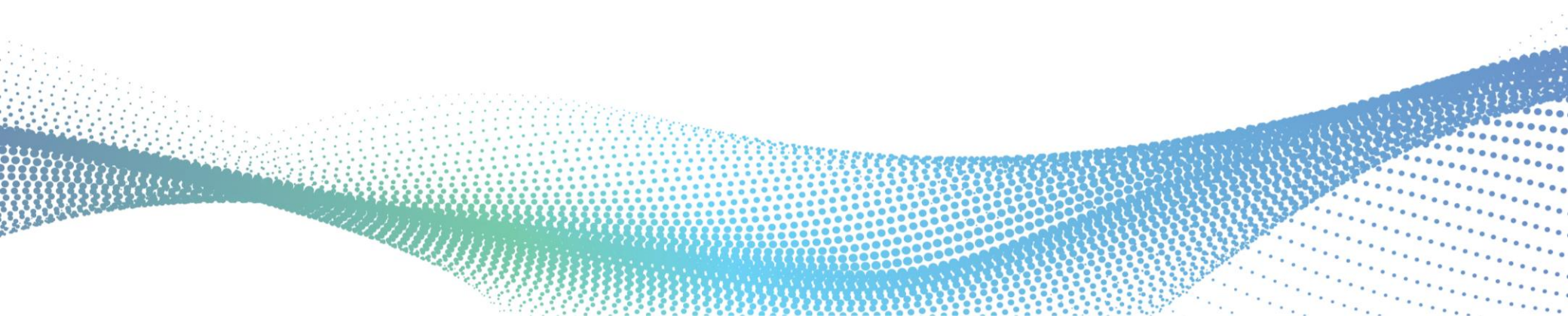


FIRST QUARTER 2022

Financial Results

HYOSUNG CHEMICAL



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1. Quarterly Income Statements by Biz Sector
2. Price Trend of Raw Materials

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1Q 2022 consolidated earnings and past consolidated earnings presented in this presentation are based on K-IFRS accounting standards. Historical data is provided for comparison purposes.

Information in this presentation has not been audited nor reviewed yet, and thus, is subject to change during the audit or review. Forward looking statements have been made with consideration of current status of the business environment and are also subject to change according to changes in the business environment, as well as the company's strategy.

1Q 2022 Financial Results

Quarterly Profit/Loss Statement (Consolidated)

(Unit: Billion KRW)

	1Q 2021	4Q 2021	1Q 2022	QoQ	YoY
Sales Revenue	591.2	612.0	727.2	18.8%	23.0%
Gross Profit	84.4	10.6	(8.1)	T/L	T/L
<i>Gross Profit Margin</i>	<i>14.3%</i>	<i>1.7%</i>	<i>(1.1%)</i>	<i>(2.8%p)</i>	<i>(15.4%p)</i>
Operating Profit	61.1	(16.8)	(33.2)	Continued Loss	T/L
<i>Operating Profit Margin</i>	<i>10.3%</i>	<i>(2.7%)</i>	<i>(4.6%)</i>	<i>(1.9%p)</i>	<i>(149%p)</i>
Interest Expense	8.2	10.8	15.6	44.4%	90.2%
Gain or Loss on Foreign Exchange/Derivatives	(0.4)	(1.0)	0.7	T/P	T/P
Income before Tax	53.5	(27.4)	(50.5)	Continued Loss	T/L
Net Profit	41.9	(32.3)	(49.6)	Continued Loss	T/L
Net Profit in Controlling Interest	41.9	(32.3)	(49.6)	Continued Loss	T/L
EBITDA	107.3	39.5	37.1	(50.3%)	(41.4%)

1Q 2022 Financial Results (Continued)

Balance Sheet (Consolidated)

(Unit : Billion KRW)

	Dec 2020	Dec 2021	Mar 2022	QoQ
Assets	2,417.4	3,056.2	3,096.5	1.3%
Current Assets	435.8	797.6	825.2	3.5%
Cash & Cash Equivalents	65.1	36.5	60.4	65.5%
Non-Current Assets	1,981.6	2,258.6	2,271.3	0.6%
Liabilities	2,015.0	2,554.7	2,638.3	3.3%
Current Liabilities	624.2	1,083.1	1,208.5	11.6%
Non-Current Liabilities	1,390.8	1,471.6	1,429.8	(2.8%)
Equity	402.4	501.5	458.2	(8.6%)
Debt	1,661.4	2,020.7	2,121.3	5.0%
Net Debt	1,596.3	1,984.2	2,060.9	3.9%
<i>Debt Ratio</i>	<i>500.8%</i>	<i>509.5%</i>	<i>575.8%</i>	<i>66.3%p</i>

1Q 2022 Financial Results (Continued)

Cashflow (Consolidated)

(Unit : Billion KRW)

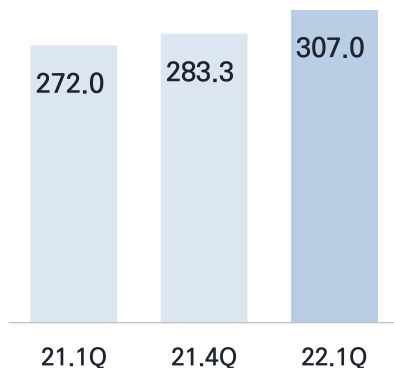
	Jan to Dec 2020	Jan to Dec 2021	1Q 2022	Jan to Dec 2022
Cash Flow from Operations	108.4	83.3	(4.3)	(4.3)
Net Income	(11.6)	70.4	(49.6)	(49.6)
Depreciation	181.9	195.2	70.2	70.2
Changes in Net Working Capital	(61.9)	(182.3)	(24.9)	(24.9)
Cash Flow from Investing	(477.6)	(471.2)	(72.5)	(72.5)
PP&E and Intangibles	(474.2)	(471.2)	(72.5)	(72.5)
Others	(3.4)	0	0	0
Cash Flow from Financing	318.5	359.2	100.7	100.7
Changes in Borrowings	318.5	359.2	100.7	100.7
Dividend Payment	0	0	0	0
Cash and Cash Equivalents	(50.7)	(28.7)	23.9	23.9

• Vietnam Vina Corp.(PP/DH) : 2020(412.8) , 2021(427.5), 2022.1Q(34.6)

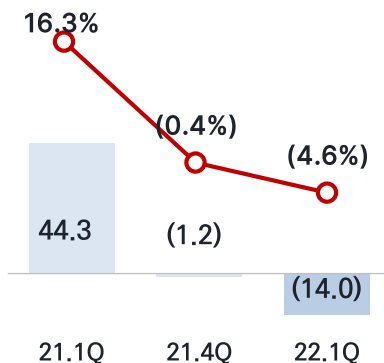
Financial Performance by Division

PP/DH (Korea) | Feedstock cost surged, sales volume softened across all grade amid Covid lockdown in China

Sales Revenue



Operating Profit (Margin) Unit: Billion KRW

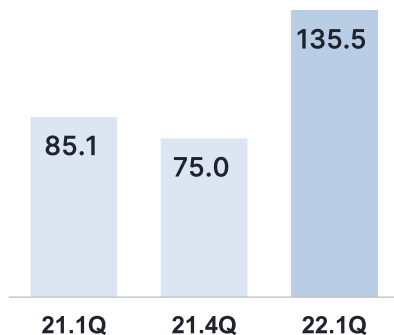


- Shipping bottleneck to the Americas/Europe resolved partly via bulk carriers) whereas sales volume to China dropped along with weaker pricing condition amid tighter lockdown restriction in China.
- Unabated inflationary cost environment particularly in sub-material, fuel, logistics, etc, vs. 4Q21.
- PP(homo) – Propane(CP) spread fell further QoQ

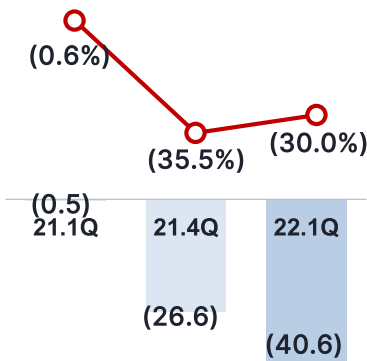
(\$/ton)	21.1Q	21.4Q	22.1Q	QoQ	YoY
PP(homo)	1,140	1,171	1,150	(1.8%)	0.9%
Propane(CP)	535	778	770	(1.0%)	43.9%
Spread	471	199	188	(5.5%)	(60.2%)

PP/DH (Vietnam) |

Sales Revenue



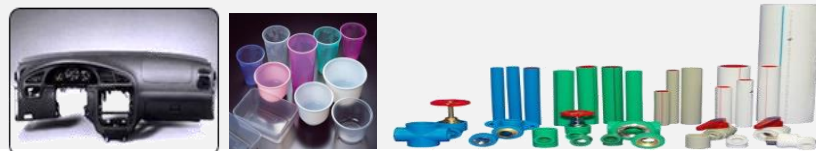
Operating Profit (Margin) Unit: Billion KRW



- PP homo(SE Asia)–Propane(CP) spread marginally better QoQ

(\$/ton)	21.1Q	21.4Q	22.1Q	qoq	yoy
Spread	620	289	324	12.1%	-47.8%

- Secondary maintenance of DH units (2/2~3/15)
- Depreciation charges kicks in for DH units and Cavern starting 1Q22 since the assets were placed in service in December 2021. (21.4Q: 19B KRW → 22.1Q: 35B KRW)

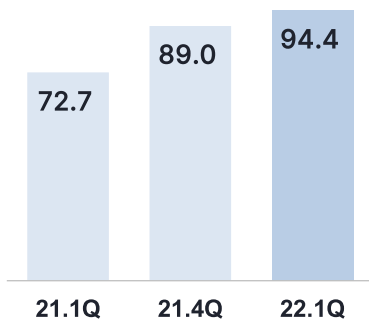


Financial Performance by Division (Continued)

TPA

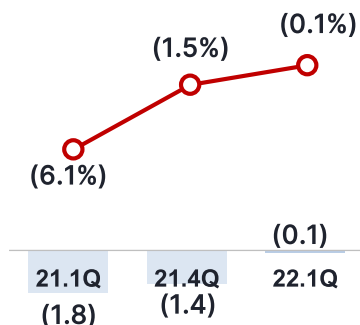
Sales volume back on track given improved yield and solid demand growth

Sales Revenue



Operating Profit (Margin)

Unit: Billion KRW



- TPA-PX (0.665) spread remains nearly unchanged QoQ yet better YoY

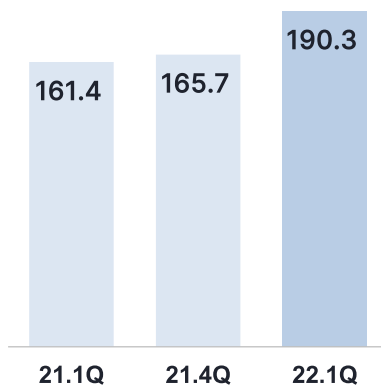
(\$/ton)	21.1Q	21.4Q	22.1Q	qoq	yoy
TPA-PX(0.665)	91	109	107	-1.8%	17.6%

- With improvement in yield post planned outage last year, production and shipment increased thanks to solid demand for PET tire reinforcing materials, leading to better sales and profitability for 1Q22.

Others

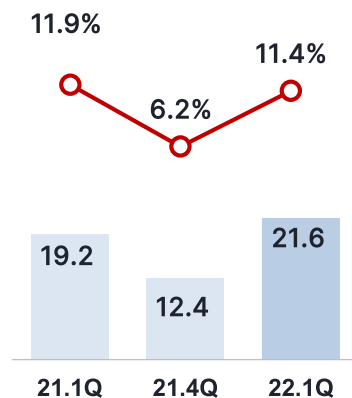
Volume/ASP more upbeat as IT demand backdrop remains favorable

Sales Revenue



Operating Profit (Margin)

Unit: Billion KRW



<NF3>

Sales/profitability improved significantly as ASP remains buoyed by strong demand from downstream IT sector.

<TAC film>

Sales/profitability returned to norm on better volume following the completion of regular maintenance in 4Q21.

<Film> PET film sales volume continues to rise with some scope of further gains from yield improvement in the cell pouch conversion line.

<POK (polyketone)>

Improved economies of scale thanks to increased sales volume

Appendix 1. Quarterly Income Statements by Biz Sector

Sales Revenue

Unit: Billion KRW

	2018	2019					2020					2021					2022
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
PP/DH	983.8	219.8	253.0	247.3	227.2	947.3	210.4	242.1	285.0	270.1	1,007.6	357.1	388.6	375.7	357.4	1,478.8	442.5
TPA	391.0	102.9	105.8	74.6	69.4	352.7	77.7	51.1	53.8	55.7	238.3	72.7	68.0	92.8	89.0	322.4	94.4
Others	489.1	128.8	129.2	134.0	120.5	512.5	136.7	136.1	148.5	149.9	571.2	161.4	162.6	162.1	165.7	651.8	190.3
Sum	1,863.9	451.5	488.0	455.9	417.1	1,812.5	424.8	429.3	487.3	475.7	1,817.1	591.2	619.2	630.6	612.0	2,453.0	727.2

Operating Margin

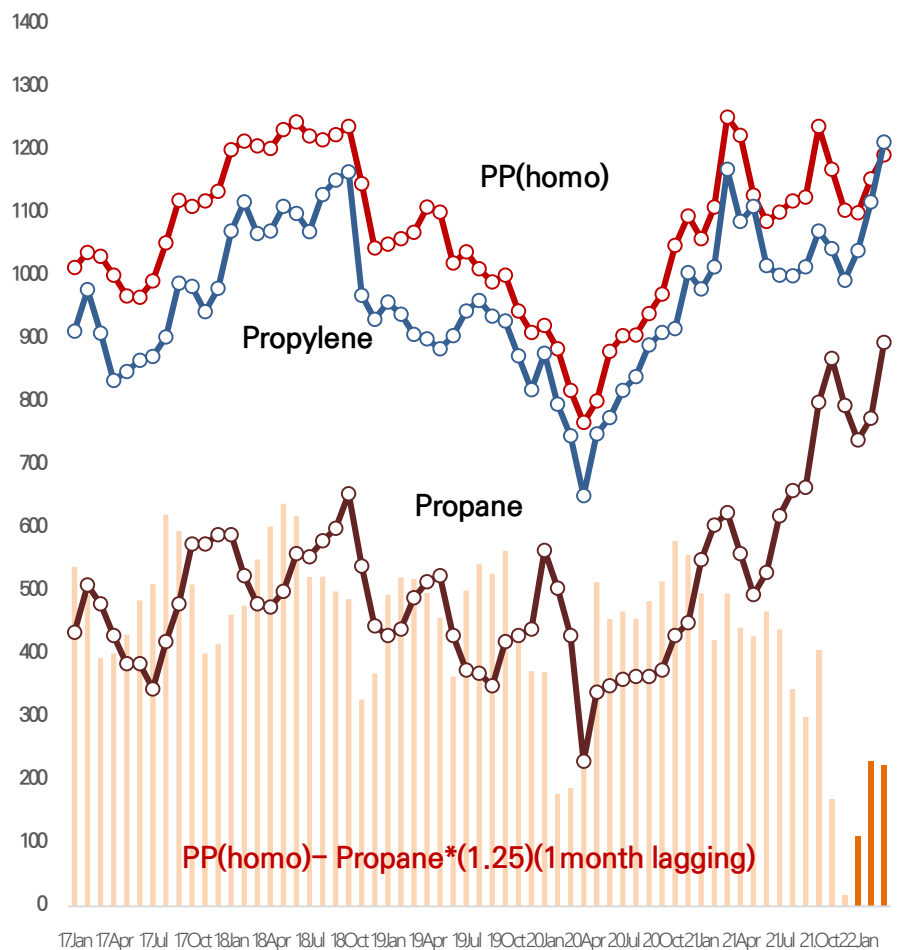
Unit: Billion KRW

(OPM)	2018	2019					2020					2021					2022
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
PP/DH	107.3	21.0	39.6	45.7	27.5	133.8	3.7	(5.3)	11.6	9.5	19.4	43.7	54.7	15.6	(27.8)	86.3	(54.6)
	10.9%	9.6%	15.7%	18.5%	12.1%	14.1%	1.8%	(2.2%)	4.1%	3.5%	1.9%	12.2%	14.1%	4.2%	(7.8%)	5.8%	(12.3%)
TPA	7.6	2.7	6.8	2.0	(3.4)	8.1	(0.8)	(4.8)	(1.7)	(3.4)	(10.8)	(1.8)	(3.6)	(1.0)	(1.4)	(7.9)	(0.1)
	1.9%	2.6%	6.4%	2.7%	(4.9%)	2.3%	(1.0%)	(9.5%)	(3.2%)	(6.1%)	(4.5%)	(2.5%)	(5.3%)	(1.1%)	(1.6%)	(2.4%)	(0.1%)
Others	(6.9)	1.3	3.2	7.4	0.2	12.1	9.5	13.8	15.0	14.0	52.3	19.2	20.2	18.3	12.4	70.1	21.6
	(1.4%)	1.0%	2.5%	5.5%	0.2%	2.4%	6.9%	10.1%	10.1%	9.3%	9.1%	11.9%	12.4%	11.3%	7.5%	10.8%	11.3%
Sum	108.0	25.0	49.6	55.1	24.3	154.0	12.4	3.6	24.9	20.1	60.9	61.1	71.3	32.9	(16.8)	148.6	(33.2)
	5.8%	5.5%	10.2%	12.1%	5.8%	8.5%	2.9%	0.8%	5.1%	4.2%	3.4%	10.3%	11.5%	5.2%	(2.7%)	6.1%	(4.6%)

Appendix 2. Price Trend of Raw Materials

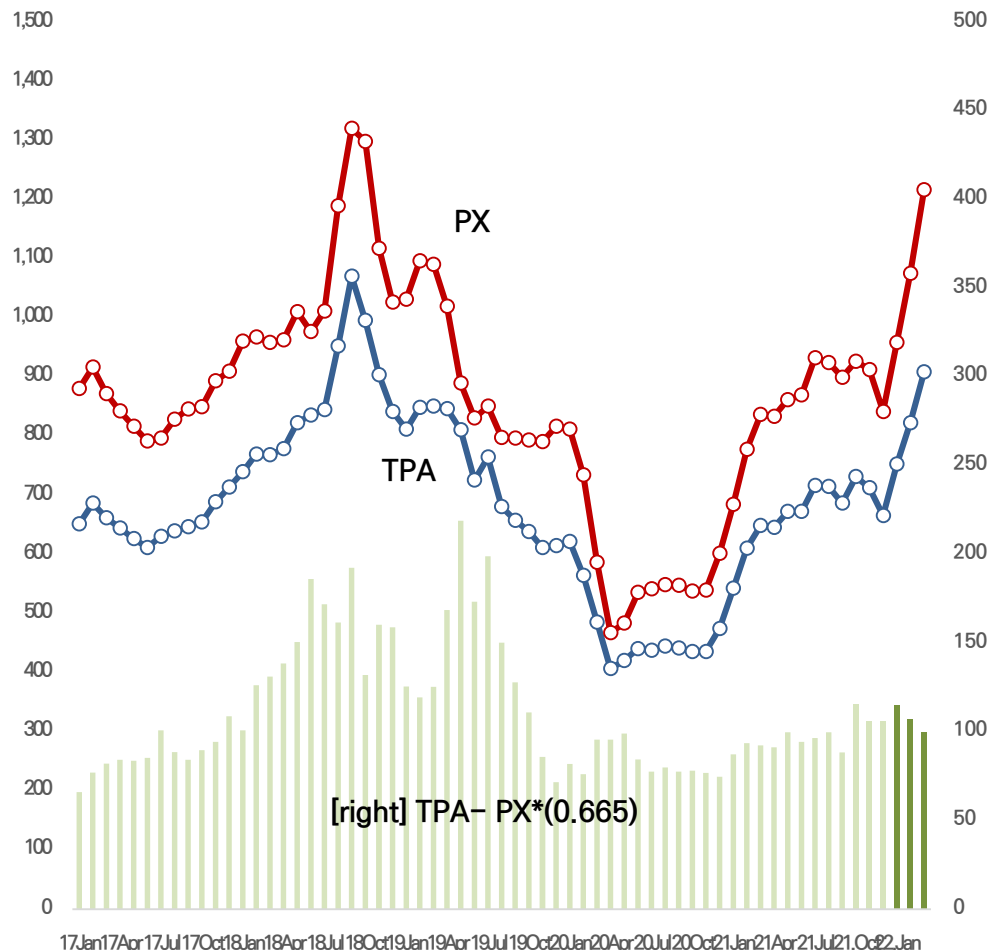
PP(homo) – Propylene – Propane

(unit: \$/ton)



PX – TPA

(unit: \$/ton)



Appendix 3. Fact sheet

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Business Model

▶ World No1. PP-R(pipe) Provider

- 61% of total revenue (2021)
- Key markets: China, Middle East, Turkey, Russia, CIS
- PP-R pipe accounts for ~55% of total PP outputs
- Key feedstock: Propane
- Brand "TOPILENE R200P"

▶ TPA

- 13% of total revenue (2021)
- 75% of its revenue stems from group affiliates
- Key feedstock: PX

▶ PET/NY Flim

- 11% of total revenue (2021)
- Main use: Food packaging, LCD film protection
- Key feedstock: PET chip, NY6 chip

▶ World No3. NF3 Provider

- Key Customers: SEC, SK-Hynix, LGD, SDI
- Key feedstock: Hydrogen Fluoride

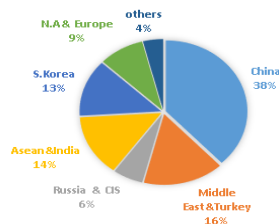
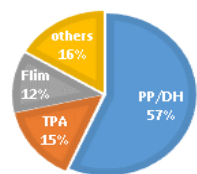
▶ Polyketon: eco-friendly product

- Brand "POKETONE"
- Key feedstock: CO

▶ World No3. TAC(Tri-Acetyl Cellulose) Flim Provider

- LCD polarizer(PVA film) protection film

SALES REVENUE



Industry Backdrop

▶ PP-R Pipe

- **Replacing PVC:** water pipe, better economics/eco-friendly, more prominent in China/Middle East.
- **Emerging markets:** particularly strong in SE Asia and India due to a slew of infrastructure investments.
- **PP(homo):** likley supply glut in China in 2022 whereas **PP-R** should fare better given its unique pricing dynamics linked with PVC market(in lieu of PP) which appears to trend up in 2022.

▶ NF3 market

- Nearly "sold-out" situation, imminent expansion warranted
- Strong IT demand especially for D-RAM

▶ POK market

- Could be meaningfully big in the future given its consistency with carbon-zero campaign: Use CO₂, a precursor for POK, originating from carbon capture facilities.
- The lowest CO₂ emission across various engineering plastics.

Growth Strategy

▶ Focus on Low-cost Curve, Volume Gains

- Focus on Premium-grade(e.g. PP-R)
- PP/DH: Full capacity run(600kMT/year) in Vietnam
- Strategic geographical choice: growth potential in India/SE bypassing trade conflict(high tariff).

▶ Tech-related materials

- NF3: per requests from captive customers.

Competitive Edges

▶ Capability to produce eco-friendly EP

▶ Trust from returning customers

- Capacity expansion per request from captive customers
- High entry barrier related to the need to deal with toxic materials (e.g. fluoride)

Management Team

CEO: Kun-Jong LEE

- Ph D in Chemistry
- Ex-Director of LCD manufacturing center Samsung Electronics
- Ex-CEO at Wonil Materials



CFO : Bo-Young YOON

- Ex-Head of Finance at Hyosung Corporation



Key Metrics

Sales	2,453 billion KRW
Growth	35.0%
Gross profit	249 billion KRW
Growth	62.8%
EBITDA	344 billion KRW
Growth	41.5%
Operating profit	148 billion KRW
Growth	143.4%
Net debt/Equity	509.5%

Average number of staff: 1,195 (worldwide)