IS Dongseo Q1 2026 Earnings Presentation

Page 5 – Q1 2026 Results Summary

Good afternoon. My name is Taekkyun Kim, Deputy General Manager of Investor Relations at IS Dongseo. Thank you for joining us today for our First Quarter 2026 Earnings Presentation.

I will begin with our consolidated revenue results for the first quarter.

Revenue for the quarter totaled KRW 437.0 billion, up 32.8% quarter-on-quarter and 46.1% year-on-year. This growth was primarily driven by the concentrated recognition of delivery-based revenue from the Goyang Deokeun DMC IS BIZ Tower Hangang — Blocks 6 and 7 — within our Construction segment. As a result, the Construction segment posted an operating margin of 43.6%, contributing significantly to the improvement in overall earnings.

I would now like to walk you through four key highlights for the quarter.

First, delivery-based revenue recognition from Goyang Deokeun Blocks 6 and 7. The official move-in period for this project ran from December 2025 through March 2026, with move-ins particularly concentrated in the first quarter. This resulted in significant delivery-based revenue recognition during the period, driving a substantial improvement in Construction segment profitability.

Second, the Gyeongsan Pentahills W project. We are currently preparing for a pre-sale launch targeted for June 2026, subject to market conditions and other relevant factors.

Third, improved performance in our Secondary Battery segment. Profitability improved quarter-on-quarter, supported by the favorable impact of rising metal prices.

Fourth, equity-method gains related to the disposal of Koentec. Approximately KRW 93.8 billion in equity-method gains was recognized in the first quarter, contributing positively to net income improvement.

Page 6 - Operating Profit Performance

Next, I will walk you through our operating profit performance for the first quarter.

Operating profit came in at KRW 118.1 billion, marking a return to profitability from the previous quarter and a year-on-year increase of 265.0%.

Cost of Sales Cost of sales totaled KRW 285.5 billion, with the cost ratio improving to 65.3% — down 7.9 percentage points quarter-on-quarter. This improvement was primarily driven by the recognition of high-margin delivery-based revenue from Construction projects, including Goyang Deokeun Blocks 6 and 7, with an additional contribution from higher selling prices in the Secondary Battery segment, reflecting the favorable impact of rising metal prices.

Selling and Administrative Expenses SG&A expenses for the quarter amounted to KRW 33.5 billion, with the SG&A ratio declining sharply from 35.0% in the previous quarter to 7.7%. This was largely attributable to two factors: the absence of the KRW 65.3 billion allowance for doubtful accounts that was recorded in the prior quarter, and the reversal of approximately KRW 9.9 billion in certain provisions.

EBITDA For reference, EBITDA for the quarter totaled KRW 127.9 billion, translating to an EBITDA margin of 29.3%.

Page 7 - Net Profit Performance

Next, I will turn to our net income results for the first quarter.

Net income came in at KRW 154.5 billion, marking a return to profitability from the previous quarter and a significant improvement year-on-year.

Non-Operating Profit and Loss Non-operating profit for the quarter totaled KRW 83.1 billion, driven primarily by approximately KRW 93.9 billion in equity-method gains related to the disposal of Koentec.

Profit Before Income Tax and Net Income Taking into account both operating profit and non-operating results, profit before income tax for the quarter came in at KRW 201.1 billion, with final net income of KRW 154.5 billion.

Page 8 – Performance Trends

Next, I will provide an overview of our recent performance trends.

As reflected in our quarterly results, the scale of the Company's earnings tends to vary depending on the timing of delivery-based revenue recognition from major projects.

Construction Segment In the fourth quarter of 2025, the Company recorded an operating loss due to the recognition of an allowance for doubtful accounts. In the first quarter of 2026, however, both revenue and profitability improved significantly, driven by the concentrated recognition of delivery-based revenue from Goyang Deokeun Blocks 6 and 7. The Construction segment posted revenue of KRW 214.0 billion and operating profit of KRW 93.2 billion, delivering strong profitability on the back of high-margin delivery-based revenue.

Concrete Segment The Concrete segment maintained stable profitability throughout the quarter.

Secondary Battery Segment The Secondary Battery segment delivered improved results quarter-on-quarter, supported by the favorable impact of rising metal prices.

Page 9 - Financial Position

Next, I will cover our financial position as of the end of the first quarter of 2026.

Balance Sheet Total assets stood at KRW 3.4611 trillion, total liabilities at KRW 1.8957 trillion, and total equity at KRW 1.5655 trillion.

Liquidity and Borrowings Cash and cash equivalents increased quarter-on-quarter to KRW 445.5 billion, while total borrowings declined to KRW 1.3648 trillion.

Key Financial Ratios The debt-to-equity ratio stood at 121.1%, the borrowings ratio at 87.2%, and the net borrowings ratio at 58.7%.

Overall, the Company's financial stability improved during the first quarter, as stronger operating cash flow contributed to a reduction in total borrowings.

Page 11 - Business Segment Performance: Construction

Next, I will discuss the performance of our Construction segment.

First Quarter Results The Construction segment posted revenue of KRW 214.0 billion and operating profit of KRW 93.2 billion for the quarter. At Goyang Deokeun DMC IS BIZ Tower Hangang — Blocks 6 and 7 — move-ins were concentrated within the official move-in period, resulting in the recognition of approximately KRW 192.8 billion in delivery-based revenue. Supported by the contribution from high-margin projects, the gross profit margin reached approximately 48.9%. In addition, approximately KRW 9.9 billion in previously recognized allowance for doubtful accounts was reversed during the quarter.

Outlook Looking ahead, move-ins at Goyang Deokeun Blocks 6 and 7 are expected to continue, primarily for the remaining units following the conclusion of the official move-in period.

Page 12 - Construction Segment: Order Backlog

Next, I will discuss the order backlog for our Construction segment.

New Orders New orders for the first quarter of 2026 totaled KRW 138.3 billion. This primarily reflects approximately KRW 68.1 billion in additional contract value from the Hongdodong District 2 Housing Redevelopment Project, along with approximately KRW 70.9 billion in additional contracts related to Ulsan New City Phase 2 and Ulsan Lake Park Eileen's Garden.

Order Backlog As of the end of the first quarter, the total order backlog stood at KRW 2.2664 trillion. By category, this comprises KRW 1.5443 trillion in building construction, KRW 678.4 billion in pre-sale projects, and KRW 43.6 billion in civil engineering.

For reference, projects pending future pre-sales — including Gyeongsan Pentahills W — are not yet reflected in the current order backlog figures.

Page 13 - Construction Segment: Project Status

Next, I will provide an update on our ongoing and upcoming projects within the Construction segment.

Ongoing Projects

For Ulsan New City Eileen's Garden Phase 2 and Goyang Deokeun DMC IS BIZ Tower Blocks 8–9 and 10, the majority of revenue has already been recognized, and accordingly, the remaining revenue contribution from these projects is expected to be limited going forward.

At Goyang Deokeun DMC IS BIZ Tower Hangang — Blocks 6 and 7 — delivery-based revenue was recognized during the first quarter as move-ins were concentrated within the official move-in period, with move-ins for the remaining units expected to continue.

Construction of Ulsan Lake Park Eileen's Garden is currently underway. The applicable revenue recognition method — whether percentage-of-completion or delivery-based — is expected to be determined around July of this year.

Upcoming Projects

Major projects, including Gyeongsan Pentahills W, are progressing sequentially and are expected to contribute to future revenue as pre-sales and construction commencement progress over time.

Page 14 - Gyeongsan Jungsan District Project

Next, I would like to introduce the Gyeongsan Jungsan District project — Pentahills W.

Project Overview Pentahills W is located in the Jungsan-dong area of Gyeongsan, adjacent to Suseong-gu in Daegu, effectively positioning it within the greater Suseong-gu area. The development is planned as a large-scale residential complex comprising 18 buildings of up to 59 stories above ground and six basement levels, with a total of 3,443 residential units.

Pre-Sale Schedule and Strategic Significance The Company is preparing for a pre-sale launch targeted for June 2026, subject to market conditions and other relevant factors. We view Pentahills W as an important driver of the Company's mid- to long-term growth.

Investor Engagement For reference, site tours for analysts and institutional investors were conducted in February and March of this year, followed by the publication of related research reports and expanded analyst coverage.

Page 15 - Concrete Segment Performance

Next, I will discuss the performance of our Concrete segment.

First Quarter Results The Concrete segment posted revenue of KRW 63.4 billion and operating profit of KRW 9.7 billion for the quarter. In the PC segment, stable profitability was maintained as revenue from high-value semiconductor-related projects — including Pyeongtaek P5 — continued to expand. Profitability in the PILE segment also improved, supported by higher selling prices.

Outlook In the PC segment, the Company is actively pursuing additional orders centered on semiconductor plant projects. In the PILE segment, shipments of large-diameter piles for semiconductor plants in Yongin and Cheongju are expected to increase going forward.

Page 16 - Environmental Segment Performance

Next, I will discuss the performance of our Environment segment.

First Quarter Results The Environment segment posted revenue of KRW 86.4 billion and operating profit of KRW 4.1 billion for the quarter. At Insun E&T, revenue from the construction waste business declined due to the completion of existing projects and a decrease in new project volumes. In contrast, Environment & Energy Solution maintained stable performance, supported by new orders and ongoing construction progress.

Outlook Recovery at Insun E&T is expected to remain gradual until conditions in the construction and manufacturing industries improve. For Environment & Energy Solution, performance is expected to improve steadily, supported by expanding construction-related revenue.

Page 17 - Secondary Battery Segment Performance

Next, I will discuss the performance of our Secondary Battery segment.

First Quarter Results The Secondary Battery segment posted revenue of KRW 55.0 billion and operating profit of KRW 8.0 billion for the quarter. Profitability improved significantly quarter-on-quarter, supported by the favorable impact of rising metal prices. That said, supply conditions for scrap — the segment's key raw material — remain tight.

Outlook The Company is pursuing expanded procurement of LFP scrap and higher operating rates in line with the growth of the LFP battery recycling market. As the Company continues to strengthen raw material procurement and cost competitiveness, further profitability improvement is expected, driven by metal price pass-through effects and higher utilization rates.

Page 19 - 2026 Revenue Guidance

Finally, I will present our revenue guidance for 2026.

2026 Revenue Guidance The Company expects consolidated revenue for 2026 to be in the range of KRW 1.3 trillion to KRW 1.4 trillion. As illustrated in the chart, the Company's revenue has historically expanded during periods of concentrated pre-sale activity.

Mid- to Long-Term Growth Outlook The Company is currently entering a new pre-sale cycle, with major projects — including Gyeongsan Pentahills W — expected to proceed in a phased manner, laying the groundwork for sustained mid- to long-term revenue growth.

Page 31 - Closing Remarks

This concludes our First Quarter 2026 Earnings Presentation.

During the quarter, the Company's overall performance recovered meaningfully, supported by the recognition of delivery-based revenue from major projects and a broad-based improvement in profitability across segments.

Going forward, IS Dongseo remains committed to executing its key projects as planned, while steadily building the foundation for sustained mid- to long-term growth.

We sincerely appreciate the continued interest and trust of our shareholders and the investment community.

Thank you for your time today.