate	3.39 ~ 4.49%
Expected salary increase rate	4.57 ~ 5.00%

- ii. The components recognized in the consolidated statement of financial position arising from the Group's obligations in relation to the defined benefit retirement plan as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won)
Present value of defined benefit obligation	₩ 12,065,236
Fair value of plan assets	(11,209,013)
National pension conversion fund	(1,389)
Net defined benefit liability	₩ 854,834

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iii. Changes in the net defined benefit liability for the year ended December 31, 2025 are as follows:

	2025			
	Defined Benefit Obligation	Plan Assets	National Pension Contributions	Net Defined Benefit Liability
	(In thousands of Korean won)			
Beginning balance	₩ 10,784,741	(10,065,703)	(1,389)	717,649
Recognized in profit or loss:				
Current service cost	1,263,382	-	-	1,263,382
Interest cost (interest income)	302,014	(282,755)	-	19,259
Subtotal	<u>1,565,396</u>	<u>(282,755)</u>	<u>-</u>	<u>1,282,641</u>
Remeasurements recognized in other comprehensive income:				
Return on plan assets (excluding amounts included in interest)	-	(66,272)	-	(66,272)
Actuarial gains and losses arising from changes in financial assumptions	129,360	-	-	129,360
Actuarial gains and losses arising from experience adjustments	367,178	-	-	367,178
Subtotal	<u>496,538</u>	<u>(66,272)</u>	<u>-</u>	<u>430,266</u>
Benefits paid:				
Benefits paid	(786,227)	1,105,717	-	319,490
Transfers to/from related parties	4,788	-	-	4,788
Contributions	-	(1,900,000)	-	(1,900,000)
Ending balance	₩ <u>12,065,236</u>	<u>(11,209,013)</u>	<u>(1,389)</u>	<u>854,834</u>

Amounts recognized in profit or loss for the year ended December 31, 2025 are included in employee benefits expense in the statement of comprehensive income. Of the amount recognized during the year ended December 31, 2025, Korean won 684,209 thousand is included in cost of sales, with the remaining amount included in selling and administrative expenses.

iv. The components of the fair value of plan assets as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won)
Time deposits and others	₩ 11,210,401

The investment strategy and policy for plan assets aim to achieve a balance between risk reduction and return enhancement. The objective of minimizing the volatility of assets relative to liabilities is achieved through diversification of assets, partial asset-liability matching strategies, and hedging. In order to reduce the overall volatility of assets relative to liabilities (risk-adjusted) while achieving target returns, the Group invests broadly across various asset classes. The allocation to fixed-income assets is designed to partially match the characteristics of pension liabilities, which are similar to bonds and have long maturities.

During the year ended December 31, 2025, the actual return on plan assets amounted to Korean won 349,026 thousand.

v. Expenses recognized in relation to defined contribution plans for the year ended December 31, 2025 amounted to Korean won 8,487 thousand.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

vi. Sensitivity analysis of the defined benefit obligation to changes in key assumptions for the year ended December 31, 2025 is as follows:

Assumption	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1.00%	3.44% decrease	3.74% increase
Salary increase rate	1.00%	3.67% increase	3.45% decrease

The above sensitivity analysis has been determined based on the assumption that all other variables remain constant. The sensitivity of the defined benefit obligation to changes in key actuarial assumptions has been calculated using the same method (projected unit credit method) applied in measuring the defined benefit obligation recognized in the consolidated statement of financial position.

The methods and assumptions used in the sensitivity analysis are consistent with those applied in the prior period.

vii. Impact of the defined benefit plan on future cash flows

The Group reviews the funding level of the plan on an annual basis and has a policy to make up for any funding shortfall. The expected contributions for the year ending December 31, 2026 amount to Korean won 1,232,019 thousand.

viii. The maturity analysis of undiscounted pension benefit payments as of December 31, 2025 is as follows:

	December 31, 2025				
	Within 1 year	1–2 years	2–5 years	Over 5 years	Total
	(In thousands of Korean won)				
Defined benefit obligation	₩ 2,901,147	2,659,263	5,968,625	9,701,099	21,230,134

ix. The weighted average duration of the defined benefit obligation of the Group is as follows:

	December 31, 2025
Parent company	3.65 years
Subsidiaries	8.81 years

B. Other long-term employee benefits

The Group provides monetary benefits to employees with long-term service. These benefits are measured using the same method applied to defined benefit obligations for retirement benefits.

As of December 31, 2025, the present value of the defined benefit obligation related to other long-term employee benefits amounts to Korean won 176,138 thousand and is presented as employee benefits liabilities. Net interest and rereasurement components related to these obligations are recognized in profit or loss.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. Other Liabilities

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

	December 31, 2025
	(In thousands of Korean won)
Advances received	₩ 41,223
Deposits received	9,424
VAT payable	1,405,798
Total	₩ 1,456,445

19. Provisions

A. Details of provisions

Details of provisions as of December 31, 2025 are as follows:

	December 31, 2025	
	Current	Non-current
	(In thousands of Korean won)	
Restoration provisions	₩ -	173,498
Warranty provisions	430,521	-
Provision for loss on contracts	1,985	-
Mileage provisions	-	-
Total	₩ 432,506	173,498

B. Changes in provisions

Changes in provisions for the year ended December 31, 2025 are as follows:

	2025			
	Beginning balance	Additions (reversal)	Interest expense	Ending balance
	(In thousands of Korean won)			
Restoration provisions	₩ 181,505	(16,982)	8,975	173,498
Warranty provisions	247,270	183,251	-	430,521
Provision for loss on contracts	23,679	(21,694)	-	1,985
Mileage provisions	46,154	(46,154)	-	-
Total	₩ 498,608	98,421	8,975	606,004

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

20. Share capital

A. Details of share capital

Details of share capital as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won, shares and Korean won)
Authorized shares	40,000,000 shares
Issued ordinary shares	13,879,521 shares
Par value per share	KRW 500
Share capital	₩ 6,939,761

B. Changes in shares outstanding

There were no changes in the number of shares outstanding for the year ended December 31, 2025 (13,662,476 shares).

21. Other reserves

Composition of Other reserves as of December 31, 2025 is as follows:

	December 31, 2025
	(In thousands of Korean won)
Other paid-in capital	
Share premium	₩ 9,730,846
Treasury shares	(451,821)
Gain on disposal of treasury shares	529,131
Share options (*)	46,595
Others	581,770
Other components of equity	
Changes in equity under the equity method	(401)
Total	₩ 10,436,120

(*) Detailed information on share options is described in Note 32.

HANSOL INTICUBE CO., LTD.
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22. Accumulated Deficit

A. Composition of accumulated deficit

Composition of accumulated deficit as of December 31, 2025 is as follows:

		<u>December 31, 2025</u> (In thousands of Korean won)
Legal reserve (*)	₩	460,719
Accumulated deficit		(4,807,056)
Total	₩	<u>(4,346,337)</u>

(*) In accordance with the Korean Commercial Code, the Group is required to appropriate at least 10% of cash dividends for each accounting period as a legal reserve until such reserve reaches 50% of paid-in capital. This reserve may not be used for cash dividends but may be used to offset deficits or be transferred to capital.

B. Changes in accumulated deficit

Changes in accumulated deficit for the year ended December 31, 2025 are as follows:

		<u>2025</u> (In thousands of Korean won)
Beginning balance	₩	(4,809,876)
Remeasurements of defined benefit obligations		(330,591)
Profit for the year		794,130
Ending balance	₩	(4,346,337)

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

23. Revenue

Revenue from continuing operations for the year ended December 31, 2025 is as follows:

		<u>2025</u> (In thousands of Korean won)
Revenue recognized over time	₩	
Construction-type contracts		35,137,288
Maintenance contracts		24,241,389
Usage-based contracts		269,440
Other contracts		159,924
Revenue recognized at a point in time		
Product contracts		4,863,080
Other contracts		147,121
Total	₩	<u>64,818,242</u>

24. Cost of Sales

Expenses classified as cost of sales from continuing operations for the year ended December 31, 2025 are as follows:

		<u>2025</u> (In thousands of Korean won)
Costs recognized over time	₩	
Construction-type contracts		28,485,737
Maintenance contracts		17,830,971
Usage-based contracts		325,985
Costs recognized at a point in time		
Product contracts		2,588,394
Other contracts		50,009
Total	₩	<u>49,281,096</u>

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25. Selling, general and administrative expenses

Selling and administrative expenses for the year ended December 31, 2025 are as follows:

	<u>2025</u> (In thousands of Korean won)
Salaries	₩ 6,915,126
Retirement benefits	612,759
Employee welfare expenses	1,059,395
Travel expenses	62,694
Entertainment expenses	201,921
Training expenses	40,891
Depreciation	456,685
Service expenses	572,450
Amortization of intangible assets	229,424
Communication expenses	25,662
Taxes and dues	38,243
Vehicle maintenance expenses	84,153
Event expenses	69,231
Research and development expenses	2,168,133
Commission expenses	896,524
Share-based payment expense	(26,345)
Other expenses	1,083,218
Total	₩ 14,490,164

26. Finance Income

Finance income for the year ended December 31, 2025 is as follows:

	<u>2025</u> (In thousands of Korean won)
Interest income	₩ 113,054
Gain on valuation of financial assets at FVTPL	19,796
Total	₩ 132,850

27. Finance Costs

Finance costs for the year ended December 31, 2025 are as follows:

	<u>2025</u> (In thousands of Korean won)
Interest expense	₩ 187,577

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

28. Other income

Other income for the year ended December 31, 2025 is as follows:

		<u>2025</u> (In thousands of Korean won)
Foreign exchange gain	₩	105,001
Foreign currency translation gain		5,468
Gain on disposal of property, plant and equipment		27,064
Gain on disposal of right-of-use assets		-
Other income		26,577
Total	₩	<u>164,110</u>

29. Other expenses

Other expenses for the year ended December 31, 2025 are as follows:

		<u>2025</u> (In thousands of Korean won)
Foreign exchange loss	₩	100,005
Foreign currency translation loss		2,913
Loss on disposal of property, plant and equipment		7,358
Donations		-
Other expenses		2,276
Total	₩	<u>112,552</u>

HANSOL INTICUBE CO., LTD.
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30. Tax expense

A. Components of income tax expense

Components of income tax expense for the year ended December 31, 2025 are as follows:

		<u>2025</u> (In thousands of Korean won)
Current income tax expense	₩	11,015
Deferred tax expense		137,119
Arising from origination and reversal of temporary differences		50,959
Recognized directly in equity		86,160
Income tax expense	₩	<u>148,134</u>

B. Tax reconciliation

Reconciliation between accounting profit and income tax expense from continuing operations for the year ended December 31, 2025 is as follows:

		<u>2025</u> (In thousands of Korean won)
Profit before income tax	₩	1,043,812
Income tax expense at applicable tax rate		174,817
Adjustments:		-
Non-deductible expenses for tax purposes		58,966
Effect of unrecognized temporary differences		(67,711)
Additional tax payments		-
Tax credits		(31,594)
Others (e.g., tax rate differences)		13,656
Subtotal		<u>(26,683)</u>
Income tax expense	₩	<u>148,134</u>
Effective tax rate		<u>14.19%</u>

HANSOL INTICUBE CO., LTD.
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C. Deferred tax assets and liabilities

Deferred tax assets and liabilities as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won)
Deferred tax assets	
To be recovered after 12 months	4,512,415
To be recovered within 12 months	278,694
Subtotal	4,791,109
Deferred tax liabilities	
To be settled after 12 months	(2,486,227)
To be settled within 12 months	(22,666)
Subtotal	(2,508,893)
Net deferred tax assets	₩ 2,282,216

D. Changes in deferred tax assets and liabilities

Changes in deferred tax assets (liabilities) recognized in the consolidated statement of financial position for the year ended December 31, 2025 are as follows:

	2025		
	Beginning	Changes	Ending
	(In thousands of Korean won)		
Deferred tax related to temporary differences:			
Defined benefit obligation	₩ 159,009	(66,249)	92,760
Allowance for doubtful accounts	156,142	(3,696)	152,446
Property, plant and equipment	99,699	15,802	115,501
Intangible assets	7,798	1,044	8,842
Interest receivable	(113)	79	(34)
Accrued expenses	184,896	79,125	264,021
Financial assets at FVTPL	(27,758)	(7,987)	(35,745)
Investments in subsidiaries	1,143,037	-	1,143,037
Leases	(4,919)	4,753	(166)
Provisions	176,058	(51,229)	124,829
Present value discount on guarantee deposits	3,080	2,267	5,347
Others	(27,869)	41,107	13,238
Subtotal	1,869,060	15,016	1,884,076
Tax loss carryforwards	1,859,942	(16,746)	1,843,196
Tax credit carryforwards	₩ 328,097	(1,729)	326,368
Unrecognized deferred tax assets (*)	(1,723,926)	(47,498)	(1,771,424)
Recognized deferred tax assets	2,333,174	(50,958)	2,282,216

(*) The realizability of deferred tax assets is assessed based on various factors, including the Group's performance, overall economic conditions, industry outlook, and expected future taxable income.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

E. Deferred tax recognized in equity

Deferred tax recognized directly in equity for the year ended December 31, 2025 is as follows:

	2025		
	Before Tax	Tax Effect	After Tax
	(In thousands of Korean won)		
Remeasurements of defined benefit obligations	₩ (430,266)	86,160	(344,105)

F. Unrecognized deferred tax assets

Significant temporary differences for which deferred tax assets have not been recognized as of December 31, 2025 are as follows:

	December 31, 2025
	(In thousands of Korean won)
Temporary differences	₩ 309,044
Temporary differences – allowance for doubtful accounts	686,541
Temporary differences – investments in subsidiaries	5,469,074
Tax loss carryforwards	3,570,131
Tax credit carryforwards	58,190

G. Expiry of tax losses and tax credits

Expiry of tax loss carryforwards and tax credits for which deferred tax assets have not been recognized as of December 31, 2025 is as follows:

	December 31, 2025	
	Tax Loss Carryforwards	Tax Credits
	(In thousands of Korean won)	
Over 3 years	₩ 3,570,131	58,190

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31. Expenses by nature

Expenses classified by nature for the year ended December 31, 2025 are as follows:

	2025		
	Selling and administrative expenses (*)		
	Cost of Sales		Total
(In thousands of Korean won)			
Changes in inventories and purchases	₩ 14,242,834	-	14,242,834
Employee benefits	9,180,670	9,317,868	18,498,538
Employee welfare expenses	1,198,120	1,256,004	2,454,124
Depreciation	770,556	544,465	1,315,021
Amortization of intangible assets	14,656	231,757	246,413
Advertising expenses	-	304,126	304,126
Outsourcing expenses	16,076,231	596,218	16,672,449
Commission expenses	6,985,658	864,423	7,850,081
Others	812,371	1,375,303	2,187,674
Total	₩ 49,281,096	14,490,164	63,771,260

32. Share-based Payments

The Group operates share-based payment arrangements for its executives and employees. Share options granted to employees are settled in shares of the Group upon exercise. No consideration is paid or payable by employees when share options are granted. The share options do not carry rights to dividends or voting rights and can be exercised during the exercisable period.

A. Share-based payment arrangements

Details of share-based payment arrangements as of December 31, 2025 are as follows:

i. Parent Company

Description	Grant Date	Exercisable Period	December 31, 2025				Valuation Method	Settlement
			Outstanding	Exercise Price	Fair Value at Grant Date			
Share options granted to key management - 18th grant (*)	2021.03.24	2024.03.24 ~ 2026.03.23	85,100	3,552	548	Binomial model LSMC model (Least-Squares Monte Carlo)	Equity-settled	

(*) The options become exercisable if the closing price for each of the 10 trading days immediately preceding the commencement date of the exercisable period is equal to or exceeds 130% of the exercise price, or if the closing price for each of 10 consecutive trading days during the exercisable period is equal to or exceeds 130% of the exercise price.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ii. Subsidiary

Description	Grant Date	Exercisable Period	Outstanding	December 31, 2025		Valuation Method	Settlement
				Exercise Price	Fair Value at Grant Date		
Share options granted to executives and employees - 1st grant	2022.03.22	2024.03.22 ~ 2027.03.21	210	710,000	372,192	Binomial model	Equity-settled

B. Valuation assumptions for share options

The valuation techniques and key assumptions used in measuring the fair value of share options granted as of December 31, 2025 are as follows:

i. Parent Company

	Share Options (18th grant)
Share price at grant date	3,520
Risk-free interest rate	1.62%
Expected life	4 years
Expected volatility	46.00%
Expected dividend yield	-

ii. Subsidiary

	Share Options (1st grant)
Share price at grant date	758,800
Risk-free interest rate	2.64%
Expected life	5 years
Expected volatility	51.00%
Expected dividend yield	-

C. Changes in share options and exercise prices

Changes in the number of share options and the weighted average exercise prices for the year ended December 31, 2025 are as follows:

i. Parent Company

	Number of Options (In Korean won and number of shares)	Weighted Average Exercise Price
Beginning balance	245,442 ₩	2,864
Granted	-	-
Expired	(76,400)	3,130
Forfeited	(83,942)	1,923
Ending balance	85,100 ₩	3,552

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ii. Subsidiary

	Number of Options (In Korean won and number of options)	Weighted Average Exercise Price
Beginning balance	210	₩ 710,000
Forfeited	-	-
Ending balance	210	₩ 710,000

D. Changes in share-based compensation

i. Parent Company

	2025 (In thousands of Korean won)
Beginning balance	₩ 135,740
Expense recognized	2,395
Forfeited	(28,739)
Expired	(62,801)
Ending balance	₩ 46,595

ii. Subsidiary

	2025 (In thousands of Korean won)
Beginning balance	78,160
Expense recognized	-
Forfeited	-
Ending balance	78,160

E. Outstanding share options

Weighted average exercise price and weighted average remaining contractual life of outstanding share options as of December 31, 2025 are as follows:

i. Parent Company

	December 31, 2025
Weighted average exercise price	3,552
Weighted average remaining contractual life	0.23 years

ii. Subsidiary

	December 31, 2025
Weighted average exercise price	710,000
Weighted average remaining contractual life	1.22 years

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

F. Share-based payment expenses

Share-based payment expenses recognized and to be recognized are as follows:

i. Parent Company

	<u>December 31, 2025</u> (In thousands of Korean won)
Share-based payment expense recognized during the period	(26,345)
Share-based payment expense to be recognized in future periods	-

ii. Subsidiary

	<u>December 31, 2025</u> (In thousands of Korean won)
Share-based payment expense recognized during the period	-
Share-based payment expense to be recognized in future periods	-

33. Earnings per Share

A. Basic Earnings per Share

i. Basic earnings per share attributable to owners of the parent for the year ended December 31, 2025 are as follows:

	<u>2025</u> (In thousands of Korean won, shares)
Profit attributable to owners of the parent	₩ 794,130
Weighted average number of ordinary shares outstanding	13,662,476 Shares
Basic earnings per share	KRW 58

ii. The weighted average number of ordinary shares outstanding is calculated by weighting the number of ordinary shares issued by the period of time they were outstanding. Details for the year ended December 31, 2025 are as follows:

Period	Number of shares outstanding (*)	Days	Weighted average number of shares
Jan 1, 2025 ~ Dec 31, 2025	13,662,476	365	13,662,476

(*) Treasury shares of 217,045 shares are excluded.

B. Diluted Earnings per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares consist of share options. The number of shares is calculated based on the fair value (average market price during the period) of shares that could have been acquired using the proceeds from the exercise of the options, and compared with the number of shares that would be issued upon exercise.

As the share options held by the Group do not have a dilutive effect, basic earnings per share and diluted earnings per share are the same.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

34. Financial Instruments

A. Financial assets and liabilities by category

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

	December 31, 2025		
	Amortized Cost	Financial assets at fair value through profit or loss	Total
(In thousands of Korean won)			
Financial assets	₩		
Cash and cash equivalents	2,295,359	-	2,295,359
Short-term financial instruments	5,837	-	5,837
Trade and other receivables	11,294,244	-	11,294,244
Long-term other receivables	595,593	-	595,593
Financial assets at fair value through profit or loss	-	1,005,980	1,005,980
Total	<u>14,191,033</u>	<u>1,005,980</u>	<u>15,197,013</u>
Financial liabilities			
Trade and other payables	7,878,676	-	7,878,676
Total	₩ <u>7,878,676</u>	-	<u>7,878,676</u>

B. Fair value of financial instruments

- i. Management considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.
- ii. Fair value hierarchy

The fair value hierarchy categorizes inputs used in valuation techniques into three levels:

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

(Level 2) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability

(Level 3) Unobservable inputs for the asset or liability

- iii. Fair value hierarchy of financial instruments measured at fair value as of December 31, 2025 is as follows:

		Level 1	Level 2	Level 3	Total
		(In thousands of Korean won)			
Financial assets at fair value through profit or loss	₩	-	625,980	380,000	1,005,980

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iv. Transfers between levels are recognized at the date of the event or change in circumstances that caused the transfer.

C. Financial assets classified as Level 3

i. Valuation techniques and significant unobservable inputs are as follows:

	Fair Value	Valuation Technique	Inputs
(In thousands of Korean won)			
Financial assets at fair value through profit or loss			
Dandi Hamo Startup Investment Fund No. 1	300,000	Cost approach	-
Busan Regional Innovation TIPS Fund No. 1	80,000	Cost approach	-

ii. Changes in Level 3 financial assets for the year ended December 31, 2025 are as follows:

	₩	Financial assets at fair value through profit or loss (In thousands of Korean won)
Beginning balance	₩	300,000
Additions		80,000
Ending balance	₩	380,000

D. Net gains or losses by category of financial instruments for the year ended December 31, 2025 are as follows:

	2025			
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Total
(In thousands of Korean won)				
Interest income	₩ 87,437	-	-	87,437
Foreign exchange gain	406	-	104,595	105,001
Foreign currency translation gain	-	-	5,468	5,468
Gain on valuation of FVTPL	-	19,795	-	19,795
Interest expense	-	-	(53,000)	(53,000)
Foreign exchange loss	(644)	-	(99,362)	(100,006)
Foreign currency translation loss	₩ -	-	(2,913)	(2,913)

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

E. Risk Management

Risk management is carried out under policies approved by the Board of Directors, with the finance department responsible for identifying, evaluating, and managing financial risks in close cooperation with operating departments.

i. Capital risk management

The Group manages its capital to ensure that it can continue as a going concern while maximizing returns to shareholders. The capital structure consists of debt and equity, and the debt ratio is used as a key indicator.

	December 31, 2025
	(In thousands of Korean won)
Total liabilities	₩ 19,442,641
Total equity	₩ 13,507,602
Debt ratio	143.94%

ii. Market risk

The Group is exposed to financial risks primarily arising from fluctuations in foreign exchange rates and interest rates.

a. Foreign exchange risk

The Group is exposed to foreign exchange risk as it engages in transactions denominated in foreign currencies. The Group regularly measures and monitors its exposure to exchange rate fluctuations.

Foreign currency-denominated assets and liabilities as of December 31, 2025 are as follows:

	December 31, 2025			
	Assets (Foreign Currency)	Assets (KRW)	Liabilities (Foreign Currency)	Liabilities (KRW)
	(In thousands of Korean won)			
USD	-	-	689,524	989,398

A 10% increase or decrease in exchange rates would result in a decrease or increase in profit before tax by approximately Korean won 98,940 thousand.

b. Interest rate risk management

The Group is exposed to interest rate risk in relation to deposits and other interest-bearing instruments. Interest rates are periodically reviewed and managed in line with defined risk tolerance levels to ensure optimal risk management strategies.

The impact on profit before tax from a 1% change in interest rates on variable-rate deposits is as follows:

	December 31, 2025
	(In thousands of Korean won)
Increase in interest rates	₩ 22,954
Decrease in interest rates	(22,954)

c. Other Price Risk

The Group is exposed to price risk arising from equity instruments. These investments are held for strategic purposes rather than trading, and the Group does not actively trade these investments.

HANSOL INTICUBE CO., LTD.
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iii. Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. The Group manages credit risk by transacting only with counterparties of appropriate credit quality and by obtaining sufficient collateral where appropriate.

The Group performs internal credit evaluations and utilizes publicly available financial information and historical transaction data in assessing creditworthiness. Credit exposure and counterparty credit ratings are continuously monitored, and transactions are diversified across approved counterparties. Credit risk is controlled through credit limits that are reviewed and approved annually by the Board of Directors.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which establishes appropriate policies for managing short-term and long-term funding and liquidity. The Group manages liquidity risk by maintaining adequate reserves, borrowing facilities, and continuously monitoring forecast and actual cash flows, while matching the maturity profiles of financial assets and liabilities.

The maturity analysis of non-derivative financial liabilities as of December 31, 2025 is as follows. The amounts presented represent undiscounted contractual cash flows (including interest):

		December 31, 2025			
		Carrying Amount	Contractual Cash Flows	Within 1 year	Over 1 year
(In thousands of Korean won)					
Trade payables and other payables	₩	7,878,676	7,878,676	7,878,676	-
Lease liabilities		1,041,844	1,170,306	71,433	298,873
Total	₩	8,920,520	9,048,982	8,750,109	298,873

The Group maintains unused borrowing facilities (see Note 37) at an appropriate level and continuously monitors liquidity forecasts to ensure that it does not breach borrowing limits or covenants in meeting operational funding requirements.

The Group has entered into supplier finance arrangements with financial institutions (see Note 14), which have improved its working capital. The financial institutions involved maintain sound financial positions, and the Group does not have a significant concentration of liquidity risk with these institutions.

35. Related parties

A. List of related parties

The list of related parties as of December 31, 2025 is as follows:

Relationship	Name of entity
Entity exercising significant influence over the Group	Hansol Holdings Co., Ltd. (*1)
Other related parties (*2)	Companies belonging to the Hansol group under the Monopoly Regulation and Fair Trade Act

(*1) The entity holds more than 20% of the equity interest in the Group and exercises significant influence.

(*2) These entities are companies within the same large business group as defined under the Monopoly Regulation and Fair Trade Act and are classified as related parties based on substantive relationships in accordance with IAS 24 paragraph 10.

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B. Transactions with related parties

Details of transactions with related parties for the year ended December 31, 2025 are as follows:

<u>Related party</u>	<u>Name of entity</u>	<u>Account</u>	<u>2025</u> <u>(In thousands of Korean won)</u>
Entity exercising significant influence over the Group	Hansol Holdings Co., Ltd.	Other expenses	₩ 329,130
Other related party	Hansol Technics Co., Ltd.	Other expenses	656
Other related party	Hansol PNS Co., Ltd.	Revenue	1,920
Other related party	Hansol PNS Co., Ltd.	Other income	2,082
Other related party	Hansol PNS Co., Ltd.	Purchases	513,444
Other related party	Hansol PNS Co., Ltd.	Acquisition of intangible assets	53,900
Other related party	Hansol PNS Co., Ltd.	Other expenses	204,762
Other related party	Hansol Cultural Foundation	Other expenses	11,447
Other related party	Hansol Cober Co., Ltd.	Purchases	₩ 746,065

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C. Account balances with related parties

The balances of receivables and payables to related parties as of December 31, 2025 are as follows:

Related party	Name of entity	December 31, 2025		
		Other Receivables	Trade Payables	Other Payables
(In thousands of Korean won)				
Entity exercising significant influence over the Group	Hansol Holdings Co., Ltd.	₩ -	-	42,730
Other related party	Hansol Technics Co., Ltd.	-	-	-
Other related party	Hansol Cultural Foundation	-	-	12,591
Other related party	Hansol Cober Co., Ltd.	-	64,046	47,245
Other related party	Hansol PNS Co., Ltd.	2,082	-	165,052
Total		₩ 2,082	64,046	267,618

No allowance for doubtful accounts has been recognized in relation to the above receivables from related parties as of December 31, 2025, and no bad debt expense has been recognized during the year ended December 31, 2025.

D. Key management personnel compensation

Key management includes registered directors and executives who have the authority and responsibility for planning, directing and controlling the activities of the Group. Compensation for key management personnel for the year ended December 31, 2025 is as follows:

	December 31, 2025
	(In thousands of Korean won)
Short-term employee benefits	₩ 829,742
Long-term employee benefits	48
Share-based payment expense	(26,345)
Retirement benefits	102,997
Total	₩ 906,442

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

36. Statement of Cash flows

A. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities for the year ended December 31, 2025 are as follows:

	2025	
	Lease Liabilities	Short-term Borrowings
(In thousands of Korean won)		
Beginning balance	₩ 446,184	1,078,296
Changes from financing cash flows	(842,121)	(1,078,296)
Foreign exchange differences	-	-
New lease contracts	1,437,781	-
Termination of lease contracts	-	-
Ending balance	₩ 1,041,844	-

B. Significant non-cash investing and financing activities

Significant non-cash investing and financing activities not included in the consolidated statement of cash flows for the year ended December 31, 2025 are as follows:

	2025 (In thousands of Korean won)
Payables related to acquisition of property and equipment	₩ 12,124
Payables related to acquisition of intangible assets	55,990
Acquisition of right-of-use assets	1,461,391
Transfers of inventories	-
Transfers of lease assets	-

HANSOL INTICUBE CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

37. Contingent Liabilities and Commitments

A. Litigation

As of December 31, 2025, there are no legal proceedings pending in which the Group is a defendant.

B. Guarantees Received

Details of payment guarantees provided to the Group by third parties as of December 31, 2025 are as follows:

Guarantor	Currency	Guarantee Amount	Description
Seoul Guarantee Insurance	KRW	194,650	Contract performance guarantees and others
Software Contractors Mutual Aid Association (*)	KRW	8,516,637	Contract performance guarantees and others
KDB Bank	USD	-	P-BOND

(*) The full amount of the membership contributions has been pledged as collateral, and the guarantee limit as of December 31, 2025 amounts to Korean won 29,629,898 thousand (see Notes 6 and 10).

C. Commitments with Financial Institutions

Details of commitments entered into by the Group with financial institutions as of December 31, 2025 are as follows:

Financial Institution	Currency	Credit Limit (In thousands of Korean won and USD)	Amount Drawn	Description
KDB Bank	KRW	5,000,000	-	Credit line
Shinhan Bank	KRW	3,000,000	-	Credit line
Shinhan Bank	USD	3,000,000	-	USANCE (*)
Hana Bank	KRW	1,000,000	-	Credit line
KB Kookmin Bank	KRW	900,000	-	Credit line
Industrial Bank of Korea	KRW	2,000,000	-	Electronic accounts receivable financing

(*) This relates to supplier finance arrangements (see Note 14).

D. Shareholders' Agreement

The Group has entered into a shareholders' agreement with certain related parties (existing shareholders) in connection with its subsidiary, Stickers Corporation Co., Ltd. Under the agreement, the Group holds pre-emptive rights and tag-along rights on certain shareholders' equity interests under the same terms and conditions, while certain shareholders hold similar rights with respect to the Group.

E. Change in Major Shareholder

The largest shareholder of the parent company, Hansol Holdings Co., Ltd., entered into a share purchase agreement on December 19, 2025 to dispose of 34.00% of its ownership interest in the parent company to Playverse Co., Ltd. The transaction was completed on March 10, 2026 (refer to the disclosure titled "Execution of Share Transfer Agreement Accompanied by Change in Largest Shareholder" filed on the Financial Supervisory Service's electronic disclosure system on December 19, 2025).

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION*Summary of Transaction*

On December 19, 2025, Playverse Co. Ltd. (“Playverse”), an indirect wholly owned subsidiary of K Wave Media Ltd. (the “Company”), entered into a Share Purchase Agreement (the “Purchase Agreement”) with Hansol Holdings Co., Ltd., Lee Mi-sung and Cho Hyun-seung (collectively, the “Sellers”), pursuant to which Playverse agreed to purchase from the Sellers and the Sellers agreed to sell to Playverse an aggregate of 5,864,088 shares common stock (the “Purchased Shares”) of Hansol Inticube Co., an AI language and software development company with core capabilities in AI contact center solutions, voice recognition, chatbots, smart solutions and platform technologies (“Hansol”).

The Shares represent approximately 42.25% of the outstanding shares of common stock of Hansol. Pursuant to the Purchase Agreement, the aggregate purchase price for the Shares pursuant to was KRW15,000,337,104 (the “Hansol Acquisition”). The Purchase Agreement contains customary representations, warranties and covenants by the parties and customary indemnification obligations of the parties.

Pro Forma Information

The unaudited pro forma condensed combined financial statements have been prepared in accordance with Article 11 of Regulation S-X under the Securities Act of 1933, as amended by the final rule, Release No.33-10786 “*Amendments to Financial Disclosures about Acquired and Disposed Businesses*,” and have been adjusted to include estimated transaction accounting adjustments which give effect to the Hansol Acquisition and the application of the acquisition method of accounting under IFRS. Under the acquisition method of accounting, the preliminary purchase price is allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date, with any excess purchase price allocated to goodwill. The pro forma adjustments are based on preliminary estimates and currently available information and assumptions that the Company’s management believes are reasonable. The notes to the unaudited pro forma condensed combined financial statements provide a discussion of how such adjustments were derived and presented in the unaudited pro forma condensed combined financial statements (“Acquisition Adjustments”). Changes in facts and circumstances or discovery of new information may result in revised estimates. Actual results and valuations may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

The accompanying unaudited pro forma condensed combined statements of operations for the year ended December 31, 2025 combine the historical consolidated statements of operations for K Wave and the historical statements of operations for Hansol for the same period.

The unaudited pro forma condensed combined statement of financial position as of December 31, 2025 gives effect to the Hansol Acquisition as if it occurred on December 31, 2025. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2025 give effect to the Acquisition as if it occurred on January 1, 2025.

The unaudited pro forma condensed combined financial statements are for illustrative and informational purposes only and are not intended to represent what the Company’s results of operations or financial position would have been had the Acquisition occurred on the dates indicated, or what they will be for any future periods. The unaudited pro forma condensed combined financial statements do not reflect the realization of any expected cost savings, other synergies as a result of the acquisition, or integration costs.

The unaudited pro forma condensed combined financial statements and related notes have been derived from, and should be read in conjunction with:

- (i) the historical audited consolidated financial statements of K Wave and accompanying notes included in K Wave’s Annual Report on Form 20-F for the year ended December 31, 2025, which was filed with the Securities and Exchange Commission (“SEC”) on May 15, 2026;
- (ii) the historical audited financial statements of Hansol and accompanying notes for the years ended December 31, 2025, appearing within this Current Report on Form 6-K as Exhibit 99.1.

K WAVE MEDIA LTD.

Unaudited Pro Forma Condensed Combined Statement of Financial Position
As of December 31, 2025

	In thousands of KRW K Wave December 31, 2025	In thousands of KRW Hansol December 31, 2025	In thousands of KRW Transaction Adjustments (Note 4)	Note Ref	In thousands of KRW Pro Forma Combined
Assets					
Current assets					
Cash and cash equivalents	₩ 8,364,432	₩ 2,295,359	₩ (11,999,970)	3C	₩ 7,525,846
			5,000,000	3F	
			2,500,000	3G	
			1,366,025	3H	
Short-term financial assets	21,560	5,837	-		27,397
Accounts receivable - trade, net	4,380,886	11,294,244	-		15,675,130
Short-term loans, net	3,427,400	-	-		3,427,400
Accounts receivable - other, net	536,134	-	-		536,134
Value added tax receivables	162,558	-	-		162,558
Other current asset	5,844,544	-	-		5,844,544
Contract assets	1,065,645	3,815,286	-		4,880,931
Current tax assets	45,228	46	-		45,274
Inventories, net	1,612,302	901,244	-		2,513,546
Other current assets	735,110	4,357,183	(3,000,367)	3C	2,091,926
Total current assets	26,195,799	22,669,199	(6,134,312)		42,730,686
Long-term financial instruments	310,908	-	-		310,908
Long-term loans, net	191,023	-	-		191,023
Long-term other receivables	-	595,593	-		595,593
Financial assets at fair value through profit or loss	-	1,005,980	-		1,005,980
Long-term investment securities	3,983,858	-	-		3,983,858
Investments in associates	587,278	-	15,000,337	3C	587,278
			(15,000,337)	3D	
Property and equipment including right-of-use assets	7,055,228	2,266,306	-		9,321,534
Intangible assets other than goodwill	17,178,097	3,761,304	11,700,000	3A	21,479,466
			(11,159,935)	3H	
Goodwill	60,617,031	-	5,437,640	3B	66,054,671
Investment properties	2,023,317	-	-		2,023,317
Other non-current assets	-	369,646	-		369,646
Other non-current financial assets	2,180,055	-	-		2,180,055
Other non-current non-financial assets	4,393,482	-	-		4,393,482
Deferred tax assets	1,016,960	2,282,216	-		3,299,176
Total assets	₩ 125,733,036	₩ 32,950,244	₩ (156,607)		₩ 158,526,673
Liabilities and stockholders' equity (deficit)					
Current liabilities					
Trade and other payables	₩ 58,040,411	₩ 9,725,482	₩ 45,000	3E	₩ 67,810,893
Other current financial liabilities	1,936,895	-	-		1,936,895
Current derivative liabilities	330,417	-	-		330,417
Warrants	528,772	-	-		528,772
Other current non-financial liabilities	250,000	1,456,445	-		1,706,445
Contract liabilities	1,252,195	4,719,111	-		5,971,306
Short-term borrowings	11,171,899	-	5,000,000	3F	16,171,899
Current portion of long-term borrowings, net	2,200,000	-	-		2,200,000
Convertible notes	28,634,020	-	(8,609,400)	3H	15,883,288
			(4,141,332)	3I	
Current lease liabilities	1,702,300	769,706	-		2,472,006
Other current provisions	769,693	432,507	-		1,202,200
Current tax liabilities	1,634,666	1,619	-		1,636,285
Total current liabilities	108,451,268	17,104,870	(7,705,732)		117,850,406
Trade and other non-current payables	27,297,393	-	-		27,297,393
Long-term borrowings, excluding current portion, net	2,611,563	-	-		2,611,563
Other non-current financial liabilities	220,000	-	-		220,000
Other non-current non-financial liabilities	2,565	-	-		2,565
Non-current Contract liabilities	650,000	854,835	-		1,504,835
Defined benefit liabilities	1,257,693	-	-		1,257,693
Provision for long-term employee benefits	-	176,138	-		176,138
Contract liabilities	-	861,164	-		861,164
Other non-current provisions	455,822	173,498	-		629,320
Non-current lease liabilities	6,268,969	272,137	-		6,541,106

Deferred tax liabilities	125,759	-	2,574,000		2,699,759
Total liabilities	<u>147,341,032</u>	<u>19,442,642</u>	<u>(5,131,732)</u>		<u>161,651,942</u>
Stockholders' equity (deficit)					-
Share capital	9,077	6,939,761	(6,939,761)	3D	10,049
			972	3I	
Share premium	205,980,674	-	4,140,360	3I	210,121,034
Accumulated other comprehensive loss	(4,447,032)	-	-		(4,447,032)
Other reserves	(53,073,717)	10,436,120	(10,436,120)	3D	(51,409,433)
			1,664,284	3G	
Accumulated deficit	(169,783,492)	(4,346,337)	4,346,337	3D	(171,013,002)
			(45,000)	3E	
			(1,184,510)	3H	
Equity (deficit) attributable to owners of the Parent Company	(21,314,490)	13,029,544	(8,453,438)		(16,738,384)
Non-controlling interest	(293,506)	478,058	13,070,905		13,613,115
			(478,058)	3D	
			835,716	3G	
Total stockholders' equity (deficit)	<u>(21,607,996)</u>	<u>13,507,602</u>	<u>4,975,125</u>		<u>(3,125,269)</u>
Total liabilities and stockholders' equity (deficit)	<u>₩ 125,733,036</u>	<u>₩ 32,950,244</u>	<u>₩ (156,607)</u>		<u>₩ 158,526,673</u>

See accompanying notes to the unaudited condensed combined pro forma financial information.

K WAVE MEDIA LTD.

Unaudited Pro Forma Condensed Combined Statement of Operations
Year Ended December 31, 2025

	In thousands of KRW, except for per share data K Wave December 31, 2025	In thousands of KRW, except for per share data Hansol December 31, 2025	In thousands of KRW, except for per share data Transaction Adjustments (Note 5)	Note Ref	Pro Forma Combined
Revenue					
Content Merchandising Revenue	₩ 44,415,967	₩ -	₩ -		₩ 44,415,967
F&B Revenue	12,228,818	-	-		12,228,818
Content production revenue	20,690,997	-	-		20,690,997
Content investment revenue	745,138	-	-		745,138
AI-based digital contact center revenue	-	60,250,812	-		60,250,812
Pet healthcare revenue	-	4,567,430	-		4,567,430
Total revenues	78,080,920	64,818,242	-		142,899,162
Cost of revenue	(71,203,348)	(49,281,096)	-		(120,484,444)
Gross profit	6,877,572	15,537,146	-		22,414,718
Selling, general and administrative	(69,208,430)	(14,490,164)	(45,000)	4A	(83,743,594)
Other income	1,299,367	164,110	-		1,463,477
Other expense	(133,696,369)	(112,552)	(1,501,228)	4B	(135,310,149)
Operating (loss) income	(194,727,860)	1,098,540	(1,546,228)		(195,175,548)
Loss on disposal of Bitcoin	-	-	(1,174,040)	4F	(1,174,040)
Finance income	24,647,541	132,850	-		24,780,391
Finance costs	(37,594,482)	(187,577)	(272,130)	4E	(38,054,189)
Income (loss) before income tax	(207,674,801)	1,043,813	(2,992,398)		(209,623,386)
Tax benefit (expense)	(435,086)	(148,134)	(330,270)	4D	(913,490)
Net income (loss)	₩ (208,109,887)	₩ 895,679	₩ (3,322,668)		₩ (210,536,876)
Non-controlling interest	(2,366,962)	-	(1,043,286)	4C	(3,410,248)
Owners of the parent company	(205,742,925)	895,679	(2,279,382)		(207,126,628)
Net income (loss) per common share, basic and diluted	₩ (3,341.00)	₩ 0.04			₩ (3,030.29)
Weighted-average shares outstanding, basic and diluted	61,575,085	13,662,476			68,352,020

See accompanying notes to the unaudited condensed combined pro forma financial information.

K WAVE MEDIA LTD.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Note 1 – Description of Hansol Acquisition

On December 19, 2025, Playverse Co. Ltd. (“Playverse”), an indirect wholly owned subsidiary of K Wave Media Ltd. (the “Company” or “K Wave”), entered into a Share Purchase Agreement (the “Purchase Agreement”) with Hansol Holdings Co., Ltd., Lee Mi-sung and Cho Hyun-seung (collectively, the “Sellers”), pursuant to which Playverse agreed to purchase from the Sellers and the Sellers agreed to sell to Playverse an aggregate of 5,864,088 shares common stock (the “Purchased Shares”) of Hansol Inticube Co., an AI language and software development company with core capabilities in AI contact center solutions, voice recognition, chatbots, smart solutions and platform technologies (“Hansol”).

The Shares represent approximately 42.25% of the outstanding shares of common stock of Hansol. Pursuant to the Purchase Agreement, the aggregate purchase price for the Shares pursuant to was KRW15,000,337,104. The Purchase Agreement contains customary representations, warranties and covenants by the parties and customary indemnification obligations of the parties.

Note 2 – Basis of Presentation

The Hansol Acquisition is being accounted for as a business combination using the acquisition method of accounting under IFRS 3, *Business Combinations*, which requires assets acquired and liabilities assumed to be recorded at their acquisition date fair value in accordance with IFRS 13, *Fair Value Measurement*. Under IFRS 13, fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements can be highly subjective, and it is possible the application of reasonable judgement could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances. Identifiable intangible assets—such as customer relationships, technology assets, and trademarks—are recognized separately from goodwill when they meet the separability or contractual-legal criteria in IFRS 3. Goodwill is recognized as the excess of the consideration transferred and the amount of any non-controlling interest over the fair value of the identifiable net assets acquired.

K Wave and Hansol’s historical financial statements were prepared in accordance with IFRS. Based on an analysis of K Wave and Hansol’s significant accounting policies, the Company has not identified any material differences in accounting policies that would have an impact on the unaudited pro forma condensed combined financial statements. As a result, the unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies.

The pro forma adjustments presented in this unaudited pro forma condensed combined financial information represent management’s estimates based on information available as of the date of this Form 6-K and such estimates are subject to revision as further information is obtained. Accordingly, the pro forma adjustments for the Hansol Acquisition are preliminary and subject to further adjustment as additional information becomes available and the various analyses and other valuations are performed. Any adjustments may have a significant effect on total assets, total liabilities, total equity, operating expenses, and depreciation and amortization expenses, and such results may be significant.

The assumptions underlying the pro forma adjustments are described in the accompanying notes to this unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information may not be indicative of K Wave’s future performance and does not necessarily reflect what K Wave’s financial position and results of operations would have been had these transactions occurred at the beginning of the period presented.

Further, the unaudited pro forma condensed combined financial information does not purport to project the future operating results or financial position of K Wave following the completion of the Hansol Acquisition. Additionally, the unaudited pro forma condensed combined financial information does not reflect any revenue enhancements, anticipated synergies, operating efficiencies, or cost savings that may be achieved related to the Hansol Acquisition, nor does it reflect any costs or expenditures that may be required to achieve any possible synergies.

K Wave will finalize the accounting for the acquisition as soon as practicable within the measurement period, but in no event later than one year from the acquisition date, in accordance with IFRS 3.

Note 3 – Preliminary Purchase Price Allocation

Preliminary Purchase Consideration

The estimated fair value of the consideration transferred is ₩15.0 billion.

Preliminary Estimates of Fair Value

The following table summarizes the tangible and identifiable intangible assets acquired, and liabilities assumed used to prepare pro forma adjustments in the unaudited pro forma condensed combined balance sheet and statements of operations (in thousands).

Consideration:	
Cash	₩ 15,000,337
Identifiable assets acquired and liabilities assumed:	
Current assets	₩ 22,669,199
Non-current assets	10,281,045
Intangible assets	11,700,000
Deferred tax liability	(2,574,000)
Total liabilities	(19,442,642)
Non-controlling interest	(19,948,742)
Net identifiable assets acquired	₩ 2,684,860
Goodwill	12,315,477
Net assets acquired	₩ 15,000,337

The final estimates of fair value will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary calculation used in the pro forma adjustments. The final estimates of fair value may include (i) changes in allocations to intangible assets including goodwill, (ii) other changes to assets and liabilities, and (iii) changes to the assessment of tax positions and tax rates.

Intangible Assets

Preliminary identifiable intangible assets in the unaudited pro forma condensed combined financial information consist of the following (in thousands):

	Approximate Fair Value	Estimated Useful Lives	Valuation Methodology
Customer relationships	₩ 2,457,000	9.8 years	Multi-period excess earnings method
Backlog	2,884,000	5 years	Multi-period excess earnings method
Technology	4,716,000	7 years	Relief from royalty method
Brand	1,643,000	Indefinite	Relief from royalty method
Total intangible assets	₩ 11,700,000		

The amortization related to the identifiable intangible assets is reflected as an Acquisition Adjustment in the unaudited pro forma condensed combined statements of operations based on the estimated useful lives above as further described in Note 5. The fair values of the identifiable intangible assets are preliminary and are based on Management's estimates as of the Closing Date. The Company applied judgement in estimating the fair value of these intangibles which involved the use of significant assumptions with respect to revenue forecasts, revenue growth, attrition rates, royalty rates, discount rates, and economic lives.

Note 4 – Acquisition Adjustments to Unaudited Pro Forma Condensed Combined Statement of Financial Position

Acquisition Adjustments include the following adjustments, which are based on the Company's preliminary estimates and assumptions, related to the unaudited pro forma condensed combined statement of financial position as of December 31, 2025.

- (a) Represents the recognition of the fair value of intangible assets in accordance with purchase accounting as described in Note 3.
- (b) Represents the purchase accounting adjustment to goodwill based on the acquisition method.
- (c) Represents the purchase of approximately 42.25% of the shares of Hansol for a value of ₩15.0 billion of which a prepayment of ₩3.0 billion is recorded as other current asset as of December 31, 2025.
- (d) Adjustment eliminates Hansol's historical shareholders' equity.
- (e) Reflects ₩45.0 million of transaction costs incurred by the Company that are not included in the historical financial statements of K Wave or Hansol.
- (f) Reflects the bank loan in the amount of ₩5.0 billion entered by K Wave subsequent to December 31, 2025. The loan has a one year term and an interest rate of the Korea 3-month CD rate+2.396%.
- (g) Reflects the sale of 27.8% of Play Company's ownership in Playverse for ₩2.5 billion.
- (h) Reflects the liquidation of 88 Bitcoin and the partial repayment of the convertible notes issued to Anson Investments Master Funs LP and Anson East Master Fund LP.
- (i) Reflects the conversion of the Anson Investments Master Fund LP and Anson East Master Fund LP for the issuance of 3,857,634 and 966,639 common shares, respectively. Reflects the conversion of the Loeb and Loeb LLP convertible notes and the issuance of 1,952,662 common shares.

Note 5 – Acquisition Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

- (a) Reflects an adjustment to reflect ₩45.0 million of transaction costs incurred by K Wave that are not included in the historical financial statements of K Wave and Hansol.
- (b) The following table summarizes the estimated fair values of Hansol's identifiable intangible assets and their estimated useful lives including the amortization for the periods presented calculated on a straight-line basis (in thousands).

		Estimated Fair Value	Estimated Useful Life (years)	Amortization Expense - Year Ended December 31, 2025
Customer relationships	₩	2,457,000	9.8	₩ 250,714
Backlog		2,884,000	5	576,800
Technology		4,716,000	7	673,714
Brand		1,643,000	Indefinite	-
Total				₩ 1,501,228

- (c) Reflects the amortization expense allocated to the non-controlling interest.
- (d) Reflects the pro forma tax expense on the amortization of the intangible assets based on the 22% corporate income tax rate.
- (e) Reflects the interest expense recognized on the bank loan as described in (F) above, giving effect to the business combination as if it had occurred on January 1, 2025.
- (c) Reflects the loss on the disposal of Bitcoin.