NATHAN RESEARCH GROUP

KOREA MARKET SERIES
Nº 04 · DEFENSE EXPORT
SEOUL · 2026-08

MARKET RESEARCH MONOGRAPH

The Defense Export Market
what a signature actually buys

A study of Korea's defense export market — what is traded, the three figures that measure it and cannot be added, how far a signature sits from a delivery, and the two constraints that decide how much of the orderbook converts.

2025 REVENUE, FOUR LARGEST FIRMS	2025 EXPORT CONTRACTS SIGNED	DELIVERIES, WORLD SHARE 2021–25	PENDING EXPORT ORDERS — TANKS
₩40.45tn	$15.4bn	3.0%	820
whole-company, incl. rail	+60.4% · still below 2022	rank 9 · delivered volume	1st · incl. fire-support

Evidence base: SIPRI Fact Sheet March 2026 for delivered volume, pending export orders and recipient mix · the DAPA contract-signature series and company results via Seoul Economic Daily · Korea Eximbank, K-SURE and National Assembly records on export financing · dated contract reporting from Breaking Defense, KED Global, Army Recognition, Korea Herald, Notes From Poland, The Elec and Naval News · the two second-tier filers collected in the repository, carrying 14 and 7 DART filings — the only filing-level evidence available, since no DART collection was performed for this study. Figures are as published by the named sources; the evidence base was compiled 2026-08-12.

NOT INVESTMENT ADVICE
NO PRICE TARGET
PREPARED 2026-08, SEOUL

Contents

THE ANALYTICAL SPINE

The document runs the market forward: what is actually traded and in which units, how the measured position was built, the distance between a signature and a delivery, what a signature does not buy, and the two constraints that decide how much of the orderbook converts. The participants come last, each read as a position at a distance from the export contract. Three market environments and three transferable findings close.

Sections, and the exhibits that carry them

HOW TO READ THIS DOCUMENT

This is a study of a market. Companies appear as the lens that makes it legible: their disclosures evidence how the market behaves, never what they are worth. There is no valuation, no price target and no buy or sell framing here, and where no credible figure exists an exhibit stops.

Executive Summary

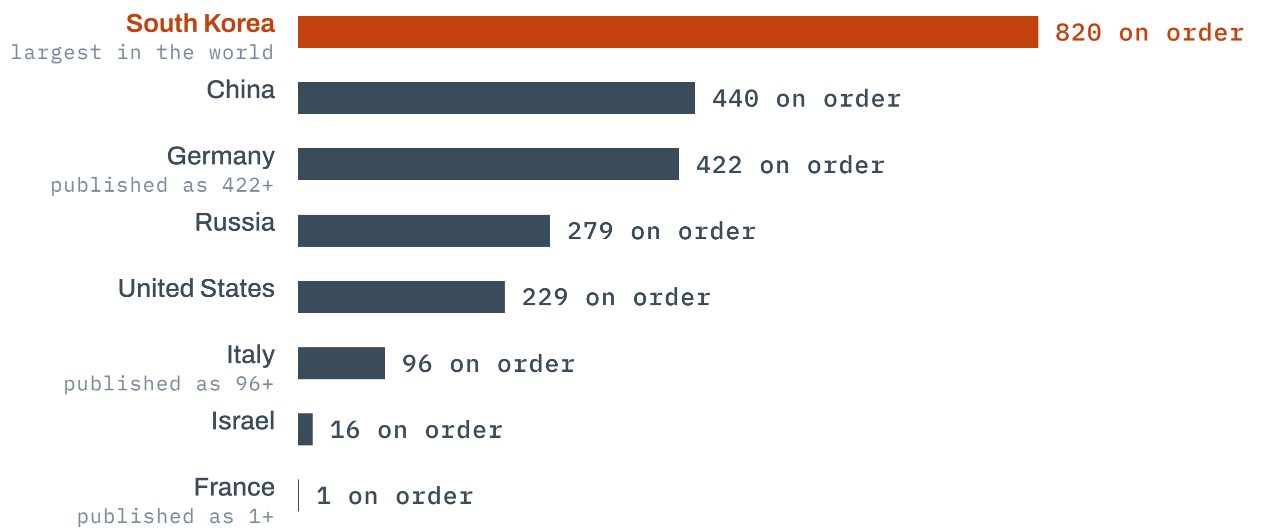
WHAT KOREA HAS SOLD
AND NOT YET DELIVERED

Korea ranks **ninth in the world for the arms it has actually delivered** — 3.0% of global arms exports over 2021–25, measured as delivered volume rather than money[1] — and **first in the world for two of the categories it has sold and not yet delivered.**

RANK, ARMS DELIVERED 2021–25	PENDING EXPORT ORDERS — TANKS	PENDING EXPORT ORDERS — ARTILLERY	POLAND, SHARE OF DELIVERIES
9th	**820**	**1,114+**	**58%**
3.0% by delivered volume	1st worldwide · China 440	1st · USA 803+	47% of Poland's imports

On the independent count of major arms on order or preselected for export after 2025, Korea holds **820 tanks and fire-support vehicles** — against 440 for China, 422 or more for Germany, 279 for Russia and 229 for the United States — and **1,114 or more artillery pieces** against 803 or more for the United States[1]. In the same count it holds **five major warships and no combat helicopters at all**[1]. One customer takes **58% of what Korea has delivered**, and Korea supplies **47% of that customer's imports**[1] — a mutual dependency measured on two different denominators, which is the first of many places in this market where two figures that look comparable are not.

EXHIBIT 1 **Tanks and fire-support vehicles on order for export — Korea against every other top-ten supplier that reports a figure**



Source: SIPRI Fact Sheet, March 2026 (Box 1) — major arms on order or preselected for future orders, for export after 2025. The unit is platforms counted, not money and not deliveries. Figures SIPRI publishes as floors are plotted at the floor and carry the published form in the sub-label: Germany 422+, Italy 96+, France 1+. Because those figures are floors, the order below Korea is the order of the published numbers rather than a measured ranking — Germany's 422+ may exceed China's 440. The United Kingdom and Spain report no pending order in this category and are not drawn.

WHY IT MATTERS Pending orders are commitments; §3 measures how far a commitment sits from a delivery.

What the evidence establishes

FIVE FINDINGS
AND TWO OMISSIONS

Five findings survive the sourcing rules this study applies. Three of them are statements about how this market is measured rather than about how much it will sell.

EXHIBIT 2 **The five findings, and where each one is established**

FINDING	WHAT THE RECORD SHOWS	WORKED THROUGH IN
Three figures circulate as Korea's exports, and none can be added to another	DAPA counted US$15.4bn of contracts signed in 2025; SIPRI measured 3.0% of arms delivered worldwide over 2021–25; the four largest firms booked ₩40.45tn of revenue, rail and ships included.	E4 Seoul Economic Daily, 2026-03-25 SIPRI Fact Sheet, March 2026
The distance between a signature and a delivery is lengthening	Poland's first K9 contract delivered all 212 howitzers inside three years. Contracts signed since 2025 first deliver in 2028 for Finland's K9 and 2030 for Poland's Chunmoo.	E14 Army Recognition, 2025 Hanwha Aerospace press releases 2025-12-30 and 2026-04-10
No aggregate backlog reconciles with its own components	Four compilations give ~US$69bn, >US$72bn, ~₩100tn, and US$79.6bn or "over ₩120tn" from the fourth. The two that publish components sum to ₩121.7tn and ₩101.05tn against those headlines.	E17–E18 Korea Herald, 2025-12-02 Seoulz, 2026-04-23 BigGo Finance, 2026-05-10 BigGo Finance, 2026-05-19
The ceiling on the largest deals sits on the seller's balance sheet	A single-borrower limit of 40% of one policy bank's equity, as published in 2023; the 2024 increase created ₩4tn against a ₩20tn request; the 2026 fund has no size.	E22 Businesskorea, 2023-07-04 Korea Herald, 2024-02-29 Seoul Economic Daily, 2026-05-17
How much of the orderbook is export cannot be read from disclosure	Only one participant publishes an export share of revenue: 25.4% in Q2 2026, one quarter's mix. Every other backlog bundles rail, ships or ICT.	E19 Seoul Economic Daily, 2026-08-06

None of the five is a forecast. What the record supports is the shape of the market: what is traded, how long a contract takes to convert, and what limits the size of the next one.

All eight of the Korean-listed participants named here file with the regulator. Two are collected in the repository, both second-tier suppliers rather than primes, and no collection was performed for this study; every prime-level figure is therefore press-sourced, with its outlet named in the exhibit that carries it or in the register.

TWO NUMBERS THIS STUDY WILL NOT PRINT

Two figures are absent by decision. The first is any Korean defense export value later than 2026: no house located publishes a 2027 or later forecast, so the sizing exhibit stops at 2025 and 2026 carries three houses' three definitions. The second is a price: no published source carries one, and the values derived from contract value divided by platform units bundle munitions, spares, training and logistics rather than pricing a platform.

1.1 The instrument, not the product

THE INSTRUMENT
THE SIZING
THE CHAIN

This market does not trade a product. It trades a contract, and the contract is a layered instrument whose stages are published by different people, in different units, years apart.

EXHIBIT 3 **The instrument — four stages, four publishers, four units**

STAGE 01	STAGE 02	STAGE 03	STAGE 04
Framework	**Executive contract**	**Delivery**	**Revenue**
WHAT EXISTS: Ceiling and intent; no binding quantity	WHAT EXISTS: Binding quantity, price and schedule	WHAT EXISTS: Platforms handed over	WHAT EXISTS: Recognized in the accounts
WHO PUBLISHES IT: Media, at signature	WHO PUBLISHES IT: DAPA annual tally; company disclosure	WHO PUBLISHES IT: SIPRI, in trend-indicator volume	WHO PUBLISHES IT: Company quarterly results
UNIT: US$, indicative	UNIT: US$ / ₩, contracted	UNIT: TIV, not money	UNIT: ₩, whole-company

Sources: the stage structure follows its own publishers. Framework values are carried by the press at signature — Janes and Breaking Defense on Poland's 2022 framework, July 2022. Executive-contract values are carried by DAPA's annual tally, via Seoul Economic Daily, 2026-03-25, and by company disclosure. Deliveries are measured by SIPRI Fact Sheet, March 2026, in trend-indicator volume. Revenue is reported by the participants themselves, quarterly. No element of this drawing carries a quantity.

Each stage publishes its own number, in its own unit, on its own schedule. The three figures that circulate as Korea's exports are drawn from three different stages, which is why adding them — or reading one as a check on another — produces nothing.

EXHIBIT 4 **The three numbers that circulate as Korea's exports, and what each one counts**

MEASURE	FIGURE, AS PUBLISHED	WHAT IT COUNTS	UNIT
Contracts signed	US$15.4bn (₩23.2tn) in 2025, +60.4%	Export contract value booked in the year of signature	US$
Deliveries made	3.0% of world arms exports over 2021–25, rank 9	Physical deliveries of major arms, capability-weighted	Trend-indicator volume
Revenue recognized	₩40.45tn in 2025, operating profit ₩4.63tn	Whole-company: domestic, rail and shipbuilding included	₩

Sources: contracts signed — DAPA, via Seoul Economic Daily, 2026-03-25. Deliveries — SIPRI Fact Sheet, March 2026, database updated 2026-03-09; the unit is a capability-weighted volume, not money, and cannot be placed on a currency axis. Revenue — Seoul Economic Daily, 2026-03-25, for the four largest participants. A second compilation (Seoulz, 2026-04-23, an aggregator) puts the same revenue at ₩40.9tn with about ₩5.23tn of operating profit; both are printed and neither is averaged.

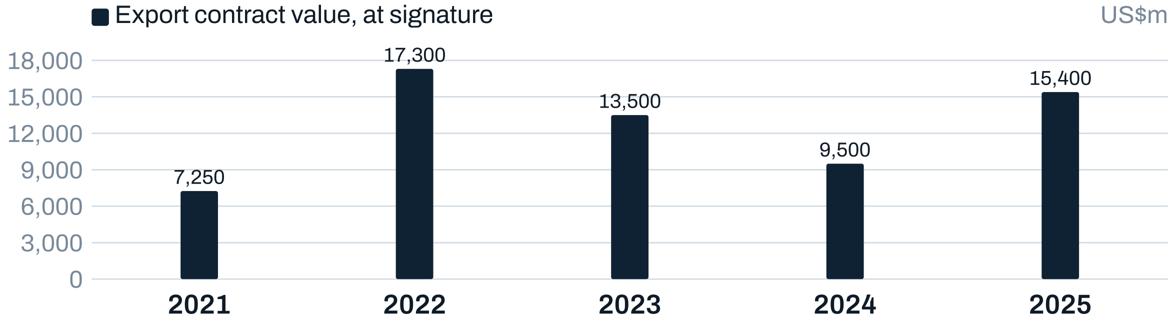
1.2

The only official money series

THE INSTRUMENT
THE SIZING
THE CHAIN

One series measures this market in money, and the government publishes it. It counts contracts in the year they are signed, whatever year they deliver in.

EXHIBIT 5 **Export contracts signed, 2021–2025 — the only official multi-year series**



Source: DAPA, via Seoul Economic Daily, 2026-03-25; the 2021 point as reported in the same series. Values are export contracts booked in the year of signature, in US dollars as published. The axis is in millions so that every year prints its published figure exactly — 2025's US$15,400m is the US$15.4bn quoted elsewhere in this study. The 2025 result missed the government's own US$20bn target for the year and sits 11% below the 2022 peak — [NRG estimate], 15.4 ÷ 17.3 − 1. The +60.4% carried elsewhere in this study is the source's own published growth rate; the 2024 point plotted here implies +62.1% — [NRG estimate], 15.4 ÷ 9.5 − 1 — and neither is adjusted to the other. No 2026 point is plotted: nothing published for 2026 is an outcome.

Read as a series rather than as a headline, this is not four years of growth. It is a market that peaked in 2022, fell twice, and recovered to a level still below its peak. What is published for the following year is not this series at all, and its three figures are not one quantity.

EXHIBIT 6 **Three published figures for 2026, and what each one is actually forecasting**

HOUSE	2026 FIGURE	WHAT IT FORECASTS	AS PUBLISHED
Korea Eximbank	>US$27bn	Defense exports	Overseas Economic Research Institute, “2026 Economic and Industry Outlook”
DB Investment & Securities	US$37.7bn	“Total defense exports”	Quoted beside a revenue projection, in the same article
Seoulz	₩50.58tn	Four largest firms' revenue	Not an export measure at all; an aggregator compilation

Sources: Korea Eximbank's Overseas Economic Research Institute, via Seoul Economic Daily, 2026-03-25; DB Investment & Securities, cited in Seoulz, 2026-04-23; Seoulz, 2026-04-23. The band is US$27bn to US$37.7bn and its two ends may not be the same quantity: the upper figure appears in an article whose adjacent projection is the revenue number in row three. A fourth figure circulating in the same period is an outlet's export-target framing rather than a house forecast and is excluded (Seoul Economic Daily, 2026-04-08). Nothing here is averaged and none of it is plotted on the series above.

1.3

Who holds each layer, and where it binds

THE INSTRUMENT
THE SIZING
THE CHAIN

Five layers separate a Korean export contract from a delivered platform, and the occupant of each one is known by name. The fifth is a pair of state lenders, and it sits inside the chain rather than beside it.

EXHIBIT 7 **The chain in five layers — named holders**

	Layer	Chokepoint	Named holders
01	**Platform prime** signs the export contract	2	Hanwha Aerospace, Hyundai Rotem, Korea Aerospace Industries, LIG Defense & Aerospace, Hanwha Ocean
02	**Sensors and fire control** multi-function radar		Hanwha Systems
03	**Effectors and ammunition** launchers and vehicles	3	Hanwha (vertical launchers), Kia Corp (vehicles), Poongsan (ammunition)
04	**Structures and armor** and embedded power	3	Samyang Comtech, Vitzrocell (Vitzrotech group), Firstec
05	**Export financing** arranged before signing	1	Korea Eximbank, K-SURE

● Chokepoint: 1 export financing · 2 prime-to-subsystem supply agreements · 3 localization
No source publishes value or margin share by chain step

Sources: Hanwha Systems' sensor and fire-control content, BigGo Finance, 2026-07-28, and its US$867m Saudi missile radar contract, KED Global, 2024-07-09; Kia Corp and the Cheongung-II launchers, compilations 2024–2026, which name the launcher supplier only as "Hanwha"; Poongsan's ammunition, Janes and KED Global, 2023-08-29; Samyang Comtech's armor and Vitzrocell's fuze and missile batteries, the Samyang Comtech and Vitzrotech FY2025 Annual Reports; Firstec, via Korea Times, 2026; export financing, Korea Eximbank via Businesskorea, 2023-07-04, and K-SURE via SeeNews, April 2026. Hanwha Ocean is consolidated by Hanwha Aerospace.

Three points along the chain set the pace, and none of them is factory capacity. Each has to close before a platform can move, and §3 dates what has happened to delivery schedules since 2022.

EXHIBIT 8 **The three chokepoints that set the pace**

CHOKEPOINT 1

Export financing, arranged before signature

The largest contracts need sovereign buyer credit, and the single-borrower ceiling is a fixed share of one policy bank's equity.

40% of KEXIM equity · 2023

CHOKEPOINT 2

Prime-to-subsystem supply agreements

The prime signs with the customer first; its agreements with the Korean subsystem makers follow, and are not disclosed.

Iraq M-SAM · open since 2024-09

CHOKEPOINT 3

Localization, demanded by the buyer

Every large contract in this study's localization record carries local production or technology transfer, so less of it is recognized in Korea.

Romania target · up to 80%

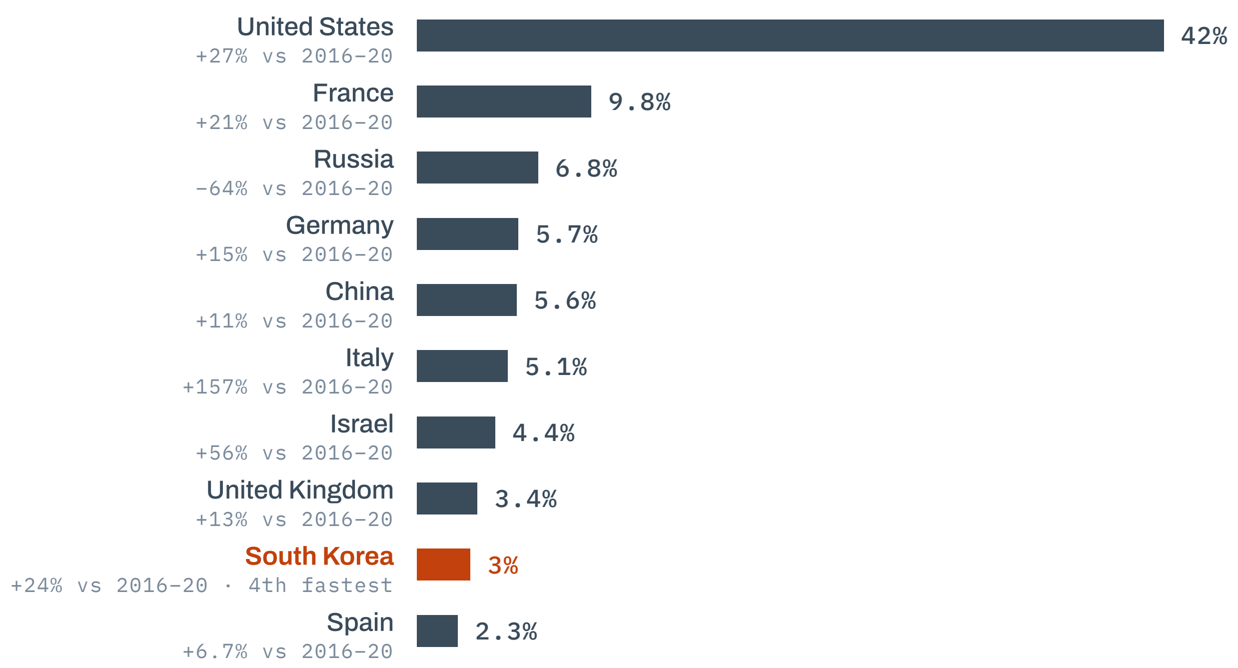
Sources: financing — Korea Eximbank, via Businesskorea, 2023-07-04, and Korea Herald, 2024-02-29. Supply agreements — Defense Arabia, 2024-09-24, which reports the prime signing without its domestic supplier agreements; Army Recognition, May 2026, records that Iraq's air-defense architecture still specifies the eight Korean batteries. Localization — Notes From Poland, 2026-04-29; Hanwha Aerospace press release, 2025-12-30; compilation via BigGo Finance, 2026-05-19. The numbers match the badges on Exhibit 7.

2.1 What has actually been delivered

DELIVERIES
ONE CUSTOMER
THE EUROPEAN POOL

One series in this market is measured by an outside institute rather than reported by a participant. It counts platforms actually handed over, weighted for capability rather than priced in money, and on it Korea ranks ninth[1].

EXHIBIT 9 **Share of global arms exports, 2021–2025 — the ten largest suppliers, measured as delivered volume**



Source: SIPRI Fact Sheet, March 2026 (SIPRI Arms Transfers Database, updated 2026-03-09). Shares are of world arms exports over 2021–25, measured in trend-indicator volume — a capability-weighted count of what was handed over, not a money total, and not comparable with any contract-signature figure in this study. South Korea's 3.0% is up from 2.6% in 2016–20. Sub-labels give the change in export volume between the two five-year windows on the same basis.

The measure lags, and the lag decides what it can show. It counts deliveries, so Poland's two contracts of August 2022 are inside the window — both complete by the end of 2025[2] — while no contract signed from 2025 publishes a first delivery before 2026. On that basis Korea's export volume grew 24% between the two windows, the fourth-fastest rise among the ten largest suppliers[1] — a strong result, and a less dramatic one than the contract headlines imply.

Two properties matter more than the rank. The position was built inside one capability class, ground firepower, where the same institute's count of what Korea has sold and not delivered puts it first or second; in every other class it is marginal, including the three its stated ambitions sit in (§2.3). And it was built by one customer's rearmament — Poland's arms imports rose 852% between the two windows, taking it to seventh in the world[1].

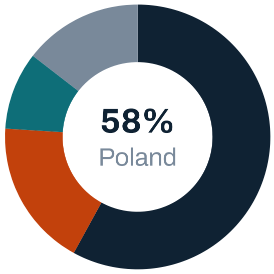
Neither property is a forecast. Both describe what has already left a factory, which is why the exhibits that follow keep what Korea has shipped and what it has sold on separate axes.

2.2 One customer, and what Korea is to it

DELIVERIES
ONE CUSTOMER
THE EUROPEAN POOL

Measured by what has actually been delivered, Korea's exports concentrate on three recipients, and one of them is more than half the total.

EXHIBIT 10 **Korea's deliveries by recipient, 2021–2025 — percent of delivered volume**



Poland	58
Philippines	18
UAE	9.5
All other recipients [NRG estimate] · 100 – 85.5	14.5

Source: SIPRI Fact Sheet, March 2026. Shares are of Korea's total measured deliveries over 2021–25, in trend-indicator volume. The three published recipients are 85.5% of the total and SIPRI names no fourth at this level, so the residual is [NRG estimate], 100 − 85.5. A competing measure by contract value rather than delivered volume puts Poland at "more than 40% of total exports" (Seoul Economic Daily, 2026-03-25); the two quantities are measured over different windows and are not combined.

Seen from the other side, the concentration runs both ways. Korea is the largest single supplier to two countries in the world, and to the two customers below whose largest Korean contracts have yet to deliver it is not a top-three supplier at all[1].

EXHIBIT 11 **Five arms importers, and how much of each one Korea supplies**

RECIPIENT	IMPORT RANK	SHARE OF WORLD IMPORTS	VS 2016–20	KOREA'S SHARE
Poland	7	3.6%	+852%	47%
Philippines	23	1.2%	+73%	42%
UAE	11	2.7%	−15%	10%
Romania	30	0.9%	+190%	not top three
Saudi Arabia	3	6.8%	−31%	not top three

Source: SIPRI Fact Sheet, March 2026. Ranks and shares are of world arms imports over 2021–25 measured as delivered volume; the fourth column compares that window with 2016–20 and the fifth is Korea's share of that country's own imports. Romania and Saudi Arabia are here for reasons the first three are not. Saudi Arabia is the undelivered air-defense case — a US$3.2bn Cheongung-II contract signed November 2023 (KED Global, 2024-02-07) into a country taking 77% of its imports from the United States. Romania is the localization and financing case: an armored production center targeting up to 80% local content (compilation via BigGo Finance, 2026-05-19) and a €900m K-SURE facility extended to its finance ministry (K-SURE, via SeeNews, April 2026).

2.3 The orderbook, counted independently

DELIVERIES
ONE CUSTOMER
THE EUROPEAN POOL

The institute that measures deliveries also counts what has been sold and not yet delivered. That count is the only independent check on this market's own backlog claims.

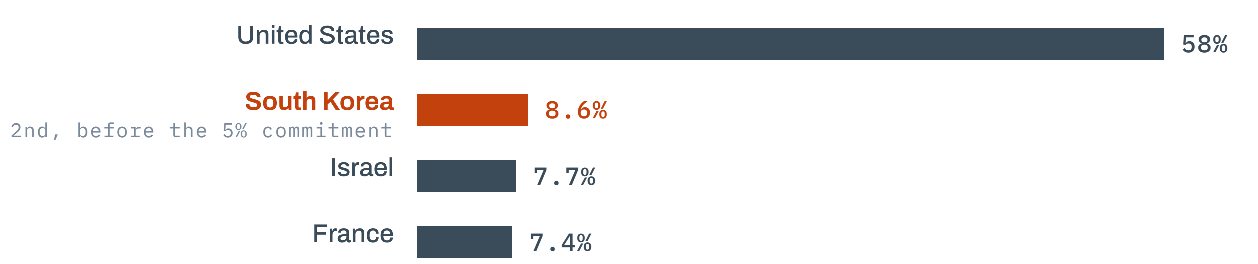
EXHIBIT 12 The independent pending-order count — Korea against the largest rival in each category

CATEGORY	SOUTH KOREA	LARGEST RIVAL	KOREA'S RANK
Tanks and fire-support vehicles	820	China 440	1st
Artillery	1,114+	USA 803+	1st
Other armored vehicles	1,692+	Italy 1,857	2nd
Combat aircraft	88	USA 936	4th
SAM systems, land-based	24	Israel 78+	5th
Major warships	5	UK 34+	6th
Combat helicopters	none	USA 254	—

Source: SIPRI Fact Sheet, March 2026 (Box 1) — major arms on order or preselected for future orders, for export after 2025, counted in platforms rather than in money. A plus sign is a published floor, so a figure printed exactly is not necessarily the larger one, whether the comparison is with Korea or between two rivals: the first row names China 440 as the largest rival, and Germany's 422+ may exceed it. The rank is among the ten largest suppliers. "None" in the last row is a published nil, not a missing value. The pipeline named against the four thin categories is sourced separately: KSS-III submarines bid into Poland's Orka and into Canada, whose program is sized at ₩60tn including MRO (Seoul Economic Daily, 2026-05-17); Cheongung-II air defense in the Gulf; and up to 100 FA-50 in negotiation with Egypt, about 70 of them for assembly at AOI Helwan (Army Recognition, 2025).

It is a land-systems orderbook, and the four categories where Korea is marginal include every one its stated ambitions sit in — submarines for Canada and Poland, surface-to-air missiles for the Gulf, light combat aircraft for Egypt.

EXHIBIT 13 Suppliers to European NATO — share of those states' arms imports, 2021–2025



Source: SIPRI Fact Sheet, March 2026; shares measured as delivered volume. The four named suppliers account for 81.7% — [NRG estimate], 58 + 8.6 + 7.7 + 7.4 — and the remainder is unattributed in the source. Korea reached second place before the spending commitment takes effect and before the largest contracts in its orderbook deliver. European arms imports rose 210% between 2016–20 and 2021–25, imports by European NATO states 143%, and Europe took 33% of world arms imports, the largest share of any region since the 1960s. Every NATO member except Spain committed at The Hague to spend 5% of GDP on defense by 2035, with national roadmaps due mid-2026 (NATO Hague Summit Declaration, 2025-06-24/25). Poland alone took 17% of all European NATO arms imports over the window.

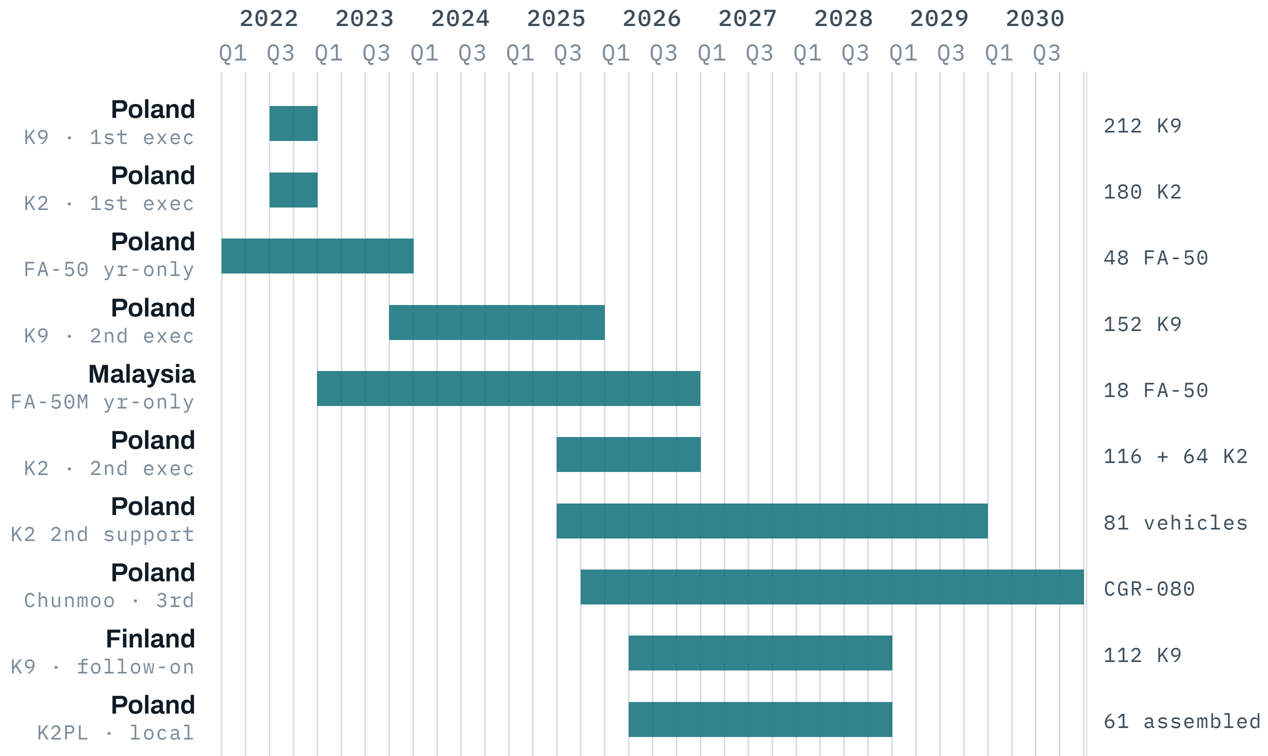
3.1

From a signature to a first delivery

SIGNATURE TO DELIVERY
TEN COMMITMENTS

The distance between a signature and a delivery is this market's defining quantity, and the record dates it.

EXHIBIT 14 **Signature to first published delivery — ten delivery commitments that publish both dates, 2022 to 2030**



Sources by row: Janes, 2022 and Army Recognition, 2025 (Poland K2 and K9); compilation 2022–25 (Poland FA-50); Malay Mail, 2024 and Defence Security Asia, 2026 (Malaysia); KED Global, 2025-07-02 and Breaking Defense, 2025-08-01 (Poland K2 second – negotiated July, signed 1 Aug 2025); Hanwha Aerospace press releases 2025-12-30 (Chunmoo – 2025-12-29 per the release, used here; DAPA via Seoul Economic Daily gives 30 December) and 2026-04-10 (Finland); Notes From Poland, 2026-04-29 (local assembly). Row six splits its window: 116 K2GF from Korea in 2026–27, 64 K2PL in 2028–30. The 64 and the 61 are one tranche counted twice: 61 assembled in Poland, three built and tested in Korea. KED Global gives 117 and 63. "yr-only" marks the two rows whose signature year has no month. Per-unit values, [NRG estimate], bundling munitions, spares and logistics: Poland's two K2 contracts (US$3.4bn, the top of the published range, then US$6.5bn) imply +91% per tank, the second bundling support vehicles; the Philippines FA-50 contracts of 2014-03-28 (Philippine Department of National Defense award) and 2025-06-04 (Korea Times and KED Global), +66% per aircraft. Three commitments publish a completion bound, not a first delivery, and are not drawn: Estonia's second Chunmoo (Korea Herald, 2026-05-11: three launchers, end-2027, no value), the Philippines FA-50 follow-on (all twelve by 2030) and the domestic KDDX lead ship (2032).

WHY IT MATTERS A bar ends at the latest quarter consistent with the delivery year its source published — a schedule bound, not a report that delivery happened; §3.2 carries each case's status.

Ten delivery commitments publish both dates, and the gap is what the axis measures. Two causes are documented for its widening: a locally assembled tranche runs about two years behind the Korean-built one[3], and missiles cannot precede the factory built to make them[4].

The newest commitment is domestic and off this axis, and two numbers circulate for it. The KDDX lead-ship contract of 31 July 2026 is ₩838bn; the ₩7.8tn quoted beside it is the six-ship program's, not this contract's — [NRG estimate], 7,800 ÷ 838 = 9.31 times as much[5].

3.2

The same chain, case by case

SIGNATURE TO DELIVERY
TEN COMMITMENTS

Read one relationship at a time, the chain resolves into cases. Five are named and dated, and they sit at different points between a framework and a delivered platform.

EXHIBIT 15 **Five dated cases, at different points on the same four-stage chain**

Poland · K9 1st executive	●	2022-08-26 All 212 delivered inside three years
Poland · K2 2nd executive	●	2025-08-01 116 K2GF delivering 2026–27
Poland · Chunmoo 3rd	○	2025-12-29 Deliveries commence 2030
Peru · K2 and K808	○	framework 2025-12 Implementation unsigned at 2026-08-03
Iraq · M-SAM II	○	2024-09 Blocked on domestic supplier agreements

Sources: Army Recognition, 2025 (Poland K9, first executive contract); Breaking Defense, 2025-08-01 (Poland K2, second executive contract); Hanwha Aerospace press release, 2025-12-30 (Poland Chunmoo); Seoul Economic Daily, 2026-08-03 (Peru); Defense Arabia, 2024-09-24 (Iraq). Rows run by how far each commitment has traveled and the blocked case is last, so the dates do not read in sequence. A filled marker means the commitment has reached delivery; Poland's first K9 contract is delivered and closed rather than live. That three of the five rows are one customer is the concentration Exhibit 10 measures, not an accident of selection. The K2 row's status is the contract-stage classification — delivering now, 116 K2GF in 2026–27 — and the same contract is row six of Exhibit 14, where its bar runs to the latest quarter consistent with the published first-delivery year 2026 and is a schedule bound rather than a delivery report.

One case is stopped for a reason that has nothing to do with schedule. The prime signed the Iraq air-defense contract before agreeing terms with the Korean suppliers whose launchers, vehicles and radars it needs to deliver[6], and the table below carries what has happened since.

EXHIBIT 16 **Cheongung-II in the Middle East — three contracts, one blocked**

CUSTOMER	SIGNED	VALUE, AS PUBLISHED	STATUS
UAE	2022	US$3.5bn	First overseas customer
Saudi Arabia	signed 2023-11, reported 2024-02	US$3.2bn	LIG-led consortium
Iraq	2024-09	₩3.71tn (~US$2.8bn); also reported US$2.6bn	8 batteries; delivery blocked on an unresolved supplier dispute

Sources: compilation, 2022 (UAE); KED Global, 2024-02-07 (Saudi Arabia); Asharq Al-Awsat / Zawya, 2024-09 and KED Global, 2024-09-12 (Iraq, the won figure and its dollar equivalent); Defense Arabia, 2024-09-24 (Iraq, the alternative dollar figure and the supplier dispute); Army Recognition, May 2026 (Iraq's architecture still specifies the eight Korean batteries). Nothing in this table is converted: each value is printed in the currency its own source printed. The three add to about US$9.5bn on the higher Iraq figure and US$9.3bn on the lower — [NRG estimate] in both cases, since no house publishes a combined total.

4.1 What the orderbook says it holds

THE BACKLOG
THE SCOPE
ONE QUARTER

A signature enters the orderbook, and the orderbook is the figure this market quotes most. It has been compiled four times, on four dates by three houses, and no two of the four agree.

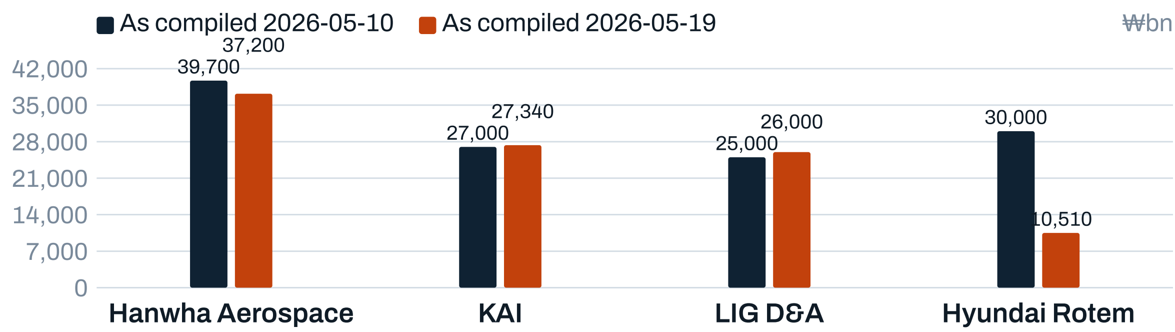
EXHIBIT 17 **Four backlog compilations — and the two that publish components, neither of which sums to its own headline**

COMPILATION	WHAT IT COVERS	HEADLINE	COMPONENTS
Korea Herald 2025-12-02	Four largest firms, undelivered contracts	~US$69bn	Not published
Seoulz 2026-04-23	Four largest firms, export order book, late 2025	>US$72bn	Not published
BigGo Finance 2026-05-10	Four largest firms, Q1 2026 — Hyundai Rotem whole company	~₩100tn	Sum ₩121.7tn
BigGo Finance 2026-05-19	Four largest firms — Hyundai Rotem defense division only	US$79.6bn, “over ₩120tn”	Sum ₩101.05tn

Sources: Korea Herald, 2025-12-02; Seoulz, 2026-04-23; BigGo Finance, 2026-05-10 and 2026-05-19 — the last three are aggregator compilations and are flagged as such wherever they are used. Both component sums are [NRG estimate]: 39.7 + 27 + 25 + 30 = 121.7 and 37.2 + 27.34 + 26 + 10.51 = 101.05, in ₩tn. Each compilation’s headline is roughly the other compilation’s sum. Nothing here is converted between currencies and nothing is averaged.

Nine days separate the last two, and what moved between them was not the orderbook. One counts a whole company and the other counts its defense division, under the same word.

EXHIBIT 18 **Order backlog for the same four participants, as compiled nine days apart — and one of them re-scoped**



Source: BigGo Finance compilations, 2026-05-10 and 2026-05-19, an aggregator. Two group labels are shortened to fit the axis: KAI is Korea Aerospace Industries, LIG D&A is LIG Defense & Aerospace. The two entries for Hyundai Rotem are not the same backlog measurement: 2026-05-10 is the whole company including rail at ₩30,000bn, 2026-05-19 the defense division alone at ₩10,510bn, and the two compilations “are counting different things under the same label”. This exhibit is the only one in this study that puts two scopes on one value axis, and that is what it exists to show. The bars are the compilations’ own components in won; neither headline is plotted, and the axis is in billions so that every published figure prints exactly. The compilations name the third participant LIG Nex1, which was its name until 2026-01-05.

4.2

Two scopes stated, three not published

THE BACKLOG
THE SCOPE
ONE QUARTER

Each participant publishes its own backlog, and each publishes it on its own basis. Read the scope column before the number: two say what their figure covers, and the other three publish no split at all.

EXHIBIT 19 **What each participant reports as backlog, and with what scope**

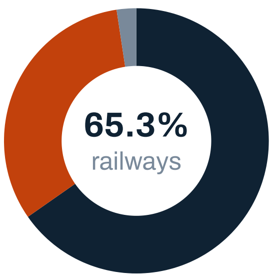
PARTICIPANT	BACKLOG	AS AT	SCOPE, AS REPORTED
Hanwha Aerospace	₩38.3tn	Q2 2026	"Ground defense" — not export-only
Hyundai Rotem	₩30.4046tn	end-Q2 2026	Aerospace, defense, robotics and hydrogen ₩9.8197tn; rail ₩19.867tn
LIG Defense & Aerospace	₩24.57tn	end-June 2026	No split published; +₩1.11tn on the year
Korea Aerospace Industries	₩27.34tn	end-2025	No split published; 2026 target ₩31.7tn
Hanwha Systems	₩11.3tn	Q2 2026	No split published; about 10× quarterly revenue

Sources: Aju Press, 2026-07-31 (Hanwha Aerospace); Seoul Economic Daily, 2026-07-24 (Hyundai Rotem), 2026-08-06 (LIG Defense & Aerospace) and 2026-07-30 (Korea Aerospace Industries); BigGo Finance, 2026-07-28 (Hanwha Systems). Won as reported, nothing converted and nothing added: the four compilations on the previous page are what adding them looks like. Korea Aerospace Industries is the only entry not struck at a 2026 date. The aggregator on the previous page put this company's defense division at ₩10,510bn as compiled 2026-05-19; whether that is this same divisional line struck earlier is not published, and the two are not reconciled here.

WHY IT MATTERS One participant of the five discloses an export share of revenue — 25.4% in the second quarter of 2026, from 17.4% a year earlier, on one quarter's mix. It is the sole exception, and no participant discloses an export share of backlog at all.

The one most often quoted as a record is not the largest of these, and two-thirds of it is railways.

EXHIBIT 20 **Inside the record backlog — Hyundai Rotem by division, end-Q2 2026**



■	**Rail Solutions** ₩19.867tn	**65.3**
■	**Aerospace, Defense, Robotics** and Hydrogen · ₩9.8197tn	**32.3**
■	**Not broken out** [NRG estimate] · ₩0.7179tn residual	**2.4**

Source: Seoul Economic Daily, 2026-07-24; divisional figures as disclosed. All three shares are [NRG estimate] on those figures: 19.867 ÷ 30.4046, 9.8197 ÷ 30.4046, and the remainder. The two disclosed divisions sum to ₩29.6867tn against a ₩30.4046tn total, so a two-part ring would be arithmetically false and the residual is drawn rather than absorbed. The defense division is not an export figure either: the company's largest disclosed defense contract of the half-year was a ₩198.5bn domestic bridge-laying tank maintenance award.

4.3 One quarter, eighty-five points apart

THE BACKLOG
THE SCOPE
ONE QUARTER

Backlog is a claim about the future. The quarter that tested how fast it converts was the second of 2026, and the four largest participants came out of it in four different places.

EXHIBIT 21 **Consensus against reported operating profit, Q2 2026 — four firms, an 85-point spread**

PARTICIPANT	CONSENSUS, 2026-07-18	REPORTED	DEVIATION
Hanwha Aerospace	₩996.2bn	₩1,365.5bn	+37.1%
Hyundai Rotem	₩270.6bn	₩232.4bn	−14.1%
LIG Defense & Aerospace	₩108.5bn	₩105.7bn	−2.6%
Korea Aerospace Industries	₩93.1bn	₩48.4bn	−48.0%

Sources: consensus — BigGo Finance, 2026-07-18; reported figures — Seoul Economic Daily, 2026-07-24, 2026-07-30, 2026-07-31 and 2026-08-06, and Reuters via TradingView, 2026-07-30. Deviations are [NRG estimate], reported ÷ consensus − 1. A second and later consensus for Korea Aerospace Industries, ₩88.9bn, was published on 2026-07-30 and implies a 45.6% shortfall on the same arithmetic; both are printed and neither is averaged. The 85-point spread is [NRG estimate] too, 37.1 − (−48.0). Operating profit only: this is not a revenue table and not an export table.

Three of the four came in below consensus and two of them by double digits, and the stated causes are conversion causes rather than demand causes. The largest shortfall was attributed to a prior-year one-off gain of ₩38bn from a lawsuit settlement and to postponed deliveries of a light armed helicopter[7] — a delivery schedule, which is the quantity §3 measures. The second-largest shortfall came with revenue up 13.3% and operating profit down 9.7% in the same quarter[8].

Nothing in the spread is a statement about demand. All four sell into the same order book and three of them into the same customer. What separates them is the second half of the sentence a backlog cannot finish: when the work is recognized, and at what margin.

The dispersion also marks where a reader should stop treating the four as one market aggregate. It sits inside a single quarter and inside one set of programs, so a combined figure for that quarter describes none of the four.

WHAT THIS EXHIBIT IS, AND IS NOT

This page reports what four companies published against what was expected of them, as evidence of how fast this market converts orders into recognized work. It carries no view on any of the four as a security. Brokerage target changes followed two of these prints and are deliberately absent: they are a statement about share prices, not about the market.

5.1

A ceiling written into one balance sheet

EXPORT FINANCING
THE BUYER'S FACTORY

Korea's customers are governments buying multi-billion packages against multi-decade budgets, and they do not pay cash. The seller's government arranges the credit, and until it does there is no executable contract.

EXHIBIT 22 **The export-financing gate — capacity, a legislated ceiling, and a fund with no size**

Korea Eximbank and K-SURE	2023-07-04	80% of the ~US$10bn Poland batch-1 capacity exhausted
National Assembly	2024-02/03	Statutory capital ceiling raised ₩15tn to ₩25tn
Korea Eximbank	2024-02-29	₩4tn of new room against Poland's ₩20tn request
Poland	2025-08-01	Second K2 executive contract signed, US$6.5bn
K-SURE	April 2026	€900m preemptive financing to Romania
National Assembly	2026-05-17	Defense export fund backed; no size stated

Sources: Korea Eximbank, via Businesskorea, 2023-07-04; Korea Herald, 2024-02-29; Breaking Defense, 2025-08-01; K-SURE, via SeeNews, April 2026; Seoul Economic Daily, 2026-05-17. Won, dollars and euros stand together in this column because the exhibit has no value axis to put them on. A filled marker means the step happened. The last row is open because the fund was backed without a size.

The mechanism is short enough to state exactly. The single-borrower credit limit at the policy bank is a fixed 40% of that bank's own equity, and on the 2023 figures that was about US$6.1bn against an equity base of US$15.2bn, with a per-country limit of ₩8tn alongside it[9]. So Korea's capacity to sign the next contract with its largest customer is a function of one bank's capitalization, and it moves when the National Assembly moves it.

The Assembly has responded twice in two years, and the sharpest reading of the constraint is the arithmetic of the first response. By early 2024 ₩6tn had already been lent to Poland and the financing limit to that country had neared its cap; Poland asked for ₩20tn of support for the second deal; the recapitalization that followed created ₩4tn[10]. The legislation closed a fifth of the gap it was passed to close, and the second-round contracts were signed in the interval before the next response.

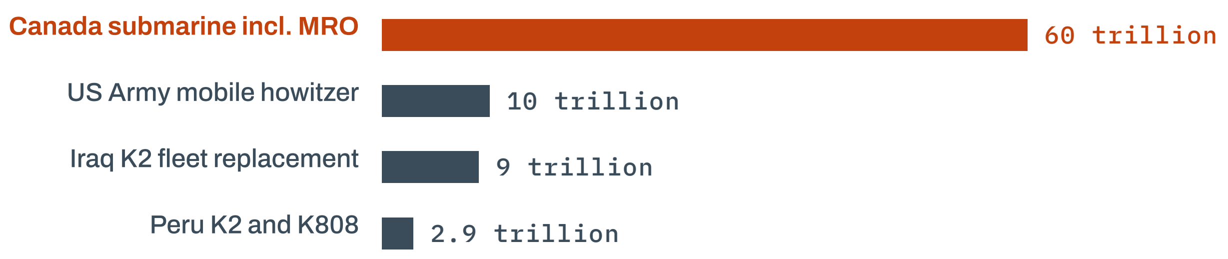
What cannot be said is how much room is left. The limit, the equity base and the country cap are all dated 2023 and predate the increase that followed them, no utilization figure later than February 2024 was located, and the 2026 fund was backed without a number attached. This study therefore states the mechanism and its calendar, and states no headroom at all.

5.2 The buyer now wants the factory as well

EXPORT FINANCING
THE BUYER'S FACTORY

The second constraint is not on the seller's side. What the customer now asks for is the ability to build the product itself.

EXHIBIT 23 **Four named programs queued in won — prospective scale, none contracted**



Sources: Seoul Economic Daily, 2026-05-17 (Canada, including maintenance and overhaul) and 2026-08-03 (Peru); BigGo Finance, 2026-07-18 (the US Army mobile howitzer program and the Iraq K2 fleet replacement, both published as potential). Prospective scale as published, in won: none contracted, none financed, and the US Army and Iraq figures are published as approximations. Two named items are not drawn — over ₩10tn of Middle East projects, an aggregate over an uncounted set rather than a program, and Poland's Orka at over €2.5bn, published in euros. Nor is the statutory ceiling of the previous page: a capital base and a program scale are different quantities. Canada alone is 2.4 times it — [NRG estimate], 60 ÷ 25 — though not all of it needs Korean buyer credit and overhaul is much of the figure.

What that queue would cost is settled before signature, and the terms have been getting steeper.

EXHIBIT 24 **What each customer now requires — localization terms by buyer**

CUSTOMER	WHAT IS REQUIRED	AS PUBLISHED
Poland — K2PL	Technology transfer for production, assembly, maintenance and overhaul	61 assembled at Bumar-Łabędy; first tank off the Gliwice line 2028
Poland — Chunmoo	Production in Poland	A dedicated plant run by Hanwha WB Advanced System, a joint venture with WB Electronics
Romania	A local production center	H-ACE Europe at Petrești, groundbreaking 2026-02-12; localization target up to 80%
Spain	Intellectual property, design authority and third-country export rights	K9 bid; a joint development contract with Indra expected July or August 2026
Egypt	Local assembly	About 70 of up to 100 FA-50 to be assembled at AOI Helwan
Peru	Local joint production, cited in the evaluation	Framework with the state defense company FAME; implementation unsigned

Sources: RAND, 2025-09 and Notes From Poland, 2026-04-29 (Poland K2PL); Hanwha Aerospace press release, 2025-12-30 (Poland Chunmoo); compilation via BigGo Finance, 2026-05-19 (Romania); Korea JoongAng Daily, 2026 and BigGo Finance, 2026-07-18 (Spain); Army Recognition, 2025 (Egypt); Seoul Economic Daily, 2026-08-03 (Peru). The 80% is Romania's own target, not a measured outcome, and no Korean-content ratio is computed anywhere in this study: no source quantifies the erosion these terms cause, so the direction is stated and the rate is not.

6.1

Five participants, read three ways

FIVE PARTICIPANTS
TWO COLLECTED FILERS
FOUR POSITIONS

Read down a column for one participant and across a row for one moment. No cell carries a share of this market, because no house publishes one.

EXHIBIT 25 **Five participants at three points in time**

	HANWHA AEROSPACE	HYUNDAI ROTEM	LIG DEFENSE & AEROSPACE	KOREA AEROSPACE INDUSTRIES	HANWHA SYSTEMS
WHERE FY2024 LEFT IT	FY2024 whole-company sales ₩11.24tn. The Top 100 entry reads only "Hanwha" and is not resolved.	FY2024 whole-company sales ₩4.38tn. Top 100 rank 80, from 84.	Top 100 rank 60, from 73. No FY2024 revenue figure is carried.	Top 100 rank 70, from 54 — down 16 in a year Korean Top 100 arms revenue rose 31%.	No pre-2026 figure is carried, and the "Hanwha" entry is not resolved.
Q2 2026, AS REPORTED	Revenue ₩9.2929tn, +47.2%; operating profit ₩1.3655tn, +58.5%. Backlog ₩38.3tn.	Revenue ₩1.606tn, +13.3%; operating profit ₩232.4bn, −9.7%. Backlog ₩30.4046tn.	Revenue ₩1.1101tn, +17.4%; operating profit ₩105.7bn, +29.5%. Exports 25.4% of revenue.	Revenue ₩1.1679tn; operating profit ₩48.4bn, −43.1%. Backlog ₩27.34tn at end-2025.	Revenue ₩1.12tn, +45%; operating profit ₩103.7bn, +219%. Backlog ₩11.3tn.
WHAT IT IS BUILDING TOWARD	A Chunmoo plant in Poland and an armor center in Romania.	K2PL assembly at Bumar-Łabędy from 2028; Peru unsigned.	Eight Iraq batteries, blocked; a European hub from Germany.	KF-21 development closed; Malaysian FA-50 deliveries from October.	Sight, fire control and radar on Poland's K2 and Cheongung-II.

Poongsan earns no column: ammunition, defense-business sales of ₩1.18tn in 2025 — above ₩1tn for the first time — and, from March 2026, a reported sale process with Hanwha Aerospace the reported frontrunner at about US$1bn. That is a reported process with a reported frontrunner, not an agreed transaction, and no transaction value is a fact here.

Sources: SIPRI Top 100, via Korea Herald, 2025-12-02 (the rank moves and the 31%); compilation via KED Global, 2025-04-15 (the two FY2024 sales figures); Seoul Economic Daily, 2026-07-24, 2026-07-30, 2026-07-31 and 2026-08-06, Aju Press, 2026-07-31, Reuters via TradingView, 2026-07-30 and BigGo Finance, 2026-07-28 (the Q2 2026 row); Hanwha Aerospace press release, 2025-12-30, Notes From Poland, 2026-04-29, compilation via BigGo Finance, 2026-05-19, Defense Arabia, 2024-09-24, UPI, 2026-07-30 and Seoul Economic Daily, 2026-08-03 (the third row); compilation via KED Global and Korea Times, 2026 (Poongsan's 2025 defense sales, published without a month); Asia Business Daily, 2026-03-19 and KED Global, 2026-04-03 (the sale process). The row-two backlogs carry the scopes Exhibit 19 states, and none of them is export-only. One platform share exists in this market's whole record — the K9 at 52% of the global 155mm self-propelled howitzer segment (Seoul Economic Daily, 2026-04-10) — published with no denominator, no measurement window and no second house carrying it. It is a single sourced point rather than a measured share, and it is the only one: nothing comparable exists for the K2, the FA-50, Chunmoo or Cheongung-II.

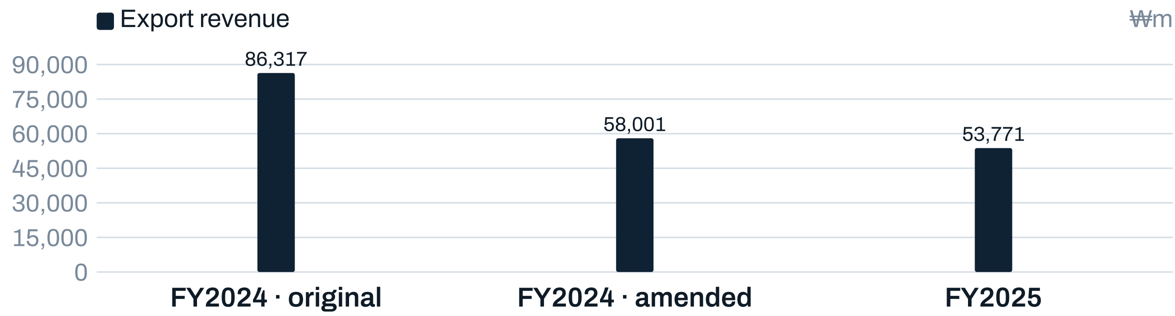
The rows are not a trajectory. The first is what the prior year's record carries for each, which for two of the five is a rank and nothing else, and for one is an absence.

6.2 The two participants whose filings were read

FIVE PARTICIPANTS
TWO COLLECTED FILERS
FOUR POSITIONS

Filing-level evidence in this study runs to two companies, both component suppliers rather than primes. Neither confirms the headline, and one of them revised its own export line three days after publishing it.

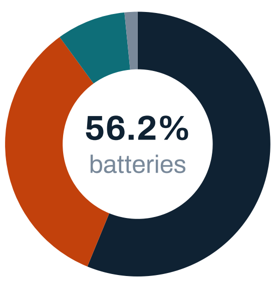
EXHIBIT 26 One export line, filed twice — FY2024 as filed, as amended, then FY2025



Source: Samyang Comtech, Annual Report FY2025, as originally filed 2026-03-23 and as amended 2026-03-26; receipt numbers in the register. The first two bars are the same fiscal year: the amendment moved ₩28,316m — 32.8% of the reported export line — into domestic revenue, leaving total FY2024 revenue unchanged at ₩141,595m. On the restated basis FY2025 exports are 7.3% below FY2024 — [NRG estimate], 53,771 ÷ 58,001 − 1 — while the company's total revenue rose 9.2%. This is one company's export line, not its revenue and not a market total.

Both the original filing and the amendment give the same reason for the year's revenue and profit growth: export expansion. The amendment corrected the table and left the sentence[11]. In the quarterly report that followed, the K2 armor supplier reported revenue down 45.0% and operating profit down 64.1% year on year[12]. The second collected filer spent the same year leaving the business, selling its dedicated defense subsidiary and removing it from consolidation with no consideration disclosed[13].

EXHIBIT 27 Vitzrotech by segment, FY2025 — where the residual defense revenue sits



Battery — Vitzrocell ₩243,038m	**56.2**
Power — Vitzro Electric ₩145,954m · four disclosed lines	**33.8**
Special — Vitzro NexTech ₩36,553m	**8.4**
Other and rental ₩6,742m	**1.6**

Source: Vitzrotech, Annual Report FY2025; receipt number in the register. Shares are the filing's own, on FY2025 consolidated revenue of ₩432,287m. The power wedge groups its four Vitzro Electric lines — low-voltage devices ₩77,831m, vacuum interrupters ₩29,798m, switchgear ₩29,696m, relays and metering ₩8,629m — which is [NRG estimate], 18.0 + 6.9 + 6.9 + 2.0. Vitzro Miltech, the group's dedicated defense subsidiary, was sold during FY2025 and is in none of these segments. What remains — ampoule batteries for electronic fuzes, thermal batteries for guided missiles, military battery packs into seven markets — is reported inside the ₩243,038m battery segment whose principal market is meters, and separable from it nowhere.

6.3 Four positions, measured from the contract

FIVE PARTICIPANTS
TWO COLLECTED FILERS
FOUR POSITIONS

Nobody publishes what share of this market any participant holds, so the participants are read here by where they sit relative to the export contract rather than by how much of it they have.

EXHIBIT 28 Four positions at three distances from the export contract

0 · THE SIGNATURE	1 · THE SUBSYSTEM	1 · THE LENDER	2 · THE LOCAL PLANT
Hanwha Aerospace, Hyundai Rotem	**Hanwha Systems, Kia, Poongsan**	**Korea Eximbank and K-SURE**	**Hanwha WB and H-ACE Europe**
The primes that sign. Neither reports an export-only backlog and no participant discloses revenue against a single contract, which is why §4 stops where it does.	Sensors, fire control, vehicles and shells. The prime signs first and these agreements follow; the Iraq contract is where that order failed (E15).	Buyer credit and guarantee. Inside the chain rather than beside it, because the largest contracts are not contracts until this layer clears (E22).	The layer the customer is taking, in the buyer's country and on the buyer's terms, building what Korea used to ship (E24).

Sources: contracts as cited in §3 (the primes); BigGo Finance, 2026-07-28 and KED Global, 2024-07-09 (sensors, fire control and radar); compilations 2024–2026 (vehicles); Janes and KED Global, 2023-08-29 (ammunition); Defense Arabia, 2024-09-24 (the supply-agreement failure); Korea Eximbank via Businesskorea, 2023-07-04 and K-SURE via SeeNews, April 2026 (the lenders); Hanwha Aerospace press release, 2025-12-30 and compilation via BigGo Finance, 2026-05-19 (the local plants). Four cards, three distances: two occupants sit at distance 1. The distance is measured from the export contract and is not a ranking — nothing here says the nearer position is the better one.

WHY IT MATTERS The two quantities this study most needed and could not obtain — the export share of a backlog, and revenue against a contract — would both have been measured at distance 0. What disclosure exists sits further out.

Distance decides what each position can be seen to earn. At distance 0 the two primes publish whole-company revenue and a backlog that bundles rail, ships or domestic work, so the export business is inside the figure and never equal to it. One layer out, the sensor supplier posted the largest proportional rise in operating profit of the five in the second quarter of 2026, on deliveries into Poland's K2 and into the air-defense system whose own prime cannot deliver it. The same market, one layer apart, converting at different speeds.

The lender is the position most often left off a chain diagram and the one with the hardest boundary: it is not a supplier at all, and it decides whether the largest contracts exist. The local plant is the newest position and the only one moving, and it moves away from Korea by contract term rather than by cost.

What the four have in common is that none of them discloses the quantity this market turns on. Read as positions they are legible; read as shares they cannot be read at all, because no house publishes a company-level share of Korean defense exports and no participant reports a separable defense-export revenue line.

7 Three environments for the market itself

THREE ENVIRONMENTS
THREE GOVERNING VARIABLES

What is genuinely unsettled about this market is not how much it will sell. It is which of three variables decides the quantity that clears, and the three run on different clocks.

Three market environments, and the variable that governs each

A · FINANCING-GOVERNED

One bank's capital base sets the ceiling

The path the record supports best. What clears is what can be financed, and the gate has a legislative calendar rather than a market one: capacity exhausted in 2023, the ceiling raised in 2024, a second-round contract signed in the interval, and a fund backed without a size in 2026 (E22). In this environment the binding question about the queue in §5.2 is not whether the customer wants the platform but whether the credit exists, and the answer is set in Seoul rather than in Ottawa or Baghdad.

Markers: whether the 2026 fund is given a size; any utilization or headroom figure published after February 2024; whether a second-round contract slips on financing rather than on schedule.

B · LOCALIZATION-GOVERNED

The buyer's terms set what Korea keeps

The path that changes the arithmetic rather than the volume. Contract value keeps growing while the share of it recognized in Korea falls, because the customer is buying the factory as well as the product (E24). Romania targets up to 80% local content; Spain has asked for design authority and third-country export rights, which is the export franchise itself. Nothing in this environment shows up in a contract-signature series, which is the series everyone quotes.

Markers: whether the Spanish joint development contract publishes its terms; whether any contract discloses a Korean-content ratio; the first tank off the Gliwice line in 2028.

C · POLITICS-GOVERNED

European rearmament sets the pool

The slowest-moving path and the one furthest outside Korean control. The pool Korea entered is European and political: the import growth, the alliance-wide spending commitment and the roadmaps that implement it are all established in E13, and none of them is Korean policy. The same politics cuts both ways, because a European preference in procurement is what makes local production a condition of sale rather than a concession.

Markers: whether any national roadmap appears — none was located at the cut-off; whether European preference reaches award criteria rather than rhetoric; the next Polish tranche.

Sources: Korea Eximbank via Businesskorea, 2023-07-04, Korea Herald, 2024-02-29 and Seoul Economic Daily, 2026-05-17 (A); Korea JoongAng Daily, 2026, compilation via BigGo Finance, 2026-05-19 and Notes From Poland, 2026-04-29 (B); SIPRI Fact Sheet, March 2026 and NATO Hague Summit Declaration, 2025-06-24/25 (C). Each figure named here is established in the exhibit cited beside it. No panel carries a quantity for 2027 or later: no house located publishes a Korean defense export figure past 2026, so there is no path to plot and none is drawn.

SCOPE OF THESE SCENARIOS

These describe the market, not any company in it, and they carry no price target, no multiple and no buy or sell implication. They are not mutually exclusive: A and B are already running together, and C sets the size of the pool both operate inside. None of the three is settled by demand, which is the variable this market is usually discussed in terms of.

8 Three findings that travel

Three things this market teaches survive being lifted out of defense. Each surfaced only because the study measured the market rather than the companies inside it.

The three findings, and where each one is established

FINDING 1

When the unit of trade is a contract, the headline is lumpy by construction

One Polish contract supplied a quarter of Korea's entire 2025 export tally. A series that counts signatures will always move in steps the size of its largest deal, so the question to ask of any annual figure in a contract market is how many contracts made it — and the answer is usually not many.

Worked through in Exhibits 3 and 5

FINDING 2

Three measures under one name, and no aggregate reconciles with its own parts

Contracts signed, volume delivered and company revenue are three different quantities in three units, and all three circulate as "Korea's defense exports". The compiled backlog behaves the same way: four compilations under one label, and neither of the two that publish components sums to its own headline. Where a market's central figure is compiled rather than reported, the components are the evidence and the headline is a summary of nothing in particular.

Worked through in Exhibits 4, 17, 18 and 19

FINDING 3

The binding constraint can sit on the seller's own balance sheet

This market's ceiling is not factory capacity, and it is not demand. Korea delivered 212 howitzers to one customer inside three years; what had to be legislated was the credit behind the next contract. When the constraint is a statutory percentage of one policy bank's equity, the useful forward indicator is a legislative calendar rather than an order book, and it is public well before the contracts are.

Worked through in Exhibits 15, 22 and 23

Sources: Hanwha Aerospace press release, 2025-12-30, and DAPA via Seoul Economic Daily, 2026-03-25 — the third Polish Chunmoo contract, valued at about US$4.0–4.1bn across the two houses, against the US$15.4bn 2025 tally on Exhibit 5: [NRG estimate], 26.0–26.6%. Every other figure on this page is established in the exhibit named beside its finding.

THE MARKET IN ONE LINE

Korea's defense export market in one line: a market whose unit of trade is a layered contract, measured by three publishers in three units that cannot be added, with a distance of years between the signature that makes the headline and the delivery that makes the revenue, and a ceiling set by one policy bank's capitalization. Everything structural in this study follows from the first clause.

Working With Nathan Research

THE BENCH
AND THE OPEN QUESTIONS

Published sources establish the **shape** of this market. They do not settle the questions a diligence outcome turns on — how much of a backlog is export, what a localization term costs the Korean side, whether the credit behind the next contract exists. Reaching the people who can answer them, compliantly, is what Nathan Research does.

NRG operates **Korea's first dedicated expert-network service, established in 2013**, built for the global private-equity, hedge-fund or corporate-strategy team carrying a thesis on a Korean or Asian defense, industrial or export-led asset.

Who we put in the room

BENCH	WHERE THEY SIT IN THE CHAIN
Former procurement and export officials	Contract structure, the executive-contract gate, export licensing and offset policy
Prime program managers	K2, K9, Chunmoo, FA-50, Cheongung-II schedules, and what moves them
Export-finance and credit-agency practitioners	Buyer credit, sovereign guarantees, and the ceiling that decides which contracts are signable
Subsystem and component makers	Sensors, fire control, launchers, ammunition, armor and embedded power — the agreements that follow a prime's signature
Offset and localization specialists	Technology transfer, local assembly, and what stays recognized in Korea
Buyer-country program contacts	Poland, Romania, the Gulf and Southeast Asia — how a framework becomes an executive contract

How an engagement works

STEP 1

Scope

We translate your thesis into a precise expert profile and question set, mapped to the diligence decisions you need to close.

STEP 2

Source and vet

We identify, screen and compliance-clear each expert, confirming relevance, recency and the absence of conflicts before any call takes place.

STEP 3

Convene and synthesize

We arrange interviews on your timeline and, where useful, deliver written synthesis tied back to the questions this study raises.

THE QUESTIONS THIS STUDY LEAVES OPEN — AND WE CAN HELP CLOSE

Export share. One participant of five discloses an export share of revenue, and none discloses one for backlog. **Financing headroom.** No utilization figure since February 2024, and the 2026 fund has no size. **Localization.** What a local-production term takes out of Korean-recognized revenue. **The blocked contract.** Whether the Iraq supplier dispute resolves, and on whose terms.

Partner With Nathan Research

CONTACTS
AND HOW AN ENGAGEMENT STARTS

If your team is studying **Korea's defense export market** — the primes that sign, the subsystem layer behind them, the state lenders that decide which contracts exist, or the local plants the buyers now require — or the wider **Korean industrial and export complex**, we would welcome the conversation. Tell us the decision you are trying to make, and we will tell you candidly whether and how our network can help you make it.

What to expect when you reach out. A partner replies to you directly, and the first conversation is about scope: the questions you need answered, and the people who can answer them. From there, a compliant and conflict-cleared expert panel is assembled to your timeline and, where useful, written synthesis that builds on the analysis in this study.

WEB	www.nathanrg.com			
EMAIL	team@nathanrg.com	General inquiries	nathan@nathanrg.com	Nathan Choi · CEO
PHONE	+82 10 3059 3630	Nathan Choi · CEO	+82 2 939 3630	Office · Seoul

A

Appendix — method, and the market-sizing sources

AUTHORITY ORDER
WHAT IS CITED

METHOD

Market sizing is web-research-first and cross-checked across publishers to 2026-08-12. Where sources disagree the range is printed with attribution and never averaged; where the record thins to observations that cannot be joined, the exhibit stops. Authority order: the SIPRI Fact Sheet of March 2026, read as a primary document; then the two Korean filings read from the repository; then the DAPA contract tally and company press releases as carried by named outlets; then single-outlet press; and last the aggregator compilations, which are labeled as such at every point of use.

No single won-dollar rate governs this study. The rates implied by the dollar equivalents in the record run from about ₩1,325 to about ₩1,515 to the dollar, a 14% spread, and the provenance of each conversion — the source's own, or one made during compilation — was not recorded row by row. So each value carries the currency its own source used, nothing is re-derived from a rate, and no exhibit puts won and dollars on one axis.

[NRG estimate] marks arithmetic performed here on published inputs, with the arithmetic shown at the point of use. The two collected issuers were read through **DART**, the regulator's electronic disclosure system, at 14 and 7 filings; the executive summary gives what that leaves press-sourced. **KRX market data is unused.** Nothing here turns on what a listed participant is worth, so no price, volume or short-interest series appears anywhere and none was used to form a view.

NAMED SOURCES

MEASURED DELIVERIES AND PENDING ORDERS

Stockholm International Peace Research Institute (SIPRI) — Fact Sheet, March 2026, on the SIPRI Arms Transfers Database updated 2026-03-09, read as a primary document. It supplies the delivered-volume shares for suppliers and importers over 2021–25, the recipient tables, and the pending-order count in its Box 1. The shares and the recipient tables are in trend-indicator values (TIV), a capability-weighted volume rather than money, which is why nothing measured on them shares an axis with a contract or a revenue figure anywhere in this study; the Box 1 pending-order count is in platforms, not TIV and not money. The **SIPRI Top 100** arms-producer ranking reaches these pages through Korea Herald, 2025-12-02, not directly.

OFFICIAL SERIES, FORECASTS AND LEGISLATION

Defense Acquisition Program Administration (DAPA) — the annual export-contract tally for 2021–2025 and the government's own 2025 target, throughout via Seoul Economic Daily, 2026-03-25. **Korea Eximbank**, the Export-Import Bank of Korea (KEXIM), and its **Overseas Economic Research Institute** — the 2026 outlook in “2026 Economic and Industry Outlook” via that same article, and the single-borrower, equity and per-country limits via Businesskorea, 2023-07-04. **DB Investment & Securities** — the US$37.7bn 2026 figure, cited in Seoulz, 2026-04-23. **Philippine Department of National Defense** — the 2014-03-28 FA-50 contract award, the earlier of the two values Exhibit 14's per-aircraft comparison is derived from. **Korea Trade Insurance Corporation** (K-SURE) — the €900m Romania facility, via SeeNews, April 2026. **National Assembly** — the 2024 statutory capital increase and the 2026 defense export fund, via Korea Herald, 2024-02-29 and Seoul Economic Daily, 2026-05-17.

AGGREGATORS AND UNATTRIBUTED COMPILATIONS

Seoulz, 2026-04-23, and **BigGo Finance**, 2026-05-10, 2026-05-19, 2026-07-18 and 2026-07-28, are aggregator compilations: they assemble figures from other parties' disclosure and publish no methodology. Both are labeled compilations wherever they are used; Exhibit 17 sets each headline against its own component sum and Exhibit 18 draws the components nine days apart. Where an attribution reads **compilation** with no house behind it — the 2022 UAE contract value, the Poland FA-50 row of Exhibit 14, the launcher and vehicle content on Exhibits 7 and 28 — the figure circulates across several trade outlets with no single publisher, and it is printed as a direction of travel rather than as a series.

POLICY AND RESEARCH INSTITUTIONS

NATO — the Hague Summit Declaration of 2025-06-24/25, for the 5%-of-GDP commitment and the national roadmaps due mid-2026. **RAND**, 2025-09 — the Poland K2PL technology-transfer terms.

Appendix — issuer and press sources, and the register

WHAT IS CITED
THE FOOTNOTE MAP

NAMED SOURCES, CONTINUED

ISSUER DISCLOSURE AND COMPANY STATEMENTS

Samyang Comtech — Annual Report FY2025 as originally filed and as amended three days later, which is what Exhibit 26 draws, and the Q1 2026 Quarterly Report. **Vitzrotech** — Annual Report FY2025, carrying the segment revenue of **Vitzrocell**, **Vitzro Electric** and **Vitzro NexTech** and the sale of **Vitzro Miltech**. Receipt numbers for these filings are printed in the register below and nowhere else. **Hanwha Aerospace** press releases, 2025-12-30 and 2026-04-10. The quarterly results of Hanwha Aerospace, **Hyundai Rotem**, **LIG Defense & Aerospace** (**LIG Nex1** until 2026-01-05), **Korea Aerospace Industries** and **Hanwha Systems** are company-reported and reach this study through the outlets named beside this group, not through a filing.

NAMED IN THE STUDY, BUT NOT AS SOURCES

Hanwha Ocean, **Hanwha WB** Advanced System, **Kia Corp**, **Poongsan**, **Firstec**, **WB Electronics**, **Bumar-Łabędy**, **H-ACE Europe**, **Indra**, **AOI Helwan** and **FAME** appear as participants in this market rather than as sources of it, as do the sovereign buyers and their armed forces. Every figure printed about them is attributed in the source block of the exhibit that carries it, to a source named on these two pages.

PRESS AND TRADE

Seoul Economic Daily — 2026-03-25, 2026-04-08, 2026-04-10, 2026-05-17, 2026-07-24, 2026-07-30, 2026-07-31, 2026-08-03 and 2026-08-06. **KED Global** — 2023-08-29, 2024-02-07, 2024-07-09, 2024-09-12, 2025-04-15, 2025-06-04, 2025-07-02 and 2026-04-03. **Korea Herald** — 2024-02-29, 2025-12-02 and 2026-05-11. **Breaking Defense** — July 2022 and 2025-08-01. **Army Recognition** — 2025 and May 2026. **Janes** — 2022, and with KED Global, 2023-08-29. **Businesskorea**, 2023-07-04. **Defense Arabia**, 2024-09-24. **Notes From Poland**, 2026-04-29. **Asharq Al-Awsat** and **Zawya**, 2024-09. **Aju Press**, 2026-07-31. **Asia Business Daily**, 2026-03-19. **Korea JoongAng Daily**, 2026. **Korea Times**, 2025-06-04 and 2026. **Malay Mail**, 2024. **Defence Security Asia**, 2026. **SeeNews**, April 2026. **UPI**, 2026-07-30. **Reuters**, 2026-07-30, read through **TradingView**. **The Elec** and **Naval News**, 2026-08-01.

SOURCE REGISTER — EVERY FOOTNOTE MARKER IN THE BODY

Each marker in the body resolves here, numbered in order of first appearance. Two kinds of entry share the series: the outlet or institution standing behind a figure a paragraph states, set out at length in the named-source groups on this page and the last; and three **DART** entries carrying four receipt numbers from the two collected issuers, printed here and nowhere else. The series is short by design. On a visual-led brief the exhibits carry provenance in their own source blocks, so a chart can be read without turning to this page, and a marker appears only where connective prose states a figure of its own.

[1] SIPRI Fact Sheet, March 2026 (SIPRI Arms Transfers Database, updated 2026-03-09) · **[2]** Army Recognition, 2025 · **[3]** Breaking Defense, 2025-08-01 · **[4]** Hanwha Aerospace press release, 2025-12-30 · **[5]** The Elec and Naval News, 2026-08-01 · **[6]** Defense Arabia, 2024-09-24, “Will the Korea–Iraq missile deal withstand the challenges?” · **[7]** Seoul Economic Daily, 2026-07-30 · **[8]** Seoul Economic Daily, 2026-07-24 · **[9]** Businesskorea, 2023-07-04 · **[10]** Korea Herald, 2024-02-29 · **[11]** Samyang Comtech, Annual Report FY2025 as amended; the superseded original of 2026-03-23 is receipt 20260323001741 (receipt 20260326001251, 2026-03-26) · **[12]** Samyang Comtech, Quarterly Report Q1 2026 (receipt 20260515000911, 2026-05-15) · **[13]** Vitzrotech, Annual Report FY2025 (receipt 20260323000806, 2026-03-23)

Appendix — data gaps and scope

WHAT IS MISSING
DISCLAIMER

DATA GAPS CARRIED FORWARD

(1) No single figure for Korea's defense exports in any year — three incompatible measures circulate under one name and none can be added to another. **(2)** Nothing quantified past 2026 — no publisher of a later Korean defense export figure was located, so §7 carries markers instead of a path. **(3)** No competing 2025 total is printed — the preliminary figure still in circulation is unattributed in every compilation located. **(4)** No compiled backlog is used as a total; the two compilations that publish components do not sum to their own headlines. **(5)** No export share of backlog is disclosed by any participant, and only one discloses an export share of revenue. **(6)** No revenue is disclosed against any single export contract, so order-to-revenue conversion is shown through delivery schedules alone. **(7)** No financing headroom: the limits are dated 2023, the last utilization figure is February 2024, and the 2026 fund carries no size. **(8)** No Korean-content ratio — no source quantifies what a localization term removes. **(9)** No value or margin share by chain step, so the chain is drawn as named holders without shares. **(10)** No usable platform market share: the one published figure, the K9's, is a sourced point rather than a measured series, and §6.1 gives what it lacks. **(11)** No price: both collected filings withhold product prices, and the per-unit values are derived and bundle munitions, spares and logistics. **(12)** No consideration is disclosed for the defense subsidiary sold during FY2025. **(13)** No combat-performance claim is printed for any platform; the reports in circulation carry no named authority, no date and no figure. **(14)** No prime-level filing evidence — six of the eight Korean-listed participants are not collected in the repository.

SCOPE AND DISCLAIMER

This is a **market-research study** prepared to support diligence on a market. It is **not investment advice**, not a solicitation, and contains **no price target, no valuation, no multiple and no buy or sell recommendation**. Company disclosures and results are cited only as evidence of market dynamics, never as a value argument. The three market environments in §7 are readings of the record rather than NRG forecasts, and figures labeled **[NRG estimate]** are our own arithmetic on published inputs, identified at the point of use. Prepared by Nathan Research Group, Seoul, 2026-08.