

# ***Youngone Holdings Co., Ltd. and Subsidiaries***

Consolidated Financial Statements  
December 31, 2025 and 2024

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Index**  
**December 31, 2025 and 2024**

---

	<b>Page(s)</b>
<b>Independent Auditor’s Report</b> .....	1 - 4
<b>Consolidated Financial Statements</b>	
Consolidated Statements of Financial Position.....	5
Consolidated Income Statements .....	6
Consolidated Statements of Comprehensive Income .....	7
Consolidated Statements of Changes in Equity .....	8
Consolidated Statements of Cash Flows .....	9
Notes to the Consolidated Financial Statements.....	10 - 98



**Independent Auditor's Report**  
(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
Youngone Holdings Co., Ltd.

**Opinion**

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

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

**Basis for Opinion**

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

**Key Audit Matters**

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

## **Impairment assessment of the cash-generating unit of the SCOTT segment**

### *Reason why the matter was determined to be a key audit matter*

As described in Note 17 to the consolidated financial statements, considering the recent operating performance and competitive market conditions of the cash-generating unit (“CGU”) of the SCOTT segment, the Group determined that there are indicators of impairment for the CGU, and performed an impairment assessment for the CGU in accordance with Korean IFRS 1036. The Group compared the recoverable amount of the CGU, which was determined based on value-in-use, with its carrying amount. Management of the Group engaged an independent external expert to measure the recoverable amount of the SCOTT business.

We focused on this area because the estimation of future cash flows included in the assessment of value-in-use of the CGU of the SCOTT segment involves management’s assumptions and judgements about financial budget forecasts, growth rates and discount rates, and the impact on the consolidated financial statements is significant.

### *How our audit addressed the key audit matter*

We performed the following audit procedures to address the key audit matter:

- Evaluated the competency and objectivity of an external valuation expert engaged by management.
- Evaluated the adequacy of the valuation model used by management to estimate the recoverable amount.
- Evaluated the reasonableness of key assumptions used by management to estimate the recoverable amount.
- Assessed the consistency of the sales growth rate, operating profit margin and investment activity forecasts of the entity subject to the valuation by comparing these with past performance and market conditions.
- Compared the discount rates used by management with those calculated independently using observable information.
- Evaluated the effectiveness of the design and operation of management’s review controls.

## **Other Matter**

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

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

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

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

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

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

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

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

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

to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Min-Seok Kwak, Certified Public Accountant.

*Samuel PricewaterhouseCoopers*

Seoul, Korea  
March 19, 2026

This report is effective as of March 19, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**Youngone Holdings Co., Ltd**  
**Separate Statements of Financial Position**  
**December 31, 2025 and 2024**

<i>(in Korean won)</i>	Notes	2025	2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,5,6	₩ 4,590,001,409	₩ 26,675,482,017
Short-term financial instruments	4,5,6	110,000,000,000	101,400,000,000
Current financial assets at fair value through profit or loss	4,5	70,706,091,161	-
Other receivables	4,5,11	14,748,812,307	13,247,392,249
Current tax assets	20	-	332,105,962
Other current assets	12	1,155,347,325	1,106,979,302
		<u>201,200,252,202</u>	<u>142,761,959,530</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	4,5,7	95,684,993,869	114,568,714,189
Non-current financial assets at fair value through profit or loss	4,5,8	1,577,087,475	1,920,222,631
Investments in associates	9	3,360,000,000	3,360,000,000
Investments in subsidiaries	10	420,403,947,868	420,281,462,874
Property, plant and equipment	13	882,154,798	761,488,649
Intangible assets	15	21,355,704,295	21,796,210,378
Right-of-use assets	14	479,602,184	537,519,459
Investment property	16	14,852,264,638	15,408,011,408
Other receivables	5,11	1,078,965,286	2,873,675,564
		<u>559,674,720,413</u>	<u>581,507,305,152</u>
<b>Total assets</b>		<u>₩ 760,874,972,615</u>	<u>₩ 724,269,264,682</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current tax liabilities	20	₩ 479,508,207	₩ -
Other payables	4,5,17	4,100,976,840	2,404,386,362
Other current liabilities	18	222,412,140	1,862,508,400
Current lease liabilities	4,14	146,490,536	122,542,996
		<u>4,949,387,723</u>	<u>4,389,437,758</u>
<b>Non-current liabilities</b>			
Other payables	4,5,17	2,325,400,000	2,298,900,000
Net defined benefit liabilities	19	4,022,480,950	6,680,647,373
Deferred tax liabilities	20	19,484,297,733	22,069,311,179
Non-current lease liabilities	4,14	341,107,801	447,136,828
		<u>26,173,286,484</u>	<u>31,495,995,380</u>
<b>Total liabilities</b>		<u>31,122,674,207</u>	<u>35,885,433,138</u>
<b>Equity</b>			
Issued capital	1,21	6,817,796,000	6,817,796,000
Share premium	21	65,424,752,901	113,893,779,001
Retained earnings	23	516,871,638,696	413,282,366,101
Other components of equity	22	140,638,110,811	154,389,890,442
<b>Total equity</b>		<u>729,752,298,408</u>	<u>688,383,831,544</u>
<b>Total liabilities and equity</b>		<u>₩ 760,874,972,615</u>	<u>₩ 724,269,264,682</u>

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

**Youngone Holdings Co., Ltd**  
**Separate Income Statements**  
**Years Ended December 31, 2025 and 2024**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2025</b>		<b>2024</b>	
<b>Operating revenue</b>	32				
Dividend income		₩	130,353,562,480	₩	132,345,378,452
Others			23,225,062,809		19,115,404,947
			<u>153,578,625,289</u>		<u>151,460,783,399</u>
<b>Operating expenses</b>					
Selling and administrative expenses	25,27		<u>30,496,902,534</u>		<u>29,444,810,898</u>
<b>Operating income</b>			123,081,722,755		122,015,972,501
Other income	5,26		2,434,048,593		2,575,001,269
Other expenses	5,26		9,604,951,695		2,945,033,345
Finance income	5,28		5,225,650,880		3,546,860,811
Finance costs	5,28		<u>805,970,193</u>		<u>400,970,594</u>
Profit before income tax			120,330,500,340		124,791,830,642
Income tax expense	20		<u>2,786,195,963</u>		<u>609,691,633</u>
<b>Profit</b>		₩	<u>117,544,304,377</u>	₩	<u>124,182,139,009</u>
<b>Earnings per share</b>					
Basic earnings per share	29	₩	10,129	₩	10,701

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

**Youngone Holdings Co., Ltd**  
**Separate Statements of Comprehensive Income**  
**Years Ended December 31, 2025 and 2024**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>Profit</b>		<u>₩ 117,544,304,377</u>	<u>₩ 124,182,139,009</u>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit liabilities	19,22	1,833,483,359	(2,209,652,620)
Loss on valuation of financial assets at fair value through other comprehensive income	22	<u>(15,923,116,572)</u>	<u>(10,701,768,599)</u>
<b>Other comprehensive income (loss), net of tax</b>		<u>(14,089,633,213)</u>	<u>(12,911,421,219)</u>
<b>Total comprehensive income</b>		<u>₩ 103,454,671,164</u>	<u>₩ 111,270,717,790</u>

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

**Youngone Holdings Co., Ltd**  
**Separate Statements of Changes in Equity**  
**Years Ended December 31, 2025 and 2024**

(in Korean won)

	Notes	Issued capital	Share premium	Retained earnings	Other components of equity	Total equity
<b>Balance at January 1, 2024</b>		₩ 6,817,796,000	₩ 113,893,779,001	₩ 344,455,590,552	₩ 167,301,311,661	₩ 632,468,477,214
<b>Total comprehensive income</b>						
Profit		-	-	124,182,139,009	-	124,182,139,009
Loss on valuation of financial assets at fair value through other comprehensive income		-	-	-	(10,701,768,599)	(10,701,768,599)
Remeasurements of net defined benefit liabilities		-	-	-	(2,209,652,620)	(2,209,652,620)
<b>Transactions with owners</b>						
Dividends paid	23,24	-	-	(55,355,363,460)	-	(55,355,363,460)
<b>Balance at December 31, 2024</b>		₩ 6,817,796,000	₩ 113,893,779,001	₩ 413,282,366,101	₩ 154,389,890,442	₩ 688,383,831,544
<b>Balance at January 1, 2025</b>		₩ 6,817,796,000	₩ 113,893,779,001	₩ 413,282,366,101	₩ 154,389,890,442	₩ 688,383,831,544
<b>Total comprehensive income</b>						
Profit		-	-	117,544,304,377	-	117,544,304,377
Loss on valuation of financial assets at fair value through other comprehensive income		-	-	-	(15,923,116,572)	(15,923,116,572)
Remeasurements of net defined benefit liabilities		-	-	-	1,833,483,359	1,833,483,359
<b>Transactions with owners</b>						
Dividends paid	23,24	-	-	(62,086,204,300)	-	(62,086,204,300)
Transfer to retained earnings		-	(48,469,026,100)	48,469,026,100	-	-
Cancellation of treasury shares		-	-	(337,853,582)	337,853,582	-
<b>Balance at December 31, 2025</b>		₩ 6,817,796,000	₩ 65,424,752,901	₩ 516,871,638,696	₩ 140,638,110,811	₩ 729,752,298,408

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

**Youngone Holdings Co., Ltd**  
**Separate Statements of Cash Flows**  
**Years Ended December 31, 2025 and 2024**

<i>(in Korean won)</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>			
Net cash flows used in operations	30	₩ (8,584,002,447)	₩ (10,767,280,457)
Interest paid		(28,038,193)	(42,622,594)
Interest received		4,351,040,326	2,486,854,955
Dividends received		130,353,562,480	132,345,378,452
Income tax paid		(2,127,496,838)	(750,948,616)
<b>Cash flows from operating activities</b>		<u>123,965,065,328</u>	<u>123,271,381,740</u>
<b>Cash flows used in investing activities</b>			
Increase in short-term financial instruments, net		(8,600,000,000)	(65,717,150,000)
Payments for current financial assets at fair value through profit or loss		(100,855,301,121)	-
Proceeds from sale of current financial assets at fair value through profit or loss		31,893,279,330	-
Payments for property, plant and equipment		(226,136,818)	(22,675,000)
Payments for intangible assets		(2,713,722,414)	(12,713,640,739)
Payments for investment property		-	(12,090,739)
Payments for non-current financial assets at fair value through profit or loss		(306,858,847)	(1,270,228,628)
Payment for investments in associates		-	(3,360,000,000)
Payment for investments in subsidiaries		(122,484,994)	-
Increase in long-term loans		(3,383,060,000)	(1,466,235,000)
Collection of long-term loans		499,800,000	-
Decrease in rent deposits		(325,000,000)	52,607,400
<b>Cash flows used in investing activities</b>		<u>(84,139,484,864)</u>	<u>(84,509,412,706)</u>
<b>Cash flows used in financing activities</b>			
Dividends paid		(62,086,204,300)	(55,355,363,460)
Decrease in financial lease liabilities		(135,461,807)	(114,577,306)
Increase in other deposits		26,500,000	71,000,000
<b>Cash flows used in financing activities</b>		<u>(62,195,166,107)</u>	<u>(55,398,940,766)</u>
<b>Changes in cash due to foreign currency translation</b>		<u>284,105,035</u>	<u>467,312,417</u>
<b>Decrease in cash and cash equivalents</b>		<u>(22,085,480,608)</u>	<u>(16,169,659,315)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>26,675,482,017</u>	<u>42,845,141,332</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>₩ 4,590,001,409</u>	<u>₩ 26,675,482,017</u>

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

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

#### 1. General Information

Youngone Holdings Co., Ltd. (the Company) and its 82 subsidiaries (collectively referred to as the “Group”), including Youngone Corporation, are subject to consolidation and four entities, including INTERNATIONAL RETAIL CORPORATION, Scott Network Solutions India, are accounted for using the equity method in the preparation of the consolidated financial statements.

##### 1.1 The Company

Youngone Holdings Co., Ltd. (formerly, Youngone Corporation, the Company) was established on June 5, 1974 and the Company’s headquarters is located in Jung-gu, Seoul. On November 7, 1988, the Company was listed on the Korea Exchange.

The Company was mainly engaged in domestic and overseas import and export business, its agency business, and clothing manufacturing and sales business until June 30, 2009, before the spin-off of its operating segment. On July 1, 2009, which was the spin-off registration date, the Company carried out a spin-off of the operating segment to the newly established company, Youngone Corporation. After the spin-off, the Company changed its name to Youngone Holdings Co., Ltd., and the Company converted into a holding company that mainly engaged in the investment business and office renting business through investing shares in subsidiaries.

The Company’s issued capital as at December 31, 2025, is ₩ 6,817,796 thousand, and the Company’s shareholders and their respective percentage of ownership as at December 31, 2025, are as follows:

	Number of shares <i>(in shares)</i>	Percentage of ownership (%)	Remark
YMSA	3,966,971	29.39	Majority shareholder
Sung, Ki Hak	2,286,445	16.94	
Youngone Holdings Co., Ltd.	1,894,339	14.03	Treasury shares
Others	5,351,482	39.64	
	<u>13,499,237</u>	<u>100.00</u>	

##### 1.2 Consolidated Subsidiaries

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

Subsidiaries	Number of investment shares			Percentage of ownership (%)		Closing month	Location
	Parents	Subsidiaries	Total	Parents <sup>59</sup>	Subsidiaries		
Youngone Corporation	22,386,320	-	22,386,320	52.60%	-	December	Korea
Youngone Outdoor	355,814	-	355,814	59.30%	-	December	Korea
KEPZ <sup>1</sup>	4,832,000	-	4,832,000	100.00%	-	December	Bangladesh
TWL <sup>2</sup>	51,000	-	51,000	51.00%	-	December	Bangladesh

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

Subsidiaries	Number of investment shares			Percentage of ownership (%)		Closing month	Location
	Parents	Subsidiaries	Total	Parents <sup>59</sup>	Subsidiaries		
TVL <sup>3</sup>	51,000	-	51,000	51.00%	-	December	Bangladesh
KTH <sup>4,58</sup>	-	-	-	-	100.00%	December	Bangladesh
CYNC <sup>5,58</sup>	-	-	-	-	100.00%	December	Bangladesh
Qweto GmbH	18	-	18	51.42%	-	December	Switzerland
PBI <sup>6</sup>	600	-	600	100.00%	-	December	Switzerland
Scott North Asia Co.,Ltd.	300,000	200,000	500,000	60.00%	40.00%	December	Korea
S-13 <sup>7</sup>	-	12,000	12,000	-	100.00%	December	France
SCOTT JAPAN INC.	-	8,001	8,001	-	100.00%	December	Japan
YOH, LLC	6,000,000	-	6,000,000	100.00%	-	December	USA
YOH CVC PTE. LTD.	1,000,000	-	1,000,000	100.00%	-	December	Singapore
YOH CVC Fund 1 Limited Partnership <sup>58</sup>	-	-	-	47.06%	52.94%	December	Singapore
YCL <sup>8</sup>	-	2,039,795	2,039,795	-	100.00%	December	Bangladesh
TSL <sup>9</sup>	-	1,383,847	1,383,847	-	100.00%	December	Bangladesh
KSL <sup>10</sup>	-	105,064	105,064	-	100.00%	December	Bangladesh
YHT <sup>11</sup>	-	618,505	618,505	-	100.00%	December	Bangladesh
YPL <sup>12</sup>	-	514,684	514,684	-	100.00%	December	Bangladesh
YGA <sup>13</sup>	-	199,595	199,595	-	100.00%	December	Bangladesh
SEL <sup>14</sup>	-	346,802	346,802	-	100.00%	December	Bangladesh
SDF <sup>15</sup>	-	619,760	619,760	-	100.00%	December	Bangladesh
YSF <sup>16</sup>	-	453,722	453,722	-	100.00%	December	Bangladesh
STL <sup>17</sup>	-	1,706,255	1,706,255	-	100.00%	December	Bangladesh
AAL <sup>18</sup>	-	2,500,000	2,500,000	-	100.00%	December	Bangladesh
KSI <sup>19</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
SWL <sup>20</sup>	-	3	3	-	100.00%	December	Bangladesh
SLS <sup>21</sup>	-	771,000	771,000	-	100.00%	December	Bangladesh
APD <sup>22</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
CPD <sup>23</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
DPD <sup>24</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
EPD <sup>25</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
GPD <sup>26</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
KPP <sup>27</sup>	-	1,000,000	1,000,000	-	100.00%	December	Bangladesh
ICL <sup>28</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
SAL <sup>29</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
BHL <sup>30</sup>	-	100,000	100,000	-	100.00%	December	Bangladesh
KPL <sup>31</sup>	-	900,000	900,000	-	100.00%	December	Bangladesh
YSP <sup>32,58</sup>	-	-	-	-	100.00%	December	China
GMC <sup>33,58</sup>	-	-	-	-	100.00%	December	China
YNL <sup>34,58</sup>	-	-	-	-	100.00%	December	Vietnam
YBL <sup>35,58</sup>	-	-	-	-	100.00%	December	Vietnam
YHL <sup>36,58</sup>	-	-	-	-	100.00%	December	Vietnam
BSL <sup>37,58</sup>	-	-	-	-	100.00%	December	Vietnam

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

Subsidiaries	Number of investment shares			Percentage of ownership (%)		Closing month	Location
	Parents	Subsidiaries	Total	Parents <sup>59</sup>	Subsidiaries		
YLS <sup>38</sup>	-	760,000	760,000	-	100.00%	December	El Salvador
ESL <sup>39</sup>	-	390,000	390,000	-	100.00%	December	Hong Kong
DTL <sup>40</sup>	-	510,000	510,000	-	100.00%	December	Thailand
YOA <sup>41</sup>	-	1,000	1,000	-	100.00%	December	USA
MSH <sup>42</sup>	-	40,817,178	40,817,178	-	100.00%	December	USA
OR <sup>43</sup>	-	950	950	-	95.00%	December	USA
OR CANADA <sup>44</sup>	-	1,000	1,000	-	95.00%	December	USA
YTL <sup>45,58</sup>	-	-	-	-	100.00%	December	Turkey
AAI <sup>46</sup>	-	66,000,000	66,000,000	-	100.00%	December	UK(IOM)
SQA <sup>47,58</sup>	-	-	-	-	100.00%	December	Uzbekistan
BKS <sup>48,58</sup>	-	-	-	-	100.00%	December	Uzbekistan
BPL <sup>49,58</sup>	-	-	-	-	100.00%	December	Taiwan
ESP <sup>50</sup>	-	5,352,755	5,352,755	-	100.00%	December	Ethiopia
DTI <sup>51</sup>	-	102	102	-	100.00%	December	New Zealand
YIA <sup>52</sup>	-	15,300,000	15,300,000	-	100.00%	December	Singapore
ETL <sup>53</sup>	-	72,000,000	72,000,000	-	100.00%	December	India
YES <sup>54</sup>	-	200,000	200,000	-	100.00%	December	Portugal
YMS <sup>55</sup>	-	170,000	170,000	-	100.00%	December	Portugal
ASI <sup>56</sup>	-	1,076,639	1,076,639	-	100.00%	December	Guatemala
YKE <sup>57</sup>	-	130,000	130,000	-	100.00%	December	Kenya
SCOTT CORPORATION SA	-	12,088,750	12,088,750	-	96.71%	September	Switzerland
SCOTT SPORTS SA	-	12,001	12,001	-	96.71%	September	Switzerland
SCOTT USA INC.	-	1	1	-	96.71%	September	USA
SSG (EUROPE) DISTRIBUTION CENTER NV	-	250	250	-	96.71%	September	Belgium
SCOTT ITALIA S.R.L.	-	100,000	100,000	-	96.71%	September	Italy
SCOTT SPORTS AB	-	5,000	5,000	-	96.71%	September	Sweden
SCOTT SPORTS AFRICA (PTY) LTD	-	100	100	-	96.71%	September	Republic of South Africa
SCOTT SPORTS INDIA (PVT) LTD	-	10,000	10,000	-	96.71%	September	India
DFG INC.	-	4,438	4,438	-	96.71%	September	USA
BERGAMONT FAHRRAD VERTRIEB GMBH	-	1	1	-	96.71%	September	Germany
DOLOMITE S.R.L.	-	100,000	100,000	-	96.71%	September	Italy
SHEPPARD CYCLES AUSTRALIA PTY LTD.	-	95,000	95,000	-	91.87%	September	Australia
SHEPPARD CYCLES NEW ZEALAND	-	95,000	95,000	-	91.87%	September	New Zealand

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

Subsidiaries	Number of investment shares			Percentage of ownership (%)		Closing month	Location
	Parents	Subsidiaries	Total	Parents <sup>59</sup>	Subsidiaries		
LIMITED							
SPORT NETWORK SOLUTION SA	-	10,000,000	10,000,000	-	96.71%	September	Switzerland
SCOTT SPORTS DENMARK A/S	-	5,000	5,000	-	96.71%	September	Denmark
SHEPPARD CYCLES RETAIL SERVICES PTY LTD <sup>58</sup>	-	-	-	-	91.87%	September	Australia
BSSH Pty Ltd.	-	2,280,000	2,280,000	-	91.87%	September	Australia

1 KOREAN EPZ(KEPZ) CORPORATION(BD) LIMITED

2 TEKWIN (BD) LIMITED

3 TEKVISION (BD) LIMITED

4 KEPZ TRUST HOSPITAL

5 CHITTAGONG YOUNGONE NURSING COLLEGE

6 POIVRE BLANC INTERNATIONAL AG.

7 POIVRE BLANC S-13

8 YOUNGONE (CEPZ) LTD.

9 TITAS SPORTSWEAR INDUSTRIES LTD.

10 KARNAPHULI SPORTSWEAR INDUSTRIES LTD.

11 YOUNGONE HI-TECH SPORTSWEAR INDUSTRIES LTD.

12 YOUNGONE PADDING (CEPZ) LTD.

13 YOUNGONE GARMENT ACCESSORIES INDUSTRIES LTD.

14 SHINHAN EMULSION CO.,LTD.

15 SAVAR DYEING & FINISHING INDUSTRIES LTD.

16 YOUNGONE SYNTHETIC FIBRE PRODUCTS INDUSTRIES LTD.

17 SUNGNAM TEXTILES MILLS LTD.

18 ARIRANG AVIATION LTD.

19 KARNAPHULI SHOES INDUSTRIES LTD.

20 SURMA GARMENTS WASHING & FINISHING CO.,LTD.

21 SUNGNAM LEATHER AND SPORTS PRODUCT INDUSTRIES LTD.

22 ALPHA PRODUCT DEVELOPMENT COMPANY (BD) LIMITED

23 CHANG-JO PRODUCT DEVELOPMENT CO.(BD) LIMITED

24 DAE-GU PRODUCT DEVELOPMENT CO.(BD) LIMITED

25 EVERTOP PRODUCT DEVELOPMENT CO.(BD) LIMITED

26 GAYA PRODUCT DEVELOPMENT COMPANY (BD) LIMITED

27 KARNAPHULI POLYESTER PRODUCTS COMPANY LIMITED

28 INCHEON CONTAINERS (BD) LIMITED

29 SUNGNAM APPARELS (BD) LIMITED

30 BUSAN HARBOUR (BD) LIMITED

31 KARNAPHULI PACKAGING IND LTD.

32 QINGDAO YOUNGONE SPORTS PRODUCTS CO.,LTD.

33 QINGDAO YOUNGONE SPORTSWEAR CO.,LTD.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

- <sup>34</sup> YOUNGONE NAM DINH CO.,LTD.
- <sup>35</sup> YOUNGONE BAC GIANG CO.,LTD.
- <sup>36</sup> YOUNGONE HUNGYEN CO.,LTD.
- <sup>37</sup> BROADPEAK SOC TRANG CO.,LTD.
- <sup>38</sup> YOUNGONE (EL SALVADOR) S.A DE C.V.
- <sup>39</sup> EVER SUMMIT (HK) LTD.
- <sup>40</sup> DONGNAMA TRADING CO.,LTD.
- <sup>41</sup> YOUNGONE AMERICA INC.
- <sup>42</sup> MOUNTAIN SUMMIT HOLDINGS, LTD.
- <sup>43</sup> OUTDOOR RESEARCH, LLC.
- <sup>44</sup> Outdoor Research-Canada, Inc
- <sup>45</sup> YOUNGONE (ISTANBUL) APPAREL SANAYI VE TICARET LTD. SIRKETI
- <sup>46</sup> ARIRANG AVIATION (IOM) LTD.
- <sup>47</sup> SAMARKAND APPAREL LLC.
- <sup>48</sup> BUKA SPORTSWEAR LLC.
- <sup>49</sup> BROAD PEAK INTERNATIONAL LTD.
- <sup>50</sup> EVERTOP SPORTSWEAR PLC.
- <sup>51</sup> DESIGNER TEXTILES INTERNATIONAL LTD.
- <sup>52</sup> YOUNGONE INTERNATIONAL ASIA PTE. LTD.
- <sup>53</sup> EVERTOP TEXTILE & APPAREL COMPLEX PRIVATE LIMITED
- <sup>54</sup> YOUNGONE CORPORATION EUROPE SGPS S.A.
- <sup>55</sup> YOK MIRAGAIA, S.A.
- <sup>56</sup> AMATITLAN SUNGNAM INDUSTRIES, S. A.
- <sup>57</sup> YOUNGONE KENYA EPZ LTD.
- <sup>58</sup> This subsidiary either does not issue the share certificates or is not a share corporation.  
Thus, there are no shares.
- <sup>59</sup> Based on effective consolidated shareholding ratio.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**1.3 Summary of Financial information of Subsidiaries**

Summarized statements of financial position and statements of comprehensive income for consolidated subsidiaries as at and for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of  
Korean won)

Subsidiaries	2025					
	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
Youngone Corporation	₩2,581,226,590	₩ 448,084,849	₩2,133,141,741	₩ 2,507,415,268	₩ 263,621,204	₩ 240,516,167
Youngone Outdoor	972,288,501	223,934,747	748,353,754	1,056,449,864	173,716,772	174,405,516
Qweto GmbH	5,951,312	3,669,080	2,282,232	-	-	233,756
PBI <sup>1</sup>	5,633,862	13,854,805	(8,220,943)	4,471,522	(1,984,625)	(2,653,033)
KEPZ	56,057,241	44,531,652	11,525,589	12,843,218	972,669	489,169
TWL	102,518	674	101,844	-	(4,895)	(24,782)
TVL	18,332,649	17,315,404	1,017,245	9,626,070	3,752,968	3,861,151
KTH	9,176,971	1,026,232	8,150,739	1,281,543	(1,317,996)	(1,227,836)
CYNC	962,078	169,195	792,883	9,058	(483,963)	(473,363)
Scott North Asia Co.,Ltd. <sup>1</sup>	18,260,863	15,489,049	2,771,814	11,975,386	(784,681)	(765,401)
YOH, LLC	7,252,802	99,331	7,153,471	-	(170,946)	(351,675)
YOH CVC PTE. LTD.	3,326,494	91,184	3,235,310	871,520	380,239	313,872
YOH CVC Fund 1 Limited Partnership	101,060,078	164,604	100,895,474	1,485,652	2,312,261	(78,126)
YCL	528,365,054	69,534,584	458,830,471	425,493,355	63,177,401	44,942,474
TSL	381,864,848	39,817,135	342,047,713	223,176,724	33,069,583	15,857,493
KSL	200,667,272	41,222,274	159,444,998	189,427,378	21,992,176	15,698,803
YHT	338,573,578	38,492,649	300,080,929	166,444,582	19,902,455	6,795,233
YPL	33,064,904	1,387,523	31,677,381	9,148,316	3,003,762	1,631,294
YGA	37,680,239	1,323,294	36,356,945	9,456,283	3,503,446	1,951,895
SEL	21,071,053	534,646	20,536,406	5,892,543	2,675,808	1,824,377
SDF	51,968,304	7,693,664	44,274,639	41,912,459	6,344,126	4,582,198
YSF	30,572,856	1,826,068	28,746,787	11,467,025	3,039,156	1,828,465
STL	21,359,649	1,414,147	19,945,501	9,273,278	2,970,569	2,168,334
AAL	1,695,413	514,451	1,180,962	325,687	(143,530)	(208,665)
KSI	555,602,045	314,105,995	241,496,051	499,502,242	51,793,733	43,740,286
SWL	1,356,700	145,144	1,211,556	289,602	(77,668)	(136,319)
SLS	85,557	11,269	74,287	-	(640)	(4,285)
YSP	23,071,429	11,799,722	11,271,707	-	(1,366,850)	(1,184,772)
GMC	11,953,822	1,689,999	10,263,823	-	(149,801)	22,496
YNL	480,922,895	42,839,246	438,083,650	523,028,315	79,149,755	58,617,811
YBL	54,056,506	11,011,147	43,045,359	85,181,353	7,235,585	5,188,451

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

YHL	71,793,362	4,999,289	66,794,072	96,275,420	13,234,285	10,167,777
YLS	40,821,716	2,685,462	38,136,254	44,327,904	(1,202,149)	(2,175,411)
ESL	20,613,158	10,552,687	10,060,471	80,322,054	716,450	476,616
DTL	3,630,183	381,188	3,248,994	2,487,407	(634,932)	(444,086)
YTL	504,566	39,776	464,790	-	(25,310)	(1,053)
AAI	119,219,120	29,634,531	89,584,589	14,891,551	(479,186)	(2,686,670)
MSH <sup>1</sup>	107,703,463	35,434,785	72,268,678	149,871,845	3,612,954	1,966,523
SQA	12,402,239	7,489,488	4,912,752	3,763,170	(1,444,690)	(1,044,408)
SCOTT <sup>1</sup>	1,235,047,812	924,583,060	310,464,752	1,122,264,930	(129,727,415)	(91,605,659)
BPL	1,076,098	169,081	907,017	1,130,595	(90,339)	(66,906)
ESP	1,982,094	652,373	1,329,721	2,975,207	196,106	(427,154)
APD	30,115,722	31,350,646	(1,234,925)	4,252,559	(501,635)	(468,147)
CPD	102,092	782	101,310	-	(1,955)	(6,984)
DPD	6,908,917	4,303,537	2,605,381	3,095,912	1,632,082	1,600,226
EPD	31,077,166	37,005,351	(5,928,186)	1,778,959	(1,734,696)	(1,540,555)
GPD	18,169,831	21,021,154	(2,851,323)	781,019	(1,204,774)	(1,125,883)
KPP	187,535,129	215,639,041	(28,103,912)	37,864,171	(5,856,670)	(4,776,190)
BKS	5,901,119	1,481,798	4,419,322	182,811	(2,286,170)	(2,077,109)
DTI	6,657,667	316,763	6,340,904	4,097,385	(1,402,613)	(1,383,325)
BSL	174,739,981	24,958,773	149,781,208	163,856,124	24,893,972	17,755,211
ICL	105,052	764	104,288	-	(1,804)	(6,969)
SAL	55,240,071	77,919,779	(22,679,708)	6,380,030	(5,653,695)	(4,856,824)
BHL	105,279	873	104,406	-	(2,567)	(7,779)
KPL	16,239,066	11,652,441	4,586,625	7,398,288	2,088,203	1,978,055
YIA	30,409,316	12,062,299	18,347,018	24,774,719	370,003	965,793
ETL	43,650,552	37,792,701	5,857,851	968,460	(4,331,225)	(5,005,672)
YES	5,242,277	514,338	4,727,940	-	(96,261)	232,364
YMS	3,477,341	25,697	3,451,644	-	(146,729)	119,111
ASI	10,336,966	-	10,336,966	-	(4,992)	(210,252)
YKE	1,205,967	-	1,205,967	-	(238,119)	(264,233)

<sup>1</sup> Consolidated financial information

(in thousands of  
Korean won)

Subsidiaries	2024					
	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
Youngone Corporation	₩2,807,729,909	₩ 816,529,668	₩1,991,200,241	₩ 2,113,886,201	₩ 335,740,716	₩ 304,525,990
Youngone Outdoor	951,724,377	241,876,140	709,848,237	1,005,180,243	200,755,450	200,394,537
Qweto GmbH	5,341,753	3,293,277	2,048,476	-	-	125,399
PBI <sup>1</sup>	6,309,374	11,877,284	(5,567,910)	6,127,095	(1,614,451)	(2,007,849)
KEPZ	53,277,794	42,241,375	11,036,419	12,561,951	4,447,713	4,931,545
Scott North Asia Co.,Ltd. <sup>1</sup>	16,119,151	12,581,936	3,537,215	10,929,692	(1,745,863)	(1,792,324)

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of  
Korean won)

2024

Subsidiaries	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
YOH, LLC	7,511,103	5,957	7,505,146	-	(383,480)	559,549
YOH CVC PTE. LTD.	3,017,683	96,245	2,921,438	886,785	544,625	873,765
YOH CVC Fund 1 Limited Partnership	101,508,724	535,124	100,973,600	(3,084,526)	(1,858,692)	10,648,266
YCL	476,415,483	62,527,487	413,887,996	339,964,096	56,396,009	75,329,568
TSL	321,008,918	38,720,067	282,288,850	205,846,363	39,179,226	51,772,666
KSL	179,907,545	36,161,350	143,746,195	166,499,471	18,442,821	24,976,945
YHT	325,403,201	32,117,505	293,285,696	161,866,178	23,016,220	36,491,301
YPL	31,798,723	1,752,636	30,046,087	7,094,921	2,521,117	3,847,024
YGA	35,906,165	1,501,115	34,405,050	8,327,177	4,797,340	6,272,862
SEL	19,186,219	474,190	18,712,029	5,469,125	2,393,169	3,212,510
SDF	48,849,052	9,156,611	39,692,441	47,414,508	7,491,197	9,215,404
YSF	28,644,957	1,726,634	26,918,323	10,022,598	2,623,976	3,813,862
STL	19,245,950	1,468,782	17,777,167	10,134,425	3,578,350	4,354,470
YSS	43,772,500	1,780,600	41,991,900	12,163,591	(3,074,598)	(1,176,119)
AAL	2,799,113	1,409,486	1,389,627	183,018	(196,962)	(133,492)
KSI	509,644,015	311,888,250	197,755,765	422,557,042	44,905,111	54,008,274
SWL	1,499,274	151,399	1,347,875	481,898	158,153	222,586
SLS	89,735	11,163	78,572	-	(1,978)	1,548
YSP	23,062,515	11,669,486	11,393,028	-	(3,089,128)	(1,833,700)
GMC	11,892,113	1,650,787	10,241,327	-	(472,497)	587,932
YNL	425,414,916	45,949,077	379,465,839	446,638,009	71,641,180	99,941,689
YBL	46,524,043	8,667,135	37,856,908	63,921,921	7,619,667	10,404,031
YHL	61,926,946	5,300,651	56,626,295	83,164,122	12,291,669	16,436,792
YLS	42,670,562	2,358,898	40,311,665	46,744,703	169,352	6,259,057
ESL	19,425,663	9,841,808	9,583,855	68,451,313	(313,195)	931,493
DTL	4,214,501	521,420	3,693,081	4,820,352	(7,812)	454,467
YTL	465,843	-	465,843	-	-	57,232
AAI	122,192,111	29,920,852	92,271,259	14,508,959	2,970,678	14,144,430
MSH <sup>1</sup>	123,314,622	53,012,467	70,302,155	162,874,509	2,503,557	10,928,815
SQA	12,396,112	6,438,952	5,957,160	668,927	(847,683)	139,644
SCOTT <sup>1</sup>	1,304,683,662	902,613,252	402,070,410	953,661,749	(210,621,041)	(198,213,743)
BPL	1,198,864	224,941	973,923	1,712,864	(23,058)	38,722
ESP	2,176,036	419,161	1,756,875	3,053,411	874,402	(668,488)
APD	25,270,540	26,037,318	(766,778)	386,724	(386,007)	(417,684)
CPD	109,481	1,186	108,294	-	(3,170)	1,694
DPD	5,871,664	4,866,509	1,005,155	2,340,705	701,870	747,785
EPD	20,581,364	24,968,995	(4,387,631)	1,909,048	(1,147,345)	(1,335,781)
GPD	19,483,824	21,209,264	(1,725,441)	596,125	(1,044,078)	(1,114,171)
KPP	140,931,702	164,259,425	(23,327,723)	37,424,846	(1,453,435)	(2,462,072)

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of  
Korean won)

Subsidiaries	2024						Total comprehensive income (loss)
	Assets	Liabilities	Equity	Sales	Profit (loss)		
BKS	6,509,629	13,199	6,496,430	-	-	590,585	
DTI	8,362,446	638,217	7,724,230	4,792,986	1,725,780	1,818,476	
BSL	157,067,458	25,041,461	132,025,997	133,153,512	28,825,377	38,486,178	
TWL	113,039	1,088	111,951	-	(3,102)	1,925	
TVL	7,739,822	10,576,358	(2,836,536)	-	(718,901)	(840,876)	
ICL	112,335	1,079	111,257	-	(3,102)	1,894	
SAL	51,533,677	69,356,560	(17,822,883)	1,196,712	(6,029,705)	(6,785,887)	
BHL	113,285	1,101	112,185	-	(1,122)	3,902	
KPL	15,810,313	13,201,743	2,608,570	5,127,188	1,450,868	1,557,700	
YIA	22,272,772	4,891,548	17,381,225	11,494,524	(887,960)	825,500	
ETL	21,277,631	10,414,108	10,863,523	475,142	(918,068)	195,016	
YES	2,859,502	9,056	2,850,446	-	(102,415)	91,398	
YMS	2,821,274	163,030	2,658,245	-	(68,918)	396,071	
ASI	10,547,218	-	10,547,218	-	-	961,088	

<sup>1</sup> Consolidated financial information

**1.4 Changes in scope of consolidation**

(a) Subsidiaries newly included in the consolidation for the year ended December 31, 2025.

Subsidiary	Reason
YOUNGONE KENYA EPZ LTD	Newly established subsidiary
KEPZ TRUST HOSPITAL	Newly established subsidiary
CHITTAGONG YOUNGONE NURSING COLLEGE	Newly established subsidiary

(b) A subsidiary excluded from the consolidation for the year ended December 31, 2025.

Subsidiary	Reason
YOUNGONE SPORTS SHOES INDUSTRIES LTD.	Merged into a subsidiary

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

#### 2. Material Accounting Policies

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

##### 2.1 Basis of Preparation

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

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

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

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

- Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less costs to sell, and
- defined benefit pension plans – plan assets measured at fair value.

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

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

#### 2.2 Changes in Accounting Policies and Disclosures

##### 2.2.1 New and amended standards adopted by the Group

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

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

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

##### *(b) Amendments to Korean IFRS 1117 Insurance Contracts*

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

##### 2.2.2 New standards and interpretations not yet adopted by the Group

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

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

Korean IFRS 1109 *Financial Instruments* and Korean IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the consolidated financial statements. These amendments:

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

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

#### *(b) Annual Improvements to Korean IFRS - Volume 11*

Annual Improvements to Korean IFRS - *Volume 11* should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated financial statements.

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

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

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the consolidated financial statements.

#### *(d) Standards to Korean IFRS 1118 Presentation and Disclosure in Financial Statements*

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

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

## **Youngone Holdings Co., Ltd. and Subsidiaries**

### **Notes to the Consolidated Financial Statements**

#### **December 31, 2025 and 2024**

---

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

### **2.3 Consolidation**

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

#### *(a) Subsidiaries*

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

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

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

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

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

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

*(b) Associates*

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

*(c) Joint Arrangements*

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

*(d) Business combination of entities under common control*

The Group applies the book amount method to account for business combinations of entities under a common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book amounts on the consolidated financial statements of the Ultimate Parent Company. However, if the consolidated financial statements are not available, the Group applies the carrying amount of assets and liabilities accounted on acquiree's financial statements. In addition, the difference between the sum of consolidated book amounts of the assets and liabilities transferred and accumulated other comprehensive income; and the consideration paid is recognized as reserves.

**2.4 Segment Reporting**

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker (Note 6). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**2.5 Foreign Currency Translation**

*(a) Functional and presentation currency*

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

*(b) Transactions and balances*

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

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

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

**2.6 Financial Assets**

*(a) Classification*

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

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

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

## Youngone Holdings Co., Ltd. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2025 and 2024

---

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

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

#### *(b) Measurement*

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

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

#### *A. Debt instruments*

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

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income or expenses' and impairment losses are presented in 'other expenses'.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

- 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 income statement within 'other income or expenses' in the year in which it arises.

*B. Equity instruments*

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

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

*(c) Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and lease receivables, the Group applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables (Note 4.1.2 provides more detail of how the Group determines there has been a significant increase in credit risk).

*(d) Recognition and Derecognition*

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

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

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

#### *(e) Offsetting of financial instruments*

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

#### **2.7 Derivative Instruments**

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss within 'other non-operating income (expenses)' based on the nature of transactions.

#### **2.8 Trade Receivables**

Trade receivables are recognized initially at fair value. And trade receivables are subsequently measured at amortized cost using the effective interest method, less loss allowance. See Note 11 for further information about the Group's accounting for trade receivables and Note 4.1.2 for a description of the Group's accounting policy for impairment.

#### **2.9 Inventories**

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

#### **2.10 Property, Plant and Equipment**

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

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

	<b>Useful life</b>
Buildings	20 - 40 years
Structures	30 years
Facilities	30 years
Machinery	4 - 10 years
Vehicles	4 - 15 years
Tools and equipment	3 - 7 years

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. If necessary, it will be accounted for as a change in estimates.

#### 2.11 Borrowing Costs

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

#### 2.12 Government Grants

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

#### 2.13 Intangible Assets

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

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

Software development costs that are directly attributable to internally generated by the Group are recognized when the criteria; such as, technically feasible, generate probable future economic benefits and other, are met. Customer contracts acquired in a business combination are recognized at fair value at the acquisition date. Membership rights and brand value that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	<b>Useful lives</b>
Software, development costs and industrial property rights	5 years
Customer relationships	15 - 20 years
Brand value <sup>1</sup>	10 - 15 years

<sup>1</sup> Particular brand value that have a definite useful life.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**2.14 Investment Properties**

Investment property is property held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. An investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Group depreciates investment properties, except for land, using the straight-line method over their useful lives of 25 - 40 years.

**2.15 Impairment of Non-financial Assets**

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

**2.16 Financial Liabilities**

*(a) Classification and measurement*

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

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

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

*(b) Derecognition*

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

## **Youngone Holdings Co., Ltd. and Subsidiaries**

### **Notes to the Consolidated Financial Statements**

#### **December 31, 2025 and 2024**

---

#### **2.17 Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### **2.18 Financial Guarantee Contracts**

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

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

#### **2.19 Provisions**

Provisions for service warranties, make good obligation, and legal claims 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, and the increase in the provision due to the passage of time is recognized as interest expense.

#### **2.20 Current and Deferred Tax**

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

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

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

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

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

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

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

#### **2.21 Net defined benefit liabilities**

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

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

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

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

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**2.22 Revenue Recognition**

The Group has applied Korean IFRS 1115 *Revenue from Contracts with Customers*.

*(a) Sales of goods – Export*

The export transactions represent selling outdoor and sports clothing to global brand companies such as THE NORTH FACE through Original Equipment Manufacturing (OEM). All of export transactions consist of FOB and others under INCOTERMS 2000, and the revenue is recognized when the goods are delivered to the specified location, and the risks and controls of the goods are transferred to the customer. Since the transaction is based on the price stated in the order and the related payment is redeemed within one year, there are no other significant factors that affect the transaction price, such as a price discount or significant financing component.

*(b) Sales of goods - Domestic*

Revenue is recognized when control of the products has transferred, being when the products are delivered to the customers.

*(c) Interest income*

Interest income is recognized using the effective interest method according to the time passed. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

*(d) Dividend income*

Dividend income is recognized when the right to receive payment is established.

*(e) Customer loyalty program*

The Group operates a customer loyalty program in which customers are granted rewards to receive discounts on future purchases when purchasing products. The fair value of consideration to give or given for the initial sale is allocated to the reward points and remaining of initial sale, and the consideration allocated to the reward points is measured based on the fair value of reward in exchange of reward points, which is the fair value of reward points considered the proportion of reward points that are not expected to be redeemed. Revenue from the award credits is recognized when the points are redeemed.

*(f) Rental income*

Rental income from investment properties is recognized as revenue over the period during which the rental services are provided.

## Youngone Holdings Co., Ltd. and Subsidiaries

### Notes to the Consolidated Financial Statements

#### December 31, 2025 and 2024

---

#### 2.23 Leases

##### (a) Lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature.

##### (b) Lessee

The Group leases various offices. Lease contracts are typically made for fixed periods of 2 to 6 years, but may have extension options as described in below.

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

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

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

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

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

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

To determine the incremental borrowing rate, the Group:

- The lease period is reflected in the interest rate of the public bond considering the Group's credit rating.

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

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

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

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

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group elected not to apply that revaluation model to buildings held by the Group that are presented in the right-of-use assets.

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT-equipment.

*(c) Extension options*

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

# Youngone Holdings Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2025 and 2024

---

#### 2.24 Approval of Issuance of the Financial Statements

The consolidated financial statements 2025 were approved for issue by the Board of Directors on March 10, 2026, and are subject to change with the approval of shareholders at their Annual General Meeting.

### 3. Critical Accounting Estimates and Assumptions

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

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

#### 3.1 Impairment loss on goodwill and intangible assets with indefinite useful lives

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations.

#### 3.2 Income taxes

The Group's taxable income generated from these operations is 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 25).

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

#### 3.3 Fair value of financial instruments

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

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**3.4 Impairment of financial assets**

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

**3.5 Net defined benefit liability (Asset)**

The present value of net defined benefit liability (asset) depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 24).

**3.6 Leases**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

**3.7 Net realizable value of inventories**

The net realizable value of inventory is determined by the estimated selling price in the market where the Group's inventory is mainly sold.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**4. Financial Risk Management**

**4.1 Financial Risk Factors**

The Group is exposed to credit risk, liquidity risk, and market risk (including foreign currency risk, price risk, and interest rate risk) due to various activities. In order to manage these factors, the Group operates risk management policies that closely monitor and respond to each risk factor.

**4.1.1 Market risk**

*(a) Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Also, subsidiaries regularly evaluate, manage and report on the foreign exchange risks for the receivables and payables in foreign currencies.

The Group's financial instruments denominated in major foreign currencies except for functional currency as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Cash and cash equivalents</b>		
USD	₩ 844,695,840	₩ 475,998,914
EUR	20,339,417	13,548,976
HKD	4,684	4,808
JPY	36,597,974	34,595,113
CHF	4,343,680	4,210,058
GBP	33,406	6,554
NZD	416	414
SGD	47,215	39,283
	<u>₩ 906,062,632</u>	<u>₩ 528,404,121</u>
<b>Current financial assets at fair value through profit or loss</b>		
USD	₩ 29,051,268	₩ -
	<u>₩ 29,051,268</u>	<u>₩ -</u>
<b>Short-term financial instruments</b>		
USD	₩ 65,138,276	₩ 492,450,000
	<u>₩ 65,138,276</u>	<u>₩ 492,450,000</u>
<b>Trade and other receivables</b>		
USD	₩ 268,974,891	₩ 364,563,284
EUR	96,489,650	81,642,743
JPY	594	-
CHF	9,679	-

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
	₩		₩	
	₩	365,474,814	₩	446,206,027
<b>Trade and other payables</b>				
USD	₩	80,112,480	₩	131,643,489
EUR		136,846,648		169,149,396
JPY		2,206,530		1,498,368
CHF		46,428		109,793
GBP		46,706		-
SGD		209,990		265,331
	₩	219,468,782	₩	302,666,377
<b>Borrowings</b>				
USD	₩	41,612,100	₩	19,306,798
EUR		258,675,025		240,710,559
CHF		89,596,481		541,409
	₩	389,883,606	₩	260,558,766

As at December 31, 2025 and 2024, if the foreign exchange rate fluctuated by 5% with all other variables held constant, the effects on profit before income tax would be as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>				<b>2024</b>			
	Increase		Decrease		Increase		Decrease	
USD	₩	53,928,804	₩	(53,928,804)	₩	58,864,714	₩	(58,864,714)
EUR		(13,776,736)		13,776,736		(15,733,412)		15,733,412
HKD		234		(234)		240		(240)
JPY		1,719,602		(1,719,602)		1,654,837		(1,654,837)
CHF		(4,264,478)		4,264,478		177,943		(177,943)
GBP		(665)		665		328		(328)
NZD		21		(21)		21		(21)
SGD		(8,139)		8,139		(11,302)		11,302
	₩	37,598,643	₩	(37,598,643)	₩	44,953,369	₩	(44,953,369)

*(b) Price risk*

The Group acquires equity securities (including both listed and unlisted) to manage a liquidity risk and for trading. The Group invests in more than one investment vehicle either directly or indirectly, and the fair value of equity securities (excluding investments in subsidiaries and associates and unlisted securities) as at December 31, 2025 is ₩ 439,844,969 thousand (2024: ₩ 493,375,544 thousand) (Note 10).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

As at December 31, 2025 and 2024, if the price of equity securities fluctuated by 20%, the effects on post-tax other comprehensive income would be as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Increase	Decrease	Increase	Decrease
<b>Effects on post-tax other comprehensive income</b>				
Financial assets at fair value through other comprehensive income	₩ 67,099,092	₩ (67,099,092)	₩ 78,052,011	₩ (78,052,011)

*(c) Cash flow and fair value interest rate risk*

The Group is exposed to changes in value risk on statement of financial position (financial assets, liabilities) through changes in price and interest rate risk through changes in interest income (expense) generated from investments and borrowings. The risk mainly arises from investments of floating rate receivables and borrowings of floating rate payables.

As at December 31, 2025 and 2024, if the interest rate fluctuated by 0.1% with all other variables held constant, the effects on profit before income tax would be as follows:

<i>(in thousands of Korean won)</i>	2025		2024	
	Increase	Decrease	Increase	Decrease
Borrowings	₩ (382,366)	₩ 382,366	₩ (196,329)	₩ 196,329

**4.1.2 Credit Risk**

Credit risk arises from the Group's ordinary trading and investment activities when customers or counterparties may fail to fulfill their contractual obligations. To manage such credit risk, the Group periodically evaluates the creditworthiness of customers and counterparties by considering their financial condition, past experience, and other relevant factors, and establishes credit limits for each customer and counterparty.

*(a) Trade receivables and other receivables*

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses include forward-looking information.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

Details of the loss allowance on trade receivables as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>				
	<b>Current</b>	<b>Up to 3 months</b>	<b>3 to 6 months</b>	<b>Over 6 months</b>	<b>Total</b>
Trade receivables	₩ 563,944,433	₩ 111,113,005	₩ 42,118,260	₩ 14,530,497	₩ 731,706,195
Loss allowance	1,911,548	636,001	-	9,308,991	11,856,540

  

<i>(in thousands of Korean won)</i>	<b>2024</b>				
	<b>Current</b>	<b>Up to 3 months</b>	<b>3 to 6 months</b>	<b>Over 6 months</b>	<b>Total</b>
Trade receivables	₩ 509,070,693	₩ 78,218,886	₩ 20,383,131	₩ 25,869,085	₩ 633,541,795
Loss allowance	768,513	528,574	8,132	13,721,364	15,026,583

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	15,026,583	₩	12,856,089
Bad debt expenses <sup>1</sup>		535,010		5,912,087
Reversal <sup>1</sup>		(2,690,596)		(5,848)
Write-off		(1,128,361)		(4,188,121)
Exchange differences		113,904		452,376
Ending balance	₩	<u>11,856,540</u>	₩	<u>15,026,583</u>

<sup>1</sup> Loss allowance and unused amounts reversed have been included in the consolidated income statement within 'selling and administrative expenses' (Note 31).

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		
	<b>Loans</b>	<b>Non-trade receivables</b>	<b>Total</b>
Beginning balance	₩ 14,439,792	₩ 2,307,306	₩ 16,747,098
(Reversal of) Allowance for other receivables during the year <sup>1</sup>	264,284	(73,278)	191,006
Exchange differences	1,651,107	(82,537)	1,568,570
Ending balance	<u>₩ 16,355,183</u>	<u>₩ 2,151,491</u>	<u>₩ 18,506,674</u>

<sup>1</sup> Loss allowance and unused amounts reversed for other receivables have been included in the consolidated income statement within 'other expenses' (Note 32).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of Korean won)	2024		
	Loans	Non-trade receivables	Total
Beginning balance	₩ 13,328,368	₩ 1,089,439	₩ 14,417,807
Allowance for other receivables during the year <sup>1</sup>	238,555	1,116,986	1,355,541
Exchange differences	872,869	100,881	973,750
Ending balance	₩ 14,439,792	₩ 2,307,306	₩ 16,747,098

<sup>1</sup> Loss allowance and unused amounts reversed for other receivables have been included in the consolidated income statement within 'other expenses' (Note 32).

(b) *Other financial assets at amortized cost*

Credit risk can arise from transaction with financial institution such as cash and cash equivalents, deposits with banks, derivative financial instruments. The Group has transactions with counterparties that are above certain credit rating in order to mitigate risks of default.

There is no loss allowance arising from other financial assets at amortized cost for the years ended December 31, 2025 and 2024.

(c) *Maximum exposures to credit risk*

The Group's maximum exposures of financial instruments to credit risk without consideration of collaterals' values as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025		
	Book amount without deduction	Allowance for trade receivables	Book amount (Maximum exposure)
Cash and cash equivalents <sup>1</sup>	₩ 1,447,823,453	₩ -	₩ 1,447,823,453
Short-term financial instruments	667,703,152	-	667,703,152
Financial assets at fair value through profit or loss	138,100,487	-	138,100,487
Financial assets at fair value through other comprehensive income	440,419,525	-	440,419,525
Derivative assets	34,090,218	-	34,090,218
Long-term financial instruments	3,743,601	-	3,743,601
Trade receivables	731,706,195	(11,856,540)	719,849,655
Other receivables <sup>2</sup>	109,194,845	(18,506,674)	90,688,171
	₩ 3,572,781,476	₩ (30,363,214)	₩ 3,542,418,262

<sup>1</sup> Cash on hand is not included in cash and cash equivalents.

<sup>2</sup> Current and non-current amounts are included.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

<i>(in thousands of Korean won)</i>	<b>2024</b>		
	<b>Book amount without deduction</b>	<b>Allowance for trade receivables</b>	<b>Book amount (Maximum exposure)</b>
Cash and cash equivalents <sup>1</sup>	₩ 1,251,194,187	₩ -	₩ 1,251,194,187
Short-term financial instruments	833,009,269	-	833,009,269
Financial assets at fair value through profit or loss	55,703,538	-	55,703,538
Financial assets at fair value through other comprehensive income	493,901,613	-	493,901,613
Derivative assets	8,336,184	-	8,336,184
Long-term financial instruments	1,312,902	-	1,312,902
Trade receivables	633,541,795	(15,026,583)	618,515,212
Other receivables <sup>2</sup>	92,168,320	(16,747,098)	75,421,222
	<u>₩ 3,369,167,808</u>	<u>₩ (31,773,681)</u>	<u>₩ 3,337,394,127</u>

<sup>1</sup> Cash on hand is not included in cash and cash equivalents.

<sup>2</sup> Current and non-current amounts are included.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**4.1.3 Liquidity Risk**

Liquidity risk is defined as the risk that the Group is unable to meet its short-term payment obligations on time due to deterioration of its business performance or inability to access financing.

The Group forecasts its cash flow and liquidity status, and sets action plans on a regular basis to manage liquidity risk proactively.

Details of the Group's liquidity risk analysis as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>				
	<b>Less than 3 months</b>	<b>Between 3 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Over 2 years</b>	<b>Total</b>
Borrowings <sup>1</sup>	₩ 62,608,219	₩ 282,749,603	₩ 100,882,018	₩ 25,779,790	₩ 472,019,630
Trade payables	370,932,928	29,340,815	-	-	400,273,743
Other payables <sup>2</sup>	103,778,748	70,544,459	1,089,860	8,648,875	184,061,942
Financial lease liabilities	9,492,984	7,875,764	33,116,998	51,365,985	101,851,731
Derivative financial instruments held for trading					
Outflow	₩ 195,974,486	₩ 610,767,143	₩ -	₩ -	₩ 806,741,629
(Inflow)	<u>(199,927,356)</u>	<u>(631,760,924)</u>	<u>-</u>	<u>-</u>	<u>(831,688,280)</u>
	<u>₩ (3,952,870)</u>	<u>₩ (20,993,781)</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (24,946,651)</u>
Derivatives held for hedging					
Outflow	₩ 6,943,469	₩ 6,943,469	₩ -	₩ -	₩ 13,886,938
(Inflow)	<u>(6,954,341)</u>	<u>(6,954,341)</u>	<u>-</u>	<u>-</u>	<u>(13,908,682)</u>
	<u>₩ (10,872)</u>	<u>₩ (10,872)</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (21,744)</u>

<sup>1</sup> Short-term and long-term borrowings, current portion of borrowings and debentures are included.

<sup>2</sup> Liabilities related to employee benefits are included.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

<i>(in thousands of Korean won)</i>	<b>2024</b>				
	<b>Less than 3 months</b>	<b>Between 3 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Over 2 years</b>	<b>Total</b>
Borrowings <sup>1</sup>	₩ 42,969,602	₩ 20,868,740	₩ 252,125,934	₩ 9,320,424	₩ 325,284,700
Trade payables	378,071,169	50,901,356	-	-	428,972,525
Other payables <sup>2</sup>	93,962,458	64,736,436	5,253,105	696,368	164,648,367
Financial lease liabilities	8,601,260	12,746,986	30,424,546	46,054,134	97,826,926
Derivative financial instruments held for trading					
Outflow	₩ 188,138,712	₩ 74,376,731	₩ -	₩ -	₩ 262,515,443
(Inflow)	<u>(189,940,000)</u>	<u>(80,910,000)</u>	<u>-</u>	<u>-</u>	<u>(270,850,000)</u>
	<u>₩ (1,801,288)</u>	<u>₩ (6,533,269)</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (8,334,557)</u>
Derivatives held for hedging					
Outflow	₩ 3,969,180	₩ 3,969,180	₩ -	₩ -	₩ 7,938,360
(Inflow)	<u>(3,913,070)</u>	<u>(3,913,070)</u>	<u>-</u>	<u>-</u>	<u>(7,826,140)</u>
	<u>₩ 56,110</u>	<u>₩ 56,110</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 112,220</u>

<sup>1</sup> Short-term and long-term borrowings, current portion of borrowings and debentures are included.

<sup>2</sup> Liabilities related to employee benefits are included.

#### **4.2 Capital Risk Management**

The Group's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Group uses debt-to-equity ratio as indicator of capital management. This ratio is calculated from total liabilities divided by total equity which are posted in the consolidated financial statements.

Debt-to-equity ratios as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Total liabilities	₩ 1,709,589,396	₩ 1,589,606,370
Total equity	<u>5,286,114,066</u>	<u>4,987,109,262</u>
Debt-to-equity ratio	<u>32.34%</u>	<u>31.87%</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**5. Fair Value Estimation**

**5.1 Fair Value Hierarchy**

Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date, which reflects market assumptions about changes in the economic environment such as rising interest rates, inflation, and ESG-related risks (Level 1).
- Inputs other than quoted prices of Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- Unobservable inputs to assets or liabilities, such as unlisted equity securities and financial instruments that reflect significant unobservable adjustments due to ESG-related risks (Level 3).

Fair value hierarchy classifications of the financial instruments that are measured at fair value as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Financial assets at fair value through other comprehensive income	₩ 439,844,969	₩ 549,728	₩ 24,828	₩ 440,419,525
Financial assets at fair value through profit or loss	-	70,566,428	67,534,059	138,100,487
Derivative assets	-	34,090,218	-	34,090,218
Financial liabilities				
Derivative liabilities	-	11,811,854	-	11,811,854
<i>(in thousands of Korean won)</i>	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Financial assets at fair value through other comprehensive income	₩ 493,375,545	₩ 501,241	₩ 24,827	₩ 493,901,613
Financial assets at fair value through profit or loss	-	-	55,703,538	55,703,538
Derivative assets	-	8,336,184	-	8,336,184
Financial liabilities				
Derivative liabilities	-	113,847	-	113,847

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

As at December 31, 2025 and 2024, there is no significant difference between the fair values and book amounts of financial instruments held by the Group.

**5.2 Transfers Between Fair Value Hierarchy Levels of Recurring Fair Value Measurements**

The Group's policy is to recognize transfers between levels of the fair value at the end of the reporting period.

Details of transfers between levels of each fair value hierarchy of financial instruments are as follows:

There were no transfers between levels 1 and 2 for recurring fair value measurements for the years ended December 31, 2025 and 2024.

Changes in level 3 for recurring fair value measurements for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>	
	<b>Financial assets</b>	
	<b>Financial assets at fair value through other comprehensive income</b>	<b>Financial assets at fair value through profit or loss</b>
Beginning balance	₩ 24,827	₩ 55,703,538
Amount recognized in profit or loss	-	1,333,018
Purchases	-	72,030,967
Sales	-	(61,137,428)
Exchange differences	-	(396,036)
Ending balance	<u>₩ 24,827</u>	<u>₩ 67,534,059</u>
Unrealized gains or losses	₩ -	₩ -

*(in thousands of Korean won)*

	<b>2024</b>	
	<b>Financial assets</b>	
	<b>Financial assets at fair value through other comprehensive income</b>	<b>Financial assets at fair value through profit or loss</b>
Beginning balance	₩ 24,827	₩ 30,154,756
Amount recognized in profit or loss	-	(2,860,082)
Purchases	-	23,178,247
Exchange differences	-	5,230,617
Ending balance	<u>₩ 24,827</u>	<u>₩ 55,703,538</u>
Unrealized gains or losses	₩ -	₩ -

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**5.3 Valuation Techniques and the Inputs**

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

<i>(in thousands of Korean won)</i>		<b>2025</b>			
	<b>Fair value</b>	<b>Level</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Range of Level 3 inputs</b>
Financial assets at fair value through other comprehensive income					
Equity	₩ 549,728	2	Market value method	Discount rate reflecting credit risk and others	NA
Equity	24,827	3	Present value technique	Annual risk-free interest rate Risk premium	1.66% 10.00%
Derivative instruments					
Derivative assets	34,090,218	2	Market approach	Foreign currency forwards exchange rate, discount rate and others	NA
Derivative liabilities	(11,811,854)	2	Market approach	Foreign currency forwards exchange rate, discount rate and others	NA
Financial assets at fair value through profit or loss					
Funds and others	26,371,194	3	Asset approach	Net asset fair value	NA
Equity	41,162,865	3	Market approach (Option pricing model) and others	Implied volatility PE multiples	50%~60% 1.50
Beneficiary securities	70,566,428	2	Market value method	Discount rate reflecting credit risk and others	NA

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**6. Operating Segment Information**

(a) The Group's reportable segments are organized into OEM, SCOTT, and domestic retail segment and others.

(b) Profit or loss by each segment for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025					
	OEM	SCOTT	Domestic retail	Others <sup>2</sup>	Consolidation adjustment	Total
Sales	₩ 5,167,062,948	₩ 1,122,264,930	₩ 1,068,425,250	₩ 366,388,193	₩ (2,829,131,178)	₩ 4,895,010,143
Operating income (loss) <sup>1</sup>	597,277,311	(105,442,459)	219,846,213	137,953,901	(114,160,388)	735,474,578
Depreciation and amortization <sup>2</sup>	52,603,064	20,519,766	5,773,199	21,765,041	539,628	101,200,698
Depreciation of right-of-use asset <sup>2</sup>	5,785,229	15,007,557	15,146,071	4,232,786	(16,969,455)	23,202,187

<sup>1</sup> Management of the Group evaluates the performance of business segments based on operating income of each segment.

<sup>2</sup> Certain depreciation and amortization, depreciation of right-of-use assets, that are not distributed to the reporting business, are included in 'others.'

<i>(in thousands of Korean won)</i>	2024					
	OEM	SCOTT	Domestic retail	Others <sup>2</sup>	Consolidation adjustment	Total
Sales	₩ 4,405,930,493	₩ 953,661,749	₩ 1,016,109,935	₩ 369,388,811	₩ (2,439,052,817)	₩ 4,306,038,171
Operating income (loss) <sup>1</sup>	501,700,825	(212,281,633)	218,106,633	142,680,860	(133,161,234)	517,045,451
Depreciation and amortization <sup>2</sup>	48,797,710	20,616,440	4,947,122	19,253,179	542,220	94,156,671
Depreciation of right-of-use asset <sup>2</sup>	5,069,456	14,897,310	15,026,922	3,760,181	(16,520,620)	22,233,249

<sup>1</sup> Management of the Group evaluates the performance of business segments based on operating income of each segment.

<sup>2</sup> Certain depreciation and amortization, depreciation of right-of-use assets, that are not distributed to the reporting business, are included in 'others.'

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(c) Assets and liabilities by business segment as at December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)	2025						
	OEM	SCOTT	Domestic retail	Others <sup>2</sup>	Adjustment <sup>3,4</sup>	Consolidation adjustment	Total
Assets <sup>1</sup>	₩ 4,675,665,597	₩ 1,235,047,812	₩ 990,549,364	₩ 1,296,826,498	₩ 1,348,651,216	₩ (2,551,037,025)	₩ 6,995,703,462
Investment in associates and joint ventures	-	1,777,543	-	468,763,948	-	(467,534,063)	3,007,428
Acquisition of non-current assets <sup>2</sup>	197,847,934	13,650,098	17,545,541	34,078,360	-	2	263,121,935
Liabilities <sup>1</sup>	1,347,947,271	924,583,060	239,423,795	198,680,436	166,950,333	(1,167,995,499)	1,709,589,396

<sup>1</sup> The segment's assets and liabilities reported to the Board of directors are calculated with the same method used for the assets and liabilities on the consolidated financial statements and distributed based on the segment sales.

<sup>2</sup> The financial instruments are excluded from the acquisition cost of non-current assets.

<sup>3</sup> Assets that are not distributed to the reporting segment such as available-for-sale financial assets.

<sup>4</sup> Liabilities that are not distributed to the reporting segment such as deferred income tax, income tax expense, short-term and long-term borrowings.

(in thousands of Korean won)	2024						
	OEM	SCOTT	Domestic retail	Others <sup>2</sup>	Adjustment <sup>3,4</sup>	Consolidation adjustment	Total
Assets <sup>1</sup>	₩ 4,596,908,763	₩ 1,304,683,662	₩ 967,843,528	₩ 1,291,722,025	₩ 1,280,769,493	₩ (2,865,211,839)	₩ 6,576,715,632
Investment in associates and joint ventures	-	2,977,902	-	468,641,463	-	(467,362,979)	4,256,386
Acquisition of non-current assets <sup>2</sup>	103,106,063	15,594,387	17,529,137	24,205,874	-	(77,899)	160,357,562
Liabilities <sup>1</sup>	1,565,692,675	902,613,252	254,458,075	239,916,293	157,329,551	(1,530,403,476)	1,589,606,370

<sup>1</sup> The segment's assets and liabilities reported to the Board of directors are calculated with the same method used for the assets and liabilities on the consolidated financial statements and distributed based on the segment sales.

<sup>2</sup> The financial instruments are excluded from the acquisition cost of non-current assets.

<sup>3</sup> Assets that are not distributed to the reporting segment such as available-for-sale financial assets.

<sup>4</sup> Liabilities that are not distributed to the reporting segment such as deferred income tax, income tax expense, short-term and long-term borrowings.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(d) Sales and non-current assets as at and for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>Sales</b>		<b>Non-current assets<sup>1</sup></b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Korea	₩ 3,729,419,143	₩ 3,281,456,919	₩ 514,981,090	₩ 506,595,529
Bangladesh	1,667,494,232	1,459,567,710	559,097,289	491,049,121
Vietnam	868,341,212	726,877,563	127,540,309	105,560,735
China	-	-	18,825,988	18,904,665
Switzerland	1,122,264,930	953,661,749	336,433,906	313,754,724
Others	336,621,803	323,527,045	228,168,497	198,022,243
Consolidation adjustment	(2,829,131,176)	(2,439,052,815)	(45,908,776)	(44,212,458)
	<u>₩ 4,895,010,143</u>	<u>₩ 4,306,038,171</u>	<u>₩ 1,739,138,303</u>	<u>₩ 1,589,674,559</u>

<sup>1</sup> Financial instruments were excluded from non-current assets.

(e) Details of external customers, who contribute more than 10% of the Group revenue (OEM segment), for the years ended December 31, 2025 and 2024, are as follows:

<i>(in billions of Korean won)</i>	<b>2025</b>		<b>2024</b>		<b>Segments</b>
Customer 1	₩	559.5	₩	537.6	OEM

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**7. Financial Instruments by Category**

**7.1 Carrying Amounts of Financial Instruments by Category**

Categorizations of financial assets and liabilities as at December 31, 2025 and 2024, are as follows:

(in thousands of  
Korean won)

	2025					
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
<b>Financial assets</b>						
Cash and cash equivalents	₩ 1,464,189,667	₩ -	₩ -	₩ -	₩ -	₩ 1,464,189,667
Long-term and short-term financial instruments	671,446,753	-	-	-	-	671,446,753
Derivative assets	-	-	34,090,218	-	-	34,090,218
Financial assets at fair value through other comprehensive income	-	440,419,525	-	-	-	440,419,525
Financial assets at fair value through profit or loss	-	-	138,100,487	-	-	138,100,487
Trade receivables	719,849,656	-	-	-	-	719,849,656
Other receivables	90,688,171	-	-	-	-	90,688,171
	<u>₩ 2,946,174,247</u>	<u>₩ 440,419,525</u>	<u>₩ 172,190,705</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 3,558,784,477</u>
<b>Financial liabilities</b>						
Trade payables	₩ -	₩ -	₩ -	₩ 400,273,743	₩ -	₩ 400,273,743
Short-term borrowings	-	-	-	78,827,843	-	78,827,843
Derivative liabilities	-	-	-	-	11,811,854	11,811,854
Other payables	-	-	-	184,061,942	-	184,061,942
Long-term borrowings <sup>1</sup>	-	-	-	316,902,430	-	316,902,430
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 980,065,958</u>	<u>₩ 11,811,854</u>	<u>₩ 991,877,812</u>

<sup>1</sup> Current portion of long-term borrowings is included.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of  
Korean won)

	2024					
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
<b>Financial assets</b>						
Cash and cash equivalents	₩ 1,273,001,203	₩ -	₩ -	₩ -	₩ -	₩ 1,273,001,203
Long-term and short-term financial instruments	834,322,172	-	-	-	-	834,322,172
Derivative assets	-	-	8,336,184	-	-	8,336,184
Financial assets at fair value through other comprehensive income	-	493,901,613	-	-	-	493,901,613
Financial assets at fair value through profit or loss	-	-	55,703,538	-	-	55,703,538
Trade receivables	618,515,212	-	-	-	-	618,515,212
Other receivables	75,421,221	-	-	-	-	75,421,221
	<u>₩ 2,801,259,808</u>	<u>₩ 493,901,613</u>	<u>₩ 64,039,722</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 3,359,201,143</u>
<b>Financial liabilities</b>						
Trade payables	₩ -	₩ -	₩ -	₩ 428,972,525	₩ -	₩ 428,972,525
Short-term borrowings	-	-	-	28,104,155	-	28,104,155
Derivative liabilities	-	-	-	-	113,847	113,847
Other payables	-	-	-	164,648,367	-	164,648,367
Long-term borrowings <sup>1</sup>	-	-	-	280,775,649	-	280,775,649
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 902,500,696</u>	<u>₩ 113,847</u>	<u>₩ 902,614,543</u>

<sup>1</sup> Current portion of long-term borrowings is included.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**7.2 Net Gains or Losses by Category of Financial Instruments**

Net gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Financial assets at fair value through profit or loss		
Gain (loss) on valuation <sup>1</sup>	₩ 1,954,810	₩ (2,860,082)
Gain on transaction	7,252,355	-
Foreign exchange gain	447,964	-
Financial assets at fair value through other comprehensive income		
Loss on valuation (other comprehensive income)	(51,464,838)	(53,005,544)
Dividend income	9,270,098	7,047,148
Derivative assets and liabilities		
Gain on valuation	24,537,042	9,668,055
Gain (loss) on valuation (other comprehensive income)	157,884	(5,000,366)
Gain (loss) on transaction	(4,699,092)	4,665,454
Financial asset at amortized cost		
Interest income	50,991,311	59,683,690
Foreign exchange gain	15,038,482	186,505,323
Reversal of bad debt expenses (bad debt expenses)	1,964,580	(7,261,780)
Financial liabilities at amortized cost		
Interest expense	(19,786,361)	(19,449,571)
Foreign exchange loss	(10,765,789)	(46,284,526)

<sup>1</sup> The amount of ₩ 469 million has been reflected in other income and expenses, while the remaining amount has been adjusted from operating revenue.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**8. Cash and Cash Equivalents and Short-term financial instruments**

(a) Cash and cash equivalents as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>			<b>2025</b>		<b>2024</b>
Cash and cash equivalent	Cash on hand	₩	16,366,214	₩	21,807,016
	Short-term financial institution deposits		1,447,823,453		1,251,194,187
			<u>1,464,189,667</u>		<u>1,273,001,203</u>
Short-term financial instruments	Time deposits and others		667,703,152		833,009,269
			<u>₩ 2,131,892,819</u>		<u>₩ 2,106,010,472</u>

(b) Restricted financial instruments as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>Financial institution</b>		<b>2025</b>		<b>2024</b>	<b>Reason of restriction</b>
Long-term financial instruments and others	Shinhan Bank and others	₩	9,500	₩	112,400	Guarantee deposit
			600,000		600,000	Pledged
			701,000		701,000	Pledged
			<u>1,645,269</u>		<u>1,105,938</u>	Lease contracts
			<u>₩ 2,955,769</u>		<u>₩ 2,519,338</u>	

**9. Financial Assets at Fair Value through Profit or Loss**

(a) Financial assets at fair value through profit or loss as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>		<b>2025</b>		<b>2024</b>
Unlisted securities and others	₩	138,100,487	₩	55,703,538

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(b) The changes in financial assets at fair value through profit or loss for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	55,703,538	₩	30,154,756
Valuation		1,954,810		(2,860,082)
Acquisitions		172,886,268		23,178,247
Disposals		(92,892,093)		-
Changes in exchange rate		447,963		5,230,617
Ending balance	₩	<u>138,100,487</u>	₩	<u>55,703,538</u>

**10. Financial Assets at Fair Value through Other Comprehensive Income**

(a) Financial assets at fair value through other comprehensive income as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Listed securities	₩	439,844,969	₩	493,375,545
Unlisted securities		574,555		526,068
	₩	<u>440,419,524</u>	₩	<u>493,901,613</u>

Upon disposal of these equity securities, any balance within the accumulated other comprehensive income for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

(b) Changes in financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	493,901,613	₩	546,907,157
Loss on valuation		(51,464,838)		(53,005,544)
Disposals		(2,017,250)		-
Ending balance	₩	<u>440,419,525</u>	₩	<u>493,901,613</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(c) The details of listed securities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>				<b>2024</b>	
	<b>Number of shares <i>(in shares)</i></b>	<b>Percentage of ownership (%)</b>	<b>Acquisition cost</b>	<b>Market value</b>	<b>Book amount</b>	<b>Book amount</b>
GOLDWIN INC. <sup>1</sup>	16,459,500	11.56%	₩ 29,925,366	₩ 379,028,129	₩ 379,028,129	₩ 454,455,880
HUVIS CORPORATION	485,708	1.41%	5,267,403	1,296,840	1,296,840	1,253,127
ILSHIN SPINNING CO., LTD.	-	-	-	-	-	1,474,538
HANJINKAL	480,000	0.72%	30,015,000	59,520,000	59,520,000	36,192,000
			<u>₩ 65,207,769</u>	<u>₩ 439,844,969</u>	<u>₩ 439,844,969</u>	<u>₩ 493,375,545</u>

<sup>1</sup> GOLDWIN INC.'s shares are listed in Tokyo Stock Exchange in Japan and the number of shares was increased due to the share split for the year ended December 31, 2025.

**11. Trade Receivables**

(a) Trade receivables and its loss allowance as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Trade receivables	₩	731,706,195	₩	633,541,795
Less: Loss allowance		<u>(11,856,539)</u>		<u>(15,026,583)</u>
Trade receivables, net	₩	<u>719,849,656</u>	₩	<u>618,515,212</u>

<sup>1</sup> The Group's trade receivables have been pledged as collateral in relation to borrowings and others as at December 31, 2025 and 2024 (Note 23).

(b) See Note 4.1.2 for the impairment of trade receivables and the Group's exposure to credit risk.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**12. Other Receivables**

(a) Other receivables as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Current</b>		
Short-term loans	₩ 100,000	₩ 100,000
Loss allowance	(100,000)	(100,000)
Accrued income	8,222,551	14,504,864
Non-trade receivables	64,953,002	40,882,652
Loss allowance	(2,151,491)	(2,307,306)
Current portion of rent deposits	1,843,092	5,910,638
Deposits received for margin accounts	8,056,229	4,968,501
	<u>80,923,383</u>	<u>63,959,349</u>
<b>Non-current</b>		
Long-term loans	17,061,510	15,424,588
Loss allowance	(16,255,183)	(14,339,792)
Rent deposits	3,644,742	3,692,039
Other deposits	5,313,720	6,078,298
Long-term accrued income	-	606,740
	<u>9,764,789</u>	<u>11,461,873</u>
	<u>₩ 90,688,172</u>	<u>₩ 75,421,222</u>

(b) See Note 4.1.2 for the impairment of other receivables and the Group's exposure to credit risk.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**13. Other Assets**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Current</b>				
Advances	₩	111,306,121	₩	95,730,158
Provision for impairment		(500,000)		(500,000)
Prepaid expenses		8,348,627		7,212,154
Prepaid VAT		18,119,856		15,798,424
Contract assets		1,651,204		977,282
Others		1,502,576		2,188,012
		<u>140,428,384</u>		<u>121,406,030</u>
<b>Non-current</b>				
Prepaid expenses		4,468,856		4,870,792
Others		4,064,279		378,312
		<u>8,533,135</u>		<u>5,249,104</u>
	₩	<u>148,961,519</u>	₩	<u>126,655,134</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**14. Inventories**

(a) Inventories as at December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	<b>2025</b>		
	<b>Before valuation</b>	<b>Valuation allowance</b>	<b>Book amount</b>
Merchandise and finished goods	₩ 1,113,090,233	₩ (140,521,183)	₩ 972,569,050
Raw materials	268,767,498	(32,243,443)	236,524,055
Work in progress	126,339,243	(8,335,932)	118,003,311
Supplies	34,814,371	-	34,814,371
Goods in transit	100,061,380	-	100,061,380
	<u>₩ 1,643,072,725</u>	<u>₩ (181,100,558)</u>	<u>₩ 1,461,972,167</u>

*(in thousands of Korean won)*

	<b>2024</b>		
	<b>Before valuation</b>	<b>Valuation allowance</b>	<b>Book amount</b>
Merchandise and finished goods	₩ 1,060,328,975	₩ (128,836,478)	₩ 931,492,497
Raw materials	264,111,633	(25,270,033)	238,841,600
Work in progress	118,071,124	(8,624,248)	109,446,876
Supplies	36,174,441	-	36,174,441
Goods in transit	104,642,712	-	104,642,712
	<u>₩ 1,583,328,885</u>	<u>₩ (162,730,759)</u>	<u>₩ 1,420,598,126</u>

As at December 31, 2025 and 2024, the Group's inventories are pledged as collateral in relation to borrowings (Note 23).

(b) The cost of inventories recognized as 'cost of sales' amounted to ₩ 2,310,512,213 thousand for the year ended December 31, 2025 (2024: ₩ 2,092,903,457 thousand) (Note 33).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**15. Property, Plant and Equipment**

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

(in thousands of Korean won)	2025								
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total
Opening net book amount	₩ 209,414,855	₩ 492,682,178	₩ 893,254	₩ 176,850,634	₩ 108,470,297	₩ 41,174,180	₩ 19,739,196	₩ 151,873,683	₩ 1,201,098,277
Acquisitions	786,987	2,334,414	4,108	46,276,803	17,047,957	16,980,169	2,627,196	164,561,186	250,618,820
Disposals	-	(211,923)	-	(3,548,587)	(147,589)	(361,844)	(27,916)	(13,071,762)	(17,369,621)
Depreciation	-	(17,700,281)	(72,341)	(43,071,368)	(9,656,810)	(12,183,153)	(3,971,513)	-	(86,655,466)
Transfer	(2,472,903)	21,680,951	570,408	13,803,817	494,649	2,430,886	15,872,037	(56,351,400)	(3,971,555)
Exchange differences	10,362	3,259,635	39,188	(1,459,726)	(2,480,954)	(545,656)	(3,030,779)	(6,957,676)	(11,165,606)
Closing net book amount	₩ 207,739,301	₩ 502,044,974	₩ 1,434,617	₩ 188,851,573	₩ 113,727,550	₩ 47,494,582	₩ 31,208,221	₩ 240,054,031	₩ 1,332,554,849
Acquisition cost	₩ 207,739,301	₩ 701,087,130	₩ 2,621,330	₩ 600,252,847	₩ 175,883,799	₩ 153,651,811	₩ 70,093,175	₩ 240,054,031	₩ 2,151,383,424
Accumulated depreciation	-	(199,042,156)	(1,186,713)	(411,401,274)	(62,156,249)	(106,157,229)	(38,884,954)	-	(818,828,575)
Ending net book amount	₩ 207,739,301	₩ 502,044,974	₩ 1,434,617	₩ 188,851,573	₩ 113,727,550	₩ 47,494,582	₩ 31,208,221	₩ 240,054,031	₩ 1,332,554,849
(in thousands of Korean won)	2024								
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total
Opening net book amount	₩ 211,384,347	₩ 438,795,588	₩ 966,254	₩ 160,397,766	₩ 102,044,695	₩ 33,107,964	₩ 17,661,690	₩ 122,320,487	₩ 1,086,678,791
Acquisitions	8,012,357	12,901,998	-	33,134,453	837,497	16,731,156	1,333,484	64,268,214	137,219,159
Disposals	-	(3,974,916)	-	(1,333,232)	(152,780)	(409,108)	(191,590)	(3,831,247)	(9,892,873)
Depreciation	-	(17,315,431)	(73,000)	(41,961,763)	(8,090,791)	(11,361,807)	(2,814,365)	-	(81,617,157)
Transfer	(13,024,077)	42,867,519	-	17,979,534	614,292	2,269,773	2,387,168	(37,679,989)	15,414,220
Exchange differences	3,042,228	19,407,420	-	8,633,876	13,217,384	836,202	1,362,809	6,796,218	53,296,137
Closing net book amount	₩ 209,414,855	₩ 492,682,178	₩ 893,254	₩ 176,850,634	₩ 108,470,297	₩ 41,174,180	₩ 19,739,196	₩ 151,873,683	₩ 1,201,098,277
Acquisition cost	₩ 209,414,855	₩ 674,544,774	₩ 1,999,619	₩ 584,638,769	₩ 163,439,105	₩ 137,934,587	₩ 54,319,520	₩ 151,873,683	₩ 1,978,164,912
Accumulated depreciation	-	(181,862,596)	(1,106,365)	(407,788,135)	(54,968,808)	(96,760,407)	(34,580,324)	-	(777,066,635)
Ending net book amount	₩ 209,414,855	₩ 492,682,178	₩ 893,254	₩ 176,850,634	₩ 108,470,297	₩ 41,174,180	₩ 19,739,196	₩ 151,873,683	₩ 1,201,098,277

The Group's property, plant and equipment have been pledged as collateral in relation to borrowings and others as at December 31, 2025 and 2024 (Note 23).

Depreciation of ₩ 34,530,098 thousand (2024: ₩ 31,789,146 thousand) was charged to 'selling and administrative expenses' and ₩ 52,125,368 thousand (2024: ₩ 49,828,011 thousand) was charged to 'cost of sales'.

(b) As at December 31, 2025 and 2024, the details of construction-in-progress assets are construction of headquarters building, expansion of overseas manufacturing plant of subsidiaries and others.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**16. Leases**

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

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

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Right-of-use assets		
Land	₩ 44,655,350	₩ 44,580,841
Buildings	35,080,952	32,958,725
Machinery	28,994	12,000
Vehicles	2,085,839	1,992,647
Tools and equipment	327,967	966,070
Facilities	1,975,672	397,707
	<u>₩ 84,154,774</u>	<u>₩ 80,907,990</u>

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Lease liabilities		
Current	₩ 19,186,545	₩ 20,037,970
Non-current	69,989,050	65,497,999
	<u>₩ 89,175,595</u>	<u>₩ 85,535,969</u>

Additions to the right-of-use assets for the year ended December 31, 2025, were ₩ 26,438,570 thousand (2024: ₩ 16,201,557 thousand).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

(b) Amounts recognized in the consolidated income statements

The consolidated income statements show the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Depreciation of right-of-use assets				
Land	₩	1,966,885	₩	2,036,766
Buildings <sup>1</sup>		18,252,761		16,701,200
Machinery		13,141		137,593
Vehicles		1,588,031		1,641,712
Tools and equipment		717,342		1,107,578
Facilities		664,027		608,400
	₩	<u>23,202,187</u>	₩	<u>22,233,249</u>
Interest expense relating to lease liabilities (included in finance cost)	₩	4,286,638	₩	4,571,403
Expense relating to short-term leases (included in cost of goods sold and selling and administrative expenses)		5,544,534		4,511,248
Expense relating to leases of low-value assets that are not short-term leases (included in administrative expenses)		299,279		271,046
Expense relating to variable lease payments not included in lease liabilities (included in sales commissions)		160,573,963		152,335,512

<sup>1</sup> Depreciation for right-of-use assets of ₩ 2,018,155 thousand (2024: ₩ 2,026,763 thousand) was charged to 'sales commissions'.

The total cash outflow for leases for the year ended December 31, 2025, was ₩ 219,055,799 thousand (2024: ₩ 188,917,399 thousand).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**17. Intangible Assets**

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

(in thousands of Korean won)	2025									
	Industrial property	Software	Development costs	Membership rights	Brand value	Customer Relationships	Goodwill	Others and construction in progress	Total	
Opening net book amount	₩ 82,248	₩ 18,838,368	₩ 642,732	₩ 382,244	₩ 90,596,924	₩ 28,899,036	₩ 3,510,873	₩ 33,025,951	₩ 175,978,376	
Acquisitions	8,020	3,376,975	287,413	-	-	-	-	6,913,484	10,585,892	
Amortization	(61,708)	(7,428,690)	(340,989)	-	(544,013)	(3,105,400)	-	(4,140)	(11,484,940)	
Impairment loss	-	-	-	-	(2,418,027)	-	-	-	(2,418,027)	
Disposals/Transfer	16,891	38,289,187	655,770	-	-	-	-	(38,961,848)	-	
Exchange differences	4,633	1,835,708	-	-	8,600,622	3,015,347	(83,831)	1,455,506	14,827,985	
Closing net book amount	₩ 50,084	₩ 54,911,548	₩ 1,244,926	₩ 382,244	₩ 96,235,506	₩ 28,808,983	₩ 3,427,042	₩ 2,428,953	₩ 187,489,286	
Acquisition cost	₩ 10,383,630	₩ 93,710,604	₩ 9,510,812	₩ 382,244	₩ 104,421,986	₩ 64,410,742	₩ 3,427,042	₩ 2,454,139	₩ 288,701,199	
Accumulated amortization	(10,333,545)	(38,799,057)	(8,265,887)	-	(8,186,480)	(35,601,759)	-	(25,186)	(101,211,914)	
Ending net book amount	₩ 50,085	₩ 54,911,547	₩ 1,244,925	₩ 382,244	₩ 96,235,506	₩ 28,808,983	₩ 3,427,042	₩ 2,428,953	₩ 187,489,285	

  

(in thousands of Korean won)	2024									
	Industrial property	Software	Development costs	Membership rights	Brand value	Customer Relationships	Goodwill	Others and construction in progress	Total	
Opening net book amount	₩ 779,060	₩ 5,167,990	₩ 1,044,469	₩ 393,684	₩ 121,259,367	₩ 29,843,336	₩ 20,266,950	₩ 31,817,662	₩ 210,572,518	
Acquisitions	12,155	638,086	59,000	-	-	-	-	17,414,099	18,123,340	
Amortization	(723,489)	(5,014,939)	(460,737)	-	(625,820)	(2,814,071)	-	(4,825)	(9,643,881)	
Impairment loss	-	-	-	-	(38,643,258)	-	(18,270,753)	-	(56,914,011)	
Disposals/Transfer	-	17,718,266	-	(11,440)	-	-	-	(17,718,266)	(11,440)	
Exchange differences	14,523	328,964	-	-	8,606,635	1,869,771	1,514,676	1,517,281	13,851,850	
Closing net book amount	₩ 82,249	₩ 18,838,367	₩ 642,732	₩ 382,244	₩ 90,596,924	₩ 28,899,036	₩ 3,510,873	₩ 33,025,951	₩ 175,978,376	
Acquisition cost	₩ 9,330,551	₩ 50,112,293	₩ 8,567,629	₩ 382,244	₩ 97,396,819	₩ 58,187,660	₩ 3,510,873	₩ 33,048,119	₩ 260,536,188	
Accumulated amortization	(9,248,302)	(31,273,926)	(7,924,898)	-	(6,799,895)	(29,288,624)	-	(22,168)	(84,557,813)	
Ending net book amount	₩ 82,249	₩ 18,838,367	₩ 642,732	₩ 382,244	₩ 90,596,924	₩ 28,899,036	₩ 3,510,873	₩ 33,025,951	₩ 175,978,376	

The Group's intangible assets have been pledged as collateral in relation to borrowings and others as at December 31, 2025 and 2024 (Note 23).

Amortization of ₩ 11,388,554 thousand (2024: ₩ 9,521,431 thousand) is included in 'selling and administrative expenses' and ₩ 96,386 thousand (2024: ₩ 122,450 thousand) is included in the 'cost of sales' in the consolidated income statements.

Intangible assets with indefinite useful lives of ₩ 93,792,970 thousand (2024: ₩ 87,856,473 thousand) are included in brand value.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

(b) The details of impairment tests for goodwill and intangible assets with indefinite useful lives are as follows:

Goodwill is monitored by the management at the operating segment level. The following is a summary of goodwill allocation for each operating segment (cash-generating unit):

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
MSH	₩	3,427,042	₩	3,510,873

Details of intangible assets with indefinite useful lives as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
SCOTT brand held by the Parent Company	₩	31,109,189	₩	27,922,848
DOLOMITE brands and others held by SCOTT		51,818,718		48,802,785
Outdoor Research brand held by MSH		10,865,063		11,130,840
	₩	<u>93,792,970</u>	₩	<u>87,856,473</u>

The Group annually performs impairment test on intangible assets with indefinite useful lives such as goodwill and others. As a result of the impairment test, the brand carrying amount of the SCOTT segment's cash-generating unit exceeded its value-in-use by ₩ 2,418,027 thousand and the amount is recognized in other expenses in the consolidated income statement.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on business budgets approved by management covering a five-year period. The assumption of certain growth rate was made (only when, not exceeding long-term average inflation rate) to calculate perpetual cash flows for the periods, exceeding the five-year period.

The Group's revenue included in the value-in-use estimation is estimated considering economic uncertainties such as inflation.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

The key assumptions on CGU(s) which significant goodwill was allocated to, perpetual growth rate and discount rate used in assessment of value-in-use, are as follows:

<i>(in percentage, %)</i>	2025		2024	
	Perpetual growth rate <sup>1</sup>	Discount rate before tax <sup>2</sup>	Perpetual growth rate <sup>1</sup>	Discount rate before tax <sup>2</sup>
SCOTT	1.90%	10.86%	1.60%	9.74%
MSH	3.00%	18.42%	3.00%	18.58%

<sup>1</sup> The projected growth rate beyond five years

<sup>2</sup> Discount rate applied to the pre-tax cash flow projections

Sales growth rate was determined on the basis of past performance and expectations of market. The growth rate is consistent with estimates included in the industry report. The discount rate reflects pre-tax rate and the special risk related to the division.

**18. Investment Properties**

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

<i>(in thousands of Korean won)</i>	2025		2024	
Opening net book amount	₩	131,689,915	₩	144,238,949
Acquisition		1,677,154		5,015,063
Depreciation <sup>1</sup>		(3,060,292)		(2,895,636)
Transfer		3,964,958		(15,797,547)
Changes in exchange rate		667,659		1,129,086
Ending net book amount	₩	<u>134,939,394</u>	₩	<u>131,689,915</u>
Acquisition cost	₩	164,004,968	₩	155,296,471
Accumulated depreciation		(29,065,574)		(23,606,556)
Ending net book amount	₩	<u>134,939,394</u>	₩	<u>131,689,915</u>

<sup>1</sup> Depreciation for investment properties was fully included in 'selling and administrative expenses'.

The Group's investment properties have been pledged as collateral in relation to borrowings and others as at December 31, 2025 and 2024 (Note 23).

Fair value of investment properties as at December 31, 2025, is ₩ 205,647,147 thousand (2024: ₩ 203,684,238 thousand).

Rent income from investment property for the year ended December 31, 2025, is ₩ 7,651,524 thousand (2024: ₩ 6,757,537 thousand).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**19. Investments in Associates and Joint Ventures**

(a) The Group's investments in associates and joint ventures as at December 31, 2025 and 2024, are as follows:

Investee	Percentage of ownership		Location	Date of financial statements
	2025	2024		
INTERNATIONAL RETAIL CORPORATION SA	30.0%	30.0%	Switzerland	September 30
SCOTT Network Solutions India PVT LTD.	49.0%	49.0%	India	September 30
BIKE SPORT TRAVEL AG	45.0%	45.0%	Switzerland	September 30
GOLDEUWIN KOREA CO.,LTD.	40.0%	40.0%	Korea	December 31

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

(in thousands of Korean won)

	2025					
	Beginning balance	Acquisition	Share of profit of associates and joint ventures	Share of other comprehensive income of associates and joint ventures	Exchange differences	Ending balance
INTERNATIONAL RETAIL CORPORATION SA <sup>1</sup>	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
SCOTT Network Solutions India PVT LTD. <sup>1</sup>	-	-	-	-	-	-
BIKE SPORT TRAVEL AG	1,071,784	-	(973,046)	-	67,963	166,701
GOLDEUWIN KOREA CO.,LTD.	3,184,602	-	(343,876)	-	-	2,840,726
	<u>₩ 4,256,386</u>	<u>₩ -</u>	<u>₩ (1,316,922)</u>	<u>₩ -</u>	<u>₩ 67,963</u>	<u>₩ 3,007,427</u>

<sup>1</sup> Equity method accounting was discontinued.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of Korean won)	2024									
	Beginning balance	Acquisition	Share of profit of associates and joint ventures	Share of other comprehensive income of associates and joint ventures	Exchange differences	Ending balance				
INTERNATIONAL RETAIL CORPORATION SA <sup>1</sup>	₩	-	₩	-	₩	-	₩	-		
SCOTT Network Solutions India PVT LTD. <sup>1</sup>		-	-	-	-	-		-		
BIKE SPORT TRAVEL AG		1,061,140		(55,766)		66,410		1,071,784		
GOLDEUWIN KOREA CO.,LTD.		-	3,360,000	(175,398)		-		3,184,602		
	₩	1,061,140	₩	3,360,000	₩	(231,164)	₩	66,410	₩	4,256,386

<sup>1</sup> Equity method accounting was discontinued.

(c) The summary of financial information on principal of investments in associates and joint ventures as at and for the years ended December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)	2025					
	Assets	Liabilities	Revenues	Profit (loss)	Other comprehensive income (loss)	
INTERNATIONAL RETAIL CORPORATION SA	₩ 154,004,041	₩ 194,772,279	₩ 189,999,617	₩ (9,763,064)	₩ (554,462)	
SCOTT Network Solutions India PVT LTD.	75,197	199,317	18,191	(39,128)	(8,552)	
BIKE SPORT TRAVEL AG	401,714	28,720	22,310	(2,162,324)	188,451	
GOLDEUWIN KOREA CO.,LTD.	7,881,818	780,002	2,152,887	(859,689)	-	

  

(in thousands of Korean won)	2024					
	Assets	Liabilities	Revenues	Profit (loss)	Other comprehensive income (loss)	
INTERNATIONAL RETAIL CORPORATION SA	₩ 144,440,434	₩ 174,891,147	₩	-	₩ (1,864,062)	
SCOTT Network Solutions India PVT LTD.	84,572	161,012	29,432	(6,196)	(30,546)	
BIKE SPORT TRAVEL AG	4,207,445	1,860,579	91,395	(43,374)	2,247,140	
GOLDEUWIN KOREA CO.,LTD.	8,140,738	179,233	67,458	(438,495)	-	

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(d) The Group has discontinued using the equity method. Accumulated share of losses of associates and joint ventures unrecognized due to the discontinuance of equity method are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
	<b>Unrecognized share of loss</b>	<b>Unrecognized accumulated share of losses</b>	<b>Unrecognized share of loss</b>	<b>Unrecognized accumulated share of losses</b>
INTERNATIONAL RETAIL CORPORATION SA	₩ (3,095,257)	₩ (12,230,471)	₩ (559,219)	₩ (9,135,214)
SCOTT Network Solutions India PVT LTD.	(23,363)	(60,819)	(18,004)	(37,456)

**20. Trade and Other Payables**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Current</b>		
Trade payables	₩ 400,273,743	₩ 428,972,525
	<u>400,273,743</u>	<u>428,972,525</u>
Other payables		
Non-trade payables	48,911,982	51,826,008
Accrued expense	117,254,583	103,094,778
Rent deposits	7,899,877	2,345,656
Deposits provided for business	256,765	170,768
Financial guarantee liabilities	-	1,261,684
	<u>174,323,207</u>	<u>158,698,894</u>
<b>Non-current</b>		
Long-term accrued expense	7,936,429	-
Rent deposits	1,802,306	5,949,474
	<u>9,738,735</u>	<u>5,949,474</u>
	<u>₩ 584,335,685</u>	<u>₩ 593,620,893</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**21. Other Liabilities**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Current</b>		
Customer advances	₩ 2,390,249	₩ 2,614,077
Unearned revenue	110,973	85,135
Withholdings	2,722,756	10,658,969
Value added tax withheld	20,534,208	14,477,358
Others	2,792,685	1,745,172
	<u>28,550,871</u>	<u>29,580,711</u>
<b>Non-current</b>		
Unearned revenue	1,755,601	1,770,875
Others	7,015,528	3,622,973
	<u>8,771,129</u>	<u>5,393,848</u>
	<u>₩ 37,322,000</u>	<u>₩ 34,974,559</u>

**22. Contract Assets and Liabilities**

(a) The Group has recognized the following contract assets and liabilities:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Contract liabilities – unsatisfied performance obligations <sup>1</sup>	₩ 1,862,962	₩ 2,172,429
Contract liabilities – customer loyalty program <sup>1</sup>	3,454,464	2,364,088

<sup>1</sup> The Group does not have contract assets, and the contract liabilities are included in other current liabilities (Note 22) and other provisions (Note 42).

(b) Revenue recognized in relation to contract liabilities

Details of amounts recognized as revenue in relation to contract liabilities for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Revenue recognized that was included in the contract liability balance at the beginning of the year		
Unsatisfied performance obligations	₩ 2,164,526	₩ 734,832
Customer loyalty program	2,364,088	1,992,900

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**23. Borrowings**

(a) Details of borrowings as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Current</b>				
Bank overdrafts	₩	1,705,064	₩	7,320,271
Bank borrowings		76,927,234		20,608,368
Current portion of long-term borrowings		190,959,894		19,547,825
Other borrowings		195,545		175,516
		<u>269,787,737</u>		<u>47,651,980</u>
<b>Non-current</b>				
Bank borrowings		125,942,536		261,227,824
		<u>125,942,536</u>		<u>261,227,824</u>
	₩	<u>395,730,273</u>	₩	<u>308,879,804</u>

(b) Details of bank borrowings as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>Creditor</b>	<b>Annual interest rate (%) December 31, 2025</b>	<b>2025</b>		<b>2024</b>	
<b>Current</b>						
Overdrafts	Credito Emiliano and others	Euribor 3M + 0.05%, Euribor 1M + 0.10%, Euribor 3M + 0.09%	₩	1,705,064	₩	7,320,271
Borrowings from financial institutions <sup>1,2,3,4</sup>	Citibank and others	SOFR + 1.50%, Euribor 3M + 1.60%		76,927,234		20,608,368
Current portion of long-term borrowings <sup>1,2,3,4</sup>	Woori Bank and others	SARON + 0.45%, SARON + 1.05%, Euribor 3M + 1.60%, 1.00%, 1.44%		190,959,894		19,547,825
Other borrowings	Borrowings from shareholders and others	-		195,545		175,516
				<u>269,787,737</u>		<u>47,651,980</u>
<b>Non-current</b>						
Borrowings from financial institutions <sup>1</sup>	BCF and others	SOFR + 1.30%, SARON + 1.05%, 1.44%		125,942,536		261,227,824
				<u>125,942,536</u>		<u>261,227,824</u>
			₩	<u>395,730,273</u>	₩	<u>308,879,804</u>

<sup>1</sup> Borrowings are collateralized with property, plant and equipment and investment properties. (Notes 15 and 18)

<sup>2</sup> Borrowings are collateralized with inventories (Note 14).

<sup>3</sup> Borrowings are collateralized with trade receivables (Note 11).

<sup>4</sup> Borrowings are collateralized with trademarks (Note 17).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**24. Net Defined Benefit Liabilities**

(a) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Present value of defined benefit liabilities	₩	255,187,833	₩	237,612,524
Fair value of plan assets		(152,632,391)		(132,026,628)
Net defined benefit liabilities		<u>105,162,063</u>		<u>105,646,242</u>
Net defined benefit assets <sup>1</sup>	₩	<u>(2,606,621)</u>	₩	<u>(60,346)</u>

<sup>1</sup> ₩ 2,606,621 thousand (2024: ₩ 60,346 thousand) of plan assets in excess of the defined benefit obligations is included in other non-current assets.

(b) Movements in the defined benefit obligations for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	237,612,524	₩	191,970,766
Current service cost		28,550,829		25,844,800
Interest expense		9,430,091		8,709,496
Remeasurements:				
Actuarial loss from change in demographic assumptions		-		(297,073)
Actuarial loss from change in financial assumptions		(2,976,640)		14,946,109
Actuarial gain from experience adjustments		(5,481,487)		(3,739,962)
Contributions:				
Employees		2,349,382		2,151,644
Payments from plans:				
Benefit payments		(13,847,551)		(19,226,823)
Past service cost:				
Effect of policy amendment		-		11,485,606
Exchange differences		(449,315)		5,767,961
Ending balance	₩	<u>255,187,833</u>	₩	<u>237,612,524</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(c) Movements in the fair value of plan assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Beginning balance	₩	132,026,628	₩	117,587,403
Interest income		3,171,975		3,504,419
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		1,380,476		4,212,400
Contributions:				
Employers		15,786,322		16,030,780
Employees		2,349,382		2,151,644
Payments from plans:				
Benefit payments		(8,607,070)		(14,758,648)
Exchange differences		6,524,678		3,298,630
Ending balance	₩	<u>152,632,391</u>	₩	<u>132,026,628</u>

(d) The significant actuarial assumptions as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<u>Local</u>		<u>Foreign</u>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Discount rate	4.63%~4.90%	4.33%~4.60%	1.10%~7.00%	1.10%~7.00%
Salary growth rate	4.72%~10.37%	5.3%~11.36%	2.30%~6.00%	2.30%~6.00%

(e) Plan assets as at December 31, 2025 and 2024, consist of the following:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Property	₩	25,670,179	₩	24,654,294
Current assets		88,385,371		75,038,273
Securities		17,476,451		14,347,924
Loan assets		20,960,869		16,961,517
Others		139,521		1,024,620
	₩	<u>152,632,391</u>	₩	<u>132,026,628</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

(f) The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

*(in thousands of  
Korean won)*

	Effect on defined benefit obligation		
	Changes in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%p	₩ (32,709,132)	₩ 38,042,134
Salary growth rate	1%p	₩ 27,548,258	₩ (24,638,279)

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. However, the Group is exposed to the most significant risk through increase of the defined benefit pension plan.

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

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

(g) The Effects of Future Cash Flows on Defined Benefit Plans

The Group reviews the funding level on an annual basis and has a policy to eliminate deficit in the fund.

The weighted average duration of the defined benefit obligation is 11.40 years.

(h) The expenses recognized in the current period in relation to defined contribution plan and others were ₩ 4,061,728 thousand (2024: ₩ 3,879,984 thousand).

(i) Expected contributions to post-employment benefit plans for the year ending December 31, 2026, are ₩ 11,720 million.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**25. Deferred Tax**

(a) Deferred tax assets and deferred tax liabilities as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	₩ 25,382,646	₩ 23,587,355
Deferred tax asset to be recovered after more than 12 months	104,033,902	83,492,224
	<u>129,416,549</u>	<u>107,079,579</u>
Deferred tax liabilities		
Deferred tax liability to be recovered within 12 months	(17,125,226)	(27,242,101)
Deferred tax liability to be recovered after more than 12 months	(373,094,639)	(353,903,196)
	<u>(390,219,865)</u>	<u>(381,145,297)</u>
Deferred tax assets, net	<u>70,056,201</u>	<u>43,047,980</u>
Deferred tax liabilities, net	<u>₩ (330,859,518)</u>	<u>₩ (317,113,697)</u>

(b) The gross movement on the deferred tax for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Beginning balance	₩ (274,065,717)	₩ (287,989,591)
Exchange differences	1,459,264	955,070
Tax credited to income statement (Note 26)	3,250,307	(2,194,511)
Tax credited directly to equity	8,552,829	15,163,315
Ending balance	<u>₩ (260,803,317)</u>	<u>₩ (274,065,717)</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(in thousands of Korean won)

	January 1, 2025	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2025
<b>Deferred tax assets</b>					
Provision for sales promotion	₩ 297,310	₩ (5,999)	₩ -	₩ (8,257)	₩ 283,054
Department store and agent sales	78,123	(173)	-	-	77,950
Loss on valuation of inventories	19,752,925	514,236	-	662,799	20,929,960
Bad debt expenses (reversal)	1,499,949	(442,762)	-	158,822	1,216,009
Impairment loss on financial assets at fair value through other comprehensive income	228,262	-	-	-	228,262
Interest related to loan for construction	680,339	(722,456)	-	(24,264)	(66,381)
Post-employment benefit obligation	28,054,258	2,432,837	(2,526,800)	(266,699)	27,693,596
Provision for sales returns	674,995	441,713	-	-	1,116,708
Unearned revenue	546,103	381,377	-	-	927,480
Depreciation	79,185	(18,543)	-	-	60,642
Loss on retirement of property, plant and equipment	12,406	-	-	-	12,406
Accrued expenses	737,950	94,019	-	(484)	831,485
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	1,040,501	(62,755)	(10,578)	-	967,168
Gain on valuation of financial assets at fair value through profit or loss	1,777	-	-	-	1,777
Lease liabilities	13,971,838	5,863,019	-	(103,802)	19,731,055
Others	39,423,659	12,322,053	(36,039)	3,695,705	55,405,378
	<u>₩ 107,079,580</u>	<u>₩ 20,796,566</u>	<u>₩ (2,573,417)</u>	<u>₩ 4,113,820</u>	<u>₩ 129,416,549</u>
<b>Deferred tax liabilities</b>					
Accrued income	₩ (3,193,198)	₩ 1,565,484	₩ -	₩ -	₩ (1,627,714)
Short-term employee benefits	(321,884)	-	-	-	(321,884)
Department store and agent cost of goods sold	(78,164)	213	-	-	(77,951)
Payment of guaranteed fees	(412,067)	-	-	-	(412,067)
Land advanced depreciation provision	(4,038,771)	(205,661)	-	8,167	(4,236,265)
Investments in subsidiaries	(209,367,125)	(21,730,995)	-	-	(231,098,120)
Retirement pension plan assets	(14,264,189)	(2,368,548)	270,434	-	(16,362,303)
In-kind contribution assets	(63,953)	(3,366)	-	-	(67,319)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	(96,785,710)	(3,341,980)	10,855,812	-	(89,271,878)
Provision for returns (cost of goods sold)	(226,704)	(173,839)	-	-	(400,543)
Depreciation	(6,148,990)	1,383,894	-	156,535	(4,608,561)

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of Korean won)

	January 1, 2025	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2025
Intangible assets	(7,947,678)	3,064	-	(895,962)	(8,840,576)
Right-of-use asset	(14,874,713)	(3,171,155)	-	114,318	(17,931,550)
Others	(23,422,151)	10,496,631	-	(2,037,614)	(14,963,134)
	<u>₩ (381,145,297)</u>	<u>₩ (17,546,258)</u>	<u>₩ 11,126,246</u>	<u>₩ (2,654,556)</u>	<u>₩ (390,219,865)</u>

(in thousands of Korean won)

	January 1, 2024	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2024
<b>Deferred tax assets</b>					
Provision for sales promotion	₩ -	₩ 295,002	₩ -	₩ 2,308	₩ 297,310
Department store and agent sales	49,389,689	(49,311,566)	-	-	78,123
Loss on valuation of inventories	20,066,414	(389,810)	-	76,321	19,752,925
Bad debt expenses (reversal)	1,204,555	312,397	-	(17,004)	1,499,949
Impairment loss on financial assets at fair value through other comprehensive income	228,262	-	-	-	228,262
Interest related to loan for construction	490,253	191,914	-	(1,828)	680,339
Post-employment benefit obligation	20,050,142	6,923,979	1,760,168	(680,031)	28,054,258
Provision for sales returns (revenue)	676,447	(1,452)	-	-	674,995
Unearned revenue	460,359	85,744	-	-	546,103
Depreciation	90,087	(10,902)	-	-	79,185
Loss on retirement of property, plant and equipment	12,406	-	-	-	12,406
Accrued expenses	1,096,206	(359,077)	-	821	737,950
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	825,017	(15,719)	231,203	-	1,040,501
Gain (loss) on valuation of financial assets at fair value through profit or loss	(26,102)	27,879	-	-	1,777
Lease liabilities	18,529,497	(4,156,575)	-	(401,085)	13,971,838
Others	5,954,061	33,578,137	-	(108,538)	39,423,659
	<u>₩ 119,047,293</u>	<u>₩ (12,830,049)</u>	<u>₩ 1,991,371</u>	<u>₩ (1,129,036)</u>	<u>₩ 107,079,580</u>

**Deferred tax liabilities**

Accrued income	₩ (3,218,653)	₩ 25,455	₩ -	₩ -	₩ (3,193,198)
Short-term employee benefits	(321,884)	-	-	-	(321,884)
Department store and agent cost of goods sold	(17,626,680)	17,548,516	-	-	(78,164)
Payment of guaranteed fees	(412,067)	-	-	-	(412,067)
Land advanced depreciation provision	(4,865,156)	843,700	-	(17,315)	(4,038,771)
Investments in subsidiaries	(199,914,229)	(9,452,896)	-	-	(209,367,125)
Retirement pension plan assets	(10,789,419)	(3,491,964)	15,994	1,200	(14,264,189)

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(in thousands of Korean won)

	January 1, 2024	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2024
In-kind contribution assets	(63,953)	-	-	-	(63,953)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	(108,811,133)	(44,636)	12,070,059	-	(96,785,710)
Provision for returns (cost of goods sold)	(177,248)	(49,456)	-	-	(226,704)
Depreciation	(5,855,976)	(241,302)	-	(51,712)	(6,148,990)
Intangible assets	(7,347,058)	(21,704)	-	(578,916)	(7,947,678)
Right-of-use asset	(16,352,176)	1,126,422	-	351,041	(14,874,713)
Others	(31,281,253)	4,393,403	1,085,891	2,379,808	(23,422,151)
	<u>₩ (407,036,885)</u>	<u>₩ 10,635,538</u>	<u>₩ 13,171,944</u>	<u>₩ 2,084,106</u>	<u>₩ (381,145,297)</u>

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

(in thousands of Korean won)	2025	2024	Reason
Tax loss carry forwards <sup>1</sup>	₩ 39,839,026	₩ 33,725,338	Uncertainty of future taxable profit
Tax credit carry forwards <sup>2</sup>	4,192,606	3,333,387	Uncertainty of future taxable profit
Service fees, bad debt expenses and others	14,103,427	8,458,132	No tax effect

<sup>1</sup> The maturity of tax loss carryforwards is as follows:

(in thousands of Korean won)	2025	2024
2026	₩ 5,624,148	₩ 6,373,347
2027	4,064,042	3,718,560
2028	12,428,095	10,828,438
2029	4,143,768	8,134,861
Over 2030	13,578,973	4,670,132
	<u>₩ 39,839,026</u>	<u>₩ 33,725,338</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

<sup>2</sup> The maturity of tax credit carry forwards is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
2028	₩	-	₩	133,092
2029		-		2,994
2030		2,011,200		3,196,042
2031		650		650
2032		609		609
2033		215,217		-
2034		316,427		-
2035		1,648,503		-
	₩	4,192,606	₩	3,333,387

**26. Tax Expense**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Current tax:				
Current tax on profit	₩	208,497,249	₩	201,396,530
Adjustments in respect of prior years		(3,568,817)		(35,240,486)
Deferred tax:				
Changes in deferred tax due to temporary differences		(3,250,305)		2,194,509
Income tax expense	₩	201,678,127	₩	168,350,553

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Profit before income tax expense	₩	808,133,577	₩	663,983,589
Tax at domestic tax rates applicable to profits in the respective countries		202,249,593		170,333,437
Tax effects of:				
Income not subject to tax		(28,618,395)		(47,560,460)
Expenses not deductible for tax purposes		2,711,995		1,402,540
Adjustments in respect of prior years		(3,568,817)		(35,240,486)
Tax credit and tax exemption		(1,376,601)		(1,095,539)
Tax effect of investments in subsidiaries		23,755,092		9,990,152
Temporary difference for which no deferred tax is recognized		4,981,085		1,242,718
Others		1,544,175		69,278,191
Income tax expense	₩	<u>201,678,127</u>	₩	<u>168,350,553</u>
Effective tax rate		25.0%		25.4%

The tax effect relating to components of other comprehensive income (expenses) for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>			<b>2024</b>		
	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (51,464,838)	₩ 10,845,234	₩ (40,619,604)	₩ (53,005,545)	₩ 12,301,262	₩ (40,704,283)
Remeasurements of net defined benefit liabilities	9,838,605	(2,256,366)	7,582,239	(6,696,675)	1,776,162	(4,920,513)
Derivatives	157,884	(36,039)	121,845	(5,000,366)	1,085,891	(3,914,475)
	<u>₩ (41,468,349)</u>	<u>₩ 8,552,829</u>	<u>₩ (32,915,520)</u>	<u>₩ (64,702,586)</u>	<u>₩ 15,163,315</u>	<u>₩ (49,539,271)</u>

(d) Impact of Pillar Two income taxes

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group recognized income tax expense amounting to ₩ 5,306 million for the year ended December 31, 2025. The Group applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to Pillar Two income Taxes.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**27. Issued Capital and Share Premium**

(a) Changes in issued capital and share premium for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>		<b>No. of shares (unit: shares)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Total</b>
January 1, 2024	Beginning balance	<u>13,635,592</u>	₩ 6,817,796	₩ 113,893,779	₩ 120,711,575
December 31, 2024	Ending balance	<u>13,635,592</u>	<u>6,817,796</u>	<u>113,893,779</u>	<u>120,711,575</u>
January 1, 2025	Beginning balance	13,635,592	6,817,796	113,893,779	120,711,575
March 31, 2025	Transfer to retained earnings	-	-	(48,469,026)	(48,469,026)
December 31, 2025	Ending balance	<u>13,499,237</u>	₩ 6,817,796	₩ 65,424,753	₩ 72,242,549

(b) The details of issued capital and share premium as at December 31, 2025 and 2024, are as follows:

<i>(in Korean won, except for number of shares)</i>	<b>2025</b>		<b>2024</b>	
Number of shares authorized to issue		100,000,000		100,000,000
Par value per share	₩	500	₩	500
Number of shares outstanding		13,499,237		13,635,592
Issued capital	₩	6,817,796,000	₩	6,817,796,000
Share premium	₩	65,424,752,901	₩	113,893,779,001

<sup>1</sup> As at December 31, 2025, number of shares issued by the Group, whose voting power is limited under the Commercial Law, is 1,894,339 shares (2024: 2,030,694 shares).

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**28. Other Components of Equity**

(a) The details of other components of equity as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Reserve in equity				
Revaluation reserve	₩	20,674,485	₩	20,674,485
Gain on disposal of treasury shares		6,332,674		6,332,674
Others		97,052,784		28,001,020
Accumulated other comprehensive income				
Gain on valuation of financial assets at fair value through other comprehensive income		180,610,612		209,523,908
Gain (loss) on foreign currency translation		(35,269,866)		14,740,762
Remeasurements of net defined benefit liabilities		(14,944,707)		(19,420,345)
Loss on valuation of derivatives		(3,509,373)		(3,535,555)
Capital adjustments				
Treasury shares <sup>1</sup>		(4,693,698)		(5,031,552)
	₩	<u>246,252,911</u>	₩	<u>251,285,397</u>

<sup>1</sup> Details of treasury shares whose voting power is limited by regulations as at December 31, 2025 and 2024, are as follows:

<b>Owner</b>	<b>Number of shares</b>	<b>Ownership</b>	<b>Reason for restriction</b>
Treasury shares	1,894,339	14.03%	Commercial Law Article 369, Part II

(b) Changes in accumulated other comprehensive income for the year ended December 31, 2025, is as follows:

<i>(in thousands of Korean won)</i>	<b>Beginning balance</b>		<b>Increase (Decrease)</b>		<b>Ending balance</b>	
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩	209,523,908	₩	(28,913,296)	₩	180,610,612
Gain (loss) on foreign currency translation		14,740,762		(50,010,628)		(35,269,866)
Remeasurements of net defined benefit liabilities		(19,420,345)		4,475,638		(14,944,707)
Loss on valuation of derivatives		(3,535,555)		26,182		(3,509,373)
	₩	<u>201,308,770</u>	₩	<u>(74,422,104)</u>	₩	<u>126,886,666</u>

Changes in accumulated other comprehensive income represent net of tax effect amounts.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**29. Retained Earnings**

Retained earnings as at December 31, 2025 and 2024, consist of:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Legal reserves <sup>1</sup>	₩ 19,844,200	₩ 19,844,200
Discretionary reserves <sup>2</sup>	1,585,657,675	1,329,483,613
Unappropriated retained earnings	1,091,194,499	993,570,410
	<u>₩ 2,696,696,374</u>	<u>₩ 2,342,898,223</u>

<sup>1</sup> The Commercial Code of the Republic of Korea requires the Group to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit, if any, with the ratification of the Group's majority shareholders.

<sup>2</sup> Discretionary reserves are the retained earnings that are allowed to be distributed on dividend with the approval of the shareholders.

**30. Dividends**

Dividends paid amount to ₩ 62,086,204 thousand (₩ 5,350 per share) and ₩ 55,353,743 thousand (₩ 4,770 per share) in 2025 and 2024, respectively. Dividends per share and total dividends in respect of the year ended December 31, 2025, are ₩ 4,176 and ₩ 48,462,054 thousand, respectively, and are expected to be proposed to shareholders at the annual general meeting on March 27, 2026. These consolidated financial statements do not reflect this dividend payable.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

**31. Selling and Administrative Expenses**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Salaries	₩ 289,726,634	₩ 273,297,194
Post-employment benefits	19,399,514	27,387,911
Employee benefits	20,281,409	32,604,525
Travel expense	3,616,494	3,278,337
Communications	5,039,290	4,747,269
Utilities	6,665,243	28,494,478
Tax and duties	7,723,614	7,026,721
Rent expenses	5,398,133	7,309,240
Depreciation	37,590,390	34,684,782
Depreciation of right-of-use asset	17,931,276	17,226,896
Repair and maintenance	15,285,742	19,327,272
Vehicle maintenance	6,240,386	5,320,673
Entertainment	3,445,465	2,659,708
Supplies	4,112,433	3,866,844
Insurance	7,293,234	6,381,521
Publications	817,491	736,577
Training	1,185,656	1,326,749
Service fees	243,418,230	184,417,306
Sales commissions	252,386,839	245,863,297
Samples	8,795,879	9,040,319
Advertising costs	83,154,271	74,143,828
Transportation	11,302,361	11,927,095
Exports	31,858,153	30,751,566
Shipping	2,748,532	2,958,896
Amortization	11,388,554	9,521,431
Research expenses	1,529,062	2,156,414
Overseas marketing	4,818,849	4,211,587
Packaging	6,088,264	5,983,014
Overseas trips	13,148,051	10,955,147
Sales promotion	1,571,622	1,777,937
Miscellaneous expenses	10,377,743	15,050,086
(Reversal of) Bad debt expense	(2,016,525)	6,139,509
	<u>₩ 1,132,322,289</u>	<u>₩ 1,090,574,129</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**32. Other Income and Expenses**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Gain on valuation of derivatives	₩	33,878,217	₩	9,695,332
Gain on derivative transactions		21,978,567		4,722,190
Gain on disposal of financial asset at fair value through profit or loss		8,025,262		-
Gain on valuation of financial asset at fair value through profit or loss		884,360		474,012
Gain on disposal of property, plant and equipment		372,502		34,632
Gain on disposal of investments in subsidiaries		1,452,727		-
Reversal of provision for impairment		212,410		-
Gain on disposal of right-of-use assets		367,682		614,175
Gain on foreign currency translation		72,884,778		140,769,608
Gain on foreign currency transaction		180,181,892		184,037,582
Import commission		7,390		918
Rental income		1,722,277		1,467,568
Claim income		1,853,673		1,018,076
Miscellaneous income		15,169,850		20,013,345
	₩	<u>338,991,587</u>	₩	<u>362,847,438</u>

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

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Loss on valuation of derivatives	₩	9,341,176	₩	27,277
Loss on derivative transactions		26,677,659		56,736
Loss on disposal of financial asset at fair value through profit or loss		772,907		-
Loss on valuation of financial asset at fair value through profit or loss		415,202		249,568
Loss on disposal of property, plant and equipment		1,202,415		1,139,871
Impairment loss on intangible assets		2,418,027		56,914,011
Loss on foreign currency translation		72,328,830		94,017,743
Loss on foreign currency transaction		175,471,660		90,568,652
Other bad debt expenses		264,355		1,122,271
Donations		9,958,818		8,223,998
Claim expenses		260,306		131,500
Miscellaneous expenses		2,710,530		5,936,373
	₩	<u>301,821,885</u>	₩	<u>258,388,000</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**33. Breakdown of Expenses by Nature**

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

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Changes in inventories of inventories	₩ (41,374,041)	₩ 82,574,093
Raw materials and Merchandise purchased	2,351,886,254	2,010,329,364
Employee benefits expense	810,139,811	735,424,123
Welfare benefit expenses	35,601,608	51,288,604
Depreciation, amortization, and depreciation of right-of-use assets	124,402,889	114,363,157
Service fees	283,081,394	213,604,313
Sales commissions	252,386,839	245,863,297
Advertising costs	83,154,271	74,143,828
Freight charge	15,136,918	18,724,850
Other expenses	245,119,622	242,677,091
Total of cost of sales, selling and administrative expenses	<u>₩ 4,159,535,565</u>	<u>₩ 3,788,992,720</u>

**34. Employee Benefits**

Employee benefits for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Short-term employee benefits	₩ 775,269,138	₩ 692,831,150
Post-employment benefits and retirement bonus	34,870,672	42,592,973
	<u>₩ 810,139,811</u>	<u>₩ 735,424,123</u>

**35. Finance Income and Costs**

(a) Finance income for the years ended December 31, 2025 and 2024, consists of:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Interest income from bank deposits	₩ 50,991,311	₩ 59,683,689
Dividend income	9,270,098	7,047,148
Others	617,807	-
	<u>₩ 60,879,216</u>	<u>₩ 66,730,837</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(b) Finance costs for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Interest expense on borrowings	₩	19,786,361	₩	19,449,571
Interest expense on lease liabilities		<u>4,286,638</u>		<u>4,571,403</u>
	₩	<u>24,072,999</u>	₩	<u>24,020,974</u>

**36. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year excluding treasury shares. The Group did not issue any potential ordinary shares. Therefore, basic earnings per share is identical to diluted earnings per share.

Basic earnings per share for the years ended December 31, 2025 and 2024, is as follows:

<i>(in Korean won)</i>	<b>2025</b>		<b>2024</b>	
Profit attributable to equity holders of the Parent Company	₩	367,684,364,214	₩	333,959,735,242
Weighted average number of ordinary shares outstanding <sup>1</sup> (in shares) <sup>1</sup>		<u>11,604,898</u>		<u>11,604,898</u>
Basic earnings per share	₩	<u>31,684</u>	₩	<u>28,777</u>

<sup>1</sup> Weighted average number of ordinary shares outstanding

<i>(in number of shares)</i>	<b>2025</b>		<b>2024</b>	
Number of ordinary shares outstanding	₩	13,499,237	₩	13,635,592
Weighted average number of treasury shares		<u>(1,894,339)</u>		<u>(2,030,694)</u>
Weighted average number of ordinary shares outstanding	₩	<u>11,604,898</u>	₩	<u>11,604,898</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**37. Cash Flow Information**

(a) Cash generated from operations for the years ended December 31, 2025 and 2024, is as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Profit	₩	606,455,451	₩	495,633,036
<b>Adjustments for</b>				
Tax expense	₩	201,678,127	₩	168,350,553
Interest income		(51,609,118)		(59,683,689)
Dividend income		(12,020,517)		(9,179,832)
Interest expense		24,072,998		24,020,974
Depreciation		89,715,761		84,512,792
Amortization		11,484,941		9,643,881
Depreciation of right-of-use asset		23,202,187		22,233,248
Post-employment benefits		34,816,862		42,537,032
Gain on disposal of property, plant and equipment		(372,502)		(34,632)
Loss on disposal of property, plant and equipment		1,202,415		1,139,871
Impairment loss on intangible assets		2,418,027		56,914,011
Loss on disposal of right-of-use assets		(367,682)		(614,175)
Bad debt expense		(2,228,935)		6,139,509
Other bad debt expenses		264,355		1,122,271
Gain on foreign currency translation		(72,884,778)		(140,769,608)
Loss on foreign currency translation		72,328,830		94,017,743
Gain on valuation of derivatives		(33,878,217)		(9,695,332)
Loss on valuation of derivatives		9,341,176		27,277
Gain on transaction of derivatives		(21,978,567)		(4,722,190)
Loss on transaction of derivatives		26,677,659		56,736
Gain on valuation of financial assets at fair value through profit or loss		(3,944,275)		(474,012)
Loss on valuation of financial assets at fair value through profit or loss		3,475,117		3,334,094
Gain on disposal of financial assets at fair value through profit or loss		(8,025,262)		-
Loss on disposal of financial assets at fair value through profit or loss		772,907		-
Service fees		-		23,500
Gain on disposal of investments in subsidiaries		(1,452,727)		-
Share of loss of associates and joint ventures		1,316,921		231,164
	₩	294,005,703	₩	289,131,186
<b>Changes in operating assets and liabilities</b>				
Increase in trade receivables	₩	(135,939,996)	₩	(16,724,373)

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Decrease (increase) in inventories	(13,084,136)	153,639,523
Decrease (increase) in other receivables	(14,777,677)	5,048,900
Increase in other current assets	(7,985,903)	(41,434,348)
Decrease (increase) in other non-current assets	5,340	(163,929)
Decrease in trade payables	(40,258,403)	(1,279,299)
Increase (decrease) in provisions for other liabilities and charges	2,344,345	(4,582,636)
Increase (decrease) in other current liabilities	(2,080,623)	6,654,801
Increase in other current payables	3,064,232	40,552
Increase in other non-current payables	6,897,192	25,711,121
Increase in net defined benefit obligations	-	1,957,205
Decrease in other non-current liabilities	(21,030,200)	(2,068,570)
	<u>(222,845,829)</u>	<u>126,798,947</u>
<b>Net cash flows from operations</b>	<u>₩ 677,615,325</u>	<u>₩ 911,563,169</u>

(b) Significant non-cash transactions for the years ended December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	<b>2025</b>	<b>2024</b>
Loss on valuation of financial assets at fair value through other comprehensive income	₩ (51,464,839)	₩ (53,005,544)
Reclassification from construction-in-progress to plant	56,344,800	37,679,988
Reclassification of current portion of long-term borrowings	179,407,663	139,177
Changes in non-trade payables related to intangible assets	722,141	(2,682,695)
Newly acquired lease contracts and others	40,938,878	12,471,518

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

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

(in thousands of Korean won)

	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Lease liabilities	Other deposits	Total
At January 1, 2025	₩ 28,104,155	₩ 19,547,825	₩ 261,227,824	₩ 85,535,969	₩ 8,465,898	₩ 402,881,671
Cash flows	47,187,966	(19,174,207)	26,407,508	(48,351,385)	2,003,682	8,073,564
Exchange differences	1,966,372	11,178,613	19,477,978	6,481,141	2,270,253	41,374,357
Other non-financial changes	1,569,350	179,407,663	(181,170,774)	45,509,869	(3,037,650)	42,278,458
At December 31, 2025	₩ 78,827,843	₩ 190,959,894	₩ 125,942,536	₩ 89,175,595	₩ 9,702,183	₩ 494,608,051

(in thousands of Korean won)

	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Lease liabilities	Other deposits	Total
At January 1, 2024	₩ 400,421,228	₩ 70,620,137	₩ 80,864,722	₩ 89,511,928	₩ 6,603,269	₩ 648,021,284
Cash flows	(381,473,211)	(71,619,597)	184,616,016	(27,228,190)	2,674,705	(293,030,277)
Exchange differences	10,525,014	2,346,069	14,271,132	10,231,970	386,121	37,760,306
Other non-financial changes	(1,368,876)	18,201,216	(18,524,046)	13,020,261	(1,198,197)	10,130,358
At December 31, 2024	₩ 28,104,155	₩ 19,547,825	₩ 261,227,824	₩ 85,535,969	₩ 8,465,898	₩ 402,881,671

**38. Contingencies and Commitments**

(a) The Group's major agreements with domestic financial institutions as at December 31, 2025, are as follows:

(in thousands of Korean won and in US dollars)

	Financial institution	Credit line	Outstanding Balance
Overdrafts		KRW 10,000,000	KRW -
L/C	Woori Bank and others	USD 28,000,000	USD 921,820
D/A,O/A		USD 15,000,000	USD -

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

---

(b) The Group's major agreements with foreign financial institutions as at December 31, 2025, are as follows:

*(in US dollars, CHF and JPY)*

	Financial institution	Credit line	Outstanding Balance
Borrowings		USD 113,000,000	USD 27,827,284
Borrowings		CHF 1,875,500	CHF 1,875,500
L/C		CHF 510,000	CHF 510,000
Comprehensive limit <sup>1</sup>	Standard Chartered Bank	USD 101,000,000	USD 8,782,792
Comprehensive limit	and others	CHF 202,198,000	CHF 192,206,000
FX		CHF 1,481,000	CHF 1,481,000
Borrowings		JPY 280,000,000	JPY 240,000,000

<sup>1</sup> USD 85,000,000 out of USD 101,000,000 is only available for short-term borrowing and bank overdraft and USD 54,000,000 is available for L/C.

(c) As at December 31, 2025, the Group has entered into performance guarantee insurance according to product supply contracts, amounting to ₩ 1,248 million, contract guarantee insurance amounting to ₩ 154 million, and deposit amounting to ₩ 18 million.

(d) As at December 31, 2025, the Group is involved in a lawsuit as a defendant against the Bangladesh tax authorities with litigation amount of ₩ 19,926 million in relation to its business. The outcome of the pending litigations cannot be reasonably estimated; however, the Group expects that this case would not have any material impact on its consolidated financial statements.

(e) Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

*(in thousands of Korean won)*

	2025	2024
Property, plant and equipment	₩ 127,396,329	₩ 9,614,608
Investment properties	400,000	934,000

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(f) As at December 31, 2025, the details of Group's derivative contracts are as follows:

(in thousands of Korean won,  
 USD, CHF, and EUR)

	2025				Number of contracts
	Purchase currency	Purchase amount	Sale currency	Sale amount	
Foreign exchange forward contract					
Foreign exchange forwards					
	USD	115,000,000	KRW	162,075,500	6
	USD	160,514,073	CHF	125,000,000	2
	EUR	72,000,000	USD	84,479,900	4
	EUR	28,000,000	KRW	46,315,700	3
	CHF	6,000,000	USD	7,772,021	1

(in MTs)

	2025		
	Purchase	Sale	Number of contracts
Commodity forward contract			
LME Copper	14,350	-	46

(g) As at December 31, 2025, the details of the technology license agreement that the Group has entered into, related to the use of trademark rights and others, are as follows.

Technology or trademark provider	Expiration date	Remark
GOLDWIN Inc.	December 31, 2032	Royalty of The North Face Brand

<sup>1</sup> The license agreement was terminated as at December 31, 2025.

According to this contract, GOLDWIN Inc. is obligated to provide not only trademark rights but also technical tasks for product production, sales, and advertising to the Group. In return, the Group pays a certain percentage of its sales to GOLDWIN Inc. as royalty fees (2025: ₩ 37,253 million, 2024: ₩ 35,041 million).

Meanwhile, the contract includes an annual minimum royalty agreement, and the annual minimum royalty amount to be paid after the end of December 31, 2025 is as follows:

(in thousands of Korean won)

Provider of technology or trademark	Brand	2025			Total
		Up to 1 year	1 to 5 years	Over 5 years	
GOLDWIN Inc.	The North Face	₩ 15,275,785	₩ 99,583,624	₩ 56,889,294	₩ 171,748,703

## **Youngone Holdings Co., Ltd. and Subsidiaries**

### **Notes to the Consolidated Financial Statements**

#### **December 31, 2025 and 2024**

---

<sup>1</sup> The Group has extended its contract with GOLDWIN INC. for The North Face Brand until the end of 2032, on July 1, 2024.

#### (h) Limitation on disposal of investments in subsidiaries

The Parent company may sell equity shares of Youngone Outdoor Corporation after obtaining approval from the Board of Directors of Youngone Outdoor Corporation. The equity shares can be sold only to the existing shareholders, and if there are no existing shareholders who purchase, it can be sold to a third party through the approval of the Board of Directors.

(i) As at December 31, 2025, Youngone Corporation, a subsidiary, applied for arbitration with the International Chamber of Commerce in 2022 against the second-largest shareholder of SCOTT CORPORATION SA, a consolidated subsidiary, seeking confirmation that the second-largest shareholder had seriously violated the shareholder's agreement entered into with Youngone Corporation and confirmation of Youngone Corporation's right to a call option for the shares of SCOTT CORPORATION SA held by the second-largest shareholder, among others. In response, the second-largest shareholder filed an opposition to arbitration in 2023 on the grounds that Youngone Corporation had seriously violated the shareholder's agreement by voluntarily disclosing the fact that it had applied for arbitration with the International Chamber of Commerce in 2022, despite having no obligation to make such disclosure. In January 2025, the arbitration tribunal issued an arbitration award recognizing that the second-largest shareholder had seriously violated the shareholder's agreement and, accordingly, confirming Youngone Corporation's right to a call option and the obligation of the second-largest shareholder to pay the predetermined damages for the serious violation of the shareholder's agreement, while dismissing all opposition claims filed by the second-largest shareholder. Youngone Corporation received the arbitration award in February 2025 and, on February 6, 2025, its Board of Directors resolved to exercise the call option for all of the shares of SCOTT CORPORATION SA held by the second-largest shareholder.

Subsequently, in November 2025, the arbitration tribunal issued a second arbitration award determining February 6, 2025 as the valuation date for calculating the acquisition value of the shares acquired through the exercise of the call option by Youngone Corporation. Accordingly, the value of 5,837,500 shares previously held by the second-largest shareholder, as confirmed in the arbitration proceedings, was determined to be CHF 19,088,927 (approximately ₩ 35.3 billion based on the initially announced basic exchange rate as of December 17, 2025). On December 17, 2025, in accordance with the arbitration award and the shareholder's agreement, Youngone Corporation completed the transaction by acquiring 5,837,500 shares through payment to the second-largest shareholder of approximately ₩ 26.5 billion, representing 75% of the total value of the call option shares amounting to CHF 19,088,927 (based on the initially announced basic exchange rate as of December 17, 2025), with the remaining 25% deposited into an escrow account. As a result, Youngone Corporation came to hold approximately 96.71% of the shares of SCOTT CORPORATION SA, and the escrow deposit may result in additional payment to the second-largest shareholder depending on the outcome of the remaining arbitration proceedings, which may cause the final acquisition price to change.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**39. Non-controlling Interests**

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

(in thousands of Korean won)

	Non-controlling interests percentage	2025				
		Accumulated non-controlling interests at the beginning of the year	Profit or loss allocated to non-controlling interests	Dividends paid to non-controlling interests	Other components of equity to non-controlling interests	Accumulated non-controlling interests at the end of the year
Youngone Corporation <sup>1</sup>	47.40%	₩ 1,955,325,800	₩ 163,388,702	₩ (42,630,875)	₩ (140,357,882)	₩ 1,935,725,745
Youngone Outdoor	40.70%	289,324,525	77,651,232	(55,308,129)	280,303	311,947,931
Scott North Asia Co., Ltd. <sup>1</sup>	19.65%	1,105,062	(162,254)	-	(268,237)	674,571
Qweto	48.57%	994,945	-	-	113,535	1,108,480
YOH CVC Fund 1 Limited Partnership	25.09%	25,463,735	580,250	-	(599,855)	25,444,130
TWL	49.00%	-	(2,398)	-	45,111	42,713
TVL	49.00%	-	(2,684,446)	-	(1,336,893)	(4,021,339)
		<u>₩ 2,272,214,067</u>	<u>₩ 238,771,086</u>	<u>₩ (97,939,004)</u>	<u>₩ (142,123,918)</u>	<u>₩ 2,270,922,231</u>

<sup>1</sup> Consolidated financial information.

(in thousands of Korean won)

	Non-controlling interests percentage	2024				
		Accumulated non-controlling interests at the beginning of the year	Profit or loss allocated to non-controlling interests	Dividends paid to non-controlling interests	Other components of equity to non-controlling interests	Accumulated non-controlling interests at the end of the year
Youngone Corporation <sup>1</sup>	47.63%	₩ 1,921,767,106	₩ 80,479,517	₩ (27,923,663)	₩ (18,997,160)	₩ 1,955,325,800
Youngone Outdoor	40.70%	276,737,788	82,123,142	(69,389,522)	(146,883)	289,324,525
Scott North Asia Co., Ltd. <sup>1</sup>	29.52%	1,587,738	(462,836)	-	(19,840)	1,105,062
Qweto	48.57%	934,039	-	-	60,906	994,945
YOH CVC Fund 1 Limited Partnership	25.22%	23,415,507	(466,522)	-	2,514,750	25,463,735
		<u>₩ 2,224,442,178</u>	<u>₩ 161,673,301</u>	<u>₩ (97,313,185)</u>	<u>₩ (16,588,227)</u>	<u>₩ 2,272,214,067</u>

<sup>1</sup> Consolidated financial information.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(b) The summarized financial information for each subsidiary with non-controlling interests that are material to the Group before inter-company eliminations is as follows:

Summarized statements of financial position as at December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	2025		2024	
	Youngone Corporation	Youngone Outdoor	Youngone Corporation	Youngone Outdoor
Current assets	₩ 3,644,018,595	₩ 840,098,205	₩ 3,429,710,996	₩ 844,468,558
Non-current assets	2,072,920,452	132,190,296	1,960,011,912	107,255,819
Current liabilities	939,846,307	181,540,779	727,832,707	195,818,810
Non-current liabilities	671,615,610	42,393,967	766,237,111	46,057,330
Equity	<u>₩ 4,105,477,129</u>	<u>₩ 748,353,754</u>	<u>₩ 3,895,653,090</u>	<u>₩ 709,848,238</u>

Summarized statements of comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	2025		2024	
	Youngone Corporation	Youngone Outdoor	Youngone Corporation	Youngone Outdoor
Sales	₩ 4,063,584,123	₩ 1,056,449,864	₩ 3,517,837,283	₩ 1,005,180,243
Profit	426,250,682	173,716,772	294,535,557	200,755,450
Other comprehensive income (loss)	(91,344,758)	688,744	138,097,030	(360,914)
Total comprehensive income	<u>₩ 334,905,924</u>	<u>₩ 174,405,516</u>	<u>₩ 432,632,587</u>	<u>₩ 200,394,536</u>

Summarized cash flows for the years ended December 31, 2025 and 2024, are as follows:

*(in thousands of Korean won)*

	2025		2024	
	Youngone Corporation	Youngone Outdoor	Youngone Corporation	Youngone Outdoor
Cash flows from operating activities	₩ 374,875,504	₩ 131,787,974	₩ 623,729,053	₩ 160,112,252
Cash flows from (used in) investing activities	16,475,620	(100,816,419)	(254,622,686)	211,206,626
Cash flows from (used in) financing activities	(95,327,855)	(149,637,777)	(412,050,018)	(183,596,538)
Effects of exchange rate changes on cash and cash equivalents	(4,987,662)	(3,822,803)	(53,925,287)	6,478,136
Increase (decrease) in cash and cash equivalents	291,035,607	(122,489,025)	(96,868,938)	194,200,474
Cash and cash equivalents at the beginning of the year	799,525,140	414,745,085	896,394,078	220,544,611
Cash and cash equivalents at the end of the year	<u>₩ 1,090,560,747</u>	<u>₩ 292,256,060</u>	<u>₩ 799,525,140</u>	<u>₩ 414,745,085</u>

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

**40. Related Party Transactions**

(a) Related parties of the Group as at December 31, 2025 and 2024, are as follows:

Categories	Name
<b>Entity with significant influence over the Group Associate and joint ventures</b>	YMSA INTERNATIONAL RETAIL CORPORATION SA, TRANSA Backpacking SA, Ski-service SA, Trophy Schweiz SA, Ski+Velo-Center SVC AG, SCOTT NETWORK SOLUTIONS INDIA PVT LTD., BIKE SPORT TRAVEL AG, GOLDEUWIN KOREA CO.,LTD.
<b>Others</b>	GOLDWIN INC., RAY&CO., YMSA USA LLC, YSC <sup>1</sup> , EL MEROSI <sup>2</sup>

<sup>1</sup> YOUNGONE SOURCING COMPANY(BANGLADESH) LTD.

<sup>2</sup> EL MEROSI SAMARKAND LLC.

(b) Significant transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

	Sales		Purchases		Other income		Other expenses <sup>2</sup>		Acquisition of investment property	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Entity with significant influence over the Group										
YMSA <sup>1</sup>	W 461,167	W 489,183	W 60,682,524	W 50,252,927	W -	W -	W 22,733,433	W 20,316,016	W 102,086	W 38,594
Associate										
GOLDEUWIN KOREA CO.,LTD.	62,252	9,820	-	-	-	-	-	-	-	-
Other related parties										
GOLDWIN INC.	2,723,668	211,161	986,003	313,445	8,952,770	8,415,409	106,015,090	104,790,269	-	-
RAY&CO.	265,499	140,889	-	-	-	-	135,000	130,576	-	-
Others										
OPEN PLUS ARCHITECT CO.,LTD.	-	-	-	-	-	-	537,000	740,000	-	-
PRUON CO.,LTD. <sup>4</sup>	-	-	-	-	-	-	175,541	191,390	-	-
WOONAM B&E <sup>5</sup>	-	-	-	-	-	-	-	2,800	-	-

<sup>1</sup> Consolidated financial information.

<sup>2</sup> Other expenses include royalty fees under the license agreement, management consulting fees, and dividends.

<sup>3</sup> Although the entity is not the related party of the Group in accordance with Korean IFRS 1024, the entity belongs to the Large Enterprise Group to which the Group also belongs in accordance with the Monopoly Regulation and Fair-Trade Act.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

<sup>4</sup> Excluded from the Large Enterprise Group in accordance with the Monopoly Regulation and Fair-Trade Act, and the transaction amounts represent those incurred up to the date of such exclusion for the year ended December 31, 2025.

<sup>5</sup> Excluded from the same Large Enterprise Group in accordance with the Monopoly Regulation and Fair-Trade Act, and the transaction amounts represent those incurred up to the date of such exclusion for the year ended December 31, 2024.

(c) The balances of significant transactions as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	Receivables		Payables	
	2025	2024	2025	2024
Entity with significant influence over the Group				
YMSA <sup>1</sup>	₩ 976,499	₩ 756,850	₩ 11,873,594	₩ 10,287,673
Associate				
GOLDEUWIN KOREA CO.,LTD.	7,588	10,802	-	-
Other related parties				
Others	389,574	349,672	-	16,264
GOLDWIN INC	-	112,482	23,018,188	20,941,569
RAY&CO.	-	-	458,500	458,500
Others <sup>2</sup>				
OPEN PLUS ARCHITECT CO.,LTD.	-	-	212,850	-

<sup>1</sup> Consolidated financial information.

<sup>2</sup> Although the entity is not the related party of the Group in accordance with Korean IFRS 1024, the entity belongs to the Large Enterprise Group to which the Group also belongs in accordance with the Monopoly Regulation and Fair-Trade Act.

(d) Loans for related parties as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Associate and joint ventures	IRC <sup>1</sup>	₩ -
Others	Others <sup>2</sup>	₩ 389,574

<sup>1</sup> In 2025, allowance for trade receivables was recognized for the loans to IRC, amounting ₩ 16,255,183 thousand.

<sup>2</sup> Loans to executives and employees of subsidiaries

(e) Borrowings from related parties as at December 31, 2025 and 2024, are as follows:

<i>(in thousands of Korean won)</i>	2025	2024
Others	Others <sup>1</sup>	₩ -

<sup>1</sup> Includes borrowings from shareholders of SCOTT.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(f) The fund transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

		2025						
		Loan transactions		Borrowing transactions		Contributions in cash		
		Loans	Recovery	Borrowings	Repayments			
Entity with significant influence over the Group	YMSA <sup>1</sup>	₩	- ₩	- ₩	102,086 ₩	885,395 ₩	₩	-

<sup>1</sup> Right-of-use assets in respect to building lease agreements which the Group has entered with YMSA amount to ₩ 102,086 thousand. The repayment of lease liabilities during the year is ₩ 885,395 thousand and interest expenses amount to ₩ 222,938 thousand.

(in thousands of Korean won)

		2024						
		Loan transactions		Borrowing transactions		Contributions in cash		
		Loans	Recovery	Borrowings	Repayments			
Entity with significant influence over the Group	YMSA <sup>1</sup>	₩	- ₩	- ₩	38,594 ₩	751,567 ₩	₩	-
Associate and joint ventures	GOLDEUWIN KOREA CO.,LTD.		-	-	-	-		3,360,000
Others	Others		-	-	15,491	-		-

<sup>1</sup> Right-of-use assets in respect to building lease agreements which the Group has entered with YMSA amount to ₩ 38,594 thousand. The repayment of lease liabilities during the year is ₩ 751,567 thousand and interest expenses amount to ₩ 246,088 thousand.

(g) Key management compensation for the years ended December 31, 2025 and 2024, consists of:

(in thousands of Korean won)

	2025		2024	
Salaries	₩	26,249,595	₩	25,626,958
Post-employment benefits		2,541,806		10,415,694
	₩	28,791,401	₩	36,042,652

(h) As at December 31, 2025, there are no pledges and guarantees for related parties provided by the Group.

**Youngone Holdings Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2025 and 2024**

(i) With acquisition of management of Scott Corporation SA in 2015, the Group has entered into an agreement between a founder of merged company and shareholders for maximizing the shareholders' value and mutual cooperation of shareholders. The agreement includes the following details; organization and operation of Board of Directors, restriction of share transaction (for 10 years after transaction), Right of First Refusal after restriction period, Tag along, Call option under limited circumstances as bankruptcy and others. Youngone Corporation, a subsidiary, resolved at its Board of Directors' meeting held on February 6, 2025 to exercise a call option, pursuant to an arbitral award issued by the International Chamber of Commerce, to acquire all of the shares of SCOTT CORPORATION SA held by the second-largest shareholder, the founder of SCOTT CORPORATION SA. In accordance with the second arbitral award of the arbitral tribunal and the shareholders' agreement, Youngone Corporation acquired all 5,837,500 shares held by the second-largest shareholder on December 17, 2025, upon which the shareholders' agreement with the second-largest shareholder was terminated (Note 38).

**41. Provisions**

Details and changes in provisions for other liabilities and charges for the years ended December 31, 2025 and 2024, are as follows:

	2025				
	Provision for sales returns	Provision for product warranties	Bonuses	Others	Total
Beginning balance	₩ 3,496,619	₩ 5,359,470	₩ 16,293,926	₩ 4,207,355	₩ 29,357,370
Increase (decrease)	1,370,827	181,201	(839,884)	1,583,685	2,295,829
Changes in exchange rate	(11,983)	563,974	1,700,589	34,725	2,287,305
Ending balance	<u>₩ 4,855,463</u>	<u>₩ 6,104,645</u>	<u>₩ 17,154,631</u>	<u>₩ 5,825,765</u>	<u>₩ 33,940,504</u>
Current	₩ 4,855,463	₩ 6,104,645	₩ 17,154,631	₩ 5,825,766	₩ 33,940,504
Non-current	-	-	-	-	-

  

	2024				
	Provision for sales returns	Provision for product warranties	Bonuses	Others	Total
Beginning balance	₩ 3,649,159	₩ 8,140,388	₩ 16,934,026	₩ 3,421,454	₩ 32,145,027
Increase (decrease)	(222,799)	(3,184,991)	(1,732,448)	625,345	(4,514,893)
Changes in exchange rate	70,259	404,073	1,092,348	160,556	1,727,236
Ending balance	<u>₩ 3,496,619</u>	<u>₩ 5,359,470</u>	<u>₩ 16,293,926</u>	<u>₩ 4,207,355</u>	<u>₩ 29,357,370</u>
Current	₩ 3,496,619	₩ 5,359,470	₩ 16,293,926	₩ 4,207,355	₩ 29,357,370
Non-current	-	-	-	-	-

Provisions for bonus include vacation pay, bonus and others.